

HT Media Limited

Registered Office : Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi - 110 001

COURT CONVENED MEETING OF THE EQUITY SHAREHOLDERS OF HT MEDIA LIMITED	CONTENTS	PAGE NO.
Day : Wednesday	Notice of Court convened meeting of the Equity Shareholders of HT Media Limited	1
Date : 2 nd February, 2011	Explanatory Statement under Section 393 of the Companies Act, 1956	2-5
Time : 12.00 Noon	Fairness Opinion from M/s Fortress Capital Management Services Pvt. Limited, Mumbai	6
Venue : FICCI Golden Jubilee Auditorium Tansen Marg New Delhi - 110 001	Scheme of Arrangement and Restructuring under Sections 391 to 394 read with Sections 100 to 104 of the Companies Act, 1956	7-15
	Form of Proxy	16
	Attendance Slip	18

**IN THE HIGH COURT OF DELHI AT NEW DELHI
ORIGINAL COMPANY JURISDICTION
COMPANY APPLICATION (M) NO. 230 OF 2010**

IN THE MATTER OF :

Sections 391 to 394 read with
Sections 100 to 104 of the Companies Act, 1956

And

IN THE MATTER OF :

Scheme of Arrangement and Restructuring between Firefly e-Ventures Limited ("**Transferor Company**") and HT Media Limited ("**Transferee Company**") :

HT MEDIA LIMITED

A company incorporated under the provisions of the Companies Act, 1956 having its registered office at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi - 110 001

..... Transferee Company/
Applicant Company

NOTICE CONVENING MEETING OF EQUITY SHAREHOLDERS

To,
The Equity Shareholder(s) of HT Media Limited

NOTICE IS HEREBY GIVEN that by an Order made on 22nd day of December, 2010, the Hon'ble High Court of Delhi at New Delhi has directed that a meeting of the equity shareholders of HT Media Limited, the Applicant Company/Transferee Company, be held at FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi - 110 001 on Wednesday, the 2nd day of February, 2011 at 12.00 Noon, for the purpose of considering, and if thought fit, approving with or without modification, a Scheme of Arrangement and Restructuring between the Applicant Company and Firefly e-Ventures Limited.

TAKE FURTHER NOTICE that in pursuance of the said Order, a meeting of the equity shareholder(s) of HT Media Limited, the Applicant Company will be held at FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi - 110 001 on Wednesday, the 2nd day of February, 2011 at 12.00 Noon, when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that proxy in the prescribed form, duly signed by you, is deposited at the Registered Office of the Applicant Company at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi - 110 001 not later than 48 hours before the time fixed for the meeting.

The Hon'ble High Court of Delhi has appointed Ms. Manisha Tyagi, Advocate, and Mr. Chander Shekhar Patney, Advocate to be Chairperson and Alternate Chairperson, respectively of the said meeting.

A copy each of the said Scheme of Arrangement and Restructuring, the Statement under Section 393 of the Companies Act, 1956 and form of proxy is enclosed.

Sd/
(MANISHA TYAGI)
Chairperson appointed for the meeting

Place: New Delhi

Date : 29th December, 2010

Note: All alterations made in the Form of Proxy should be initialed.

**IN THE HIGH COURT OF DELHI AT NEW DELHI
ORIGINAL COMPANY JURISDICTION
COMPANY APPLICATION (M) NO. 230 OF 2010**

(Under Sections 391 to 394 read with
Sections 100 to 104 of the Companies Act, 1956)

AND

IN THE MATTER OF :

Sections 391 to 394 read with
Sections 100 to 104 of the Companies Act, 1956

AND

IN THE MATTER OF :

Scheme of Arrangement and Restructuring between:

HT MEDIA LIMITED

A company incorporated under the provisions of the Companies Act, 1956 having its registered office at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi – 110 001

Applicant/Resulting Company

And

FIREFLY e-VENTURES LIMITED

A company incorporated under the provisions of the Companies Act, 1956 having its registered office at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi – 110 001

Demerged Company

**STATEMENT UNDER SECTION 393 OF
THE COMPANIES ACT, 1956**

- In this statement, Firefly e-Ventures Limited is referred to as the “**Demerged Company**” and HT Media Limited is referred to as the “**Resulting Company**”. The other definitions contained in the Scheme (as defined below), will also apply to this Statement.
- Pursuant to the Order dated December 22, 2010 passed by the Hon'ble High Court of Delhi in Company Application referred to above, a meeting is being held at FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi - 110 001 on Wednesday, the 2nd day of February, 2011 at 12.00 Noon of the Equity Shareholders of HT Media Limited (herein after referred to as the “Resulting Company”) for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme of Arrangement and Restructuring which, inter alia, provides for demerger of Job Portal Undertaking (as defined in the Scheme) of Firefly e-Ventures Limited and transfer and vesting thereof into HT Media Limited (hereinafter referred to as the “**Scheme**”).
- Pursuant to the Order dated December 22, 2010 passed by the Hon'ble High Court of Delhi in Company Application referred to above, a meeting is being held at FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi - 110 001 on Wednesday, the 2nd day of February, 2011 at 2.30 p.m. , of the Unsecured Creditors of the Resulting Company for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme which, inter alia, provides for demerger of Job Portal Undertaking of Firefly e-Ventures Limited and transfer and vesting thereof into HT Media Limited.
- Pursuant to the Order dated December 22, 2010 passed by the Hon'ble High Court of Delhi in Company Application referred to above, a meeting is being held at FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi - 110 001 on Wednesday, the 2nd day of

February, 2010 at 4 p.m. of the Secured Creditors of the Resulting Company for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme which, inter alia, provides for demerger of Job Portal Undertaking of Firefly e-Ventures Limited and transfer and vesting thereof into HT Media Limited.

OVERVIEW

- The proposed Scheme envisages, inter-alia, demerger of Job Portal Undertaking of Firefly e-Ventures Limited and transfer and vesting thereof into HT Media Limited including consequential or related matters.

BACKGROUND

- The Resulting Company is a public limited company incorporated under the Companies Act, 1956 on December 3, 2002 within the territorial jurisdiction of the Hon'ble High Court of Delhi at New Delhi.
- The registered office of the Resulting Company is situated at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi -110 001.
- The capital structure of the Resulting Company as on March 31, 2010 was as set out below:

Particulars	Rupees
Authorized Capital	
36,25,00,000 Equity Shares of Rs. 2 each	72,50,00,000
Issued, Subscribed and Paid-up Capital	
23,50,21,035 Equity Shares of Rs. 2 each fully paid up	47,00,42,070

There is no change in the above capital structure after March 31, 2010

The post-arrangement (expected) capital structure of the Resulting Company will be as follows:

Particulars	Rupees
Authorized Capital	
36,25,00,000 Equity Shares of Rs. 2 each	72,50,00,000
Issued, Subscribed and Paid-up Capital	
24,33,43,622 Equity Shares of Rs. 2 each fully paid up	48,66,87,244

- The main objects of the Resulting Company as set out in the Memorandum of Association are as follows:
 - To print, publish and conduct for sale one or more newspapers and other periodicals including magazines, books, pamphlets or any other publication in English, Hindi or any other language, anywhere in India, either daily or otherwise.
 - To manufacture, produce, exhibit, distribute, buy and sell, assign, licence, telecast, broadcast news and current affairs, television films, commercial films, video films, video magazines and to engage in other similar activities related thereto.
 - To engage in the business of dissemination of news, knowledge and information of general interest, across the globe, through web-page design, creation, hosting and any business relating to the Internet or e-mail, networking and communication environments.
 - To engage in the business of radio broadcast and all other allied activities including producing, buying, selling and distribution of radio programs.
 - To carry on in India and elsewhere the business to produce, promote, manage project, procure or acquire rights, participate, manufacture, process, prepare, alter, develop, expose, edit, exhibit, broadcast, transmit, make, remake, display, print, reprint, convert, duplicate, finish, buy, sell, run, import, export and deal in any manner, act as broker, agent, distributor, proprietor, organizers, promoters, sponsors, copyright owners, audio and video right owners, media partners and media advisors of all

kinds of live and recorded sports, entertainment events, news and current affair events, summits, pageants, concerts, shows, exhibitions, premiers in all languages in India or elsewhere.

- vi. To carry on business as advertising agent, to purchase and sell advertising time or space on any media like, newspaper, magazine, pamphlet, publications, television, radio, mobile, internet, satellite in India or abroad or any other kind of media currently in vogue or which may be in vogue at any time and to act as agent or representative for any person(s), or entities for soliciting/booking advertisements and/or any other promotional, commercial and other programs on any form of media or medium including collection of charges and remittances thereof, to principals and any other activities related to or necessary in the context of the said business.
10. The Demerged Company was incorporated under the Companies Act, 1956 on June 11, 2007 as "Medialab Web Solutions Limited" and subsequently its name was changed to "Firefly e-Ventures Limited" w.e.f. 20th August, 2007, within the territorial jurisdiction of the Hon'ble High Court of Delhi at New Delhi.
11. The registered office of the Demerged Company is situated at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi -110 001.
12. The capital structure of the Demerged Company as on March 31, 2010 was as set out below :

Particulars	Rupees
Authorized Capital	
6,00,00,000 Equity Shares of Rs. 10 each	60,00,00,000
Issued, Subscribed and Paid-up Capital	
5,50,00,000 Equity Shares of Rs. 10 each fully paid up	55,00,00,000

There is no change in the above capital structure after March 31, 2010

The post-arrangement (expected) capital structure of the Demerged Company will be as follows:

Particulars	Rupees
Authorized Capital	
12,90,00,000 Equity Shares of Rs. 10 each	129,00,00,000
Issued, Subscribed and Paid-up Capital	
73,10,000 Equity Shares of Rs. 10 each fully paid up	7,31,00,000

13. The Main Objects of the Demerged Company as set out in its Memorandum of Association are as follows:
- i. To engage in the business of dissemination of news, knowledge and information of general interest, in India and abroad, by web-page design, creation and hosting and any business relating to the internet or e-mail, networking and communication environments.
- ii. To carry on various other internet based or related on-line business like search engine, jobs, property, automobile, classifieds, matrimonial, travel, sale/purchase of merchandises and/or providing services etc. through internet/on-line medium and/or to provide various web-based services including gaming, blogging, audio/video streaming etc. by designing, creating, hosting, servicing etc., appropriate web sites, merchandising the web-sites in one or different names, sale of advertisement space on own/other web-sites or any other Internet based media, to be the licensee of different web-sites, web related products or internet related activities and to execute e-commerce, e-logic, e-solutions, business of internet service, electronic mail service, facsimile service, content marketing efficiency model, content and event aggregation for online medium and/or mobile applications, providing or engaging in business of m-commerce solutions, providing content for value added services in mobile telephones and/or other communication systems.
- iii. To carry on the business of gathering, accumulating, organizing, tabulating, managing, obtaining, collecting,

purchase, acquisition, import, dissemination, disposal, export, sales and marketing of and trading in, on internet and/or any other on-line medium, all types of information, data, statistics, computer based information systems and library and information sciences, both in the form and nature in which the same may be so gathered, accumulated, organized, tabulated, obtained, imported, acquired, collected or purchased and also in all types of modified forms, formats, manner and nature.

