

**REPORT OF THE AUDIT COMMITTEE OF INFIBEAM AVENUES LIMITED (FORMERLY KNOWN AS INFIBEAM INCORPORATION LIMITED) ("THE COMPANY") RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT AMONGST INFIBEAM AVENUES LIMITED, SUVIDHAA INFOSERVE PRIVATE LIMITED, DRC SYSTEMS INDIA PRIVATE LIMITED AND NSI INFINIUM GLOBAL PRIVATE LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS AT ITS MEETING HELD ON THURSDAY, SEPTEMBER 12, 2019 AT 11.00 A.M. AT THE REGISTERED OFFICE OF THE COMPANY**

**Members Present:**

Mr. Keyoor M. Bakshi	-	Chairman
Mr. Roopkishan S. Dave	-	Member
Mr. Vishal A. Mehta	-	Member
Mr. Piyush Kumar Sinha	-	Member

**1. Background:**

1.1 A meeting of the Audit Committee of Infibeam Avenues Limited (Formerly known as Infibeam Incorporation Limited) ('the Company') was held on Thursday, 12 September 2019 to inter-alia consider and recommend the draft Composite Scheme of Arrangement amongst Infibeam Avenues Limited, Suvidhaa Infoserve Private Limited, DRC Systems India Private Limited and NSI Infinium Global Private Limited and their respective shareholders and creditors ('Scheme') under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 which provides for the demerger and vesting of the Demerged Undertakings (*as defined in the Scheme*) from the Demerged Companies (*as defined in the Scheme*) to the Resulting Companies (*as defined in the Scheme*) on a going concern basis and the consequent issue of shares by the Resulting Companies (*as defined in the Scheme*) in the manner set out in the Scheme.

1.2 This report of the Audit Committee is made in order to comply with the requirements of the Securities and Exchange Board of India ('SEBI') (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 ('SEBI Circular') and any amendments / modifications thereof and applicable provisions of the Companies Act, 2013 and rules made thereunder.

1.3 The following documents / information were placed before the Audit Committee:

- Draft Scheme duly initialled by the Chairman of the Company for the purpose of identification
- Valuation Report dated 12 September 2019 issued by Icon Valuation LLP and Jigar P. Shah & Associates, describing the methodology adopted by them in arriving at the share entitlement ratio for the aforementioned demergers; and
- Fairness opinion dated 12 September 2019 issued by Kunvarji Finstock Pvt. Ltd., a Category-I Merchant Banker providing the Fairness opinion on the share entitlement ratio as recommended by the Valuation Report

**2. Draft Scheme:**

2.1 The salient features of the Scheme are as under:

- Demerger, transfer and vesting of SME E-Commerce Services Undertaking from Infibeam to Suvidhaa, E-Commerce Business Undertaking from NSI to Suvidhaa and Themepark & Event



**INFIBEAM AVENUES LIMITED**

(Formerly known as Infibeam Incorporation Limited)

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Taluka & District - Gandhinagar - 382355. CIN: L64203GJ2010PLC061366

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Software Undertaking from Infibeam to DRC on a going concern basis and the consequent issue of shares by the Resulting Companies (*as defined in the Scheme*) in accordance with the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules made thereunder;

- various other matters consequentially or integrally connected therewith, pursuant to the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Act

2.2 The Audit Committee noted the rationale and the benefits of the Scheme which, inter-alia, are as follows:

- (i) Segregation of the SME E-Commerce Services Undertaking and the Themepark & Event Software Business Undertaking of Infibeam into Suvidhaa and DRC respectively and the E-Commerce Business Undertaking of NSI into Suvidhaa;
- (ii) Allow management of each of the Resulting Companies to pursue independent growth strategies in markets;
- (iii) It is believed that the proposed demerger will create enhanced value for shareholders and allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders and the persons connected with the aforesaid companies;
- (iv) Enhance competitive strength, achieve cost reduction and efficiencies of the aforesaid companies and thereby significantly contributing to future growth;
- (v) The demerger will also provide scope for collaboration and expansion.

2.3 The Audit Committee reviewed the Valuation Report and noted the recommendations therein. Further, the Fairness opinion confirmed that the share swap ratio in the Valuation Report is fair to the shareholders of the Company.

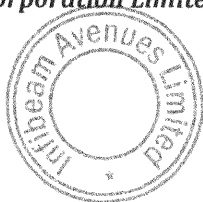
### 3. Recommendation of the Audit Committee:

Taking into consideration the draft Scheme, its rationale and benefits, Valuation Report, Fairness opinion and other documents, as placed, the Audit Committee recommends the draft Scheme to the Board of Directors of the Company for its favourable consideration and approval.

**For Infibeam Avenues Limited**  
(Formerly known as Infibeam Incorporation Limited)



**Keyoor M. Bakshi**  
Chairman of Audit Committee



Date: 12 September 2019

Place: Gandhinagar