



the face of  
**change**  
powering  
digital enterprise



INFIBEAM INCORPORATION LIMITED

ANNUAL REPORT 2015-16

**POWERING DIGITAL  
ENTERPRISE**



**MILLION DREAMS  
BILLION SMILES**



## THANK YOU

Dear Investors, we would like to thank you for considering an ownership in Infibeam Incorporation Limited and making it The First Indian E-commerce Company to get listed on stock exchanges. We truly appreciate your trust invested in our company and giving overwhelming response.

While we continue to invest our effort and resource in growing our business and increase profit, we will adopt best practice in our corporate governance ensuring high degree of integrity and transparency with inclusive growth through our technology platform eco-system.

On April 4, 2016 Infibeam Incorporation limited got listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) and opened with 6% premium at a price band of ₹ 360-₹ 432 per share.

On May 30, 2016 we came out with our maiden performance post listing with complete turnaround for the Financial Year ending March 31, 2016. Our company has turned cash positive and reported an operating cash inflow of more than ₹ 233 Mn as against (₹ 209) Mn in the corresponding period of previous year. Profit after Tax (PAT) on the Total Revenue grew by 186% to ₹ 87 Mn compared to loss of ₹ 101 Mn in FY 2015.

We are presenting our First Annual Report post listing

The report aims to apprise our shareholders on factors determining the growth of E-commerce, an overview on E-commerce business model catering to Business-to-Business (B2B) and Business-to-Consumer (B2C) segment.

In the report we have focused on explaining how Infibeam Incorporation Limited with differentiated E-commerce business model is one of the key participant and the change agent is contributing to the digital transformation in India.

We request you to kindly refer to the subsequent pages for detailed Annual Report.

## You will come across...

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### Disclaimer

This document contains statements about expected future events and financial and operating results of Infibeam Incorporation Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of the Infibeam Incorporation Limited Annual Report 2015-16.





# the face of change

Window shopping is slowly getting replaced...  
... by online browsing across e-commerce websites on the computer  
windows and smart devices. 😊

Increasing footfalls in the malls during sale is now being converted...  
... into increasing web traffic on the e-commerce portals generated out of  
impulsive buying during flash sales. 😊😊

Card swipes and cash payments on the point of sales are getting diverted...  
...into checkout through efficient payment gateways. 😊

Burden of carrying multiple bags post shopping is being reduced...  
...by deliveries of product at your doorstep. 😊😊😊

Unsatisfactory products post sales now does not require you to make a  
tiresome journey back to the retailer to get the product replaced...  
...Instead, the same can be collected back at your doorstep by the seller  
himself, with a replacement or 100% refund. 😊



## Digital Market Place – Your new shopping destination

Travel tickets. Restaurant bookings. Purchase of apparels & household items. Books. Movie Tickets and many more goods and services we come across our daily life – all available at a single click!

infi beam

The convenience and ease of doing online transactions, combined with adequate security measures, has changed consumer's mindset towards online shopping. Retail brands are obsessed to adopt online commerce platform alongside brick & mortar store for creating more demand for their product and larger geographical reach. Thus, increasing their sales revenue and profitability. Moreover, Government's impetus towards building Digital India and start-up eco-system further determines the role of e-commerce companies towards digital transformation.



## E-commerce Jargons

Before you proceed to the next pages, get acquainted with some of the frequently used words in the e-commerce segment:

<b>E-Tail</b>	An online webstore for sale of goods and services; abbreviated as electronic-retail
<b>E-Commerce</b>	Any transaction related to selling of goods or services that happens online via website or mobile app; abbreviated as electronic-commerce
<b>Merchant</b>	A person or an individual who wants to buy and sell his/her product and services either through physical store or by setting up own e-tail store/storefront or by registering in a marketplace
<b>Marketplace</b>	An e-commerce platform that enables merchants to list their goods and services offered by them for generating demand and sale
<b>Managed marketplace</b>	An E-commerce marketplace offering end-to-end support to merchants including logistic & fulfilment, digital marketing integration, warehousing and other value added services
<b>Pure marketplace</b>	An online marketplace where merchants can only list their products; deliveries are managed by merchants only
<b>Storefront</b>	Website that offers goods and/or services for sale, and which the customers or 'window shoppers' can visit at any time and from anywhere
<b>User-interface</b>	Merchants online storefront where product and services are showcased for customers to browse and select
<b>Cloud-based server</b>	A cloud server is a logical server that is built, hosted and delivered through a cloud computing platform over the Internet
<b>Security</b>	E-commerce security is the protection of e-commerce assets from unauthorised access, use, alteration, or destruction
<b>Payment gateway</b>	A payment gateway is a merchant service provided by an e-commerce platform that authorises credit card or direct payments processing for e-businesses
<b>Fulfilment service</b>	The process of receiving, packaging and shipping orders for goods through online platform
<b>Logistics</b>	The activity of transporting goods from one destination to other
<b>Set up fee</b>	An initial fee that is charged by merchants to set up online storefront
<b>Customisation</b>	Developing/modifying a webstore according to individual or merchants specifications or preference
<b>Subscription-based</b>	Monthly/Quarterly/Yearly payment for services provided
<b>Drop ship</b>	Drop ship is a fulfilment model that allows you to buy products individually from a wholesaler and ship them directly to your customer; Instead of purchasing a large amount of inventory, you simply partner with a drop shipping supplier and list their merchandise for sale





<b>Back to back</b>	Process where the e-commerce company places the order on a vendor/ supplier after receiving an order from a consumer
<b>MBO</b>	Abbreviated as Management by Objectives; It is a management model that aims to improve performance of an organisation by defining objectives and goals
<b>Aggregators</b>	A website or program that collects related items of content and displays them or links to them
<b>Own inventory</b>	Purchase of good/products and stores/stacked for further commercial activity
<b>Outright purchase</b>	Outright purchase is the transaction whereby the products are entirely purchased from the vendor at once with complete rights against payment of full consideration and without any reservations or qualification
<b>Inventory-led model</b>	Outright purchases stock from the vendor and sells it directly to the consumer
<b>Consignment/SOR</b>	Consignment is the act of giving goods/products over to another person or agent's charge, custody but retaining legal ownership until the material or goods are sold; SOR is abbreviated as Sale or Return (SOR); it is referred to the sold goods returned to supplier if not accepted by the buyer
<b>Merchandise</b>	Refers to range of products available for sale on the online platform
<b>Horizontal merchandise</b>	Width of the merchandise categories spread across multiple categories
<b>Vertical Merchandise</b>	Depth and variety in the merchandise collection with exhaustive range under each product categories



## Evolution of e-tail in India

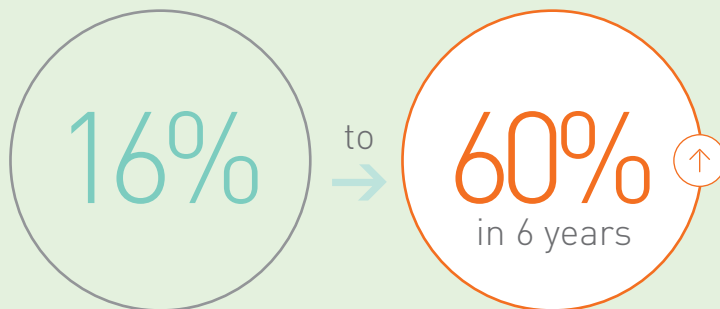
E-tailing made its debut in India during the early years of the new millennium. It was initially focussed on providing products online without much focus on customer service and experience. It took off in 2007 owing to advancements in quality of internet access, payments and computing on mobility platforms, dramatically changing consumers' behaviour towards internet consumption.

Interestingly, India's internet user base is in tandem to reach China's 2012-13 internet user base level by 2020. If this holds true, the Indian e-tail market as a share of total retail will touch 6%, thus building an optimistic outlook. Moreover, dramatic improvements in the user interface, combined with enhanced shopping features, payment gateways and strong fulfilment services is further creating a positive influence on the customer's mindset.

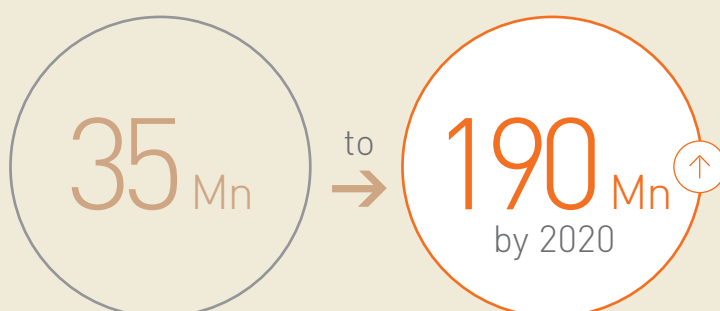
### E-FACTS



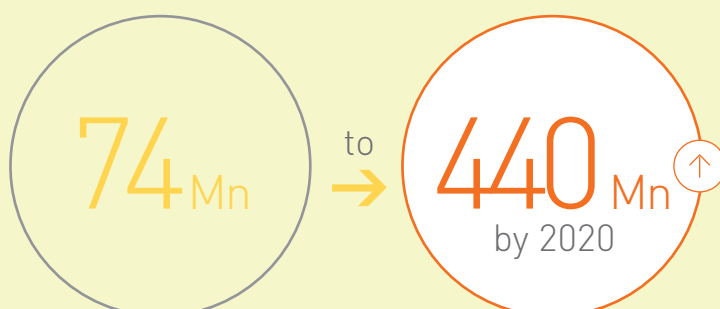
#### Factors driving the e-tail growth



Driven by increasing penetration of smartphones and internet usage on mobile phones, mobile internet users as a share of total internet users has grown from 16% in 2009 to approximately 60% in 2015.



Estimated growth of online shoppers from the current level will be largely driven by the rollout of 3G and 4G services for providing high speed internet access on mobile devices – the key area of growth.



Estimated growth in the users of smartphone.



## India's internet statistics

3rd

Largest internet user base in the world

144 Mn

Broadband users in India by 2019, up from 86 mn in 2014

40%

Internet penetration by 2020, up from 19% in 2014

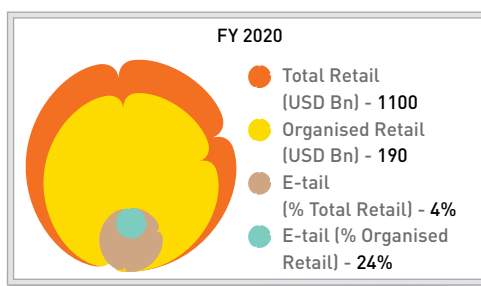
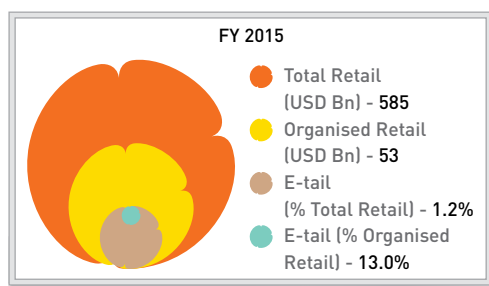
## Online Retail Size

US\$44 Bn

E-tail market size by 2020, up from US\$7 bn in 2015



### E-tailing in India by 2020

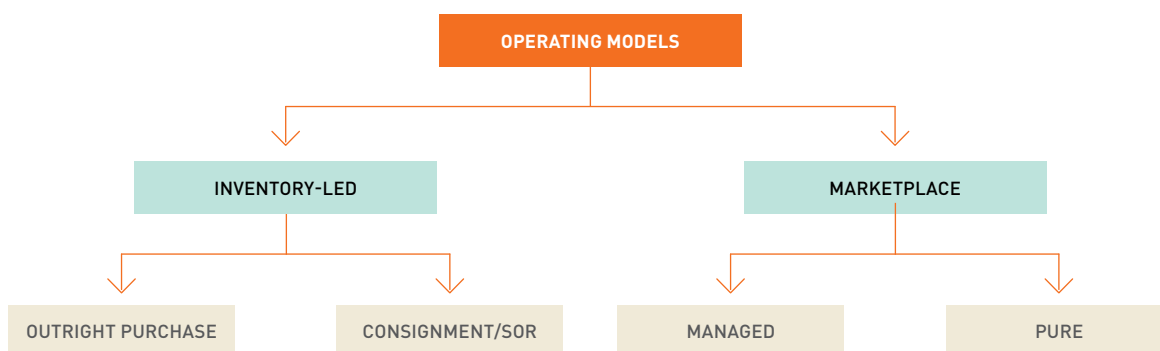


[Source: Technopak Report 2015]

E-tailing provides opportunities to both organised and unorganised segment of the retail industry. As such, e-tailing is estimated to grow at a higher multiple as compared to the overall retail segment.

### Operating models in the E-Tail sector

In India, there are two types of operating models – inventory-based and marketplace.





Type	Advantages	Disadvantages
<b>Inventory led</b> The e-tailer develops/builds his own storefront to display goods/ services purchased from suppliers/ manufactured by him.  He outright purchases/stocks products from the vendor and sells it directly to the consumer  He can also purchase stock on consignment/ SOR basis	<ul style="list-style-type: none"> <li>• Complete check on the stock levels</li> <li>• Higher fulfilment rate and faster dispatch time</li> <li>• Better brand credibility and customer confidence</li> <li>• Higher margins than other options</li> </ul>	<ul style="list-style-type: none"> <li>• Capital tie-up in case of outright purchase</li> <li>• Increased inventory mark-down risk</li> <li>• Risk of building stocks non-selling products</li> </ul>
<b>Marketplace</b> An e-commerce platform that enables individuals as well as businesses to either list their items for sale or set up online storefronts on the marketplace platform; they can leverage its services like search, product listing, product details, buying, payment gateway, order management and logistics among others. The transaction is entirely processed on the marketplace platform.		
<b>Managed Marketplace</b> E-tailer lists the product in the marketplace with a complete control over product quality, packaging, logistics and fulfilment services.  The e-tailer can follow Drop ship and Back to back method for managing inventories.	<ul style="list-style-type: none"> <li>• No capital/ space tied up in inventory</li> <li>• Higher control over quality of the product</li> <li>• Focussed customer service</li> <li>• Favorable government policies</li> </ul>	<ul style="list-style-type: none"> <li>• Longer delivery cycle</li> <li>• Higher logistics cost</li> <li>• Multiple listing of the same product</li> <li>• Challenges of system integration with the vendor</li> <li>• Lower margins than inventory led approach</li> </ul>
<b>Pure Marketplace</b> E-tailer lists the product in the marketplace. Logistics and fulfilment is managed by the vendor.	<ul style="list-style-type: none"> <li>• No inventory storing and handling costs</li> <li>• Wider product offering</li> <li>• Favorable government policies.</li> </ul>	<ul style="list-style-type: none"> <li>• Non-standardised customer service</li> <li>• Multiple listing of the same product</li> <li>• Poor vendor service resulting in poor customer experience</li> <li>• Challenges of system integration with the vendor</li> </ul>

Depending on the merchandise width and depth, e-tailers can be further classified into horizontal participants and vertical participants.

Type	Advantages	Disadvantages	Example
<b>Horizontal</b> E-tailers focus on selling their products across multiple categories with limited range in each product category.	<ul style="list-style-type: none"> <li>Wide range of product categories allowing for cross/up selling</li> <li>Scalable</li> </ul>	<ul style="list-style-type: none"> <li>Limited variety in each product category</li> <li>Lack of customer loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Flipkart</li> <li>Amazon</li> <li>Snapdeal</li> <li>Infibeam</li> </ul>
<b>Vertical</b> E-tailers are category-focused to provide depth and variety in their exhaustive product offering.	<ul style="list-style-type: none"> <li>Depth of range in select few categories creating customer stickiness</li> <li>Product differentiation</li> <li>High curation</li> </ul>	<ul style="list-style-type: none"> <li>Appeal to few customer segments</li> <li>Less scalable</li> </ul>	<ul style="list-style-type: none"> <li>HealthKart</li> <li>Babyoye</li> <li>Lenskart</li> <li>Urban Ladder</li> <li>Pepperfry</li> <li>Fabfurnish</li> <li>BigBasket</li> <li>Caratlane</li> </ul>

At present India is transitioning from inventory-based model of e-commerce to a marketplace model. Flipkart, Snapdeal and the recently arrived Amazon are amongst the leaders following this model.

### Valuations (as of April 2015)

Company	Valuation (US\$)
Amazon	249.1 bn
Flipkart	15 bn
Snapdeal	5 bn
Zomato	660 mn
Paytm	1.8 bn
Shopclues	350-400 mn

(Source: Live Mint and Forbes)





## Cloud-based distributed E-commerce Platforms

Cloud-based distributed E-commerce platforms are one of the major enablers for e-commerce businesses. It allows brands/sellers to create an online store under their own domain name and sell their products. The entire storefront is hosted on a logical server or a cloud computing platform that stores the product and the transaction data for large scale operations. Multiple revenue sources exist for such platforms depending on the scale of business. Revenue stream is a combination of transaction, setup and maintenance.

The platform has gained popularity amongst both small and large scale enterprises owing to the following benefits:

- Opportunity to **build exclusive brandstore** to suit the needs of brands and vendors who wish to differentiate themselves by creating exclusive online stores
- **Greater visibility and better user experience** for brands and sellers which otherwise would have been very limited in marketplace
- **Cost-effective** owing to the subscription based model, users pay only for the amount of server space and functionality they use; even the initial setup cost is lower as compared to building a webstore from scratch
- **Customisation facility** allow sellers to customize the interface and features as per their requirements











**Infibeam is powering digital enterprise.**

GVK Airport, Mumbai sells  
Pranam Guest services.  
**They use Infibeam.**

Jumbo Electronics have online  
Retail Store.  
**They use Infibeam.**

Crossword sells online Books.  
**They use Infibeam.**

And the list goes on...



# THE GAME CHANGER

Infibeam Incorporation Limited, a unique company in the Global E-commerce space, has achieved a rare distinction by providing an integrated and synergistic business model for B2B and B2C segments of customers on cloud-based infrastructure, enabling online sale of products for merchants, locally as well as globally.

Infibeam has made major waves, not only in India but in the Global e-commerce landscape. It provides all the necessary e-commerce tools for surpassing the business expectations in the e-commerce space.

When most of the Indian players in e-commerce segment burn cash and reported losses, Infibeam has adopted a proven way of staying cash positive while recording the growth. This marks the beginning of turning the service and products segments profitable and most importantly earning cash vis-à-vis 'burning for growth' in the e-commerce markets.





Infibeam has successfully leveraged its technology assets to generate revenues. It has created an integrated and unique dual-revenue business model of service and product through a combination of B2B and B2C enterprise solutions. Thus, making Infibeam a cash positive company in the e-commerce space.



## Online selling solutions



- A comprehensive online selling platform offered to merchants with required value-added tools to sell online
- Cloud-based advance and scalable platform that enables complex, modular and customisable digital solutions including online storefront, mobile applications, digital catalogue, content management, social media integrations, payment gateway and fulfilment services
- Can be deployed across various business models including B2C, B2B and B2B2C

### Benefits to the merchants

- Merchants can build their own online store
- Have ownership of customer as well as the flexibility to sell across other market places using the integrated single back-end
- Sell on multiple market places without depending on one single URL
- Provides cost effective marketing and distribution solutions
- Offers services across multiple media, channels and customer interfaces including digital downloading and streaming services
- Provides application framework solution for supply chain and inventory management
- Implements large transaction volumes with minimal downtime and can be integrated into customer's IT infrastructure and third party configurable software.
- Supports multi-lingual, multi-currency operations

## infibeam

- Multi-category ecommerce website with over 8.17 Mn Active users
- Provides wide range of products across 40+ categories, including mobile & tablets, computer & accessories, electronics & cameras, housing & kitchen, books & magazines, fashion products, music, travel and gifts among others
- Follows an asset-light inventory model
- Has more than 5,000 registered merchants comprising of manufacturers, distributors, aggregators and retailers ranging across various industries who sell directly on Infibeam.com

5,000 +

Merchants

8.17 Mn

Active customer base

86

Product Categories

### Domain registry .000 GTLD

- Launched Generic top level domain Dot triple O top, becoming the first Indian Internet Registry to do so after bagging necessary clearances and license from The Internet Corporation for Assigned Names and Numbers (ICANN)
- Entered into Registry Registrar Agreement (RRA's) with leading global domain Registrars for making available .000 to the customers globally
- Marketed through several top global domain Registrars such as Bigrock (India), Superregistry (Canada), Key-System (Germany), 101domains (USA), EuroDNS (Luxembourg), Goodluck Domains (USA), Ascio Technologies (Denmark), Comlaude (London), Mailclub (France), Net Technologies (China), IP Mirror (Singapore), Alantron Bilisim (Turkey) and Reseller Club (India)
- The business places Infibeam in an extremely strong position by way of recurring revenue generating platform
- Provides opportunity to attract additional merchants from local and global market and bring them on to the BuildaBazaar platform, without bearing any customer acquisition cost



6

Warehouses

12

Logistics centres

75

Planned logistics centres

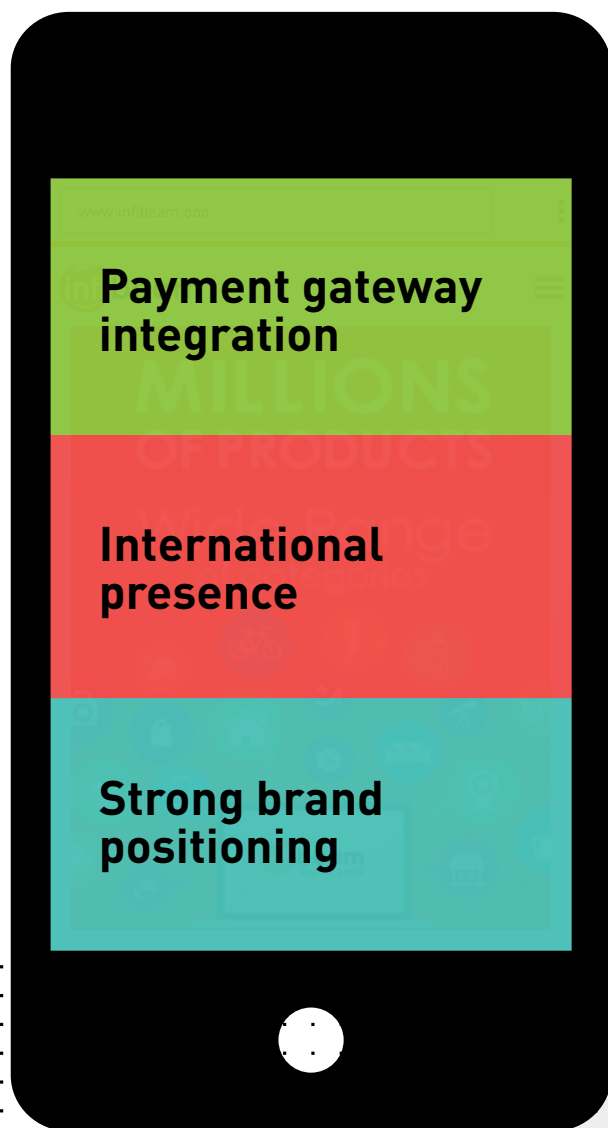
16,000

Pin codes covered

### Warehouse and logistics

Infibeam is building the capability of integrating the centres in regional locations to fulfil the delivery of goods to the customers. It will be offered as service to merchants on BuildaBazaar platform as well as speedy delivery of orders made by customers on Infibeam.com. Additional 75 centres are planned to set-up with an estimated cost of ₹.375 Mn. The investment will result into cost efficiencies and incremental revenue from service segment.

In order to optimise inventory costs and ensure on-time delivery of products, Infibeam has developed a fulfilment services through a combination of own logistic infrastructure and cost-effective arrangements entered into with third party logistics service providers, including large courier companies. We have also developed API's integrated platform with most of the logistic partners for monitoring real-time shipping and delivery schedule information.



#### ODIGMA

- Offers consultancy in e-commerce digital marketing
- Provides offers and solutions for promotion and marketing of product and services through various social media and other interactive channels
- Focuses on optimising reach as well as conversions on digital spending for merchants using analytical data driven techniques



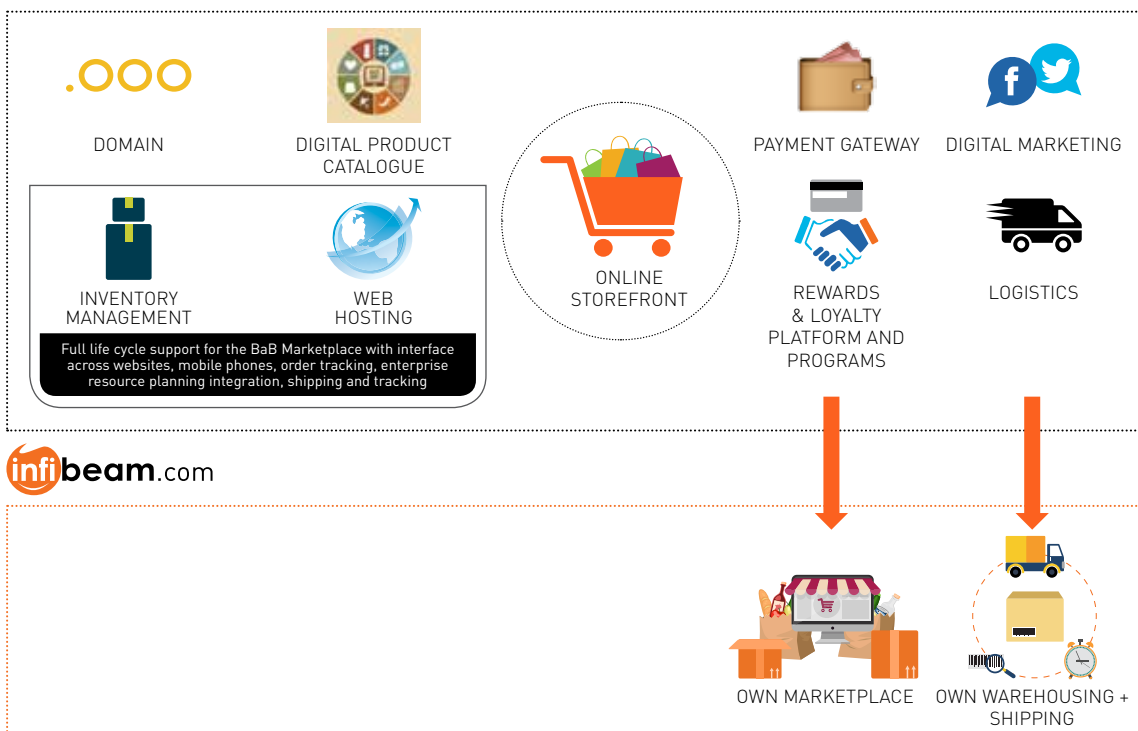
Under the business model of e-commerce, the role of payment processor is very crucial in completing the financial transactions after the purchase is made by the customer. Infibeam has taken a strategic step by investing ₹.600 million through its fully owned subsidiary NSI Infinium Global Pvt Ltd in leading payment solution provider company CC Avenue, to gain an advantage of incremental revenue by way of deep integration for customers shopping on BuildaBazaar merchant store and also on Infibeam.com. The payment integration is a very critical/equally important for the merchant in expanding his merchandise which on the other hand results into higher sales. CC Avenue is a leading payment processing solution provider for thousands of merchants across business verticals in expanding his merchandise which on the other hand results into higher sales.

Infibeam has also been successful in establishing its presence in the difficult markets, such as the Middle East. The Company has successfully implemented its solutions for major brands in retail and telecommunication sectors like Jumbo, Axiom and Saudi Telecommunication Company, among others. Infibeam Incorporation Limited is in the advance stage of setting up a Wholly Owned Subsidiary Company in Dubai. The Subsidiary Company will be helpful in catering the services business of the Company in the MENA region and will also help in increasing the services revenue of the Company.

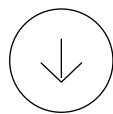
Infibeam has developed strong customer relationship with established Indian and Global Brands and large enterprises that further strengthens Infibeam brand positioning, capitalize on business opportunities and increase revenue streams through wide range of value added service offerings.

Similar stories have emerged across the world as the Company continues to expand its influence. It has been building strong ties with prominent brands both locally and globally, thus becoming one of the preferred partners for digital need globally.

## Distributed E-commerce Marketplace Model



## Focus on merchant acquisition across E-Commerce ecosystem



Infibeam will continue to focus on merchant acquisition across the e-commerce ecosystem comprising of BuildaBazaar platform and Infibeam.com retail platform by leveraging established customer base and experience, offering digital solutions to established brand and enterprise customers.

Infibeam will also leverage its partnership network in India and globally to the new merchants. As a part of the strategy the Company has entered into strategic arrangements with telecom operators, media companies, software and design companies, payment gateway providers, banks and financial institutions and other service providers.

Infibeam's integrated and synergistic e-commerce business model and other synergistic operating efficiencies between BuildaBazaar platform and Infibeam e-retail platform provide certain degree of self-sustaining merchant and customer acquisition.

The team at Infibeam credits a significant amount of their success to following the same style of leadership that puts their passionate employees at the heart of the operation.

Through a culture of hard work and true ownership where employees have significant ownership in the company, Infibeam has shown significant growth and attracted potential merchants and investors.





## Growth cycle flowchart

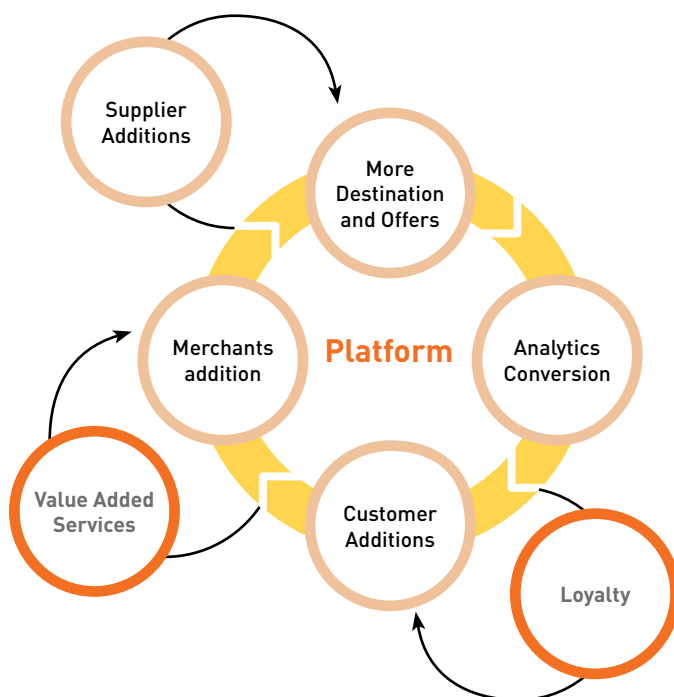
# 53,633

Merchants  
And Growing  
(On Our BaB Platform)

# 251.84%

CAGR in merchant base  
between FY 2012-2016

Note: All the figures are as on March 31, 2016





## Chairman's Message

### *Dear Shareholders,*

This is my first letter to you post our IPO. Thank you once again for investing and joining us in being a part of e-revolution. We aspire to be the change agents towards transformation of conventional business ways to e-enabled business platform. I will share my thoughts on the macro economical perspective of the industry, Company's turnaround and the big picture that we have envisioned going ahead.

#### **Industrial opportunities**

I would like to share my optimism about the underlying growth opportunity in this industry. Over the past few years we have seen large amount of investments in the e-commerce businesses. As a result, several e-commerce owned stores and marketplaces have crowded this space. At the same time, there is a notable change in customer's mindset towards acceptance of e-shopping, from the conventional retail-showroom-based shopping. Significant shifts in technology, innovation, user interface, security measures and connectivity are driving the convergence of physical and digital transactions in the world of commerce.

The online space is further evolving with improving internet connectivity. Today, India is on track towards becoming the second largest internet user base globally. With the introduction of 4G and increasing penetration of wireless and broadband services, people are using the internet in more ways than before. As a result, the current Internet penetration is expected to grow to 40% within the next five years. The encouraging growth figures are further driving the online players towards developing a robust payment ecosystem. This would further lead to a 6x growth of online retail market from US\$ 7 Bn in 2015 to US\$ 44 Bn by 2020.

The e-retail growth will be accompanied by the growth in the other retail formats like the organised as well as the unorganised retail. Even this is an encouraging sign for us as our platform can be offered to both these segments for selling their products on our market place.



We have achieved a rare distinction by providing an integrated and synergistic business model for B2B and B2C segment of customers on cloud-based infrastructure that will enable online sale of products and services for merchants both locally and globally.



### Year of turnaround

The year 2016 has been a transformational year for your Company for two big reasons. One, we got listed on April 4, 2016 on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) at a 6% premium. The market capitalisation has improved significantly since listing, indicating an increasing confidence in our unique business model. Two, we reported a complete turnaround in our performance as the Company turned cash positive, reporting an operating cash inflow of more than ₹ 233 Mn as against (₹ 209) Mn in the corresponding period of previous year. Profit after Tax (PAT) on the Total Revenue grew by 186% to ₹ 87 Mn compared to loss of ₹ 101 Mn in FY 2015.

We have developed integrated and synergistic business model for B2B and B2C segment of customers on cloud-based infrastructure that will enable online sale of products and services for merchants both locally and globally. Our recent foray into MENA region, combined with acquisition of stake in CC Avenues, further strengthens our presence in this space. Being at the core of the e-commerce technology development, it gives us enough headroom to offer value-added online solutions to our merchants which in turn will allow our merchants to build their online customer base. Having said that, we will continue to add merchants for the fastest growing segments like electronics, apparels, life styles, home and groceries, among others and, continue to explore opportunities across newer geographies.

We are grateful for the trust you have placed in us and we look forward to accomplish our vision of catalysing the digital transformation of the industry and the nation as a whole.

Best Wishes,

Ajit Mehta

Chairman, Infibeam Incorporation Limited

[Source for industrial data mentioned in the message: IAMAI, World Bank, CNNIC, ITU, Euromonitor, Technopak Report 2015]





## Performance review

### Financial review

#### Revenues (₹ Mn)

2013-14	2,072	>
2014-15	2,882	>
2015-16	3,369	>

#### Revenues – Service Segment (₹ Mn)

2013-14	307	>
2014-15	668	>
2015-16	1,028	>

#### Revenues – Product Segment (₹Mn)

2013-14	1,766	>
2014-15	2,214	>
2015-16	2,341	>

#### EBIDTA (₹Mn)

2013-14	-180	>
2014-15	46	>
2015-16	273	>



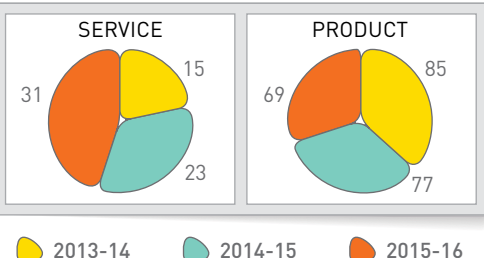
### Net Profit – after adjustments\* (₹Mn)

2013-14	-250	>
2014-15	-101	>
2015-16	92	>

### Operating Cash Flows (₹Mn)

2013-14	-102	>
2014-15	-209	>
2015-16	233	>

### Revenues by segment (%)



## Operational review

### Service segment - BuildaBazaar

Number of registered merchants using BaB platform	53633	60% ↑
Revenues (₹ Mn)	1,028	54% ↑
EBIDTA (₹ Mn)	633	41% ↑

### Product segment - infibeam.com

Number of registered merchants on the marketplace	>5000	>25% ↑
Number of categories	86	115% ↑
Registered product SKUs	>19 million	27% ↑
No of active customers	8.17	13% ↑
Revenues (₹ Mn)	2,341	6% ↑
EBIDTA (₹ Mn)	-162	18% ↑

Note: All the figures are as on March 31, 2016  
Percentage growth as compared with previous year

\*Adjustments for minority taxes and share of profit/loss of associates



## MD's message



The highly scalable business model helps us acquiring merchants without losing money and thereby growing the revenues from services yet remain profitable and cash positive.



### *Dear Shareholders,*

Welcome to our family. I am thankful to the entire investor fraternity for having faith in our business and making us India's first ever e-commerce player to launch an Initial Public offer (IPO). We had an impressive debut on the bourses and we now look forward to your association in our journey of creating a robust business ecosystem in the e-commerce space.

#### **Turning profitable**

The year 2015-16 ended with revenues of ₹ 3,369 Mn, a growth of 17% over the previous year. We reported our first ever profits, which is a rare distinction in the e-commerce market. Revenue contribution from our services segment witnessed a two-fold increase over the past three years, clocking ₹ 1,028 Mn. The product revenues increased 6%, year-on-year basis. Consolidated gross margins across the segment exceeded over 30%. While most companies in the e-commerce segment have forward invested and reported losses, we have adopted a proven way of being cash positive while recording growth. This was possible owing to our unique and integrated synergistic business model for our B2B and B2C segment of customers.



Our richly talented team of software engineers with deep domain expertise have developed innovative solutions for efficient business process, both for the Company as well as the merchants.



### Services segment – key growth area

Our services revenue is largely driven by merchant acquisitions. Various subscription plans are offered across various price points to suit the requirement of merchants operating at different scale. We further use data analytics to help the merchant target customer and increase the rate of transaction. Merchant gets trained and educated to help improve operations of their online storefront. We also provide marketing and post sales support to further enhance their revenues, thus creating a favourable business environment for our merchants. The Company earns revenues by offering a combination of a small set-up cost followed by monthly fee and or a transaction commission.

### Strategies and focus areas

Despite satisfactory performance, we are still at a nascent stage of growth. We have chalked out several strategies and identified key focus areas to build upon this growth and take the organisational profitability to a new level. These include:

#### Merchant acquisition

Increase our merchant base on the BuildaBazaar Marketplace and Infibeam.com e-retail site by:

- Adopting direct marketing as well as customer referrals
- Leveraging our established customer base, experience working with established brands and enterprise customers, as well as our partner network in India and abroad
- Exploring new strategic arrangements with telecom operators, media companies, software and design companies, payment gateway service providers, banks and financial institutions and other service providers by providing our wide range of value added services to their existing customer base within India and in other jurisdictions, particularly in the Middle East and in Europe
- Utilising our .000 top level domain registry to attract additional merchants to our e-commerce platform

#### Technology upgradations

Strengthen technological capabilities to pursue new business opportunities and improve operational efficiencies. We are investing in setting up cloud-based Tier III data centre comprising a single, non-redundant distribution path serving IT equipment and concurrently maintainable site infrastructure with high standards of reliability and availability and upgrade our existing computer hardware. The initiative will benefit significantly towards improving user experience through efficient search processes, faster and user friendly user interfaces, customer and market analytical data, confidentiality, security and disaster recovery mechanism. It will further provide us an underlying control over hardware, increased availability and mitigation of geo-specific risk. We are intending software upgradation for a seamless access to our customers and third party service provider to build their own customised mobile applications that integrates entire transaction management of the online storefront.

