VIVRO

Vivro Financial Services Private Ltd.
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April 25, 2017

To,
The Board of Directors,
Fortune Financial Services (India) Limited
B 302, 3rd Floor, Pelican House,
Near Natraj Cinema,
Gujarat Chamber of Commerce Building,
Ashram Road, Ahmedabad – 380 009

The Board of Directors
Fortune Integrated Assets Finance Limited
Naman Midtown "A" Wing
21st Floor, Unit No. 2104
Senapati Bapat Marg, Elphinstone Road
Mumbai 400 013

Subject: Fairness Opinion on the report of N. M. Raiji & Co., Chartered Accountants with respect to the proposed amalgamation of Fortune Integrated Assets Finance Limited into Fortune Financial Services (India) Limited

Dear Sirs,
We, Vivro Financial Services Private Limited ('Vivro', 'we', 'us', 'our'), refer to our engagement letter dated April 19, 2017 whereby Fortune Financial Services (India) Limited (hereinafter referred to as 'FFSIL' the Transferee Company', 'You', 'Your') has appointed us as an Independent Merchant Banker for furnishing a "Fairness Opinion" on the valuation carried out by N. M. Raiji & Co., Chartered Accountants, ("Valuer"), vide its Valuation Report dated April 25, 2017 pursuant to the proposed Scheme of Amalgamation of Fortune Integrated Assets Finance Limited (hereinafter referred to as 'FIAFL', 'the Transferor Company') with Fortune Financial Services (India) Limited pursuant to sections 230 - 232 of the Companies Act, 2013 and applicable rules.

1. SCOPE AND PURPOSE OF THIS REPORT

We understand that the Board of Directors of FFSIL and FIAFL have considered and proposed a Scheme of Amalgamation of FIAFL with FFSIL, pursuant to the provisions of sections 230 - 232 and other relevant provisions of the Companies Act, 2013 and applicable rules.

In order to comply with the requirements of the regulations, the Company has appointed N. M. Raiji & Co., Chartered Accountants as the Valuer.

In this connection, the Management has engaged Vivro to submit a report on the Fairness of the Share Exchange Ratio provided by the Valuer. Our scope of work only includes forming an opinion on the fairness of the recommendation given by the Valuer on the exchange ratio arrived at for the purpose of the proposed Scheme of Arrangement and not on the fairness or economic rationale of the amalgamation per se.

Vivro Financial Services Private Limited

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This report is subject to the scope, assumptions, limitations and disclaimers detailed above. As such the report is to be ready in totality, not in parts and in conjunction with the relevant documents referred to herein. This report has been issued only for the purpose of facilitating the Amalgamation and should not be used for any other purpose.

2. SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of both the Companies for purpose of this opinion:

1. Audited Financial Statements of FFSIL and FIAFL for the year ended on March 31, 2014, March 31, 2015 and March 31, 2016;
2. Unaudited Financial Statements of FFSIL and FIAFL for 9 months ended December 31, 2016;
3. Valuation Report prepared by N. M. Raiji & Co., Chartered Accountants, dated March 31, 2017 for the purpose of ascertaining share exchange ratio for the proposed Scheme of Amalgamation of FFSIL and FIAFL;
4. Draft Scheme of Arrangement in nature of Amalgamation of FIAFL into FFSIL;
5. Shareholding Pattern of both the Companies as on March 31, 2017 as well as the proposed shareholding pattern after considering the effect of the proposed scheme of amalgamation;
6. Details of Market Price and trading volume of Equity Shares of FFSIL on BSE;
7. Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for purpose of carrying out this assignment.

3. BACKGROUND OF COMPANIES

❖ FORTUNE FINANCIAL SERVICES (INDIA) LIMITED - TRANSFEREE COMPANY

FFSIL was incorporated on June 14, 1991 as a limited company in the State of Maharashtra under the provisions of the Companies Act, 1956 under the name and style of "Fortune Financial Services (India) Private Limited". The name was then changed to its present name of "Fortune Financial Services (India) Limited" on October 20, 1991. The Registered Office of FFSIL is situated at Naman Midtown, "A" Wing Unit No. 2103, 21st Floor, Senapati Bapat Marg, Elphinstone Road, Mumbai - 400 013.

Currently, FFSIL is engaged in the business of stock broking, underwriting, portfolio management, corporate advisory services, financial advisory, asset management, fund mobilization, lease financing and other financial services.

FFSIL holds 25% equity stake in FIAFL which is Transferor Company in the Scheme. The shares of FFSIL are listed on BSE Limited ('BSE').

Present Board of Directors of FFSIL:

Sr. No.	Names of Directors	Designation
1.	Mr. Pankaj Bhuta	Director
2.	Mr. Chaintan Valia	Director
3.	Mr. Alok Kumar Misra	Independent Director
4.	Ms. Khyati Valia	Director

Vivro Financial Services Private Limited

Shareholding Pattern of FFSIL as on December 31, 2016:

Sr. No.	Name of the Shareholder	No. of Shares	Shareholding (%)
1	Promoters & Promoter Group	3,76,77,446	73.84%
2	Public Shareholders	1,33,46,321	26.16%
	Total	**5,10,23,767**	**100%**

❖ FORTUNE INTEGRATED ASSETS FINANCE LIMITED - TRANSFEROR COMPANY

Fortune Integrated Assets Finance Limited ("FIAFL" or "the Transferor Company") was incorporated on September 08, 2012 as a public limited company and commenced its business on September 20, 2012. FIAFL is an associate company of FFSIL. FFSIL holds 25% equity stake in FIAFL.

FIAFL is in the business of Commercial Vehicle Financing, with demonstrated focus in the Small Commercial Vehicles and the 3-wheeler segment. The company started operations in financing 2-wheelers. This lending business is being demerged in a 100% subsidiary of FIAFL viz. Wind Construction Private Limited ("WCPL"). FIAFL has already filed the demerger application with NCLT and which is under process.

Currently, the lending business of FIAFL has operational presence in Maharashtra, Andhra Pradesh, Telangana, Kerala, Gujarat, Tamil Nadu, Karnataka, Assam and Punjab across about 80 locations either through own branches, associate branches or representative employee.
Further, Ventana Power Generation LLP, which is held by WCPL, has certain wind assets.

Board of Directors of FIAFL:

Sr. No.	Names of Directors	Designation
1	Mr. Ganesh Shiva Ganesh	Director
2	Mr. Mukesh Unadkat	Director
3	Mr. Chintan Valia	Managing Director
4	Mr. Rahul Parekh	Director

4. VALUER'S RECOMMENDATION

After using several commonly used and accepted methods of determining the value of equity shares of a company, it has been recommended by the Valuer that the fair exchange ratio for the merger of FIAFL with FFSIL shall be as follows:

"7 (Seven) Optionally Convertible Preference Shares ('OCPS') of FFSIL of face value ₹ 325/- each, convertible into equal number of equity shares of face value ₹ 10/- each, for every 4 (Four) equity shares of FIAFL of ₹ 10/- each."

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5. OUR OPINION ON THE VALUER'S REPORT

The fairness opinion has been prepared based on the Valuer's report and our analysis of the various factors relevant to the Companies, having regard to the information submitted, management representations, key underlying assumptions and limitations.

In view of the above and on consideration of all relevant factors and circumstances, we believe that the proposed Share Exchange Ratio as recommended by Valuer which forms the basis for arriving at consideration in the Form of equity shares for the proposed scheme, is fair and reasonable.

For, Vivro Financial Services Private Limited

Vivek Vaishnav
Director
Place: Mumbai