

FAIRNESS OPINION

FUTURISTIC SOLUTIONS

LIMITED

December, 2012



Strictly Private & Confidential

Ref. No: CPC/MB/054/2012-13

Dated 05.12.2012

SEBI Reg. No: INM000011435

To,

The Board of Directors

Futuristic Solutions Limited

(Transferee Company)

&

Futuristic Remedies Limited

(Transferor Company)

Subject: Opinion on Fairness of Valuation in the proposed Scheme of Amalgamation

Dear Sir,

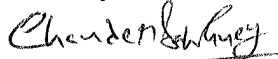
We refer to our letter of engagement for the purpose of arriving at an opinion on the Valuation of Equity shares carried by M/s Rahul Bansal & Company, Chartered Accountants (here-in-after referred as "Valuer") in respect of the proposed Amalgamation of M/s Futuristic Remedies Limited (Transferor Company / "FRL") with M/s Futuristic Solutions Limited (here-in-after referred as "Transferee Company"/ "FSL") w.e.f. the Appointed date i.e. 1st April, 2012 pursuant to a Scheme of Amalgamation to be sanctioned by the Hon'ble High Court of relevant jurisdiction u/s 391-394 of the Companies Act, 1956.

In terms of our engagement letter, we are enclosing our opinion along with this letter. Please note that this is just an opinion on the captioned subject on the basis of the documents submitted to us and does not constitute our independent Valuation Analysis. All comments as contained herein must be read in conjunction with the Caveats to this opinion.

The opinion is confidential and has been prepared exclusively for the management of the Transferor Company and Transferee Company. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of certain statutory disclosures and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

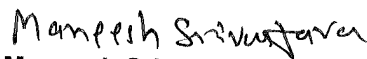
Yours Faithfully,

For Corporate Professionals Capital Private Limited



Chander Sawhney

[Asst. Vice President]



Maneesh Srivastava

[Manager]



Content

Context and Background	4
Brief about Companies	5
Valuer Analysis	6
Conclusion & Opinion	7
Caveats	8
Annexure	
I: Exchange Ratio	9
II: Valuation Computations	10-17



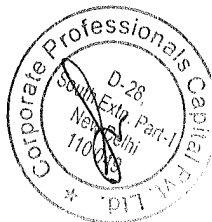
CONTEXT AND BACKGROUND

1. We understand that M/s Futuristic Solutions Limited (the Transferee Company) is a widely held public company having its Equity shares listed at Bombay Stock Exchange (BSE) and Delhi Stock Exchange (DSE). Now, pursuant to a Scheme of Amalgamation, M/s. Futuristic Remedies Limited (The Transferor Company) are proposed to be merged into it pursuant to Sections 391-394 and other applicable provisions of Companies Act, 1956.
2. The Valuation and Swap Ratio for the proposed Amalgamation has been determined by **M/s Rahul Bansal & Company, Chartered Accountants** Vide their Valuation Report dated 29th October, 2012
3. In accordance with Clause 24(h) of the Listing Agreement and SEBI circular dated September 04, 2008 as applicable to the Listed Companies, the listed Company as well as the Unlisted Company getting merged shall each be required to obtain a "Fairness Opinion" on the Valuation of assets / Equity shares done by the Valuers for the Company and Unlisted Company from an independent Merchant Banker.

Clause 24(h) of the Listing Agreement reads as below-

"The company agrees that in the explanatory statement forwarded by it to the shareholders u/s 393 or accompanying a proposed resolution to be passed u/s 100 of the Companies Act, it shall disclose the pre and post-arrangement or amalgamation (expected) capital structure and shareholding pattern, and the "fairness opinion" obtained from an Independent merchant bankers on Valuation of assets / Equity shares done by the Valuers for the company and unlisted company."

4. With reference to the above, we, **Corporate Professionals Capital Private Limited, a SEBI Registered Merchant Banker**, have been appointed by the Transferee and the Transferor Companies, to provide the "Fairness Opinion" in accordance with the clause 24 of the Listing Agreement, stated above.



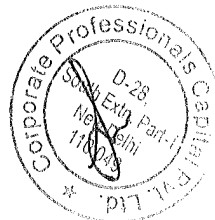
BRIEF ABOUT COMPANIES

1. **FUTURISTIC SOLUTIONS LIMITED** (herein after referred to as 'Transferee Company' or 'FSL'), bearing CIN L74899DL1983PLC016586 was originally incorporated under the name of "Moral Leasing Private Limited" on 21st September, 1983 under the provisions of Companies Act, 1956. Subsequently the name of the company was changed to "Futuristic Solutions Limited" and a fresh certificate of incorporation was issued on 03rd January, 2002. The registered office of the Company is situated at M-50, 2nd Floor, Greater Kailash-I, New Delhi – 110048. The Equity Shares of the Company are Listed at Bombay Stock Exchange (BSE) and Delhi Stock Exchange (DSE).

