

SSPA & CO.*Chartered Accountants*

1st Floor, "Arjun", Plot No. 6 A,
V. P. Road, Andheri (W),
Mumbai - 400 058. INDIA.

Tel. : 91 (22) 2670 4376

91 (22) 2670 3682

Fax : 91 (22) 2670 3916

Website : www.sspa.in

STRICTLY PRIVATE & CONFIDENTIAL

April 26, 2022

The Audit Committee**PB Fintech Limited**

Plot No. 119, Sector 44,
Gurugram – 122 001,
Haryana

The Board of Directors,**Makesense Technologies Limited**

Plot No. 123, Sector 44,
Gurugram – 122 001,
Haryana.

Sub: Recommendation of fair equity share exchange ratio for the proposed amalgamation of Makesense Technologies Limited with PB Fintech Limited

Dear Sir(s) / Madam(s),

We refer to the engagement letter dated December 03, 2021, whereby we have been requested by the management of Makesense Technologies Limited and PB Fintech Limited (hereinafter collectively referred to as the 'Management') to issue a report containing recommendation of fair equity share exchange ratio for the proposed amalgamation of Makesense Technologies Limited (hereinafter referred to as 'MTL' or the 'Transferor Company') with PB Fintech Limited (hereinafter referred to as 'PBFL' or the 'Transferee Company') (hereinafter referred to as the 'Proposed Amalgamation'). MTL and PBFL are hereinafter collectively referred to as the 'Companies'.

1. SCOPE AND PURPOSE OF THIS REPORT

1.1 We have been given to understand that in order to *inter alia* streamlining of the corporate structure, it is proposed that MTL will amalgamate with PBFL in accordance with the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as 'Scheme of Amalgamation').

Subject to necessary approvals, MTL would be amalgamated with PBFL, with effect from the appointed date of April 01, 2022. As a consideration for the Proposed Amalgamation, shareholders of MTL would be issued equity shares of PBFL.

1.2 In this regard, we have been requested to issue a report containing recommendation of fair equity share exchange ratio for the Proposed Amalgamation.



2. BACKGROUND

2.1 PB FINTECH LIMITED

PBFL was incorporated on June 04, 2008 as Etechaces Marketing and Consulting Private Limited. The name was subsequently changed to PB Fintech Private Limited on September 18, 2020 and subsequently converted to a public limited company on June 30, 2021. PBFL owns the brands 'Policybazaar' and 'Paisabazaar'. The Policybazaar and Paisabazaar platform offerings address the large and highly underpenetrated online insurance and lending markets. These brands provide convenient access to insurance, credit and other financial products and aims to create awareness amongst Indian households about the financial impact of death, disease and damage. Through a consumer-centric approach, these brands seeks to enable online research-based purchases of insurance and lending products and increase transparency, which enables consumers to make informed choices.

The equity shares of PBFL are listed on BSE limited and the National Stock Exchange of India Limited.

2.2 MAKESENSE TECHNOLOGIES LIMITED

MTL was incorporated on September 21, 2010. MTL holds 5,98,90,000 equity shares (~13.32%) in PBFL of face value INR 2 each as on date. MTL is a joint venture between Info Edge (India) Limited and MacRitchie Investments Pte. Ltd. MTL was incorporated to carry on 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 organisations.

The shareholding pattern of MTL (Face value INR 10 each) as on December 31, 2021 is as under:

Name of the Shareholder	No. of Shares	% of holding
Info Edge (India) Ltd (including 6 shares held by Nominees)	6,08,311	50.01%
MacRitchie Investments Pte. Ltd.	6,08,189	49.99%
TOTAL	12,16,500	100.00%

3. REGISTERED VALUER – SSPA & CO., CHARTERED ACCOUNTANTS

SSPA, is a partnership firm, located at 1st Floor, "Arjun", Plot No. 6A, V. P. Road, Andheri (West), Mumbai - 400 058, India. SSPA is engaged in providing various corporate consultancy services.



