Hem Securities Ltd.
Member : BSE, MCX-SX, USE, CDSL-DP, MERCHANT BANKER
CIN : U67120RJ1995PLC010390

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STRICTLY PRIVATE & CONFIDENTIAL

December 07, 2016

The Board of Directors,
Baid Leasing and Finance Co. Ltd.
"Baid House", II Floor, 1, Tara Nagar,
Ajmer Road, Jaipur – 302 006 (Raj)

The Board of Directors,
Jaisukh Developers Private Limited
1, Tara Nagar, Ajmer Road,
Jaipur – 302 006 (Raj)

The Board of Directors,
Skyview Tie Up Private Limited
1, Tara Nagar, Ajmer Road,
Jaipur – 302 006 (Raj)

Sub: Fairness Opinion on the valuation carried out by R Sogani & Associates, Chartered Accountants ("Valuer") in relation to scheme of amalgamation and arrangement of Jaisukh Developers Private Limited and Skyview Tie Up Private Limited with Baid Leasing and Finance Co. Ltd and their respective shareholders and creditors.

Dear Sirs,

1.1 This is with reference to the request made by the management of respective Companies to provide a fairness opinion on the valuation report dated December 07, 2016 issued by R Sogani & Associates, Chartered Accountants on the Scheme of amalgamation and arrangement of Jaisukh Developers Private Limited and Skyview Tie Up Private Limited with Baid Leasing and Finance Co. Ltd and their respective shareholders and creditors.

The Draft Scheme of Amalgamation and Arrangement (**"Scheme" or "Scheme of Amalgamation"**) provides for the amalgamation of Jaisukh Developers Private Limited **("Transferor Company"/ "JDPL")** and Skyview Tie Up Private Limited **("Transferor Company"/ "STUPL")** with Baid Leasing and Finance Co. Ltd. **("Transferee Company"/ "BLAFCL")** pursuant to Section 391 to 394 of the Companies Act, 1956 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013.

The fairness Opinion has been issued as per the requirements of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 2015.

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PURPOSE OF VALUATION UNDERTAKEN BY THE VALUER

1.2 To give a Fairness Opinion on the Scheme of Amalgamation made under the provisions of Section 391 to 394 of the Companies Act, 1956 and relevant provisions of Companies Act, 2013 and rules made there under for amalgamation of Jaisukh Developers Private Limited and Skyview Tie Up Private Limited with Baid Leasing and Finance Co. Ltd.

In this regard, R Sogani & Associates, Chartered Accountants, having its office located at "Shree Dham", R – 20, Yudhishter Marg, 'C' – Scheme, Jaipur – 302 005 was appointed by the Company as Valuer to carry out the valuation with a view to recommend Share Swap Ratio.

The information contained herein and our report is confidential. It is intended only for the sole use of captioned purpose including for the purpose of obtaining requisite approvals as per the requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Listing Agreement entered with Stock Exchange.

SOURCES OF INFORMATION

For the purposes of fairness opinion, we have relied upon the following sources of information:

a. Certified Share Valuation Report prepared by R Sogani & Associates, Chartered Accountants, dated December 07, 2016 for the purpose of ascertaining share exchange ratio for the proposed scheme of amalgamation of JDPL and STUPL with BLAFCL along with relevant annexure/workings dated December 07, 2016 issued by valuer.

b. Audited Financial Statements for the financial year 2013-14, 2014-15 and 2015-16 of JDPL, STUPL and BLFCL.

c. Certified Copy of Draft Scheme of Amalgamation and Arrangement.

d. Shareholding pattern of JDPL,STUPL and BLAFCL as on March 31, 2016 as well as the proposed shareholding pattern after considering the effect of the proposed scheme of amalgamation.

e. Financial Projections of JDPL, STUPL and BLAFCL from F.Y. 2016-17 to F.Y. 2020-21 duly certified by the management of the respective Companies.

f. Such other information and explanations as we required and which have been provided by the Company & Valuer.

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BACKGROUND INFORMATION

1. Baid Leasing and Finance Co. Ltd. (Transferee Company):

Baid Leasing and Finance Co. Ltd. is a public limited company incorporated on December 20, 1991 under the provisions of Companies Act, 1956 having its registered office situated at "Baid House", II Floor, 1, Tara Nagar Ajmer Road, Jaipur, Rajasthan 302 006.