'FSL' is engaged in the business of asset reconstruction i.e. recovery of disputed debts, purchase, sale, discounting and dealing in actionable claims, etc.

AND

2. **FUTURISTIC REMEDIES LIMITED** (herein after referred to **Transferor Company** or 'FRL'), bearing CIN U32109DL1986PLC024497 was incorporated was originally incorporated under the name of "Oriental Architectonics Limited" on 13th June, 1986 under the provisions of Companies Act, 1956. Subsequently the name of the company was changed to "Futuristic Remedies Limited" and a fresh certificate of incorporation was issued on 31st October, 2003. The registered office of the Company is situated at M-50, 2nd Floor, Greater Kailash-I, New Delhi – 110048. 'FRL' is also engaged in the business of asset reconstruction.



VALUERS ANALYSIS

To determine the exchange ratio between "FSL" and "FRL", the Valuer have specifically relied upon the Audited Balance Sheets and Income Statement of "FSL" and "FRL" for the financial year ended 31st March, 2012;

ASSET BASED METHOD

Net Asset Method (NAV) views the business as a set of assets and liabilities that are used as building blocks to construct the base value of the company. This method is generally used to evaluate the entry barrier that exists in a business and is considered viable for companies having strong asset base.

For valuing the shares of "FSL" valuer have applied Asset Based Method, as one of the method to arrive at the entry value of the Company. Further, for arriving at the valuation of shares of "FRL" valuer have only considered the NAV Method.

MARKET BASED METHOD

The Market Value Method is generally the most preferred method in case of frequently traded Shares of Companies listed on Stock Exchanges having nationwide trading as it takes into account the value of the company as perceived by the investors.

Equity Shares of "FSL" are listed at Bombay Stock Exchange and Delhi Stock Exchange. To arrive at the market price of "FSL", valuer have computed the average of weekly high and low of the closing prices of the equity shares as quoted on the Stock Exchange for the last 26 Weeks ended 26th October, 2012. Since, "FRL" is an unlisted company, thus this methodology is not applicable in the instant case.

INCOME BASED METHOD

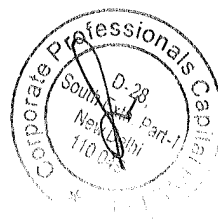
The Income approach methods determine the value of a business based on its ability to generate desired economic benefit. The Income based method of valuations are based on the premise that the current value of any business is a function of the future value that an investor can expect to receive from purchasing all or part of the business.

valuer have not applied the Income Approach to valuation as the Transferor company 'FRL' does not have substantial Turnover and/or Profitability, and its operations are not stabilized and on a parity basis valuer have also not factored in the Income approach for "FSL".

Enclosures:

Annexure 1 Share Exchange Ratio

Annexure 2 Valuation Computation



CONCLUSION & OPINION

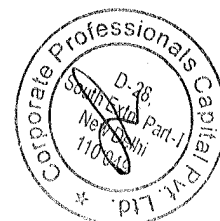
- With reference to above and based on information provided by the management of the entities forming part of the Amalgamation and after discussions with the Valuers, we understand that the present Amalgamation has been structured to consolidate the transferor and the transferee companies resources and businesses. The proposed amalgamation of "FRL" with "FSL", as envisaged in the Scheme, is driven by the motive of consolidation and further expansion of the Transferee Company and to fulfill the objectives and business strategies of both the companies.
- As the transferor company is not listed at any stock exchange and having not any substantial Turnover and / or Profitability, therefore, the valuer have considered it fit to apply the Net Asset Value (NAV) Methodology and as the transferee company listed on Bombay Stock Exchange (BSE) and Delhi Stock Exchange (DSE), so valuer have applied Net Asset Value (NAV) as well as Market Price Method to determine the value of equity shares of company and accordingly deciding the share exchange Ratio.
- The valuer have not applied **Income based approach**, as the "FRL" (transferor company) not having any major business activities and do not have substantial Turnover and/or Profitability and its operations are not stabilized and on a parity principle valuer have also not applied this Methodology for "FSL" (transferee company).

"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to Clause 24 of the listing agreement and SEBI circular dated September 04, 2008, we have reviewed the Valuation Report of the Valuer dated 29th October, 2012 for the proposed arrangement as to the Assets/Equity shares of the Transferee Company and the Transferor Company and are of the opinion that these may be taken as fair and reasonable from a financial and commercial point of view to holders of Equity shares of all the companies."



CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective key managements, and other public available information while verifying the valuation report. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed/validated the financial data except what is provided to us by the Companies.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in M/s Futuristic Solutions Limited and M/s Futuristic Remedies Limited and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the Management of M/s Futuristic Solutions Limited and M/s Futuristic Remedies Limited has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.