#### Brand building

Enhance brand visibility across India and globally to attract more customers and merchants. Some of the initiatives undertaken by us include:

- Offering unique product and deals on our Infibeam.com e-retail website
- Growing affiliate network to drive customer traffic
- Advertising in print media, electronic advertising and television campaigns
- Exploring possibilities of celebrity endorsements and introducing Infibeam co-branded prepaid cards and .000 co-branded credit cards in the future that enables online redemption of loyalty points



Efficient customer management system with comprehensive customer database, robust customer analytics and market analysis allows us to targets fast moving products and effectively manage inventory cost. Besides, our delivery routing, product tracking and cash management systems have further ensured that we effectively meet delivery schedules even with large order volumes.



We also intend to participate in strategic government initiatives to extend our product and service offerings in semi-urban and rural areas by:

- Implementing government scheme-based training programs at government sponsored community centres
- Increasing product penetration through cable channels
- Establishing strategic logistics and distribution points in such semi-urban and rural areas

#### Logistics and fulfilment services

Expand logistics infrastructure and strengthen our fulfilment capabilities for the BuildaBazaar Marketplace as well as our Infibeam.com e-retail operations by adding 75 logistics centres across India over the next three years. This will result in:

- Implementing superior operational control and improving cost efficiencies through use of own fleet of delivery vehicles and implementation of centralised logistics and delivery control processes
- Integrating fulfilment operations, rationalise delivery routes, optimise load factors, ensure delivery schedules and increase cost efficiencies

#### Expand International operations

Continue to strengthen and streamline our international operations, particularly our supply chain management and fulfilment capabilities by

- Adding logistics facilities
- Improving inventory management efficiencies through warehouse analysis and logistics centres, fluctuations in order volumes and allocation of the right distribution point
- Identifying operational and commercial synergies with third party logistics partners to ensure optimal fulfilment cost

#### Leverage CC Avenue advantage

Enhance revenues through our ₹ 600 Mn investments in CC Avenue, a leading payment solution provider Company, by integrating the payment gateway system for customers shopping on both BuildaBazaar and Infibeam.com. It is equally important for the merchants in expanding their merchandise which on the other hand results into higher sales.

#### Setting up of new office property

Consolidate our operations by setting up new registered office and corporate office of our Company in Ahmedabad at 'GIFT Two' Building at Gujarat International Finance Tec-City (the "GIFT City"). The estimated 0.45 million sq. ft. of built-up area will be spread across 16 floors and ground floor. The initiative will provide us with necessary operational efficiencies, locational advantage, high quality infrastructures, talent pool and reputational incentives.





## Road ahead

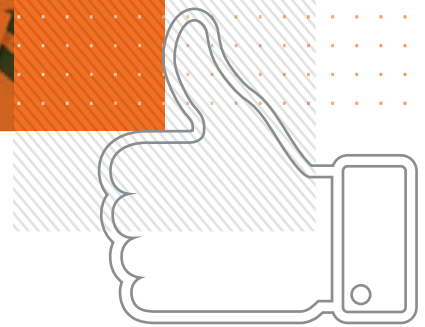
We will continue to evaluate strategic elements of our service offering to merchants and offer them our platform in marketing value-added services to acquire more customers and improve user experience. Our investments in warehouse and logistics will enhance our revenues from services by way of offering captive logistics benefit to the merchants. Our strong IT infrastructure, payment gateway integrations and fulfilment services will allow us to acquire new suppliers across category and add new products and category offerings on our Infibeam.com e-tail website. Our .ooo top level domain registry will continue to be a prime factor towards merchant acquisition. It is bundled by registrars and resellers with pre-packaged store and site packages globally.

At the end, I would like to thank the entire Infibeam team for believing in us and joining hands towards taking the Company to the next level. You have been at the heart of the operations and demonstrated high ownership levels. I am also grateful to all our stakeholders including investors, bankers, merchants, customers and vendors for their support and faith. We hope to continue with the good work and take the association ahead.

Best Wishes,

Vishal Mehta

Managing Director, Infibeam Incorporation Limited



# Awards, achievements and training



- 1 Ms Neeru Sharma (Co-Founder, Infibeam), receiving National Award for Excellence in E-Commerce and Online Retailing, March 2016
- 2 GESIA Awards for Best Innovation by a ICT Company - Gujarat (2010)
- 3 Recognised amongst the top 100 most trusted companies in 2014 by VARIndia
- 4 ET Retail Awards for game changing idea of the year 2014
- 5 Indian ICT Awards by Frost & Sullivan for e-commerce platform provider of the year (2016 for BaB)
- 6 The Economic Times 'Business Knight of Gujarat' award
- 7 E-commerce training and development for students



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# Corporate Information

## BOARD OF DIRECTORS

Mr. Ajit Mehta	Chairman
Mr. Vishal Mehta	Managing Director
Mr. Malav Mehta	Non Executive Director
Mr. Keyoor Bakshi	Independent Director
Mr. Roopkishan Dave	Independent Director
Ms. Vijaylaxmi Sheth	Independent Director

## KEY MANAGERIAL PERSONNEL

Mr. Hiren Padhya	Chief Financial Officer
Mr. Shyamal Trivedi	Company Secretary

## REGISTERED OFFICE

9th Floor, "A" Wing, Gopal Palace  
Opp. Ocean Park, Nr. Nehrunagar  
Satellite Road, Ahmedabad – 380 015  
Gujarat, India.

## WEBSITE

[www.infibeam.ooo](http://www.infibeam.ooo)

## LISTED ON

BSE Limited  
National Stock Exchange of India Limited

## STATUTORY AUDITORS

M/s. B S R & Associates LLP  
Chartered Accountants  
Mumbai

## SECRETARIAL AUDITORS

M/s. SPANJ & Associates  
Company Secretaries  
Ahmedabad

## BANKERS

ICICI Bank Limited  
HDFC Bank Limited

## REGISTRARS & SHARE TRANSFER AGENTS

Link Intime India Private Limited  
C-13, Pannalal Silk Mills Compound  
L.B.S. Marg, Bhandup (West)  
Mumbai - 400 078  
Email: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)



## INFIBEAM INCORPORATION LIMITED

[CIN: L64203GJ2010PLC061366]

Registered Office: 9<sup>th</sup> Floor, "A" Wing, Gopal Palace, Opp. Ocean Park,  
Nr. Nehrunagar, Satellite Road, Ahmedabad – 380 015

Email: ir@infibeam.ooo Website: www.infibeam.ooo



# Notice

NOTICE is hereby given that the **6<sup>th</sup> ANNUAL GENERAL MEETING** of the Members of **INFIBEAM INCORPORATION LIMITED** will be held on Thursday, September 15, 2016 at 2.30 P.M. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, IIM – A Road, Vastrapur, Ahmedabad – 380 015 to transact the following businesses:

### ORDINARY BUSINESS:

1. To receive, consider and adopt
  - (a) The Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2016, the Reports of the Board of Directors and Auditors thereon and
  - (b) The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Report of Auditors thereon.
2. To appoint a Director in place of Mr. Ajit C. Mehta (DIN: 01234707), who retires by rotation and, being eligible, offers himself for re appointment.
3. Ratification of Appointment of Auditors.  
To consider and if thought fit to pass with or without modification(s) the following resolution as an Ordinary Resolution:  
**"RESOLVED THAT** pursuant to the provisions of Section 139 and any other applicable provisions of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby ratifies the appointment of M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration No. 116231W) as the Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the Annual General Meeting to be held for the Financial Year 2016-17, on such remuneration, as may be determined by the Board of Directors."

### 4. Appointment of Joint Statutory Auditors:

To consider and if thought fit to pass with or without modification(s) the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s. S R B C & Co. LLP, Chartered Accountants (Firm Registration Number – 324982E/ E300003), be and are hereby appointed as the Joint Statutory Auditors of the Company to hold office from the conclusion of 11<sup>th</sup> Annual General Meeting, subject to ratification of appointment by the shareholders at every Annual General Meeting, on such remuneration as shall be fixed by the Board of Directors or Audit Committee thereof of the Company and

shall be jointly and severally responsible with M/s. B S R & Associates LLP, Chartered Accountants (Firm Registration Number – 116231W).

**RESOLVED FURTHER THAT** the Board of Directors or Audit Committee thereof be and are hereby authorized to decide and finalise the terms and conditions of appointment, including the remuneration of the joint Statutory Auditors and to settle any question, difficulty or doubt, that may arise in giving effect to this resolution and to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this resolution".

### SPECIAL BUSINESS:

### 5. Ratification of Employee Stock Option Schemes:

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to Regulation 12 of SEBI (Share Based Employee Benefits) Regulations, 2015 and pursuant to provisions of Section 62 the Companies Act, 2013 and other applicable provisions, if any, (including statutory modifications and re-enactments thereof for the time being in force) as amended from time to time, the Articles of Association of the Company, the consent of the Members of the Company be and is hereby accorded to ratify both the ESOP schemes already in existence, namely "Employee Stock Option Plan 2013-14" and "Employee Stock Option Plan 2014-15", and that consent of the members also accorded to the board to reserve, create, issue and allot from time to time to the beneficiaries covered under both the ESOP Schemes, such number of securities of the Company together with securities already granted under the said schemes including grants made on March 31, 2016 and which are effective from April 1, 2016 be and is hereby approved and adopted.

**"RESOLVED FURTHER THAT** the benefits and coverage of the Employee Stock Option Plan 2013-14 and Employee Stock Option Plan 2014-15, be extended to the employees of the Company, its subsidiary companies and if permitted by law, to the employees of the associate companies, in accordance with the SEBI Regulations or other provisions of the law, as may be prevailing from time to time."

**"RESOLVED FURTHER THAT** the Board (which expression shall be deemed to include a Compensation Committee and/ or the Nomination and Remuneration Committee duly constituted in accordance with the Guidelines), subject to the Guidelines and the ESOP Schemes, shall be authorised to evolve, decide upon and bring into effect the Schemes, quantum of the options to be granted per employee, the exercise period, the vesting period, exercise price, instances where such options shall lapse/cancelled/ revoked as a disciplinary measure at the discretion of the Board or the Committee and/or to grant such number of options, to such Employees of the Group, at par or at such price, at such time and on such terms



and conditions as set out in the Schemes and as the Board/ Committee may in its absolute discretion think fit and make any modifications, changes, variations, alterations or revisions in the ESOP Schemes, provided the same are not detrimental to the interest of the Employees, from time to time or to amend, suspend, withdraw or revive the Schemes from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose on behalf of the Company and to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

**"RESOLVED FURTHER THAT** the Board acting through itself or a committee thereof, be authorised to issue and allot such number of Equity Shares of the Company, at such price and on such terms and conditions as set out in the Schemes and as determined by the Board / Committee and to take necessary steps for listing of such Equity Shares on the Stock Exchanges where the Equity Shares of the Company are listed as per the provisions of the SEBI (LODR) Regulations and other applicable guidelines, rules and regulations."

**"RESOLVED FURTHER THAT** the new Equity Shares to be issued and allotted by the Company in the manner aforesaid shall rank *pari passu* in all respects with the then existing Equity Shares of the Company."

**6. Approval of balance options under Employee Stock Option Scheme 2013-14:**

To consider and if thought fit, to pass with or without modification(s) the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provision of section 62 (b) of the Companies Act, 2013 and other applicable provisions, if any, the approval of the members be and is hereby accorded to the Board of Directors of the Company to grant 79,390 Stock Options available in cap limit of the ESOP Scheme 2013-14.

**RESOLVED FURTHER THAT** the Board of directors of the company be and are hereby authorised to do such acts, deeds and things whatever necessary for approval of balance cap limit in the ESOP Scheme 2013-14."

**Registered Office:**  
 9<sup>th</sup> Floor, "A" Wing,  
 Gopal Palace,  
 Opp. Ocean Park,  
 Nr. Nehrunagar,  
 Satellite Road,  
 Ahmedabad - 380 015  
 Date: August 12, 2016

By the Order of the Board,  
 For **Infibeam Incorporation Limited**

**Shyamal Trivedi**  
 Company Secretary &  
 Compliance Officer

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of all the businesses specified above is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY OR PROXIES TO ATTEND AND, TO VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS PROXY ON BEHALF OF MEMBERS NOT EXCEEDING 50 (FIFTY) AND HOLDING IN THE AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS. A MEMBER HOLDING MORE THAN 10% OF THE

TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY AND SUCH PERSON SHALL NOT ACT AS A PROXY FOR ANY OTHER MEMBER(S).

The instrument of Proxy in order to be effective, must be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A Proxy form is sent herewith. Proxy form submitted on behalf of the Companies, Registered Societies, etc. must be supported by an appropriate resolution / authority, as applicable.

3. During the period beginning 24 hours before the time fixed for the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days of prior notice in writing is given to the Company.
4. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for identification.
5. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company, a certified copy of Board Resolution/ Authorisation document authorising their representative to attend and vote on their behalf at the AGM.
6. The Register of Members and Share Transfer Books will remain closed from September 9, 2016 to September 16, 2016 (both days inclusive) for the purpose of Annual General Meeting (AGM).
7. For convenience of the Members and for proper conduct of the Meeting, entry to the place of Meeting will be regulated by attendance slip, which is annexed to the Annual Report. Members are requested to sign at the place provided on the attendance slip and hand it over at the entrance of the venue.
8. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors inter-se as stipulated under Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report. The Directors have furnished the requisite declarations for their appointment / re-appointment.
9. Members holding shares in the dematerialised mode are requested to intimate all changes with respect to their nomination, power of attorney, change of address, change in name, etc, to their Depository Participant (DP). These changes will be automatically reflected in the Company's records, which will help the Company to provide efficient and better service to the Members. Members holding shares in physical form are requested to intimate the changes to the Registrar & Share Transfer Agents of the Company (RTA).
10. Pursuant to Section 72 of the Companies Act, 2013, members holding shares in physical form may file nomination in the prescribed Form SH-13 and for cancellation / variation in nomination in the prescribed Form SH-14 with the Company's RTA. In respect of shares held in electronic / demat form, the nomination form may

be filed with the respective Depository Participant. The Nomination Form will be available on the Company's website [www.infibeam.ooo](http://www.infibeam.ooo).

11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their DPs with whom they are maintaining their demat accounts and members holding shares in physical form to the Company / RTA.
12. The members are requested to intimate to the Company, queries, if any, at least 10 days before the date of the meeting to enable the management to keep the required information available at the meeting.
13. Members may address their queries/communications at [ir@infibeam.ooo](mailto:ir@infibeam.ooo)
14. To support the "Green Initiative", Members who have not registered their e-mail addresses so far, are requested to register their e-mail address with the Registrar & Share Transfer Agents of the Company for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.
15. In support of the 'Green Initiative' announced by the Government of India, electronic copies of the Annual Report for 2015-16 and this Notice inter alia indicating the process and manner of Remote e-voting along with Attendance Slip and Proxy Form are being sent by email to all the Members whose email IDs are registered with the Company / Depository Participant(s) for communication purposes, unless any Member has requested only for a hard copy of the same. For Members who have not registered their email address, physical copies will be sent to them in the permitted mode. The Notice of AGM will also be available on the Company's website, [www.infibeam.ooo](http://www.infibeam.ooo) and that of Central Depository Services (India) Limited ("CDSL"), [www.cdslindia.com](http://www.cdslindia.com).
16. All documents referred to in the Notice, Explanatory Statement and the annual accounts of the subsidiary companies along with the related detailed information shall be available for inspection by members at the Registered Office of the Company during business hours between 11.00 A.M. to 2.00 P.M. on all working days of the Company up to the date of the Annual General Meeting.
17. A route map showing directions to reach the venue of the 6<sup>th</sup> AGM is given at the end of the Annual Report.

## 18. VOTING THROUGH ELECTRONIC MEANS

- (a) In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 as amended of the Companies (Management and Administration) Rules, 2014, relevant provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and any other applicable provisions, the Company is pleased to offer the facility of voting through electronic means and the business set out in the Notice above may be transacted through such electronic voting. The facility of casting the votes by the Members using an electronic voting system from a place other than venue of the AGM ('remote e-voting') is provided by Central Depository Services (India) Limited.
- (b) The facility for voting through ballot paper shall be made available at the AGM, and the Members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right

at the meeting through ballot. E-voting facility will not be made available at the AGM venue.

- (c) The Members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
- (d) The remote e-voting period commences at 9.00 a.m. on Monday, September 12, 2016 and ends at 5:00 p.m. on Wednesday, September 14, 2016. During this period members of the Company, holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. September 8, 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for e-voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast the vote again.
- (e) The voting rights of shareholders shall be in proportion to their shares in the paid up equity share capital of the Company as on the cut-off date.

### The instructions for shareholders voting electronically are as under:

- i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- ii) Click on Shareholders.
- iii) Now Enter your User ID
  - a) For CDSL : 16 digits beneficiary ID,
  - b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv) Next enter the Image Verification as displayed and Click on Login.
- v) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- vii) After entering these details appropriately, click on "SUBMIT" tab.
- viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x) Click on the EVSN for the relevant INFIBEAM INCORPORATION LIMITED on which you choose to vote.
- xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xviii) Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
  - The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutiniser to verify the same.
- xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

#### General Instructions:

- M/s. SPANJ & Associates, Company Secretaries has been appointed as the Scrutiniser to scrutinise the voting and remote e-voting process in a fair and transparent manner.
- The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutiniser, by use of 'Ballot Paper' for all those Members who are present at the AGM but have not cast their votes by availing the remote e-voting facility. E-voting facility will not be made available at the AGM venue.
- The Scrutiniser shall, immediately after the conclusion of voting at AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make, not later than three days from the conclusion of meeting, a consolidated Scrutiniser's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing who shall countersign the same. Thereafter, the Chairman or the person authorised by him in writing shall declare the result of the voting forthwith.
- The results declared along with the Scrutiniser's Report shall be placed on the Company's website [www.infibeam.ooo](http://www.infibeam.ooo) and on the website of CDSL immediately after the result is declared by the Chairman; and results shall also be communicated to the Stock Exchanges.

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

#### Item No. 4. Appointment of Joint Statutory Auditors:

It is proposed to consider appointment of M/s. S R B C & Co. LLP, Chartered Accountants as the Joint Statutory Auditor in addition to the present Statutory Auditors M/s. B S R & Associates LLP, Chartered Accountants. Section 139 of the Companies Act, 2013 and rules made thereunder enables such appointment, with the permission of the members.

Your Directors propose to appoint M/s. S R B C & Co. LLP, Chartered Accountants (Firm Registration No. – 324982E/ E300003) as Joint Statutory Auditors of the Company, to hold office from the conclusion of 6<sup>th</sup> Annual General Meeting till 11<sup>th</sup> Annual General Meeting, subject to ratification of appointment by the shareholders at every Annual General Meeting, on such terms and conditions and at such remuneration as may be decided.

M/s. S R B C & Co. LLP, Chartered Accountants, has confirmed their eligibility under Section 141 of the Companies Act, 2013 and the Rules framed there under for appointment as Joint Statutory Auditors of the Company. Further, Joint Statutory Auditors confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

None of the Directors, Key Managerial Personnel of the Company and their relatives, is in any way concerned or interested, financial or otherwise, in the said Resolution.

#### Item No. 5: Ratification of Employee Stock Option Schemes

As per Regulation 12 of Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, the Pre - IPO ESOP Schemes namely "Employee Stock Option Plan 2013-14" and "Employee Stock Option Plan 2014-15" require to be ratified by its shareholders subsequent to the IPO.

For the purpose of determining the Exercise Price, the references to considering specific factors applicable to unlisted companies such as liquidity, last issue price, etc. have been removed. Since the Company is now a listed entity, the average traded price of the shares of such period as the Nomination and Remuneration Committee decides, has been included as one of the factors for determining the Exercise Price.

These ESOP Schemes, which are pre-IPO schemes are in conformity with the regulations of SEBI and require the approval of the shareholders subsequent to the recent IPO of the Company.

There are in total 16,71,788 options which are available for grant under both the ESOP Schemes. Till March 31, 2016, there were total 12,43,254 options granted under both the ESOP Schemes. On April 1, 2016, total 3,57,299 options were granted to the employees.

Hence the resolution is proposed before you for approval.

None of the Directors or KMP(s) of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolution except to the extent of options granted to them.

#### Item No. 6. Employee Stock Option Schemes 2013-14:

The Company framed ESOP Scheme 2013-14 and the same was approved vide Board resolution dated 13.02.2013 and Special resolution dated 30.03.2013 for the ultimate benefit of the employees in keeping in view various criteria selected by the Company. In the ESOP Scheme 2013-14, the stocks available, on the basis of Paid up Share Capital of the Company were 1.5% of the Paid-up no. of Equity Shares as on 31.03.2013 (3,76,02,710 \* 1.5% = 5,64,040), where as in the resolution approval of the options granted were 4,84,650 and the balance options 79,390, which still remained pending in the cap of the approval. Looking to the enhancement of the business activities in the various segments of the company and its subsidiaries, the strength of the employees is increasing day by day and to further motivate the employees who are consistently performing well and to give them opportunity to participate and gain from the company's performance and also to create long term value based creation in the organisation, the Board has proposed to further approve the balance options under ESOP Scheme 2013-14. In view of the above facts and circumstances, the resolution is proposed before you for approval in respect of balance cap limit pending for the benefit of employees.

None of the Directors or KMP(s) of the Company or their relatives are concerned or interested, financial or otherwise in the proposed resolution except to the extent of options granted to them.

#### Registered Office:

9<sup>th</sup> Floor, "A" Wing,  
Gopal Palace,  
Opp. Ocean Park,  
Nr. Nehrunagar,  
Satellite Road,  
Ahmedabad – 380 015  
Date: August 12, 2016

By the Order of the Board,  
For **Infibeam Incorporation Limited**

**Shyamal Trivedi**  
Company Secretary &  
Compliance Officer

PURSUANT TO REGULATION 36 (3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 WITH THE STOCK EXCHANGES AND SECRETARIAL STANDARD 2 ISSUED BY ICSI, INFORMATION ABOUT THE DIRECTORS PROPOSED TO BE RE-APPOINTED IS FURNISHED BELOW:

Particulars	Profile of the Director		
Name of the Director	Ajit C. Mehta		
DIN	01234707		
Date of Birth	17-11-1948		
Date of first appointment on the Board	30-06-2010		
Qualifications	Bachelor's Degree in Commerce		
Expertise	He has 20 years of experience in the textiles, chemicals, building material and construction sector and 15 years of experience in the automobile industry.		
Number of Meeting of the Board attended during the year	19		
Names of Companies in which the Director holds Directorship	<ul style="list-style-type: none"> <li>• <b>Public Companies:</b> <ol style="list-style-type: none"> <li>1. Infinium (India) Limited</li> <li>2. ING Satcom Limited</li> </ol> </li> <li>• <b>Private Companies:</b> <ol style="list-style-type: none"> <li>1. Infinium Communication Private Limited</li> <li>2. Infinium Motors Private Limited</li> <li>3. Infinium Motors (Gujarat) Private Limited</li> <li>4. Infinium Auto Mall Private Limited</li> <li>5. Advanced Energy Resources &amp; Management Private Limited</li> <li>6. Sine Qua Non Solutions Private Limited</li> <li>7. NSI Infinium Global Private Limited</li> <li>8. Infinium Natural Resources Investments Private Limited</li> <li>9. Infinity Drive Private Limited</li> </ol> </li> </ul>		
Names of Committees of the Companies in which the Director holds Chairmanship/ Membership	1. <b>Infibeam Incorporation Limited</b> Stakeholders Relationship Committee – Chairman		
Number of Shares held	30,11,478		
Relationships between Directors, Key Managerial Personnel and Managers of the Company	<b>Name of the Director</b>	<b>Related to</b>	<b>Nature of Relationship</b>
	Ajit Mehta	Malav Mehta	Son
		Vishal Mehta	Son



# Director's Report

To,  
The Members

Your Directors have pleasure in presenting their 6<sup>th</sup> Annual Report on the business and operations of the Company and the accounts for the Financial Year ended March 31, 2016.

## 1. FINANCIAL RESULTS

The financial performance of your Company for the year ended March 31, 2016 is summarised below:

(Rupees in Million)

Particulars	Standalone		Consolidated	
	2015-16	2014-15	2015-16	2014-15
Revenue from Operations (Net)	431.13	292.25	3369.50	2882.02
Other Income	0.85	1.91	54.95	69.45
<b>Operating Profit before Finance Cost, Depreciation and Tax</b>	<b>87.32</b>	<b>-55.28</b>	<b>272.84</b>	<b>43.25</b>
Less: Finance Cost	2.07	1.26	11.48	13.68
<b>Profit before Depreciation and Tax</b>	<b>85.25</b>	<b>-56.54</b>	<b>261.36</b>	<b>29.56</b>
Less: Depreciation and amortisation expenses	42.35	25.48	175.38	130.95
<b>Profit before Tax</b>	<b>42.90</b>	<b>-82.02</b>	<b>85.98</b>	<b>-101.39</b>
Less: Tax	0.09	0	-0.63	-0.25
<b>Net Profit for the year</b>	<b>42.81</b>	<b>-82.02</b>	<b>86.61</b>	<b>-101.14</b>
Add: Balance brought forward from previous year	-308.87	-226.86	-901.69	-800.25
Less: Share of Loss transferred to minority	0	0	5.86	5.71
Less: Share of Loss of associates	0	0	0	-5.71
<b>Profit available for appropriation</b>	<b>-266.06</b>	<b>-308.88</b>	<b>-809.23</b>	<b>-901.38</b>
Transfer to General Reserve	0	0	0	0
Transfer to Debenture Redemption Reserve	5.00	0	5.00	0
Excess Losses pertaining to minority	0	0	3.36	0
Adjustment on account of depreciation	0	0	0	-0.31
Balance carried over to Balance Sheet	-271.06	-308.88	-817.59	-901.69

## 2. OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE

Net revenue from operations on standalone basis increased to ₹431.13 Million as against ₹292.25 Million in the previous year – a growth of 47.52%. The Company has earned Profit before Finance Cost and Depreciation of ₹87.32 Million during the year under review compared to loss of ₹55.29 Million during 2014-15. The above results have been achieved by service led sales resulted in more comprehensive customer engagement. After providing for Depreciation, Prior period adjustments and Taxation, the Net Profit for the year under review stood at ₹42.81 Million compared to loss of ₹82.02 Million during 2014-15.

Net revenue from operations on consolidated basis increased to ₹3369.50 Million as against ₹2882.02 Million in the previous year – a growth of 16.91%. The Company has earned Profit before Finance Cost and Depreciation of ₹272.84 Million during the year under review compared to ₹43.25 Million during 2014-15. The above results have been achieved by service led sales resulted in more comprehensive customer engagement. After providing for

Depreciation, Prior period adjustments and Taxation, the Net profit after minority interest for the group for the current year stood at ₹86.61 Million as against loss of ₹101.14 Million in the previous year—a growth of 185.63%.

There are no material changes and commitments affecting the financial position of your Company which have occurred between the end of the Financial Year 2015-16 and the date of this report.

## 3. CONSOLIDATED ACCOUNTS

The Consolidated Financial Statements of your Company for the financial year 2015-16 are prepared in compliance with applicable provisions of the Companies Act, 2013 read with the Rules made thereunder, applicable Accounting Standards and the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations"). The Consolidated Financial Statements have been prepared on the basis of audited financial statements of your Company, its subsidiaries and associate companies, as approved by the respective Board of Directors.

#### 4. SUBSIDIARIES

During the year, Board of directors reviewed the affairs of the subsidiaries. In accordance with Section 129(3) of the Companies Act, 2013, we have prepared Consolidated Financial Statements of the Company which include the Financial Statements of its Subsidiaries. Further, a separate statement containing the salient features of the financial statements of subsidiaries of the Company in the prescribed **Form AOC-1** has been disclosed in the Consolidated Financial Statements given in this Report as **Annexure - A**.

In terms of provisions of Section 136 of the Companies Act, 2013, the Company shall place separate audited accounts of the Subsidiary Companies on its website at [www.infibeam.ooo](http://www.infibeam.ooo).

The Company will make available physical copies of these documents upon request by any shareholder of the Company/ subsidiary interested in obtaining the same.

These documents shall also be available for inspection at the registered office of the Company during business hours up to the date of ensuing AGM.

#### 5. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, highlighting the important aspects of the business of the Company and its Subsidiaries is given in this Report as **Annexure - B**.

#### 6. RESERVES

The Company does not propose to transfer any amount to general reserve due to Inadequacy of Profit.

#### 7. DIVIDEND

In order to conserve resources for business expansion, your directors do not recommend any dividend for the Financial Year 2015-16.

#### 8. CHANGE IN THE NATURE OF BUSINESS, IF ANY

There was no change in the nature of business of the Company during the Financial Year ended March 31, 2016.

#### 9. PUBLIC DEPOSITS

During the year under review, your Company has not accepted any deposit within the meaning of Sections 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force).

#### 10. DETAILS OF DIRECTORS OR KEY MANAGERIAL PERSONNEL INCLUDING THOSE WHO WERE APPOINTED OR HAVE RESIGNED DURING THE YEAR

Pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Ajit C. Mehta, Chairman and Non- Executive Director, is due to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment. The details of Director being recommended for re-appointment as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 are contained in the accompanying Notice convening the ensuing Annual General Meeting of the Company.

The Independent Directors of your Company are not liable to retire by rotation.

#### CHANGES IN KEY MANAGERIAL PERSONNEL:

Name of KMP	Date of Appointment / Resignation	Appointment / Resignation
Mr. Deepak Pandya	22-05-2015	Resignation
Mr. Lalji Vora	23-05-2015	Appointment
Mr. Lalji Vora	01-10-2015	Resignation
Mr. Shyamal Trivedi	01-10-2015	Appointment

#### 11. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS

During the Financial Year 2015-16, 19 (Nineteen) Board meetings were held. For details of the meetings of the board, please refer to the Corporate Governance Report, which forms part of this report.

#### 12. DIRECTOR'S RESPONSIBILITIES STATEMENT

Pursuant to the requirement of Section 134 of the Companies Act, 2013, it is hereby confirmed:

- (i) that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at March 31, 2016 being end of the financial year 2015-16 and of the profit of the Company for the year;

- (iii) that the Directors had taken proper and sufficient care for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

- (iv) That the Directors had prepared the annual accounts on a going concern basis.

- (v) The Directors, in the case of a Listed Company, had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively.

- (vi) The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 13. DECLARATION BY INDEPENDENT DIRECTOR(S) AND RE-APPOINTMENT, IF ANY

All the Independent Directors have submitted their disclosures to the Board that they fulfil all the requirements as stipulated in Section 149(6) of the

Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

#### 14. FAMILIARISATION PROGRAMME

The Company undertook various steps to make the Independent Directors have full understanding about the Company. The policy of such familiarisation programmes have been disclosed on the Company's website [www.infibeam.ooo](http://www.infibeam.ooo).

#### 15. NOMINATION AND REMUNERATION POLICY OF THE COMPANY

In adherence to section 178(1) of the Companies Act, 2013, the Board of Directors of the Company in its meeting held on March 31, 2016, approved a policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided u/s 178(3), based on the recommendations of the Nomination and Remuneration Committee. The broad parameters covered under the Policy are – Company Philosophy, Guiding Principles, Nomination of Directors, Remuneration of Directors, Nomination and Remuneration of the Key Managerial Personnel (Other than Managing/ Whole-time Directors), Key-Executives and Senior Management and the Remuneration of Other Employees.

The Company's Policy relating to appointment of Directors, payment of managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished in **Annexure - C** and forms part of this Report.

#### 16. FORMAL ANNUAL EVALUATION

The Board of Directors have carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of the Act and Listing Regulations.

Further, the Independent Directors, at their exclusive meeting held during the year reviewed the performance of the Board, its chairman and Non-Executive Directors and other items as stipulated under the Listing regulations.

#### 17. AUDITORS

##### I. STATUTORY AUDITORS

- A. At the Annual General Meeting held on September 30, 2014, M/s. B S R & Associates LLP, Chartered Accountants, were appointed as statutory auditors of the Company to hold office till the conclusion of the Annual General Meeting to be held in the Financial Year 2018-19. In terms of the first proviso to Section 139 of the Companies Act, 2013, the appointment of the auditors shall be placed for ratification at every Annual General Meeting. Accordingly, the appointment of M/s. B S R & Associates LLP, Chartered Accountants as Statutory auditors of the Company, is placed for ratification by the shareholders.
- B. The Audit Committee and the Board of Directors recommends the appointment of M/s. S R B C & Co. LLP, Chartered Accountants (Firm Registration No. – 324982E/ E300003) as the Joint Statutory Auditors, for a period of five (5) years i.e. from conclusion of the 6<sup>th</sup> Annual General Meeting

till the conclusion of 11<sup>th</sup> Annual General Meeting, subject to ratification of appointment by the shareholders at every Annual General Meeting.

Your Company has received written consent(s) and certificate(s) of eligibility in accordance with Sections 139, 141 and other applicable provisions of the Companies Act, 2013 and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) for the time being in force), from both M/s. S R B C & Co. LLP and M/s. B S R & Associates LLP. Further, both have confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India (ICAI) as required under the Listing Regulations.

##### ➤ STATUTORY AUDITORS' REPORT

The observations of Statutory Auditors in their reports on standalone and consolidated financials are self-explanatory and therefore do not call for any further comments.

##### II. SECRETARIAL AUDITOR

In terms of Section 204 of the Companies Act, 2013, the Board of Directors of your Company at its meeting held on May 30, 2016 has appointed M/s. SPANJ & Associates, Company Secretaries, as the Secretarial Auditor to conduct an audit of the secretarial records, for the financial year 2016-17.

##### ➤ SECRETARIAL AUDIT REPORT

Your Company has obtained Secretarial Audit Report as required under Section 204(1) of the Companies Act, 2013 from M/s. SPANJ & Associates, Company Secretaries, Ahmedabad. The said Report is attached with this Report as **Annexure – D**.

There are no remarks / qualification in the Secretarial Audit Report, hence no explanation has been offered.

#### 18. EXTRACT OF ANNUAL RETURN

The extract of Annual return in Form – MGT-9 has been attached herewith as **Annexure – E**.

#### 19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

Details of loans, guarantees and investments under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014, as on March 31, 2016, are set out in **Note [34]** to the Standalone Financial Statements forming part of this report.

#### 20. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

With reference to Section 134 (3) (h) of the Companies Act, 2013, all contracts and arrangements with related parties under Section 188(1) of the Act, entered by the Company during the Financial Year, were in the ordinary course of business and on an arm's length basis. During the year, the Company had not entered into any contract or arrangement with related parties which could be considered 'material' according to the policy of the Company on Materiality of Related Party Transactions.

#### 21. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of

Managerial Personnel] Rules, 2014 is attached as 'Annexure F (i)' which forms part of this report.

In terms of the provisions of Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 is attached as 'Annexure F (ii)' which forms part of this report.

## 22. AUDIT COMMITTEE

The Board of Directors have constituted Audit Committee. For details of the Audit Committee, please refer to the Corporate Governance Report, which forms part of this report.

## 23. NOMINATION AND REMUNARATION COMMITTEE

The Board of Directors have constituted Nomination and Remuneration Committee. For details of the Nomination and Remuneration Committee, please refer to the Corporate Governance Report, which forms part of this report.

## 24. STAKEHOLDER'S RELATIONSHIP COMMITTEE

The Board of Directors have constituted Stakeholder's Relationship Committee. For details of the Stakeholder's Relationship Committee, please refer to the Corporate Governance Report, which forms part of this report.

## 25. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Board of Directors have constituted Corporate Social Responsibilities Committee, consisting of the following:

1. Mrs. Vijaylaxmi Sheth - Chairman
2. Mr. Vishal Mehta - Member
3. Mr. Malav Mehta - Member

In adherence to Section 135 of the Companies Act, 2013, the Board of Directors of the Company constituted CSR Committee and adopted CSR Policy in its Meeting held on May 30, 2016. However, the same is not applicable to your Company during the financial year under review.

The detail about CSR policy is available on your Company's website [www.infibeam.ooo](http://www.infibeam.ooo) and annexed with this Report as Annexure - G.

## 26. VIGIL MECHANISM

Your Company is committed to highest standards of ethical, moral and legal business conduct. Accordingly, the Board of Directors have formulated a Whistle Blower Policy which is in compliance with the provisions of Section 177(10) of the Companies Act, 2013 and Regulation 22 of the Listing Regulations. The employees can raise concerns regarding any discrimination, harassment, victimisation, any other unfair practice being adopted against them or any instances of fraud by or against your Company.

Any incidents that are reported are investigated and suitable action taken in line with the whistle blower policy. The Whistle Blower Policy is also available on your Company's website [www.infibeam.ooo](http://www.infibeam.ooo).

## 27. INTERNAL FINANCIAL CONTROLS

The Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. The scope and authority of the Internal Audit (IA) function is defined in the Internal Audit Charter. To maintain its objectivity and independence, the Internal Auditor places Internal Audit reports before the Board of Directors.

The Internal Auditor monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on the report of Internal Auditor, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant Audit observations and corrective actions thereon are presented before the Board.

## 28. RISKS MANAGEMENT POLICY

The Company has a risk management policy, which from time to time, is reviewed by the Audit Committee of Directors as well as by the Board of Directors. The Policy is reviewed quarterly by assessing the threats and opportunities that will impact the objectives set for the Company as a whole. The Policy is designed to provide the categorisation of risk into threat and its cause, impact, treatment and control measures. As part of the Risk Management policy, the relevant parameters for protection of environment, safety of operations and health of people at work and monitored regularly with reference to statutory regulations and guidelines defined by the Company.

## 29. CHANGE IN SHARE CAPITAL

During the Financial Year 2015-16, the Authorised Share Capital of the Company has been increased from ₹ 43,00,00,000 to ₹ 63,00,00,000 pursuant to a resolution passed by shareholders in their meeting held on June 25, 2015.

During the Financial Year 2015-16, the Paid up Share Capital of the Company has been increased from ₹ 42,56,04,800 to ₹ 53,09,13,210 pursuant to allotment of 1,05,30,841 Equity Shares of the face value of ₹ 10/- each.

## 30. ALLOTMENT

The Company during the Financial Year 2015-16 after obtaining necessary approvals, have allotted,

1. 5,000 Equity Shares of ₹ 10/- each on July 15, 2015, to the Employees under ESOP Scheme - 1. After the issue, the Equity Share Capital of the Company stood at ₹ 42,56,54,800.
2. 6,250 Equity Shares of ₹ 10/- each on September 5, 2015, to the Employees under ESOP Scheme - 1. After the issue, the Equity Share Capital of the Company stood at ₹ 42,57,17,300.
3. 1,02,925 Equity Shares of ₹ 10/- each on February 1, 2016, to the Employees under ESOP Scheme - 1&2. After the issue, the Equity Share Capital of the Company stood at ₹ 42,67,46,550.
4. 1,04,16,666 Equity Shares of ₹ 10/- each on March 31, 2016, to the shareholders under Initial Public Offer, after complying guidelines under SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2009. After the issue, the Equity Share Capital of the Company stood at ₹ 53,09,13,210.