14. The Demerged Company is a subsidiary of HT Digital Media Holdings Limited, which in turn, is a wholly-owned subsidiary of the Resulting Company.

RATIONALE AND BENEFITS

15. The background, circumstances and benefits which justify the proposed Scheme are, inter alia, as follows -
- I. The transfer and vesting of the Job Portal Undertaking of Demerged Company into Resulting Company is in the interests of the shareholders, creditors and all other stakeholders of both the companies. The restructuring under this Scheme would enable focused business approach for the maximisation of benefits to all stakeholders and opportunity for growth.
- II. The business of Job Portal Undertaking and other related business(s), has incurred substantial losses since inception on account of brand building, employee and other operational costs, capital expenditure, etc., all of which have resulted in substantial erosion of the share capital/net worth of Demerged Company.
- III. It is proposed to demerge the Job Portal Undertaking of Demerged Company and transfer and vest the same into Resulting Company as a going concern, in view of the following likely benefits/advantages:
- a) The job related supplement of Resulting Company's flagship publication viz. Hindustan Times namely, 'HT Power Jobs', was renamed as "Shine" to leverage on the brand name. It has been well accepted by the readers. The proposed demerger will, on one hand offer the advertisers, attractively bundled advertising options in the print, Job Portal and FM Radio mediums, and on the other hand enable Resulting Company to garner a larger share of advertising spend and offer operational synergies.
- b) Job Portal Undertaking of Demerged Company is still in the consolidation and expansion mode and hence is likely to continue incurring losses in near term. This may result in further erosion of share capital/net worth of Demerged Company.
- c) The Job Portal Undertaking has been in need of funds and in the near future, is likely to be in continuous need of funds to fund its losses/expenses. Resulting Company has an ongoing cash generation capacity, as it is already rendering financial support from time to time, whenever required, to the Job Portal Undertaking.
- d) The Business of operating social net-working and education web-sites have potential of generating profits. Currently, they are at a stage where they require focused management attention. Moreover, the nature of risk and return involved in these businesses are distinct from that of Job Portal Undertaking.
- e) Attracting and retaining employees of the Job Portal Undertaking would be easy in Resulting Company, being a profitable entity, as compared to Demerged Company, which has been incurring losses since inception.
- f) Resulting Company is already running two news portals namely, "hindustantimes.com" and "livemint.com" and other business related websites. Therefore, Resulting Company may leverage its experience of running internet portal operations alongwith technical and sales manpower to increase the business prospects of job portal "Shine.com".

SALIENT FEATURES OF THE SCHEME

16. The salient features of the Scheme are as follows:-
- i. Upon the Scheme becoming effective, the Zero Coupon Compulsorily Convertible Debentures issued by Demerged Company to its holding company viz. HT Digital Media Holdings Limited aggregating to Rs. 74 Crore shall be converted 7,40,00,000 Equity Shares of Rs. 10 each fully

paid up of Demerged Company and the authorized share capital of Demerged Company in Clause V of Memorandum of Association shall automatically stand increased/alterd/ revised, without any further resolution, act, deed or thing and shall be deemed to be sufficient compliance with Section 94 and other relevant provisions of the Companies Act, 1956 and rules made thereunder in the said behalf. Such conversion of the existing Zero Coupon Compulsorily Convertible Debentures issued by Demerged Company to HT Digital Media Holdings Limited in terms of this Scheme, shall override original terms of their issue, including conversion thereof into Equity Shares as provided under Clause 4 of the Scheme.

GENERAL

17. The Scheme is not prejudicial to the interests of the shareholders, creditors (secured and unsecured) and all other stakeholders of both the companies. The Scheme does not affect the interests of secured and unsecured creditors because no sacrifice/waiver is sought from them under the Scheme and their rights remain the same.

18. The share exchange ratio for the issue of equity shares of the Resulting Company to the equity shareholders of the Demerged Company in consideration of demerger of Job Portal Undertaking of the Demerged Company into the Resulting Company, was computed and recommended by M/s SSPA & Co., Chartered Accountants, Mumbai ("Valuer") who have submitted the Report dated December 8, 2010 containing their recommendations.

The Demerged Company and the Resulting Company have also sought and obtained Fairness Opinion on the valuation carried out by M/s. SSPA & Co. from M/s. Fortress Capital Management Services Private Limited, Mumbai, a SEBI Registered Merchant Banker. The said merchant banker after reviewing the methodology and fairness of the valuation arrived at by the Valuer, has opined that the valuation carried out by Valuer and the share exchange ratio recommended is fair. A copy of the said Fairness Opinion dated December 8, 2010 is enclosed herewith.

19. The Board of Directors/Committee of Board of Directors of the Resulting Company and the Demerged Company have, based on and relying upon the aforesaid expert advice and on the basis of their independent evaluation and judgement, come to the conclusion that the proposed share exchange ratio is fair and reasonable to the shareholders of the Demerged Company and the Resulting Company and have accepted the said suggested share exchange ratio.

20. Accordingly, the Board of Directors/Committee of Directors of both the Demerged Company and the Resulting Company have, at their respective meetings held on December 8, 2010, passed resolutions approving the Scheme.

21. National Stock Exchange of India Limited (NSE) and The Bombay Stock Exchange Limited (BSE) have, by their letters dated December 15, 2010 and December 20, 2010 respectively, granted their no-objection under Clause 24(f) of the Listing Agreement to the said Scheme. The Resulting Company, vide its letter dated December 15, 2010 has undertaken to BSE to subject 25% of the new shares to be issued to the shareholders of the Demerged Company for lock-in i.e. 20,80,651 equity shares, for a period of 3 years from the date of listing at the BSE, if so required under the applicable laws and regulations in force, as on the Appointed Date as per the Scheme.

22. No investigation proceedings have been instituted or are pending under Sections 235 to 251 of the Companies Act, 1956 against the Demerged Company and the Resulting Company.

23. The following is the list of common directors on the board of the Demerged Company and the Resulting Company -

1. Smt. Shobhana Bhartia
2. Shri Priyavrat Bhartia
3. Shri Shamit Bhartia
4. Shri Rajiv Verma

24. The Directors of the Demerged Company and the Resulting Company may be deemed to be concerned and/or interested in the proposed Scheme to the extent of the shares that may be held by them or by the companies, firms, institutions or trusts of which they are Directors, Partners, Members or Trustees in the Demerged Company or the Resulting Company, as the case may be. None of the Directors of the Demerged Company and/or the Resulting Company have any material interest in the Scheme except as shareholders to the extent, which will appear from the Register of Directors' Shareholding maintained by the Demerged Company and the Resulting Company.

ii. With effect from Appointed Date (as defined in the Scheme), and upon the Scheme becoming effective, the Job Portal Undertaking of the Demerged Company shall stand transferred to and vested, as a going concern to the Resulting Company at their book values and the Job Portal Undertaking shall consequently vest in the Resulting Company as provided under Clause 5 of the Scheme.

iii. Upon the Scheme coming into effect, in consideration for the transfer of and vesting of the assets and liabilities of the Job Portal Undertaking in Resulting Company in terms of the Scheme, the Resulting Company shall, issue and allot to every equity shareholder of the Demerged Company and whose names appear in the Register of Members of the Demerged Company, on the Record Date, 1 (One) fully paid-up Equity Share of Rs. 2/- each of the Resulting Company for every 15.5 (fifteen and half) Equity Shares of Rs. 10/- each held by them in the Demerged Company (hereinafter referred to as "the new shares"), as provided in Clause 6 of the Scheme.

iv. With effect from the Appointed Date, there shall be a reorganization of the paid-up equity capital of the Demerged Company, pursuant to the demerger, to the effect that the paid-up equity share capital shall stand reduced from Rs. 129,00,00,000 divided into 12,90,00,000 equity shares of Rs. 10/- each to Rs. 7,31,00,000 divided into 73,10,000 equity shares of Rs. 10/- each, as detailed under Clause 7 of the Scheme.

v. With effect from the Appointed Date and upto and including the Effective Date, the Demerged Company shall carry on and be deemed to have carried on the business and activities in relation to the Job Portal Undertaking in terms of Clause 10 of the Scheme.

vi. All employees of Job Portal Undertaking of the Demerged Company, in service on the Effective Date, shall be deemed to have become employees of the Resulting Company, with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to the Demerged Company in relation to the Job Portal Undertaking on the Effective Date, as provided in Clause 11 of the Scheme.

vii. All legal or other proceedings of whatsoever nature by or against the Demerged Company in relation to the Job Portal Undertaking shall be continued and enforced by or against the Resulting Company as provided in Clause 12 of the Scheme.

viii. All contracts, deeds, bonds, insurance policies, agreements and other instruments, if any of whatsoever nature in relation to the Job Portal Undertaking and to which Demerged Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of the Resulting Company as the case may be and may be enforced by or against Resulting Company as fully and effectually as instead of the Demerged Company, the Resulting Company had been a party thereto as provided in Clause 13 of the Scheme.

ix. The Scheme is conditional upon and subject to the approvals and/or sanctions detailed in Clause 18 of the Scheme.

