

REPORT OF THE AUDIT COMMITTEE OF INFIBEAM AVENUES LIMITED RECOMMENDING THE DRAFT COMPOSITE SCHEME OF ARRANGEMENT AMONGST THE COMPANY, ODIGMA CONSULTANCY SOLUTIONS LIMITED AND INFIBEAM PROJECTS MANAGEMENT PRIVATE LIMITED AND RESPECTIVE SHAREHOLDERS AND CREDITORS

To,
The Board of Directors

Members Present:

Mr. Keyoor Bakshi : Independent Director and Chairman
Mr. Vishal Mehta : Managing Director
Mr. Piyushkumar Sinha : Independent Director
Mr. Roopkishan Dave : Independent Director
Ms. Vijaylaxmi Sheth : Independent Director

In attendance:

Mr. Sunil Bhagat : Chief Financial Officer
Mr. Shyamal Trivedi : Sr. Vice President & Company Secretary

Invitees:

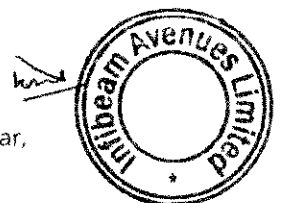
CA Jigar Shah : Representative of Den Valuation (OPC) Private Limited, IBBI/RVE/06/2021/146
Mr. Himanjal Brahmhatt : Representative of Kunvarji Finstock Private Limited, SEBI Registered Merchant Banker for providing Fairness Opinion on Valuation Report, Reg No. INM000012564

1. Background

1.1. A meeting of the Audit Committee ("Committee") of the Infibeam Avenues Limited ("Infibeam" or "Company") was held on Tuesday, August 08 2023 to consider and recommend the draft Composite Scheme of Arrangement amongst the Company, Odigma Consultancy Solutions Limited ("Odigma" or "Resulting Company") and Infibeam Projects Management Private Limited ("IPMPL" or "Transferee Company") [Company, Odigma and IPMPL are collectively hereinafter referred to as "Parties"] and their respective shareholders and creditors ("Scheme") under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 ("Act") and other applicable provisions of law subject to necessary approvals from the BSE Limited and National Stock Exchange of India Limited ("Stock Exchanges"), the Securities Exchange and Board of India ("SEBI"), the Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") and any other authority, as may be required under applicable law.

INFIBEAM AVENUES LIMITED

Registered Office: 28th Floor, GIFT Two Building, Block No. 56, Road-5C, Zone-5, GIFT CITY, Gandhinagar,
Taluka & District - Gandhinagar - 382355. CIN: L64203GJ2010PLC061366
Tel: +91 079 67772204 | Fax: +91 079 67772205 | Email: ir@ia.ooo | Website: www.ia.ooo



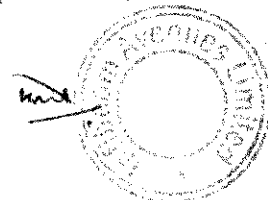
- 1.2. The purpose of the Committee is made in order to comply with the requirements of para A(2)(c) of Part I of the SEBI Master Circular No. SEBI/HO/CFD/POD-2/P/CIR/2023/93 dated 20th June, 2023 ("SEBI Master Circular") according to which the Scheme is required to be considered and recommended by the Audit Committee, taking into account, *inter alia*, the Valuation Report (*as defined hereinafter*) and comment on the need for the Scheme, rationale for the Scheme, impact of the Scheme on the shareholders, cost benefit analysis of the Scheme, synergies of business of the entities involved in the Scheme and impact of the Scheme on the shareholders of the Infibeam.

2. Documents perused by the Committee

- 2.1. The Committee considered the following documents during the meeting:
- (a) The draft Scheme;
 - (b) Valuation Report dated August 07, 2023 issued by Den Valuation (OPC) Private Limited, an independent registered valuer, having registration number IBBI/RVE/06/2021/146 ("Valuation Report")
 - (c) Fairness opinion dated August 07, 2023 issued by Kunvarji Finstock Private Limited, an independent merchant banker registered with the Securities and Exchange Board of India ("SEBI") with registration number INM000012564 providing opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("Fairness Opinion");
 - (d) Certificate issued by the Statutory Auditors of the Company certifying the undertaking of the Company pursuant to para A (10) (c) of Part I of the SEBI Master Circular;
 - (e) Draft of the Compliance Report (as per format provided by the Stock Exchanges) confirming compliance with various regulatory requirements specified for Scheme of Arrangement and all accounting standards to be filed with the Stock Exchanges;
 - (f) Audited Financial Statements of the companies involved in the draft Scheme for last three Financial Years;
 - (g) Pre and post shareholding pattern of all the companies involved in the draft Scheme;
 - (h) Certificate issued by the statutory auditor of the Company, pursuant to para A(5) of Part I of the SEBI Master Circular; and
 - (i) various other document(s) / certificate(s) / declaration(s) / report(s) / undertaking(s) / submission(s) / confirmation(s) which are incidental to the draft Scheme or any other incidental matter thereto