## 31. INITIAL PUBLIC OFFER

During the year ended March 31, 2016, the Company has raised funds pursuant to Initial Public Offering ("IPO") for the purpose of setting up of cloud data centre, purchase of property, for shifting and setting up of its registered and corporate office, setting up of 75 logistic centres, purchase of software and for general corporate purposes. The Company issued 1,04,16,666 equity shares at face value of ₹ 10/- and Premium of ₹ 422/- and the aggregate issue price of ₹ 432/- per equity share.

### 32. DEMATERIALISATION OF EQUITY SHARES

Shareholders have an option to dematerialise their shares with either of the depositories viz. NSDL and CDSL. **The ISIN No. allotted is INE483S01012.**

### 33. LISTING

The Equity Shares of the Company have been listed on the BSE Limited via ID **539807** and National Stock Exchange of India Limited (NSE) via ID **INFIBEAM** w.e.f. April 4, 2016 and consequently the Company has become a listed entity with effect from that date.

### 34. DETAILS OF EMPLOYEE STOCK OPTION PLANS

During the Financial Year 2015-16, 4,08,904 options were granted to eligible employees of the Company and 1,14,175 options were exercised by the employees after vesting in both the ESOP Schemes. Accordingly, the Company has made the allotment of 5,000 equity shares on July 15, 2015, 6,250 equity shares on September 5, 2015 and 1,02,925 equity shares on February 1, 2016 against the options exercised by the employees.

The applicable disclosures as stipulated under the SEBI Regulations as on March 31, 2016 with regard to Employees Stock Option Plans are given below:

#### Disclosure regarding Employees Stock Option Plans of the Company for the year ended March 31, 2016

Sr. No.	Description	Details	
1.	Date of Shareholder's Approval	Scheme 1 : 30.03.2013 Scheme 2 : 31.03.2014	
2.	Total Number of Options approved under ESOP	Scheme 1: up to 1.50% of the paid up of the Company Scheme 2: up to 3.00% of the paid up of the Company	
3.	Vesting Period	1 year from the grant of option	
4.	Exercise Period / Exercise Price or Pricing Formula	The employee stock options granted shall be capable of being exercised within a period of Five (5) years from the date of grant subject to vesting of the respective employee stock options. The exercise price shall be ₹ 10 per option or such other price as the board/committee decides, from time to time (share of a face value of ₹ 10 each).	
5.	Sources of Shares	Primary	
6.	Variation in terms of options	None	
7.	Method used to account for ESOP	Fair Value	
8.	Where the company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognised if it had used the fair value of the options shall be disclosed. The impact of this difference on profits and on EPS of the Company shall be disclosed	N. A.	
9.	Option movement during the year		
	a. Number of options outstanding at the beginning of the period	Scheme 1 : Nil Scheme 2 : 14,40,695	
	b. Number of options granted during the year	Plan	No. of option
		Scheme 2	2,51,995
	c. Number of options forfeited/ lapsed during the year	Plan	No. of option
		Scheme 2	1,89,481
	d. Number of option vested during the year	Plan	No. of option
		Scheme 2	4,08,904
	e. Number of options exercised during the year	Plan	No. of option
		Scheme 1	1,10,200
		Scheme 2	3,975
		TOTAL	1,14,175
	f. Number of shares arising as a result of exercise of options	Plan	No. of option
		Scheme 1	1,10,200
		Scheme 2	3,975
		TOTAL	1,14,175

Sr. No.	Description	Details		
	g. Money realised by exercise of options (INR), if scheme is implemented directly by the company	Plan	Amount (In ₹)	
		Scheme 1	₹ 11,02,000	
		Scheme 2	₹ 39,750	
		TOTAL	₹ 11,41,750	
	h. Loan repaid by the trust during the year from exercise price received	N.A.		
	i. Number of options outstanding at the end of the year	Plan	No. of option	
		Scheme 2	10,11,540	
	j. Number of options exercisable at the end of the year	Plan	No. of option	
		Scheme 2	5,65,148	
	k. Employee- wise details of options granted to:			
	(i) Senior Managerial Personnel	Name	Designation	No. of options granted
		Mr. Hiren Padhya	CFO	2350
		Mr. Lalji Vora	CS (upto September 30,2015)	120
	(ii) Any other employee who receives a grant in any one year of option amounting to 5% or more of option granted during that year	None		
	(iii) Identified employees who were granted option, during any one year, equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	None		
	l. Weighted average exercise prices and weighted average fair values of options disclosed separately for options whose exercise price either equals or exceeds or is less than the market price of the stock	(i) Weighted average exercise price of options granted during the year whose: a. Exercise price equals market price: NA b. Exercise price is greater than market price: NA c. Exercise price is less than the market price: N.A.		
		(ii) Weighted average fair value of options granted during the year whose: a. Exercise price equals market price: NA b. Exercise price is greater than market price: NA c. Exercise price is less than the market price: N.A.		
	m. Description of the method and significant assumptions used during the year to estimate the fair value of options including the following information: <ul style="list-style-type: none"><li>Fair value of the options calculated by using Black-Scholes option pricing model.</li><li>Time of Maturity/ Expected Life: Time of Maturity/ Expected Life of option is the period for which the Company expects the option to be live. The minimum life of a stock option is the minimum period before which the options cannot be exercised and the maximum life is the period after which the options cannot be exercised.</li></ul>			

### 35. CORPORATE GOVERNANCE REPORT

In compliance with Regulation 34 of the Listing Regulations, a separate report on Corporate Governance along with a certificate from the Auditors on its compliance, forms an integral part of this report is attached herewith as **Annexure – H**.



### 36. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as required in respect of conservation of energy and technology absorption has not been furnished considering the nature of activities undertaken by the company during the year under review.

Further during the year under review, details of foreign exchange earnings and outgo (consolidated) are as given below:

(Rupees in Million)

Particulars	Financial Year 2015-16	Financial Year 2014-15
Earning in Foreign Currencies	323.14	187.50
Expenditure in Foreign Currencies	63.38	41.93

### 37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a Policy on Prevention of Sexual Harassment in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees are covered under the policy. No complaint has been received by the Company under this Policy during the year 2015-16.

### 38. CODE OF CONDUCT

The Board of Directors has laid down a Code of Conduct applicable to the Board of Directors and Senior Management. All the Board Members and Senior Management personnel have affirmed compliance with the code of conduct. The Code of Conduct of Board of Directors is also available on your Company's website [www.infibeam.ooo](http://www.infibeam.ooo).

### 39. SIGNIFICANT/MATERIAL ORDERS PASSED BY THE REGULATORS

There are no significant material orders passed by the Regulators or Courts or Tribunals impacting the going concern status of your Company and its operations in future.

### 40. ACKNOWLEDGEMENTS

The Board places on record its appreciation for the continued co-operation and support extended to the Company by customers, vendors, regulators, banks, financial institutions, rating agencies, stock exchanges and depositories, auditors, legal advisors, consultants, business associates and all the employees with whose help, cooperation and hard work the Company is able to achieve the results.

The Board deeply acknowledges the trust and confidence placed by the consumers of the Company and all its shareholders.

For and on behalf of Board of Directors of  
**Infibeam Incorporation Limited**

Place : Ahmedabad  
Date : August 12, 2016

**Ajit Mehta**  
Chairman  
[DIN: 01234707]

## ANNEXURE - A

## FORM AOC-1

## Part – A: Subsidiaries companies

Statement pursuant to first proviso to sub-section (3) of section 129  
of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014

(Rupees in Million)

Sr. No.	Particulars	1	2	3	4	5	6
1	Name of Subsidiaries	NSI Infinium Global Pvt. Ltd.	Infinium (India) Ltd.	Infibeam Digital Entertainment Pvt. Ltd.	Infibeam Logistics Pvt. Ltd.	Odigma Consultancy Solution Pvt. Ltd.	Sine Qua Non Solution Pvt. Ltd.*
2	The date since when subsidiary was acquired	July 31, 2010	September 10, 2010	November 30, 2012	March 31, 2014	February 24, 2014	August 5, 2013
3	Reporting period for the subsidiary concerned, if different from the holding Company's reporting period	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR	INR	INR	INR
5	Paid up Share Capital	0.14	135.00	42.50	0.10	0.10	0.19
6	Reserves & surplus	-487.26	-71.52	-58.63	-3.57	-4.45	-17.79
7	Total assets	2,057.11	245.65	54.35	104.55	18.46	1.25
8	Total liabilities	2,544.23	182.17	70.47	108.02	22.80	18.84
9	Investment in shares	0.00	0.00	0.00	0.00	0.00	0.00
10	Turnover	2,823.99	381.54	29.95	49.74	65.42	1.34
11	Profit / (Loss) before taxation	21.49	22.31	-22.53	-3.73	-5.59	-2.62
12	Provision for taxation	0.00	-0.93	0.00	0.04	-1.68	0.00
13	Profit (Loss) after Tax	21.49	21.38	-22.53	-3.77	-3.91	-2.62
14	% of Shareholding	100%	100%	74%	100%	100%	100%

\* It is a step Subsidiary of your Company as result of it is Wholly Owned Subsidiary Company of NSI Infinium Global Private Limited.

**Note:**

1. Name of Subsidiaries which are yet to commence operations – None
2. Name of Subsidiaries which have been liquidated or sold during the year – None

## Part- B: Associate & Joint Venture

Statement pursuant to first proviso to sub-section (3) of section 129  
of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014

(Rupees in Million)

Sr. No.	Particulars	1
1	Name of Associates or Joint Ventures	<b>Avenues Infinite Private Limited</b>
2	Latest Audited Balance sheet Date	March 31, 2016
3	The date since when Associates or Joint ventures was acquired	January 16, 2013
4	Shares of Associates or Joint Ventures held by the Company on the Year end	
	No. of Shares	9,99,800
	Amount of Investment in Associates or Joint Ventures	₹ 10.00 Million
	Extent of Holdings (In Percentage)	49.99%
5	Description of how there is significant influence	N.A.
6	Reason why the associates / Joint Ventures is not Consolidated	Consolidated
7	Net worth attributable to Shareholding as per latest audited balance Sheet	₹ -1.32 Million
8	Profit or (Loss) for the Year	
	i. Considered in Consolidation	₹ -0.16 Million
	ii. Not Considered in Consolidation	NIL

### Note:

1. Name of Associates / Joint Ventures which are yet to commence operations – None
2. Name of Associates / Joint Ventures which have been liquidated or sold during the year – None

## ANNEXURE - B

### Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with our standalone and consolidated Financial Statements for the years ended March 31, 2015 and March 31, 2016 prepared in accordance with the Companies Act, Indian GAAP and the SEBI Regulations, including the schedules, annexures and notes thereto and the reports thereon, included in "Financial Statements". Unless otherwise stated, the financial information used in this section is derived from our Consolidated Financial Statements.

Indian GAAP differs in certain material respects from U.S. GAAP and IFRS. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this report, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. Accordingly, the degree to which the Indian GAAP financial statements included in this report will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" is a reference to Infibeam Incorporation Limited on a consolidated basis and a reference to the "Company" is a reference to Infibeam Incorporation Limited on a standalone basis.

#### Forward-Looking Statements

All statements other than statements of historical fact, including statements regarding guidance, industry prospects, or future results of operations or financial position, made in this Annual Report are forward-looking. We use words such as anticipates, believes, expects, future, intends, and similar expressions to identify forward-looking statements. Forward-looking statements reflect management's current expectations and are inherently uncertain. Actual results could differ materially for a variety of reasons, including, among others, fluctuations in foreign exchange rates, changes in global economic conditions and consumer spending, world events, the rate of growth of the Internet and online commerce, the amount that we invests in new business opportunities and the timing of those investments, the mix of products sold to customers, the mix of net sales derived from products as compared with services, the extent to which we owe income taxes, competition, management of growth, potential fluctuations in operating results, international growth and expansion, the outcomes of legal proceedings and claims, fulfilment, delivery, risks of inventory management, seasonality, the degree to which the Company enters into, maintains, and develops commercial agreements, acquisitions and strategic transactions, payments risks, and risks of productivity.

#### Overview: Retail & e-commerce landscape

As per Technopak Report 2015, India's real economic growth rate is estimated at 7% and consumer price index is estimated at 6% till 2025. India's GDP is estimated at approximately

US\$2.1 trillion in fiscal 2015, of which private consumption will constitute 57%. Out of the total private consumption in the economy, almost 50% is comprised of the retail segment.

The size of the Indian retail segment is expected to increase from US\$ 585 billion in 2015 to US\$ 2,065 billion in 2025. The retail segment comprises of the merchandise segment and the services segment. The services segment includes food services, beauty and health and fitness. The merchandise and services segments are expected to increase from US\$ 543 billion in 2015 to US\$1,857 billion in 2025 and US\$ 42 billion in 2015 to US\$ 208 billion in 2025 respectively. The share of the merchandise segment constitutes 93% of the total retail whereas services segment constituted 7% of the total retail segment in 2015.

The retail consumption is spread across various key categories. The following table represents the share of the various categories in 2014 and the expected share in 2025:

(All Figures in US\$ Billion)

Categories	2014	2025
Food & Grocery	350	1343
Apparel	46	176
Jewellery (& Watches)	40	169
Consumer Electronics	26	110
Pharmacy (& Wellness)	15	52
Furnishings & Furniture	19	73
Footwear	6	25
F & B Services	11	56
Beauty Services	2	11
Health/Fitness Services	3	17
Others	9	35
<b>Total</b>	<b>525</b>	<b>2065</b>

Source: Technopak Report 2015

In India, 12% of the total population contributes 38% of the total retail spending from the top 74 cities of the country. Delhi & Mumbai clusters contribute about 9% of India's total retail spending whereas the top 22 cities account for 29% of total retail, and top 74 cities account for almost 38% of the total retail spending in India.

#### Evolution of e-commerce:

Early years of the new millennium saw the launch of several e-tailing sites like Rediff and Indiaplaza. E-tailing initially was only to provide products online without much focus on customer service and experience. The re-defining moment in e-tail occurred with the entry of many participants including Infibeam in 2007. Since then participants have entered across segments – (i) Specialists/focus categories e-tailers, (ii) B&M going online, and (iii) mass merchants.

In 2007, e-tail in China accounted for 0.7% which has grown to 10.1% in 2014 driven by constraints of brick & mortar organised retail. The demand and consumption trend in India will mirror that of China. Due to the inherent challenges with B&M retail in India, e-tail will grow at an even faster pace. As per the Technopak report 2015, assuming that India will follow China's growth trajectory, in an optimistic scenario, Indian e-tail market as a share of total retail can be expected at 6%, which was the case with China in 2012-13.

Electronics, apparel and footwear account for approximately 50% of the E-tail market in India. As a category, electronics accounts for 30% of the e-tail market although it is only 3% of the category market size. Going forward, the category is expected to see e-tailing market share of 7% at the expense of offline trade primarily driven by the fact that products are standardised and price becoming the driving factor. For apparel & footwear, e-tailing accounts for 1% of the category size and is projected to grow to 3% by 2017. The success of e-tailing for the category is driven by limited penetration of brands in Tier 2 & 3 towns, standardised products and discounted pricing. Electronics accounted for 22%, apparel and accessories contributed 19.5% and other categories accounted for 20.8% of the e-commerce in United States in 2014.

Food & Grocery E-tail accounts for approximately 1% of the total E-tail market

Even in mature markets like United States and United Kingdom, food e-tail as a share of total e-tail ranges between 2 – 5%, which in the case of China is less than 2% as compared to 1% for India. As a category, food & grocery will see limited e-tail penetration going forward. Although food & grocery accounts for approximately 66% of the retail market and 35% of organised retail, e-tail penetration of the category is only 0.01% and of organised retail market is only 0.2%

### Different Operating Models in the E-commerce Sector

There are different operating models, inventory models and merchant formats followed by different e-tailers in India. The business model options for e-tailers include positioning focus, inventory approach and merchandise format.

#### Inventory Led

Under inventory led approach the e-tailer outright purchases/stocks products from the vendor and sells it directly to the consumer. Some of the advantages of this approach include visibility into the stock levels, higher fulfilment rate & faster dispatch time, better brand credibility & customer confidence and higher margins than other options. On the other hand some of the disadvantages associated with this approach include capital tie-up in case of outright purchase, increased inventory mark-down risk and the risk of building non-selling products.

#### Managed Marketplace

Under this approach, the website is a listing platform for the vendor but the logistic/product quality/ packaging is managed by the e-tailer. The advantages associated with this approach include no capital/ space tied up in inventory, higher control over quality of the product, lower margins than own inventory and favorable government policies. However, the

disadvantages include longer delivery cycle, higher logistics cost, multiple listing of the same product, challenges of system integration with the vendor and lower margins than inventory led approach.

#### Pure Marketplace

Under this approach, the website is only a listing platform for vendors. The logistics is managed by the vendor. The advantages under this approach include no inventory storing & handling costs, wider product offering, and favorable government policies. The disadvantages include non-standardised customer service, multiple listing of the same product, poor vendor service resulting in poor customer experience and challenges of system integration with the vendor.

Depending on the merchandise width and depth, participants can be further classified into horizontal participants and vertical participants.

#### Horizontal Participants

Horizontal participants focus on the width of the merchandise categories and are spread across multiple categories. These participants have exhaustive categories but limited range in each product category. The advantages associated with these participants include wide range of product categories allowing for cross/up selling and are easy to scale up. The disadvantages include limited variety in each product category, lack of customer loyalty and low curation. Examples for horizontal participants include Flipkart, Amazon, Snapdeal, Infibeam etc.

#### Vertical Participants

Vertical participants are category focused to provide depth and variety in the merchandise collection. They have limited categories but exhaustive range in each product category. The advantages include depth of range in select few categories creating customer stickiness, product differentiation (allows leeway to move away from price competition) and high curation. One of the disadvantages is that following such an approach limits appeal to few customer segments and lower scale. Examples for vertical participants include HealthKart, Babyoye, Lenskart, Urban Ladder, Pepperfry, Fabfurnish, BigBasket, Caratlane etc.

#### Infibeam Business model – Distributed Marketplace

We believe Infibeam has introduced a differentiated platform business model in e-commerce (BuildaBazaar) that enables merchants to setup their own marketplace or retail storefront. It can be considered as a "distributed marketplace" model where every merchant can build their own store as well as sell their products and services across multiple marketplace including Infibeam.com. Instead of competing for customers on a single destination (URL), this model allows merchants to introduce their own unique destination and provide offers as well as sell across any other third party marketplace. We believe that this distributed marketplace model scores higher in gross margins, overhead costs and inventory risks compared to pure inventory led models. It also enables the company to grow in international geographies to acquire merchants and power digital enterprises.

As per Technopak report 2015, Infibeam is currently a key participant in Indian e-tail sector along with Amazon.in, Flipkart, Myntra, Snapdeal, Jabong and Paytm.

### In Conversation with Management of Infibeam

**Q:** E-commerce is a large segment and many companies have plunged into it. Please explain the USP under the business and revenue model which Infibeam is built?

**A:** Our primary source of revenue is the sale of a wide range of products and services to customers. The products offered on our consumer-facing websites primarily include merchandise and content we have produced and purchased for resale from suppliers and those offered by third-party merchants (other sellers). Generally, we recognise gross revenue from items we sell from our inventory as product sales and recognise a combination of our commission on revenue of items sold by merchants followed by setup and monthly fee as service sales. We also offer other services such as advertising and domain registry for our global top level domain (.ooo).

**Product Segment:** Infibeam.com provides wide range of products across 40 product and service categories, including mobile and tablets, computer and accessories, electronics and cameras, housing and kitchen, books and magazines going up to fashion products, music, travel and gifts. The company strategically follows an asset light inventory model and has more than 5000 registered merchants who sell directly on Infibeam.com. As of March 31, 2016, company had more than 8.17 Mn active users on Infibeam.com. Infibeam.com has reported revenue of Rs 2341 Mn as of March 31, 2016 and turned positive on contributions in this year. It is a conscious and strategic efforts of the management to be positive with contribution in this crowded e-commerce space where online retailers are losing money. Infibeam follows the strategy of forward investing while ensuring profitable track record.

**Services Segment:** Infibeam has built BuildaBazaar platform (www.buildabazaar.com) for enabling online e-commerce services for merchants to sell their products and services to customers. The platform so used by the merchant is provided on the cloud wherein it offers the ease of doing business at an affordable cost. It is a unique proposition for the local and global merchants to use this cloud based platform and get online marketplace instantaneously with ready to sell products on the web which makes Infibeam a unique service provider in the global marketplace. The scalability of this business model is so high for Infibeam now which helps the company to acquire merchants and thereby growing the revenues from services yet remain profitable.

**Revenue model,** the company offers various subscription plans across price points to suit the needs of merchants operating at different scales.

**Revenue from Value Added Services:** The company uses data analytics to help merchants target customers and increase rate of transactions. In addition, merchants get training and education to help improve operation of their online storefront, marketing and sales activities. The company earns revenues by offering a combination of set-up cost followed by monthly fee and a per-transaction commission. As of March 31, 2016, company had 53,633 registered merchants on its platform which have grown at a 60% year over year. At the end of June 2016, there has been a surge in number of registered merchants to 57482 registering the growth of 7.18% in numbers in the first quarter of FY17.

The sequential growth in revenue at the end of Q1 F.Y.17, is ₹ 322 Mn compared to ₹ 225 Mn in Q1 FY16. Thus the company has earned revenue growth of 43%

### Domain Registry:

As part of Company's strategic initiatives, Company has launched .ooo top level domain registry. It is a rare asset which the company is possessing. In India, we are the only owner of this domain. We have followed the detailed process to get ourselves registered with Internet Corporation for Assigned Names and Numbers (ICANN). It is just like any other domain which are prevailing viz. .com, .in etc. It is resulting in acquiring merchants on one end and on the other end helping the company to bring them on BuildaBazaar platform. It is important to note that under this strategy, the company acquires merchants for services segment without burning cash for acquisition. The domain registry business places Infibeam in an extremely strong position wherein it would have the ability to earn revenue in future. We intend to leverage our .ooo top level domain registry to attract additional merchants to our e-commerce plat form, which we believe is a cost effective merchant acquisition strategy.

**Q:** It is interesting to find that Infibeam is not only profitable but also cash flow positive in e-commerce business. What is the USP employed by Infibeam, especially when others in e-commerce segment are burning cash and losing money?

**A:** The promoters and management of Infibeam believes in using shareholder's capital judiciously. We don't believe in philosophy of burning cash. Every rupee invested in business is under a well-oiled allocation model so that it results in optimum growth and producing profits for shareholders. Our financial focus is on long-term, sustainable growth in profitability and operating cash flow. Cash flow is driven primarily by increasing operating income and efficiently managing working capital and expenditures. Increases in operating income primarily result from increases in sales services and products and efficiently managing our operating costs, partially offset by investments we make in strategic initiatives.

To increase sales of products and services, we focus on improving all aspects of the customer experience by building technology and efficiency in delivery to earn customer trust. We also seek to ensure the value addition to our shareholders while maintaining the flexibility to issue shares for strategic purposes, such as financings, acquisitions, technology upgradation, and aligning employee compensation with shareholders' interests. We utilise employee stock option plan as our primary vehicle for equity compensation because we believe this compensation model aligns the long-term interests of our shareholders and employees. Total shares outstanding plus outstanding stock options were 53.82 million and 43.32million as of March 31, 2016 and 2015 respectively.

We seek to reduce our variable costs per unit and work to leverage our fixed costs.

Our variable costs include product and content costs, payment processing and related transaction costs, picking, packaging, and preparing orders for shipment, transportation, customer service support, and our marketing costs.



Our fixed costs include the costs necessary to run our technology infrastructure; to build, enhance, and add features to our platform that supports our websites supported by buildabazaar platform.

Variable costs generally change directly with sales volume, while fixed costs generally are dependent on the timing of capacity needs and other factors. To decrease our variable costs and enable us to lower prices for customers, we seek to bring efficiency and reduce defects in our processes. To minimise growth in fixed costs, we seek to improve process efficiencies and maintain a lean culture.

Because of our business model we are able to turn our inventory. Inventory turnover days were 17 for FY 2015. We expect variability in inventory turnover over time since it is affected by several factors, including our product mix, the mix of sales by us and by third-party merchants, our continuing focus on availability and selection of product offerings, and the extent to which we choose to utilise third-party merchants.

Accounts payable days were 39 and 33 for FY 2016 and FY 2015 respectively. We expect some variability in accounts payable days over time since they are affected by several factors, including the mix of product sales, the mix of sales by third party sellers, the mix of suppliers, and changes in payment terms over time, including the effect of balancing pricing and timing of payment terms with suppliers.

We expect spending in technology and content will increase over time as we add software engineers, designers, and employees in administration, delivery and support.

We are a very strong IT driven E-commerce company who manages its costs under the controlled spending environment, creating a huge entry barrier for anyone looking at building distributed market place infrastructure similar to buildabazaar which is a SaaS platform (Software as a Service). Our technology and content investment and capital spending projects often support a variety of product and service offerings due to geographic expansion and the cross-functionality of our systems and operations. We seek to invest efficiently in several areas of technology and as well as in technology infrastructure to enhance the customer experience and improve our efficiencies. We believe that advances in technology, specifically the speed and reduced cost of processing power and the advances of mobile connectivity, will continue to improve the consumer experience on the Internet and increase its usage in people's lives. To best take advantage of these continued advances in technology, we are investing in initiatives to build and deploy innovative and efficient platforms.

We are also investing in corporate office and captive data center which offers a broad set of compute, storage, database, and other service offerings to merchants of all sizes using our buildabazaar platform.

The company, as a part of long term strategy to focus on strengthening our technology capabilities to pursue new business opportunities, improve operational efficiencies and manage competition, has decided to set up a Tier III data centre which will enable increase efficiency and adaptability in our research process, ensure faster and more user friendly user interfaces and deliver effective, customised, personalised and more relevant search results for our customers. It also has specific strategic and other advantages including such as underlying control over hardware and increased availability

and mitigation of geo specific risk. It will also ensure the disaster recovery support infrastructure.

We also want to consolidate our operations in Ahmedabad which will provide us the necessary operational efficiency and other benefits. Over and above, other advantages for setting up offices and data centre in GIFT City are as follows:

1. Strong locational advantage
2. Robust urban planning,
3. High quality infrastructure,
4. Availability of talent pool,
5. Business friendly regulations and policies and
6. Firm implementation plan.

We have considered a very detailed financial model prior to making the decision on buying the property. With our staggered payment terms in purchasing the property, when we look at the impact on ROIC from renting vs. purchase, there is a very marginal difference and based on our internal assessment, management is of the view that the investment in this location and data centre will allow us to scale this business for the next 3 years without requirement for additional capacity. Company has started investment to acquire 0.457 Mn square feet in GIFT City. The advance made so far is 400 Mn and the balance amount is payable as mentioned in the prospectus. The equipment for data center is expected to be purchased within this financial year.

## Liquidity and Capital Resources

Cash flow information is as follows (in millions):

	Year ended March 31	
	2016	2015
<b>Cash provided by (used in) (consolidated):</b>		
Operating activities	232.78	(209.44)
Investing activities	(18.50)	(909.79)
Financing activities	4409.91	1232.43

Our principal sources of liquidity are cash flows generated from operations and our cash and cash equivalents were ₹4773.42 million and ₹149.24 million as of March 31, 2016 and 2015 respectively.

Cash provided by operating activities was ₹232.78 million in year ended March 31 2016 as against negative amount of ₹209.44 million in FY ended 2015.

Our operating cash flows result primarily from cash received from our consumer and merchants, offset by cash payments we make for products and services, employee compensation (less amounts capitalised related to software that are reflected as cash used in investing activities), payment processing and related transaction costs, operating leases, etc. Cash received from our customers and other activities generally corresponds to our net sales.

The increase in operating cash flow in March 31 2016, compared to the comparable prior year period, was primarily due to the increase in net income, excluding non-cash charges to net income such as depreciation, amortisation, and stock-based compensation, and changes in working capital. The increase in operating cash flow in FY 2016, compared to the comparable prior year period, was primarily due to the

increase in non-cash charges to net income, including depreciation, amortisation, and stock-based compensation, partially offset by changes in working capital.

Cash utilised in investing activities corresponds with cash utilised in capital expenditures, internal-use software and website development costs. Cash utilised in investing activities was ₹ (18.50) million, and ₹ (909.79) million in FY 2016, and 2015 respectively.

The cash out flow is primarily due to investment in Bank Deposits and advance towards capital expenditure. The Cash utilised for capital expenditures were ₹119.01 million, and ₹495.86 million in FY 2016, and 2015 respectively. This primarily reflects additional investments in support of continued business growth due to investments in technology infrastructure, and additional capacity to support our operations. Stock-based compensation capitalised for internal-use software and website development costs does not affect cash flows.

Cash utilised for financing activities was positive ₹4409.91 million and ₹1232.43 million in FY 2016, and 2015 respectively. Cash outflows from financing activities is primarily result from payment made towards Initial Public Offering (IPO) expenses during FY 2015-16 and payment of Interest. Cash inflows from financing activities primarily result from proceeds from issuance of 10.42 million equity shares through Initial Public Offer at premium during FY 2015-16. During FY 2014-15, cash inflows from financing activities consisted primarily of net proceeds from the issuance of 2.90 million equity shares at a premium.

We believe that cash flows generated from operations and our cash and cash equivalents will be sufficient to meet our anticipated operating cash needs for at least the next 12 months. However, any projections of future cash need and cash flows are subject to substantial uncertainty.

Q: Is infibeam.com, the e-commerce marketplace profitable? Is service segment more profitable than infibeam.com?

A: Yes, the service segment, operated under buildabazaar.com, who powers the digital enterprise or who is a distributed marketplace for retailers / suppliers, is more profitable. With 30% revenue share, buildabazaar.com platform earns 31% revenue and 61% EBITDA margin.

In product segment, infibeam.com is profitable at gross margin level, though it is not contributing significantly to operating profits at this time. We continue to forward invest in customer engagement and building out our logistics capabilities to make new service revenue stream in coming years.

We present to you the operating results and performance under each area of business.

## Results of Operations (consolidated)

### Revenue from operations

Revenue from operations include product and service sales. Product sales represent revenue from the sale of products and Service sales represents a combination of our commission on revenue of items sold by merchants followed by setup and monthly fee along with other services such as advertising and domain registry for our global top level domain (.ooo).

Net sales information is as follows (in millions):

	Year ended March 31	
Revenue from operations:	2016	2015
Sale of products traded	2341.18	2214.12
Sale of service	1020.24	667.90
Other operating revenue	8.08	-
<b>Consolidated Revenue</b>	<b>3369.50</b>	<b>2882.02</b>

We are pleased to deliver substantial growth in revenue resulting to ₹ 3,369 million in FY 2015-16 (₹ 2,882 million in FY 2014-15), registering growth of 17%. What is particularly pleasing, is that, contribution of service revenue to total revenue has doubled over a period of 3 years. We are successful in rising our business in service segment by reporting revenue of ₹ 1,020 million and catering to larger number of merchants. Service revenue has grown by 54% in comparison to FY2014-15.

The sales growth in each year primarily reflects increased sales, including addition of merchants. Increased unit sales were driven largely by our continued efforts to reduce prices for our customers and increasing product selection with addition of merchants. We have built buildabazaar, a cloud based platform (www.buildabazaar.com) for enabling online e-commerce services for merchants to sell their products and services to customers at an affordable cost. Platform being ready to use for its merchants, makes us a unique service provider in the global marketplace.

### Operating Expenses (consolidated)

Information about operating expenses is as follows (in millions):

	Year ended March 31	
Operating Expenses	2016	2015
Cost of sales	2,321.99	2,226.28
Employees Benefits Expenses	277.40	210.77
Finance Costs	11.48	13.68
Depreciation / Amortisation	175.38	130.95
Other Expenses	552.02	468.14
<b>Total Expenses</b>	<b>3,338.27</b>	<b>3,049.82</b>

### Cost of Sales

There is a marginal decrease of 1.4% in cost of sales in absolute rupees in FY-2015-16 as compared to FY-2014-15 primarily due to better negotiations, bulk procurement and optimum margin in various product mix.

### Employee benefits

Employee benefit costs primarily consist of cost of salary and other terminal benefits like, gratuity, provident fund contribution etc along with cost of compensation of stock options issued to various employees. Our primary cost comprises of Technology costs to carry out research and development activities. Our prime requirement of employees is in various technological segments like application, production, maintenance, operation, and platform development for new and existing products and services and other technology infrastructure.

We seek to invest efficiently in several areas of technology development so we may continue to enhance the customer experience and improve our process efficiency through rapid technology developments while operating at an ever increasing scale. We expect spending in technology cost to increase over time as we continue to add employees and technology infrastructure.

We have reported employee cost of ₹277.4 million in FY-2015-16 as against ₹210.77 million in FY-2014-15 resulting into increase of 0.90 % of consolidated revenue. The increase in cost is in view of new recruitment, increment, grant of stock options and other benefits. During FY-2015-16, ₹265.15 million (₹266.34 million in FY-2014-15) capitalised in view of internal-use software enhancement / upgradation and website development costs.

### Finance Costs

Finance cost primarily consist of Interest on short term borrowing as also on account of delay in payments. There is a marginal decrease of 0.1% in finance cost as a % of total revenue in FY-2015-16 as compared to FY-2014-15 primarily due to optimum utilisation of short term borrowing as also avoiding delayed interest payment.

### Depreciation and Amortisation

There is a marginal increase of 0.7% in Depreciation and Amortisation as a % of total revenue as compared to previous year primarily due to addition of intangible assets. Addition of tangible assets consists of software development as well as outright software purchases occurred during the year. Depending upon the nature of software, useful life and economic benefit out of them, the same are being amortised over a period ranging from 12 months to 60 months.

### Other expenses

#### Sales promotion expenses

We direct our customers to our websites primarily through a number of targeted online marketing channels, such as our sponsored search, email marketing campaigns, direct sales, and other initiatives. Our sales promotion expenses are largely variable, based on growth in sales and changes in rates. To the extent there is increased or decreased competition for these traffic sources, or to the extent our mix of these channels shifts, we would expect to see a corresponding change in our sales promotion expense.

There is an increase of 2.2% in sales promotion expenses as a % of total revenue as compared to previous year primarily due to spends in television and newspaper advertisement and other promotional activities.

#### Web hosting and server support expenses

Web hosting and server support costs are technology infrastructure cost which consist principally of cost of servers, networking equipment, data storage, web space and web hosting cost. This cost are indirect cost involved in application, production, maintenance, operation, and platform development for new and existing products and services, and other technology infrastructure expenses.

We seek to invest efficiently in several areas of technology infrastructure so as to improve our process efficiency through rapid technology developments while operating at an ever increasing scale. The technology infrastructure costs have increased marginally by 0.2% as a % of total revenue in FY 2015-16 as compared to FY 2014-15. Additionally, the costs associated with operating and maintaining our expanded infrastructure have increased over time, corresponding with increased usage. We expect these trends to continue over time as we invest in technology infrastructure to support increased usage.

### Profit

It marks the beginning of turning the Services and Products segments profitable where most of the Indian players in e-commerce segment burn cash and report losses. Starting from ₹ 101 Mn negative in FY15 to ₹ 86 Mn positive in FY 16 is very strong evidence of not only the overall improvement in margin but also the operational efficiency has gone to a different level making a base for future growth. EBITDA from service segment in terms of absolute value has shown excellent growth over the years, for current fiscal, it has growth of 40%. In view of unique features of this segment viz. the affordability of cloud based platform, very high scalability of our business model to acquire merchants without losing money and their by growing the revenues from services domestically and globally. This will lead to remain our company profitable and cash positive. We have managed to increase our product revenue and also improved product EBITDA by 18% compared to previous year. It is a conscious and strategic efforts of the management to be positive with contribution in this crowded e-commerce space where online retailers are losing money. The combine efforts of operational and logistic efficiency have assisted company in improving the margins.

## ANNEXURE - C

## Nomination and Remuneration Policy of Directors, Key Managerial Personnel and Other Employees

### 1. PREAMBLE:

Infibeam Incorporation Limited (hereinafter referred as the 'Company') practices a corporate culture that is based on the tenets of trusteeship, empowerment, accountability, control and ethical practices with transparency at its core for creation of maximum value for the stakeholders.

### 2. BRIEF OVERVIEW UNDER COMPANIES ACT, 2013:

#### → Section 178 and Companies (Meetings of Board and its Powers) Rules, 2014

1. Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors.
2. The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
3. The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.
4. The Nomination and Remuneration Committee shall, while formulating the policy ensure that:—
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.
5. Such policy shall be disclosed in the Board's report.

### 3. BRIEF OVERVIEW OF REGULATION 19 OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATION, 2015:

- A. The company shall set up a Nomination and Remuneration committee which shall comprise at least three directors, all of whom shall be non-

executive directors and at least half shall be independent. Chairman of the committee shall be an independent director.

#### B. The role of the Committee includes following:

1. formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. formulation of criteria for evaluation of performance of independent directors and the board of directors;
3. devising a policy on diversity of board of directors;
4. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal.
5. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

### 4. CONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

The Nomination Remuneration Committee ("the committee") of Infibeam Incorporation Limited ("the Company") was constituted by the Board of the Directors ("the Board") of the Company at their meeting held on 25<sup>th</sup> August, 2014. At that time the Constitution of the said Committee as per following:

- Mr. Roopkishan Dave - Independent Director
- Mr. Keyoor Bakshi - Independent Director
- Mr. Malav Mehta - Non-Executive Director

### 5. RECONSTITUTION OF NOMINATION AND REMUNERATION COMMITTEE:

The said Committee had been reconstituted on by the Board of the Directors ("the Board") of the Company at their meeting held on November 7, 2015.

- The Company has constituted Nomination Remuneration Committee.
- At Present there are total 6 (Six) Directors on the Board of which 2 (Two) are Non-Executive & Non Independent Directors, 1 (One) is Executive Director and 3 (Three) are Independent Directors – out of which Non- Executive Director is the Chairman.
- Key Managerial Personnel (KMP) Consists of Managing Director, Chief Financial Officer, Company Secretary, Chief Information Officer, and Chief Technical Officer.

## 6. DEFINITIONS:

In compliance of the provisions of section 2(51), 203 and other applicable provisions of the Act, the companies (Appointment and Remuneration of Managerial Personnel), 2014 and subject to modification(s)/ re-enactment(s) from time to time the definition of Key Managerial Personnel is mentioned herein below:

**(a) Key Managerial Personnel :** Key Managerial Personnel means –

- (i) Managing Director or Chief Executive Officer or Manager and in their absence , a Whole Time Director;
- (ii) Company Secretary,
- (iii) Chief Financial Officer; and
- (iv) Such other officer as may be decided by the company from time to time.

