

September 05, 2014

Board of Directors

Frontline Securities Limited

M- 6, 2nd Floor, M Block Market,
Greater Kailash-II
New Delhi - 110048

Board of Directors

Hope Consultants Limited

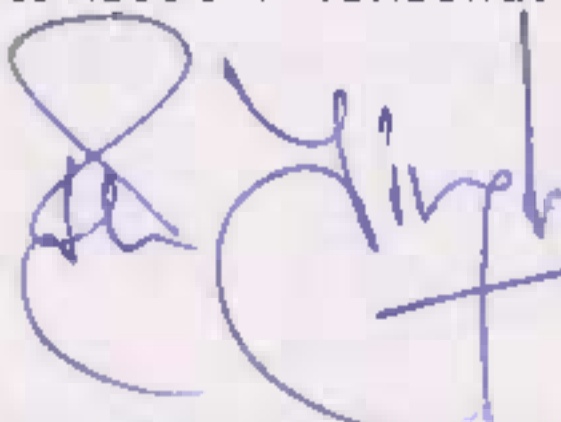

M- 6, 2nd Floor, M Block Market,
Greater Kailash-II
New Delhi - 110048

Dear Sirs,

Subject: Fairness Opinion on Valuation of Shares and the share exchange ratio for the purpose of proposed demerger of Investment Business 1 of Hope Consultants Limited ("Demerged Company") into Frontline Securities Limited ("Resultant Company") (the Demerged Company and the Resultant Company collectively being referred to as "Companies").

We, M/s Sobhagya Capital Options Limited, SEBI registered Merchant Bankers, having SEBI registration no. MB/INM000008571, have been approached by each one of you to provide a fairness opinion on the valuation done by M/s J Jain & Co., Chartered Accountants, having their office at C/o Kamal Textiles, 202H, Paras Bazar, Gali Ghante Wali, Chandni Chowk, Delhi- 110006 ("Valuers") who were the appointed valuers for the proposed demerger of Investment Business 1 of Hope Consultants Limited into Frontline Securities Limited. The Valuers have carried out the valuation of shares of the Companies and determined the share exchange ratio, which has been provided vide their valuation report dated August 22, 2014 ("Valuation Report").

Since the Report on Valuation of Shares pursuant to the 'Scheme of Arrangement for De-Merger of Investment Business 1 and Investment Business 2 of Hope Consultants Limited into Frontline Securities Limited and FSL Software Technologies Limited, respectively; and their respective shareholders and creditors under sections 391 & 394; 100 to 104 of the Companies Act, 1956' (hereinafter referred as the "Scheme") is common for both the Companies, we deem it imperative to issue a consolidated fairness opinion in relation to the said Valuation Report.

Scope and Purpose of the Opinion

The Securities and Exchange Board of India, vide Circular No. SEBI/CFD/DIL/LA/5/2008/4/09 dated September 04, 2008, amended clause 24 of the Listing Agreement, whereby, in case of merger, a fairness opinion is required to be obtained from an independent merchant banker on the valuation of assets/shares done by the valuer for the listed as well as unlisted companies.

The purpose of the opinion is to safeguard the interest of the shareholders of Hope Consultants Limited and Frontline Securities Limited and this opinion shall be made available to the shareholders of the relevant Companies at the time of their meeting to pass the necessary resolution for the proposed Scheme and also to any other relevant authority, as may be required.

THIS OPINION IS RESTRICTED TO MEET THE REQUIREMENT OF CLAUSE 24(H) OF THE LISTING AGREEMENT ONLY AND MAY NOT BE USED FOR ANY OTHER PURPOSE WHATSOEVER OR TO MEET THE REQUIREMENT OF ANY OTHER LAWS, RULES, REGULATIONS AND STATUTES.

