

Report of Audit Committee of HealthFore Technologies Limited dated 14th December 2015**Present Members**

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|---------------------------|---|----------|
| Mr. Atul Mandahar | - | Chairman |
| Mr. Maninder Singh Grewal | - | Member |
| Mr. Rama Krishna Shetty | - | Member |

In attendance

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|---------------------------|---|----------|
| Mr. Atul Mandahar | - | Chairman |
| Mr. Maninder Singh Grewal | - | Member |
| Mr. Rama Krishna Shetty | - | Member |

1. Background

The Company has placed before the Audit Committee a draft Scheme of Amalgamation ("Scheme") for the Merger of HealthFore Technologies Limited ("HealthFore") with Oscar Investments Limited ("Oscar") ("Proposed Amalgamation") for recommendation of the Scheme, by the Audit Committee to the Board of Directors of the Company in accordance with the requirement of the Securities and Exchange Board of India ("SEBI") circular No. CIR/CFD/DIL/5/2013 dated February 4, 2013 read with SEBI Circular dated May 21, 2013 ("Circular").

This report of the Audit Committee is made in order to comply with the requirements of the Circular after considering the following necessary documents:

- Draft Scheme of Amalgamation;
- Share Valuation Report dated 14th December 2015 issued by Haribhakti and Co. LLP, Chartered Accountants
- Fairness Opinion Report dated 14th December 2015 issued by Corporate Professionals Capital Private Limited.

2. Proposed Scheme of Amalgamation

The Audit Committee has observed that the Scheme is in the interest of shareholders, creditors and employees on account of the following reasons:-

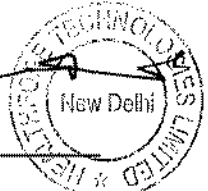

- 2.1 The Healthcare industry is witnessing significant growth both globally as well as in India resulting in significant growth opportunity for Healthcare IT requiring IT products and solutions;
- 2.2 Amalgamating Company is a global Healthcare IT solutions & advisory services company and currently provides solutions and services to hospitals, diagnostic centers and public health organizations. The proposed amalgamation will provide financial strength to the Amalgamating Company to invest in the growth of its Healthcare IT business;



- 2.3 The proposed amalgamation will provide diversification of revenue stream and business for the Amalgamated Company, which is currently a Financial Holding Company. The diversification of revenue stream and business will provide a significant growth opportunity for the Amalgamated Company for leveraging its financial strengths to enable it to participate in growing Healthcare and Healthcare IT Industry;
- 2.4 The Amalgamated Company, with its strong financials, has greater access to source of funds, enjoys a better credit rating and better access to bank credit and working capital. Thus, the Amalgamated Company will be able to scale up the business of the Amalgamating Company;
- 2.5 The Amalgamated Company will leverage the strengths of the Amalgamating Company for its global footprint in over 15 countries, its international customer base with over 30 clients, its bouquet of advanced Healthcare IT products and solutions, Healthcare Data Analytics and Healthcare Content services, Tele Radiology and Tele Medicine services. The Amalgamated Company will be able to get faster expansion because of readily available operating infrastructure and trained personnel of the Amalgamating Company; and
- 2.6 The proposed Amalgamation will build a stronger and sustainable business and enhance the potential for future growth. It will strengthen the competitive position of the combined entity and would result in increased shareholders value of both the companies.
- 2.7 The salient features of the Scheme are as under:
- The scheme provides for Merger of HealthFore with Oscar through a Court approved Scheme of Amalgamation.
 - The Appointed Date of the Scheme is fixed as April 01, 2015.
 - The equity shares held by Oscar in HealthFore will get cancelled.
 - Shareholders of HealthFore will be issued shares in Oscar based on the share exchange ratio as provided by the Share Valuation Report.
- 3. Recommendation of Audit Committee**

The Audit Committee recommends Scheme of Amalgamation for the merger of HealthFore with Oscar inter – alia taking into consideration Share Valuation Report dated 14th December 2015 issued by Haribhakti and Co. LLP, Chartered Accountants and Fairness Opinion Report dated 14th December 2015 issued by Corporate Professionals Capital Private Limited for favorable consideration by the Board, Stock Exchange and SEBI.

Date : 14th December 2015
Place : New Delhi



DIN: 00648031
Maninder Singh Grewal
Member, Audit Committee