ANNEXURE I
[SHARE EXCHANGE RATIO]

Amount in (Rs)

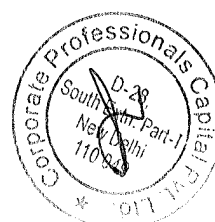
Particulars	WEIGHT ASSIGNED	FSL	FRL
		Value Per Share	
Value of Company		145,670,607.00	19,789,851.00
No. of Shares		10,473,447.00	2,170,654.00
NAV Per Share	1	13.91	9.12
Market Price	1	29.75	-
Value Per Share		21.83	9.12
Fair Value Per Share (Round off to next whole number)		22.00	10.00
Ratio of Exchange		1	0.46

* Detailed computation of methodology adopted is attached with this report in **Annexure II**.

Note: The value per share of the Transferor and the Transferee company has been rounded to the next whole number.

On the basis of the aforesaid computations and based on the values of equity shares of "FSL", and "FRL", we are of the opinion that:

"FSL" shall issue and allot 46 (Forty Six) Equity Shares of Face Value of Rupees 10 (Rupees Ten) each in "FSL" for every 100 (One Hundred) Equity shares of Face value of Rs. 10/- (Rupees Ten) each held by the shareholders of "FRL".



ANNEXURE II
[VALUATION COMPUTATIONS]

The following method of valuation have been used to arrive at the valuation of "FSL" and "FRL"

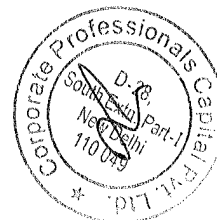
1. VALUATION OF M/S FUTURISTIC SOLUTIONS LIMITED

We have calculated the price of each equity share of "FSL" on the basis of two methods, namely

A. Net Asset Value Method

VALUATION AS PER NET ASSET VALUE METHODOLOGY	
PARTICULARS	AMOUNT (IN Rs)
Equity Share Capital	104,734,470.00
Reserves & Surplus	40,936,137.00
Net Worth	145,670,607.00
No. of Shares	10,473,447.00
NAV Per Share	13.91
Face Value Per Share	10.00

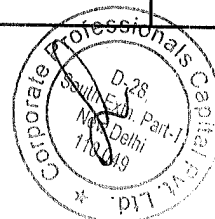
THE NET ASSET VALUE OF "FSL" COMES TO RS 145,670,607.00 AND THE NAV PER SHARE COMES TO RS. 13.91/- FOR FACE VALUE OF RS. 10/- EACH.



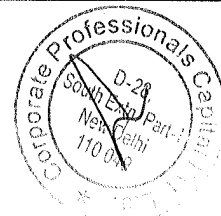
B. Market Price per Share Method

In arriving at the valuation of each equity share of "FSL"; we have computed the average of weekly high and low of the closing prices of the equity shares as quoted on the Stock Exchange for the last 26 Weeks.

Week	Date	Close Price	Minimum	Maximum	Average
1	30-Apr-12	34.35	29.55	34.35	31.95
	01-May-12	No Trading			
	02-May-12	32.65			
	03-May-12	31.10			
	04-May-12	29.55			
2	07-May-12	28.10	27.60	28.95	28.28
	08-May-12	27.60			
	09-May-12	27.75			
	10-May-12	28.95			
	11-May-12	28.25			
3	14-May-12	28.25	28.25	29.00	28.63
	15-May-12	28.25			
	16-May-12	29.00			
	17-May-12	28.40			
	18-May-12	28.50			
4	21-May-12	28.40	28.40	28.75	28.58
	22-May-12	28.75			
	23-May-12	28.45			
	24-May-12	28.50			
	25-May-12	28.45			
5	28-May-12	28.50			



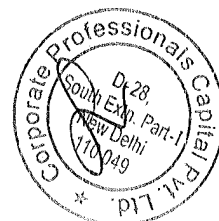
	29-May-12	28.45	28.25	28.50	28.38
	30-May-12	28.50			
	31-May-12	28.25			
	01-Jun-12	28.30			
6	04-Jun-12	28.00			
	05-Jun-12	28.15			
	06-Jun-12	28.25			
	07-Jun-12	28.20			
	08-Jun-12	28.25	28.00	28.25	28.13
7	11-Jun-12	28.25			
	12-Jun-12	28.35			
	13-Jun-12	28.20			
	14-Jun-12	28.10			
	15-Jun-12	28.20	28.10	28.35	28.23
8	18-Jun-12	29.50			
	19-Jun-12	28.50			
	20-Jun-12	29.35			
	21-Jun-12	29.35			
	22-Jun-12	29.20	28.50	29.50	29.00
9	25-Jun-12	29.00			
	26-Jun-12	28.95			
	27-Jun-12	28.85			
	28-Jun-12	28.50			
	29-Jun-12	29.00	28.50	29.00	28.75
10	02-Jul-12	29.00			
	03-Jul-12	29.40	28.60	29.40	29.00



