MONARCH NEWORTH CAPITAL LIMITED

Fairness Opinion

On

Scheme of Amalgamation of

Epuja Web Solutions Private Limited.,

(Transferor Companies)

With

Sagar Productions Limited

(Transferee Company)

And Their Respective Shareholders

(UNDER SECTION 230 to 232 OF COMPANIES ACT, 2013)

Prepared by: Monarch Networth Capital Limited -Merchant Banking Division

September 17, 2020

The information contained herein is of a confidential nature and is intended for the exclusive use of the persons for whom it was prepared.

Monarch Networth Capital Ltd.

INDEX

Sr. No	Section Particulars	Page No.
1.	Background	03
2.	Reference & Context	04
3.	Proposed Transaction	04
4.	Engagement	05
5.	Basis of Forming Opinion	06
6.	Valuation Approaches and their Reviews	08
7.	Opinion	09

Monarch Networth Capital Ltd.

1. Background

Sagar Productions Limited ("SPL" or "Transferee Company") is a company incorporated under the Companies Act, 1956 ("Companies Act" or "the Act") having its registered office at Flat no. B-302, "Royal Sands", Ajmera Complex, Shastri Nagar, Behind Citi Mall, Off New Link Road, Andheri West, Mumbai-400053, Maharashtra, India. The Corporate Identification Number of SPL is L93000MH1980PLC170432.

SPL is widely held public listed company. The shares of SPL are listed on Bombay Stock Exchange. The SPL is inter alia engaged in Production of Television Programmes or Television Commercials and Media production or Media Trading Activities. Further SPL provides online and conventional facilities for prayers, rituals ceremonies and religious celebrations.

Epuja Web Solutions Private Limited ("EPWSPL" or "Transferor Company") is a company incorporated under the provisions of Companies Act, 1956/2013 having its registered office at Flat No. 62, 6th floor, Asha building 23 Dongersi Road, Malabar Hill, Mumbai-400006, Maharashtra, India. The Corporate Identification Number of EPWSPL is U74999MH2014PTC256176.

EPWSPL is inter alia engaged in business which provides online portal that offers access to religious ceremonies and remedy rituals across 3600 temples in India. Easy access to divine interaction and accountability of transactions including a wide network, online ecommerce facilitation and credibility.

As stated in the Scheme of Arrangement provided by the Transferee Company and the representations provided by the respective companies, the Transferor Company is engaged in the same line of business field of providing online and conventional facilities for prayers, rituals ceremonies and religious celebrations., further SPL is engaged into Production of Television Programmes or Television Commercials and Media production or Media Trading Activities.

In order to give effect to the desired objective of amalgamation, the directors of SPL and Transferor Company decided to merge Transferor Company with SPL through a scheme of amalgamation pursuant to Sections 230 to 232 of the Companies Act 2013. As enumerated in the draft scheme of amalgamation provided to us, SPL is expecting following significant benefits through the scheme of amalgamation.

- *The resources available with both the companies could be pooled together and the Transferee Company will be able to effectively utilize the same for the benefit of the Transferee Company on larger scale.*
- *There will be operational synergy in terms of procurement of benefits, common licence and reduction of administrative work, etc for the transferee company.*
- *This arrangement will lead to pooling of financial resources leading to more effective management of funds, greater economic scale and stronger base for future growth.*
- *The Operational cost will be reduced and the management will be able to run and operate Transferor company and Transferee company as a single unit more effectively and economically resulting in better turnover and profits.*
- *The Transferee company will have benefits of combined assets, man power and cash flows of the both the company.*
- *It will improve and consolidate internal controls and functional integration at various level of the organization such as information technology, human resources, finance, legal and general*

Monarch Networth Capital Ltd.

management leading to an efficient organization capable of responding swiftly to volatile and rapidly changing markets scenarios.

