



**ACCELYST SOLUTIONS
PRIVATE LIMITED**

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REPORT ADOPTED BY THE BOARD OF DIRECTORS OF ACCELYST SOLUTIONS PRIVATE LIMITED AT ITS MEETING HELD ON TUESDAY, THE 27TH DAY OF MARCH, 2018 AT 8TH FLOOR, EXECUTIVE AREA, BOARD ROOM (SOUTH WING), AXIS HOUSE, C-2, WADIA INTERNATIONAL CENTRE, P.B MARG, WORLI, MUMBAI - 400 025 AT 12:00 A.M. IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013

Members Present:

Mr. Mohit Jain
Ms. Nithya Easwaran
Mr. Jairam Sridharan

1. Background:

- 1.1. A meeting of the Board of Directors ("**Board**") of Accelyst Solutions Private Limited ("**Company**" or "**Transferor Company**") was held on March 27, 2018 to consider and approve the proposed Scheme of Amalgamation of Accelyst Solutions Private Limited with Freecharge Payment Technologies Private Limited ("**Transferee Company**") and their respective shareholders ("**Scheme**").
- 1.2. In terms of Section 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoters, and non-promoter shareholders ("**Report**") has to be appended with the notice of the meeting of shareholders and creditors. Further, the Report has to lay out the share exchange ratio and specify any special difficulties, if any in the valuation. This Report is made in order to comply with the requirements of Section 232(2)(c) of Companies Act, 2013.
- 1.3. This Report is made by the Board after perusing *inter-alia* the following documents ("**Documents**"):
 - a. Draft Scheme of Amalgamation of Accelyst Solutions Private Limited with Freecharge Payment Technologies Private Limited and their respective shareholders;
 - b. Valuation Report dated 22nd March, 2018 issued by BDO India LLP;

2. Background to the Scheme:

- 2.1. The Transferor Company is a private limited company, which is a wholly owned subsidiary of Axis Bank Limited. The Transferor Company is engaged in the business of owning and operating a web and mobile based platform for providing and facilitating online recharge/bill payment/coupon services, marketing platform for third parties, distribution of mutual funds and insurance products through the mobile application/website/mobile site. The Transferor Company is registered as a mutual fund distributor with Association of Mutual Funds in India and is also a corporate agent under the Insurance Regulatory and Development Authority of India (Registration of Corporate Agents) Regulations, 2015.





2.2. The Transferee Company is a private limited company, which is a wholly owned subsidiary of Axis Bank Limited. The Transferee Company is engaged in the business of providing payments solutions, payment support services and technology solutions.

2.3. The rationale for the Scheme is as follows:

This Scheme envisages the amalgamation of the Transferor Company with the Transferee Company, resulting in consolidation of the business in one entity and strengthening the position of the merged entity, by enabling it to harness and optimize the synergies of the two companies. The chief reasons and circumstances leading to and justifying the proposed Scheme, which make it beneficial for all concerned, including the members and all other stakeholders of both the Transferor Company and the Transferee Company are as follows:

2.3.1. The Transferor Company and the Transferee Company are engaged in similar and complementary lines of businesses and thus the amalgamation of the both companies will result in administrative and operational rationalization, organizational efficiencies, and in economies of scale, reduction in overheads and other expenses and optimum utilization of resources.

2.3.2. The Transferor Company and the Transferee Company can be amalgamated for mutual benefit as this would reduce the costs and compliances requirements for the Transferor Company and for Axis Bank as a group ("**Axis Bank Group**"). Cost savings will result from focused operational efforts, rationalization, standardization and simplification of the business processes, integration and optimization of various support functions, resources and the assets.

2.3.3. The shareholders of the Transferor Company and the shareholders of the Transferee Company being the same entity (i.e. Axis Bank Limited), the amalgamation of the two entities shall not prejudicially affect the interest of its shareholders and/or the creditors. This Scheme will also result in the strengthening of the brand "Freecharge".

2.3.4. The amalgamation of the Transferor Company and the Transferee Company will bring about increased operational efficiency for Axis Bank Group. Further, this amalgamation would be in furtherance of the compliance to be made by the Axis Bank Group with the approval granted by the Reserve Bank of India for the Transferor Company and the Transferee Company.

3. Valuation:

3.1. The valuation report dated 22nd March, 2018 has been obtained from BDO India LLP ("**Valuation Report**"), who have undertaken an independent assessment of the valuation of both the Transferor Company and the Transferee Company. As per the Valuation Report, 100 (Hundred) equity shares of INR 10 each fully paid up of the Transferor Company will get 174 (One Hundred Seventy Four) equity shares of INR 10 each fully paid up of the Transferee Company. No special valuation difficulties were reported

3.2. **Effect of the Scheme on shareholders, Promoters and Key Managerial Personnel:**



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- 3.2.1. The shareholders of the Transferor Company will be allotted shares in the Transferee Company as per the share exchange ratio mentioned in the Valuation Report.
- 3.2.2. Both Transferor Company and Transferee Company are wholly Owned Subsidiary of Axis Bank Ltd. Upon Scheme coming into effect, the transferor Company shall stand amalgamated in the Transferee Company and there shall be no change in the promoters of the Transferee Company.
- 3.2.3. On dissolution of the Transferor Company in accordance with the scheme existing Directors and Key Managerial Personnel of the Transferee Company shall cease to be the Directors and KMP from the scheme coming into effect without any further compliance of any other provisions of the Companies Act, 2013 whereas there shall be no effect upon the Directors and KMP of the Transferee Company.
- 3.2.4. The Directors and KMP of Transferor and Transferee Company does not have any interest, financial or otherwise in the proposed scheme except to the extent of their remuneration due, if any.

**For and on behalf of the
Board of Directors of Accelyst Solutions Private Limited:**


Mohit Jain
Director

Date: March 27, 2018
Place: Mumbai