N.B. - The members and the creditors are requested to read the entire text of the Scheme attached herewith to get fully acquainted with the provisions thereof. What is stated hereinabove, are brief salient features of the said Scheme.

25. The shares held by the Directors of the Demerged Company, either individually or jointly, as on December 15, 2010 are as follows: -

Name of Director	Equity Shares held in Demerged Company	Equity Shares held in Resulting Company
Smt. Shobhana Bhartia	1	5 (jointly with HTL*)
Shri Priyavrat Bhartia	1	5 (jointly with HTL*)
Shri Shamit Bhartia	1	5 (jointly with HTL*)
Shri Rajiv Verma	1	Nil

* denotes The Hindustan Times Limited

The shares held by the Directors of the Resulting Company, either individually or jointly, as on December 15, 2010 are as follows: -

Name of Director	Equity Shares held in Demerged Company	Equity Shares held in Resulting Company
Smt. Shobhana Bhartia	1	5 (jointly with HTL*)
Shri Roger Greville	Nil	Nil
Shri K.N. Memani	Nil	Nil
Shri Y.C. Deveshwar	Nil	Nil
Shri N.K. Singh	Nil	Nil
Shri Ajay Relan	Nil	Nil
Shri Priyavrat Bhartia	1	5 (jointly with HTL*)
Shri Shamit Bhartia	1	5 (jointly with HTL*)
Shri Rajiv Verma	1	Nil

* denotes The Hindustan Times Limited

26. The pre and post arrangement (expected) shareholding pattern of the Demerged Company and the Resulting Company are given herein below:-

DEMERGED COMPANY - PRE ARRANGEMENT (As on 15.12.2010)

Sl. No.	Name of Shareholder	Number of Equity Shares of Rs. 10/- each
1.	HT Digital Media Holdings Limited	5,49,99,994
2.	Smt. Shobhana Bhartia	1
3.	Shri Priyavrat Bhartia	1
4.	Shri Shamit Bhartia	1
5.	Shri Rajiv Verma	1
6.	Shri Amit Garg	1
7.	Shri Dinesh Mittal	1
TOTAL		5,50,00,000

DEMERGED COMPANY - POST ARRANGEMENT (EXPECTED)

Sl. No.	Name of Shareholder	Number of Equity Shares of Rs. 10/- each
1.	HT Digital Media Holdings Limited	73,09,994
2.	Smt. Shobhana Bhartia	1
3.	Shri Priyavrat Bhartia	1
4.	Shri Shamit Bhartia	1
5.	Shri Rajiv Verma	1
6.	Shri Amit Garg	1
7.	Shri Dinesh Mittal	1
TOTAL		73,10,000

RESULTING COMPANY - PRE ARRANGEMENT

Sl. No.	Description	As at 10-12-2010		
		Nos.	Holding	%to Equity
1.	Promoter & Promoter Group	9	16,17,77,090	68.84%
2.	Foreign Institutional Investors	28	2,87,31,888	12.23%
3.	Indian Financial Institutions	2	11,57,325	0.49%
4.	Mutual Funds	35	3,10,70,943	13.22%
5.	Bodies Corporate	395	43,35,851	1.84%
6.	Individuals (Residents & Non-residents)	23,283	77,55,261	3.30%
7.	Others	530	1,92,677	0.08%
GRAND TOTAL		24,282	23,50,21,035	100.00%

RESULTING COMPANY - POST ARRANGEMENT (EXPECTED)

Sl. No.	Description	Post Arrangement (Expected)		
		Nos.	Holding	% to Equity
1.	Promoter & Promoter Group	9	16,17,77,090	66.48%
2.	Foreign Institutional Investors	28	2,87,31,888	11.81%
3.	Indian Financial Institutions	2	11,57,325	0.47%
4.	Mutual Funds	35	3,10,70,943	12.77%
5.	Bodies Corporate	395	43,35,851	1.78%
6.	Individuals (Residents & Non-residents)	23,289	77,55,267	3.19%
7.	Others (including shares to be issued to HT Digital Media Holdings Limited/Trustee in terms of the Scheme)	531	85,15,258	3.50%
GRAND TOTAL		24,289	24,33,43,622	100.00%

INSPECTION

27. Following documents will be open for inspection by the members and creditors of the Demerged Company and Resulting Company at the Registered Office of the Demerged Company and the Resulting Company on any working day (except Saturday, Sunday and a Public Holiday) between 11.00 a.m. to 1.00 p.m. upto the date of the meeting:

- Memorandum and Articles of Association of the Demerged Company and the Resulting Company.
- Annual Report of the Demerged Company for the year 2009-10.
- Annual Report of the Resulting Company for the year 2009-10.
- Certified copy of the Order dated December 22, 2010 passed by the Hon'ble High Court of Delhi at New Delhi in Company Application No. 229 of 2010 for the Demerged Company.
- Certified copy of the Order dated December 22, 2010 passed by the Hon'ble High Court of Delhi at New Delhi in Company Application No. 230 of 2010 for the Resulting Company.
- Copy of the Valuation Report dated December 8, 2010 of M/s. SSPA & Co., Chartered Accountants, Mumbai.
- Copy of the Fairness Opinion dated December 8, 2010 from Fortress Capital Management Services Pvt. Limited a SEBI registered Merchant Banker.
- Register of Directors' shareholding of the Demerged Company.
- Register of Directors' shareholding of the Resulting Company
- Copy of the letter dated December 20, 2010 received from the Bombay Stock Exchange Limited.
- Copy of the letter dated December 15, 2010 received from the National Stock Exchange of India Limited.

A copy of the Scheme of Arrangement and Restructuring, Statement under Section 393 of the Companies Act, 1956 and Form of Proxy may also be obtained from the Registered Office of the Demerged Company and the Resulting Company.

For HT Media Limited

Sd/-

(Piyush Gupta)
Chief Financial Officer

Place: New Delhi

Date: 29-12-2010

Registered Office:

Hindustan Times House,

18-20 Kasturba Gandhi Marg, New Delhi - 110 001

Fairness Opinion from M/s Fortress Capital Management Services Pvt. Limited, Mumbai (SEBI Registered Merchant Banker)

STRICTLY PRIVATE & CONFIDENTIAL

December 8, 2010

The Board of Directors,

HT Media Limited

Hindustan Times House,
18-20, Kasturba Gandhi Marg,
New Delhi - 110 001

The Board of Directors,

Firefly e-Ventures Limited

Hindustan Times House,
18-20, Kasturba Gandhi Marg,
New Delhi - 110 001

Sub: Fairness Opinion Report in connection with the valuation exercise for proposed demerger of Job Portal Business of Firefly e-Ventures Limited into HT Media Limited.

Dear Sirs,

This has reference to the request made by the management of HT Media Ltd in connection with fairness opinion on the valuation exercise for demerger of the job portal business of **Firefly e-Ventures Limited** (hereinafter referred to as "**FEVL**") into **HT Media Ltd.** (hereinafter referred to as "**HT Media**") (hereinafter collectively referred to as "the Companies"), undertaken by M/s. SSPA & Co., Chartered Accountants (hereinafter referred to as "Valuer") to recommend share issue ratio in consideration for the proposed demerger of the job portal business of Firefly e-Ventures Ltd into HT Media Ltd. The Appointed Date for proposed demerger is January 01, 2011 [opening business hours].

1. PURPOSE OF VALUATION UNDERTAKEN BY THE VALUER

- 1.1 We have been informed that the Board of Directors of the Companies is considering a proposal for demerger of the job portal business of FEVL into HT Media.
- 1.2 In this regard, M/s. SSPA & Co. is appointed by Companies to carry out the relative valuation with a view to recommend Share Issue ratio in consideration for the proposed demerger of job portal business of FEVL into HT Media.
- 1.3 The information contained in our Report herein is confidential. It is intended only for the sole use of captioned purpose.

2. SOURCES OF INFORMATION

For the purposes of fairness opinion, we have relied upon the following sources of information:

- (a) Draft Scheme of Amalgamation u/s 391 to 394 of the Companies Act, 1956 with regards to the proposed amalgamation.
- (b) Valuation Report dated December 8, 2010 issued by M/s. SSPA & Co., Chartered Accountants.
- (c) Audited Financial Statements of HT Media and FEVL for the year ended March 31, 2010.
- (d) Projected Balance Sheet of the Job Portal Business of FEVL and HT Media as at December 31, 2010.
- (e) Projected financial statements for FY 2010-11 to FY 2012-13 for HT Media.
- (f) Projected financial statements for FY 2010-11 to FY 2015-16 of Job Portal Business of FEVL.
- (g) Such other information and explanations as we have required and which have been provided by the

management of the companies and M/s. SSPA & Co., Chartered Accountants.

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 and projected financials, and the information and representations furnished to us without carrying out any audit or other tests to verify its accuracy.
- 3.2 We have not conducted any independent valuation or appraisal of any of the assets and liabilities of the companies.
- 3.3 Our work does not constitute verification of historical or projected 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 opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed amalgamation with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.
- 3.6 We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof. 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.

4. VALUATION METHODOLOGY ADOPTED BY THE VALUERS

For the purposes of valuation the Valuer has adopted the "Comparable Companies Multiple" approach; the "Market Price" and the "Net Asset Value" approach for HT Media & the "Comparable Companies Multiple" approach and the "Net Asset Value" of the job portal business of FEVL and arrived at the share issue ratio in consideration for proposed demerger of Job Portal Business of FEVL into HT Media Ltd.

5. CONCLUSION

- 5.1 We have reviewed the methodology as mentioned above used by the Valuer for arriving at the valuation of the equity shares of both the Companies and also reviewed the working and underlying assumptions adopted to arrive at the values under each of the above approaches, for the purposes of recommending share issue ratio.
- 5.2 **On the basis of the foregoing, in our opinion, the share issue ratio of 2 (Two) equity shares of HT Media of Rs. 2 each fully paid up for every 31 (Thirty One) equity shares of FEVL of Rs. 10 each fully paid up, recommended by the Valuer is fair.**

Thanking you,

Yours faithfully,

For Fortress Capital Management Services Pvt. Ltd.