- *The amalgamation of the companies shall lead to consolidation of resources of the Transferor Company with the Transferee Company, thereby providing greater efficiency in operations and administrative affairs of the Transferee Company and thus optimizing the valuation of the consolidated company and its shareholders.*
- *The amalgamation shall also add to the financial strength of the Transferee Company. The consolidation of Transferor Company business with SPL would at one hand strengthen the financials of the listed entity for the benefit of all its stakeholders and on the other hand help Transferee Company business in getting future contracts and raising funds for expansion due to the listed status.*

Towards this purpose, the Board of Directors of SPL have provided us with a certified copy of the proposed scheme of amalgamation between Transferor Company and Transferee Company which is scheduled to be considered and approved at their board meeting to be held on 3rd October,2020. The proposed scheme of amalgamation will also be placed at the meeting of the Board of Directors of the EPWSPL.

2. Reference & Context

As the equity shares of SPL are listed on BSE it is bound by the listing agreement and the provisions thereof as amended from time to time.

We are a SEBI registered Category I merchant banker and we have applied ourselves towards formation and expression of the opinion on the valuation of assets done by the valuer Mr. Avinash Kothari, Registered valuer, registered with IBBI having Registration Number – IBBI/RV/05/2020/12837 ("valuer") dated September 14, 2020 in relation to this proposed scheme of amalgamation.

This Fairness Opinion is issued pursuant to Engagement Letter dated September 17, 2020 setting put the terms of services between MNCL and SPL.

3. Proposed Transaction

SPL proposes to amalgamation of EPWSPL into SPL. The proposed structure is as per the draft scheme of amalgamation provided to us by SPL.

As per the scheme, all the shares held by the Transferee Company in the Transferor Companies, shall be cancelled and against the remaining shares, equity shares, would be issued to the shareholders (other than shares held by the Transferee Company) of the Transferor Companies, in accordance with the share exchange ratio as certified by the Valuer. Transferee Company, without further application, act or deed, shall issue and allot to each of the shareholders of "Transferor Companies" (other than the shares already held therein immediately before the amalgamation by Transferee Company, its Nominee or Subsidiary Company).

Monarch Networth Capital Ltd.

4. Engagement

We, Monarch Networth Capital Limited., have been appointed to issue a fairness opinion in terms of sub Para 8(b) of Para I(A) of Annexure I of the SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017, read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on valuation of assets done by an independent valuer for the Transferor Company and Transferee Company pursuant to proposed scheme of amalgamation.

SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 provides that provisions of chapter V of SEBI (ICDR) Regulations 2018 shall be followed in case of issuance of shares to a select group of shareholders or shareholders of unlisted companies pursuant to scheme of arrangement. SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017 specifies the "relevant date" for the purpose of computing pricing shall be the date of Board meeting in which the draft Scheme is approved.

This Fairness Opinion is expressed solely with reference to requirements under aforementioned purpose; and scope of this assignment is restricted to opine about fairness of valuation already done by the valuer in relation to the proposed amalgamation transaction.

This opinion does not in any way constitute a recommendation by MNCL to any Shareholder as to whether such shareholder should approve or reject the proposed transaction, in cases where voting by public shareholders is warranted. We urge you to read this Fairness Opinion carefully and entirely.

We have been engaged by SPL to issue a Fairness Opinion and will receive a fixed fee for rendering this Fairness Opinion, which is independent of the happening or otherwise of the proposed transaction.

This Fairness Opinion may be reproduced in the explanatory statement sent to the shareholders along with the notice of general meeting / postal ballot form, conducted to get approval for the proposed transaction, so long as the form of reproduction of the Fairness Opinion in such report and any description of or reference in such report to MNCL, is in a form acceptable to us.

The opinion is issued at the request of the Board of Directors of the Transferee Company who have engaged us and we owe the contractual responsibility to them and nobody else. The opinion expressed in this report is non-binding and no claim of loss, damages, or liabilities arising out of acts of commission or omission done by third parties in relation to this transaction will lie against us.

There is no liability to any third party in relation to issuance of this Opinion and we shall not be answerable to any such third party. The Opinion when submitted to the Company will come under the ownership of the Company and the Company can use it only for the purposes for which it is issued. The permitted usage and sharing including the manner and mode of sharing of this Opinion will be strictly as permitted by the governing regulatory requirement. No selective sharing of this Opinion to any interested party whether or not a shareholder will be permitted unless an express regulatory order in this behalf is furnished.

