**HT MEDIA LIMITED**

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CIN : L22121DL2002PLC117874
May 10, 2019

Ref: HTML/CS/02/2019

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
MUMBAI - 400 001

National Stock Exchange of India
Limited
Exchange Plaza
Plot No. C/1, G Block
Bandra-Kurla Complex
Bandra (East)
MUMBAI - 400 051

Trading Symbol: HTMEDIA
Security Code: 532662
ISIN: INE501G01024

Dear Sir(s)/Madam,

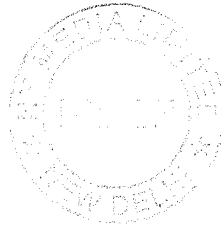
Sub: Apportionment of Cost of Acquisition of Equity Shares of HT Media Limited and fresh shares issued by Digicontent Limited pursuant to a Scheme of Arrangement (Demerger)

Please find enclosed herewith a communication being issued for general guidance of shareholders of HTML, regarding apportionment of cost of acquisition of equity shares of HT Media Limited with fresh equity shares allotted by Digicontent Limited to the eligible shareholders of HTML, in consideration of transfer and vesting of "Entertainment and Digital Innovation Business" of HTML to DCL, pursuant to a Scheme of Arrangement (Demerger) sanctioned by Hon'ble National Company Law Tribunal, New Delhi Bench.

This is for your information please.

Thanking you,

Yours faithfully,
For HT Media Limited



(Dinesh Mittal)
Group General Counsel & Company Secretary
Encl:- As above

FOR THE ATTENTION OF EQUITY SHAREHOLDERS OF HT MEDIA LIMITED

Pursuant to the Scheme of Arrangement between HT Media Limited ("the Company" or "HTML") and Digicontent Limited ("Resulting Company" or "DCL") and their respective shareholders and creditors u/s 230-232 r/w section 66 of the Companies Act, 2013 ("the Scheme"), sanctioned by Hon'ble National Company Law Tribunal, New Delhi Bench vide order dated 7th March, 2019, the Entertainment & Digital Innovation Business ("Demerged Undertaking") of HTML(as defined in the Scheme) has been transferred to and vested in DCL with effect from March 31, 2018 (closing business hours) i.e. the Appointed Date. In terms of para 12 of the Scheme, in consideration of the aforesaid transfer of Demerged Undertaking from HTML to DCL, DCL shall issue and allot its equity shares to the shareholders of HTML, in the ratio as mentioned here under. *"1 (one) equity share of face value Rs.2/- (Rupees two) of DCL each credited as fully paid-up, for every 4 (four) equity share of face value of Rs.2/- (Rupees two) each by the shareholders of HTML"*

In the above connection , the Board of Directors of HTML had fixed April 10, 2019 as the "Record Date" for determining the list of Shareholders to whom shares will be allotted by DCL pursuant to the Scheme. Thereafter, the Board of Directors of DCL, in its meeting held on April 12, 2019 has issued and allotted its 5,81,87,078 equity shares of Rs.2/- each to the eligible shareholders of HTML.

This information is meant for the Shareholders of HTML (who were allotted equity shares by DCL pursuant to the Scheme) regarding the method of apportionment of cost of equity shares of HTML with fresh equity shares allotted by DCL, including date of acquisition thereof, as per the provisions of the Income Tax Act, 1961 ("the Act")

Reference of Equity Shareholders of HTML is invited to the following:

1. As per Section 47(vii) of the Act, issue of fresh equity shares by DCL in terms of the Scheme, to the eligible shareholders of HTML in consideration of the transfer and vesting of Demerged Undertaking, will not be regarded as 'transfer' and therefore, there is no capital gain implication for the shareholders of HTML.
2. In accordance with clause (g) in Explanation 1 to Section 2(42A) of the Act, the date of acquisition of new shares of DCL for the purpose of computation of capital gain (at the time of subsequent sale), shall be the date when the equity shares of HT Media Limited were originally acquired
3. According to the provisions of Section 49(2C) of the Act, the cost of acquisition of DCL shares shall be calculated on a case to case basis, as under:-

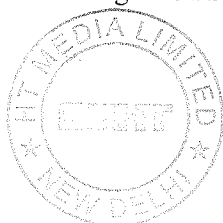
$$\frac{\text{Cost of acquisition of shares in HTML} \times \text{Net book value of assets transferred to Digicontent Ltd}}{\text{Net worth of HT Media Limited before demerger}}$$

The cost of acquisition of the shares of HT Media Limited in the hands of the respective Shareholders will be reduced by the cost of acquisition ascribable to the New Shares.

For the purpose of above computation, please consider -

Net book value of the assets transferred as Rs 11,867 lakhs

Net worth of HT Media Limited before demerger as Rs 189,939 lakhs



This communication is intended solely for the guidance and convenience of Shareholders of HT Media Limited and Digicontent Limited. This should not be considered a substitute for any independent opinion the shareholders of these companies may like to obtain or seek at their own discretion. If there is any change, including a change with retrospective effect, in the applicable laws and regulations, we do not undertake responsibility to update this communication at any time in the future.

Please note the concerned regulatory, statutory or judicial authorities, including any assessing officer / appropriate appellate authority, could take a different or contrary view on the matter, and the Company assumes no express or implied liability in relation to this guidance.

For **HT Media Limited**


(Dinesh Mittal)

Group General Counsel & Company Secretary