BLAFCL is a registered NBFC, engaged in the business of vehicle financing and providing loans. As on date, the equity shares of the Company are listed on BSE Ltd.

2. Jaisukh Developers Private Limited (Transferor Company):

Jaisukh Developers Private Limited is a private limited company incorporated on September 19, 2005 under the provisions of the Companies Act, 1956 having its registered office situated at 1, Tara Nagar Ajmer Road, Jaipur, Rajasthan 302 006.

JDPL is engaged in the activity of providing customer base to NBFCs on commission basis and carrying on the business of dealing in Securities, Futures and Options.

3. Skyview Tie Up Private Limited (Transferor Company):

Skyview Tie Up Private Limited is a private limited company incorporated on March 14, 2011 under the provisions of the Companies Act 1956 having its registered office situated at 1, Tara Nagar Ajmer Road, Jaipur, Rajasthan 302 006.

STUPL is engaged in providing customer base to NBFCs on commission basis and carrying on the business of dealing in Securities, Futures and Options and providing loans.

VALUATION METHODLOGY ADOPTED BY THE VALUER

For the purposes of determining the Share Swap Ratio, the Valuer has considered following methods:

a. Net Asset Value Method
b. Profit Earning Capacity Value Method
c. Discounted Cash Flow Method

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FINDINGS OF HEM SECURITIES LIMITED ("HSL")

The formation of fairness opinion is generally a complex process involving careful consideration and review of valuation methods, associated financial and other analysis, performed by the Valuer.

We have gone through the valuation report dated December 07, 2016 issued by Valuer for the purpose of ascertaining the reasonableness of the Share Swap Ratio determined by Valuer. We have taken into consideration the fairness on the Methods used by Valuer for the purpose of determining Share Swap Ratio.

Based on the Valuation Report and explanations given to us by Valuer, following are the share valuation derived by the Valuer:

Share Valuation of BLAFCL

The Valuer has considered a combination of three methods namely the Net Asset Value (NAV Method), the Discounted Cash Flow (DCF) Method and Profit Earning Capacity Value (PECV) Method and has assigned weights to the methods to arrive at the average value of equity share of BLAFCL.
Average value of equity share of BLAFCL derived by Valuer:-

Valuation Method	Value per Share (in Rs.)	Weights	Weighted Value per Share (in Rs.)
Net Asset Value Method (i)	32.66	1	32.66
Profit Earning Capacity Value Method	17.84	2	35.68
Discounted Cash Flow Method	168.14	3	504.42
Average Fair Value (Face Value Rs. 10/- each)			**95.46**

Note (i): While deriving Net Asset Value, the Valuer has taken into account additional 39,55,000 equity shares (face value of Rs. 10/- each) which was issued by BLAFCL at an issue price of Rs. 41/- per share vide Board Resolution dated May 03, 2016. Accordingly, the effect was given in Cash and Cash Equivalents and Number of Outstanding Shares as on March 31, 2016.

Share Valuation of JDPL

The Valuer has considered a combination of three methods namely the Net Asset Value (NAV Method), the Discounted Cash Flow (DCF) Method and Profit Earning Capacity Value (PECV) Method and has assigned weights to the methods to arrive at the average value of equity share of JDPL.

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Average value of equity share of JDPL derived by Valuer:-

Valuation Method	Value per Share (in Rs.)	Weights	Weighted Value per Share (in Rs.)
Net Asset Value Method	154.32	1	154.32
Profit Earning Capacity Value Method	0.04	2	0.08
Discounted Cash Flow Method	38.99	3	116.97
Average Fair Value (Face Value Rs. 10/- each)			**45.23**

Share Valuation of STUPL

The Valuer has considered a combination of three methods namely the Net Asset Value (NAV Method), the Discounted Cash Flow (DCF) Method and Profit Earning Capacity Value (PECV) Method and has assigned weights to the methods to arrive at the average value of equity share of STUPL.

Average value of equity share of STUPL derived by Valuer:-

Valuation Method	Value per Share (in Rs.)	Weights	Weighted Value per Share (in Rs.)
Net Asset Value Method	226.50	1	226.50
Profit Earning Capacity Value Method	0.02	2	0.04
Discounted Cash Flow Method	24.10	3	72.30
Average Fair Value (face value taken as Rs. 10/- per share, for comparison purpose) (i)			49.81
Average Fair Value (Face Value Rs. 1/- each)			**4.98**

Note (i) : The face value per equity share of STUPL is Re. 1/- each. However, for the purpose of comparison, the face value per share of STUPL is taken as Rs. 10/- each in all the valuation methods and accordingly number of shares was adjusted.