Monarch Networth Capital Ltd.

The Company has agreed to furnish a certified copy of the Board approved scheme of amalgamation and also notify us in case of any modifications carried out in the proposed scheme already furnished to us.

Our current opinion is based on the assumption that the proposed scheme of amalgamation shared with us will be adopted by all the companies involved in transaction as such.

5. Basis of forming Opinion

5.1 Documents and Information Considered

For the purpose of providing our opinion, we have reviewed:

1. Audited financial statement of SPL for the year ended 31 March 2019 & 31 March 2020.

2. Audited Financial Statement of EPWSPL for the year ended 31 March 2019. Unaudited provisional financial statement of EPWSPL for the year ended 31 March 2020.

3. Latest Shareholding pattern of SPL and EPWSPL as at valuation date.

4.Financial Projection of EPWSPL from FY ended 2021 to FY ended 2025 ("Management Projection") which represent management's estimate of the future financial performance of EPWSPL .

5. Copy of the proposed Scheme of Amalgamation.

6. Certified copy of the valuation report of the valuer Mr. Avinash Kothari, Registered valuer, registered with IBBI having Registration Number – IBBI/RV/05/2020/12837, dated September 14, 2020 on the valuation for the proposed scheme.

7. Pre-amalgamation shareholding pattern of Transferor Companies.

8. Pre and Post amalgamation shareholding pattern of the Transferee Company.

9. Performed such other financial reviews and analyses as MNCL, in its absolute discretion, deemed appropriate.

Monarch Networth Capital Ltd.

5.2 Assumptions and Limiting Conditions

MNCL has been engaged to provide standard services for the issuance of the Fairness Opinion and therefore have not performed any due diligence or audit of the information provided to us, nor have we made any independent valuation or appraisal of the assets or liabilities.

MNCL has assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to us or used by us, in written or verbal form, and has assumed that the same are not misleading and does not assume or accept any liability or responsibility for any independent verification or checking of such information or any independent valuation or appraisal of any of the assets, operations or liabilities of SPL or the Transferor Companies.

With respect to the financial valuation, MNCL has assumed that they have been reasonably prepared on bases reflecting the best available estimates and judgments of the management of the Company at that time and carefully considered by the Valuer, and that no event subsequent to this and undisclosed to MNCL has had a material effect on them. MNCL does not assume or accept liability or responsibility for (and expresses no view as to) the assumptions on which they are based.

In preparing this opinion, MNCL has received specific confirmation from management of SPL that all the information the Company has provided to MNCL in relation to the engagement of MNCL is correct and complete and no information has been withheld that could have influenced the purpose of this Fairness Opinion. This opinion is also subject to various assumptions in collection, usage and application of information applied by the Valuer. The Opinion is also subject to various undertakings, confirmations given by the Company to the Valuer and the same shall be deemed to be extended for this Opinion also.

MNCL's opinion is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to MNCL or used by it up to, the date hereof. This opinion exclusively focuses on the fairness, from a valuation point of view, of the shares / assets done by the valuer and does not address any other issues such as the underlying business decision to recommend the transaction or its commercial merits, which are matters solely for the Boards of Directors of SPL and the Transferor Company to address and further to be confirmed by the shareholders of both the companies, as may be required.

MNCL's formation of fairness opinion is based on information supplied by SPL, its reprenstatives/consultants both in written and verbal form, representations and confirmations of its management on various issues and we have relied upon them as such without any independent verification and as such we do not hold ourselves liable if our opinion becomes flawed as a result of any shortcomings in such information, representations and confirmations given by SPL.

In rendering this opinion, MNCL has not provided legal, regulatory, tax, accounting or actuarial advice and accordingly MNCL does not assume any responsibility or liability in respect thereof. Furthermore MNCL has assumed that the proposed transaction will be consummated on the terms and conditions as set out in the proposed Scheme of Amalgamation, without any material changes to, or waiver of, its terms or conditions.

Monarch Networth Capital Ltd.