Sd/-

Authorised Signatory

Place: Mumbai

SEBI Registration No.: INM000011146

**SCHEME OF ARRANGEMENT AND RESTRUCTURING
BETWEEN
FIREFLY e-VENTURES LIMITED
AND
HT MEDIA LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 TO 394 READ WITH
SECTIONS 100 TO 104 OF THE COMPANIES ACT, 1956
PREAMBLE**

This Scheme of Arrangement is presented for transfer and vesting of Job Portal Undertaking (as defined in Clause 1.9) of Firefly e-Ventures Limited, as a going concern into HT Media Limited pursuant to the relevant provisions of the Companies Act, 1956 ("the Act").

I. DESCRIPTION OF COMPANIES

A. Firefly e-Ventures Limited ("FEVL" or "the Demerged Company") is a public limited company incorporated on June 11, 2007, having its registered office at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110001. FEVL is a subsidiary of HT Digital Media Holdings Limited ("HTDML"), which in turn, is a wholly-owned subsidiary of HT Media Limited. The equity shares issued by FEVL are not listed on any stock exchange.

FEVL is engaged, inter-alia, in the internet business; and currently operates three web-sites namely, 'Shine.com' (job portal), DesiMartini.com (social net-working site) and 'HT Campus.com' (education information site); and also holds job fair(s) and pursues other related activities from time to time.

The main objects for which FEVL has been established as set out in its Memorandum of Association, are as follows:

- i.. To engage in the business of dissemination of news, knowledge and information of general interest, in India and abroad, by web-page design, creation and hosting and any business relating to the internet or e-mail, networking and communication environments.
- ii. To carry on various other internet based or related on-line business like search engine, jobs, property, automobile, classifieds, matrimonial, travel, sale/purchase of merchandises and/or providing services etc. through internet/on-line medium and/or to provide various web-based services including gaming, blogging, audio/video streaming etc. by designing, creating, hosting, servicing etc., appropriate web sites, merchandising the web-sites in one or different names, sale of advertisement space on own/other web-sites or any other Internet based media, to be the licensee of different web-sites, web related products or internet related activities and to execute e-commerce, e-logic, e-solutions, business of internet service, electronic mail service, facsimile service, content marketing efficiency model, content and event aggregation for online medium and/or mobile applications, providing or engaging in business of m-commerce solutions, providing content for value added services in mobile telephones and/or other communication systems.
- iii. To carry on the business of gathering, accumulating, organizing, tabulating, managing, obtaining, collecting, purchase, acquisition, import, dissemination, disposal, export, sales and marketing of and trading in, on internet and/or any other on-line medium, all types of information, data, statistics, computer based information systems and library and information sciences, both in the form and nature in which the same may be so gathered, accumulated, organized, tabulated, obtained, imported, acquired, collected or purchased and also in all types of modified forms, formats, manner and nature.

Brief description of the business activities of FEVL is as follows:

- a. **Job Portal** - 'Shine.com' is a career site, which partners candidates not only through their recruitment process, but through their career lifecycle. It affords a unique opportunity to the candidates to seek guidance on how to

further their ambitions - in the form of interviewing advisory, career counselling or entrepreneurship ideas. It has several unique features including best-in-class job-matching technology, skill-based short listing, instant opportunity alerts, etc. In addition to the above, Job-fair(s) are organized under the 'Shine' brand from time to time, to support recruiters in finding prospective employees.

- b. **Social Networking site** - 'DesiMartini.com' is a social networking site where people from all over the world, can connect to each other, make new friends, share photographs, videos, messages and engage in discussions on various matters of interest, including but not limited to movie reviews.
- c. **Education information site** - 'htcampus.com' provides information to students on various education opportunities and educational institutions. It also supports the students in their decision making process to select career/education institute, of their choice. The site also generates leads for educational institutions.
- B. HT Media Limited ("HTML" or the "Resulting Company") is a public limited company, having its registered office at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110 001. HTML is one of the largest print media companies in India and its flagship newspaper 'Hindustan Times', is a well-recognized media brand. HTML's other businesses include printing and publication of a business daily "Mint", FM Radio transmission under "Fever 104" brand and running news portal "hindustantimes.com" and "livemint.com". The equity shares of HT Media are listed on Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

The main objects for which HTML has been established, as set out in its Memorandum of Association are as follows:

- i. To print, publish and conduct for sale one or more newspapers and other periodicals including magazines, books, pamphlets or any other publication in English, Hindi or any other language, anywhere in India, either daily or otherwise.
- ii. To manufacture, produce, exhibit, distribute, buy and sell, assign, licence, telecast, broadcast news and current affairs, television films, commercial films, video films, video magazines and to engage in other similar activities related thereto.
- iii. To engage in the business of dissemination of news, knowledge and information of general interest, across the globe, through web-page design, creation, hosting and any business relating to the Internet or e-mail, networking and communication environments.
- iv. To engage in the business of radio broadcast and all other allied activities including producing, buying, selling and distribution of radio programs.
- v. To carry on in India and elsewhere the business to produce, promote, manage project, procure or acquire rights, participate, manufacture, process, prepare, alter, develop, expose, edit, exhibit, broadcast, transmit, make, remake, display, print, reprint, convert, duplicate, finish, buy, sell, run, import, export and deal in any manner, act as broker, agent, distributor, proprietor, organizers, promoters, sponsors, copyright owners, audio and video right owners, media partners and media advisors of all kinds of live and recorded sports, entertainment events, news and current affairs events, summits, pageants, concerts, shows, exhibitions, premiers in all languages in India or elsewhere.
- vi. To carry on business as advertising agent, to purchase and sell advertising time or space on any media like, newspaper, magazines, pamphlets, publications, televisions, radio, mobile, internet, satellite in India or abroad or any other kind of media currently in vogue or which may be in vogue at any time and to act as agent or representative for any person(s), or entities for soliciting/booking advertisements and/or any other

promotional, commercial and other programs on any form of media or medium including collection of charges and remittances thereof, to principals and any other activities related to or necessary in the context of the said business.

II. RATIONALE AND PURPOSE OF THE SCHEME OF ARRANGEMENT AND RESTRUCTURING

The transfer and vesting of the Job Portal Undertaking of FEVL into HTML with effect from the Appointed Date (as defined in Clause 1.2) is in the interests of the shareholders, creditors and all other stakeholders of both the companies. The restructuring under this Scheme would enable focused business approach for the maximisation of benefits to all stakeholders and opportunity for growth, as brought out in the following paragraph.

- i. The business of Job Portal Undertaking which inter-alia includes online job portal activity (Shine.com) and on ground job fair activity (holding job fairs) under brand name Shine.com and other related business(s), has incurred substantial losses since inception on account of brand building, employee and other operational costs, capital expenditure, etc., all of which have resulted in substantial erosion of the share capital/net worth of FEVL.
- ii. It is proposed to demerge the Job Portal Undertaking of FEVL and transfer and vest the same into HTML as a going concern, in view of the following likely benefits/advantages:
 - a. The job related supplement of HTML's flagship publication viz. Hindustan Times namely, 'HT Power Jobs', was renamed as "Shine" to leverage on the brand name. It has been well accepted by the readers. The proposed demerger will, on one hand offer the advertisers, attractively bundled advertising options in the print, Job Portal and FM Radio mediums, and on the other hand enable HTML to garner a larger share of advertising spend and offer operational synergies.
 - b. Job Portal Undertaking of FEVL is still in the consolidation and expansion mode and hence is likely to continue incurring losses in near term. This may result in further erosion of share capital/net worth of FEVL.
 - c. The Job Portal Undertaking has been in need of funds and in the near future, is likely to be in continuous need of funds to fund its losses/expenses. HT Media has an ongoing cash generation capacity, as it is already rendering financial support from time to time, whenever required, to the Job Portal Undertaking.
 - d. The Business of operating social net-working and education web-sites have potential of generating profits. Currently, they are at a stage where they require focused management attention. Moreover, the nature of risk and return involved in these businesses are distinct from that of Job Portal Undertaking.
 - e. Attracting and retaining employees of the Job Portal Undertaking would be easy in HTML, being a profitable entity, as compared to FEVL, which has been incurring losses since inception.
 - f. HTML is already running two news portals namely, "hindustantimes.com" and "livemint.com" and other business related websites. Therefore, HTML may leverage its experience of running internet portal operations alongwith technical and sales manpower to increase the business prospects of job portal "Shine.com".

III. PARTS OF THE SCHEME

The Scheme of Arrangement and Restructuring is divided into the following parts:

- i. Part A deals with definitions and share capital structure
- ii. Part B deals with conversion of zero coupon compulsorily convertible debentures issued by FEVL to HTDML into equity shares
- iii. Part C deals with demerger of Job Portal Undertaking of FEVL and transfer and vesting thereof into HTML
- iv. Part D deals with reorganization of share capital of FEVL
- v. Part E deals with general matters

PART A - DEFINITIONS AND SHARE CAPITAL

1. Definitions

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the meaning as mentioned herein below:

