



**REPORT ON RECOMMENDATIONS OF THE AUDIT COMMITTEE OF CAREER POINT LIMITED ON THE DRAFT SCHEME OF ARRANGEMENT BETWEEN CAREER POINT EDUTECH LIMITED, SRAJAN CAPITAL LIMITED AND CAREER POINT LIMITED AND THEIR RESPECTIVE SHAREHOLDER AND CREDITORS**

**MEMBERS PRESENT**

1. Pawan Kumar Lalpuria (Chairman)
2. Mahesh Gupta
3. Om Prakash Maheshwari
4. Ram Swaroop Chaudhary
5. Jagdish Prasad Sarda

The quorum was present at the Meeting and remained till the conclusion of the Meeting.

**1. Background**

1.1 A Meeting of the Audit Committee of Career Point Limited ("Company"/ "Transferee Company/ Demerged Company") was held on Tuesday the 14<sup>th</sup> day of February, 2023 to recommend the proposed scheme of arrangement between the Company, Career Point Edutech Limited and Srajan Capital Limited and their respective shareholders ("the Scheme) with effect from the Appointed Date, viz. April 1, 2023 under the provisions of Sections 230 to 232 and other applicable provisions of the Companies Act, 2013.

1.2 In view of the above, members of the Audit Committee of the Company, after discussion, recommended the Scheme at the meeting held on February 14, 2023 and have made this report, after perusing the following necessary documents.

- a. The draft of the Scheme, duly initialled by the Chairman of the Meeting for the purpose of identification
- b. Valuation report dated February 14, 2023 for the fair share exchange ratio for the Scheme
- c. Fairness Opinion dated February 14, 2023, prepared by Mr. Jinesh Doshi, Authorised Signatory Srujan Alpha Capital Advisors LLP a SEBI Registered Merchant Banker, providing a Fairness Opinion on the Valuation Report ("Fairness Opinion")
- d. Audited financial statements of preceding 3 previous years of the companies along with the Limited review financial statements of Career Point Limited for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> December, 2022, audited financial statements of Srajan Capital Limited for the period beginning 1<sup>st</sup> April 2022 to 30<sup>th</sup> September, 2022 and audited financial statements of Career Point Edutech Limited for the period beginning 1<sup>st</sup> April 2022 to 31<sup>st</sup> December, 2022.
- e. Detailed compliance report as per Para (A)(2)(h) of Part I of SEBI Master Circular dated November 23, 2021

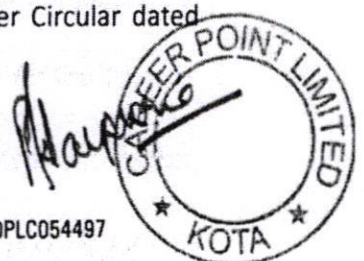
For Career Point Limited

**CAREER POINT LIMITED**

Registered Office: Village Tangori, Banur, Mohali (Punjab) 140601

Corporate Office: CP Tower, Road No.-1, IPIA, Kota (Rajasthan) 324005

Phone: 0744-3559282 | E-mail: investors@cpil.in | Website: www.cpil.in | CIN: L80100PB2000PLC054497



1.3 This Report of the Audit Committee is made in order to comply with the requirements of SEBI Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 ("SEBI Circular").

## 2. Proposed Scheme

2.1. The Scheme, inter alia, provides the following: -

- a. Merger of Srajan Capital Limited ("SCL" or "Transferor Company") with Career Point Limited ("CPL" or "Transferee Company" / "Demerged Company")
- b. Demerger of Education Business ("Demerged Undertaking") from Career Point Limited to Career Point Edutech Limited ("CP Edutech" or "Resulting Company")

2.2. Appointed date of the Scheme is April 1, 2023, or such other date as may be approved by the Hon'ble NCLT

2.3. The Effective Date of the Scheme means the last of the dates on which all the conditions and matters referred to in Clause 30 thereof have been fulfilled.

2.4. The Scheme would be subject to the sanction or approval of the National Company Law Tribunal, SEBI, Stock Exchanges, Shareholders and Creditors and other Appropriate Authorities (as defined in the Draft Scheme)

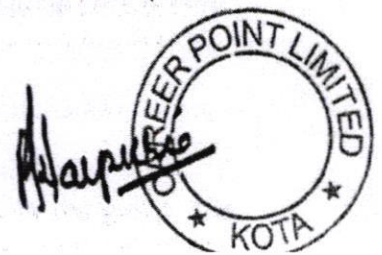
3. The salient features of the draft Scheme are, inter alia, as under: -

### 3.1. Need and Rationale of the Scheme

The rationale of the Scheme is as follows:

- (i) **Consolidation of education business** – Management intends to consolidate education business in CP Edutech. Accordingly, demerger of education business of CPL into CP Edutech is being envisaged which will help in consolidation of education business in one single entity i.e. CP Edutech.
- (ii) **Consolidation of financial services business** – SCL is providing financial services. Merger of SCL into CPL will achieve consolidation of financial service business along into CPL. CPL will become a non-banking financial company post effectiveness of Scheme and hence CPL is in the process of applying for NBFC registration with Reserve Bank of India. In view of above, the Scheme provides the flexibility to future investors to invest in core education business and/ or non-education business.
- (iii) **Streamlining group structure and operations** – The Scheme ensures simplified and streamlined group structure by reducing the number of entities in the group. The Scheme ensures better synergy of operations by way of focused operational efforts, standardization & simplification of processes and productivity improvements which will entail the following advantages:
  - Improve the overall operational efficiency and effectiveness of the respective businesses.
  - Reduction in the overall operational and compliance cost.