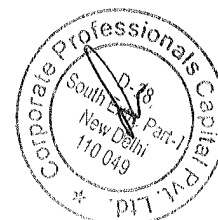
	04-Jul-12	28.60			
	05-Jul-12	28.80			
	06-Jul-12	28.80			
11	09-Jul-12	28.90	28.60	29.40	29.00
	10-Jul-12	29.35			
	11-Jul-12	28.60			
	12-Jul-12	29.25			
	13-Jul-12	29.40			
12	16-Jul-12	29.40	29.25	29.95	29.60
	17-Jul-12	29.40			
	18-Jul-12	29.50			
	19-Jul-12	29.25			
	20-Jul-12	29.95			
13	23-Jul-12	29.95	29.70	29.95	29.83
	24-Jul-12	29.90			
	25-Jul-12	29.70			
	26-Jul-12	No Trading			
	27-Jul-12	No Trading			
14	30-Jul-12	29.65	29.25	29.75	29.50
	31-Jul-12	29.65			
	01-Aug-12	29.75			
	02-Aug-12	29.30			
	03-Aug-12	29.25			
15	06-Aug-12	29.60	29.50	30.85	30.18
	07-Aug-12	30.20			
	08-Aug-12	30.75			



	09-Aug-12	30.85			
	10-Aug-12	29.50			
16	13-Aug-12	30.25	29.50	31.25	30.38
	14-Aug-12	29.50			
	15-Aug-12	No Trading			
	16-Aug-12	30.90			
	17-Aug-12	31.25			
	20-Aug-12	No Trading			
17	21-Aug-12	31.55	30.00	32.00	31.00
	22-Aug-12	32.00			
	23-Aug-12	30.00			
	24-Aug-12	30.00			
18	27-Aug-12	31.00	30.00	31.00	30.50
	28-Aug-12	30.50			
	29-Aug-12	30.50			
	30-Aug-12	30.00			
	31-Aug-12	No Trading			
19	03-Sep-12	30.00	30.00	30.40	30.20
	04-Sep-12	30.40			
	05-Sep-12	No Trading			
	06-Sep-12	No Trading			
	07-Sep-12	No Trading			
20	10-Sep-12	30.50	29.75	30.50	30.13
	11-Sep-12	29.75			
	12-Sep-12	30.10			
	13-Sep-12	30.25			

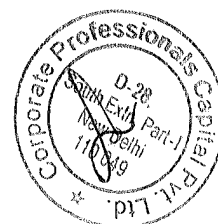


	14-Sep-12	30.20			
21	17-Sep-12	30.50	30.25	30.50	30.38
	18-Sep-12	30.40			
	19-Sep-12	No Trading			
	20-Sep-12	30.25			
	21-Sep-12	30.40			
22	24-Sep-12	30.35	30.10	30.60	30.35
	25-Sep-12	30.25			
	26-Sep-12	30.60			
	27-Sep-12	30.25			
	28-Sep-12	30.10			
23	01-Oct-12	30.55	30.05	30.55	30.30
	02-Oct-12	No Trading			
	03-Oct-12	30.35			
	04-Oct-12	30.50			
	05-Oct-12	30.05			
24	08-Oct-12	30.35	30.35	31.25	30.80
	09-Oct-12	30.55			
	10-Oct-12	30.95			
	11-Oct-12	31.10			
	12-Oct-12	31.25			
25	15-Oct-12	30.9	30.90	31.35	31.13
	16-Oct-12	31.1			
	17-Oct-12	31.05			
	18-Oct-12	31.35			
	19-Oct-12	31.25			



26	22-Oct-12	31.25	31.25	31.70	31.48
	23-Oct-12	31.3			
	24-Oct-12	No Trading			
	25-Oct-12	31.5			
	26-Oct-12	31.7			
Total of 26 Weeks					773.63
Average of 26 Weeks					29.75

THE MARKET PRICE PER SHARE OF "FSL" COMES TO 29.75 /- PER SHARE.



2. VALUATION OF M/S FUTURISTIC REMEDIES LIMITED

We have calculated the price of each equity shares of "FRL" on the basis of Net Assets Value methods, only:

VALUATION AS PER NET ASSET VALUE METHODOLOGY	
PARTICULARS	AMOUNT (IN Rs)
Equity Share Capital	21,706,540.00
Reserves & Surplus	(1,916,689.00)
Net Worth	19,789,851.00
No. of Shares	2,170,654.00
NAV Per Share	9.12
Face Value Per Share	10.00

THE NET ASSET VALUE OF "FRL" COMES TO RS.19,789,851.00 AND THE VALUE PER SHARE COMES TO RS. 9.12/- FOR FACE VALUE OF RS. 10.00/-EACH