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Based on the above calculations, the share exchange ratio derived by the Valuer is:-

BLAFCL and JDPL

- The exchange ratio of equity shares between BLAFCL and JDPL would be in the ratio of 10:21 (i.e. 10 equity shares of BLAFCL of Rs. 10/- each fully paid up for every 21 equity shares of JDPL, having face value of Rs. 10/- each).

BLAFCL and STUPL

- The exchange ratio of equity shares between BLAFCL and STUPL would be in the ratio of 10:192 (i.e. 10 equity shares of BLAFCL of Rs. 10/- each fully paid up for every 192 equity shares of STUPL, having face value of Re. 1/- each).

OPINION ON VALUATION REPORT

Based upon and subject to the foregoing, we are of the opinion on the date hereof, that the valuation including the share exchange ratio recommended by the Valuer for the purpose of proposed Scheme of Amalgamation is fair.

The Fairness of the proposed Scheme is tested by:

1. Considering whether the valuation methods adopted by Valuer, depicts a correct picture on the value of shares of companies.

2. Considering qualitative factors such as economics of scale of operations, synergy benefits that may result from the proposed amalgamation.

3. The rationale for share exchange ratio as explained by Valuer is justified.

This being of our best of professional understanding, we hereby sign the Fairness Opinion Report on valuation for the proposed scheme.

EXCLUSIONS AND LIMITATIONS

Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment did not involve us performing audit tests for the purpose of expressing an opinion on the accuracy of any financial information or analytical information that was used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used, and therefore, do not express any opinion with regard to

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the same. In addition, we do not take responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.

With respect to the financial forecasts relating to BLAFCL, JDPL, STUPL, we have assumed that they have been reasonably prepared on basis reflecting the best currently available estimates and good faith judgments of the respective Companies. Also, we have been given to understand by the management of the Company that it has not omitted any relevant and material factors. We assume no responsibility whatsoever for any errors in the above information furnished by the Company and their impact on the present exercise.

Our Fairness Opinion will not be offered to any section of the public to subscribe for or purchase any securities in or assets or liabilities of any company or business valued by us. Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such share holder should vote or act in connection with the Scheme or any matter related thereto.

We assume no responsibility for revising or updating our opinion based on circumstances or events occurring after date hereof. Our opinion is specific and is being issued as per requirement of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015and the listing agreement in force as on the date.

We do not accept any liability to any third party in relation to the issue of this report.

Thanking you,

Yours Faithfully,

For Hem Securities Limited.

HEM SECURITIES LIMITED

Akun Goyal
Manager-Merchant Banking
Place: Jaipur

DISCLAIMER CLAUSE

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We hereby declare that we have no direct or indirect beneficial ownership interest in the Companies / Assets valued. We have in the past provided, and may currently or in the future provide, investment banking services to BLAFCL or its Group Companies, for which we have received or may receive customary fees.

Our work did not constitute an audit in accordance with Generally Accepted Auditing Standards, an examination of internal controls or other attestation or review services. Accordingly we do not express an opinion on the information presented.

It may be noted that this Fairness Opinion is expressed solely with reference to requirements under SEBI (LODR), Regulations, 2015, SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 and other applicable provisions of the Companies Act, 2013 and Companies Act, 1956, to the extent applicable and the purpose and scope of this assignment is restricted to opine about fairness of valuation already done by the Valuer.

This opinion does not in any way constitute a recommendation by HSL to any shareholders as to whether such holders should approve or reject the proposed scheme of amalgamation.

We have been engaged by the respective companies to issue a Fairness Opinion and will receive a fixed fee for rendering this Fairness Opinion, which is independent of the happening or otherwise of the proposed activities.

Our Opinion is restricted to determining the fairness of Share Swap Ratio as arrived by Valuer and should not be construed as fair opinion given by us on performance of BLAFCL.

It is understood that this Fairness Opinion may not be relied upon by, nor be disclosed, in whole or in part, to any third party for any purpose whatsoever. Notwithstanding the foregoing, this Fairness Opinion may be reproduced in the explanatory statement sent to the shareholders along with the notice of general meeting / postal ballot form, conducted to get approval for the proposed activities, so long as the form of reproduction of the Fairness Opinion in such report and any description of or reference in such report to HSL is in a form acceptable to us.

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