For Career Point Limited  
  
 Authorised Signatory



- (iv) **Improve management control** – Ensures better management control on the respective businesses. Independent management of each of the education and non-education division will ensure adoption of strategies necessary for growth of respective businesses.

### 3.2. Synergies of the business of the entities involved in the Scheme

The committee reviewed the Scheme and noted that the Scheme would result in consolidation of education business in CP Edutech and consolidation of financial services business in CPL. The Scheme also ensures simplified and streamlined group structure. It helps in achieving reduction in overall operational and compliance costs.

The Scheme also helps to achieve better management and control on the respective businesses. Independent management of each of education and non-education business division will ensure adoption of strategies necessary for the growth of respective businesses.

### 4. Impact of the Scheme on the Shareholders

Pursuant to the Scheme,

- i. It is proposed to amalgamate SCL into CPL. Such amalgamation has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including Section 2(1B) of the Income Tax Act, 1961 and all other relevant Sections (including Section 47 and Section 72A) of the Income Tax Act, 1961.

The entire share capital (equity shares and preference shares) of Transferor Company is held by the Transferee Company. Accordingly, the Transferor Company is a wholly owned subsidiary of the Transferee Company. Hence, upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu or exchange of the holding of the Transferee Company in the Transferor Company and all the shares held by the Transferee Company in the share capital of the Transferor Company as on the Effective Date shall stand cancelled, without any further act or deed.

- ii. It is proposed to demerge, transfer, and vest the Demerged Undertaking (as defined in the Scheme) of the Demerged Company into Resulting Company on a going concern basis

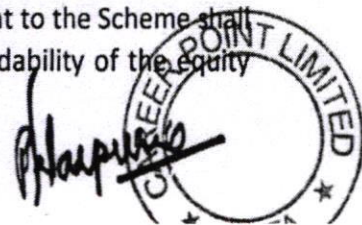
Upon this Scheme coming into effect, in consideration of the transfer of the Demerged Undertaking by the Demerged Company to the Resulting Company, in terms of this Scheme, the Resulting Company shall, without any further act or deed, issue and allot to every member of the Demerged Company holding fully paid up equity shares in the Demerged Company and whose names appear in the Register of Members of the Demerged Company on the Specified Date in the following ratio:

- 1 equity share (face value of INR 10/- per share) of CP Edutech to be issued for every 1 equity share (face value of INR 10/- per share) of CPL

After the effectiveness of the Scheme and subject to the receipt of regulatory approvals, the equity shares of the Resulting Company issued as consideration pursuant to the Scheme shall be listed on NSE and BSE and thus ensuring the marketability and tradability of the equity shares issued by the Resulting Company.

For Career Point Limited

*[Signature]*  
Authorised Signatory



## 5. Cost benefit analysis of the Scheme

The committee is of the informed opinion that the Scheme is in best interests of all the concerned companies and their respective shareholders. The impact of the Scheme on the shareholders including the public shareholders would be same in all respects and no shareholder is expected to have any disproportionate advantage or disadvantage in any manner.

## 6. Recommendation of the Audit Committee: -

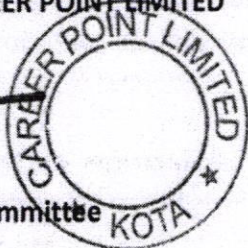
- a. The Audit Committee, inter alia, having noted the rationale, benefits, and the impact of Scheme on the shareholders and other concerned and in particular the fact that Scheme is not detrimental to the interest of the shareholders of the Company and in consideration of the documents place before it, approves and recommends the Scheme to the Board of Directors of the Company for its consideration and approval.
- b. The Audit Committee recommends the Scheme and aforementioned documents for favourable consideration by the Board of Directors, Stock Exchange(s), Securities and Exchange Board of India, Hon'ble National Company Law Tribunal, Reserve Bank of India, and all other concerned authorities/ parties.
- c. The Audit Committee recommends to the Board of Directors to authorize any officers/ persons to carry out such modifications, alternations and changes in the Scheme as may be expedient or necessary.

By Order of the Members of the Audit Committee

For and on Behalf of CAREER POINT LIMITED

*Pawan Kumar Lalpuria*

Pawan Kumar Lalpuria  
Chairman of the Audit Committee  
DIN: 02016032



Date: - 14.02.2023  
Place: - Kota

For Career Point Limited  
*[Signature]*  
Authorised Signatory