- 1.1 "**Act**" means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof for the time being enforced.
- 1.2 "**Appointed Date**" means the opening of business on 1st day of January 2011.
- 1.3 "**Board**" or "**Board of Directors**" in relation to FEVL or HTML shall, as the case may be mean the Board of Directors of the relevant company and shall include a committee of the Directors or any person authorized by the Board of Directors or a committee thereof.
- 1.4 "**Court**" or "**High Court**" means the Hon'ble High Court of Judicature at Delhi to which this Scheme of Arrangement and Restructuring in its present form is submitted for sanction under Sections 391 to 394 read with Section 100 to 104 of the Act, and shall include National Company Law Tribunal as applicable.
- 1.5 "**Effective Date**" means the date on which this Scheme becomes operative being the date on which certified copy of the Order of the Court is filed with the Registrar of Companies, NCT of Delhi and Haryana. Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.
- 1.6 "**FEVL**" or the "**Demerged Company**" shall have the meaning given to it in **Recital A**.
- 1.7 "**FEVL Residual Entity**" means all the businesses of FEVL, and shall include but not be limited to all the properties, assets and liabilities; and all brands, trademarks and/or other intellectual property rights licensed to or being utilized by FEVL and relatable to such businesses, other than those relating to the Job Portal Undertaking as defined in Clause 1.9.
- 1.8 "**HTML**" or the "**Resulting Company**" shall have the meaning given to it in **Recital B**.
- 1.9 "**Job Portal Undertaking**" means the undertaking of FEVL established for the Job Portal related business under the brand name of "Shine.com" and includes:
 - 1.9.1 All assets and liabilities of FEVL pertaining to the Job Portal related business.
 - 1.9.2 Notwithstanding the generality of the provisions of sub-Clause 1.9.1 above, the Job Portal Undertaking includes the undertaking comprising of -
 - 1.9.2.1 All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) pertaining to the Job Portal related business of the Demerged Company wherever situated including but without being limited to plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits, provisions, advances, receivables, funds, cash balances with banks (if any), leases, licences, tenancy rights, premises, hire purchase and lease arrangements, all records, files, papers, computer programmes, softwares, manuals, data, customer lists and any other records (in physical or electronic form), utilities, power lines, electricity and other services, funds, provisions, subsidies, grants, exemptions, concessions, tax deferrals, benefits of agreements, contracts and arrangements, powers, authorities, industrial and other licences, registrations, quotas, websites, domain names, permits, allotments, approvals, consents, privileges, liberties, advantages, easements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, and other agencies, registrations, subsidies, concessions, exemptions, remissions, presentations, content, tax deferrals, accumulated and unabsorbed tax losses, unutilized CENVAT credit of

service tax, allowance for unabsorbed tax depreciation, and all the right, title, interests, goodwill, benefits, entitlement and advantages, patents, trade marks, domain names, copyrights, trade names, brand names including "Shine.com", intellectual property rights of any nature whatsoever and licenses in respect thereof, software licenses in respect thereof, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company with respect to the Job Portal related business. It shall also include all records, files, papers, computer programs, software, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical or electronic form, in connection with or relating to the Job Portal Undertaking wherever located.

Without prejudice to the generality of the foregoing, it is clarified that all consents, permissions, licenses, certificates, authorities relating to the Job Portal Undertaking shall stand transferred to the Resulting Company as if the same were originally given by, issued to or executed in favour of the Resulting Company, and the rights and benefits under the same shall be available to the Resulting Company, upon the Scheme being approved by the Court.

Without prejudice to the generality of the above, all benefits or incentives including excise, sales tax (including deferment of sales tax) and any other direct or indirect taxes, cess or levies, benefits in respect of the Job Portal related business for which the Demerged Company is entitled to in terms of various statutes and/or schemes of Union and State Governments, shall be available to and vest in the Resulting Company with effect from the Appointed Date, upon the Scheme being sanctioned by the Court.

1.9.2.2 All liabilities pertaining to / arising out of the activities or operations of the Job Portal related business of the Demerged Company including the following:

- specific loans and borrowings raised (if any), term loans from banks and financial institutions (if any), bank overdrafts (if any), working capital loans & liabilities, amount due to small scale industrial undertakings / micro, small and medium enterprises raised incurred and utilised solely for the activities or operation of the Job Portal related business.
- liabilities other than those referred to above, being the amounts of general or multi-purpose borrowings of the Demerged Company if any, allocated to the Job Portal related business in the same proportion in which the value of the assets (ignoring the revalued amount) transferred under this Scheme bear to the total value of the assets of the Demerged Company immediately before giving effect to this Scheme.

Provided however that any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Job Portal related business or whether it arises out of the activities or operations of the Job Portal related business shall be decided by mutual agreement between the Board(s) of Directors of the Demerged Company and the Resulting Company.

1.9.3 All permanent employees of FEVL employed in the Job Portal related business as on the Effective Date.

1.9.4 It is clarified that the Job Portal Undertaking shall not include any employees, assets, liabilities, rights and obligations belonging to and forming part of FEVL Residual Entity.

1.10 **"Job Portal Related Business"** includes on-line job portal activity (Shine.com) and on-ground Job fair activity (holding job fairs) under the brand name Shine.com and other related businesses.

1.11 **"Record Date"** means the date to be fixed by the Board of Directors of HTML and FEVL respectively, for the purposes of issue of shares of HTML to the shareholders of FEVL on demerger of the Job Portal Undertaking and

transfer and vesting thereof into HTML.

1.12 **"Scheme" or "the Scheme" or "this Scheme"** means this Scheme of Arrangement and Restructuring under Section 391 to 394 read with Sections 100 to 104 of the Act made in accordance with the provisions of the Act and in accordance with Section 2(19AA) of the Income tax Act, 1961, in its present form together with all the schedules and annexures, which shall form part of this Scheme of Arrangement and Restructuring and shall be submitted to the High Court or with any modification(s) made under Clause 17 of this Scheme or with such other modifications/amendments as the High Court may direct.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, Income Tax Act, 1961, Securities Contracts (Regulation) Act, 1956, and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

2.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or made as per Clause 17 of the Scheme, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1 The Authorized, Issued, Subscribed and Paid-up share capital of FEVL as per Balance Sheet dated March 31, 2010 is as under:

Particulars	Rupees
Authorized Capital	
6,00,00,000 Equity Shares of Rs. 10 each	60,00,00,000
Issued, Subscribed and Paid-up Capital	
5,50,00,000 Equity Shares of Rs. 10 each fully paid up	55,00,00,000

Subsequent to the aforesaid Balance Sheet date, there is no change in the authorized, issued, subscribed and paid-up share capital of FEVL

3.2 The Authorized, Issued, Subscribed and Paid-up share capital of HTML as per Balance Sheet dated March 31, 2010 is as under:

Particulars	Rupees
Authorized	
36,25,00,000 Equity Shares of Rs. 2 each	72,50,00,000
Issued, Subscribed and Paid-up Capital	
23,50,21,035 Equity Shares of Rs. 2 each fully paid up	47,00,42,070

Subsequent to the aforesaid Balance Sheet date, there is no change in the authorized, issued, subscribed and paid-up share capital of HTML.

PART B - CONVERSION OF ZERO COUPON COMPULSORILY CONVERTIBLE DEBENTURES ISSUED BY FEVL TO HTML INTO EQUITY SHARES

4. CONVERSION OF ZERO COUPON COMPULSORILY CONVERTIBLE DEBENTURES OF FEVL INTO EQUITY SHARES OF RS. 10/- EACH

FEVL has issued Zero Coupon Compulsorily Convertible Debentures to HTML.

Zero Coupon Compulsorily Convertible Debentures issued by FEVL as per Balance Sheet dated March 31, 2010 is as under:

Particulars	Rupees
31,00,000 Zero Coupon Compulsorily Convertible Debentures of Rs. 100 each fully paid up	31,00,00,000

Subsequent to the aforesaid Balance Sheet date, additional Zero Coupon Compulsorily Convertible Debentures of Rs. 43,00,00,000 (Rupees Forty Three Crore only) were

issued to HTDML by FEVL. Consequently, Zero Coupon Compulsorily Convertible Debentures of FEVL as on 7th December, 2010 is as under:

Particulars	Rupees
74,00,000 Zero Coupon Compulsorily Convertible Debentures of Rs. 100 each fully paid up	74,00,00,000

Upon the Scheme becoming effective, the existing Zero Coupon Compulsorily Convertible Debentures issued by FEVL to HTDML aggregating to Rs.74,00,00,000 (Rupees Seventy Four Crore only) shall be converted into 7,40,00,000 Equity Shares of Rs. 10 each fully paid up of FEVL and the authorized share capital of FEVL in Clause V of FEVL's Memorandum of Association shall automatically stand increased / altered / revised from Rs.60,00,00,000 divided into 6,00,00,000 Equity Shares of Rs. 10/- each to Rs.1,29,00,00,000 divided into 12,90,00,000 Equity Shares of Rs. 10/- each, without any further resolution, act, deed or thing and shall be deemed to be sufficient compliance with Section 94 and other relevant provisions of the Act and rules made thereunder in the said behalf. Such conversion of the existing Zero Coupon Compulsorily Convertible Debentures issued by FEVL to HTDML in terms of this Scheme, shall override original terms of their issue, including conversion thereof into Equity Shares.

- 4.1 The consent of the members of the Company to this scheme, when taken under the provisions of the Section 391 of the Act shall be deemed to be the consent required for further issue of shares under Section 81 (1A) of the Act and no further resolutions need to be passed separately under the said Section 81 (1A) of the Act in this regard.
- 4.2 Such equity shares to be issued and allotted by FEVL shall rank pari passu in all respects with the existing shares of FEVL.
- 4.3 Consequent upon such conversion of the Zero Coupon Compulsorily Convertible Debentures issued by FEVL to HTDML, the issued, subscribed and paid-up share capital of FEVL will be revised as under:

Particulars	Rupees
Authorized Capital	
12,90,00,000 Equity Shares of Rs. 10 each	1,29,00,00,000
Issued, Subscribed and Paid-up Capital	
12,90,00,000 Equity Shares of Rs. 10 each fully paid up	1,29,00,00,000

PART C - DEMERGER OF JOB PORTAL UNDERTAKING OF FEVL AND TRANSFER AND VESTING THEREOF INTO HTML

5. TRANSFER AND VESTING OF JOB PORTAL UNDERTAKING

- 5.1 With effect from the Appointed Date, and upon the Scheme becoming effective, the Job Portal Undertaking as defined in Clause 1.9 of Part A hereof, shall pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and other applicable laws, without any further act or deed, stand transferred to and be vested, as a going concern, to HTML, at their book values in accordance with Section 2(19AA) of the Income Tax Act, 1961, and the Job Portal Undertaking shall consequently vest in HTML with effect from the said date for all the estate and interest of FEVL therein, subject however, to all charges, liens, lispendens, mortgages and encumbrances, if any, affecting the same or any part thereof and arising out of the liabilities which shall also stand transferred to HTML.
- 5.2 The transfer and vesting shall be effected as follows:-
 - a) Without prejudice to sub-clause 5.1 above, in respect of such of the assets of the Job Portal Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and/or delivery, the same may be transferred at the option of the Board of Directors of FEVL and HTML as follows:
 - i. All the moveable assets capable of being transferred by

delivery including plant and machinery, investments, cash on hand, shall be physically handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to HTML along with such other documents as may be necessary to the end and intent that the property therein passes to HTML on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of HTML accordingly;

