



REPORT OF THE AUDIT COMMITTEE OF PB FINTECH LIMITED RECOMMENDING THE DRAFT SCHEME OF AMALGAMATION OF MAKESENSE TECHNOLOGIES LIMITED ("TRANSFEROR COMPANY") WITH PB FINTECH LIMITED ("COMPANY" OR "TRANSFEREE COMPANY") AND THEIR RESPECTIVE SHAREHOLDERS AT ITS MEETING HELD ON 26 APRIL 2022

The following members of the Audit Committee were present:

1. Mr. Kaushik Dutta, Chairman
2. Mr. Gopalan Srinivasan, Member
3. Mr. Yashish Dahiya, Member

By invitation:

1. Mr. Alok Bansal, Whole Time Director
2. Mr. Manoj Sharma, Deputy Chief Financial Officer

In attendance:

Mr. Bhasker Joshi, Company Secretary

1. Background

- 1.1. A meeting of the Audit Committee of PB Fintech Limited ("**Transferee Company**") was held on 26 April 2022 to consider and recommend the proposed draft Scheme of Amalgamation of Makesense Technologies Limited with PB Fintech Limited and their respective shareholders under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Act**") ("**Scheme**").
- 1.2. The Transferee Company is a company incorporated under the provisions of the Companies Act, 1956. The equity shares of the Transferee Company are listed on BSE Limited and the National Stock Exchange of India Limited.
- 1.3. The Transferor Company is a company incorporated under the provisions of the Companies Act, 1956.
- 1.4. The Appointed Date for the Scheme is opening of the business hours of 1 April 2022 or such other date as may be approved by the Tribunal.
- 1.5. The Audit Committee of the Transferee Company noted that the Scheme, *inter alia*, provides for amalgamation of the Transferor Company with the Transferee Company, issue of consideration thereto and, reduction and cancellation of the existing share capital of the Transferee Company to the extent held by the Transferor Company, in the manner set out in the Scheme.

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PB FINTECH LIMITED

(Formerly Known As PB Fintech Private Limited/Etechaces Marketing And Consulting Private Limited)

Registered Office Address : Plot No. 119, Sector-44, Gurugram-122001 (Haryana)

Telephone No. : 0124-4562907, Fax : 0124-4562902 E-mail : enquiry@policybazaar.com

Website : www.pbtech.in CIN : L51909HR2008PLC037998



- 1.6. This report of the Audit Committee of the Transferee Company is made in order to comply with the requirements of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and SEBI Master Circular number SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("**SEBI Master Circular**"), including amendments thereto.
- 1.7. The following documents were placed before the Audit Committee of the Transferee Company:
- (a) Draft Scheme, duly initialed by the Company Secretary of the Transferee Company for the purpose of identification;
 - (b) Copy of the fair equity share exchange ratio report dated 26 April 2022 issued by M/s. SSPA & Co. Chartered Accountants, Registered Valuer ("**Share Exchange Ratio Report**") duly initialed by the Company Secretary of the Transferee Company for the purpose of identification; and
 - (c) Copy of the fairness opinion dated 26 April 2022 issued by M/s. SPA Capital Advisors Limited, a Category-I Merchant Banker ("**Fairness Opinion**") on the fairness of the fair equity share exchange ratio determined under the Share Exchange Ratio Report in connection with the proposed Scheme.

2. Proposed Scheme of Amalgamation

2.1. Need for the arrangement /and rationale of the Scheme

- (a) The Scheme provides for the amalgamation of the Transferor Company with the Transferee Company and will result in the following benefits:
 - i. streamlining of the corporate structure;
 - ii. pooling of resources of the Transferor Company with the resources of the Transferee Company;
 - iii. significant reduction in the multiplicity of legal and regulatory compliances required at present to be carried out by both the Transferor Company and the Transferee Company;
 - iv. rationalisation of costs, time and efforts by eliminating multiple record keeping, administrative functions and consolidation of financials through legal entity rationalisation; and
 - v. reduction of administrative responsibilities, multiplicity of records and legal as well as regulatory compliances.
- (b) The Scheme is in the best interests of the shareholders, employees and the creditors of each of the Transferor Company and the Transferee Company.

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2.2. Synergies of business of the companies involved in the Scheme

The background and information of the companies involved in the Scheme is, *inter-alia*, as under:

- (a) The Transferee Company, *inter alia*, is an integrated online marketing and consulting company and is engaged in the business of rendering online marketing and information technology consulting and support services largely for the financial services industry, including insurance.
- (b) The Transferor Company is incorporated to carry on the business of providing services and solutions in relation to placement consultancy, personnel recruitment, staffing, professional hiring and management consultancy to all kinds of persons, firms or organizations.
- (c) Pursuant to the proposed Scheme, the benefits as stated in paragraph 2.1 above are proposed to be derived.

2.3. Impact of the Scheme on the shareholders of the Transferee Company

- (a) The Scheme, *inter alia*, provides for amalgamation of the Transferor Company (a public shareholder) with the Transferee Company, issue of consideration in form of equity shares of the Transferee Company and, reduction and cancellation of the existing share capital of the Transferee Company to the extent held by the Transferor Company, in the manner set out in this Scheme.
- (b) The Transferee Company is a professionally managed company and does not have an identifiable promoter in terms of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and the Act.
- (c) The Share Exchange Ratio Report determines the consideration such that, pursuant to the Scheme, the Transferee Company will allot same number of equity shares to the shareholders of the Transferor Company as the Transferor Company holds in the Transferee Company.
- (d) Hence, there is no adverse impact of the Scheme on the shareholding and the economic interest of the shareholders of the Transferee Company.

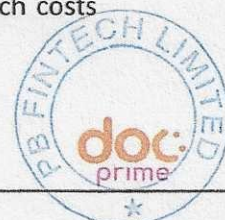
2.4. Cost benefit analysis of the Scheme

Although the Scheme would lead to incurring of some costs towards its implementation, however, the benefits of the Scheme over a longer period would far outweigh such costs for the stakeholders of the Transferee Company.

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3. Recommendation of the Audit Committee

The Audit Committee *inter alia* having noted the rationale, benefits and the impact of the Scheme on shareholders and in particular the fact that the Scheme is not detrimental to the interests of shareholders of the Transferee Company and in consideration of the draft Scheme and other ancillary documents/ reports, the Audit Committee of the Transferee Company hereby recommends the Scheme to the Board of Directors of the Transferee Company for its consideration and approval.

By Order of the Audit Committee

For and on Behalf of PB FINTECH LIMITED

(Formerly known as PB Fintech Private Limited/ Etechaces Marketing and Consulting Private Limited)

Mr. Kaushik Dutta
Chairman
Audit Committee
Place: Gurugram
Date: 26 April 2022



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