**(b) Senior Management:** It means the members who are the part of its core Management team excluding the Board. This would also include all members of management one level below the executive directors including all functional heads.

## 7. TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE:

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
9. Reviewing and approving compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the

Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; or
  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
12. Performing such other activities as may be delegated by the Board of Directors and/or specified/provided under the Companies Act, 2013 or Listing Regulations or by any other regulatory authority.

## 8. CRITERIA FOR DETERMINING THE FOLLOWING:

### a) Qualification for Appointment of Directors (including Independent Directors):

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy / skills.
- Their industry experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act, 2013, Rules made there under and Regulation 19 of the Listing Obligation and Disclosure Requirement Regulation, 2015.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate/s.

### b) Positive Attributes of Directors (including Independent Directors)

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's Business and discharge their responsibilities.
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.



- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made there under and Listing Obligation and Disclosure Requirement Regulation, 2015 amended from time to time.

**c) For Appointment of KMP / Senior Management**

- To possess the required qualifications, experience, skills and expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct.

**9. POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP AND SENIOR MANAGEMENT PERSONNEL:**

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other Employees of the quality required to run the Company successfully.
- No director / KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.

- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.

- Following criteria are also to be considered:

- Responsibilities and duties;
- Time and efforts devoted;
- Value addition;
- Profitability of the Company and growth of its business;
- Analyzing each and every position and skills for fixing the remuneration yardstick;
- Remuneration Policy of Infibeam Incorporation Limited
- Standards for certain functions where there is a scarcity of qualified resources.
- Ensuring tax efficient remuneration structures.
- Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
- Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.

- Provisions of law with regard making payment of remuneration, as may be Applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

**10. POLICY REVIEW:**

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board, from time to time as may be necessary.

## Form No. MR-3

### Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2016  
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of  
The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,  
**The Members**  
**INFIBEAM INCORPORATION LIMITED**  
Regd. Off: 9TH FLOOR, "A" WING,  
GOPAL PALACE, OPP- OCEAN PARK,  
NR.NEHRUNAGAR, SATELLITE ROAD,  
AHMEDABAD - 380015 (Gujarat)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **INFIBEAM INCORPORATION LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2016 has complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company as per **Annexure - A** for the Financial Year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits ) Regulations, 2014;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities Regulations, 1998;

However, it has been found that there were no instances requiring compliance with the provisions of the laws indicated at point (c), (e), (g) and (h) of para (v) mentioned hereinabove during the period under review.

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015;

However, in the matter of applicability of Clauses of listing agreement and SEBI (LODR) Regulations, 2015, the company approached capital market during the year under review but the securities of the company were not listed on any recognised stock exchange on date of close of financial year i.e. March 31, 2016. We were given to understand that since the company had approached capital market, the company had endeavored to comply with listing regulations.

VI. We further report that having regard to the compliance managing system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has compliance management system for the sector specific laws applicable specifically to the Company:

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, mentioned hereinabove and there is adequate compliance management system for the purpose of other sector specific laws applicable to the Company. The company had also obtained approval of central Government/Company Law board wherever required for compliance of various provisions of The Companies Act. We have relied on the representations made by the Company and its officers for systems and mechanisms formed by the Company for compliances under sector specific laws and regulations applicable to the Company.

### We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes, wherever required.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable sector specific laws, rules, regulations and guidelines.

**We further report that** during the audit period of the Company there were no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. except following

1. The company made allotment of 1,14,175 Equity shares in three tranches under ESOP scheme to the eligible employees during the year and also approached capital market with IPO by offer and allotment of 1,04,16,666 Equity shares of ₹ 10 each at a premium of ₹ 422 and securities of the company were listed on BSE and NSE w.e.f. April 4, 2016. The total aggregate post IPO capital of the company is ₹53,09,13,210/-
2. The shareholders of the company has passed a resolution for increase in borrowing powers and the authority to borrow u/s 180 of The Companies Act, 2013 was increased to an amount ₹ 1,000 Crores
3. The shareholders have passed a resolution for increase in limit of loans and investments under section 186 of The Companies Act, 2013 to the tune of ₹ 1000 Crores.

Signature :  
Name of practicing C S:

**Ashish C. Doshi**  
Partner  
SPANJ & ASSOCIATES  
Company Secretaries  
ACS/FCS No. : F3544  
C P No : 2356

Place : Ahmedabad  
Date : August 12, 2016

Note: This report is to be read with our letter of even date which is annexed as **Annexure B** and forms an integral part of this report.

### ANNEXURE - A

#### List of documents verified

1. Memorandum & Articles of Association of the Company.
2. Minutes of the meetings of the Board of Directors and Committees including Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, along with attendance register held during the period under report.
3. Minutes of General Body Meetings held during the period under report.
4. Statutory Registers/Records under the Act and rules made there under.
5. Agenda papers submitted to all the Directors / Members for the Board Meetings and Committee Meetings.
6. Declarations received from the Directors of the Company pursuant to the provisions of Section 184 of the Act.
7. Intimations/Disclosure/Declaration received from Directors under & The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
8. E-Forms filed by the Company, from time-to-time, under applicable provisions of the Act and attachments thereof during the period under report.
9. Intimations / documents / reports / returns filed with the Stock Exchanges pursuant to the provisions of Listing Agreement entered into by the Company with the Stock Exchange and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the period under report.
10. Communications/ Letters issued to and acknowledgements received from the Independent Directors for their appointment.
11. Various policies framed by the Company from time to time as required under the Act as well as Listing Agreement and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with circulars issued by the SEBI from time to time as mentioned hereunder:
  - Corporate Social Responsibility Policy
  - Ethical Behavior & Vigil Mechanism
  - Policy on Prevention of Sexual Harassment at the work place
  - Archival Policy
  - Policy For Determination Of Materiality Of Events / Information
  - Policy on Materiality of Transactions and Dealing with Related Party Transactions.
  - Policy for determining Material Subsidiaries
  - Code Of Conduct for Regulating, Monitoring And Reporting of Trading By Insiders
  - Code Of Practices And Procedures For Fair Disclosure Of Unpublished Price Sensitive Information
  - Policy on Preservation of Documents
  - Nomination and Remuneration Policy
  - Policy on Board Diversity
  - Policy on Familiarisation Programme for Independent Directors
  - Policy for Evaluation of Performance of Directors, Committees & Board
  - Code Of Conduct For Board Members And Senior Management

**Annexure - B**

To,  
The Members  
INFIBEAM INCORPORATION LIMITED  
Regd. Off: 9TH FLOOR, "A" WING,  
GOPAL PALACE, OPP- OCEAN PARK,  
NR.NEHRUNAGAR, SATELLITE ROAD,  
AHMEDABAD - 380015 (Gujarat)

Sir,

Sub: Secretarial Audit Report for the Financial Year ended on March 31, 2016.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature :  
Name of practicing C S:

**Ashish C. Doshi**  
Partner  
SPANJ & ASSOCIATES  
Company Secretaries  
ACS/FCS No. : F3544  
C P No : 2356

Place : Ahmedabad  
Date : August 12, 2016

## ANNEXURE - E

**FORM NO. MGT - 9**  
**Extract of Annual Return**

As on financial year ended on March 31, 2016  
 Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1)  
 of the Company (Management & Administration) Rules, 2014

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	L64203GJ2010PLC061366
2.	Registration Date	30-06-2010
3.	Name of the Company	INFIBEAM INCORPORATION LIMITED
4.	Category/Sub-category of the Company	Company limited by Shares Indian Non- Government Company
5.	Address of the Registered office & contact details	9 <sup>th</sup> Floor, "A" Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehrunagar, Satellite Road, Ahmedabad -380 015 Phone: 079- 40403600
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	<b>Link Intime India Private Limited</b> C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 Tel: +91 22 6171 5400 Fax: + 91 22 2596 0329

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY –**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Software Development, maintainance and other ancillary services	62013	100%



### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES –

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	<b>INFINIUM (INDIA) LTD.</b> 9 <sup>th</sup> Floor, Shitiratna Complex, Off C G Road, Nr Panchwati Circle, Ahmedabad - 380 006	U32109GJ2000PLC037266	SUBSIDIARY	100.00	2(87)
2.	<b>ODIGMA CONSULTANCY SOLUTIONS PVT. LTD.</b> No. 308, 3 <sup>rd</sup> Floor, F Block, Vars Nottinghill Apartment, Hoysala Nagar, Ramamurthy Nagar, Bangalore – 560 016	U72900KA2011PTC057298	SUBSIDIARY	100.00	2(87)
3.	<b>NSI INFINIUM GLOBAL PVT. LTD.</b> 8 <sup>th</sup> Floor, "A" Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehrunagar, Satellite Road, Ahmedabad -380 015	U64203GJ2002PTC040741	SUBSIDIARY	100.00	2(87)
4.	<b>INFIBEAM LOGISTICS PVT. LTD.</b> 909, 9 <sup>th</sup> Floor, Shitiratna Complex, Near Panchawati Circle, Off C.G. Road, Ellisbridge, Ahmedabad -380 006	U63090GJ2013PTC074135	SUBSIDIARY	100.00	2(87)
5.	<b>INFIBEAM DIGITAL ENTERTAINMENT PVT. LTD.</b> 1001,10 <sup>th</sup> Floor, "A" Wing, Gopal Palace,Nehrunagar, Satellite Road, Ahmedabad -380 015	U72200GJ2012PTC070882	SUBSIDIARY	74.00	2(87)
6.	<b>AVENUES INFINITE PVT. LTD.</b> Level I, Sai Bazar, Station Road, Opp Santacruz Station, Santacruz (West), Mumbai – 400 054	U74900MH2013PTC239708	ASSOCIATE	49.99%	2(6)
7.	<b>SINE QUA NON SOLUTIONS PVT. LTD.*</b> 3 <sup>rd</sup> Floor, Trupthi Complex, No 25, 4 <sup>th</sup> Cross,Amarjyoti Layout, Sanjay Nagar Main Road, Bangalore- 560094	U72200KA2005PTC037433	STEP SUBSIDIARY	100.00	2(87)

\* It is a step Subsidiary of your Company as result of it is Wholly Owned Subsidiary Company of NSI Infinium Global Private Limited.

#### IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

##### i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	-	15553911	15553911	36.55	15553611	-	15553611	29.30	(7.25)
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	8611844	8611844	20.23	8611844	-	8611844	16.22	(4.01)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total [A](1)</b>	-	24165755	24165755	56.78	24165455	-	24165455	45.52	(11.26)
<b>(2) Foreign</b>									
a) NRI-Individual	-	-	-	-	-	-	-	-	-
b) Other-Individual	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total [A] (2)</b>	-	-	-	-	-	-	-	-	-
<b>Total shareholding of Promoter (A) = (A) (1)+ (A) (2)</b>	-	24165755	24165755	56.78	24165455	-	24165455	45.52	(11.26)
<b>B. Public Shareholding</b>									
1. Institutions	-	-	-	-	-	-	-	-	-
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	2608518	-	2608518	4.91	4.91
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIs	-	-	-	-	3954802	-	3954802	7.45	7.45
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)									
i) Foreign Portfolio Investor	-	-	-	-	1249181	-	1249181	2.35	2.35
<b>Sub-total (B)(1):-</b>	-	-	-	-	7812501	-	7812501	14.72	14.72



Category of Shareholders	No. of Shares held at the beginning of the year [As on March 31, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian	-	875893	875893	2.06	1833110	784315	2617425	4.93	2.87
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	-	303682	303682	0.71	1323300	77294	1400594	2.64	1.93
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	-	15211196	15211196	35.74	9696791	4387544	14084335	26.53	(9.21)
c) Others (specify)									
i) NRI	-	-	-	-	1283	-	1283	0.00	0.00
ii) HUF		2003953	2003953	4.71	3008314	1414	3009728	5.67	0.96
<b>Sub-total (B)(2)</b>	-	18394725	18394725	43.22	15862798	5250567	21113365	39.77	(3.45)
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	-	<b>18394725</b>	<b>18394725</b>	<b>43.22</b>	<b>23675299</b>	<b>5250567</b>	<b>28925866</b>	<b>54.48</b>	<b>11.26</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>42560480</b>	<b>42560480</b>	<b>100.00</b>	<b>47840754</b>	<b>5250567</b>	<b>53091321</b>	<b>100.00</b>	<b>0.00</b>

## ii) Shareholding of Promoter-

SN	Shareholder's Name	Shareholding at the beginning of the year (As on 01-04-2015)			Shareholding at the end of the year (As on 31-03-2016)			% change in share-holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged/encumbered to total shares	
<b>[A]</b>	<b>INDIVIDUAL:</b>							
1.	Ajit C. Mehta	3011478	7.08	-	3011478	5.67	-	(1.41)
2.	Vishal A. Mehta	5995940	14.09	-	5995940	11.29	-	(2.80)
3.	Jayshree A. Mehta	3011478	7.08	-	3011478	5.67	-	(1.41)
4.	Nirali Mehta	1505920	3.54	-	1505920	2.84	-	(0.70)
5.	Anoli Mehta	1505920	3.54	-	96851	0.18	-	(3.36)
6.	Malav A. Mehta	293351	0.69	-	1702420	3.21	-	2.52
7.	Subhashchandra R. Amin	205879	0.48	-	205879	0.39	-	(0.09)
8.	Shreya N. Parikh	500	0.00	-	200	0.00	-	0.00
9.	Pallavi Kumarpal	2300	0.00	-	2300	0.00	-	0.00
10.	Mokshadaben P. Sheth	2500	0.01	-	2500	0.00	-	0.00
11.	Bhadrika A. Shah	1000	0.00	-	1000	0.00	-	0.00
12.	Achalaben S. Amin	17645	0.04	-	17645	0.03	-	(0.01)
	<b>SUB TOTAL [A]</b>	<b>15553911</b>	<b>36.55</b>	<b>-</b>	<b>15553611</b>	<b>29.30</b>	<b>-</b>	<b>(7.25)</b>
<b>[B]</b>	<b>BODIES CORPORATE:</b>							
1.	Infinity Drive Private Limited	800744	1.88	-	800744	1.51	-	(0.37)
2.	Infinium Auto Mall Private Limited	1455590	3.42	-	1455590	2.74	-	(0.68)
3.	Infinium Communication Private Limited	1050788	2.47	-	1050788	1.98	-	(0.49)
4.	Infinium Motors Private Limited	5304722	12.46	-	5304722	9.99	-	(2.47)
	<b>SUB TOTAL [B]</b>	<b>8611844</b>	<b>20.23</b>	<b>-</b>	<b>8611844</b>	<b>16.22</b>	<b>-</b>	<b>(4.01)</b>
	<b>TOTAL [A + B ]</b>	<b>24165755</b>	<b>56.78</b>	<b>-</b>	<b>24165455</b>	<b>45.52</b>	<b>-</b>	<b>(11.26)</b>


**iii) Change in Promoters' Shareholding (please specify, if there is no change) -**

Sr. No.	Shareholder's Name	Shareholding		Date*	Increase / (Decrease) in Shareholding	Reason	Cumulative shareholding during (01-04-2015 to 31-05-2016)	
		No. of shares At the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the Company				No. of Shares	% of total Shares of the Company
1	Anoli Mehta	1505920	3.54	01-04-2015			96851	0.18
				30-06-2015	(1409069)	Transfer		
		96851	0.18	31-03-2016				
2	Malav A. Mehta	293351	0.69	01-04-2015			1702420	3.21
				30-06-2015	1409069	Transfer		
		1702420	3.21	31-03-2016				
3	Shreya N. Parikh	500	0.00	01-04-2015			200	0.00
				30-06-2015	300	Transfer		
		200	0.00	31-03-2016				

\* Date of transfer has been considered as the date on which the beneficiary position was provided by the Depositories to your Company.

**iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs):**

SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Nomura Singapore Limited				
	At the beginning of the year	-	-	-	-
	Due to allotment of shares	3008921	5.67	3008921	5.67
	At the end of the year	3008921	5.67	3008921	5.67
2.	Next Orbit Ventures Fund				
	At the beginning of the year	-	-	-	-
	Due to allotment of shares	2677058	4.91	2677058	4.91
	At the end of the year	2677058	4.91	2677058	4.91
3.	Vijayakumar Subramanian				
	At the beginning of the year	2057970	4.84	2057970	4.84
	Due to increase in share capital (Change in % of total shareholding)	-	(0.96)	2057970	3.88
	At the end of the year	2057970	3.88	2057970	3.88
4.	Mayur Mukundbhai Desai (HUF)				
	At the beginning of the year	1900000	4.46	1900000	4.46
	Due to increase in share capital (Change in % of total shareholding)	-	(0.88)	1900000	3.58
	At the end of the year	1900000	3.58	1900000	3.58



SN	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5.	Shaival Mayurbhai Desai				
	At the beginning of the year	1500000	3.52	1500000	3.52
	Due to increase in share capital (Change in % of total shareholding)	-	(0.69)	1500000	2.83
	At the end of the year	1500000	2.83	1500000	2.83
6.	Sonal Mayurbhai Desai				
	At the beginning of the year	1500000	3.52	1500000	3.52
	Due to increase in share capital (Change in % of total shareholding)	-	(0.69)	1500000	2.83
	At the end of the year	1500000	2.83	1500000	2.83
7.	Abhishek Desai				
	At the beginning of the year	1500000	3.52	1500000	3.52
	Due to increase in share capital (Change in % of total shareholding)	-	(0.69)	1500000	2.83
	At the end of the year	1500000	2.83	1500000	2.83
8.	KIFS Financial Services Limited				
	At the beginning of the year	-	-	-	-
	Due to transfer of shares	1088235	2.05	1088235	2.05
	At the end of the year	1088235	2.05	1088235	2.05
9.	Kalyanaraman Srinivasan				
	At the beginning of the year	1053420	2.48	1053420	2.48
	Due to increase in share capital (Change in % of total shareholding)	-	(0.50)	1053420	1.98
	At the end of the year	1053420	1.98	1053420	1.98
10.	Brand Equity Treaties Ltd.				
	At the beginning of the year	784315	1.84	784315	1.84
	Due to increase in share capital (Change in % of total shareholding)	-	(0.36)	784315	1.48
	At the end of the year	784315	1.48	784315	1.48

#### v) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholder's Name	Shareholding		Date	Increase / (Decrease) in Shareholding		Reason	Cumulative shareholding during (01-04-2015 to 31-05-2016)	
		No. of shares At the beginning (01-04-2015) / end of the year (31-03-2016)	% of total Shares of the Company					No. of Shares	% of total Shares of the Company
Directors									
1	Ajitbhai C. Mehta	3011478	7.61	01-04-2015	NIL Movement during the year		3011478	5.67	
		3011478	5.67	31-03-2016					
2	Vishal A. Mehta	5995940		01-04-2015	NIL Movement during the year		5995940	11.29	
		5995940	11.29	31-03-2016					
3	Malav A. Mehta	293351	14.09	01-04-2015			1702420	3.21	
				30-06-2015					
		1702420	3.21	31-03-2016					
Key Managerial Personnels									
4	Hiren Padhya	-	-	01-04-2016			1687	0.00	
				31-03-2016					
		1687	0.00	31-03-2016					
5	Shyamal Trivedi	-	-	01-04-2016			34	0.00	
				31-03-2016					
		34	0.00	31-03-2016					

#### V. INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment –

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	20000000	-	20000000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	643553	-	643553
<b>Total (i+ii+iii)</b>	-	20643553	-	20643553
<b>Change in Indebtedness during the financial year</b>				
* Addition	-	1804941	-	1804941
* Reduction	-	180494	-	180494
<b>Net Change</b>	-	1624447	-	1624447
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	20000000	-	20000000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	2268000	-	2268000
<b>Total (i+ii+iii)</b>	-	22268000	-	22268000

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NIL

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
1	Gross salary	-	-	-	-	-
	(a) Salary as per provisions contained section 17(1) of the Income-tax Act, 1961	-	-	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-	-
2	Stock Option	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-
4	Commission	-	-	-	-	-
	- as % of profit					
	- others, specify...					
5	Others, please specify	-	-	-	-	-
	Total (A)	-	-	-	-	-
	Ceiling as per the Act	-	-	-	-	-

### B. Remuneration to other directors: NIL

SN.	Particulars of Remuneration	Name of Directors			Total Amount
1	Independent Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify(Salary, bonus and contribution to PF)	-	-	-	-
	Total (1)	-	-	-	-
2	Other Non-Executive Directors	-	-	-	-
	Fee for attending board committee meetings	-	-	-	-
	Commission	-	-	-	-
	Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	-	-	-	-
	Total Managerial Remuneration	-	-	-	-
	Overall Ceiling as per the Act	-	-	-	-

### C. Remuneration to Key Managerial Personnel other than MD/Manager/WTd

SN	Particulars of Remuneration	Key Managerial Personnel					
		CEO	CS			CFO	Total
		-	Deepak Pandya	Lalji Vora	Shyamal Trivedi	Hiren Padhya	
	Time Period	-	Up to May 22, 2015	May 23, 2015 to October 1, 2015	From October 1, 2015	From March 1, 2015	-
1	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3,77,000	3,50,000	8,00,000	30,00,000	45,27,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-	-	-
2	Stock Option	-	-	-	-	9,80,000	9,80,000
3	Sweat Equity	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-
	- as % of profit	-	-	-	-	-	-
	others, specify...	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-
	<b>Total</b>	-	3,77,000	3,50,000	8,00,000	39,80,000	55,07,000

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There are no cases for imposing any penalties / punishment / compounding of offences against the Company, Directors and any Officers for the period ending of March 31, 2016.

## ANNEXURE F (i)

**Details under Section 197(12) of the Companies Act, 2013 read with  
Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014**

Sr. No.	Particulars	Status				
I	Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	Number of times				
		Chairman		Nil		
		Managing Director		Nil		
		All other Directors		Nil		
II	Percentage increase in remuneration of each of the Director, the Chief Financial Officer, the Chief Executive Officer, the Company Secretary or the Manager, if any, in the financial year	There was no change in the Remuneration of Directors, CEO, CFO, Company Secretary or the Manager of the Company during the financial year.				
III	Percentage increase in the median remuneration of employees in the financial year	10.42%				
IV	Number of permanent employees on the rolls of Company	131				
V	Explanation on the relationship between average increase in remuneration and Company performance	The average increase in remuneration across the Company at all levels was 12.52% and the increase in Profit After Tax was 152.19% over the previous Financial Year.				
VI	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company (only for listed companies)	NA				
VII	Variations in the market capitalisation of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase or decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last public offer in case of listed companies	NA				
VIII	In case of unlisted companies, the variations in the net worth of the Company as at the close of the current financial year and previous financial year	Variation in Net Worth ₹4,345.24 Mn; 160% increase over net worth of previous Financial Year.				
IX	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average increase in salaries of employees other than the managerial personnel in the last financial year was 10.20%.				
X	Comparison of the remuneration of each Key Managerial Personnel against the performance of the Company	Comparison of remuneration of the KMP against the performance of the Company (PAT ₹42.81 Mn)				
		Particulars		CFO	CS	Total
		Remuneration (in ₹ Mn)		3.98	1.53	5.51
		Remuneration as % of PAT		9.29%	3.57%	12.85%
XI	Key parameters for any variable component of remuneration availed by the Directors	NIL				
XII	Ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year	During the Financial year and previous Financial year, none of the Directors including Independent Directors were paid remuneration.				
XIII	Affirmation that the remuneration is as per the Remuneration Policy of the Company	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.				

## ANNEXURE F (ii)

### Information as per Rule 5(2) and 5(3) of Chapter XIII, the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Employees Name	Vijayakumar Subramanian	B. Ajay Chandra
Designation	Chief Information Officer	Chief Technical Officer
Education Qualification	B. Tech (in Mechanical Engineering), M. Sc (in Computer Science)	M. Sc (in Software Engineering)
Age	39 Years	35 Years
Experience	14 Years	13 Years
Date of Joining	April 1, 2015	April 1, 2015
Gross Remuneration Paid	₹ 60,00,000	₹ 60,00,000
% of Equity Shareholding	3.88 %	1.32 %
Previous Employment and designation	NSI Infinium Global Private Limited	NSI Infinium Global Private Limited



## ANNEXURE - G

### Corporate Social Responsibilites Policy

[INCOMPLIANCE OF COMPANIES ACT, 2013 AND THE COMPANIES (ACCOUNT OF COMPANIES) RULES, 2014]

#### 1. INTRODUCTION:

Infibeam Incorporation Limited ("the Company") has always been committed to the cause of social service since its inception and has repeatedly channelised a part of its resources and activities, such that it positively affects the society socially, ethically and also environmentally. The Company is committed to take up various Corporate Social Responsibility ("CSR") initiatives and enhanced value in the society.

With the commencement of the Companies Act, 2013 constitution of a Corporate Social Responsibility Committee ("CSR Committee") of the Board and formulation of a Corporate Social Responsibility Policy became a mandatory requirement. Therefore, the Company seeks to formulate a formal CSR Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

#### 2. APPLICABILITY:

As per the Companies Act, 2013 of section 135 (1) and Corporate Social Responsibility Policy Rule 14, state the following criteria for applicability of CSR Committee;

- Every company having net worth of rupees five hundred crore or more, or
- Turnover of rupees one thousand crore or more, or
- A net profit of rupees five crore or more,

During any financial year shall constitute a Corporate Social Responsibility Committee.

#### 3. CSR OBJECT:

The main objective of CSR policy is to lay down guidelines for the companies to make CSR as one of the key business process for sustainable development for the Society. It aims at supplementing the role of the Government in enhancing welfare measures of the society based on the immediate and long term social and environmental consequences of their activities. Company will act as a good Corporate Citizen, subscribing to the principles of Global Compact for implementation.

The Company firmly believes that CSR is primarily, the responsibility of the Company in relation to the impact of its decisions and activities on the society and also the environment, through a transparent and ethical behavior which is:

- Consistent with sustainable development and welfare of society,
- Takes into account the expectations of stakeholders,
- In compliance with applicable law, and
- Uniformly integrated and practiced throughout the Company.

#### 4. SCOPE:

In furtherance of its CSR objects, the following are covered under this Policy:

- CSR activities implemented by the Company on its own;
- CSR activities of the Company through an external trust/society.

#### 5. DEFINITIONS:

In this Policy, unless the context otherwise requires:

- "Act" shall mean the Companies Act, 2013, including any modifications, amendments or reenactment thereof.
- "Agency" (or Agencies) means any Section 8 Company or a registered trust/ society/NGO/ institution, performing social services for the benefit of the society and excluding a registered trust/society/NGO/ institution/Section 8 Company which is formed by the Company or its holding or subsidiary company/ companies.
- "Approved Budget" shall mean the total budget as approved by the Board of the Company upon the recommendation of the CSR Committee, which is to be utilised for CSR Projects.
- "Board" shall mean the Board of Directors of the Company.
- "Company" shall mean Infibeam Incorporation Limited and wherever the context requires, shall signify the Company acting through its Board.
- "CSR Annual Plan" shall mean the annual plan detailing the CSR expenditure for the year.
- "CSR Committee" shall mean the Corporate Social Responsibility Committee constituted by the Board of the Company in accordance with the Act, consisting of three or more directors, out of which at least one director shall be an independent director.
- "CSR expenditure" means all CSR expenditure of the Company as approved by the Board upon recommendation of the CSR committee, including the following:
  - contribution to CSR Projects which shall be implemented and/or executed by the Company;
  - contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by its Trust or Society; and
  - contribution to CSR Projects (including for corpus as required) which shall be implemented and/or executed by an Agency.
  - Any other contributions covered under Schedule VII to the Companies Act, 2013.

**Contribution of any amount directly or indirectly to any political party under section 182 of the Act shall not be considered as CSR expenditure.**

- i. **"CSR Officer"** shall mean the whole time person engaged by the Company for activities envisaged in the CSR Policy; having due comprehension, understanding, drive and passion for such activities and designated as such.
- j. **"CSR Policy"** shall mean the present Corporate Social Responsibility Policy of the Company, which covers the activities to be undertaken by the Company as specified in Schedule VII to the Act and the CSR Expenditure thereon.
- k. **"CSR Projects"** or **"Projects"** means Corporate Social Responsibility projects/activities/ programs/ initiatives, instituted in India, either new or ongoing, and includes, but is not limited to those undertaken by the Board in pursuance of recommendations of the CSR Committee as per the declared CSR Policy of the Company.  
  
Projects/activities/ programs/ initiatives undertaken in pursuance of normal course of business of the Company and projects which benefit only the employees of the Company and their families shall not be considered as CSR Projects.
- l. **"Financial Year"** shall mean the period beginning from 1<sup>st</sup> April of every year to 31<sup>st</sup> March of the succeeding year.
- m. **"Net profit"** shall mean the net profit as per the Act and Rules based on which the specific percentage for CSR expenditure has to be calculated.
- n. **"Rules"** shall mean the Companies (Corporate Social Responsibility) Rules 2014, including any re enactment, modifications or amendments thereof.
- o. **"Thrust Areas"** shall have the meaning as ascribed to them as per point V of the Policy.

## 6. THRUST AREA:

While the Company is eligible to undertake any suitable/ rightful activity as specified in Schedule VII of the Act, however, at present, it proposes to undertake the relevant activities on priority basis in the following three Thrust Areas:

### 1.1 Community healthcare, sanitation and hygiene, including, but not limited to:

1. Establishment and management of state of the art healthcare infrastructure with high level of excellence.
2. Providing financial and/or other assistance to the Agencies involved in exclusive medical research, public health, nursing etc.
3. Providing financial assistance to deserving people for specialised medical treatment in any medical institution.
4. Activities concerning or promoting: a. General health care including preventive health care, b. Safe motherhood, c. Child survival support programs, d. Health / medical camps, e. Better hygiene and sanitation, f. Adequate and potable water supply, etc.

### 1.2 Education and knowledge enhancement, including, but not limited to:

1. Establishment and management of educational and knowledge enhancement infrastructure.
2. Providing financial and/or other assistance to the needy and/or deserving students.
3. Providing financial assistance to any Agency involved in education, knowledge enhancement and sports.
4. Facilitate enhancement of knowledge and innovation in the educational Agencies.
5. Contribution to technology incubators located within academic institutions which are approved by the Central Government.

### 1.3 Social care and concern, including, but not limited to:

1. Creating Public awareness
2. Protection and upgradation of environment including ensuring ecological balance and related activities.
3. **Others:**
  - a) Establishment and management of orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature.
  - b) Providing assistance to institutes of credibility involved in areas of social care, including:
    - Preservation of heritage;
    - Animal welfare, social welfare and related matters;
    - Orphanages, old age homes, Sanatoriums, Dharmashalas and institutions of similar nature.
  - c) Other humanitarian activities.

### 1.4 Contribution for eradicating extreme hunger and poverty, promotion of gender equality and empowering women and reducing child mortality and improving maternal health.

### 1.5 Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government or the State Governments for Socio economic development and relief and fund for the welfare of the Scheduled Castes, the Schedule Tribes, other backward classes, minorities and women.

## 7. IDENTIFICATION OF CSR PROJECT:

1. CSR Projects need to be identified and planned for approval of the CSR Committee, in particular in Thrust Areas, with estimated expenditure and phase wise implementation schedules;
2. The Company shall ensure that in identifying its CSR Projects, preference shall be given to the local area and areas around which the Company (including its Units) operates. However, this shall not bar the Company from pursuing its CSR objects in other areas.
3. As a cardinal principle, the CSR Projects in Thrust Areas, shall be identified on the basis of a detailed assessment survey.

4. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of identification of CSR Projects.

## 8. IMPLEMENTATION OF CSR PROJECTS:

The Company shall implement the identified CSR Projects by the following means:

### I. Direct Method

1. The Company may itself implement the identified CSR Projects presently within the scope and ambit of the Thrust Areas as defined in the Policy;
2. The Company may also implement the identified Projects through creation of Trust or Society which is involved in CSR activities, within the scope and ambit of the Thrust Areas as defined in the Policy;
3. The CSR Officer may engage external professionals/firms/agencies if required, for the purpose of implementation of its CSR Projects.
4. The Company, may collaborate with other companies, including its Group Companies if required, for fulfilling its CSR objects through the direct method, provided that the CSR Committees of respective companies are in a position to monitor separately such CSR Projects.

### II. Indirect Method

1. The Company may implement the identified CSR Projects through Agencies, subject to the condition that:
  - The activities pursued by the Agency are covered within the scope and ambit of Schedule VII of the Act provided
    - The Agency has an established track record of at least three years in undertaking similar programs or projects, and
    - The Company has specified the Project to be undertaken through the Agency which shall preferably be in Thrust Areas, the modalities of utilisation of funds on such Projects and the monitoring and reporting mechanism which shall be at least once in three months.
2. The Company, may collaborate with other companies, including its holding, subsidiary as well as Associate Companies for fulfilling its CSR objects through the indirect method provided that the CSR Committees of respective companies are in a position to monitor separately such Projects.

## 9. MONITORING:

Monitoring process for CSR Projects shall include the following:

- Evaluation of Planned progress V/s Actual Progress
- Actual expenditure V/s expenditure as per Approved Budget

### I. Fund allocation and others

#### A. Fund allocation

1. The Company, in every Financial Year, shall endeavor to spend the feasible amount,

which shall not be restricted by the statutory limit of a specified percentage of its average net profits of the immediately preceding three Financial Years. However, the aforementioned expenditure in any Financial Year shall be at least 2% of Company's average Net profits for the three immediately preceding Financial Years.

2. The CSR Committee shall prepare a CSR Annual Plan for the above which shall include:
  - a. Identified CSR Projects
  - b. CSR expenditure
  - c. Implementation Schedules
3. Total expenditure in the CSR Annual Plan shall be approved by the Board upon recommendation by the CSR Committee;
4. In case the Company fails to spend the statutory minimum limit of 2% of Company's average net profits of the immediately preceding three years, in any given financial year, the Board shall specify the reasons for the same in its Director's Report of respective financial year in terms of clause (o) of sub section (3) of section 134.

### B. Others

1. The CSR Committee shall ensure that major portion of the CSR expenditure in the Annual Plan shall be for the Projects in the Thrust Areas. However, there shall not be any preference given to any particular Thrust Area for budgetary allocation and it shall be made purely as per the identified CSR Projects on need basis.
2. The Chairman or Managing Director or whole time Director of the Company is severally authorised to decide on Projects to be implemented through the Indirect Method within the allocation as per the Annual Plan.
3. Any surplus arising out of the CSR Projects shall not form a part of the business profit of the Company.

## 10. DUTIES AND RESPONSIBILITIES:

### A. Board of Directors

The Board shall include in its annual report on CSR Projects as per the format provided in the Annexure to the Rules.

### B. CSR Committee

- a) The CSR Committee shall monitor the implementation of the CSR Policy and CSR Plan. For this purpose, the CSR Committee shall meet at least twice a year.
- b) In discharge of CSR functions of the Company, the CSR Committee shall be directly responsible to the Board for any act that may be required to be done by the CSR Committee in furtherance of its statutory obligations, or as required by the Board.

- c) The CSR Committee shall place before the Board the draft annual report as per the annexure prescribed under the Rules for finalisation.
- d) The CSR Committee shall place before the Board a responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the company for inclusion in the Board's Report.
- e) The CSR Committee shall ensure that the CSR Policy and finalised Annual Plan are displayed on the Company's website.

#### C. CSR Officer

- a) The CSR Officer shall be responsible for the proper implementation and execution of CSR Projects of the Company.
- b) The CSR Officer shall be responsible for monitoring the Projects vis à vis the Annual Plan.
- c) The CSR Officer shall send the half yearly CSR report for the CSR Committee meeting in October and CSR Annual Plan and the draft annual report

as per the format in Rules for the CSR Committee meeting.

- d) The CSR Officer shall communicate the relevant feedbacks received by him/her to the CSR Committee.
- e) The CSR Officer shall be directly responsible to the CSR Committee for any act that may be required to be done by the CSR Committee in accordance with the Policy.
- f) The CSR Officer shall be assisted by a select group of individuals who shall be exclusively dedicated and/or available on priority basis to the CSR Officer, including in Units, as and when required in discharge of all or any of his functions as required under the CSR Policy.

#### 11. REVIEW PERIODICITY AND AMENDMENT:

- a) CSR Plan may be revised/modified/amended by the CSR Committee at such intervals as it may deem fit in consultation with Board.
- b) The CSR Committee shall review the Policy from time to time unless such revision is necessitated earlier.

## ANNEXURE - H

## Report on Corporate Governance

## CORPORATE GOVERNANCE PHILOSOPHY

The philosophy of Infibeam on Corporate Governance envisages adherence to the highest levels of transparency, accountability and fairness, in all areas of its operations and in all interactions with all its stakeholders. Infibeam deals with clients who are by and large, excluded from the mainstream financial markets. Dealing with such 'vulnerable' clients makes it even more important that the Company display high levels of fairness in transacting with them. Right from inception the Company's policies and processes have been fine tuned to ensure the same.

The Shares of the Company were listed with BSE Limited and the National Stock Exchange of India Limited on April 4, 2016 and consequently the Company has become a listed entity from that date.

## BOARD OF DIRECTORS

As at March 31, 2016, the Board comprised of 6 (Six) Directors. The composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013. The Board of Directors is chaired by a Non-Executive / Promoter Chairman and has an optimum combination of Executive, Non- Executive and Independent Directors (including one woman director).

The details of nature of Directorships, number of directorships and committee chairmanships / memberships held by them in other public companies are detailed below:

Name of Directors	Category	No. of Board Meeting held and attend during the year		No. of Directorship in other Public Company	No. of Committee positions held in other Public Companies*		Attendance at the last AGM held on 30-09-2015 Yes / No
		Held	Attend		Chairman	Member	
Mr. Ajit C. Mehta	Chairman	19	19	2	0	0	Yes
Mr. Vishal A. Mehta	Managing Director	19	19	1	0	0	Yes
Mr. Malav A. Mehta	Non-Executive Director	19	19	3	0	1	Yes
Mr. Keyoor M. Bakshi	Independent Director	19	19	3	2	1	Yes
Mr. Roopkishan S. Dave	Independent Director	19	19	1	0	0	Yes
Ms. Vijaylaxmi T. Sheth	Independent Director	19	12	0	0	0	Yes

\* For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered.

All the Directors have periodically and regularly informed the Company about their Directorship and Membership on the Board/Committees of the Board of other companies. As per the disclosure received, none of the Directors of your Company hold memberships/Chairmanships more than the prescribed limits across all companies in which he/she is a Director.

## a) Board:

At Infibeam, the Board is at the core of the Corporate Governance practice. Your Company has an optimum mix of eminent personalities on the Board of Directors with members from diverse experience and expertise. Out of 6 members on its Board, 3 (three) (i.e. 50.00%) are Independent Directors, 2 (two) (i.e. 33.33%) are Non- Executive / Promoter Directors and 1 (one) (i.e. 16.67%) is Managing Director. This appropriate composition of the Board of Directors enables in maintaining the independence of the Board and separates its functions of governance and management. Over a period of time, the Board has fostered a culture of leadership to sustain your Company's growth with a long-term vision and ingenious policy to improve the degree of Corporate Governance.