- ii. In respect of movable assets, other than those specified in sub-clause 5.2.(a)(i) above, including sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits the following methodology shall be followed:

HTML shall give notice in such form as it may deem fit and proper to each party, debtors or depositor as the case may be, that pursuant to this Scheme, the said debt, loan, advances, etc. be paid or made good or held on account of HTML as the persons entitled thereto. HTML may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositor that pursuant to this Scheme the said person, debtor or depositor should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of HTML to recover or realise the same is in substitution of the right of FEVL. Such notice may also be given by way of publication of public notice in two national daily newspapers, at the option of the HTML.
- b) In respect of any remaining assets of the Job Portal Undertaking, other than those referred to in sub-clause (a) above, the same shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in HTML pursuant to an order being made therefor under Section 394 of the Act.
- 5.3 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of FEVL relating to the Job Portal Undertaking, whether provided for or not in the books of accounts of FEVL as on the date preceding the Appointed Date, and all liabilities of FEVL relating to the Job Portal Undertaking which may arise or accrue after the Appointed Date but which relates to the period up to the date immediately preceding the Appointed Date shall, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to HTML so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of HTML and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause. With effect from the Appointed Date and upon the Scheme becoming effective, HTML undertakes to meet, discharge and satisfy the liabilities referred to in this Clause 5.3 to the exclusion of FEVL and to keep FEVL indemnified at all times from and against all such debts, liabilities, duties and obligations and from and against all actions, demands and proceedings in respect thereto.
- 5.4 Any reference in any security documents or arrangements relating to loans and liabilities of FEVL in connection with the Job Portal Undertaking, to the assets of FEVL which it has offered or agreed to be offered as security to such secured creditors of FEVL in connection with the Job Portal Undertaking, shall be construed as reference only to the assets pertaining to the Job Portal Undertaking as are vested in HTML by virtue of this Scheme.

Provided that the Scheme shall not operate to enlarge or extend the security for any loan, deposit or facility availed by FEVL in connection with the Job Portal Undertaking, and HTML shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise unless specifically agreed to by HTML with such secured creditors and subject to the consents and

- approvals of the existing secured creditors of HTML. Further, the Scheme shall not operate to enlarge or extend the security for any loan, deposit or facility availed by HTML, in as much as the security shall not extend to the assets transferred by FEVL to HTML in terms of Clause 5.2 above.
- 5.5 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licences including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Job Portal Undertaking to the benefit of which the Job Portal Undertaking may be eligible, shall be and remain in full force and effect in favour of, or against, HTML as the case may be, and may be enforced fully and effectually as if, instead of FEVL, HTML had been a beneficiary or obligee thereto.
- 5.6 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents held by FEVL required to carry on operations in the Job Portal Undertaking shall stand vested in or transferred to HTML without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of HTML. The benefit of all statutory and regulatory permissions and consents including but not limited to the statutory licences, sales and service tax registrations, permissions or approvals or consents required to carry on the operations of the Job Portal Undertaking shall vest in and become available to HTML pursuant to the Scheme. Any no-objection certificates, licences, permissions, consents, approvals, authorizations, registrations or statutory rights as are jointly held by the Job Portal Undertaking and any other undertaking of FEVL shall be deemed to constitute separate licences, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, upon the filing of the Scheme as sanctioned with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations of the Job Portal Undertaking in HTML without any hindrance from the Appointed Date.
- 5.7 With effect from the Appointed Date and upon the Scheme becoming effective, patents, trade marks, domain names, copyrights, trade name, brand names including "Shine.com", software licenses and other intellectual property rights of any nature whatsoever and licenses in respect thereof in relation to the Job Portal Undertaking shall be and remain in full force and effect in favour of HTML and may be enforced fully and effectually as if, instead of FEVL, HTML had been a beneficiary or owner of such intellectual property rights and the relevant or concerned statutory authorities shall endorse and/or mutate or record the ownership of HTML, upon the filing of the Scheme as sanctioned alongwith requisite application, or necessary documents with such authorities after the same becomes effective, so as to facilitate the continuation of operations of the Job Portal Undertaking in HTML without any hindrance from the Appointed Date.
- 5.8 FEVL may be entitled to various benefits under incentive schemes and policies in relation to the Job Portal Undertaking, and pursuant to this Scheme it is declared that the benefits under all of such schemes and policies shall be transferred to and vest in HTML and all benefits, entitlements and incentives of any nature whatsoever including exemptions, unutilised CENVAT credit, tax allowances and benefits, sales tax concessions and incentives in relation to the Job Portal Undertaking to the extent statutorily available shall be claimed by HTML, and these shall relate back to the Appointed Date as if HTML was originally entitled to all benefits under such incentive scheme and/or policies, subject to continued compliance by HTML of all the terms and conditions subject to which the benefits under the incentive schemes were made available to FEVL.
- 5.9 Upon the coming into effect of this Scheme and subject to the provisions of the Income-tax Act, 1961, the accumulated and unabsorbed tax losses and the allowance for unabsorbed depreciation of the Job Portal Undertaking upto the Appointed Date shall be transferred to the Resulting Company.
- 5.9.1 The whole of such accumulated and unabsorbed tax losses and allowance for unabsorbed depreciation upto the Appointed Date, as is directly relatable to the Job Portal Undertaking;
- 5.9.2 Where the accumulated loss and allowance for unabsorbed depreciation upto the Appointed Date is not directly relatable to the Job Portal Undertaking, it shall be apportioned between the Demerged Company and the Resulting Company in the same proportion in which the assets of the business have been retained by the Demerged Company and transferred to the Resulting Company under this Scheme and shall be deemed to be available for carry forward and set off in the hands of the Resulting Company in accordance with the provisions of Section 72A of the IT Act.
- 5.10 It is clarified that all the taxes and duties payable by the Demerged Company, relating to the Job Portal Undertaking, from the Appointed Date onwards including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Demerged Company is expressly permitted to revise and the Resulting Company is expressly permitted to file their respective income tax returns including tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme.
- 5.11 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Job Portal Undertaking, shall stand transferred by the order of the Court to HTML, HTML shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning Court.
- 5.12 For the purpose of giving effect to the order passed by the Court under Section 391 and 394 in respect of this Scheme, HTML shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title to any immovable property and any appurtenant legal right(s) thereto upon the vesting of such assets of the Job Portal Undertaking in HTML. Upon the Scheme becoming effective and with effect from the Appointed Date, charges (if any) created by or in favour of FEVL shall constitute a creation/ modification of charge in the name of HTML in accordance with the provisions of Section 127 of the Act and satisfaction of charge in respect of FEVL in accordance with Section 138 of the Act, shall constitute satisfaction of charge vis-à-vis HTML if there are any existing charges attaching to the Job Portal Undertaking.
- 5.13 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect remaining parts of the Scheme.
- 6 ISSUE OF SHARES**
- 6.1 Upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the assets and liabilities of the Job Portal Undertaking in HTML in

terms of the Scheme, HTML shall, without any further act or deed, issue and allot to every equity shareholder of FEVL and whose names appear in the Register of Members of FEVL, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the board of directors of FEVL in the following proportion viz.:

"1 (one) fully paid up equity share of Rs 2 each of HTML shall be issued and allotted for every 15.5 (fifteen and half) equity shares of Rs 10 each held in FEVL" (hereinafter referred to as "**New Equity Shares**").

- 6.2 Any fraction arising pursuant to the Share Exchange Ratio for allotment of New Equity Shares to the Members of FEVL in terms of the provisions of clause 6.1 above, shall be rounded off to the next integer.
- 6.3 Consequent upon the Scheme becoming effective, HTDML will come to acquire shares of HTML. In respect of such entitlement of HTDML and as may be decided by the Board of Directors of HTDML, equity shares of the HTML ("HTML Shares") may be held directly by HTDML or the HTML Shares may be issued to an individual trustee or a board of trustees (including the survivors or survivor of any of the trustees comprising such board of trustees) or a corporate trustee (hereinafter referred to as the "Trustees"), to have and to hold the HTML Shares in trust together with all additions or accretions thereto upon trust exclusively for the benefit of HTDML and its successor subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed") establishing the aforesaid trust (the "Trust"). HTDML or the Trustees (as the case may be) shall not exercise any voting rights with respect to HTML Shares but shall be entitled to all other rights of shareholder. HTDML (or the Trustee, as the case may be) may hold, sell, transfer or dispose off the HTML shares within such period from the Effective Date as may be deemed appropriate by HTDML (or the Trustee in accordance with the provisions of the Trust Deed, as the case may be) and if the HTML Shares are sold by the Trustees the proceeds thereof shall be remitted to HTDML or its successor, net of expenses that may be incurred for the sale, including taxes thereon; and consequent thereto all obligations of the Trustees, if any under the Trust Deed, if any, shall stand discharged and the trust shall stand terminated.
- 6.4 HTML shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment by HTML of New Equity Shares to the members of FEVL under the Scheme.
- 6.5 The New Equity Shares to be issued to the members of FEVL under Clause 6.1 shall be subject to the Memorandum and Articles of Association of HTML and shall rank pari passu with the existing equity shares of HTML in all respects including dividend. The holders of the equity shares of HTML and FEVL shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members for the financial year upto the Appointed Date.
- 6.6 Upon this Scheme becoming effective, the Board of Directors of HTML and FEVL respectively shall determine the Record Date, which shall be later than the Effective Date, for issue and allotment of fully paid-up equity shares of HTML to the equity shareholders of FEVL. On determination of the Record Date, FEVL shall provide to HTML, the list of equity shareholders of FEVL as on the Record Date who are entitled to receive fully paid-up equity shares of HTML in terms of this Scheme in order to enable HTML to issue and allot such fully paid-up equity shares of HTML in terms of this Scheme.
- 6.7 The New Equity Shares of HTML will be issued in dematerialised form to the shareholders holding equity shares of FEVL, unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of HTML.

