

February 18, 2014

The Board of Directors
Sagar Productions Limited
907, Dev Plaza, 9th Floor
Opp. Andheri Fire Station, Andheri (West)
Mumbai - 400059

Dear Sirs,

Re: Fairness opinion on valuation report issued by M/s. ASDT & Co., Chartered Accountants,
for the proposed Scheme of Arrangement of Sagar Productions Limited

BACKGROUND

Pantomath Capital Advisors Private Limited ("Pantomath" or "we" or "us") is a Category I Merchant Banker registered with the Securities Exchange Board of India ("SEBI"). Pursuant to clause 24(h) of Listing Agreement, we have been requested to issue a fairness opinion on valuation report issued by M/s. ASDT & Co., Chartered Accountants, to ascertain the fair value of equity shares as on September 30, 2013, for the purpose of scheme of arrangement involving consolidation and reduction of Share Capital and preferential issue of shares by the Company.

Sagar Productions Limited ("SPL" or "Company") is a public company incorporated under the provisions of the Companies Act, 1956 having its registered office at 907, Dev Plaza, 9th Floor, Opp. Andheri Fire Station, Andheri (West), Mumbai - 400059. Its shares are listed on BSE Limited ("BSE") having scrip code and scrip ID as 532092 and SAGARPROD respectively. It was incorporated on April 05, 1980 as Shri Kirti Jain Finance Private Limited and later was converted to Public Company on September 25, 1995 and subsequently it changed its name to Sagar Productions Limited with effect from April 22, 2010.

SPL is a Company engaged in the Business of producing, buying, selling, trading & exporting programmes for television, satellite television, cable television and radio programs.

As per the Audited results for the year ended March 31, 2013, the Authorised Capital of SPL is INR 6,00,00,000/- (Rupees Six Crores Only) divided into 6,00,00,000 Equity Shares of INR 100/- each. The Issued, Subscribed and Paid-up Capital of SPL is INR 5,36,85,000/- (Rupees Five Crores



Progress with Values.

Pantomath Capital Advisors (P) Ltd. (SEBI Registered Category-I Merchant Bankers)

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Thirty Six Lakhs and Eighty Five Thousand Only) divided into 5,36,85,000 Equity Shares of INR 1/- each.

The Company proposes to initially consolidate the Authorized Share Capital to INR 6,00,00,000/- (Rupees Six Crores Only) divided into 15,00,000 Equity Shares of INR 40/- each and consolidate Issued, Subscribed and Paid-up Capital to INR 5,36,85,000/- (Rupees Five Crores Thirty Six Lakhs and Eighty Five Thousand Only) divided into 13,42,125 Equity Shares of INR 40/- each.

Subsequently the Company proposes to reduce its capital from INR 5,36,85,000/- (Rupees Five Crores Thirty Six Lakhs and Eighty Five Thousand Only) divided into 13,42,125 Equity Shares of INR 40/- each to INR 13,42,125 (Rupees Thirteen Lakhs Forty Two Thousand One Hundred and Twenty Five Only) divided into 13,42,125 Equity Shares of INR 1/- each by cancelling INR 39/- upon each of 13,42,125 shares of INR 40/- each and thereby reducing the nominal value of shares from INR 40/- each to INR 1/- each.

As per the undertaking given by the Company dated February 01, 2014, the following are the Promoters of the Company (pre reduction and post reduction of capital)

Sr. No.	Name of Promoters (Pre-reduction)	No. of Shares	% of voting capital of the Company
1	Divit India Services Pvt Ltd	30,00,000	5.59%

Sr. No.	Name of Promoters (Post-reduction)	No. of Shares	% of voting capital of the Company
1	Divit India Services Pvt Ltd	75,000	5.59%

The Company has incurred heavy losses amounting approx. 545 lakhs and as a part to make the balance sheet cleaner, the Company is proposing to reduce its capital.

SOURCES OF INFORMATION

For arriving at the fairness opinion set forth below, we have relied upon the following sources of information:

- Valuation Report by M/s ASDT & Co., Chartered Accountants, dated February 17, 2014;
- Annual Reports of Sagar Productions Limited for the financial year ended March 2013, 2012 and 2011;
- Draft Scheme of Arrangement of SPL and its Shareholders pursuant to section 391-394 of the Companies Act, 1956