## Director's Inter-se Relationship

Name of Directors	Relation	Name of Related Directors
Mr. Ajit C. Mehta	Father of	Mr. Malav A. Mehta
		Mr. Vishal A. Mehta
Mr. Malav A. Mehta	Son of	Mr. Ajit C. Mehta
	Brother of	Mr. Vishal A. Mehta
Mr. Vishal A. Mehta	Son of	Mr. Ajit C. Mehta
	Brother of	Mr. Malav A. Mehta

## b) Number of Board Meetings:

During the financial year 2015-16, 19 (Nineteen) meetings of the Board of Directors were held and the maximum time gap between two meetings did not exceed one hundred and twenty days. The Board meets at least once in each quarter to review the quarterly financial results and other items on the Agenda. Additional meetings are held whenever necessary. The dates of the Board meetings are as under:

Date(s) on which meeting(s) were held		
April 1, 2015	April 24, 2015	April 30, 2015
May 20, 2015	May 22, 2015	May 23, 2015
June 12, 2015	June 26, 2015	June 27, 2015
July 5, 2015	July 15, 2015	September 5, 2015
October 22, 2015	November 7, 2015	December 4, 2015
February 1, 2016	March 11, 2016	March 30, 2016
March 31, 2016		

## c) Committees of the Board:

The Board has constituted various Committees with an optimum representation of its members and has assigned them specific terms of reference in accordance with the Companies Act, 2013 and the Listing Regulations. These Committees hold meetings at such frequency as is deemed necessary by them to effectively undertake and deliver upon the responsibilities and tasks assigned to them. Your Company currently has 4 (Four) Committees of the Board viz., Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Corporate Social Responsibility Committee.

## d) The shareholding of the Directors of your Company as on March 31, 2016

Sr. No.	Name of Directors	Nature of Directorship	No. of shares held	Percentage to the paid up share capital
1.	Mr. Ajit C. Mehta	Non-Executive Chairman/ Promoter	3011478	5.67
2.	Mr. Vishal A. Mehta	Managing Director / Promoter	5995940	11.29
3.	Mr. Malav A. Mehta	Non-Executive Director / Promoter	1702420	3.21
4.	Mr. Keyoor M. Bakshi	Non-Executive Director/ Independent	Nil	Nil
5.	Mr. Roopkishan S. Dave	Non-Executive Director/ Independent	Nil	Nil
6.	Ms. Vijaylaxmi T. Sheth	Non-Executive Director/ Independent	Nil	Nil

The Company has not issued any convertible instruments during the Financial Year 2015-16.

## 1. EVALUATION OF THE BOARD EFFECTIVENESS:

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed thereunder and Part D of Schedule II of the Listing Regulations and on the recommendation of the Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director to be carried out on an annual basis. Accordingly, the annual performance evaluation of the Board, its Committees and each Director was carried out for the financial year 2015-16.

Structured questionnaires were prepared to evaluate the performance of the Board as a whole, individual performance of each Director and self – assessment carried out by the Directors. These assessment sheets with respect to the evaluation of the performance of the Directors were based on various aspects which, inter alia, included assessment of the level of participation, understanding of the role and responsibilities, understanding of the business and competitive environment, effectiveness of the contributions made during the Board meetings, understanding of the strategic issues and challenges for your Company etc. In assessing the overall performance of the Board, the parameters included the assessment of time devoted by the Board on the Company's long term goals and strategies, Board effectiveness, quality of discussions at the meetings of the Board, time spent and quality of discussions on key subjects like risk assessment and minimisation, succession planning, discharging fiduciary and governance duties



and performance of specific duties. The questionnaires for assessing the performance of the Committees of the Board included aspects like understanding of the terms of reference by the Committee members, adequacy of the composition of the Committees, effectiveness of the discussions at the Committee meetings, information provided to the Committee to discharge its duties, performance of the Committee vis-à-vis its responsibilities, etc.

The Chairman of the Nomination and Remuneration Committee plays a vital role in undertaking the evaluation of performance for the Board and the Directors. The Nomination and Remuneration Committee discussed on the evaluation mechanism, outcome and the feedback received from the Directors. The Independent Directors at their meeting also discussed the performance of the Non-Executive/Promoter Directors including the Chairman of the Board.

The Board of Directors at its meeting held on March 31, 2016, has noted the overall feedback on the performance of the Directors and the Board as a whole and its Committees. The overall outcome of this exercise to evaluate effectiveness of the Board and its Committees was positive and members expressed their satisfaction.

## 2. INDEPENDENT DIRECTORS:

The Independent Directors of your Company have been appointed for a tenure of 5 (five) years upto March 31, 2019. The Independent Directors have submitted declarations that they meet the criteria of Independence laid down under the Companies Act, 2013 and the Listing Regulations and have confirmed that they do not hold directorship more than the prescribed limit in the Listing Regulations. Your Company has also issued formal appointment letters to all the Independent Directors in the manner provided under the Companies Act, 2013.

Policy of Code of Conduct and Term & Conditions of Appointment of Independent Director as placed on your Company's website namely, [www.infibeam.ooo](http://www.infibeam.ooo).

### a) Independent Directors' Meeting:

During the year under review, the Independent Directors met on March 4, 2016, without the attendance of Non-Independent Directors and members of the management, inter alia, to discuss on the following:

- To review the performance of the Non-Independent Directors and the Board as a whole;
- Review the performance of the Chairperson of your Company, taking into account views of Executive / Non-Executive Directors; and
- Assess the quality, quantity and timeliness of flow of information between your Company's management and the Board that was necessary for the Board to effectively and reasonably perform their duties.

## 3. FAMILIARISATION PROGRAMME:

Your Company has in place a structured induction and familiarisation programme for all its Directors including the Independent Directors. Your Company through such programmes familiarises not only the Independent Directors but any new appointee on the Board with a brief background of your Company, their roles, rights, responsibilities, nature of the industry in which it operates, business model operations, ongoing events, etc. They are updated on all business related issues and new initiatives. They are also informed of the important policies of your Company including the Code of Conduct for Directors and Senior Management Personnel and the Code of Conduct for Prevention of Insider Trading.

Brief details of the familiarisation programme are uploaded on the website of your Company namely [www.infibeam.ooo](http://www.infibeam.ooo).

## COMMITTEES OF THE BOARD

### 1. AUDIT COMMITTEE:

The Audit Committee is, inter alia, entrusted with the responsibility to monitor the financial reporting, audit process, determine the adequacy of internal controls, evaluate and approve transactions with related parties, disclosure of financial information and recommendation of the appointment of Statutory Auditors.

The composition of the Audit Committee is in alignment with provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The members of the Audit Committee are financially literate and have experience in financial management. The Committee invites the Managing Director, Chief Financial Officer & Company Secretary and M/s B S R and Associate LLP, Statutory Auditor and M/s Patel & Mehta Associates, Internal Auditor to attend the meetings of the Committee.

The Audit Committee, during the financial year 2015-16, has approved related party transactions along with granting omnibus approval in line with the Policy of dealing with Related Party Transactions and the applicable provisions of the Companies Act, 2013 and the Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force).

The composition of the Audit Committee of the Board of Directors of the Company along with the details of the meetings held and attended during the financial year ended on March 31, 2016 is detailed below:

Sr. No.	Name of Members	Nature of Membership	Meeting (s) Details	
			Held	Attended
1.	Mr. Keyoor M. Bakshi	Chairman	3	3
2.	Mr. Vishal A. Mehta	Member	3	3
3.	Mr. Roopkishan S. Dave	Member	3	3

Date(s) on which meeting(s) were held		
June 10, 2015	September 1, 2015	December 24, 2015

The Chairman of the Audit Committee was present at the last AGM held on September 30, 2015.

#### A) Scope and functions:

1. Overseeing the Company's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
2. Recommending to the Board the appointment, remuneration and terms of appointment of the statutory auditor of the Company;
3. Reviewing and monitoring the statutory auditor's independence and performance, and effectiveness of audit process;
4. Approving payments to statutory auditors for any other services rendered by the statutory auditors;
5. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013, as amended;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft audit report.
6. Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
7. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use/application of the funds raised through the proposed Issue by the Company;
8. Approval or any subsequent modifications of transactions of the Company with related parties;
9. Scrutinising of inter-corporate loans and investments;
10. Valuing of undertakings or assets of the Company, wherever it is necessary;
11. Evaluating of internal financial controls and risk management systems;
12. Establishing a vigil mechanism for directors and employees to report their genuine concerns or grievances;
13. Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
14. Reviewing the adequacy of internal audit function if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
15. Discussing with internal auditors on any significant findings and follow up there on;
16. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
17. Discussing with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
18. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
19. Reviewing the functioning of the whistle blower mechanism;
20. Approving the appointment of the chief financial officer or any other person heading the finance function or discharging that function after assessing the qualifications, experience and background, etc. of the candidate; and

21. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee and any other terms of reference as may be decided by the Board and/or specified/provided under the Companies Act, 2013 or Listing Regulations or by any other regulatory authority.

#### B) Power of Audit Committee:

The powers of the Audit Committee shall include the following:

1. To investigate any activity within its terms of reference;
2. To seek information from any employee;
3. To obtain outside legal or other professional advice; and
4. To secure attendance of outsiders with relevant expertise, if it considers necessary.

#### C) Reviewing Powers:

The Audit Committee shall mandatorily review the following information:

1. Management's discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses;
5. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
6. Statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Listing Regulations; and
  - b) Annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/ notice in terms of the Listing Regulations.

## 2. STAKEHOLDERS' RELATIONSHIP COMMITTEE:

The composition of the Stakeholder Relationship Committee is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the Listing Regulations.

The constitution of the Stakeholders Relationship Committee of the Board of Directors of your Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2015-16 is detailed below:

Sr. No.	Name of Members	Nature of Membership	Meeting (s) Details	
			Held	Attended
1.	Mr. Ajit C. Mehta	Chairman	3	3
2.	Mr. Keyoor M. Bakshi	Member	3	3
3.	Mr. Roopkishan S. Dave	Member	3	3

Date(s) on which meeting(s) were held		
May 22, 2015	August 20, 2015	December 10, 2015

The terms of reference of the Committee includes enquiring into and redressing complaints of shareholders and investors and to resolve the grievance of the security holders of your Company.

Details pertaining to the number of complaints received and responded and the status thereof during the financial year 2015-16 are given below:

No. of complaints received during the year	0
No. of complaints resolved during the year	0
No. of complaints pending at the end of the year	0

The Stakeholders' Relationship Committee was constituted by our Board on March 1, 2015.

#### A) Scope and functions:

1. Consider and resolve grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of annual report and non-receipt of declared dividends;

2. Investigating complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
3. Issue of duplicate certificates and new certificates on split/consolidation/renewal; and
4. Carrying out any other function as may be decided by the Board or specified/provided under the Companies Act, 2013 or Listing Regulations or by any other regulatory authority.

### 3. NOMINATION AND REMUNERATION COMMITTEE:

The role of the Nomination and Remuneration Committee is governed by its Charter and its composition is in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations.

The composition of the Nomination and Remuneration Committee of the Board of Directors of the Company along with the details of the meetings held and attended by the members of the Committee during the financial year 2015-16 is detailed below:

Sr. No.	Name of Members	Nature of Membership	Meeting (s) Details	
			Held	Attended
1.	Mr. Roopkishan S. Dave	Chairman	3	3
2.	Mr. Keyoor M. Bakshi	Member	3	3
3.	Mr. Malav A. Mehta	Member	3	3

Date(s) on which meeting(s) were held		
April 25, 2015	August 5, 2015	December 21, 2015

The Chairman of the Nomination and Remuneration Committee was present at the last AGM of your Company held on September 30, 2015.

The Nomination and Remuneration Committee is empowered with the following terms of reference and responsibilities in accordance with the provisions of law and the Nomination and Remuneration Policy, which is also placed on your company's website namely, [www.infibeam.ooo](http://www.infibeam.ooo)

1. Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulating of criteria for evaluation of the performance of the independent directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who qualify to become directors or who may be appointed in senior management in accordance with the criteria laid down, recommending to the Board their appointment and removal, and carrying out evaluations of every director's performance;
5. Determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;
6. Analysing, monitoring and reviewing various human resource and compensation matters;
7. Determining the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment, and determining remuneration packages of such directors;
8. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;
9. Reviewing and approving compensation strategy from time to time in the context of the current Indian market in accordance with applicable laws;
10. Performing such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
11. Framing suitable policies and systems to ensure that there is no violation, by an employee of any applicable laws in India or overseas, including:
  - (i) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

**Or**

  - (ii) The Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations, 2003.
12. Performing such other activities as may be delegated by the Board of Directors and/or specified/provided under the Companies Act, 2013 or Listing Regulations or by any other regulatory authority.

#### Details of Remuneration:

1. No remuneration has been paid to the Managing Director during the Financial Year 2015-16.
2. No remuneration and sitting fees offered to the Non-Executive Directors during the Financial Year 2015-16.
3. No Commission or Stock Option has been offered to the Directors.

#### SUBSIDIARY COMPANIES

Your Company has a material unlisted Indian subsidiary company in terms of Regulation 16 of the Listing Regulations. A synopsis of the minutes of the Board meetings of the subsidiary companies are placed at the Board meeting of your Company on periodical basis. The Audit Committee reviews the financial statements including investments by the unlisted subsidiaries of your Company.

The Policy for determining "material" subsidiaries has been placed on the website of your Company at [www.infibeam.ooo](http://www.infibeam.ooo)

#### GENERAL BODY MEETINGS

Details of last three Annual General Meetings of the Company are given below:

Financial Year	Date	Time	Venue
2012-13	30-09-2013	10.00 a.m.	909, 9 <sup>th</sup> Floor, Shitiratna Complex, off C G Road, Nr. Panchwati Circle, Ahmedabad – 380 006 <b>No Special Resolution was Passed.</b>
2013-14	30-09-2014	2.00 p.m.	909, 9 <sup>th</sup> Floor, Shitiratna Complex, off C G Road, Nr. Panchwati Circle, Ahmedabad – 380 006 <b>No Special Resolution was Passed.</b>
2014-15	30-09-2015	11.00 a.m.	9 <sup>th</sup> Floor, 'A' Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehrunagar, Satellite Road, Ahmedabad – 380015. <b>No Special Resolution was Passed.</b>

Pursuant to the relevant provisions of the Companies Act, 2013, there was no matter required to be dealt by the Company to be passed through Postal Ballot during 2015-16.

#### MEANS OF COMMUNICATION

##### 1. Publication of quarterly results:

Since the Equity Shares of the Company got listed on April 4, 2016 on the Stock Exchanges, this provision is not applicable during the year under review.

##### 2. Website and News Releases:

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors Desk' on the Company's website gives information on various announcements made by the Company, Annual Report, Quarterly/Half yearly/ Nine-months and Annual financial results along with the applicable policies of the Company. Your Company's official news releases and presentations made to the institutional investors and analysts are also available on the Company's website.

##### 3. Stock Exchange:

Your Company makes timely disclosures of necessary information to BSE Limited and the National Stock Exchange of India Limited in terms of the Listing Regulations and other rules and regulations issued by SEBI.

##### 4. NEAPS (NSE Electronic Application Processing System), BSE Corporate Compliance & the Listing Centre:

NEAPS is a web-based application designed by NSE for corporates. BSE Listing is a web-based application designed by BSE for corporates. All periodical compliance filings, inter alia, shareholding pattern, Corporate Governance Report, corporate announcements, amongst others are in accordance with the Listing Regulations filed electronically.

#### GENERAL SHAREHOLDER INFORMATION

##### (i) Annual General Meeting:

Date	:	September 15, 2016
Day	:	Thursday
Time	:	02.30 p.m.
Place	:	H T Parekh Convention Centre, Ahmedabad Management Association, Atira Campus, Dr. Vikram Sarabhai Marg, IIM – A Road, Vastrapur, Ahmedabad – 380 015.

## (ii) Financial Calendar:

Financial Year : April 1, 2016 to March 31, 2017

Tentative Schedule for declaration of results during the financial year 2016-17

First Quarter : Mid August, 2016

Second Quarter and Half yearly : Mid November, 2016

Third Quarter and Nine Months : Mid February, 2016

Fourth Quarter and Annual : End May, 2017

(iii) Dividend Payment Date : N.A.

(iv) Date of Book Closure (Both days inclusively) : **From :** Friday, September 9, 2016  
**To :** Friday, September 16, 2016

## (v) Listing on Stock Exchanges :

Sr. No.	Name of Stock Exchange(s)	Stock Code (s)	ISIN for Depositories
1.	<b>BSE Limited (BSE)</b> Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai - 400 001	539807	INE483S01012
2.	<b>National Stock Exchange of India Limited (NSE)</b> Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051	INFIBEM	

Your Company has not paid the listing fees to BSE and NSE as the equity shares were not listed for the Financial Year 2015-16.

## (vi) Market Price Data:

The monthly high and low prices and volumes of your Company's shares at BSE and NSE for the year ended on March 31, 2016 are not available as the equity shares got listed on April 4, 2016.

## (vii) Performance of the Share price of the Company in comparison to the BSE SENSEX:

Your Company's shares price at BSE for the year ended on March 31, 2016 are not available as the equity shares got listed on April 4, 2016.

## (viii) Registrars & Transfer Agent

Registrars and Share Transfer Agents (RTA) for both Physical and Demat Segment of Equity Shares of the Company:

Link Intime India Private Limited	
C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai - 400 078 Tel No.: +91 22 25963838 Fax: + 91 22 25960329 Email: iil ipo@linkintime.co.in Website: www.linkintime.co.in	Unit No 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad - 380 009 Tel No.: +91 79 26465179 Email: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

## (ix) Share Transfer System:

The transfer of shares in physical form is processed and completed by Link Intime India Private Limited within a period of 15 days from the date of receipt thereof.

In case of Shares in electronic form, the transfers are processed by NSDL/ CDSL through the respective Depository Participants.



**(x) Distribution of Shareholding as on March 31, 2016:**

Shareholding (No. of Shares)	No. Share Holders		No. Shares	
	Number	% of Total	Shares	% of Total
Upto – 5000	30703	99.18	1059369	2.00
5001 – 10000	39	0.13	32477	0.06
10001 – 20000	34	0.11	55330	0.10
20001 – 30000	17	0.05	43666	0.08
30001 – 40000	6	0.02	22369	0.04
40001 – 50000	13	0.04	60814	0.11
50001 – 100000	40	0.13	318470	0.60
100001 and above	104	0.34	51498826	97.00
<b>Total</b>	<b>30956</b>	<b>100.00</b>	<b>53091321</b>	<b>100.00</b>

**(xi) Category of Shareholders as on March 31, 2016:**

Category	No. of Shares held	% of Shareholding
Promoters & Promoter's group	24165455	45.52
Financial Institution & Banks	7812501	14.72
Mutual Fund	-	-
Domestics Companies	2617425	4.93
Individual	15484929	29.16
NRI & CM	1283	0.00
Hindu Undivided Family	3009728	5.67
Foreign Corporate	-	-
<b>Total</b>	<b>53091321</b>	<b>100.00</b>

**(xii) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, Conversion Date and likely impact on Equity:**

Your Company does not have any outstanding GDRs/ADRs/ Warrants/Convertible Instruments as on March 31, 2016.

**(xiii) Dematerialisation of Shares:**

Equity shares of the Company can be traded only in electronic mode by all the investors. The Company has entered into an agreement and established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Approximately 90% of the Equity Shares have been dematerialised as on March 31, 2016.

**(xiv) Address for Correspondence:**

For any queries relating to the shares of your Company, correspondence may please be addressed to **Link Intime India Private Limited** at:

Unit No 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market,  
 Behind Shoppers Plaza II, Off C G Road, Ahmedabad – 380 009  
 Tel No.: +91 79 26465179 Email: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

For the benefit of shareholders, documents will continue to be accepted at the following Registered Office of the Company:

**Infibeam Incorporation Limited**

**CIN:** L64203GJ2010PLC061366

9<sup>th</sup> Floor, "A" Wing, Gopal Palace, Opp. Ocean Park, Nr. Nehrunagar, Satellite Road, Ahmedabad -380 015

Tel. No.: +91 79 40403600 Fax No.: +91 79 40403636 E-mail: ir@infibeam.ooo Website: www.infibeam.ooo

**Compliance Officer:** Mr. Shyamal Trivedi, Company Secretary

**OTHER DISCLOSURES**
**(i) Related Party Transactions:**

There were no materially Related Party Transactions having potential conflict with the interests of the Company at large during the Financial Year 2015-16. All transaction entered into by your Company with related parties, during the Financial

Year 2015 – 16, were in ordinary course of business and on arm's length basis. The details of the related party transactions are set out in the Notes to Financial Statements forming part of this Annual Report.

Also, the Related Party Transactions undertaken by your Company were in compliance with the provisions set out in the Companies Act, 2013 and Regulation 23 of the Listing Regulations.

The policy on related party transactions has been placed on the Company's website [www.infibeam.ooo](http://www.infibeam.ooo).

- (ii) Details of non-compliance by the Company, penalties, strictures imposed on the Company by the Stock Exchange(s) or SEBI or any statutory authority on any matter related to capital markets, during the last three years: Not applicable.

**(iii) Whistle Blower Policy:**

The Company has adopted a Whistle Blower Policy and Prevention of Sexual Harassment Policy, has established the necessary vigil mechanism and procedures and it affirms that no personnel has been denied access to the Audit Committee. The said policies have been also put on the website of the Company at [www.infibeam.ooo](http://www.infibeam.ooo).

- (iv) The Company has also adopted Policy on Determination of Materiality for Disclosures, Policy on Archival of Documents and Policy for Preservation of Documents. The said policies have been also put on the website of the Company at [www.infibeam.ooo](http://www.infibeam.ooo).

**(v) Discretionary Requirements:**

- The Chairman of the Company is a Non-Executive Director.
- Internal Auditors make directly presentation to the Audit Committee on their Reports.
- The Auditor's Report on Statutory Financial Statements of the Company are unqualified.

**(vi) CEO/CFO Certification:**

As required under Regulation 17 of the Listing Regulations, the CEO/CFO certificate for the financial year 2015 – 16 signed by Mr. Vishal A. Mehta, Managing Director and Mr. Hiren Padhya, Chief Financial Officer was placed before the Board of Directors of your Company at their meeting held on May 30, 2016.

- (vii) The Company has complied with corporate governance requirements specified in Regulation 17 to 27 of Listing Regulations, 2015, regarding Board of Directors, Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, etc. and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations, 2015 pertaining to certain data on the Company's website.

### DECLARATION

All the Board Members and Senior Management Personnel of the Company have affirmed the compliance with the provisions of the code of conduct for the year ended on March 31, 2016.

For and on behalf of Board of Directors of  
**Infibeam Incorporation Limited**

Place : Ahmedabad  
Date : August 12, 2016

**Ajit Mehta**  
Chairman  
[DIN: 01234707]

## COMPLIANCE CERTIFICATE

To,  
**Board of Directors**  
**Infibeam Incorporation Limited**  
**Ahmedabad.**

We, Vishal Mehta, Managing Director and Hiren Padhya, Chief Financial Officer of Infibeam Incorporation Limited certify that:

- A. We have reviewed financial statements and the cash flow statement for the Financial Year ended on March 31, 2016 and that to the best of our knowledge and belief:
  1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. To the best of our knowledge and belief, no transactions entered into by the Company during the Financial Year 2015-16, which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit committee that:
  1. There has not been any significant change in internal control over financial reporting during the year;
  2. There has not been any significant change in accounting policies during the year; and

We are not aware of any instances of significant fraud with involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place : **Ahmedabad**  
 Date : **May 30, 2016**

**Vishal Mehta**  
 Managing Director

**Hiren Padhya**  
 Chief Financial Officer

## COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To,  
 The Members of  
**INFIBEAM INCORPORATION LIMITED**  
**Ahmedabad.**

We have examined the compliance of conditions of Corporate Governance by **INFIBEAM INCORPORATION LIMITED**, for the year ended on **March 31, 2016**, as stipulated in Clause 49 of the Listing Agreement entered into with Stock Exchange for the period from April 1, 2015 to November 30, 2015 and as per Regulation 17 to 27, Clause (b) to (i) of Regulation 46, Regulation 34 read with para C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the period from December 1, 2015 to March 31, 2016 of the said Company.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and representation made by the management, we certify that the Company has complied with the conditions of the Corporate Governance as stipulated in the above mentioned Listing Agreement and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Signature :  
 Name of practicing C S:

**Ashish C. Doshi**  
 Partner  
 SPANJ & ASSOCIATES  
 Company Secretaries  
 ACS/FCS No. : F3544  
 C P No : 2356

Place : Ahmedabad  
 Date : August 12, 2016



**Financial Section**  
Standalone

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Consolidated

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Financial  
Section

→ 86-152

## Independent Auditors' Report

To the Members of  
Infibeam Incorporation Limited

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Infibeam Incorporation Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone financial statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence, about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that gives true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion, and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016 and its profit and its cash flows for the year ended on that date.

### Report on other legal and regulatory requirements

- 1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow statement dealt with by this Report are in agreement with the books of account;



- (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 26 to the standalone financial statements;
- ii The Company did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses; and
- iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- For B S R & Associates LLP**  
Chartered Accountants  
Firm's Regn No: 116231W / W-100024
- Sukrut Mehta**  
Partner  
Membership No: 101974
- Ahmedabad  
May 30, 2016



# Annexure A

## To the Independent Auditors' Report –March 31, 2016

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended March 31, 2016, we report that:

- (i) The fixed assets of the Company represents only intangible assets. Thus, paragraph 3 (i) (a), (b) and (c) of the Order is not applicable.
- (ii) The Company is a service company, primarily rendering software development and software services. Accordingly, it does not hold any physical inventories. Thus, paragraph 3 (ii) of the Order is not applicable.
- (iii) The Company has granted unsecured loans, to four companies covered in the register maintained under section 189 of the Companies Act, 2013. The company has not granted any loans, secured or unsecured to firms, Limited Liability Partnerships or other parties covered under Section 189 of the Companies Act, 2013.
  - (a) In our opinion, terms and conditions of the grant of such loans are not prima facie prejudicial to the interest of the Company.
  - (b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the principle and interest as stipulated.
  - (c) There is no overdue amount in respect of the loan granted to a body corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including *service tax, income-tax, provident fund, employee state insurance and professional tax are not regularly deposited during the year; whereby there are delays in certain cases*. As explained to us, the Company did not have any dues on account of sales tax, value added tax, duty of customs, duty of excise and cess duty during the year.
 

According to the information and explanations given to us, no undisputed amounts payable in respect of service tax, income-tax, provident fund, employees' state insurance, professional tax and other material statutory dues were in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, professional tax and other material statutory dues which have not been deposited with the appropriate authorities on account of any dispute other than those mentioned below

<i>Name of the statute</i>	<i>Nature of the dues</i>	<i>Amount (₹ in Million)</i>	<i>Period</i>	<i>Forum where dispute is pending</i>
The Income Tax Act	MAT Liability	39.89*	Assessment year 2011-2012	Commissioner of Income-tax (Appeals)

\*Net of ₹, 23.50 Million paid under protest

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any debenture holders. The Company did not have any loans or borrowings from banks, government and financial institutions during the year.
- (ix) During the year the Company has raised money by way of initial public offer for the purpose of setting up of cloud data center, purchase of property for shifting and setting up of registered and corporate office of the Company, setting up of 75 logistic centers, purchase of software and general corporate purposes. The funds raised have not been utilised at the balance sheet date and same are deposited in a separate bank account. The Company did not have term loans outstanding during the year.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

**For B S R & Associates LLP**

Chartered Accountants

Firm's Regn No: 116231W / W-100024

**Sukrut Mehta**

Partner

Membership No: 101974

Ahmedabad

May 30, 2016



# Annexure B

## To the Independent Auditors' Report –March 31, 2016

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Infibeam Incorporation Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

#### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



## Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For B S R & Associates LLP**

*Chartered Accountants*

Firm's Regn No: 116231W / W-100024

Ahmedabad  
May 30, 2016

**Sukrut Mehta**

*Partner*

Membership No: 101974

# Balance Sheet

AS AT MARCH 31, 2016

(Rupees in Million)

	Note	March 31, 2016	March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	530.91	425.60
Reserves and surplus	4	6,538.53	2,293.60
		7,069.44	2,719.20
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	20.00
Long-term provisions	6	6.53	3.47
		6.53	23.47
<b>Current liabilities</b>			
Trade payables	7		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		6.96	5.26
Other current liabilities	8	358.76	109.31
Short-term provisions	9	0.80	0.30
		366.52	114.88
<b>Total</b>		<b>7,442.50</b>	<b>2,857.55</b>
<b>Non-current assets</b>			
Fixed assets	10		
Intangible fixed assets		170.07	114.85
Intangible fixed assets under development		47.06	34.13
Non-current investments	11	152.59	152.59
Deferred tax assets (net)	12	-	-
Long-term loans and advances	13	2,132.47	2,352.97
Other non current assets	14	0.12	0.11
		2,502.32	2,654.65
<b>Current assets</b>			
Trade receivables	15	68.64	62.38
Cash and bank balances	16	4,610.71	36.14
Short-term loans and advances	17	217.67	94.03
Other current assets	18	43.16	10.34
		4,940.18	202.89
<b>Total</b>		<b>7,442.50</b>	<b>2,857.55</b>
<b>Significant accounting policies</b>	2		
The notes referred to above form an integral part of these financial statements.			

As per our report of even date attached.

 For **B S R & Associates LLP**  
Chartered Accountants  
Firm's Registration No: 116231W /W-100024

 For and on behalf of the Board of Directors of  
**Infibeam Incorporation Limited**  
CIN : L64203GJ2010PLC061366

**Sukrut Mehta**  
Partner  
Membership No: 101974

 Ahmedabad  
May 30, 2016

**Hiren Padhya**  
Chief Financial Officer

**Shyamal Trivedi**  
Company Secretary

**Vishal Mehta**  
Managing Director  
DIN : 03093563

**Malav Mehta**  
Director  
DIN : 01234736

 Ahmedabad  
May 30, 2016

# STATEMENT OF Profit and Loss

## FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

	Note	March 31, 2016	March 31, 2015
<b>Income</b>			
<b>Revenue from operations</b>	19		
Sales of Service		427.78	292.25
Other operating revenue		3.34	-
Net revenue from operations		431.13	292.25
Other income	20	0.85	1.91
<b>Total revenue</b>		431.98	294.17
<b>Expenses</b>			
Employee benefits	21	77.76	45.89
Finance cost	22	2.07	1.26
Amortisation	10	42.35	25.48
Other expenses	23	266.90	305.62
<b>Total expenses</b>		389.08	378.25
<b>Profit before prior period items and tax</b>		42.90	(84.09)
Prior period adjustments	25	-	(2.06)
<b>Profit before tax</b>		42.90	(82.02)
Income tax expenses			
- Current tax		0.09	-
- Deferred tax	12	-	-
<b>Net profit/(loss) for the year</b>		42.81	(82.02)
<b>Earnings per equity share [Nominal value of shares ₹ 10 each]</b>	27		
Basic		1.00	(2.00)
Diluted		0.99	(2.00)
<b>Significant accounting policies</b>	2		
The notes referred to above form an integral part of these financial statements.			

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W /W-100024

**Sukrut Mehta**

Partner

Membership No: 101974

Ahmedabad

May 30, 2016

For and on behalf of the Board of Directors of

**Infibeam Incorporation Limited**

CIN : L64203GJ2010PLC061366

**Hiren Padhya**

Chief Financial Officer

**Shyamal Trivedi**

Company Secretary

**Vishal Mehta**

Managing Director

DIN : 03093563

**Malav Mehta**

Director

DIN : 01234736

Ahmedabad

May 30, 2016



# Cash flow statement

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

	March 31, 2016	March 31, 2015
<b>Cash flow from operating activities :</b>		
Net Profit/(loss) before tax	42.90	[82.02]
<b>Adjustment for :</b>		
ESOP expenses (net)	24.45	0.87
Amortisation	42.35	25.48
Interest expense	1.80	0.72
Interest income	[0.85]	[1.83]
Initial Public Offering (IPO) expenses	25.55	
Provision for diminution in value of Investment	-	10.00
Advances written off	-	2.27
Bad debts written off	-	0.98
Unrealised foreign currency gain	[0.15]	0.01
<b>Operating cashflow before working capital changes</b>	<b>136.06</b>	[43.52]
<b>Adjustments for changes in operating assets/ liabilities</b>		
(Increase) in trade receivables	[6.11]	[53.84]
Decrease in loans and advances	126.09	55.35
(Increase)/decrease in other current assets	[33.29]	114.79
Increase trade payables	1.70	2.78
(Decrease)/increase in other current and non current liabilities and provisions	[12.84]	100.13
<b>Cash generated from operating activities before taxes</b>	<b>211.61</b>	175.69
Income taxes (paid)	[23.96]	[26.96]
<b>Net cash generated from operating activities (A)</b>	<b>187.65</b>	148.73
<b>Cash flow from investing activities :</b>		
Purchase and construction of fixed assets (tangible and intangible fixed assets and intangible assets under development)	[42.77]	[20.94]
Purchase of non current investments	-	[9.95]
Loans and advances - given / (repaid)	21.52	[1,346.80]
Bank deposits due to mature after 12 months of reporting date	-	[0.10]
Bank deposits with maturity more than 3 months	[22.78]	[0.72]
Interest received	1.30	1.23
<b>Net cash (used) in investing activities (B)</b>	<b>[42.72]</b>	[1,377.28]

# Cash flow statement

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

	March 31, 2016	March 31, 2015
<b>Cash flow from financing activities :</b>		
Proceedings from initial public offer including premium (net of cost)	4,500.00	1,231.37
Proceedings from exercise of ESOP	1.14	0.00
Initial Public Offering (IPO) expenses including charged to securities premium	(94.11)	-
Proceeds from borrowings	-	20.00
Repayment of borrowings	-	(0.20)
Interest paid	(0.18)	-
<b>Net cash generated from financing activities (C)</b>	<b>4,406.85</b>	1,251.17
<b>Net increase in cash and cash equivalents (A) + (B) + (C)</b>	<b>4,551.78</b>	22.61
<b>Cash and cash equivalents at the beginning of the period</b>	<b>32.94</b>	10.33
<b>Cash and cash equivalents at the end of the period</b>	<b>4,584.73</b>	32.94
<b>Notes to cash flow statements :</b>		
1) Components of cash and cash equivalents :		
- Cash on hand	0.53	0.54
- Bank balances		
In current accounts	4,584.19	32.40
	<b>4,584.73</b>	32.94
2) The cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 ('AS 3') on 'Cash flow statement' as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.		

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W /W-100024

**Sukrut Mehta**

Partner

Membership No: 101974

Ahmedabad

May 30, 2016

For and on behalf of the Board of Directors of

**Infibeam Incorporation Limited**

CIN : L64203GJ2010PLC061366

**Hiren Padhya**

Chief Financial Officer

**Shyamal Trivedi**

Company Secretary

**Vishal Mehta**

Managing Director

DIN : 03093563

**Malav Mehta**

Director

DIN : 01234736

Ahmedabad

May 30, 2016

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## 1. Company overview

Infibeam Incorporation Limited ("the Company") was incorporated on June 30, 2010 under the Company Act, 1956. The Company is primarily engaged in business software development services, maintenance, web development, e-commerce and other ancillary services.

## 2. Significant accounting policies

### 2.1 Basis of preparation of financial statements

These financial statements are prepared under the historical cost convention, on accrual basis, in accordance with the provisions of Companies Act, 2013 ('the Act') and generally accepted accounting principles ('GAAP') in India and comply with the Accounting Standards notified under Section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014, to the extent applicable. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### 2.2 Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles ('GAAP') in India requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of financial statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

### 2.3 Intangible assets, amortisation and intangible assets under development:

#### *Acquired intangibles:*

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset.

#### *Internally generated intangibles:*

Internally generated intangible assets are carried at cost incurred to generate the asset.

With regard to internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the statement of profit and loss as incurred.
- Development activities involve a plan or design for the production of new or substantially improved products or processes.
- Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of direct labour incurred to preparing the asset for its intended use. Other development expenditure is recognised in the statement of profit or loss as incurred.

Internally generated goodwill is not recognised as an asset.

#### *Amortisation:*

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies.

The period of amortisation of internally generated intangibles is 5 years and period of acquired intangibles ranges between 5 years to 10 years.

#### *Intangible assets under development*

Expenditure incurred on acquisition /construction of intangible fixed assets which are not ready for their intended use at balance sheet date are disclosed under Intangible assets under development.

### 2.4 Impairment:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount



# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

is the greater of the net selling price and value in use. In Assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

## 2.5 Revenue recognition

Revenue from the services rendered is recognised proportionally over the period in which the services are rendered as per the rates and terms agreed between parties and when no significant uncertainty exists regarding the recoverability of amount of the consideration from rendering the service.

Registry Services revenues primarily arise from fixed fees charged to registrars for the initial registration or renewal of .ooo domain names. Revenues from the initial registration or renewal of domain names are deferred and recognised ratably over the registration term, generally one year and up to ten years. Fees for renewals and advance extensions to the existing term are deferred until the new incremental period commences. These fees are then recognised ratably over the renewal term.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Export incentives are accounted on accrual basis based on completion of service.

## 2.6 Foreign Currency Transaction:

### *Initial recognition:*

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

### *Conversion:*

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date.

Exchange difference arising on settlement or year-end revaluation of monetary assets and liabilities are recognised in the statement of profit and loss.

## 2.7 Investments:

Long term investments are valued at cost, less provision for other than temporary diminution in value, if any. Current investments are valued at the lower of cost and fair value.

## 2.8 Employee Benefits:

### *Short-term employee benefits:*

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

### *Post-employment benefits:*

#### **Defined contribution plans:**

The Employee's provident fund scheme and Employee State Insurance Scheme (ESIS) is a defined contribution plan.

The Company's contribution paid/payable under the scheme is recognised as expense in the Statement of profit and loss during the period in which the employee renders the related service. The Company makes specified monthly contributions towards employee provident fund and ESIS.

#### **Defined benefit plans:**

Gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted. The Company has not invested in any fund for meeting liability.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plan, are based on the market yields on

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

Government securities as at the balance sheet date. Short term portion of the provision is included in short term provisions as determined by the actuary.

Actuarial gains and losses are recognised immediately in the Statement of profit and loss.

## 2.9 Leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

## 2.10 Earnings per share (EPS):

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the period.

Diluted EPS is calculated by dividing the net profit and loss for the year attributable to equity shareholders for the period, by the weighted average number of equity and equivalent diluted equity shares outstanding during the period except, where the results would be anti-dilutive.

## 2.11 Provisions, contingencies and contingent liability

### *Provisions:*

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

### *Contingencies:*

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

### *Contingent liabilities and contingent assets:*

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## 2.12 Taxes on income

Income tax expense for the year comprises of current tax and deferred tax.