- 6.8 The issue and allotment of the New Equity Shares by the Resulting Company to the shareholders of the Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by the Resulting Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with. The Resulting Company shall obtain the necessary approval from its shareholders, as required, in terms of this Scheme only, under and pursuant to provisions of Section 391-394 of the Act and such approval shall be deemed to be approval under Section 81(1A) of the Act.
- 6.9 New Equity Shares issued by the Resulting Company issued in terms of Clause 6.1 above, shall, subject to applicable regulations, be listed or admitted to trading on BSE and NSE where the existing equity shares of HTML are presently listed and/or admitted to trading. HTML shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.
- 6.10 Shares allotted by HTML pursuant to the Scheme and issued in dematerialised form shall be credited to the depository accounts of the shareholders / Trustee(s), as the case may be and shall be subject to all requirements of the BSE and NSE including listing and trading approvals.

PART D - REORGANIZATION OF SHARE CAPITAL OF FEVL

7 REORGANIZATION OF SHARE CAPITAL OF FEVL AND DISPENSATION FROM ADDITION OF THE WORDS "AND REDUCED"

- 7.1 Conditional upon the Scheme becoming effective and with effect from the Appointed Date, the existing paid-up equity capital of FEVL shall be reorganized as detailed hereunder, so as to bring it in line with the value of the Demerged Undertaking and the erosion in existing paid-up equity capital of FEVL on account of losses in its Job Portal business.
- 7.2 The paid-up equity share capital of FEVL, after taking into consideration conversion of zero coupon compulsorily convertible debentures of FEVL into equity shares of Rs. 10/- each in terms of Part C of this Scheme shall stand reduced from Rs.1,29,00,00,000 divided into 12,90,00,000 equity shares of Rs. 10 each fully paid-up to Rs. 7,31,00,000 divided into 73,10,000 equity shares of Rs. 10 each fully paid-up by cancelling 12,16,90,000 equity shares of Rs.10 each, without extinguishment or reduction of liability on the said shares and without any payment of the cancelled value of the said shares to the shareholders of FEVL. Conditional upon the Scheme becoming effective the existing shareholders of FEVL as on the Record Date shall, pursuant to such reorganization, receive such number of fully paid-up equity shares in the reorganized paid-up equity share capital of FEVL pro-rated accordingly as against their shareholding in FEVL as on the Record Date.
- 7.3 Any fractional holding arising out of the capital reduction, as above, shall be rounded off to the next integer.
- 7.4 Consequent upon such reduction the issued, subscribed and paid-up share capital of FEVL will be revised as under:

Particulars	Rupees
Issued, Subscribed, and Paid-up:	
73,10,000 Equity Shares of Rs. 10 each fully paid-up.	7,31,00,000
Total	7,31,00,000

- 7.5 The equity shareholders of FEVL shall be issued fresh shares in dematerialized form or by way of issue of fresh share certificates consequent upon such reorganization, in lieu of or in the place of the equity shares of FEVL held by them. The original shares shall be deemed to be cancelled.

The fresh share certificates, where issued by FEVL shall be delivered to the equity shareholders, by registered post or delivered by hand against acknowledgement, in lieu thereof, irrespective of whether such equity shareholders surrender their old share certificates or not.

7.6 The reorganization of the share capital of FEVL mentioned hereinabove, resulting in reduction shall be conditional upon the Scheme becoming effective on the Effective Date. If this Scheme is for any reason whatsoever, not sanctioned by the Hon'ble High Courts, the reorganization resulting in reduction shall not become effective.

7.7 The proposed reorganization and reduction of share capital as envisaged in this Scheme does not affect or impair in any manner the rights and interest of the creditors (secured or unsecured). It also does not involve either diminution of liability in respect of unpaid share capital or payment to any share-holder of any paid up share capital, and accordingly, the provisions of Section 101 of the Act, are not applicable. There being no extinguishment or reduction of liability or payment to the shareholders in the proposed reorganisation of share capital of FEVL, FEVL shall not be required to use the words "And Reduced" as part of its corporate name and accordingly, liberty of Hon'ble High Court is requested for dispensation of the words "and reduced" to be added as part of its corporate name.

7.8 The reorganization of capital, as provided in this Para 7 shall be effected as an integral part of the Scheme itself and shall constitute sufficient compliance with Sections 100-104 of the Act without having to follow process under Section 78 read with Section 100 to 103 of the Act, separately. However, the Order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 and other applicable provisions of the Act.

8 ACCOUNTING TREATMENT IN THE BOOKS OF HTML

Upon the coming into effect of this Scheme and with effect from the Appointed Date:

8.1 HTML shall record the assets and liabilities of the Job Portal Undertaking vested in it pursuant to this Scheme, at the respective book values (ignoring revaluation) thereof, as appearing in the books of FEVL on the day immediately preceding the Appointed Date.

8.2 HTML shall credit the aggregate face value of the New Equity Shares of HTML issued by it to the members of FEVL pursuant to this Scheme to the Equity Share Capital Account in its books of account.

8.3 Any excess in the value of net assets of Job Portal Undertaking transferred to HTML pursuant to the order of the Court over the face value of the New Equity Shares allotted by HTML under Clause 6 shall be credited to Capital Reserve Account.

8.4 Any deficit in the value of net assets of Job Portal Undertaking transferred to HTML pursuant to the order of the Court over the face value of the New Equity Shares allotted by HTML under Clause 6 shall be adjusted against the following, in the order specified, to the extent required:

- a) Capital Reserve Account;
- b) Securities Premium Account;
- c) General Reserve Account; and
- d) Profit & Loss Account.

8.5 The balance, if any, remaining after the adjustment under this Clause 8.4 shall be debited to Goodwill Account of HTML.

8.6 In case of any differences in accounting policy between FEVL and HTML, the impact of such differences shall be quantified and adjusted in the General Reserve Account of HTML to ensure that the true financial statements of HTML on the Appointed Date are on the basis of consistent accounting policy.

9 ACCOUNTING TREATMENT IN THE BOOKS OF FEVL

Upon the coming into effect of this Scheme and with effect from the Appointed Date:

9.1 The accounts of FEVL representing the assets and liabilities of the Job Portal Undertaking shall stand closed on transfer to HTML.

9.2 The difference between the amount of assets and liabilities so transferred shall be adjusted against the balance of Profit and Loss Account in the balance sheet of FEVL.

9.3 The credit arising on account of the reduction of share capital in terms of Clause 7 of this Scheme shall be adjusted against the balance of Profit and Loss Account in the balance sheet of FEVL.

10 CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE

10.1 With effect from the Appointed Date and upto and including the Effective Date:

a) FEVL shall carry on and be deemed to have carried on the business and activities in relation to the Job Portal Undertaking and shall hold and deal with all assets and properties of the Job Portal Undertaking as defined in Clause 1.9, and referred to in Clause 5 above, for and on account of and in trust for HTML.

b) Any income or profit accruing or arising to FEVL in relation to the Job Portal Undertaking and all costs, charges, expenses and losses incurred by FEVL in relation to the Job Portal Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of HTML.

c) FEVL shall not utilize the profits or income, if any, relating to the Job Portal Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior written consent of HTML.

d) FEVL shall not (without the prior written consent of HTML) alienate, charge or otherwise deal with or dispose of the Job Portal Undertaking or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken prior to the Appointed Date.

e) FEVL shall carry on the business of the Job Portal Undertaking with reasonable diligence and prudence, in the ordinary course of business, and FEVL shall not in any material respect alter or expand the business of the Job Portal Undertaking except with the prior written consent of HTML other than such alterations or expansions as have already been commenced and shall not undertake any material additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Job Portal Undertaking, save and except, in each case, in the following circumstances:

i. if the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the Court; or

ii. if the same is expressly permitted by this Scheme; or

iii. if the written consent of HTML, as the case may be, has been obtained.

f) Pending sanction of this Scheme, HTML and FEVL shall not make any change in their respective capital structure either by any increase, (by issue of equity shares, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner, affect the reorganisation of capital herein, except such changes in the share capital already considered in arriving at number of shares to be issued to FEVL shareholders in HTML as described under Clause 6.1.

g) FEVL shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees in relation to the said Job Portal Undertaking.

Provided that as far as the obligations in sub-clauses (e), (f) and (g) above are concerned, the restrictions thereunder shall be applicable from the date of approval of this Scheme by the Boards of Directors of both FEVL and HTML.

10.2 If on the Effective Date, the necessary consents, approvals and sanctions, which may be required for HTML to own and carry on the business of the Job

