

FAIRNESS OPINION

JAIN STUDIOS LIMITED

October 20, 2013



Ref. No: CPC/MB/036/2013-14

Dated 20.10.2013

SEBI Reg. No: INM000011435

To

**The Board of Directors
Jain Studios Ltd
Scindia Villa, Sarojini Nagar
Ring Road, New Delhi-110023**

Subject: Fairness Opinion on the Valuation Report of Jain Studios Ltd provided by M/s Rahul Bansal & Company, Chartered Accountants for the purpose of reduction of capital through petition/ scheme of arrangement to be filed before the high court u/s 100/ 391 of the companies act, 1956.

Dear Sir,


We refer to our discussion held with the key management personnel of M/s Jain Studios Limited, (here-in-after referred as "Company") for the purpose of arriving at an opinion on the Valuation report issued by Rahul Bansal & Company, Chartered Accountants pursuant to a Scheme of Arrangement for reduction of capital of Jain Studios Limited through petition/ scheme of arrangement to be filed before the high court u/s 100/ 391 of the companies act, 1956.

In terms of our discussion, 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 review of the Scheme of arrangement, Valuation report and other documents submitted to us by the Management of the Company. All comments as contained herein must be read in conjunction with the Caveats to this opinion.

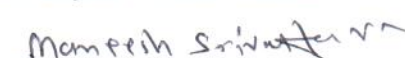
The opinion has been prepared exclusively for the management of the Company. It should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration 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

[Vice President]


Maneesh Srivastava

[Senior Manager]



Content

Context and Background 4

Conclusion & Opinion 5

Caveats 6



CONTEXT AND BACKGROUND

1. Jain Studios Ltd., New Delhi (hereinafter referred to as the 'Company') is a company incorporated on 3rd January 1991 under the Companies Act, 1956. The company is presently engaged in Broadcasting, Third Party Video Productions and other related activities. The Company currently operates a 24-hour News and Current Affairs channel under the brand name "JAIN Television". The company is listed at Bombay Stock Exchange and National stock exchange beside the regional stock exchanges.
2. Pursuant to the Scheme of Arrangement the company wants to undergo Capital Reduction through a scheme of arrangement of its promoters share capital of 53,00,000 shares which were not able to get a listing status at the stock exchange.
3. The above 53,00,000 equity shares could not be listed, as National stock Exchange (NSE), vide their letter dated 12th September 2008 informed that for the reasons of lapse of provisions of CI 13.3.1 (g) of erstwhile SEBI (DIP) Guidelines and that of CI 24(a) of the Listing Agreement. **Hence it has created a mismatch between the paid up capital and the listed capital of the company.**
4. In accordance with Clause 24(h) of the Listing Agreement and SEBI Circular CIR/CFD/DIL/5/2013, dated February 04, 2013 as applicable to the Listed Companies, the listed Company as well as the Unlisted Company 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."

5. With reference to the above, we, **Corporate Professionals Capital Private Limited, a SEBI Registered Merchant Banker**, have been appointed by M/s, Jain Studios Limited to provide the "Fairness Opinion" in accordance with the SEBI Circular, stated above.



CONCLUSION & OPINION

- The Capital Reduction will remove the mismatch of between the paid up and the listed capital of the Company
- The proposed reduction of capital is only on the Promoters' shares and public is not being affected due to the same.
- We have reviewed the scheme of arrangement and the valuers report related to the proposed reduction of capital for removing the mismatch of equity shares between the paid up capital and the listed capital in reference to 5,300,000.

"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant SEBI circular dated February 04, 2013, we have reviewed the valuation report of M/s Rahul Bansal & Company, Chartered Accountant on the scheme of Arrangement (reduction of capital) and are of the opinion that it is fair and reasonable from the perspective of Equity Shareholders of the Company".



CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective key management, and other public available information while verifying the valuation report of the Valuer. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- 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 Jain Studios Ltd 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 any transaction.
- Although every effort has been made by us to verify and corroborate each document and to ensure that no inaccurate or misleading data, information, statement or opinion appears in this document, we wish to make it clear that the information and data appearing herein are the responsibility of the contributors. Accordingly, we do not accept any responsibility whatsoever for the consequences of any such inaccurate or misleading information or data, opinion or statement.
- 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 Jain Studios 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 this report.
- The Fairness Opinion provided by us should not be construed as a legal opinion on the scheme of arrangement.

