



**STRICTLY PRIVATE & CONFIDENTIAL**

August 28, 2014

**The Board of Directors,  
Sri Adhikari Brothers Television Network  
Limited**  
6<sup>th</sup> Floor, Adhikari Chambers, Oberoi  
Complex, New Link Road, Andheri (W),  
Mumbai - 400053.

**The Board of Directors,  
Maiboli Broadcasting Private Limited**  
Adhikari Chambers, Oberoi Complex, New  
Link Road, Andheri (W), Mumbai -  
400053.

**The Board of Directors,  
Sri Adhikari Brothers Asset Holding  
Private Limited**  
Adhikari Chambers, Oberoi Complex, New  
Link Road, Andheri (W), Mumbai -  
400053.

**The Board of Directors,  
TV Vision Limited**  
4<sup>th</sup> Floor, Adhikari Chambers, Oberoi  
Complex, New Link Road, Andheri (W),  
Mumbai - 400053.

**The Board of Directors,  
MPCR Broadcasting Services Private  
Limited**  
Adhikari Chambers, Oberoi Complex, New  
Link Road, Andheri (W), Mumbai -  
400053.

**The Board of Directors,  
UBJ Broadcasting Private Limited**  
Adhikari Chambers, Oberoi Complex, New  
Link Road, Andheri (W), Mumbai -  
400053.

**The Board of Directors,  
HHP Broadcasting Private Limited**  
Adhikari Chambers, Oberoi Complex, New  
Link Road, Andheri (W), Mumbai -  
400053.

**The Board of Directors,  
Marvick Entertainment Private Limited**  
3-4 Sukh Shanti, 8<sup>th</sup> Road, JVPD Scheme,  
Vile Parle (West), Mumbai - 400049

**Sub: Fairness Opinion on**

- (a) Share entitlement ratio for Proposed Demerger of "Publication and Event Business" of Sri Adhikari Brothers Assets Holding Private Limited into Sri Adhikari Brothers Television Network Limited;**
- (b) Share entitlement ratio for Proposed Demerger of "Broadcasting Business" of Sri Adhikari Brothers Television Network Limited into TV Vision Limited**
- (c) Share entitlement ratio for Proposed Demerger of "Publication and Event Business" of Sri Adhikari Brothers Television Network Limited into Marvick Entertainment Private Limited**

Page 1 of 6



**FORTRESS CAPITAL MANAGEMENT SERVICES PVT. LTD.**

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Dear Sirs,

We refer to our discussion wherein the Management of Sri Adhikari Brothers Television Network Limited (hereinafter referred to as "SABTNL"), has requested Fortress Capital Management Services Private Limited ('us') to give a fairness opinion on the report issued by M/s SSPA & Co., Chartered Accountants ('SSPA') to recommend:

- a) Share entitlement ratio for the proposed demerger of "Publication and Event Business" (hereinafter referred to as "Publication Business") of Sri Adhikari Brothers Assets Holding Private Limited (hereinafter referred to as "SAB Assets") into SABTNL. SABTNL would issue preference shares to the shareholders of SAB Assets for the proposed demerger.
- b) Share entitlement ratio for the proposed demerger of "Broadcasting Business" (hereinafter referred to as "Broadcasting Business") of SABTNL into TV Vision Limited (hereinafter referred to as "TVL") along with investment in TV Vision Limited.
- c) Share entitlement ratio for the proposed demerger of "Publication and Event Business" (hereinafter referred to as "Publication Business") of SABTNL into Marvick Entertainment Private Limited (hereinafter referred to as "MEPL").

## 1. BACKGROUND, SCOPE AND PURPOSE OF THIS REPORT

### 1.1. SRI ADHIKARI BROTHERS TELEVISION NETWORKS LIMITED

Sri Adhikari Brothers Television Network Limited (hereinafter referred to as "SABTNL") was promoted by brothers Mr. Gautam Adhikari & Mr. Markand Adhikari in 1985 as a small family owned business. The Company operates in two segments Content Production & syndication and Broadcasting through its subsidiaries.

### 1.2 MAIBOLI BROADCASTING PRIVATE LIMITED

Maiboli Broadcasting Private Limited (hereinafter referred to as "MBPL") was incorporated in 2011 and as on April 1, 2014 it is a 100% subsidiary of SABTNL. MBPL is engaged in the business of operating a regional music channel on television under the brand name "Maiboli.