- Portal Undertaking, have not been obtained, during the period between the Effective Date and the date of obtaining all such approvals, FEVL shall continue to carry on and deemed to have carried on the business and activities in relation to the Job Portal Undertaking in trust for HTML.
- 10.3 FEVL shall be entitled, pending the sanction of the Scheme by the Court, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which HTML may require to own and carry on the business of the Job Portal Undertaking.
- 10.4 On the Effective Date but with effect from the Appointed Date, HTML shall commence and carry on and shall be authorized to carry on the businesses carried on by the Job Portal Undertaking of FEVL.
- 11 EMPLOYEES OF JOB PORTAL UNDERTAKING**
- 11.1 All employees of Job Portal Undertaking, in service on the Effective Date shall be deemed to have become employees of HTML, with effect from the Appointed Date without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with HTML shall not be less favorable than those applicable to them with reference to FEVL, in relation to the Job Portal Undertaking, on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the Job Portal Undertaking or FEVL Residual Entity shall be decided by Board of Directors of FEVL.
- 12 LEGAL AND OTHER PROCEEDINGS**
- 12.1 Upon the Scheme becoming effective on the Effective Date, all legal or other proceedings of whatsoever nature by or against FEVL pending and/or arising after the Appointed Date and relating to the Job Portal Undertaking of FEVL, shall be continued and enforced by or against HTML in the manner and to the same extent as would have been continued and enforced by or against FEVL.
- 12.2 After the Appointed Date, if any proceedings are taken by or against Demerged Company in respect of the matters referred to in the Clause 12.1 above, Demerged Company shall defend the same at the cost of Resulting Company, and Resulting Company shall reimburse and indemnify Demerged Company against all liabilities and obligations incurred by Demerged Company in respect thereof.
- 12.3 Resulting Company undertakes to have all legal or other proceedings initiated by or against Demerged Company referred to in Clause 12.1 or 12.2 above, transferred into its name and to have the same continued, prosecuted and enforced by or against Resulting Company to the exclusion of Demerged Company.
- 12.4 In the event that the legal proceedings referred to above, require the Demerged Company and the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Job Portal Undertaking or not, the decision of the Board of Directors of the Demerged Company as to whether such proceeding relates to the Job Portal Undertaking or not, shall be conclusive evidence of the relationship with Job Portal Undertaking.
- 12.5 It is clarified that after the Appointed Date, in case the proceedings referred above, cannot be transferred for any reason, the Demerged Company shall prosecute or defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse, indemnify and hold harmless the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.
- 13 CONTRACTS, DEEDS, ETC.**
- 13.1 Notwithstanding anything else contained in this Clause 13, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance policies, agreements and other instruments, if any, of whatsoever nature relating to the Job Portal Undertaking and to which FEVL is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of HTML, as the case may be, and may be enforced by or against HTML as fully and effectually as if, instead of FEVL, HTML had been a party thereto without any further act or deed, whatsoever.
- 13.2 HTML shall enter into and/or issue and/or execute deeds, writings or confirmations or documents or enter into any tripartite arrangements, confirmations or novations, to which FEVL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. HTML shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of FEVL and to implement or carry out all formalities required on the part of FEVL to give effect to the provisions of this Scheme.
- 13.3 Even after this Scheme becomes effective, HTML shall, as its own right, be entitled to realize all monies and complete and enforce all pending contracts and transactions in respect of the Job Portal Undertaking in the name of FEVL, in so far as may be necessary, until the transfer of rights and obligations of FEVL to HTML under this Scheme is formally accepted by the parties concerned.
- 14 SAVING OF CONCLUDED TRANSACTIONS**
- 14.1 The transfer of properties and liabilities relating to the Job Portal Undertaking pursuant to this Scheme, and the continuance of proceedings by or against FEVL under Clause 12 above shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by FEVL in connection with the Job Portal Undertaking subject to the provisions of Clause 10 above, on or after the Appointed Date till the Effective Date, to the end and intent that HTML shall accept and adopt all acts, deeds and things done and executed by FEVL in respect thereto as done and executed on behalf of itself.
- 15 REMAINING BUSINESS**
- 15.1 FEVL Residual Entity and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be continued to be owned and managed by FEVL.
- 15.2 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the FEVL Residual Entity (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the FEVL Residual Entity) shall be continued and enforced by or against the Demerged Company after the Effective Date.
- 15.3 HTML shall in any event not be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the FEVL Residual Entity.
- 15.4 With effect from the Appointed Date and upto and including the Effective Date -
- 15.4.1 the Demerged Company shall be deemed to have been carrying and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;
- 15.4.2 all profit accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Demerged Company.

PART E - GENERAL

16 APPLICATION TO HIGH COURT

- 16.1 FEVL and HTML shall with all reasonable dispatch make all necessary applications / petitions under Sections 391 to 394 read with Section 100 to 104 and other applicable provisions of the Act to the High Court for sanction of the Scheme.
- 16.2 Any dispute arising out of this Scheme shall be subject to the jurisdiction of the Court.

17 MODIFICATION OR AMENDMENTS TO THE SCHEME

- 17.1 FEVL and HTML by their respective boards of directors or any persons authorized by them, may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority having jurisdiction to sanction to the Scheme under Sections 391-394 of the Act, may deem fit to direct or impose, or make such modifications/amendments which may otherwise be considered necessary, desirable or appropriate by them in their sole discretion.
- 17.2 FEVL and HTML by their respective board of directors be and are hereby authorised to take all such steps as may be necessary, desirable or proper for the purposes of implementing the Scheme and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification(s) or amendment(s) by the board of directors of FEVL or HTML, who are hereby authorised to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions regarding the implementation of this Scheme or otherwise arising under this Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

18 CONDITIONALITY AND EFFECTIVENESS OF THE SCHEME

This Scheme is and shall be conditional upon and subject to:

- 18.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and/or creditors of FEVL and HTML as may be directed by the High Court or any other competent authority, as may be applicable.
- 18.2 The Scheme being sanctioned by the High Court under Sections 391 to 394 read with Sections 100 to 104 of the Act.
- 18.3 This Scheme shall not become effective until the certified copies of order under Sections 102, 391 and 394 of the Act shall be duly filed with the Registrar of Companies, NCT of Delhi & Haryana.

19 EFFECT OF NON-RECEIPT OF APPROVALS

- 19.1 In the event that the Scheme is not sanctioned by the Court or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated or arising out of the Scheme are not obtained or complied or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and HTML shall bear the costs.
- 19.2 In the event of revocation under Clause 19.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to FEVL and HTML, their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any

right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, HTML shall bear all costs.

- 19.3 The Board of Directors of FEVL and HTML shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on FEVL and/or HTML.
- 19.4 FEVL and HTML shall be at liberty to withdraw from this Scheme, in case any condition or alteration imposed by the High Court or any other authority is not on terms acceptable to them.

20 COSTS, CHARGES & EXPENSES

- 20.1 Except as otherwise expressly provided in the Scheme, HTML shall pay all costs and expenses in connection with the Scheme. Upon the scheme becoming effective, all costs, charges, taxes including duties, levies and all other expenses, arising out of or incurred for implementing this Scheme and matters incidental thereto shall also be borne by HTML.
- 20.2 The stamp duty under the Indian Stamp Act, 1899, if any transfer duties including registration fees, development cess, rates and property tax and registration charges payable to the concerned authorities arising out of the execution and registration of the conveyances of the properties in favour of HTML as applicable shall be paid by HTML.

21 MISCELLANEOUS

- 21.1 If any Part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part.
- 21.2 On the sanction of the Scheme and upon the Scheme becoming effective, with effect from the Appointed Date, the following shall be deemed to have occurred and become effective and operative only in the sequence and in the order mentioned hereunder: -
- Conversion of Zero Coupon Compulsorily Convertible Debentures of FEVL into equity shares of Rs 10/- each of FEVL as mentioned in PART B of this Scheme;
 - Demerger of the Job Portal Undertaking of FEVL and transfer and vesting thereof into HTML as mentioned in PART C of this Scheme;
 - The issue of New Equity Shares by HTML to existing shareholders of FEVL as mentioned in PART C of this Scheme; and
 - Reorganisation of Equity Share Capital of FEVL as mentioned in PART D of this Scheme.
- 21.3 In case any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any New Equity Shares in HTML or any equity shares in FEVL, as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred to HTML or the FEVL Residual Entity or as to anything else contained in or relating to or arising out of this Scheme, the same shall be decided jointly by the boards of directors of FEVL and HTML, whose decision shall be final and binding on all concerned.

**IN THE HIGH COURT OF DELHI AT NEW DELHI
ORIGINAL COMPANY JURISDICTION
COMPANY APPLICATION (M) NO. 230 OF 2010**

IN THE MATTER OF :

Sections 391 to 394 read with
Sections 100 to 104 of the Companies Act, 1956

And

IN THE MATTER OF :

Scheme of Arrangement and Restructuring between Firefly e-Ventures Limited and HT Media Limited:

HT MEDIA LIMITED

A company incorporated under the provisions of
the Companies Act, 1956 having its Registered
Office at Hindustan Times House,
18-20, Kasturba Gandhi Marg, New Delhi – 110 001

..... Transferee Company/
Applicant Company

FORM OF PROXY

I/We, the undersigned Equity Shareholders of the above Applicant Company do hereby appoint _____ of _____ and failing him/her _____ of _____, as my/our proxy, to act for me/us at the meeting of Equity Shareholder(s) of HT Media Limited to be held at the FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi – 110 001, on Wednesday, the 2nd day of February, 2011, at 12.00 Noon, for the purpose of considering and if thought fit, approving, with or without modification, the Scheme of Arrangement and Restructuring between Firefly e- Ventures Limited and HT Media Limited, at such meeting and any adjournment thereof, or vote, for me / us and in my / our name/ s _____ (here, if for, insert “for”, if against, insert “against” and in the latter case, strike out the words below after “the Scheme of Arrangement and Restructuring”) the said Scheme of Arrangement and Restructuring, either with or without modification (s) as my/ our proxy may approve.

Dated this _____ day of January, 2011

Signature:

Affix Re.1/- Revenue Stamp

Folio No. / DP ID & Client ID: _____

No. of Shares held: _____

Name: _____

Address : _____

NOTES:

1. Please affix Re. 1/- Revenue Stamp before putting signature
2. The proxy must be deposited at the Registered Office of HT Media Limited not later than 48 hours before the time fixed for the meeting
3. In case of multiple proxies, proxy later in time shall be accepted
4. Strike out which is not necessary
5. All alterations made in the Form of Proxy should be initialed

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HT Media Limited

Registered Office : Hindustan Times House, 18-20 Kasturba Gandhi Marg, New Delhi - 110 001

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall

Ledger Folio/ DP & Client ID No.		No. of Shares held	
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Name and Address of the Equity Shareholder(s) (in Block Letters)

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Name and Address of the Proxyholder (in Block Letters, to be filled-in by the Proxyholder attending instead of the Equity Shareholder)

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I hereby record my presence at the meeting, convened pursuant to the Order dated December 22, 2010 of the Hon'ble High Court of Delhi at New Delhi of the Equity Shareholders of the Company on Wednesday, the 2nd day of February, 2011 at 12.00 Noon at FICCI Golden Jubilee Auditorium, Tansen Marg, New Delhi -110 001.

Signature of the Equity Shareholder/ Proxyholder:

Notes:

1. *Equity Shareholders are requested to bring the Attendance Slip with them when they come to the meeting and hand it over at the gate after affixing their signature on it.*
2. *Equity Shareholders who come to attend the meeting are requested to bring with them copy of the Scheme of Arrangement and Restructuring.*

Book Post
(Under Certificate of Posting)

TO,

If undelivered please return to:

HT Media Limited
Secretarial Department
Hindustan Times House, 2nd Floor
18-20, Kasturba Gandhi Marg
New Delhi-110001

*Please note that briefcase, bag, mobile phone and/or eatables
shall not be allowed to be taken inside the hall for security reasons.*