We are a firm of practicing Chartered Accountants registered with The Institute of Chartered Accountants of India ('ICAI'). We are also registered with the Insolvency and Bankruptcy Board of India ('IBBI'), as a Registered Valuer for asset class – 'Securities or Financial Assets' with Registration No. IBBI/RV-E/06/2020/126.

4. SOURCES OF INFORMATION

For the purpose of this exercise, we have relied upon the following information which has been received from the Management and information available in the public domain:

- (a) Audited financial statements of MTL for the 9 months period ended December 31, 2021.
- (b) Draft Scheme of Amalgamation.
- (c) Such other information and explanations as we required and which have been provided by the Management, including Management Representations.

5. SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DIPBFLAIMERS

- 5.1. Our report is subject to the scope and limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made. Further, our report containing recommendation of fair equity share exchange ratio for the Proposed Amalgamation is in accordance with ICAI VS 2018 issued by The Institute of Chartered Accountants of India.
- 5.2. This report has been prepared for the Board of Directors of PBFL and MTL solely for the purpose of recommending a fair equity share exchange ratio for the Proposed Amalgamation of MTL with PBFL.
- 5.3. The report assumes that the Companies complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, as specifically stated to the contrary, this report has given no consideration to matters of a legal nature, including issues of legal title and compliance with any laws and litigations.
- 5.4. The draft of the present report was circulated to the Management (excluding the recommendation of fair equity share exchange ratio) for confirming the facts stated in the report and to confirm that the information or facts stated are not erroneous.



- 5.5. For the purpose of this exercise, we were provided with both written and verbal information including information detailed hereinabove in para 'Sources of Information'. Further, the responsibility for the accuracy and completeness of the information provided to us by the Companies and/or its auditors / consultants, is that of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Management that they have not omitted any relevant and material information about the Companies. The Management have indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our analysis/conclusions.
- 5.6. Our work does not constitute an audit, due diligence or certification of these information referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report and consequential impact on the present exercise. However, we have evaluated the information provided to us by the Companies through broad inquiry, analysis and review. However, nothing has come to our attention to indicate that the information provided / obtained was materially misstated / incorrect or would not afford reasonable grounds upon which to base the report.
- 5.7. This report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on the report including any significant changes that have taken place or are likely to take place in the financial position of the Companies. Events and transactions occurring after the date of this report may affect the report and assumptions used in preparing it and we do not assume any obligation to update, revise or reaffirm this report.
- 5.8. We are independent of the Companies and have no current or expected interest in the Companies or its assets. The fee paid for our services in no way influenced the results of our analysis.
- 5.9. Our report is not, nor should it be construed as we are opining or certifying the compliance with the provisions of any law including companies, competition, taxation and capital market related laws or as regards any legal implications or issues arising in India or abroad from the Proposed Amalgamation.



- 5.10. Any person/party intending to provide finance/divest/invest in the shares/convertible instruments/business of the Companies shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.
- 5.11. The decision to carry out the Proposed Amalgamation (including consideration thereof) lies entirely with the parties concerned and our work and our finding shall not constitute a recommendation as to whether or not the parties should carry out the Proposed Amalgamation.
- 5.12. Our report is meant for the purpose mentioned in Para 1 only and should not be used for any purpose other than the purpose mentioned therein. It is exclusively for the use of the Companies and may be submitted to National Company Law Tribunal/regulatory/statutory authority for obtaining requisite approvals. The report should not be copied or reproduced without obtaining our prior written approval for any purpose other than the purpose for which it is prepared. In no event, regardless of whether consent has been provided, shall SSPA assume any responsibility to any third party to whom the report is disclosed or otherwise made available.
- 5.13. SSPA nor its partners, managers, employees make any representation or warranty, express or implied, as to the accuracy, reasonableness or completeness of the information, based on which this report is being issued. We owe responsibility to the Companies that has appointed us under the terms of the engagement letter. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions or advice given by any other person. In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the client or companies, their directors, employees or agents.

