

**AUDIT COMMITTEE RECOMMENDATION REPORT ON PROPOSED AMALGAMATION OF
INTELLECT DESIGN ARENA LIMITED WITH INDIGO TX SOFTWARE PRIVATE LIMITED AND LASER
SOFT INFOSYSTEMS LIMITED**

The Securities and Exchange Board of India vide its Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 ("Circular") has amongst other requirements, sought a report from the Audit Committee of the Listed Company recommending the Draft Scheme of Arrangement ("Merger") after taking into consideration, inter alia, the Fairness Opinion and Valuation Report.

The Audit Committee of Intellect Design Arena Limited at its meeting held on May 21, 2015 and subsequently modified in its meeting held on October 21, 2015 and on May 03, 2016 examined the draft Scheme of Arrangement ("Scheme"), providing for merger of Indigo TX Software Private Limited and Lasersoft Infosystems Limited ("Transferor Companies") into Intellect Design Arena Limited ("Transferee Company") with effect from the "Appointed Date" as defined in the Scheme i.e. April 01, 2016.

The Audit Committee inter-alia has taken into consideration, share valuation Report dated May 03, 2016 issued by M/s Sivasubramanian & Rao, Chartered Accountants for the merger of Transferor Companies into Transferee Company and the Fairness Opinion dated May 03, 2016 issued by M/s Spark Capital Advisors (India) Pvt. Ltd, Chennai, certifying the share valuation Report.

In our opinion, the above Fairness Opinion and Share Valuation Report is fair and reasonable.

The Audit Committee based on the information given below, its observation and the discussion do hereby unanimously recommend the Draft Scheme for favourable consideration by the Board of Directors, Stock Exchange(s) and Securities Exchange Board of India

- Scheme of Arrangement ("Merger")
- Certificate of M/s. S.R. Batliboi LLP, Statutory Auditors of the Company regarding the accounting treatment as specified in Regulation 37 of SEBI Listing Regulations, 2015.
- Report from M/s. Sivasubramanian & Rao, Independent Chartered Accountants pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.
- Fairness Opinion dated May 3, 2016 issued by M/s Spark Capital Advisors (India) Pvt. Ltd, Chennai, certifying the Share exchange ratio.

For and on behalf of the Audit Committee of Intellect Design Arena Limited

(Signature)
(Ashok Jhunhunwala)

Chairman

Date : May 03, 2016

Place : Chennai



Intellect Design Arena Limited

Registered Office: 244 Anna Salai, Chennai - 600 006, India | Ph: +91-44-3987 4000, 3984 3400 | Fax: +91-44-2852 3280

Corporate Headquarters: SIPCOT IT Park Siruseri, Chennai - 600 130, India. | Ph: +91-44-3341 8000

www.intellectdesign.com