3. Salient features of the Scheme

- 3.1. The draft Scheme placed before the Committee provide, *inter-alia*, the following:
- (a) demerger, transfer and vesting of Global Top Level Domain (GTLD) Undertaking from the Company to Resulting Company on a going concern basis and the consequent issue of shares by the Resulting Company 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;



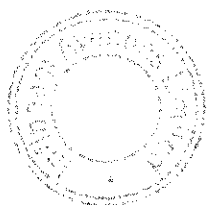
- (b) Shares to be issued by the Resulting Company in terms of the Scheme shall be listed on BSE Limited and National Stock Exchange of India Limited in compliance with the SEBI Master Circular and other relevant provisions as may be applicable;
- (c) transfer and vesting of the Project Management Undertaking of the Company as a going concern to the Transferee Company, on Slump Sale basis under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013;
- (d) increases in share capital of the Resulting Company and the consequent amendment of Memorandum of Association of the Resulting Company; increases in share capital of the Transferee Company and the consequent amendment of Memorandum of Association of the Transferee Company; and
- (e) various other matters consequently or integrally connected therewith, pursuant to the provisions of Section 230 to 232 read with Section 66 and other applicable provisions of the Act.

3.2. The Scheme shall be filed with the Stock Exchanges, the SEBI, Hon'ble National Company Law Tribunal, Ahmedabad Bench ("NCLT") under section 230 to 232 read with Section 66 and other applicable provisions of the Act and has been drawn in compliance with Section 2(19AA), 2(42C) and other applicable provisions of the Income Tax Act, 1961 and other applicable laws including Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with the SEBI Master Circular, and any other authority as may be require.

4. Need and Rationale of the Scheme

4.1. The Committee noted the rationale of the draft Scheme as follows:

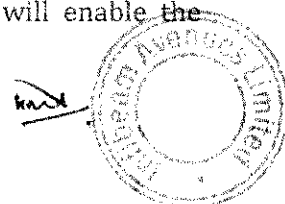
- (i) Demerger, transfer and vesting of GTLD Undertaking from the Company to Resulting Company to result into:
 - a. Segregation of the Company's GTLD Undertaking into Resulting Company;
 - b. Future growth and expansion of the GTLD Undertaking would require differentiated strategy aligned to its industry specific risks, market dynamics and growth trajectory;
 - c. Allow management of the Resulting Company to pursue independent growth strategies in markets;
 - d. It is believed that the proposed demerger will create enhanced value for the shareholders through potential unlocking of value through listing of GTLD business as well as business of Resulting Company on the Stock Exchanges;
 - e. Since both the businesses are having separate growth trajectories, the proposed restructuring would enable both the businesses to pursue their growth opportunities and offer investment opportunities to potential investors;
 - f. Enhance competitive strength, achieve cost reduction and efficiencies of aforesaid companies and thereby significantly contributing to future growth;
 - g. Provide scope of collaboration and expansion;
 - h. Rationalization, standardization and simplification of business processes and systems of the GTLD Undertaking on being demerged into Resulting Company;