Current tax provision is determined on the basis of reliefs and deductions available under the Income Tax Act, 1961.

Deferred tax is recognised on timing differences; being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

## 2.13 Employee stock option schemes

The excess of the market price of shares, at the date of grant of options under the Employee Stock Option Schemes of the Company, over the exercise price is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares. Cost is recognised net of expense recovered from subsidiary companies.

## 2.14 Borrowing costs

Borrowing costs directly attributable to the acquisition on construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are accounted as expense, in the period in which they are incurred.

## 2.15 Cash and cash equivalents

Cash and cash equivalents comprise of cash-in-hand and balance in bank in current accounts and deposit accounts that are highly liquid and are readily convertible to known amounts of cash.

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 3 Share capital

	March 31, 2016	March 31, 2015
<b>Authorised</b>		
6,30,00,000 (previous year: 4,30,00,000) equity shares of ₹ 10 each	630.00	430.00
	630.00	430.00
<b>Issued, subscribed and fully paid up</b>		
5,30,91,321 (previous year: 4,25,60,480) equity shares of ₹ 10 each	530.91	425.60
	530.91	425.60

### A Reconciliation of shares outstanding at the beginning and at the end of the year:

	March 31, 2016		March 31, 2015	
Equity share capital	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	4,25,60,480	425.60	3,95,71,272	395.71
Shares issued during the year	-	-	28,97,330	28.97
Shares issued on conversion of debentures	-	-	91,578	0.92
Shares issued on exercise of employee stock options	1,14,175	1.14	300	0.00
Shares issued on initial public offering	1,04,16,666	104.17	-	-
At the end of the year	5,30,91,321	530.91	4,25,60,480	425.60

### B Terms/rights attached to equity shares:

The Company has equity shares having a par value of ₹ 10 per share. All equity shares rank equally with regard to dividend and share in the Company's residual assets in proportion of amount paid up. The equity shares are entitled to receive dividend as declared from time to time. Each holder of the equity shares is entitled to one vote per share. On winding up of Company, the holder of equity shares will be entitled to receive the residual assets of Company, remaining after distribution of all preferential amounts in proportion to number of equity shares held. Terms attached to stock options granted to employees are described in note 29 regarding employee share based payments.

### C Details of shareholders holding more than 5% shares in the company:

	March 31, 2016		March 31, 2015	
Equity share capital	Number of shares	Holding %	Number of shares	Holding %
Ajit C Mehta	30,11,478	5.67%	30,11,478	7.08%
Vishal A Mehta	59,95,940	11.29%	59,95,940	14.09%
Jayshree Mehta	30,11,478	5.67%	30,11,478	7.08%
Infinium Motors Private Limited	53,04,722	9.99%	53,04,722	12.46%
Nomura Singapore Limited	30,08,921	5.67%	-	0.00%

### D Aggregate number of equity shares issued for a consideration other than cash during five years prior to March 31, 2016

Year	Number of shares
2010-11	1,00,00,000

In the year 2010-11, 1,00,00,000 equity shares of ₹ 10 each have been allotted as fully paid up in consideration of 1,14,19,993 shares of Infinium India Limited.

### E Aggregate number of equity shares issued as bonus shares during five years prior to March 31, 2016

Year	Number of shares
2010-11	1,95,26,490

1,95,26,490 equity shares of ₹ 10 each have been allotted as fully paid up bonus shares by capitalising revaluation reserve.



# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 4 Reserves and surplus

	March 31, 2016	March 31, 2015
<b>Revaluation reserve</b>		
	4.74	4.74
At the commencement and end of the year	4.74	4.74
<b>Debenture redemption reserve</b>		
At the commencement of the year	-	-
Add: amount transferred from surplus	5.00	-
At the end of the year	5.00	-
<b>Securities premium account</b>		
At the commencement of the year	2,280.98	1,035.88
Add : on issue of equity shares at premium of ₹ 422 per share (previous year ₹ 415 per share)	4,395.83	1,202.39
Add: on conversion of debentures into equity share	-	42.58
Add: on exercising of ESOPs	47.38	0.12
Less : initial public offer expenses charged	(312.78)	-
At the end of the year	6,411.41	2,280.98
<b>Employee stock option outstanding account</b>		
At the commencement of the year	313.13	191.58
Add : employee compensation expense for the year (refer note 29)	119.07	125.30
Less: transfer to securities premium on exercise of options	(47.38)	(0.12)
Less: on lapse of stock options - transferred to general reserve (refer note 29)	-	(3.63)
Less: on lapse of stock options - cost reimbursed to subsidiary company	(84.33)	-
At the end of the year	300.49	313.13
<b>General reserve</b>		
At the commencement and end of the year	3.63	-
Add: transferred from employee stock option outstanding reserve	84.33	3.63
At the end of the year	87.96	3.63
<b>[Deficit] balance in the statement of profit and loss</b>		
Balance at the commencement of the year	(308.88)	(226.86)
Profit/(loss) for the year	42.81	(82.02)
<b>Appropriation</b>		
Transfer to debenture redemption reserve	(5.00)	-
At the end of the year	(271.06)	(308.88)
	6,538.53	2,293.60

## 5 Long-term borrowings

	March 31, 2016	March 31, 2015
<b>Unsecured</b>		
Debentures :		
9%, Non convertible redeemable debentures #	-	20.00
	-	20.00

# The Company has issued 9% Non Convertible Redeemable Debentures ("NCRD") to Brand Equity Treaties Limited vide agreement dated October 20 2014 on conditions that NCRD shall be redeemed at the option of the Company, in one or more tranches, at any time within a period of two years from the date of allotment i.e. November 7 2014 by way of re-payment, in part or in full, of debenture amount and interest due thereon @ 9% per annum till the date of redemption. Amount is disclosed under "other current liabilities". Refer note no. 8 below

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 6 Long-term provisions

	March 31, 2016	March 31, 2015
Provision for gratuity (refer note 33)	6.53	3.47
	6.53	3.47

## 7 Trade payables

	March 31, 2016	March 31, 2015
Trade Payables		
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6.96	5.26
	6.96	5.26

\*for dues to micro and small suppliers, refer note 28

## 8 Other current liabilities

	March 31, 2016	March 31, 2015
Current maturity of long term borrowings		
9%, Non convertible redeemable debentures	20.00	-
Interest accrued but not due on debentures	2.27	0.64
Advances from customers	1.76	0.62
Statutory liabilities		
- Service tax payable	0.52	0.01
- Others	17.29	0.50
Provision for expenses	77.29	5.40
Employee benefits payable	7.38	-
Excess billing over revenue	15.95	99.78
Other payables	216.32	2.36
	358.76	109.31

## 9 Short-term provisions

	March 31, 2016	March 31, 2015
Provision for gratuity (refer note 33)	0.80	0.30
	0.80	0.30

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 10 Intangible fixed assets

	Gross Block				Amortisation			Net Block	
	April 1, 2015	Additions during the year	Deletions	March 31, 2016	April 1, 2015	For the year	On Deletions	March 31, 2016	March 31, 2016
Computer software^	160.72	97.56	-	258.28	45.87	42.35	-	88.21	170.07
<b>Total</b>	<b>160.72</b>	<b>97.56</b>	<b>-</b>	<b>258.28</b>	<b>45.87</b>	<b>42.35</b>	<b>-</b>	<b>88.21</b>	<b>170.07</b>

### Intangible fixed assets under development

Particulars	March 31, 2016
Balance as at April 1, 2015	34.13
Additions during the year*	110.49
Assets capitalised during the year	(97.56)
Balance as at March 31, 2016	47.06

\* Addition to the intangible assets under development during the current period includes ESOP cost and Salary cost amounting to ₹ 67.72 million and ₹ 42.77 million respectively.

	Gross Block				Amortisation			Net Block	
	April 1, 2014	Additions during the year	Deletions	March 31, 2015	April 1, 2014	For the year	On Deletions	March 31, 2015	March 31, 2015
Computer software^	94.53	66.18	-	160.72	20.39	25.48	-	45.87	114.85
<b>Total</b>	<b>94.53</b>	<b>66.18</b>	<b>-</b>	<b>160.72</b>	<b>20.39</b>	<b>25.48</b>	<b>-</b>	<b>45.87</b>	<b>114.85</b>

### Intangible fixed assets under development

Particulars	March 31, 2015
Balance as at April 1, 2014	37.25
Additions during the year*	63.00
Assets capitalised during the year	(66.12)
Balance as at March 31, 2015	34.13

\* Addition to the intangible assets under development during the current year includes ESOP cost and Salary cost capitalised amounting to ₹42.12 million and ₹ 20.88 million respectively.

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 11 Non-current investment

	March 31, 2016	March 31, 2015
<b>Non-trade investments (Unquoted)</b>		
Investment in equity instruments		
9,99,800 (previous year: 9,99,800) equity shares of Avenues Infinite Private Limited , an associate, of ₹10 each fully paid	10.00	10.00
10,000 (previous year: 10,000) equity shares of Infibeam Logistics Private Limited , a subsidiary, of ₹10 each fully paid	0.10	0.10
31,45,000 (previous year: 31,45,000) equity shares of Infibeam Digital Entertainment Private Limited , a subsidiary, of ₹10 each fully paid	31.45	31.45
1,34,99,993 (previous year: 1,34,99,993) equity shares of Infinium India Limited, a subsidiary, of ₹10 each fully paid	120.80	120.80
10,000 (previous year 10,000) equity shares of Odigma Consultancy Solutions Private Limited, a subsidiary, of ₹10 each fully paid	0.10	0.10
14,375 (previous year: 14,375) equity shares of NSI Infinium Global Private Limited, a subsidiary, of ₹10 each fully paid	0.14	0.14
	162.59	162.59
Less: Diminution in value of investments in equity shares of in Avenues Infinite Private Limited	(10.00)	(10.00)
	152.59	152.59

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 12 Deferred tax assets (net)

	March 31, 2016	March 31, 2015
<b>Deferred tax liabilities</b>		
Excess of amortisation on fixed assets under income-tax law over amortisation provided in accounts.	5.93	2.96
	5.93	2.96
<b>Deferred tax assets</b>		
Provision for employee benefits	2.42	1.17
IPO Expenses	8.45	-
Provision for diminution in value of investment	2.06	2.06
Unabsorbed depreciation and business loss	13.46	32.25
	26.39	35.48
<b>Deferred tax (assets) (net)</b>	(20.46)	(32.52)
<b>Deferred tax assets (net) recognised*</b>	-	-

\* Deferred tax assets are recognised only to the extent of deferred tax liability, as this amount is considered to be virtually certain of realisation. The net deferred tax assets of ₹ 20.46 million (previous year ₹32.52 million) is not recognised, as it is not considered to be virtually certain of realisation.

## 13 Long-term loans and advances

(Unsecured considered good, unless otherwise stated)

	March 31, 2016	March 31, 2015
<b>To party other than related party</b>		
Advance to supplier	-	214.14
Advance tax and tax deducted at source (includes tax paid under protest)	53.97	30.09
<b>To related party</b>		
Loan to subsidiary companies (refer note 34)*	2,078.50	2,108.74
	2,132.47	2,352.97

\*The above loans are unsecured, repayable in 8 years from the date of transactions and is interest free.

## 14 Other non current assets

	March 31, 2016	March 31, 2015
Bank deposits (due to mature after 12 months of reporting date)	0.10	0.10
Interest accrued on fixed deposits	0.02	0.01
	0.12	0.11

## 15 Trade receivables

(Unsecured considered good, unless otherwise stated)

	March 31, 2016	March 31, 2015
Receivables outstanding for a period exceeding six months from the date they became due for payment	6.29	0.07
	6.29	0.07
Other receivables*	62.35	62.31
	62.35	62.31
	68.64	62.38

\* Trade receivable includes ₹ 12.38 million (previous year ₹ 3.08 million) receivable from a private limited company in which directors of the Company are directors.

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 16 Cash and bank balances

	March 31, 2016	March 31, 2015
<b>Cash and cash equivalents</b>		
- Cash on hand	0.53	0.54
- Balance with banks:		
In current accounts (refer note 38)	4,584.19	32.40
	4,584.73	32.94
<b>Other bank balances</b>		
- Fixed deposit (which due to mature within 12 months of reporting date) **	25.98	3.20
	4,610.71	36.14

\*\* Fixed deposit of ₹ 25.98 million (Previous year ₹ 3.20 million) are under lien against bank guarantee issued by the company

## 17 Short-term loans and advances

(Unsecured considered good, unless otherwise stated)

	March 31, 2016	March 31, 2015
To parties other than related parties:		
Advance to suppliers	53.57	8.43
Prepaid expenses	3.92	2.26
Balance with government authorities		
- Service tax	18.13	0.84
Security deposits	23.95	-
To related parties:		
Loan given (refer note 34)*	118.10	82.50
	217.67	94.03

\* The above loan is unsecured, repayable on demand and interest free.

## 18 Other current assets

	March 31, 2016	March 31, 2015
Interest accrued on fixed deposits	0.16	0.08
Unbilled revenue	39.10	1.32
Receivable from subsidiary company for reimbursement of expenses (net) (refer note 34)	0.33	8.38
Receivable against reimbursement of expenses	0.22	-
Interest accrued on loans (refer note 34)	-	0.56
Export incentive receivable	3.34	-
	43.16	10.34



# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 19 Revenue from operations

	March 31, 2016	March 31, 2015
<b>Sale of services</b>		
Software development, maintenance and other ancillary services	427.78	292.25
<b>Other operating revenue</b>		
Export incentive	3.34	-
<b>Revenue from operation (net)</b>	<b>431.13</b>	292.25

## 20 Other income

	March 31, 2016	March 31, 2015
Interest income	0.85	1.83
Miscellaneous income	-	0.08
	<b>0.85</b>	1.91

## 21 Employee benefits

	March 31, 2016	March 31, 2015
Salaries, wages and bonus (net of capitalisation)^	51.24	44.76
Gratuity expenses (refer note 33)	2.07	0.26
Employee stock option (ESOP) outstanding expenses*	24.45	0.87
	<b>77.76</b>	45.89
<b>^ Salaries, wages and bonus (net of capitalisation)</b>		
Salaries, wages and bonus	94.01	65.65
Less : Cost capitalised	(42.77)	(20.88)
<b>Salaries, wages and bonus cost for the year</b>	<b>51.24</b>	44.76
<b>* Employee stock option outstanding expenses</b>		
Share based payment expense	119.07	125.30
Less: Cost capitalised	(67.72)	(42.12)
Less: Expense recovered from the subsidiary company	(26.89)	(82.31)
<b>ESOP cost for the period</b>	<b>24.45</b>	0.87

## 22 Finance costs

	March 31, 2016	March 31, 2015
Interest expenses		
- on debenture	1.80	0.72
- on statutory dues	0.26	0.54
	<b>2.07</b>	1.26

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 23 Other expenses

	March 31, 2016	March 31, 2015
Bank charges	0.11	0.12
Communication expenses	0.58	0.09
Legal and consultancy expenses	7.92	6.72
Office expenses	0.28	0.06
Payments to auditors (refer note 24)	0.70	0.50
Rent (refer note 32)	1.49	1.80
Rate and taxes	1.82	-
Web hosting and server support expense	5.08	4.88
Advertisement expenses	105.10	54.75
Online digital marketing expenses	17.55	57.10
Sales promotion expenses	1.39	0.62
Net foreign exchange loss	0.10	0.11
Electricity expenses	0.76	0.72
Payment gateway charges	0.10	0.17
Initial Public Offering (IPO) expenses [includes expenses such as merchant bankers fees, legal counsel fees, advertising and marketing expenses and other incidental expenses initially incurred by the Company]	25.55	5.46
Travelling expenses	4.41	0.43
Mobile application development expenses	9.97	-
Platform licensing fees	78.30	155.97
Service charges	5.56	2.82
Subscription expenses	0.11	-
Provision for diminution in value of investment	-	10.00
Advances written off	-	2.27
Bad debts written off	-	0.98
Miscellaneous expenses	0.01	0.05
	266.90	305.62

## 24 Payment to auditors (excluding service tax)

	March 31, 2016	March 31, 2015
as Statutory auditors*	0.70	0.50
	0.70	0.50

\* The above figure excludes ₹ 0.70 million (Previous year : ₹ Nil) pertaining to IPO, and charged against security premium account.

## 25 Prior period adjustments

	March 31, 2016	March 31, 2015
Sale of services	-	2.06
	-	2.06

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 26 Contingent liabilities and commitments

	March 31, 2016	March 31, 2015
<b>a) Contingent liabilities:</b>		
Claims against the Company not acknowledged as debt:		
<b>Income tax matter :</b>		
The Company has received order u/s 143(3) for the Assessment Year 2011-12, the Assessing Officer has made an addition of INR 200.00 to the profits of the company and considered the same for the purpose of computing the book profits as per the provisions of section 115JB of the Income Tax Act, 1961 ('the Act'), on the presumption that the issue of bonus shares out of the revaluation reserve only contemplates realised profits which are not routed through profit and loss account. The Company has filled an Appeal to the Commissioner of Income-tax and matter is dismissed by the said authority and management is in the process of filling an appeal with higher authority. Out of the total demand of ₹ 63.39 million, The Company has paid ₹ 23.50 million under protest to income tax authority. The actual outflow in this regards will be determined only on conclusion of the matter.	63.39	39.86
<b>Bank Guarantee</b>		
The Company has issued bank guarantee to BSE Limited as per the statutory norms of SEBI for initial public offering of its equity shares.	22.50	-
<b>b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	2,750.00	-

## 27 Earnings per share

	March 31, 2016	March 31, 2015
Profit/(loss) for the year after taxation as per the statement of profit and loss	42.81	(82.02)
Weighted average number of equity shares used in computing basic earnings per share having face value of ₹ 10 each.	4,26,12,949	4,09,94,148
Weighted average number of equity shares used in computing dilutive earnings per share having face value of ₹ 10 each.	4,33,24,355	4,17,34,874
Basic earning per (₹)	1.00	(2.00)
Dilutive earning per (₹)	0.99	(2.00)*
* Since, the effect of potential equity shares is anti-dilutive, the same is ignored.		
<b>Number of Shares</b>		
Weighted average number of equity shares used in computing basic earnings per share	4,26,12,949	4,09,94,148
Effect of dilutive potential equity shares		
- Employee stock options	7,11,406	7,40,726
Weighted average number of equity shares used in computing dilutive earnings per share.	4,33,24,355	4,17,34,874
<b>Equity share capital</b>		
At the commencement of the year	4,25,60,480	3,95,71,272
Shares issued during the year	-	28,97,330
Shares issued on conversion of debenture	-	91,578
Shares issued on exercise of employee stock options	1,14,175	300
Shares issued on initial public offer	1,04,16,666	-
At the end of the year	5,30,91,321	4,25,60,480
Weighted average number of equity shares	4,33,24,355	4,17,34,874

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## 28 Dues to micro and small suppliers

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act') accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2016 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance-sheet date.

(Rupees in Million)

	March 31, 2016	March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	-	-
The amount of interest paid by the buyer under the MSMED Act along with the amounts of the payment made to the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the MSMED Act not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting year; and	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

On basis of information and records available with the Company, the above disclosures are made in respect of amount due to the micro and small enterprises, which have been registered with the relevant competent authorities. This has been relied upon by the auditors.

## 29 Employee share-based payment plan

### Employee stock option (ESOP) scheme (2013-14):

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on February 17, 2013, read with Special Resolution passed by shareholder of the company at the extra ordinary general meeting held on March 30, 2013. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of shares. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹ 10 which is 97.65% below the market price at the date of grant, i.e., April 1, 2013 and April 1, 2014.

### Employee stock option (ESOP) scheme (2014-15)

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on February 27, 2014, read with Special Resolution passed by shareholder of the company at the extra ordinary general meeting held on March 31, 2014. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of shares. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹ 10 which is 97.65% below the market price at the date of grant, i.e., April 1, 2014, April 1, 2015, April 1, 2016, October 1, 2014, October 1, 2015 and October 1, 2016.

The terms and conditions related to the grant of the share options are as follows:

Employee entitled	ESOP Scheme of options	Number	Vesting Conditions	Contractual Life
Senior employees	ESOP Scheme 2013-14	1,63,400	The option carries vesting period as defined by the board of directors in the letters issuing the options to employees	The exercise year has been defined as 2 years by the board of directors in the letters issuing the options to employees.
	ESOP Scheme 2014-15	5,65,148		

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

	March 31, 2016	March 31, 2015
Share based payment expense	119.07	125.30
Less: Cost capitalised	(67.72)	(42.12)
Less: Expense recovered from the subsidiary company	(26.89)	(82.31)
Cost charged to statement of profit and loss	24.45	0.87
Reversal of cost due to lapse of options transferred to general reserve	84.33	3.62

## Reconciliation of outstanding share options ESOP Scheme 2013-14

	March 31, 2016		March 31, 2015	
	Number of options	Weighted average exercise (₹)	Number of options	Weighted average exercise (₹)
Opening balance	4,73,600	10	4,61,650	10
Granted during the period	-	-	22,000	10
Less: lapse during the period	(2,00,000)	10	(9,750)	10
Less: exercised during the period	(1,10,200)	10	(300)	10
Closing balance	1,63,400	10	4,73,600	10

## ESOP Scheme 2014-15

	March 31, 2016		March 31, 2015	
	Number of options	Weighted average exercise (₹)	Number of options	Weighted average exercise (₹)
Opening balance	2,84,975	10	-	-
Granted during the period	4,08,340	10	2,84,975	10
Less: lapse during the period	(1,24,192)	10	-	-
Less: exercised during the period	(3,975)	10	-	-
Closing balance	5,65,148	10	2,84,975	10

## Method adopted for valuation

The Company has elected to apply the fair value based method of accounting. The fair value is calculated using the black schol model of valuation. The fair value as on the grant date i.e. April 1, 2013 is ₹ 415.04.

The Company has elected to apply the fair value based method of accounting. The fair value is calculated using the black schol model of valuation. The fair value as on the grant date i.e. April 1, 2014 and October 1, 2014 is ₹ 415.04.

The Company has elected to apply the fair value based method of accounting. The fair value is calculated using the black schol model of valuation. The fair value as on the grant date i.e. April 1, 2015 and October 1, 2015 is ₹ 415.79.

The Board of directors of the Company approved 59,800 ESOPs to be issued under scheme "Employees Stock Option Plan 2014-15" in the Board Meeting held on March 31, 2016. As per the Board resolution, out of the total 59,800 ESOPs, 14,000 option will be granted on April 1, 2016, 17,800 option will be granted on April 1, 2017 and 28,000 options will be granted on April 1, 2018.

## 30 Earnings in foreign currency

(Rupees in Million)

	March 31, 2016	March 31, 2015
Sale of services	129.34	51.13
	129.34	51.13

## 31 Expenditure in foreign currency

(Rupees in Million)

	March 31, 2016	March 31, 2015
Legal and consultancy fees	2.18	2.50
Service charges	5.56	3.57
Sales promotion	-	0.12
Initial Public Offering (IPO) expenses*		
Legal and consultancy fees	9.21	2.49
Others	0.20	-
Others	0.70	0.22
	17.85	8.90

\* The above Initial public offering (IPO) expenses are adjusted against security premium account.

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 32 Operating lease

The Company has taken a commercial premises under operating leases. The leases period is of 1 year. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Total expense incurred under the cancellable operating lease agreement recognized as an expense in the Statement of Profit and Loss during the year is ₹ 1.49 million (previous year ₹ 1.80 million)

## 33 Employee benefit: post employment benefit plans

### Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance, which is a defined contribution plan. The company has no obligations other than to make the specified contributions. The contribution is charged to the statement of profit and loss as it accrues. The amount recognised as an expense towards contribution to provident fund and other funds for the year aggregated to ₹ 0.11 million (previous year ₹ NIL).

### Defined benefit plans :

The Company operates post employment defined benefit plan i.e gratuity plan (the plan). The plan is unfunded and entitles an employee, who has rendered atleast five years of continuous service, to receive half month's salary for each period of completed service at the time of retirement/resignation. The long term service incentive is accrued for all eligible employee of the Company and is payable on completion of 5 year of service.

The following table summarises the position of assets and obligations relating to the plan.

	March 31, 2016	March 31, 2015
<b>Amount recognised in the balance sheet</b>		
Present value of obligation	7.33	3.77
Amount recognised in the balance sheet	7.33	3.77

### Classification into current / non current

The asset/(liability) in respect of the plan comprises of the following non current and current portion :

	Non current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Gratuity	6.53	3.47	0.80	0.30
	6.53	3.47	0.80	0.30

	March 31, 2016	March 31, 2015
<b>i Movement in present value of defined benefit obligation</b>		
Defined benefit obligation at the beginning of the year	3.77	3.51
Transfer in /(out) obligation	1.48	-
Interest cost	0.37	0.31
Current service cost	1.27	1.37
Actuarial (gain) / loss on obligations	0.43	(1.39)
Benefits payable	-	(0.02)
Defined benefit obligation at the end of the year	7.33	3.77
<b>ii Expenses recognised in statement of profit and loss</b>		
Current service cost	1.27	1.37
Interest cost	0.37	0.31
Net actuarial (gain) / loss to be recognised	0.43	(1.39)
Benefits payable	-	(0.02)
Expense recognised in statement of profit and loss	2.07	0.26

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## Principal actuarial assumption

### Actuarial assumptions

	March 31, 2016	March 31, 2015
Discount rate current	7.65%	7.80%
Salary escalation current	10.00%	10.00%
Attrition rate	25% at younger ages reducing to 5% at older ages	25% at younger ages reducing to 5% at older ages
Mortality	IALM (2006-08) published table of mortality rates.	IALM (2006-08) published table of mortality rates.
Retirement age	58 years	58 years

The discounting rate is based on the gross redemption yield on government securities.

Experience adjustment	Year ended				
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013	March 31, 2012
Defined benefit obligation	7.33	3.77	3.51	-	-
Surplus/ (deficit)	(7.33)	(3.77)	-	-	-
Experience adjustment on plan liabilities loss / (gain)	0.37	(1.68)	2.30	-	-
Actuarial loss/(gain) due to change in assumptions	0.06	0.29	(0.19)	-	-
Net actuarial loss/ (gain) for the year	0.43	(1.39)	2.11	-	-

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## 34 Related party transactions

Description of relationship	Name of the parties
<b>Related parties with whom transactions have taken place during the period:</b>	
Subsidiary Companies	Infibeam Digital Entertainment Private Limited
	Infinium India Limited
	NSI Infinium Global Private Limited
	Odigma Consultancy Solutions Private Limited
	Infibeam Logistics Private Limited
Enterprises over which KMP is able to exercise significant influence	Infinium Automall Private Limited
	Infinium Motors Private Limited
Key Management Personnel ('KMP')	Malav A. Mehta
	Vishal A. Mehta
Associate Company	Avenues Infinite Private Limited
<b>Related parties where control exists but with which no transactions have taken place during the period:</b>	
Step-down subsidiary	Sine Qua Non Solutions Private Limited



# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## Related party transactions

(Rupees in Million)

Particulars	Key Management Personnel	Enterprises over which KMP is able to exercise significant influence	Associate Company	Subsidiary Companies	Total
<b>Purchase of investments</b>	- (-)	- (-)	- (9.95)	- -	- (9.95)
<i>Shares of Avenues Infinite Private Limited</i>					
Avenues Infinite Private Limited	- (-)	- (-)	- (9.95)	- (-)	- (9.95)
<b>Loans given</b>	- (-)	- (-)	- -	<b>329.87</b> (1,501.90)	<b>329.87</b> (1,501.90)
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	<b>108.17</b> (1,339.55)	<b>108.17</b> (1,339.55)
Infinium India Limited	- (-)	- (-)	- (-)	<b>141.70</b> (95.00)	<b>141.70</b> (95.00)
Infibeam Logistics Private Limited	- (-)	- (-)	- (-)	<b>80.00</b> (66.00)	<b>80.00</b> (66.00)
Odigma Consultancy Solutions Private Limited	- (-)	- (-)	- (-)	- (1.35)	- (1.35)
<b>Repayment of loan given</b>	- (-)	- (-)	<b>0.56</b> (9.95)	<b>324.50</b> (145.15)	<b>325.06</b> (155.10)
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	<b>138.40</b> (63.81)	<b>138.40</b> (63.81)
Infibeam Digital Entertainment Private Limited	- (-)	- (-)	- (-)	- (1.49)	- (1.49)
Avenues Infinite Private Limited	- (-)	- (-)	<b>0.56</b> (9.95)	- (-)	<b>0.56</b> (9.95)
Infibeam Logistics Private Limited	- (-)	- (-)	- (-)	<b>80.00</b> (66.00)	<b>80.00</b> (66.00)
Odigma Consultancy Solutions Private Limited	- (-)	- (-)	- (-)	- (1.35)	- (1.35)
Infinium India Limited	- (-)	- (-)	- (-)	<b>106.10</b> (12.50)	<b>106.10</b> (12.50)
<b>Repayment of loan taken</b>	- (0.20)	- (0.00)	- -	- -	- (0.20)
Infinium Automall Private Limited	- (-)	- (0.00)	- (-)	- (-)	- (0.00)
Infinium Motors Private Limited	- (-)	- (-)	- (-)	- (-)	- (-)
Vishal A. Mehta	- (0.05)	- (-)	- (-)	- (-)	- (0.05)
Malav A. Mehta	- (0.15)	- (-)	- (-)	- (-)	- (0.15)
<b>Deposit received to nominate director</b>	<b>0.10</b> (-)	- (-)	- (-)	- (-)	<b>0.10</b> (-)
Malav A. Mehta	<b>0.10</b> (-)	- (-)	- (-)	- (-)	0.10 (-)

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## Related party transactions

(Rupees in Million)

Particulars	Key Management	Enterprises over which KMP is able to exercise significant influence	Associate Company	Subsidiary Companies	Total Personnel
<b>Repayment of deposit received to nominate director</b>	<b>0.10</b> (-)	- (-)	- (-)	- (-)	<b>0.10</b> (-)
Malav A. Mehta	<b>0.10</b> (-)	- (-)	- (-)	- (-)	0.10 (-)
<b>Advances received towards services</b>	- (-)	- (-)	- (-)	<b>1.50</b> (-)	<b>1.50</b> (-)
Infibeam Logistics Private Limited	- (-)	- (-)	- (-)	<b>1.50</b> (-)	1.50 (-)
<b>Repayment of advance received towards services</b>	- (-)	- (-)	- (-)	<b>1.50</b> (-)	<b>1.50</b> (-)
Infibeam Logistics Private Limited	- (-)	- (-)	- (-)	<b>1.50</b> (-)	1.50 (-)
<b>Service taken for development of intangible assets</b>	- (-)	- (-)	- (-)	<b>21.73</b> (10.10)	<b>21.73</b> (10.10)
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	<b>21.73</b> (10.10)	<b>21.73</b> (10.10)
<b>Service taken for intangible assets under development</b>	- (-)	- (-)	- (-)	<b>9.17</b> (10.79)	<b>9.17</b> (10.79)
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	<b>9.17</b> (10.79)	<b>9.17</b> (10.79)
<b>Reimbursement of expenses to (amount payable)</b>	- (-)	- (-)	- (-)	<b>2.20</b> (60.09)	<b>2.20</b> (60.09)
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	<b>2.20</b> (60.09)	<b>2.20</b> (60.09)
<b>Reimbursement of expenses from (amount receivable)</b>	- (-)	- (-)	- (-)	<b>110.42</b> (48.38)	<b>110.42</b> (48.38)
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	<b>110.42</b> (48.38)	<b>110.42</b> (48.38)
<b>Interest received</b>	- (-)	- (-)	<b>0.00</b> (0.62)	- (0.15)	<b>0.00</b> (0.76)
Avenues Infinite Private Limited	- (-)	- (-)	<b>0.00</b> (0.62)	- (-)	<b>0.00</b> (0.62)
Infibeam Digital Entertainment Private Limited	- (-)	- (-)	- (-)	- (0.15)	- (0.15)
<b>Services taken</b>	- (-)	- (-)	- (-)	<b>141.08</b> (198.35)	<b>141.08</b> (198.35)
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	<b>140.38</b> (198.35)	<b>140.38</b> (198.35)
Infibeam Digital Entertainment Private Limited	- (-)	- (-)	- (-)	<b>0.70</b> (-)	<b>0.70</b> (-)
<b>Services given</b>	- (-)	<b>0.55</b> (0.83)	- (-)	<b>67.15</b> (18.00)	<b>67.70</b> (18.83)
Odigma Consultancy Solutions Private Limited	- (-)	- (-)	- (-)	<b>35.45</b> (7.94)	<b>35.45</b> (7.94)

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## Related party transactions

(Rupees in Million)

Particulars	Key Management	Enterprises over which KMP is able to exercise significant influence	Associate Company	Subsidiary Companies	Total Personnel
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	24.69 (10.06)	24.69 (10.06)
Infinium Motors Private Limited	- (-)	0.55 (0.83)	- (-)	- (-)	0.55 (0.83)
Infinium India Limited	- (-)	- (-)	- (-)	7.00 (-)	7.00 (-)
Infibeam Digital Entertainment Private Limited	- (-)	- (-)	- (-)	0.01 (-)	0.01 (-)
<b>ESOP cost recovered</b>	- (-)	- (-)	- (-)	26.89 (82.31)	26.89 (82.31)
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	26.89 (82.31)	26.89 (82.31)
<b>Closing balances</b>					
<b>Investment</b>	- (-)	- (-)	10.00 (10.00)	152.59 (152.59)	162.59 (162.59)
Infibeam Digital Entertainment Private Limited	- (-)	- (-)	- (-)	31.45 (31.45)	31.45 (31.45)
Infinium India Limited	- (-)	- (-)	- (-)	120.80 (120.80)	120.80 (120.80)
Avenues Infinite Private Limited	- (-)	- (-)	10.00 (10.00)	- (-)	10.00 (10.00)
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	0.14 (0.14)	0.14 (0.14)
Infibeam Logistics Private Limited	- (-)	- (-)	- (-)	0.10 (0.10)	0.10 (0.10)
Odigma Consultancy Solutions Private Limited	- (-)	- (-)	- (-)	0.10 (0.10)	0.10 (0.10)
<b>Trade receivable</b>	- (-)	- (0.83)	- (-)	19.70 (2.24)	19.70 (3.08)
Odigma Consultancy Solutions Private Limited	- (-)	- (-)	- (-)	12.37 (2.24)	12.37 (2.24)
Infinium India Limited	- (-)	- (-)	- (-)	7.32 (-)	7.32 (-)
Infibeam Digital Entertainment Private Limited	- (-)	- (-)	- (-)	0.01 (-)	0.01 (-)
Infinium Motors Private Limited	- (-)	- (0.83)	- (-)	- (-)	- (0.83)
<b>Advance received in cash or in kind</b>	- (-)	0.06 (-)	- (-)	- (-)	0.06 (-)
Infinium Motors Private Limited	- (-)	0.06 (-)	- (-)	- (-)	0.06 (-)
<b>Loans and advances given</b>	- (-)	- (-)	- (-)	2,196.60 (2,191.24)	2,196.60 (2,191.24)
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	2,078.50 (2,108.74)	2,078.50 (2,108.74)

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## Related party transactions

(Rupees in Million)

Particulars	Key Management	Enterprises over which KMP is able to exercise significant influence	Associate Company	Subsidiary Companies	Total Personnel
Infinium India Limited	- (-)	- (-)	- (-)	<b>118.10</b> (82.50)	<b>118.10</b> (82.50)
<b>Interest receivable on loan given</b>	- (-)	- (-)	- (0.56)	- (-)	- (0.56)
Avenue Infinite Private Limited	- (-)	- (-)	- (0.56)	- (-)	- (0.56)
<b>Receivables for reimbursement</b>	- (-)	- (-)	- (-)	<b>0.33</b> (8.38)	<b>0.33</b> (8.38)
NSI Infinium Global Private Limited ^	- (-)	- (-)	- (-)	<b>0.33</b> (8.38)	0.33 (8.38)
<b>Accrued Income</b>	- (-)	- (-)	- (-)	<b>12.67</b> (-)	<b>12.67</b> (-)
NSI Infinium Global Private Limited	- (-)	- (-)	- (-)	<b>12.67</b> (-)	<b>12.67</b> (-)

^ All the transactions pertaining to purchase, sales, expenses etc. entered with NSI Infinium Global Private Limited are adjusted against reimbursement of expenses. Hence, the net amount of reimbursement has been derived considering the transactions entered into between the parties during the period.

Note: Figures in bracket indicate information for previous year.

## 35 Segment information

### (a) Identification of segments:

The Company's operating businesses are organised and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

### (b) Unallocated items:

Domestic geographical segment includes certain assets which are common to both the geographical segment (i.e. Domestic and Export).

Un-allocable corporate assets includes investments and other unallocable assets.

### (c) Segment policies:

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### (d) Business segment:

Based on the nature of activities performed, which primarily relate to Software development maintenance and other ancillary services, the dominant source and nature of risks and returns, business segment is the primary segment. However as the Company does not operate in more than one business segment, disclosures for primary segment as required under Accounting Standard 17 - "Segment Reporting" have not been given.

### (e) Geographical segments:

The Company operates in two principal geographical areas of the world, in India, its home country, and the other countries.

	Domestic	Overseas	Total
Revenue from operations and other operating revenue	<b>298.44</b> (243.19)	<b>132.68</b> (51.13)	<b>431.13</b> (294.32)
Carrying amount of segment assets	<b>7,201.73</b> (2,501.72)	<b>34.20</b> (23.97)	<b>7,235.93</b> (2,525.69)
Capital expenditure	<b>110.49</b> (63.00)	- (-)	<b>110.49</b> (-)

# Notes to the financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## 36 Unhedged foreign currency exposure

The Company does not use any derivative instruments to hedge its risks associated with foreign currency fluctuations. The details in respect of exposure to foreign currency fluctuation are as follows:

	Currency	March 31, 2016		March 31, 2015	
		Foreign currency	Local currency	Foreign currency	Local currency
Creditors for expenses	USD	0.00	0.04	0.01	0.39
			0.04		0.39
Trade receivables	USD	0.06	3.83	0.09	5.92
	SAR	0.61	10.95	-	-
	AED	0.74	13.40	1.06	17.92
			28.19		23.84
Accrued revenue	AED	0.11	1.91	0.01	0.11
	SAR	0.04	0.76	-	-
	USD	-	-	0.00	0.02
			2.67		0.13
Provision for expenses	USD	0.09	5.77	-	-
			5.77	-	-
Bank balance	AED	0.55	9.88	-	-
			9.88		-

## 37 Transfer pricing

Transactions with related parties are governed by transfer pricing regulations of the Indian Income tax Act, 1961. The Company's transactions with associated enterprises are at arm's length as per the independent accountant's report for the year ended on March 31, 2015. The Company is in the process of updating the documentation for the domestic transactions entered into with the associated enterprises during the period subsequent to March 31, 2015. Management believes that the company's domestic transactions with associated enterprises post March 31, 2015 continue to be at arm's length and that the transfer pricing legislation will not have any impact on the financial statements particularly on the amount of the tax expense for the year and the amount of the provision for taxation at the period end.

