

Fairness Opinion Report on 'Valuation Certificate' issued for

Proposed Scheme of Arrangement between

IndiaNivesh Limited

And

IndiaNivesh Financial Advisors Limited

And

Their Respective Shareholders and Creditors

Prepared by



Saffron Capital Advisors Private Limited

[Company Identification Number: U67120MH2007PTC166711]

SEBI Registered Category I Merchant Banker

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SEBI Registration No: INM000011211

January 03, 2017

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Notice to Reader

This report is prepared by Saffron Capital Advisors Private Limited ("Saffron") solely for the purpose of giving a "Fairness Opinion" on "Valuation Certificate" issued in connection with the proposed "Scheme of Arrangement" (the Scheme) between IndiaNivesh Limited ("INL") and IndiaNivesh Financial Advisors Limited ("INFAL") and their respective shareholders and creditors. The fairness opinion report is required to be submitted to the stock exchanges to facilitate the companies under regulations 11, 37 and 94 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Securities Exchange Board of India ("SEBI") Circular No. CIR/CFD/CMD/16/2015 dated 30th November 2015. This report is not to be used, circulated, and quoted otherwise than for the purpose stated herein. This report is subject to the scope of limitations detailed hereinafter. As such the report is to be read in totality and not in parts. This report has been prepared solely for the purpose set out in this report and should not be reproduced (in part or otherwise) in any other document whatsoever without Saffron's written consent.

For the purpose of this assignment, Saffron has relied on the Valuation Certificate dated January 03, 2017 prepared by K.M. Tulsian & Associates (FRN.: 111075W) represented by Mr. Nitesh Musahib, Partner, (Membership No.: 131146) having their office at A-703, Rajeshri Accord, Telly Cross Lane, Off. S. N. Road, Andheri (E), Mumbai-40069, for the proposed "Scheme of Arrangement" of INL and INFAL and their respective shareholders and Information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of INL and INFAL and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the



compliance of the proposed scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between INL and INFAL and their respective shareholders and creditors, and may not be applicable or referred to or quoted in any other context.

For Saffron Capital Advisors Private Limited



Authorised Signatory



Introduction and Scope of Assignment

1. Resulting Company— IndiaNivesh Financial Advisors Limited:

INFAL was incorporated on the April 25, 2006 under the Companies Act, 1956. The registered office of INFAL is situated at 601 & 602, Sukh Sagar, N.S. Patkar Marg, Girgaum Chowpatty, Mumbai - 400 007.

INFAL has been primarily incorporated inter alia to act as financial consultants/ advisors, counsellors in investment and capital market.

2. Demerged Company— IndiaNivesh Limited:

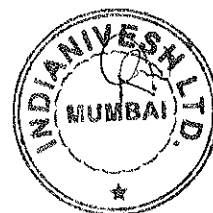
INL was incorporated as on May 25, 1929. The Registered office of INL is situated at 601 & 602, Sukh Sagar, N.S. Patkar Marg, Girgaum Chowpatty, Mumbai - 400 007.

INL is a Reserve Bank of India ("RBI") registered Non-Banking Finance Company ("NBFC") listed on Bombay Stock Exchange ("BSE"). It is engaged in primarily two distinct and diverse business activities through the following undertakings, namely:

a. Non-Banking Finance undertaking ("NBFC Undertaking") comprising of business of Inter-Corporate Deposits, Short Term Financing and Bridge Loans, acquisition and management of Stressed Assets, Investment in shares and securities, quoted as well as unquoted including the business of providing corporate advisory. For the purpose of carrying on the above business, the Company has obtained registration of Reserve Bank of India (RBI);

b. Investment business undertaking (Investment in Subsidiaries & Group/Associate Companies) - it is primarily a Holding Company, holding investments in its subsidiaries and other Group/Associate Companies. ("Demerged Undertaking").

The management proposes to demerge the investment business undertaking into another Company.



3. Capital Structure

- 3.1 The authorized, issued, subscribed and paid-up share capital of INL as on September 30, 2016 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
5,06,00,000 Equity Shares of Rs. 1/-each	5,06,00,000
Total	5,06,00,000
Issued, Subscribed and Fully Paid up Share Capital	
3,77,50,000 Equity Shares of Rs. 1/-each.	3,77,50,000
Total	3,77,50,000

As per the Scheme, subsequent to September 30, 2016 and up to the approval of this Scheme by the Board of the Demerged Company, there has been no change in the issued, subscribed and paid-up capital of the Demerged Company.

- 3.2 The authorized, issued, subscribed and paid-up share capital of INFAL as on September 30, 2016 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
50,00,000 Equity Shares of Rs. 10/-each	5,00,00,000
Total	5,00,00,000
Issued, Subscribed and Fully Paid up Capital	
43,80,300 Equity Shares of Rs. 10/-each.	4,38,03,000
Total	4,38,03,000

As per the Scheme, subsequent to September 30, 2016 and up to the approval of this Scheme by the Board of the Resulting Company, there has been no change in the issued, subscribed and paid-up capital of the Resulting Company.

4. Valuation has been decided based on the Valuation Certificate prepared by K.M. Tulsian & Associates (FRN.: 111075W) represented by Mr. Nitesh Musahib, Partner, (Membership No.:



131146) having their office at A-703, Rajeshri Accord, Telly Cross Lane, Off. S. N. Road, Andheri (E), Mumbai-40069.

5. The business Undertaking that is being hived off from INL to INFAL has been valued at Rs.89,94,75,571. INFAL will be issuing 8,30,50,000 shares to INL in consideration thereof.
6. We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by INL to give a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement of INL and INFAL and their respective shareholders and creditors. The valuation mentioned herein reflects our independent opinion which is arrived at based on the information/n provided to us.



Exclusions and Limitations

- In this connection, Saffron has been requested by INL to submit a report by giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between INL and INFAL and their respective shareholders and creditors.
- We have prepared the Fairness Opinion on the basis of the following information provided to us by INL and INFAL/ collated by us from publicly available sources, like website of BSE/NSE:
 - a) Certified copy of Scheme of Arrangement provided by INL.
 - b) Certified true copy of the resolutions passed at the meeting of the Board of Directors of INL and INFAL.
 - c) Valuation Certificate issued by K.M. Tulsian & Associates (FRN.: 111075W) represented by Mr. Nitesh Musahib, Partner, (Membership No.: 131146) having their office at A-703, Rajeshri Accord, Telly Cross Lane, Off. S. N. Road, Andheri (E), Mumbai-40069.
 - d) Such other information and explanations as we required and which have been provided by the management of INL.
- Our valuation exercise and conclusions reached by us are dependent on the information provided to us being complete and accurate in all material respects. 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 does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information 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 the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to the date of our report.
- Our report 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. This report is prepared with a limited purpose/ scope as identified/ stated earlier and will be confidential being for use only to whom it is issued. It must not be copied, disclosed or circulated in any correspondence or discussions with any person, except to whom it is issued and to those who are involved in this transaction and for various approvals for this transaction.



Conclusion and Opinion on Valuation Certificate

Conclusion:

We have reviewed the valuation certificate and based on the information, material data made available to us, to best of our knowledge and belief, the valuation prepared by the Valuer K.M. Tulsian & Associates, Chartered Accountants is **Fair and Reasonable**.