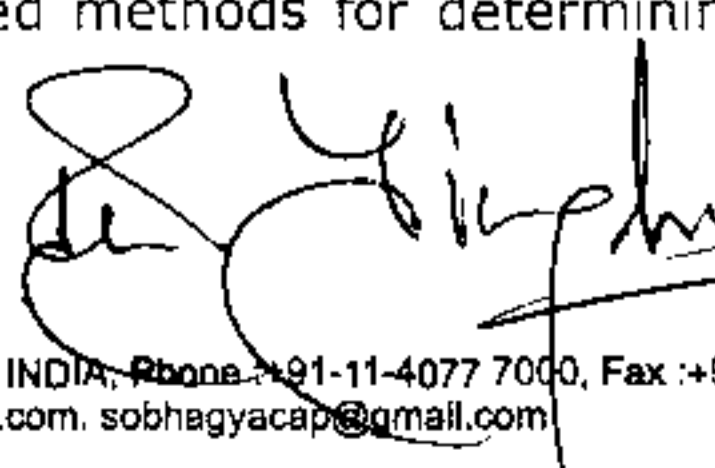

Sources of the Information

We have received the following information from the management of Demerged and Resultant Company:

1. Copy of Proposed Scheme of Arrangement for De-Merger of Investment Business 1 and Investment Business 2 of Hope Consultants Limited into Frontline Securities Limited and FSL Software Technologies Limited, respectively; and their respective shareholders and creditors under sections 391 & 394; 100 to 104 of the Companies Act, 1956.
2. Report on Valuation of Shares by M/s J Jain & Co., Chartered Accountants, dated August 22, 2014.

Approach followed for valuation

The share exchange ratio calculated in the valuation report has been arrived at by the adoption of several commonly used and accepted methods for determining the

fair value of the equity shares of a company, to the extent relevant and applicable, CIN: H74899011894PLC0660089

Including:

1. Net Asset Value ;
2. Price Earning Capacity Value; and
3. Market Price of Shares

Fairness Opinion

We in the capacity of SEBI registered Merchant Bankers do hereby certify that the valuation done by the valuer for determining the share exchange ratio is;

"The Resultant Company No. 1- Frontline Securities Limited will issue 6 (six) Equity Shares of Rs. 10 each, credited as fully paid-up, to the shareholders of the Demerged Company for every 1 (one) Equity Share of Rs. 10 each held in the Demerged Company."

on the basis of the aforesaid methodologies is fair and reasonable.

Disclaimer:

Our scope of work did not include the following:-

- An audit of the financial statements of any of the Companies discussed in this opinion.
- Carrying out a market survey / financial feasibility for the Business of any of the Companies discussed in this opinion.
- Financial and Legal due diligence of any of the Companies discussed in this opinion.

It may be noted that in carrying out our work we have relied on the integrity of the information provided to us for the purpose, and other than reviewing the consistency of such information, we have not sought to carry out an independent verification, thereof.

We assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by the managements of Hope Consultants Limited and Frontline Securities Limited.



We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents other than those stated above.

The opinion must not be made available or copied in whole or in part to any other person without our express written permission save and except for the limited purpose of this opinion.

We understand that the management of Hope Consultants Limited and Frontline Securities Limited during our discussions with them would have drawn our attention to all such information and matters, which may have impact on our opinion. In this opinion we have included all such information and matters as was received by us from management of Hope Consultants Limited and Frontline Securities Limited.

The management of Hope Consultants Limited and Frontline Securities Limited or their related parties are prohibited from using this opinion other than for its sole limited purpose and not to make a copy of this opinion available to any party other than those required by statute for carrying out the limited purpose of this opinion. This opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified as above, under any Indian or Foreign Law, Statute, Act, Guidelines or similar instructions. We would not be responsible for any litigation or other actual or threatened claims.

In no event, will SCOL, its Directors and employees be liable to any party for any indirect, incidental, consequential, special or exemplary damages (even if such party has been advised of the possibility of such damages) arising from any provision of this opinion.

Thanking You

For **Sobhagya Capital Options Limited**


(RAVINDRA KUMAR SINGHVI)

Director

Place: New Delhi