6. Valuation Approaches and their Review

6.1. Overview

The formation of a fairness opinion is a complex process involving careful consideration and review of valuation methods, associated financial and other analyses, performed by the valuer. The selection and application of any or all of the generally accepted and commonly applied valuation methods to a particular circumstance is the discretion of the valuer, and hence, in arriving at its opinion, MNCL has made a qualitative assessment of the appropriateness of the method and subsequent application. Accordingly, MNCL believes that its analysis must be considered in its entirety and not based on any individual element or elements or without considering all associated narratives or descriptions of the analyses which could create a misleading or incomplete view of the comprehensive nature of the processes underlying its analyses and opinion.

6.2 Valuation

MNCL has reviewed the method of valuation adopted by the valuer. The report states that In case of amalgamation of Transferor Company with the Transferee Company, all the shares held by the Transferee Company in the Transferor Company, shall be cancelled and against the remaining shares, equity shares, would be issued to the shareholders (other than shares held by the Transferee Company) of the Transferor Company, in accordance with the following share exchange ratio;

While, 1347 Equity shares of face value of Re.1/- (Rupees One) each in Transferee Company for every 100 Equity shares of held in EPWSPL/ Transferor Company.

Valuer has valued the Transferee Company's shares on Market Price Method as on September 14, 2020 in accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, and SEBI (Issue of Capital and Disclosure Requirements) Regulations as per the data available on BSE Limited.

SPL and EPWSPL presently operating as going concern. SPL is generating profits while EPWSPL is expected to earn profits and generate positive cash flow in foreseeable future. NAV does not considered the future profit/cash generating capability of any business and hence valuer has not used NAV method in any company.Valuer provided with the future financial projections of both EPWSPL and SPL and valuer have valued EPWSPL and SPL as per DCF methodology.

Further, the Management Representation Letter(s) dated August 31, 2020 provided by EPWSPL states, interalia, that the recorded values of assets and liabilities stated in the provisional Balance Sheet of Transferor Company as on 31.03.2020 reflect true and fair view of the state of affairs and no events/impairment of assets have taken place after the Balance Sheet date which have a material impact on the said values.

6.3 Analysis of the Valuation

In the role of merchant banker giving an opinion about fairness of the valuation (mentioned above) done by the valuer, we had to examine whether the basis of arriving at the above value and the

Monarch Networth Capital Ltd.

valuation conclusion was fair. In the instant case, we performed certain procedures and made certain enquiries with the management of SPL. Some of the procedures / activities performed and the findings are mentioned below:

- Noted that the scheme involves merger of 2 (Two) Companies in which 1 (One) listed company and 1 (One) unlisted Company.
- Noted that amalgamation of Transferor Company with the Transferee Company, all the shares held by the Transferee Company in the Transferor Company, shall be cancelled and against the remaining shares, equity shares, would be issued to the shareholders (other than shares held by the Transferee Company) of the Transferor Company, in accordance with the following share exchange ratio.

    - 1347 Equity shares of face value of Re.1/- (Rupees One) each in Transferee Company for every 100 Equity shares held in EPWSPL/ Transferor Company.

- Noted that this report (Valuation Report) is prepared based on the concept of Going Concern which assumes that enterprise shall continue to operate and run its business for long.
- Noted that valuer have considered and adopted the International Valution Standard (IVS) published by The International Valuation Standard Council (IVSC) , which is the independent global standard setter for the valuation profession.
- The valuation methodology adopted for valuing SPL is in accordance with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, and SEBI (Issue of Capital and Disclosure Requirements) Regulations. Since the shares of SPL are publicly and frequently traded this seems fair. Noted the DCF methodology used. The future financial projections of both EPWSPL and SPL are available and valuer have valued EPWSPL and SPL as per DCF methodology.

7. Opinion

Based upon and subject to the foregoing, we are of the opinion on the date hereof, that the valuation done by the valuer for the proposed scheme of amalgamation is fair.

For **Monarch Networth Capital Limited**
(Merchant Banking Division)

Monarch Networth Capital Ltd.

Authorized Signatory.