## 38 Initial Public Offer (IPO)

During the year ended March 31, 2016, the Company has raised funds pursuant to Initial Public Offering (IPO) for the purpose of setting up of cloud data center, purchase of property for shifting and setting up of registered and corporate office of the company, setting up of 75 logistic centers, purchase of software and general corporate purposes. The Company issued 1,04,16,666 equity shares of ₹ 10 each at an issue price of ₹ 432 per equity share.

The proceeds from IPO is ₹ 4,499.99 million. The amount received through IPO is kept in a separate bank account with HDFC Bank Limited as at March 31, 2016. The Company has incurred ₹ 338.33 million of IPO expenses (such as merchant bankers fees, underwriting fees, selling commission, legal counsel fees, registrar to the issue, brokerage and selling commission, printing and stationary expenses, advertising and marketing expenses and other incidental expenses). Of the total IPO expenses, expenses aggregating to ₹ 312.78 million have been adjusted towards the securities premium account. Further IPO expenses aggregating to ₹ 25.55 million have been charged to the Statement of Profit and Loss.

## 39 Information with regards to other matters specified in Schedule III to the act is either nil or not applicable to the Company for the year

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W /W-100024

**Sukrut Mehta**

Partner

Membership No: 101974

Ahmedabad

May 30, 2016

For and on behalf of the Board of Directors of

**Infibeam Incorporation Limited**

CIN : L64203GJ2010PLC061366

**Hiren Padhya**

Chief Financial Officer

**Shyamal Trivedi**

Company Secretary

**Vishal Mehta**

Managing Director

DIN : 03093563

**Malav Mehta**

Director

DIN : 01234736

Ahmedabad

May 30, 2016

## Independent **Auditors' Report** on Consolidated Financial Statements

To the Members of  
Infibeam Incorporation Limited

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Infibeam Incorporation Limited ("the Holding Company") its subsidiaries and associate (collectively referred to as "the Company" or "the Group"), comprising of the consolidated balance sheet as at March 31, 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

### Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and other financial information of the subsidiary companies and associate, as mentioned on 'Other Matter' paragraph below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at March 31, 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

### Other Matters

We did not audit the financial statements of four subsidiaries, whose financial statements reflect total assets (net) of ₹ 325.82 million as at March 31, 2016, total revenues of ₹ 258.11 million for the year ended March 31, 2016 and net cash inflows of ₹ 3.03 million for the year ended March 31, 2016 as considered in the consolidated financial statements and did not audit financial statement of an associate whereby group share of net loss of ₹ Nil for the year ended March 31, 2016, is included in the consolidated financial statement. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the Statement, to the extent it relates to the aforesaid subsidiaries and the associate entity, is based solely on the reports of such other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements of subsidiaries and the associate entity, as noted in the 'Other Matter' paragraph, we report, to the extent applicable, that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors.
  - (c) The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 taken on record by the Board of Directors of the Holding Company and the report of the statutory auditors of its subsidiary companies and associate, none of the Directors of the group is disqualified as on March 31, 2016 from being

appointed as a Director of that company in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
- (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29 to the consolidated financial statements;
  - ii. the Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its associate company.

### For B S R & Associates LLP

Chartered Accountants

Firm's Regn No: 116231W / W-100024

### Sukrut Mehta

Partner

Membership No: 101974

Ahmedabad  
May 30, 2016



# Annexure A

## To the Independent Auditors' Report-March 31, 2016 on the Consolidated Financial Statements

(Referred to in our report of even dated)

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ["the Act"]

In conjunction with our audit of the consolidated financial statements of Infibeam Incorporation Limited ("the Holding Company") as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of Infibeam Incorporation Limited ("the Holding Company"), its subsidiary companies and associate company, as of that date.

### Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company, its subsidiary companies and its associate company, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Holding Company and its subsidiary companies and associate considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Holding Company's, its subsidiary companies' and associate company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by ICAI and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on Holding Company's, its subsidiary companies' and associate company's internal financial controls system over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and

not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Holding Company, its subsidiary companies and associate company, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by Holding Company's, its subsidiary companies' and associate company's considering the essential components of internal control stated in the Guidance Note

on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to four subsidiary companies and an associate company, is solely based on the corresponding reports of the auditors of these companies.

### For B S R & Associates LLP

*Chartered Accountants*

Firm's Regn No: 116231W / W-100024

### Sukrut Mehta

*Partner*

Membership No: 101974

Ahmedabad

May 30, 2016

# CONSOLIDATED Balance Sheet

AS AT MARCH 31, 2016

(Rupees in Million)

	Note	March 31, 2016	March 31, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	3	530.91	425.60
Reserves and surplus	4	5,992.30	1,701.08
		6,523.21	2,126.68
<b>Minority interest</b>		-	2.49
<b>Non-current liabilities</b>			
Long-term borrowings	5	-	20.00
Long-term provisions	6	16.88	10.47
		16.88	30.47
<b>Current liabilities</b>			
Short-term borrowings	7	36.89	29.49
Trade payables	8		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		257.57	205.38
Other current liabilities	9	555.82	281.23
Short-term provisions	10	5.96	4.41
		856.24	520.51
		7,396.33	2,680.16
<b>ASSETS</b>			
<b>Non-current assets</b>			
Fixed assets			
Tangible fixed assets	11	51.44	75.72
Intangible fixed assets		560.53	373.86
Intangible fixed assets under development		192.48	262.08
Goodwill on consolidation (valued at cost)		58.38	58.38
Non-current investments	12	-	-
Deferred tax assets (net)	13	2.69	1.97
Long-term loans and advances	14	312.09	693.64
Other non-current assets	15	1.08	2.61
		1,178.69	1,468.26
<b>Current assets</b>			
Inventories	16	237.77	122.82
Trade receivables	17	452.48	331.07
Cash and bank balances	18	5,181.68	601.73
Short-term loans and advances	19	224.80	108.58
Other current assets	20	120.90	47.70
		6,217.63	1,211.90
		7,396.33	2,680.16
Significant accounting policies	2		
The notes referred to above form an integral part of these consolidated financial statements			

As per our report of even date attached.

 For **B S R & Associates LLP**  
Chartered Accountants  
Firm's Registration No: 116231W /W-100024

 For and on behalf of the Board of Directors of  
**Infibeam Incorporation Limited**  
CIN : L64203GJ2010PLC061366

**Sukrut Mehta**  
Partner  
Membership No: 101974

 Ahmedabad  
May 30, 2016

**Hiren Padhya**  
Chief Financial Officer

**Shyamal Trivedi**  
Company Secretary

**Vishal Mehta**  
Managing Director  
DIN : 03093563

**Malav Mehta**  
Director  
DIN : 01234736

 Ahmedabad  
May 30, 2016

# CONSOLIDATED STATEMENT OF Profit and Loss

## FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

	Note	March 31, 2016	March 31, 2015
<b>Revenue from operations</b>	<b>21</b>		
Sale of products - traded		2,341.18	2,214.12
Sale of services		1,020.24	667.90
Other operating revenue		8.08	-
		<b>3,369.50</b>	2,882.02
Other income	22	54.95	69.45
<b>Total revenue</b>		<b>3,424.45</b>	2,951.47
<b>Expenses:</b>			
Purchases of stock-in-trade	23	2,436.94	2,262.80
Changes in inventories of stock in-trade	24	(114.95)	(36.52)
Employee benefits	25	277.40	210.77
Finance costs	26	11.48	13.68
Depreciation / amortisation and impairment	11	175.38	130.95
Other expenses	27	552.02	468.14
<b>Total expenses</b>		<b>3,338.27</b>	3,049.83
<b>Profit / (loss) before prior period items, tax, share in loss of associates (net) and minority interest</b>		<b>86.18</b>	(98.36)
Prior period adjustments (net)	28	(0.20)	(3.03)
<b>Profit / (loss) before tax, share in loss of associates (net) and minority interest</b>		<b>85.98</b>	(101.39)
Tax expense:			
Current tax		0.09	0.08
Deferred tax (credit)		(0.72)	(0.33)
		<b>(0.63)</b>	(0.25)
<b>Profit / (loss) after tax and before share in loss of associates (net) and minority interest</b>		<b>86.61</b>	(101.14)
Consolidation adjustment			
Less: Share of (profit) / loss transferred to minority		5.86	5.71
Less: Share of profit / (loss) of associates		-	(5.71)
<b>Profit / (loss) after tax</b>		<b>92.47</b>	(101.13)
Profit/(Loss) per equity share [nominal value of share ₹ 10 (previous year: ₹ 10 )]	35		
Basic		2.17	(2.47)
Diluted		2.14	(2.47)
Significant accounting policies	2		
The notes referred to above form an integral part of these consolidated financial statements			

As per our report of even date attached.

For **B S R & Associates LLP**  
Chartered Accountants  
Firm's Registration No: 116231W /W-100024

For and on behalf of the Board of Directors of  
**Infibeam Incorporation Limited**  
CIN : L64203GJ2010PLC061366

**Sukrut Mehta**  
Partner  
Membership No: 101974

**Hiren Padhya**  
Chief Financial Officer

**Vishal Mehta**  
Managing Director  
DIN : 03093563

**Malav Mehta**  
Director  
DIN : 01234736

Ahmedabad  
May 30, 2016

**Shyamal Trivedi**  
Company Secretary

Ahmedabad  
May 30, 2016

# CONSOLIDATED **Cash flow statement** FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

	March 31, 2016	March 31, 2015
<b>Cash flow from operating activities</b>		
Net profit / (loss) before taxation, share of loss of associate and minority interest	85.98	(101.39)
Adjustments for :		
Depreciation and amortisation	175.38	130.95
Interest expenses	6.23	6.63
Interest income	(44.08)	(36.12)
Employee stock option outstanding expenses	45.16	19.00
Liabilities no longer required written back	(4.57)	(25.73)
Bad debts written off	-	8.50
Provision for trade receivables	2.50	-
Provisions for doubtful loans and advances	9.69	1.64
Advances written off	-	10.34
Provision for diminution value in investment	-	4.24
Initial Public Offering (IPO) expenses	25.55	-
Net gain on account of foreign exchange fluctuations (net)	(0.42)	-
Profit on sale of fixed assets	(1.26)	-
<b>Operating cash flow before working capital changes</b>	<b>300.15</b>	<b>18.06</b>
Adjustments for changes in working capital		
(Increase) / decrease in trade receivables	(123.91)	(170.38)
(Increase) / decrease in loans and advances	221.05	(62.35)
(Increase)/ decrease in inventories	(114.95)	(36.52)
(Increase)/ decrease in other assets	(79.43)	(15.35)
Increase/ (decrease) in trade payables	52.19	(42.62)
Increase/(decrease) in other liabilities	8.66	141.89
Increase/(decrease) in provisions	7.95	5.29
<b>Cash generated/(used) from operations</b>	<b>271.72</b>	<b>(161.98)</b>
Income taxes received/(paid)	(38.94)	(47.47)
<b>Net cash flow generated from /(used in) operating activities (A)</b>	<b>232.78</b>	<b>(209.44)</b>
<b>Cash flows from investing activities</b>		
Purchase or development of fixed assets (including capital work-in progress, intangible assets under development, capital advances / refund)	(119.01)	(495.86)
Proceeds from sale of fixed assets	4.01	-
Bank deposits (having original maturity of more than three months)	45.82	(440.96)
Interest received	50.20	18.57
Loans and advances given	0.48	8.45
<b>Net cash (used) in investing activities (B)</b>	<b>(18.50)</b>	<b>(909.79)</b>

# CONSOLIDATED Cash flow statement

## FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

	March 31, 2016	March 31, 2015
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity shares including securities premium	4,500.00	1,231.37
Initial Public Offering (IPO) expenses including expenses adjusted against securities premium	(94.11)	-
Proceeds from exercise of ESOPs	1.14	0.00
Proceeds / (repayment) from borrowings	7.41	6.97
Interest paid	(4.53)	(5.91)
<b>Net cash flow generated from investing activities (C)</b>	<b>4,409.91</b>	1,232.43
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>4,624.19</b>	113.19
Cash and cash equivalents at the beginning of the year	149.24	36.05
<b>Cash and cash equivalents at the end of year (see below)</b>	<b>4,773.42</b>	149.24
<b>Notes to cash flow statement</b>		
Components of cash and cash equivalents:		
Cash on hand	3.46	3.54
Balances with banks in current account	4,769.97	145.70
Cheques on hand		
	4,773.42	149.24
The cash flow statement has been prepared under the indirect method as set out in Accounting Standard - 3 ('AS 3') on 'Cash flow statement' as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.		

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W /W-100024

**Sukrut Mehta**

Partner

Membership No: 101974

Ahmedabad

May 30, 2016

For and on behalf of the Board of Directors of

**Infibeam Incorporation Limited**

CIN : L64203GJ2010PLC061366

**Hiren Padhya**

Chief Financial Officer

**Shyamal Trivedi**

Company Secretary

**Vishal Mehta**

Managing Director

DIN : 03093563

**Malav Mehta**

Director

DIN : 01234736

Ahmedabad

May 30, 2016

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## 1. Group overview

Infibeam Incorporation Limited ("the Company" along with its subsidiaries and associates, collectively referred to as "Group") was incorporated on June 30, 2010. The Group is primarily engaged in business software development services, maintenance, web development, e-commerce and other ancillary services.

## 2. Significant accounting policies

### 2.1 Basis of preparation of financial statements

These Consolidated Financial Statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the accounting principles generally accepted in India ('Indian GAAP') and comply with the Accounting standards prescribed under Section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Account) Rules, 2014 and other relevant provisions of the Companies Act, 2013 ('the Act'), to the extent notified. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III of the Act. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

### 2.2 Principles of Consolidation:

The Consolidated Financial Statements have been prepared in accordance with the principles and procedures for the preparation and presentation as laid down under Accounting Standard 21 on "Consolidated Financial Statements".

**2.2.1** The Consolidated Financial Statements of the Company and its subsidiaries have been combined on a line by line basis by adding together the book values of all items of assets, liabilities, incomes and expenses after eliminating all intra-group balances and intra-group transactions and also unrealised profits and losses in full in accordance with the Accounting Standard 21 on "Consolidated Financial Statements".

**2.2.2** The difference between the cost to the Company of its investment in subsidiaries and its proportionate share in the equity of the investee company at the time of acquisition of shares in the subsidiaries is recognised in the Consolidated Financial Statements as Goodwill or Capital Reserve, as the case may be. Goodwill is tested for impairment by the management on an annual basis.

**2.2.3** In case of associates, where the Company directly or indirectly through subsidiaries holds more than 20% of equity are accounted for using equity method in accordance with Accounting Standard (AS) 23 – "Accounting for Investments in Associates in Consolidated Financial Statements". The Company accounts for its share in the change in net assets of the associates, post-acquisition, after eliminating unrealised profits and losses resulting from transactions between the Company and its associates to the extent of its share, through its Consolidated Statement of Profit and Loss to the extent such change is attributable to the associates' Statement of Profit and Loss and through its reserves for the balance, based on available information.

**2.2.4** The difference between the proceeds from disposal of investment in a subsidiary and the proportionate carrying amount of its assets less liabilities as of the date of disposal is recognised in the Consolidated Statement of Profit and Loss as the profit or loss on disposal of investment in subsidiaries

**2.2.5** The difference between the cost of investment in the associates and the share of net assets at the time of acquisition of shares in the associates is identified in the Consolidated Financial Statements as Goodwill or Capital Reserve as the case may be and is added to or reduced from the investments as the case may be.

**2.2.6** The companies considered in the Consolidated Financial Statements are:

Name of the company	Country of incorporation	% of shareholding	
		As at March 31, 2016	As at March 31, 2015
<b>Subsidiaries:</b>			
NSI Infinium Global Private Limited	India	100%	100%
Infinium India Limited	India	100%	100%
Infibeam Digital Entertainment Private Limited	India	74%	74%
Odigma Consultancy Private Limited	India	100%	100%
Infibeam Logistics Private Limited	India	100%	100%
Sine Qua Non Solutions Private Limited	India	100%	100%
<b>Associates:</b>			
Avenues Infinite Private Limited	India	50%	50%

**2.2.7** The Consolidated Financial Statements are prepared using uniform accounting policies for the like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements.



# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

**2.2.8** Investments other than in subsidiaries, associates and joint ventures are accounted as per the Accounting Standard (AS) - 13 "Accounting for Investments"

**2.2.9** Minority interests represent that part of the net profit or loss and net assets of subsidiaries that are not, directly or indirectly, owned or controlled by the company

## 2.3 Use of estimates

The preparation of Consolidated Financial Statements in conformity with the accounting principles generally accepted in India ('Indian GAAP') requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as at the date of the Consolidated Financial Statements and the reported amount of revenue and expenses during the reporting period. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of Consolidated Financial Statements which in management's opinion are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying Consolidated Financial Statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

## 2.4 Fixed assets, depreciation, amortisation and intangible assets under development

### Tangible fixed assets:

Fixed assets are stated at cost of acquisition or construction less depreciation and impairment losses, if any. Cost includes purchase price, inward freight, duties, taxes and expenses incidental (net of refundable taxes and levies) to the installation of assets and attributable borrowing costs.

### Acquired intangibles:

Intangible assets are stated at cost less accumulated amortisation and impairment losses, if any. Cost include acquisition and other incidental cost related to acquiring the intangible asset.

### Internally generated intangibles:

Internally generated intangible fixed assets are carried at cost incurred to generate the asset.

With regard to internally generated intangible assets:

- Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the Consolidated Statement of Profit and Loss as incurred.
- Development activities involve a plan or design for the production of new or substantially improved products or processes.
- Development expenditure is capitalised only if development costs can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use the asset. The expenditure capitalised includes the cost of direct labour incurred to preparing the asset for its intended use. Other development expenditure is recognised in the Consolidated Statement of Profit or Loss as incurred.
- Internally generated goodwill is not recognised as an asset.

### Intangible assets under development:

Expenditure incurred on acquisition /construction of intangible fixed assets which are not ready for their intended use at balance sheet date are disclosed under Intangible assets under development.

### Depreciation:

Pursuant to the enactment of Companies Act, 2013, depreciation is provided on written down value based on the useful lives as prescribed under Schedule II of the Act. Depreciation for assets purchased/ sold during a period is proportionately charged.

Assets individually costing less than ₹5,000 are fully written off in the year of acquisition.

### Amortisation:

Intangible assets are amortised on a straight line basis over the estimated useful economic life. Intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed atleast at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortisation period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortisation method is changed to reflect the changed pattern. Such changes are accounted for in accordance with AS 5 - "Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies".

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Consolidated Statement of Profit and Loss when the asset is de-recognised.

The period of amortisation of internally generated intangibles is 5 years and period of acquired intangibles ranges between 1.25 years to 10 years.

## 2.5 Impairment:

The Group assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is the

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Consolidated Statement of Profit and Loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

## 2.6 Revenue recognition

Revenue from sale of products is recognised when the risks and rewards of ownership are transferred to customers, which generally coincides with delivery to the customers. The amount recognised as sales is exclusive of sales tax, trade and quantity discounts.

Revenue from the services rendered is recognised proportionally over the period in which the services are rendered as per the rates and terms agreed between parties and when no significant uncertainty exists regarding the recoverability of amount of the consideration from rendering the service.

Registry Services revenues primarily arise from fixed fees charged to registrars for the initial registration or renewal of .ooo domain names. Revenues from the initial registration or renewal of domain names are Deferred and recognised ratably over the registration term, generally one year and up to ten years. Fees for renewals and advance extensions to the existing term are deferred until the new incremental period commences. These fees are then recognised ratably over the renewal term.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

Export incentives are accounted on accrual basis based on completion of service.

## 2.7 Foreign Currency Transaction:

### Initial recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of transaction.

### Conversion:

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated into Indian rupees at the closing exchange rates on that date.

Exchange difference arising on settlement or year-end revaluation of monetary assets and liabilities are recognised in the Consolidated Statement of Profit and Loss.

## 2.8 Inventories:

Inventories comprise stock-in-trade, are carried at the lower of cost and net realisable value. Cost of inventories comprises all costs of purchase and other costs (net of refundable taxes and levies) incurred in bringing the inventories to their present location and condition. In determining the cost, specific identification method is used.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realisable value is made on an item-by-item basis.

## 2.9 Investments:

Long term investments are valued at cost, less provision for other than temporary diminution in value, if any. Current investments are valued at the lower of cost and fair value.

## 2.10 Employee Benefits:

### Short-term employee benefits:

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. These benefits include compensated absences such as paid privilege leave. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised during the year.

### Post-employment benefits:

#### Defined contribution plans:

Employees provident fund scheme and Employee State Insurance Scheme (ESIS) is a defined contribution plan. The contribution paid/payable under the scheme is recognised as expense in the Consolidated Statement of Profit and Loss during the period in which the employee renders the related service.

The Group makes specified monthly contributions towards employee provident fund and ESIS.

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## *Defined benefit plans:*

Gratuity benefit scheme is a defined benefit plan. The Group's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date. Short term portion of the provision is included in short term provisions as determined by the actuary.

Actuarial gains and losses are recognised immediately in the Consolidated Statement of Profit and Loss.

## **2.11 Leases**

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Consolidated Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Consolidated Statement of Profit and Loss over the lease term.

## **2.12 Earnings per share (EPS):**

Basic EPS is calculated by dividing the net profit or loss for the year attributable to equity shareholders for the period, by the weighted average number of equity shares outstanding during the period.

Diluted EPS is calculated by dividing the net profit and loss for the year attributable to equity shareholders for the period, by the weighted average number of equity and equivalent diluted equity shares outstanding during the period except, where the results would be anti-dilutive.

## **2.13 Provisions, contingencies and contingent liability**

### **Provisions:**

A provision is recognised if, as a result of a past event, the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the balance sheet date. The provisions are measured on an undiscounted basis.

### **Contingencies:**

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred, and the amount can be estimated reliably.

### **Contingent liabilities and contingent assets:**

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the Consolidated Financial Statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

## **2.14 Taxes on income**

Income tax expense for the year comprises of current tax and deferred tax.

Current tax provision is determined on the basis of reliefs and deductions available under the Income Tax Act, 1961. Deferred tax is recognised on timing differences; being the differences between the taxable incomes and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty of realisation of such assets. Deferred tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

## **2.15 Employee stock option schemes**

The excess of the market price of shares, at the date of grant of options under the Employee Stock Option Schemes of the Group, over the exercise price is regarded as employee compensation, and recognised on a straight-line basis over the period over which the employees would become unconditionally entitled to apply for the shares.

## **2.16 Borrowing costs**

Borrowing costs directly attributable to the acquisition on construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use are capitalised. Other borrowing costs are accounted as expense, in the period in which they are incurred.

## **2.17 Cash and cash equivalents**

Cash and cash equivalents comprise of cash-in-hand and balance in bank in current accounts and deposit accounts that are highly liquid and are readily convertible to known amounts of cash.

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 3 Share capital

	March 31, 2016	March 31, 2015
<b>Authorised</b>		
6,30,00,000 (previous year: 4,30,00,000) equity shares of ₹ 10 each	630.00	430.00
	630.00	430.00
<b>Issued, subscribed and fully paid up</b>		
5,30,91,321 (previous year: 4,25,60,480) equity shares of ₹ 10 each	530.91	425.60
	530.91	425.60

### A Reconciliation of the number of shares outstanding at the beginning and at the end of the year:

	March 31, 2016		March 31, 2015	
Equity share capital	Number of shares	Amount	Number of shares	Amount
At the commencement of the year	4,25,60,480	425.60	3,95,71,272	395.71
Shares issued during the year	-	-	28,97,330	28.97
Shares issued on conversion of debentures	-	-	91,578	0.92
Shares issued on exercise of employee stock options	1,14,175	1.14	300	0.00
Shares issued on initial public offering	1,04,16,666	104.17	-	-
At the end of the year	5,30,91,321	530.91	4,25,60,480	425.60

### B Terms/rights attached to equity shares:

The Company has equity shares having a par value of ₹ 10 per share. All equity shares rank equally with regard to dividend and share in the Company's residual assets in proportion of amount paid up. The equity shares are entitled to receive dividend as declared from time to time. Each holder of the equity shares is entitled to one vote per share. On winding up of Company, the holder of equity shares will be entitled to receive the residual assets of Company, remaining after distribution of all preferential amounts in proportion to number of equity shares held. Terms attached to stock options granted to employees are described in note 32 regarding employee share based payments.

### C Details of shareholders holding more than 5% shares in the company:

	March 31, 2016		March 31, 2015	
Equity share capital	Number of shares	Holding %	Number of shares	Holding %
Ajit C Mehta	30,11,478	5.67%	30,11,478	7.08%
Vishal A Mehta	59,95,940	11.29%	59,95,940	14.09%
Jayshree Mehta	30,11,478	5.67%	30,11,478	7.08%
Infinium Motors Private Limited	53,04,722	9.99%	53,04,722	12.46%
Nomura Singapore Limited	30,08,921	5.67%	-	0.00%

### D Aggregate number of equity shares issued for a consideration other than cash during five years prior to March 31, 2016

Year	Number of shares
2010-11	1,00,00,000

In the year 2010-11, 1,00,00,000 equity shares of ₹ 10 each have been allotted as fully paid up in consideration of 1,14,19,993 shares of Infinium India Limited.

### E Aggregate number of equity shares issued as bonus shares during five years prior to March 31, 2016

Year	Number of shares
2010-11	1,95,26,490

1,95,26,490 equity shares of ₹ 10 each have been allotted as fully paid up bonus shares by capitalising revaluation reserve.

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 4 Reserves and surplus

	March 31, 2016	March 31, 2015
<b>Revaluation reserve</b>		
At the commencement and end of the year	4.74	4.74
<b>Debenture redemption reserve</b>		
At the commencement of the year	-	-
Add: amount transferred from surplus	5.00	-
At the end of the year	5.00	-
<b>Securities premium account</b>		
At the commencement of the year	2,280.98	1,035.88
Add : on issue of equity shares at premium of ₹ 422 per share (previous year ₹ 415 per share)	4,395.83	1,202.39
Add: on conversion of debentures into equity share	-	42.58
Add: on exercising of options	47.38	0.12
Less : initial public offer expenses adjusted	(312.78)	-
At the end of the year	6,411.41	2,280.98
<b>Capital reserve</b>		
At the commencement and end of the year	0.29	0.29
<b>Employee stock option outstanding account</b>		
At the commencement of the year	313.13	191.58
Add : Employee compensation expense for the year (refer note 32)	119.07	125.30
Less: Transfer to securities premium on exercise of options	(47.38)	(0.12)
Less: on lapse of stock options (refer note 32)	(84.33)	(3.63)
At the end of the year	300.49	313.13
<b>General reserve</b>		
At the commencement of the year	3.63	-
Add: transferred from employee stock option account	84.33	3.63
At the end of the year	87.96	3.63
<b>(Deficit) balance in the statement of profit and loss</b>		
Opening balance	(901.69)	(800.25)
Add : Profit / (loss) for the year	92.47	(101.13)
<b>Appropriation</b>		
Transfer to debenture redemption reserve	(5.00)	-
Add : Excess losses pertaining to the minority	(3.36)	-
Less : adjustment on account of depreciation (refer note 11)	-	(0.31)
At the end of the year	(817.59)	(901.69)
	5,992.30	1,701.08

## 5 Long-term borrowings

	March 31, 2016	March 31, 2015
<b>Unsecured loans</b>		
9%, Non convertible redeemable debentures #	-	20.00
	-	20.00

# The Company has issued 9% Non Convertible Redeemable Debentures ("NCRD") to Brand Equity Treaties Limited vide agreement dated October 20, 2014 on following terms and conditions : 1. NCRD shall be redeemed at the option of the Company, in one or more tranches, at any time within a period of two years from the date of allotment i.e. November 7, 2014 by way of re-payment, in part or in full, of debenture amount and interest due thereon @ 9% per annum till the date of redemption. Amount is disclosed under "other current liabilities". Refer note no. 9 below

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 6 Long-term provisions

	March 31, 2016	March 31, 2015
Provision for employee benefits - gratuity (refer note 33)	16.88	10.47
	16.88	10.47

## 7 Short-term borrowings

	March 31, 2016	March 31, 2015
<b>Secured loan</b>		
Cash credit facility #	17.66	17.34
Bank overdraft facility#	9.08	8.42
<b>Unsecured loan</b>		
from related parties *	10.15	3.73
	36.89	29.49

# Cash credit and bank overdraft facilities from banks carry interest ranging between BPLR + 2.5% to 4.75% p.a., computed on a monthly basis on the actual amount utilised, and are repayable on demand. These are secured by hypothecation of inventories of raw materials and finished goods, both present and future. Bank overdraft facility is secured against fixed deposit with bank.

It has collateral security of:

- Commercial property and satellite hub station,
- Land and Building in the name of Infinium Motors Private Limited,
- Personal guarantee of two directors of the Company, namely Mr. Ajit Mehta and Mr. Malav Mehta.

\* Loans are unsecured and interest free. These are repayable on demand.

## 8 Trade payables

	March 31, 2016	March 31, 2015
Total outstanding dues of micro enterprises and small enterprises*	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	257.57	205.38
	257.57	205.38

\* For dues to micro and small suppliers (refer to note 30)

## 9 Other current liabilities

	March 31, 2016	March 31, 2015
Current maturities of long term borrowings		
9% Non Convertible redeemable debentures	20.00	-
Advances received	98.51	83.65
Bank overdraft	-	0.01
Provision for salary	20.60	25.92
Employee benefits payable	11.40	-
Payable to statutory authorities		
Service tax payable	15.12	28.23
Tax deducted at source	42.16	15.51
Others	2.23	4.41
Other payables	216.32	2.39
Provision for expenses	107.90	14.86
Security deposits	3.27	3.27
Excess of billing over revenue	15.95	102.28
Interest accrued but not due on debentures	2.35	0.64
Interest accrued and due on loan	-	0.08
	555.82	281.23

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 10 Short-term provisions

	March 31, 2016	March 31, 2015
Provision for employee benefits - gratuity (refer note 33)	5.96	4.41
	5.96	4.41

## 11 Fixed assets

Particulars	Gross block (at cost)				Depreciation/amortisation				Net block	
	As at 1 April 2015	Additions	Deductions /adjustments	As at March 31, 2016	Upto 1 April 2015	For the year	On deductions /adjustments	As at March 31, 2016	As at March 31, 2016	
<b>Tangible fixed assets</b>										
Building	7.40	1.14	-	8.54	2.74	0.64	-	3.39	5.15	
Plant and equipments	82.07	0.36	-	82.43	67.16	4.75	-	71.91	10.53	
Furniture and fixtures	22.65	2.45	-	25.10	11.71	3.44	-	15.15	9.95	
Computer and peripherals	63.08	1.79	-	64.87	21.88	17.28	-	39.15	25.71	
Vehicles	10.86	-	(4.01)	6.85	6.85	1.17	(1.26)	6.75	0.10	
<b>Sub-total (A)</b>	<b>186.05</b>	<b>5.75</b>	<b>(4.01)</b>	<b>187.79</b>	<b>110.33</b>	<b>27.28</b>	<b>(1.26)</b>	<b>136.34</b>	<b>51.44</b>	
<b>Intangible fixed assets</b>										
Computer software	485.00	320.27	-	805.27	161.33	126.45	-	287.77	517.50	
Network Management System	38.13	-	-	38.13	13.98	7.63	-	21.61	16.52	
License for Platform Infrastructure	7.55	-	-	7.55	7.55	-	-	7.55	-	
License Fees	3.00	-	-	3.00	1.50	0.15	-	1.65	1.35	
Acquired software	2.83	-	-	2.83	2.83	-	-	2.83	-	
Developed software	31.80	14.49	-	46.30	7.26	13.88	-	21.14	25.15	
<b>Sub-total (B)</b>	<b>568.31</b>	<b>334.77</b>		<b>903.08</b>	<b>194.45</b>	<b>148.10</b>	<b>-</b>	<b>342.55</b>	<b>560.53</b>	
<b>Total (A+B)</b>	<b>754.36</b>	<b>340.52</b>	<b>(4.01)</b>	<b>1,090.87</b>	<b>304.78</b>	<b>175.38</b>	<b>(1.26)</b>	<b>478.90</b>	<b>611.97</b>	

### Intangible fixed assets under development

	March 31, 2016
At the beginning of the year	262.08
Additions	265.15
Capitalised during the year ^	334.75
At the end of the year	192.48

^ Addition to the intangible assets under development during the current year includes ESOP cost and Salary cost capitalised amounting to ₹ 73.90 million and ₹ 191.25 million respectively.



# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 11 Fixed assets (Continued)

Particulars	Gross block (at cost)				Depreciation/amortisation				Net block	
	As at 1 April 2014	Additions	Deductions /adjustments	As at March 31, 2015	Upto 1 April 2014	Change for the year	To be adjusted in reserve and surplus	On deductions /adjustments	As at March 31, 2015	As at March 31, 2015
<b>Tangible fixed assets</b>										
Building	7.40	-	-	7.40	2.14	0.60	-	-	2.74	4.66
Plant and equipments	84.91	0.86	(3.71)	82.07	61.67	7.68	0.09	(2.28)	67.16	14.92
Furniture and fixtures	16.46	6.18	-	22.65	7.99	3.74	-	(0.01)	11.71	10.94
Computer and peripherals	19.02	44.06	-	63.08	13.53	8.12	0.22	-	21.88	41.20
Vehicles	3.65	3.50	3.71	10.86	3.21	1.33	-	2.30	6.85	4.01
<b>Sub-total (A)</b>	<b>131.44</b>	<b>54.61</b>	<b>-</b>	<b>186.05</b>	<b>88.54</b>	<b>21.48</b>	<b>0.31</b>	<b>-</b>	<b>110.33</b>	<b>75.72</b>
<b>Intangible fixed assets</b>										
Computer software	371.85	113.15	-	485.00	70.13	91.20	-	-	161.33	323.67
Network Management System	38.13	-	-	38.13	6.36	7.63	-	-	13.98	24.15
License for Platform Infrastructure	7.55	-	-	7.55	3.01	4.54	-	-	7.55	-
License Fees	3.00	-	-	3.00	1.35	0.15	-	-	1.50	1.50
Acquired software	2.83	-	-	2.83	2.00	0.83	-	-	2.83	-
Developed software	4.88	26.92	-	31.80	2.13	5.13	-	-	7.26	24.54
<b>Sub-total (B)</b>	<b>428.25</b>	<b>140.07</b>	<b>-</b>	<b>568.31</b>	<b>84.98</b>	<b>109.47</b>	<b>-</b>	<b>-</b>	<b>194.45</b>	<b>373.86</b>
<b>Total (A+B)</b>	<b>559.69</b>	<b>194.67</b>	<b>-</b>	<b>754.36</b>	<b>173.52</b>	<b>130.95</b>	<b>0.31</b>	<b>-</b>	<b>304.78</b>	<b>449.58</b>

\* With effect from 1 April 2014, considering the requirements of Schedule II of the Act, the management has reassessed the remaining useful life of its fixed assets. Accordingly, ₹ 0.31 million has been adjusted in the opening reserves and ₹ 0.07 million has been charged to Statement of profit and loss in respect of such assets whose useful life had become Nil as at that date and the additional depreciation on assets whose useful life has been reassessed is ₹ 8.25 million.

### Intangible fixed assets under development

	March 31, 2015
At the beginning of the year	82.60
Additions	266.34
Capitalised during the year ^	(86.86)
At the end of the year	262.08

^ Addition to the intangible assets under development during the current year includes ESOP cost and Salary cost capitalised amounting to ₹106.30 million and ₹ 160.04 million respectively.

## 12 Non-current investment

(valued at cost less other than temporary diminution in value, if any)

	March 31, 2016	March 31, 2015
<b>Non-trade investments- Unquoted</b>		
999,800 (Previous year : 999,800) equity shares of Avenues Infinite Private Limited , an associate, of ₹10 each fully paid	10.00	10.00
Less : goodwill on investment in associate	(0.05)	(0.05)
Less : share of loss of associates	(5.71)	(5.71)
Less : other than temporary diminution in value of investment	(4.24)	(4.24)
	-	-

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 13 Deferred tax liabilities

	March 31, 2016	March 31, 2015
<b>Deferred tax liabilities</b>		
Excess of depreciation and amortisation on fixed assets under income-tax law over depreciation and amortisation provided in accounts.	6.11	3.13
	6.11	3.13
<b>Deferred tax assets</b>		
Excess of depreciation and amortisation on fixed assets provided in accounts over depreciation and amortisation under income-tax	19.08	19.07
Provision for employee benefits	6.95	3.24
IPO Expenses	8.45	-
Provision for doubtful trade receivables	0.83	-
Provision for doubtful loans	6.28	5.79
Provision for investments	2.10	2.12
Provision for doubtful advance to suppliers	2.71	-
Expenditure under section 40 (a)(ia) of Income tax Act, 1961	0.05	-
Unabsorbed business loss	95.60	139.44
Unabsorbed depreciation	32.61	25.91
	174.67	195.57
<b>Deferred tax (assets) (net)</b>	168.55	192.44
<b>Deferred tax assets (net) recognised*</b>	2.69	1.97

\* Based on standalone financial of various companies in the Group, deferred tax assets are recognised only to the extent of deferred tax liability, as this amount is considered to be virtually certain of realisation. The deferred tax assets of ₹ 165.87 million (previous year: ₹ 190.47 million) is not recognised, as it is not considered to be virtually certain of realisation.

## 14 Long-term loans and advances

(Unsecured considered good, unless otherwise stated)

	March 31, 2016	March 31, 2015
<b>To parties other than related parties</b>		
Security deposits		
Unsecured, considered good	1.21	127.85
Doubtful	0.06	-
Provision for doubtful deposits	(0.06)	-
Capital advance	150.00	228.00
Advance for advertisements	-	214.14
Advances - others	50.65	57.86
Less: Provisions for doubtful advances	-	(6.06)
Advance income tax (net of provision for tax)	110.23	71.37
Advances to related parties (refer note 31)	-	0.48
	312.09	693.64

## 15 Other non-current assets

	March 31, 2016	March 31, 2015
Bank deposits (due to mature after 12 months from the reporting date)	0.96	2.55
Interest accrued on fixed deposits	0.12	0.06
	1.08	2.61

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 16 Inventories

*(Valued at the lower of cost and net realisable value)*

	March 31, 2016	March 31, 2015
Stock in trade *	237.77	122.82
	<b>237.77</b>	122.82

\* including goods-in-transit ₹167.70 million (Previous year ₹45.53 million)

## 17 Trade receivables

*(Unsecured considered good, unless otherwise stated)*

	March 31, 2016	March 31, 2015
Receivables outstanding for a period exceeding six months from the date they became due for payment		
Unsecured, Considered good	2.78	93.44
Unsecured, Considered doubtful	2.50	-
Less : provision for doubtful receivables	(2.50)	-
	2.78	93.44
Other receivables		
Unsecured and considered - good*	449.70	237.63
	<b>452.48</b>	331.07

\* Trade receivable includes NIL (Previous year ₹ 1.15 million) receivable from director and ₹ 1.44 million (Previous year ₹ 0.99 million) receivable from the private limited company in which directors of the Company are directors.

