

REPORT OF THE AUDIT COMMITTEE OF AURIONPRO SOLUTIONS LIMITED

The Audit Committee ("the Committee") of Aurionpro Solutions Limited, at its meeting held on 09th May, 2017, considered and approved the draft scheme of arrangement ("the Scheme") to demerge certain non-core business segments of Aurionpro Solutions Limited (hereinafter referred to as the "Aurionpro" or "the Company") into Trejhara Solutions Limited ("Resulting Company" or "Trejhara"), a wholly owned subsidiary of Aurionpro.

The Committee noted that the business divisions of Aurionpro consists of Enterprise Security, Digital Innovation, Banking & Fintech and Government Solutions, which are core business strengths (hereinafter referred to as "Core Business") and the Company is well positioned in the market for the same. Further, the Company is also providing consulting services in these areas and has also developed IP which is available on cloud as SAAS (Software as a Service) and PAAS (Platform as a Service) models. These businesses (herein after referred to as the "Demerged Business") has potential to grow exponentially in future but they have distinctly different business models, investment needs, and risk profile. The Committee agreed that in order to unlock true potential of Core Business and Demerged Business, both the businesses would need undiluted management attention and therefore, it would be appropriate to demerge Demerged Business of the Company into a different company. The Committee noted that as per the Scheme the Demerged Business will be demerged into Trejhara and the shares of Trejhara will be listed on the stock exchanges after effective date of the demreger.

The following documents / information were placed before the Committee for its review:

1. Draft Scheme of Arrangement
2. Valuation Report issued by SSPA & Co., Chartered Accountants recommending the share entitlement ratio for the demerger of Non-Core Businesses of the Demerged Company into Resulting Company ("**Share Entitlement Ratio**")
3. Fairness Opinion issued by Fortress Capital Management Services Private Limited certifying the Share Entitlement Ratio.

The Committee has approved the draft Scheme and recommended it to the Board of Directors for its approval. The Committee took note of the Valuation Report issued by M/s SSPA & Co. The Committee was of the opinion that Share Entitlement Ratio of 1:2 (i.e. 1 (one) fully paid Equity Share of Rs. 10/- each of Trejhara for every 2 (Two) fully paid Equity Shares of Rs. 10/- each of Aurionpro Solutions Ltd.), as recommended by M/s SSPA & Co., Chartered Accountants, is fair and reasonable and same was recommended to the Board of Directors for its approval.

For Aurionpro Solutions Limited



Mahendra Mehta
Chairman of the Audit Committee

Place: Mumbai