### 1.3 SRI ADHIKARI BROTHERS ASSETS HOLDING PRIVATE LIMITED

Sri Adhikari Brothers Assets Holding Private Limited (hereinafter referred to as "SAB Assets") is engaged in publication and event management business.

### 1.4 TV VISION LIMITED

TV Vision Limited (hereinafter referred to as "TVL") is a wholly owned subsidiary of SABTNL and was incorporated in 2009. TVL is into the Broadcasting Business and has launched national level music & comedy channel 'Mastiii' in September 2010.

### 1.5 UBJ BROADCASTING PRIVATE LIMITED

UBJ Broadcasting Private Limited (hereinafter referred to as "UBJ") operates regional channel 'Dhamaal' which was launched in May, 2011. UBJ is a 100% subsidiary of TVL.





**1.6 MPCR BROADCASTING SERVICE PRIVATE LIMITED**

MPCR Broadcasting Services Private Limited (hereinafter referred to as "MPCR") is a wholly owned subsidiary of TV Vision Ltd. and was incorporated in 2009. MPCR along with HHP and UBJ is engaged in regional broadcasting business.

**1.7 HHP BROADCASTING SERVICES PRIVATE LIMITED**

HHP Broadcasting Private Limited (hereinafter referred to as "HHP") is involved in broadcasting business and has launched regional channel 'Dabangg' in May, 2011. HHP is a 100% subsidiary of TVL.

**1.8 MARVICK ENTERTAINMENT PRIVATE LIMITED**

Marvick Entertainment Private Limited (hereinafter referred to as "MEPL") is incorporated in March 2014 to cater into media business. MEPL is currently held privately by Mr. Gautam Adhikari and Mr. Markand Adhikari.

**1.9 Under the scheme of amalgamation and arrangement it is proposed to:**

1.9.1 Amalgamate MBPL into SABTNL (Part II of the scheme). No share would be issued on amalgamation since MBPL is 100% subsidiary of SABTNL as at April 1, 2014. The appointed date for the amalgamation is April 1, 2014.

1.9.2 Demerger of "Publication Business" of SAB Assets into SABTNL with an appointed date of April 1, 2014 (Part III of the scheme). SABTNL would issue redeemable preference shares to the shareholders of SAB Assets on demerger.

1.9.3 Demerger of "Broadcasting Business" of SABTNL (post amalgamation of MBPL into SABTNL and demerger of "Publication Business" of SAB Assets into SABTNL) into TVL with an effective date as appointed date. TVL would issue shares to the shareholders of SABTNL on demerger. As part of the same Scheme the "Broadcasting Business" of wholly owned subsidiary of TVL namely; UBJ, MPCR and HHP will be demerged into TVL. No shares will be issued on demerger from UBJ, MPCR and HHP since they are 100% subsidiaries of TVL (Part IV of the scheme).

1.9.4 Demerger of "Publication Business" of SABTNL (post-merger of MBPL and Demerger of "Publication Business" of SAB Assets into SABTNL) into MEPL with an effective date as appointed date (Part V of the scheme). MEPL would issue shares to the shareholders of SABTNL on demerger.

1.10 The above scheme of amalgamation and arrangement is proposed under Sections 391 to 394 read with Section 78 and Sections 100 to 103 and section 52 and other applicable provisions of the Companies Act, 1956 and provisions of the Companies Act, 2013, to the extent applicable (hereinafter referred to as the "Scheme").







- 1.11 SABTNL, SAB Assets, TVL, UBJ, MPCR, HHP and MEPL hereinafter will be collectively referred to as the "Companies".
- 1.12 In this regard, SSPA & Co. ('SSPA') has been appointed to carry out the valuation of "Publication Business" of SAB Assets and recommend the share entitlement ratio for Part III. SSPA has also been requested to recommend the share entitlement ratio for Part IV and Part V.
- 1.13 Accordingly, SABTNL has appointed us to give a fairness opinion on report issued by SSPA and scheme of amalgamation and arrangement in connection with the proposed amalgamation and arrangement.
- 1.14 The information contained in our report herein is confidential. It is intended only for the sole use of captioned purpose including for obtaining the requisite statutory approvals.