- i. The proposed restructuring would provide opportunity to shareholders of Infibeam to directly participate in GTLD Undertaking and Resulting Company's business; and
 - j. The proposed restructuring would enable investor to hold investments in the businesses with different investment characteristics, which best suit their investment strategies and risk profiles.
- (ii) The rationale for transfer of the Project Management Undertaking of the Company as a going concern to the Transferee Company, on Slump Sale basis is provided below:
- a. The Transferee Company is a wholly owned subsidiary of the Company. The Project Management Undertaking comprises of, inter alia, the GIFT City Tower Two building and related amenities which is strategically located in the GIFT City and incubates/houses various startups, aids projects and other technology related entities, which can be categorized as part of non-core business activities of the Company. With explosive potential opportunities visible in GIFT City and consequent enhanced opportunities for growth and development, the Project Management Undertaking of the Company would require increased capital and focused operations for tapping the said opportunities. The value of such non-core business activities is not getting reflected in the value of business of the Company, should form part of an independent entity and a separate strategy should be formed for unlocking the value of such non-core business activities of the Company. In view of the same, it has become necessary to transfer the said business to the Transferee Company;
 - b. The said transfer would entail smoother operations of the respective businesses under independent management set up paving way for growth and development of each of the business;
 - c. The Scheme will result in simplification of the group structure and management structure leading to the better administration and more focused operational efforts, rationalization, standardization and simplification of business processes;
 - d. Unlocking the value of the said business, which would enable optimal exploitation, monetization and development of both the Companies;
 - e. The Scheme will enable entities to leverage their resources to align future cash flows; and
 - f. The synergies that exist between the Company and Transferee Company in terms of services and resources can be put to best advantage of all the stake holders.

5. Synergies of business

- 5.1. The Committee noted that the Scheme does not involve merger of the business of the Company but provides for the demerger of the GTLD Undertaking of the Company into Odigma and transfer of Project Management Undertaking of the Company to IPMPL through Slump Sale. The proposed demerger and Slump Sale as per the Scheme will enable the



Odigma and IPMPL respectively to build and strengthen the business opportunities and establish a cost-efficient business by segregation of businesses in respective companies. The proposed Scheme shall provide ability to pursue inorganic growth and better operational control.

- 5.2. The benefits of the Scheme could be actually seen in terms of reduction of cost in long term and the Scheme would enable increased bargaining power. The proposed demerger and slump sale is expected to, inter alia, result in reduction of costs, better alignment, co-ordination and streamlining of day-to-day operations.
- 5.3. For the benefits and rational as mentioned in point 4, it is found appropriate to demerge the GTLD Undertaking of the Company to ODIGMA and transfer Project Management Undertaking of the Company on Slump Sale basis to IPMPL.

6. Cost-benefit analysis of the Scheme

The Scheme would entail some costs towards implementation. However, the benefits of the Scheme over a longer period are expected to far outweigh such costs for the stakeholders of the Scheme entities.

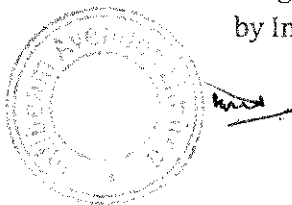
7. Impact of the Scheme on the shareholders

- 7.1. As a result of demerger of GTLD Undertaking, the shareholders of the Company as on record date shall be entitled to equity shares in the Resulting Company basis the share entitlement ratio as determined in the valuation report issued by Den Valuation (OPC) Private Limited, Registered Valuer and submitted to the Committee. On approval of the Scheme, the shareholders of Company shall be allotted shares in the Resulting Company.
- 7.2. As a result of Slump sale of Project Management Undertaking, no new equity shares shall be issued to the shareholders of the Company and accordingly, shall not have any impact on the shareholders.
- 7.3. The Scheme will not adversely affect the rights or interest of any stakeholder of the Company, Resulting Company or Transferee Company.

8. Recommendation of the Audit Committee

- 8.1. Pursuant to the above, the Audit Committee having considered and noted, *inter alia*, Valuation Report and Fairness Opinion, recommends to the Board:

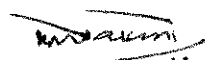
(a) that the Share Entitlement Ratio for demerger of GTLD Undertaking by Infibeam to Odigma and Issue of Equity Shares for Slump Sale of Project Management Undertaking by Infibeam to IPMPL is fair and reasonable to all shareholders of the Company;



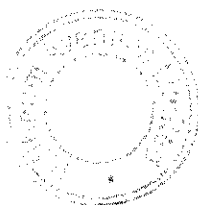
- (b) the draft Scheme is in the best interest of all the stakeholders (including shareholders, employees and creditors) of the Company; and
- (c) the draft Scheme, in its present form for favorable consideration and approval by the Board, Stock Exchanges, SEBI, NCLT and such regulatory authorities, government bodies and institutions, as may be applicable;

By Order of the Audit Committee

For, and on behalf of Infibeam Avenues Limited



Keyoor Bakshi
Chairman of the Audit Committee
DIN: 00133588



Place: Gandhinagar

Date: August 08, 2023