## 18 Cash and bank balances

	March 31, 2016	March 31, 2015
<b>Cash and cash equivalents</b>		
- Cash on hand	3.46	3.54
- Balances with banks :		
In current accounts (refer note 39)	4,769.97	145.70
<b>Other bank balances</b>		
Fixed deposits with banks (due to mature for more than 3 months but within 12 months from reporting date)	408.26	444.00
Marging money deposit under lien	-	8.49
	<b>5,181.68</b>	601.73

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 19 Short-term loans and advances

(Unsecured considered good, unless otherwise stated)

	March 31, 2016	March 31, 2015
<b>To parties other than related parties</b>		
Balance with government authorities		
Considered good		
Service tax receivable	20.09	7.17
Sales tax receivable	13.36	4.28
Custom duty	0.04	0.36
Others	0.52	-
Considered doubtful		
Service tax receivable	0.40	0.40
Sales tax receivable	-	3.80
Less : Provision for doubtful advances		
Service tax receivable	(0.40)	(0.40)
Sales tax receivable	-	(3.80)
Other advances	1.60	0.08
Prepaid expenses	4.14	3.43
Security deposits		
Considered good	31.99	3.32
Considered doubtful	1.79	-
Less : Provision for doubtful deposits	(1.79)	-
Advance to employees	0.03	0.26
Advance to suppliers		
Considered good	153.05	89.69
Considered doubtful	7.84	-
Provision for doubtful	(7.84)	-
	<b>224.80</b>	<b>108.58</b>

## 20 Other current assets

	March 31, 2016	March 31, 2015
Unbilled revenue	58.26	28.46
Interest accrued on fixed deposits	11.40	17.02
Interest accrued on loans (refer note 31)	-	0.56
Export Incentive receivable	8.08	-
Cash on delivery receivable	27.25	-
Others	15.91	1.66
	<b>120.90</b>	<b>47.70</b>

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 21 Revenue from operations

	March 31, 2016	March 31, 2015
<b>Revenue from operations</b>		
Sale of products - traded	2,341.18	2,214.12
Sale of services	1,020.24	667.90
<b>Other operating revenue</b>		
Export incentive	8.08	-
	<b>3,369.50</b>	2,882.02

## 22 Other income

	March 31, 2016	March 31, 2015
Gain on account of foreign exchange fluctuations (net)	0.42	-
Interest income	44.08	36.12
Liabilities no longer required written back	4.57	25.73
Profit on sale of asset	1.26	-
Miscellaneous income	4.61	7.60
	<b>54.95</b>	69.45

## 23 Purchases of stock-in-trade

	March 31, 2016	March 31, 2015
Purchase of stock in trade	2,436.94	2,262.80
	<b>2,436.94</b>	2,262.80

## 24 Changes in inventories of stock-in-trade

	March 31, 2016	March 31, 2015
Opening stock of traded goods	122.82	86.30
Closing stock of traded goods	237.77	122.82
	<b>(114.95)</b>	(36.52)

## 25 Employee benefits

	March 31, 2016	March 31, 2015
Salaries and wages (net of capitalisation) ^ (refer note 33)	221.98	183.65
Employee stock option (ESOP) outstanding expenses (net of capitalised) * (refer note 32)	45.16	19.00
Contribution to provident and other funds (refer note 33)	6.28	3.60
Staff welfare expenses	3.98	4.52
	<b>277.40</b>	210.77
<b>^ Salaries and wages</b>		
Salaries and wages expense	413.22	343.70
Less: Cost capitalised	(191.25)	(160.04)
	<b>221.98</b>	183.65
<b>* Employee stock option outstanding expenses</b>		
ESOP expense	119.07	125.30
Less: Cost capitalised	(73.90)	(106.30)
	<b>45.16</b>	19.00

## 26 Finance costs

	March 31, 2016	March 31, 2015
Interest on statutory dues	5.25	7.05
Interest expenses	6.23	6.63
	<b>11.48</b>	13.68

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 27 Other expenses

	March 31, 2016	March 31, 2015
Telephone and other communication expenses	7.29	6.31
Power and fuel	11.68	10.45
Gateway service charges	16.83	18.33
Legal and professional fees	19.17	19.17
Rent (refer note 34)	43.83	36.94
Rates and taxes	21.19	38.33
Insurance	0.48	0.60
Packing material	7.15	7.38
Payment to auditors*	3.33	2.06
Repairs and maintenance		
- Others	4.98	6.47
Security service charges	4.78	4.77
Software development expenses	10.59	1.25
Travelling and conveyance	11.37	10.13
Web hosting and server support expenses	41.29	28.35
Bad debts written off	-	8.50
Advances written off	-	10.34
Provision for doubtful trade receivables	2.50	-
Loss on account of foreign exchange fluctuations	-	5.47
Provision for doubtful loans and advances	9.69	1.64
Provision for diminution value of investments	-	4.24
Postage and courier	15.68	12.40
Commission expenses	8.35	11.06
Sales promotion	221.38	125.60
Freight expenses	44.90	43.31
Installation and commissioning expenses	2.19	4.59
Initial Public Offering (IPO) expenses [includes expenses such as merchant bankers fees, legal counsel fees, advertising and marketing expenses and other incidental expenses]	25.55	5.46
Miscellaneous expenses	17.85	44.99
	552.02	468.14
<b>* Payment to auditors</b>		
as Statutory auditors	1.55	1.35
In other capacity		
Other services (IPO related services)	1.69	0.70
Reimbursement of out of pocket expenses	0.10	0.01
	3.33	2.06

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 28 Prior period adjustments

	March 31, 2016	March 31, 2015
<b>Prior period income :</b>		
Sale of services	-	2.06
	-	2.06
<b>Prior period expenses :</b>		
Bank charges	-	0.06
Salaries and wages	-	3.54
Contribution to provident and other funds	-	0.25
Interest on loan	-	1.25
Other expenses	0.04	-
Telephone / Internet expenses	0.16	-
	0.20	5.09
<b>Prior period adjustments (net)</b>	<b>(0.20)</b>	<b>(3.03)</b>

## 29 Contingent liabilities and commitments

	March 31, 2016	March 31, 2015
<b>a) Contingent liabilities:</b>		
<b>Direct tax:</b>		
The Company has received order u/s 143(3) for the Assessment Year 2011-12, the Assessing Officer has made an addition of INR 200.00 million to the profits of the company and considered the same for the purpose of computing the book profits as per the provisions of section 115JB of the Income Tax Act, 1961 ('the Act'), on the presumption that the issue of bonus shares out of the revaluation reserve only contemplates realised profits which are not routed through profit and loss account. The Company has filled an Appeal to the Commissioner of Income-tax and matter is dismissed by the said authority and management is in the process of filling an appeal with higher authority. Out of the total demand of ₹ 63.39 million, The Company has paid ₹ 23.50 million under protest to income tax authority. The actual outflow in this regards will be determined only on conclusion of the matter.	63.39	39.86
<b>Others</b>		
Bank Guarantee*	85.36	38.93
* Includes bank guarantee of ₹ 22.50 million issued to BSE Limited as per the statutory norms of SEBI for initial public offering of its equity shares.		
<b>b) Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advance)	2,800.00	57.00

- 30 The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the MSMED Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at March 31, 2016 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act is not expected to be material. The Company has not received any claim for interest from any supplier as at the balance sheet date.



# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

	March 31, 2016	March 31, 2015
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year;	-	-
The amount of interest paid by the buyer under the MSMED Act along with the amounts of the payment made to the amounts of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the year (where the principal has been paid but interest under the Act not paid);	-	-
The amount of interest accrued and remaining unpaid at the end of accounting period; and	-	-
The amount of further interest due and payable even in the succeeding period, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23.	-	-

On basis of information and records available with the Company, the above disclosures are made in respect of amount due to the micro, small and medium enterprises, who have registered with the relevant competent authorities. This has been relied upon by the auditors.

## 31 Related party transactions

Description of relationship	Name of the parties
<b>Parties with whom transactions have been entered into</b>	
Enterprises over which KMP is able to exercise significant influence	Infinium Automall Private Limited
	Infinium Motors Private Limited
	Infinium Motors (Gujarat) Private Limited
	Infinity Drive Private Limited
	ING Satcom Limited
Key Management Personnel ('KMP')	Ajitbhai C. Mehta
	Malav A. Mehta
	Vishal A. Mehta
Associate Company	Avenues Infinite Private Limited

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## Related party transactions

Particulars	Key Management Personnel	Enterprises over which KMP is able to exercise significant influence	Associate Company	Total
<b>Purchase of Goods/ Services</b>	- (-)	<b>0.08</b> (-)	- (-)	<b>0.08</b> (-)
Infinium Motors Private Limited	- (-)	<b>0.08</b> (-)	- (-)	<b>0.08</b> (-)
<b>Sales of Goods/ Services</b>	<b>0.62</b> (0.69)	<b>2.63</b> (6.32)	- (-)	<b>3.25</b> (7.01)
Malav A. Mehta	<b>0.33</b> (0.16)	- (-)	- (-)	<b>0.33</b> (0.16)
Vishal A. Mehta	<b>0.29</b> (0.52)	- (-)	- (-)	<b>0.29</b> (0.52)
Infinium Motors Private Limited	- (-)	<b>2.63</b> (6.32)	- (-)	<b>2.63</b> (6.32)
<b>Loans given</b>	- (-)	- (2.80)	- (-)	- (2.80)
ING Satcom Limited	- (-)	- (2.80)	- (-)	- (2.80)
<b>Repayment of loan given</b>	- (-)	<b>0.64</b> (5.60)	<b>0.56</b> (9.95)	<b>1.19</b> (15.55)
Avenues Infinite Private Limited	- (-)	- (-)	<b>0.56</b> (9.95)	<b>0.56</b> (9.95)
ING Satcom Limited	- (-)	<b>0.64</b> (5.59)	- (-)	<b>0.64</b> (5.59)
Infinium Motors (Gujarat) Private Limited	- (-)	- (0.01)	- (-)	- (0.01)
<b>Deposit received to nominate director</b>	<b>0.10</b> (-)	- (-)	- (-)	<b>0.10</b> (-)
Malav A. Mehta	<b>0.10</b> (-)	- (-)	- (-)	<b>0.10</b> (-)
<b>Repayment of deposit received to nominate director</b>	<b>0.10</b> (-)	- (-)	- (-)	<b>0.10</b> (-)
Malav A. Mehta	<b>0.10</b> (-)	- (-)	- (-)	<b>0.10</b> (-)
<b>Loan taken</b>	<b>17.00</b> (12.60)	- (4.77)	- (-)	<b>17.00</b> (17.37)
Malav A. Mehta	<b>17.00</b> (12.60)	- (-)	- (-)	<b>17.00</b> (12.60)
Infinium Motors Private Limited	- (-)	- (4.77)	- (-)	- (4.77)
<b>Repayment loan taken</b>	<b>9.97</b> (4.72)	<b>0.48</b> (12.03)	- (-)	<b>10.46</b> (12.08)
Infinium Motors Private Limited	- (-)	- (6.26)	- (-)	- (6.26)
Vishal A. Mehta	- (0.05)	- (-)	- (-)	- (0.05)

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## Related party transactions

Particulars	Key Management Personnel	Enterprises over which KMP is able to exercise significant influence	Associate Company	Total
Malav A. Mehta	9.97 (4.67)	- (-)	- (-)	9.97 -
Infinity Drive Private Limited	- (-)	0.48 (5.78)	- (-)	0.48 (5.78)
Infinium Automall Private Limited	- (-)	- 0.00	- (-)	- 0.00
<b>Advance to supplier</b>	- (-)	80.00 -	- (-)	80.00 (-)
Infinium Motors Private Limited	- (-)	80.00 -	- (-)	80.00 (-)
<b>Repayment of advances given to supplier</b>	- (-)	80.00 -	- (-)	80.00 (-)
Infinium Motors Private Limited	- (-)	80.00 (-)	- (-)	80.00 (-)
<b>Services taken</b>	- (-)	- (1.44)	- (-)	- (1.44)
Infinium Motors Private Limited	- (-)	- (1.44)	- (-)	- (1.44)
<b>Interest Paid</b>	- (-)	0.04 (0.50)	- (-)	0.04 (0.50)
Infinity Drive Private Limited	- (-)	0.04 (0.50)	- (-)	0.04 (0.50)
<b>Interest recovered</b>	- (-)	0.04 (0.50)	0.00 (0.62)	0.04 (1.12)
Avenues Infinite Private Limited	- (-)	- (-)	0.00 (0.62)	0.00 (0.62)
ING Satcom Limited	- (-)	0.04 (0.43)	- (-)	0.04 (0.43)
Infinium Motors Private Limited	- (-)	- (0.07)	- (-)	- (0.07)
<b>Purchase of investments</b>				
<i>Shares of Avenues Infinite Private Limited</i>	- (-)	- (-)	- (9.95)	- (9.95)
<b>Guarantee obtained</b>	- (1.00)	- (-)	- (-)	- (1.00)
Ajit C. Mehta	- (1.00)	- (-)	- (-)	- (1.00)
<b>Closing balances</b>				
<b>Trade receivable</b>	- (1.15)	1.44 (0.99)	- (-)	1.44 (2.14)
Vishal A. Mehta	- (1.15)	- (-)	- (-)	- (1.15)
Infinium Motors Private Limited	- (-)	1.44 (0.99)	- (-)	1.44 (0.99)

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## Related party transactions

Particulars	Key Management Personnel	Enterprises over which KMP is able to exercise significant influence	Associate Company	Total
<b>Advance received from customer</b>				
Vishal A. Mehta	0.13 (-)	- (-)	- (-)	0.13 (-)
Infinium Motors Private Limited	0.06 (-)	- (-)	- (-)	0.06 (-)
<b>Loans and advances given</b>	- (-)	- (0.48)	- (-)	- (0.48)
ING Satcom Limited	- (-)	- (0.43)	- (-)	- (0.43)
Infinium Motors Private Limited	- (-)	- (0.05)	- (-)	- (0.05)
<b>Interest receivable on loan given</b>	- (-)	- (-)	- (0.56)	- (0.56)
Avenues Infinite Private Limited	- (-)	- (-)	- (0.56)	- (0.56)
<b>Loans and advances taken</b>	9.40 (2.49)	0.80 (1.25)	- (-)	10.20 (3.73)
Vishal A. Mehta	0.00 (0.11)	- (-)	- (-)	0.00 (0.11)
Malav A. Mehta	9.40 (2.38)	- (-)	- (-)	9.40 (2.38)
Infinium Motors Private Limited	- (-)	0.80 (0.80)	- (-)	0.80 (0.80)
Infinity Drive Private Limited	- (-)	- (0.45)	- (-)	- (0.45)
<b>Investment</b>	- (-)	- (-)	10.00 (10.00)	10.00 (10.00)
Avenues Infinite Private Limited	- (-)	- (-)	10.00 (10.00)	10.00 (10.00)

**Note:** Figures in bracket indicate information for previous year.

## 32 Employee share-based payment plan

### Employee stock option (ESOP) scheme (2013-14):

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on February 17, 2013, read with Special Resolution passed by shareholder of the company at the extra ordinary general meeting held on March 30, 2013. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of shares. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of Rs 10 which is 97.65% below the market price at the date of grant, i.e., April 1, 2013 and April 1, 2014.

### Employee stock option (ESOP) scheme (2014-15)

The scheme has been adopted by the Board of Directors pursuant to resolution passed at its meeting held on February 27, 2014, read with Special Resolution passed by shareholder of the company at the extra ordinary general meeting held on March 31, 2014. The plan entitles senior employees to purchase shares in the Company at the stipulated exercise price, subject to compliance with vesting conditions. All exercised options shall be settled by physical delivery of shares. As per the plan, holders of vested options are entitled to purchase one equity share for every option at an exercise price of ₹ 10 which is 97.65% below the market price at the date of grant, i.e., April 1, 2014, April 1, 2015, April 1, 2016, October 1, 2014, October 1, 2015 and October 1, 2016.

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

The terms and conditions related to the grant of the share options are as follows:

Employee entitled	ESOP Scheme	Number of options	Vesting Conditions	Contractual Life
Senior employees	ESOP Scheme 2013-14	1,63,400	The option carries vesting period as defined by the board of directors in the letters issuing the options to employees	The exercise year has been defined as two years by the board of directors in the letters issuing the options to employees.
	ESOP Scheme 2014-15	5,65,148		

	March 31, 2016	March 31, 2015
Share based payment expense	119.07	125.30
Less: Cost capitalised	(73.90)	(106.30)
Cost charged to statement of profit and loss	45.16	19.00
Reversal of cost due to lapse of options transferred to general reserve	84.33	3.63

## Reconciliation of outstanding share options ESOP Scheme 2013-14

	March 31, 2016		March 31, 2015	
	No. of options	Weighted average exercise (₹)	No. of options	Weighted average exercise (₹)
Opening balance	4,73,600	10	4,61,650	10
Granted during the period	-	-	22,000	10
Less: lapse during the period	(2,00,000)	10	(9,750)	10
Less: exercised during the period	(1,10,200)	10	(300)	10
Closing balance	1,63,400	10	4,73,600	10

## ESOP Scheme 2014-15

	March 31, 2016		March 31, 2015	
	No. of options	Weighted average exercise (₹)	No. of options	Weighted average exercise (₹)
Opening balance	2,84,975	10	-	-
Granted during the period	4,08,340	10	2,84,975	10
Less: lapse during the period	(1,24,192)	10	-	-
Less: exercised during the period	(3,975)	10	-	-
Closing balance	5,65,148	10	2,84,975	10

## Method adopted for valuation

The Company has elected to apply the fair value based method of accounting. The fair value is calculated using the black schole model of valuation. The fair value as on the grant date i.e. April 1, 2013 is ₹ 415.04.

The Company has elected to apply the fair value based method of accounting. The fair value is calculated using the black schole model of valuation. The fair value as on the grant date i.e. April 1, 2014 and October 1, 2014 is ₹ 415.04.

The Company has elected to apply the fair value based method of accounting. The fair value is calculated using the black schole model of valuation. The fair value as on the grant date i.e. April 1, 2015 and October 1, 2015 is ₹ 415.79.

The Board of directors of the Company approved 59,800 ESOPs to be issued under schem "Employees Stock Option Plan 2014-15" in the Board Meeting held on March 31, 2016. As per the Board resolution, out of the total 59,800 ESOPs, 14,000 option will be granted on April 1, 2016, 17,800 option will be granted on April 1, 2017 and 28,000 options will be granted on April 1, 2018.

## 33 Employee benefit: post employment benefit plans

### Defined contribution plans

The group makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards provident fund and employee state insurance, which is a defined contribution plan. The group has no obligations other than to make the specified contributions. The contribution is charged to the statement of profit and loss as it accrues. The amount recognised as an expense towards contribution to provident fund and other funds for the year aggregated to ₹ 6.28 million (previous year ₹ 3.60 million).

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## Defined benefit plans :

The group operates post employment defined benefit plan that provide gratuity plan. The gratuity plan entitles an employee, who has rendered atleast five years of continuous service, to receive on half month's salary for each year of completed service at the time of retirement/resignation. The long term service incentive is accrued for all eligible employee of the company and is payable on completing of 5 years of service.

The following table summarises the position of assets and obligations relating to the plans.

	Gratuity	
	March 31, 2016	March 31, 2015
<b>Amount recognised in the balance sheet</b>		
Present value of obligation	(24.23)	(18.25)
Value of plan assets	1.39	3.36
Amount recognised in the balance sheet	(22.83)	(14.89)

## Classification into current / non current

The asset/(liability) in respect of the plan comprises of the following non current and current portion :

	Non current		Current	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
<b>Gratuity</b>	<b>16.88</b>	10.47	<b>5.96</b>	4.41
	<b>16.88</b>	10.47	<b>5.96</b>	4.41

	March 31, 2016	March 31, 2015
<b>i) Movement in present value of defined benefit obligation</b>		
Defined benefit obligation as at beginning of the year	18.25	11.19
Excess provision as at beginning of the year	-	3.69
Interest cost	1.27	1.28
Current service cost	5.45	5.01
Past service cost	-	-
Benefit Paid	(1.97)	(0.30)
Actuarial (gain) / loss on obligations	1.24	(3.43)
Prior year charges	-	0.82
Curtailments and Settlements	-	-
<b>Defined benefit obligation at end of the year</b>	<b>24.23</b>	18.25
<b>ii) Movement in fair value of plan assets</b>		
Fair value of plan assets as at beginning of the year	3.36	1.58
Contributions paid into the plan	-	2.09
Benefits paid by the plan	(1.97)	(0.28)
Expected return on plan assets	0.40	0.22
Mortality / fund management & administration charges	(0.18)	(0.26)
Actuarial (losses) / gains	(0.21)	0.00
<b>Fair value of plan assets as at end of the year</b>	<b>1.39</b>	3.36
<b>iii) Expenses recognised in statement of profit and loss</b>		
Current service cost	5.45	5.01
Interest cost	1.27	1.28
Expected return on plan asset	(0.40)	(0.22)
Net actuarial (gain) / loss to be recognised	1.42	(3.43)
Prior period charge	-	0.82
Mortality / fund management and administration charges	0.21	0.26
Benefits payable	-	(0.02)
<b>Expense recognised in statement of profit and loss</b>	<b>7.95</b>	3.69

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## iv) Principal actuarial assumptions

	March 31, 2016	March 31, 2015
Discount rate current	7.65%-8%	7.8%-8%
Salary escalation current	10.00%	10.00%
Expected rate of return	8.50%	8.70%
Attrition rate	25% at younger ages reducing to 5% at older ages	25% at younger ages reducing to 5% at older ages
Mortality	IALM (2006-08) published table of mortality rates.	IALM (2006-08) published table of mortality rates.
Retirement age	58 years	58 years

The discounting rate is based on the gross redemption yield on government securities.

## v) Experience adjustment

Experience adjustment	Year ended			
	March 31, 2016	March 31, 2015	March 31, 2014	March 31, 2013
Defined benefit obligation	(24.23)	(18.25)	(11.19)	(8.49)
Plan assets	1.39	3.36	1.58	1.48
Surplus / (deficit)	(22.83)	(14.89)	(9.60)	(7.00)
Experience adjustment on plan liabilities loss / (gain)	1.14	(4.47)	1.31	(0.45)
Actuarial loss/(gain) due to change in assumptions	0.09	1.03	(0.57)	0.45
Experience adjustments on plan assets	0.18	(0.00)	0.00	0.03
<b>Net actuarial loss/ (gain) for the year</b>	<b>1.42</b>	<b>(3.43)</b>	<b>0.74</b>	<b>0.03</b>

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

## 34 Operating leases

The Company has taken a number of warehouse and office under operating leases. The warehouse and office leases typically run for a period of 1 to 6 years. These leasing arrangements are cancellable, and are renewable on a periodic basis by mutual consent on mutually accepted terms including escalation of lease rent. Total expense incurred under the cancellable operating lease agreement recognised as an expense in the Statement of Profit and Loss during the year is ₹ 43.83 million (previous year ₹ 36.94 million).



# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

## 35 Earning per share

	March 31, 2016	March 31, 2015
Basic and diluted earnings per equity share have been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year		
Profit/(loss) for the year	92.47	[101.13]
Nominal value per (₹)	10	10
Weighted average number of equity shares for Basic EPS	4,26,12,949	4,09,94,148
Weighted average number of equity shares for dilutive EPS	4,33,00,494	4,17,34,874
<b>Basic earning per (₹)</b>	<b>2.17</b>	<b>[2.47]</b>
<b>Dilutive earning per (₹)</b>	<b>2.14</b>	<b>[2.47]*</b>
* Since, the effect of potential equity shares is anti-dilutive, the same is ignored.		
Weighted average number of equity shares used in computing basic earnings per share.	4,26,12,949	4,09,94,148
Effect of dilutive potential equity shares		
- Employee stock options	6,87,545	7,40,726
- Optionally convertible debentures	-	-
<b>* Weighted average number of equity shares</b>	<b>4,33,00,494</b>	<b>4,17,34,874</b>
<i>Equity Share Capital</i>		
At the commencement of the year	4,25,60,480	3,95,71,272
Shares issued during the year (including unpaid calls in previous year)	-	28,97,330
Shares issued on conversion of debenture	-	91,578
Shares issued on exercise of employee stock options	1,14,175	300
Shares issued on initial public offer	1,04,16,666	-
At the end of the year	5,30,91,321	4,25,60,480
Weighted average number of equity shares	4,33,00,494	4,17,34,874

- 36 The Sales Tax and Central Sales Tax Assessments of the Company have been completed up to Assessment Year 2007-08. The assessed tax liability including interest and penalty exceeds the provision made by ₹ 5.28 million as on 31st March 2016 (Previous year: ₹ 7.31 million). The litigations are pending with Gujarat Value Added Tax Tribunal and assessing officer. Based on the decisions of the Appellate authorities and the interpretations of other provisions, the Company has been legally advised that the additional demand raised is likely to be either deleted or substantially reduced and accordingly no provision is considered necessary.

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

## 37 Unhedged foreign currency exposure

(Rupees in Million)

The Company does not use any derivative instruments to hedge its risks associated with foreign currency fluctuations. The details in respect of exposure to foreign currency fluctuation are as follows:

	Currency	March 31, 2016		March 31, 2015	
		Foreign currency	Local currency	Foreign currency	Local currency
Trade payables	USD	0.09	5.73	0.17	10.50
	GBP	0.00	0.30	0.00	0.19
			6.03		10.69
Provision for expenses	USD	0.12	8.22	-	-
			8.22		-
Creditor for expenses	USD	0.00	0.04	0.01	0.39
			0.04		0.39
Trade receivables	EURO	0.15	11.59	-	-
	SAR	0.61	10.95	-	-
	AED	0.74	13.40	1.06	17.92
	USD	1.76	116.60	0.09	5.92
			152.53		23.84
Advance received in cash or kind	GBP	0.01	0.78	-	-
			0.78		-
Unbilled revenue	USD	-	-	0.00	0.02
	SAR	0.04	0.76	-	-
	AED	0.11	1.91	0.01	0.11
			2.67		0.13
Loans and advances	USD	0.00	0.25	0.00	0.20
			0.25		0.20
Cash and bank balance	AED	0.55	9.88	-	-
			9.88		-

## 38 Segment information

### Primary Segment

(Rupees in Million)

	March 31, 2016	March 31, 2015
<b>Revenue</b>		
<b>Total Revenue</b>		
Ecommerce - sale of products	2,341.18	2,214.12
Ecommerce- Sale of software and ecommerce related ancillary services	1,028.32	667.90
<b>Inter segment sales</b>		
Ecommerce - sale of products	-	-
Ecommerce- Sale of software and ecommerce related ancillary services	-	-
<b>External revenue</b>		
Ecommerce - sale of products	2,341.18	2,214.12
Ecommerce- Sale of software and ecommerce related ancillary services	1,028.32	667.90
<b>Total revenue</b>	3,369.50	2,882.02

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

(Rupees in Million)

	March 31, 2016	March 31, 2015
<b>Segment result</b>		
Ecommerce - sale of products	(195.10)	(231.18)
Ecommerce- Sale of software and ecommerce related ancillary services	570.48	400.10
Unallocated corporate expenses (net unallocated income)	322.00	292.74
Operating profit	53.38	(123.82)
Interest expense	11.48	13.68
Interest income	44.08	36.12
<b>Profit / (loss) before tax</b>	<b>85.98</b>	(101.39)
Income taxes	(0.63)	(0.25)
<b>Profit / (loss) after tax</b>	<b>86.61</b>	(101.14)
<b>Other Information:</b>		
<b>Segment assets</b>		
Ecommerce - sale of products	545.44	470.18
Ecommerce- Sale of software and ecommerce related ancillary services	800.30	625.51
Unallocated corporate assets	6,050.58	1,584.48
<b>Total assets</b>	<b>7,396.33</b>	2,680.16
<b>Segment liabilities</b>		
Ecommerce - sale of products	350.61	171.14
Ecommerce- Sale of software and ecommerce related ancillary services	89.44	290.64
Unallocated corporate liabilities	433.07	89.20
<b>Total liabilities</b>	<b>873.12</b>	550.98
<b>Capital expenditure</b>		
Ecommerce - sale of products	2.12	17.32
Ecommerce- Sale of software and ecommerce related ancillary services	139.36	93.59
Unallocated	129.42	263.24
<b>Depreciation</b>		
Ecommerce - sale of products	33.11	33.65
Ecommerce- Sale of software and ecommerce related ancillary services	62.56	48.61
Unallocated	79.71	48.69
<b>Non cash expenses other than depreciation</b>		
Ecommerce - sale of products	7.01	-
Ecommerce- Sale of software and ecommerce related ancillary services	25.07	-
Unallocated	25.27	43.72

## Notes:

### 1. Business Segments:

The Group has determined its primary reportable segments viz: sale of products and sale of software and ecommerce related ancillary services.

### 2. Segment assets and liabilities:

Segment information is prepared in conformity with the accounting policies adopted for preparing and presenting the consolidated financial statements of the Group as a whole. Segment assets include all operating assets used by a segment and consist principally of operating cash, trade receivables, inventories and fixed assets, net of allowances and provisions which are reported as direct offsets in the balance sheet. While most such assets can be directly attributed to individual segments, the carrying amount of certain assets used jointly by two segments is allocated to

# Notes to the Consolidated financial statements

FOR THE YEAR ENDED MARCH 31, 2016

the segments on a reasonable basis. Segment liabilities include all operating liabilities and consist principally of trade payables and accrued liabilities. Segment assets and liabilities do not include those relating to income taxes. There are certain assets which are used interchangeably between the segments by the Group's businesses, the same have not been fully identified to any of the reportable segments, and accordingly such assets are disclosed as 'unallocated'.

## 3. Segment revenue:

Segment revenue comprises the portion of the Group's revenue that is directly attributable to a segment or that can be allocated on a reasonable basis to a segment, and inter-segment transfers.

## 4. Segment expense:

Segment expense comprises the expense resulting from the operating activities of a segment that is directly attributable to the segment or that can be allocated on a reasonable basis to the segment and expense relating to transactions with other segments. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group therefore believes that it is not practicable to provide segment disclosures relating to such expenses, and accordingly such expenses are separately disclosed as 'unallocated' and directly charged against total income.

## 5. Secondary segment:

Geographical segments for the Group are secondary segments. For management purposes, the Group is organised into two major operating geographies, India and Outside India. Since, more than 90% of the Group's business is from India, there is no secondary reportable segment. Thus the segment revenue, segment assets and total cost incurred to acquired segments assets are all as reflected in the financial statements for the year ended March 31, 2016.

## 39 Initial Public Offer (IPO)

During the year ended March 31, 2016, the Company has raised funds pursuant to Initial Public Offering (IPO) for the purpose of setting up of cloud data center, purchase of property for shifting and setting up of registered and corporate office of the company, setting up of 75 logistic centers, purchase of software and general corporate purposes. The Company issued 1,04,16,666 equity shares of ₹ 10 each at an issue price of ₹ 432 per equity share.

The proceeds from IPO is ₹ 4,499.99 million. The amount received through IPO is kept in a separate bank account with HDFC Bank Ltd as at March 31, 2016. The Company has incurred ₹ 338.33 million of IPO expenses (such as merchant bankers fees, underwriting fees, selling commission, legal counsel fees, registrar to the issue, brokerage and selling commission, printing and stationary expenses, advertising and marketing expenses and other incidental expenses). Of the total IPO expenses, expenses aggregating to ₹ 312.78 million have been adjusted towards the securities premium account. Further IPO expenses aggregating to ₹ 25.55 million have been charged to the Statement of Profit and Loss.

As per our report of even date attached.

For **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No: 116231W /W-100024

**Sukrut Mehta**

Partner

Membership No: 101974

Ahmedabad

May 30, 2016

For and on behalf of the Board of Directors of

**Infibeam Incorporation Limited**

CIN : L64203GJ2010PLC061366

**Hiren Padhya**

Chief Financial Officer

**Shyamal Trivedi**

Company Secretary

**Vishal Mehta**

Managing Director

DIN : 03093563

**Malav Mehta**

Director

DIN : 01234736

Ahmedabad

May 30, 2016

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# INFIBEAM INCORPORATION LIMITED

[CIN: L64203GJ2010PLC061366]

Registered Office: 9<sup>th</sup> Floor, "A" Wing, Gopal Palace, Opp. Ocean Park,  
Nr. Nehrunagar, Satellite Road, Ahmedabad – 380 015

Email: ir@infibeam.ooo Website: www.infibeam.ooo



FORM MGT-11

## PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3)  
of the Companies (Management and Administration) Rules, 2014]]

Name of the member (s) :	
Registered Address :	
Email Id :	
Folio No./ DPID-Client ID :	

I/We, being the member (s) of \_\_\_\_\_ Shares of the above named Company, hereby appoint:

1. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_ or failing him
2. Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email Id : \_\_\_\_\_ Signature : \_\_\_\_\_

as my/ our proxy to attend and vote (on a poll) for me as me/us and on my/ our behalf at the 6<sup>th</sup> Annual General Meeting of the Company, to be held on Thursday, September 15, 2016 at 2.30 P.M. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, IIM – A Road, Vastrapur, Ahmedabad – 380 015 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolutions
<b>Ordinary Business</b>	
1	Adoption of audited Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.
2	Re-Appointment of Mr. Ajit Mehta (DIN: 01234707), liable to retire by rotation and being eligible, offers himself for re-appointment
3	Ratification of Appointment of Statutory Auditors of the Company
4	Appointment of Joint Statutory Auditors
<b>Special Business</b>	
5	Ratification of Employee Stock Option Schemes
6	Approval of balance options under Employee Stock Option Scheme 2013-14

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Affix  
Revenue  
Stamp of  
₹ 1 here

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.**





## Form for Updation of Email Address



Date:

To,  
**INFIBEAM INCORPORATION LIMITED**  
9<sup>th</sup> Floor, "A" Wing, Gopal Palace,  
Opp. Ocean Park, Nr. Nehrunagar,  
Satellite Road,  
Ahmedabad – 380 015

Dear Sir,

### Sub: Updation of email address

Please register my email address for the purpose of sending Annual Report and other Notices/documents in electronic mode:

Name of the member (s) :

Email Id :

Folio No./ DPID-Client ID :

\_\_\_\_\_  
Signature of the First named Shareholder

Name :

Address :

## INFIBEAM INCORPORATION LIMITED

[CIN: L64203GJ2010PLC061366]

**Registered Office:** 9<sup>th</sup> Floor, "A" Wing, Gopal Palace, Opp. Ocean Park,  
Nr. Nehrunagar, Satellite Road, Ahmedabad – 380 015

**Email:** ir@infibeam.ooo **Website:** www.infibeam.ooo



## ATTENDANCE SLIP

[PLEASE BRING THIS ATTENDANCE SLIP TO THE MEETING AND HAND IT OVER AT THE ENTRANCE DULY FILLED IN]

Folio No./ DPID-Client ID :

Name of the member (s) :

Registered Address :

I hereby record my presence at **the 6<sup>th</sup> Annual General Meeting** of the Company held on Thursday, September 15, 2016 at 2.30 P.M. at H. T. Parekh Convention Centre, Ahmedabad Management Association, ATIRA Campus, Dr. Vikram Sarabhai Marg, IIM – A Road, Vastrapur, Ahmedabad – 380 015

\_\_\_\_\_  
Full name of Shareholder/Proxy (in Block Letters)

\_\_\_\_\_  
Signature of Shareholder/Proxy



**INFIBEAM INCORPORATION LIMITED**

[CIN: L64203GJ2010PLC061366]

**Registered Office:** 9<sup>th</sup> Floor, "A" Wing, Gopal Palace, Opp. Ocean Park,  
Nr. Nehrunagar, Satellite Road, Ahmedabad – 380 015**Email:** [ir@infibeam.ooo](mailto:ir@infibeam.ooo) **Website:** [www.infibeam.ooo](http://www.infibeam.ooo)

FORM MGT-12

**BALLOT FORM****(TO BE USED BY SHAREHOLDERS PERSONALLY PRESENT/THROUGH  
PROXY AT THE MEETING AND HAVE NOT OPTED FOR E-VOTING)**

1	Name and Address of the Sole/ First named Shareholder	
2	Name(s) of the Joint Holder(s) (if any)	
3	Registered Folio No./ DPID-Client ID	
4	Number of Shares(s) held	
5	I/We hereby exercise my/our vote(s) in respect of the Resolutions set out in the Notice of 6 <sup>th</sup> Annual General Meeting (AGM) of the Company to be held on Thursday, September 15, 2016, by sending my/our assent or dissent to the said Resolutions by placing the tick (✓) mark at the appropriate box below:	

Resolution No.	Resolutions	No. of Shares	(FOR) I/We assent to the resolution	(AGAINST) I/We dissent the resolution
<b>Ordinary Business:</b>				
1	Adoption of audited Balance Sheet as at March 31, 2016, and the Statement of Profit and Loss for the year ended on that date together with the Reports of the Board of Directors and the Auditors thereon.			
2	Re-Appointment of Mr. Ajit Mehta (DIN: 01234707), liable to retire by rotation and being eligible, offers himself for re-appointment			
3	Ratification of Appointment of Statutory Auditors of the Company			
4	Appointment of Joint Statutory Auditors			
<b>Special Business</b>				
5	Ratification of Employee Stock Option Schemes			
6	Approval of balance options under Employee Stock Option Scheme 2013-14			

Place :

Date :

\_\_\_\_\_  
[Signature of the Shareholder/Proxy]**Note:** This Ballot is to be used for exercising voting at the time of 6<sup>th</sup> Annual General Meeting to be held on Thursday, September 15, 2016 by shareholders/proxy. Duly filled in and signed ballot form should be dropped in the Ballot box kept at the venue of AGM.



[illegible]

## Notes

# Route Map

## to the Venue of the 6th AGM of Infibeam Incorporation Limited

**Venue** : H. T. Parekh Convention Centre,  
Ahmedabad Management Association,  
ATIRA Campus, Dr. Vikram Sarabhai Marg,  
IIM – A Road, Vastrapur,  
Ahmedabad – 380 015

**Landmark** : Opposite Indian Institute of Management, Ahmedabad



Venue Distance from  
Railway Station 8 km approx.  
Geeta mandir Bus Stop 7 km approx.





turning  
conventional  
businesses  
into e-enabled  
businesses with  
infibeam  
platform



INFIBEAM INCORPORATION LIMITED  
INDIA Ph: +91 79 40403600 | [www.infibeam.ooo](http://www.infibeam.ooo)