## 2. SOURCES OF INFORMATION

For the purposes of this exercise, we have relied upon the following sources of information:

- 2.1 Audited financial statements of SABTNL, MBPL, Sub Assets, TVL, UBJ, MPCR and HHP for the year ended March 31, 2014.
- 2.2 Draft Composite Scheme of Amalgamation and Arrangement u/s 391 to 394 read with Section 78 and Sections 100 to 103 and section 52 and other applicable provisions of the Companies Act, 1956 and provisions of the Companies Act, 2013, to the extent applicable.
- 2.3 Management certified statement of assets and liabilities of "Publication Business" of SAB Assets as on March 31, 2014.
- 2.4 Management certified statement of assets and liabilities of "Broadcasting Business" of UBJ, MPCR and HHP as on March 31, 2014
- 2.5 Management certified statement of assets and liabilities of "Broadcasting Business" of SABTNL as at April 1, 2014.
- 2.6 Other relevant details regarding the Companies such as their history, past and present activities, future plans and prospects, existing shareholding pattern and other relevant information and data, including information in the public domain.
- 2.7 Valuation Report dated August 28, 2014 of the SSPA.
- 2.8 Such other information and explanations as we required and which have been provided by the Management including Management Representations.





### 3. EXCLUSIONS AND LIMITATIONS

- 3.1 Our conclusion is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financials and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy with limited independent appraisal.
- 3.2 We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
- 3.3 Our work does not constitute verification of historical financials or including the working results of the Companies referred to in this report. Accordingly, we are unable to and do not express an opinion on the fairness or accuracy of any financial information referred to in this report.
- 3.4 Our opinion is not intended to and does not constitute a recommendation to any shareholders as to how such shareholder should vote or act in connection with the Scheme or any matter related therein.
- 3.5 Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this Opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with SABTNL.
- 3.6 Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation and 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.
- 3.7 We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.
- 3.8 We do not express any opinion as to the price at which shares of the Resulting Company may trade at any time, including subsequent to the date of this opinion.
- 3.9 This certificate has been issued for the sole purpose to facilitate the Company to comply with clause 24(f) and 24(h) of the Listing Agreement and SEBI Circular No CIR/CFD/DIL/5/2013 dated 4 February 2013 and CIR/CFD/DIL/8/2013 dated 21 May 2013 and it shall not be valid for any other purpose.

### 4. VALUATION METHODOLOGY ADOPTED BY SSPA

SSPA has adopted "Underlying Asset" approach to carry out valuation of "Publishing Business" and determine the share entitlement ratio.



## 5. CONCLUSION

- 5.1 We have reviewed the Scheme of Amalgamation and Arrangement and methodology adopted by SSPA along with the underlying assumptions for arriving at the share entitlement ratio.
- 5.2 On the basis of the foregoing and based on the information and explanation provided to us, in our opinion, a share entitlement ratio as recommended by SSPA of 2,381,068 number of 0.01% Redeemable Preference Shares of SABTNL of INR 10 each fully paid up as consideration for demerger of the "Publication Business" of SAB Assets into SABTNL is fair.
- 5.3 On the basis of the foregoing and based on the information and explanation provided to us, in our opinion considering that all the shareholders of SABTNL are and will, upon demerger, be the ultimate beneficial owners of TVL and MEPL and in the same ratio (inter se) as they hold shares in SABTNL. For demerger of "Broadcasting Business" into TVL and "Publication Business" of SABTNL into MEPL following share entitlement ratio recommended by SSPA are fair:
- 5.3.1 1 (one) equity share of INR 10 each fully paid up of TVL for every 1 (one) existing equity shares of SABTNL of INR 10 each fully paid up to equity shareholders of SABTNL and 10,000 (Ten Thousand) 0.01% Redeemable Preference Shares of INR 10 each of TVL to the preference shareholders of SABTNL
- 5.3.2 3 (Three) equity share of INR 10 each fully paid up of MEPL for every 10 (Ten) existing equity shares of SABTNL of INR 10 each fully paid up to equity shareholders of SABTNL and 10,000 (Ten Thousand) 0.01% Redeemable Preference Shares of INR 10 each of MEPL to the preference shareholders of SABTNL

Upon issue of preference shares issued pursuant to para 5.3.1 and 5.3.2, equal number of preference shares issued pursuant to para 5.2 shall stand cancelled in SABTNL.

On the basis of the foregoing, in our opinion the proposed amalgamation and arrangement under a Scheme of Amalgamation and arrangement is fair and reasonable.

Thanking you,

Yours faithfully,

For Fortress Capital Management Services Pvt. Ltd.

*Hitesh M. Joshi*

Authorized Signatory

Place: Mumbai

SEBI Registration No.: INM000011146