6. BASIS FOR DETERMINATION OF FAIR SHARE EXCHANGE RATIO

- 6.1. MTL as on the date of this report holds 5,98,90,000 equity shares of face value of INR 2 each fully paid-up of PBFL. Upon the effective date, pursuant to amalgamation of MTL with PBFL, the entire shareholding of MTL in PBFL will be cancelled and the shareholders of MTL would be issued same number of fully paid-up equity shares of PBFL, which they own indirectly through their holding in MTL as on the effective date. Pursuant to the amalgamation, there would be no change in the paid-up share capital of PBFL. As mentioned above, post-



amalgamation the shareholders of MTL will hold the same number of shares as MTL holds in PBFL. Consequently, there is no impact on the shareholding pattern of other shareholders of PBFL and therefore no valuation of PBFL and MTL is required.

- 6.2. Upon the Scheme becoming effective, there is no additional consideration being discharged under the Scheme except same number of shares of PBFL being issued to the shareholders of MTL in lieu of shares held by MTL in PBFL respectively (which will get cancelled). Thus, for every fresh issue of share of PBFL to the shareholders of MTL, there is a corresponding cancellation of an existing PBFL share as held by MTL. Also, there would be no change in the aggregate shareholding of other shareholders in PBFL and it shall not affect the interest of other shareholders of PBFL.

Accordingly, valuation approaches as indicated in the format as prescribed by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE have not been undertaken as they are not relevant in the instant case.

- 6.3. The management of MTL have given an undertaking that the cash / fixed deposits in the books of MTL immediately prior to effective date will be utilised to meet the costs, fees, charges, taxes including duties, levies and all other expenses in relation to the Proposed Amalgamation.

7. CONCLUSION - RECOMMENDATION OF FAIR EQUITY SHARE EXCHANGE RATIO

- 7.1. Based on the above in the event of amalgamation of MTL with PBFL, we recommend a fair equity share exchange ratio as follows:

"5,98,90,000 equity shares of INR 2 each fully paid up of the Transferee Company in the proportion of the number of equity shares held by the shareholders in the Transferor Company.

Notwithstanding the above, it is clarified that the Transferee Company will issue and allot same number of equity shares to shareholders of the Transferor Company, as will be held by the Transferor Company in the Transferee Company, as on the effective date."

- 7.2. *In case any shareholder's shareholding in the Transferor Company is such that such shareholder becomes entitled to a fraction of the equity shares to be issued by the Transferee Company, the Transferee Company shall round the same up to the nearest whole number.*



- 7.3. As mentioned in Para 6.2 valuation approaches are not applicable. Accordingly, the prescribed format as required by circular number NSE/CML/2017/12 of NSE and LIST/COMP/02/2017-18 of BSE is given below:

Valuation Approach	PBFL		MTL	
	Value per share (INR)	Weight	Value per share (INR)	Weight
Asset Approach	NA	NA	NA	NA
Income Approach	NA	NA	NA	NA
Market Approach	NA	NA	NA	NA
Relative value per share	NA		NA	

NA = Not Adopted / Not Applicable

- 7.4. We believe that the above ratio is fair and equitable considering that all the shareholders of MTL are and will, upon amalgamation, remain ultimate beneficial owners of PBFL in the same ratio (inter-se) as they hold shares of PBFL through MTL prior to the amalgamation and that as mentioned hereinabove the interest of other shareholders in PBFL remains unaffected.

Thanking you,
Yours faithfully,

For SSPA & Co.

Chartered Accountants

ICAI Firm Registration Number: 128851W

IBBI Registered Valuer No.: IBBI/RV-E/06/2020/126



Vikram Jain,
Partner

Membership Number: 114613

Registered Valuer No.: IBBI/RV/06/2018/10210

UDIN: 22114613AHUEUR2736



Place: Mumbai

Date: April 26, 2022