

Certificate

The Board of Directors
HT Media Limited
Hindustan Times House
18-20, Kasturba Gandhi Marg
New Delhi – 110 001

Certificate of Non – applicability of requirements prescribed in Para 9 of Annexure I to SEBI Circular No. CFD/DIL3/CIR/2017/21 (“SEBI Circular”) dated March 10, 2017 in respect of Proposed Scheme of Arrangement.

1. This Certificate is issued in accordance with the terms of the Master Engagement Agreement (the “MEA”) dated October 22, 2016 and the Service scope letter (the “SSL”) dated August 23, 2017 which serves as an addendum to the MEA. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
2. In connection with the proposed Scheme of Arrangement between HT Media Limited (Demerged Company) and HT Digital Ventures Limited (Resulting Company) and their respective shareholders and creditors (hereinafter referred to as “Scheme”) in terms of the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, the Demerged Company is required to submit an undertaking which is prepared by the Board of Directors of the demerged Company as per SEBI’s Circular dated March 10, 2017 (“the Undertaking”), duly certified by the statutory auditors of the Demerged Company, with BSE Limited, National Stock Exchange of India Limited (together referred to as ‘Stock Exchanges’) & Securities and Exchange Board of India (“SEBI”) towards non-applicability of conditions mentioned in paragraph 9(a) and 9(b) read with para 9(c) of heading / paragraph 1 A of Annexure I to the SEBI Circular stating reasons thereof.
3. In connection with the requirement as stated in Paragraph 2 above, we have been provided by the Demerged Company, a certified copy of the Scheme which is pending for sanction by the Hon’ble National Company Law Tribunal (as attached herewith) and certified copy of the Undertaking as per the SEBI Circular (as attached herewith). We have initialed the Undertaking for identification purposes only. We have relied on the Undertaking and have performed no further procedures in this regard.

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Management's Responsibility for the Undertaking

4. The preparation of the Undertaking is the responsibility of the management of the Company including the creation and maintenance of all accounting and other records supporting the contents of the Scheme. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Undertaking.
5. The management is also responsible for ensuring that the Demerged Company complies with the requirements of the aforesaid SEBI Circular and the Companies Act 2013, in relation to the Scheme and for providing all the information to SEBI and the Stock Exchanges.

Auditor's Responsibility

6. Pursuant to the requirements of the SEBI Circular, our responsibility is to provide reasonable assurance as to whether the requirements set out in paragraph 9(a) and 9(b) read with para 9(c) of heading / paragraph of 1 A of Annexure 1 of the SEBI Circular, as stated in the Undertaking, are applicable to the Scheme or not.
7. We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.
9. A reasonable assurance engagement includes performing procedures to obtain sufficient appropriate audit evidence on the reporting criteria. Accordingly, we have performed the following procedures in relation to the Certificate:
 - i. Obtained a certified copy of the Scheme.
 - ii. Obtained a certified copy of the Undertaking as per the SEBI Circular.
 - iii. Relied on the copy of the Scheme and the Undertaking so obtained. No further procedures in this regard was performed.
10. Our scope of work did not involve us performing any audit tests in the context of our examination. We have not performed an audit, the objective of which would be to express an opinion on the specified elements, accounts or items thereof, for the purpose of this certificate. Accordingly, we do not express such opinion. Further our examination did not extend to any aspects of a legal or propriety nature in the Scheme.



Conclusion

11. Based on the procedures performed as above and on the basis of verification of the Undertaking given by the Demerged Company and according to the information and explanations given to us and specific representations received by us from the Management in respect of the conditions prescribed in paragraph 9(a) and 9(b) read with para 9(c) of heading / paragraph 1 A of Annexure I of the SEBI Circular (in relation to the voting by public shareholders) and its applicability to the Scheme, we state that:
- a. The Scheme does not envisage any issue of shares to Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company, other than the shares of the Resulting Company to all the shareholders of the Demerged Company on a proportionate basis pursuant to the Scheme. Simultaneous with the issuance of equity shares by the Resulting Company to the shareholders of the Demerged Company, the equity shares of the Resulting Company held by the Demerged Company and its nominees will be cancelled and which will ensure that the beneficial interest of the shareholders of the Resulting Company is identical to that of their respective interest in the Demerged Company;
 - b. Read with 10(a) above, the scheme relates to the demerger and vesting of an undertaking of the Demerged Company to its wholly owned subsidiary i.e. HT Digital Ventures Limited. The Scheme does not involve the Company and any other entity involving Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the Company;
 - c. The Scheme does not provide for the acquisition, either directly or indirectly, by the parent company, of the equity shares of the subsidiary, from any of the shareholders of the subsidiary who may be Promoter / Promoter Group, Related Parties of Promoter / Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter / Promoter Group of the parent listed entity ie the Demerged Company.. Further the Scheme is not for the purpose of merger of subsidiary with the parent listed entity;
 - d. The Scheme does not envisage merger of an unlisted entity which results in reduction in the voting share of pre-scheme public shareholders of listed entity in the transferee / resulting company by more than 5% of the total capital of the merged entity; and
 - e. The Scheme does not envisage transfer of whole or substantially the whole of the undertaking of the Demerged Company and the consideration for such transfer is not in the form of the Demerged Company shares.



Restriction on Use

12. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the aforesaid SEBI Circular. Our obligations in respect of this certificate are entirely separate from and our responsibility and liability is in no way changed by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as auditors of the Company.
13. The certificate is addressed to and provided to the Board of Directors of the Company solely for the purpose to comply with requirement of SEBI Circular for onward submission to the Stock Exchanges. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

Vishal Sharma

per Vishal Sharma
Partner

Membership Number: 96766

Place of Signature: Gurgaon

Date:

25/08/2017



Undertaking in relation to non-applicability of requirements prescribed in para (I)(A)(9)(a) of Annexure I to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10th March, 2017 ('SEBI Circular') to the draft Scheme of Arrangement between HT Media Limited and HT Digital Ventures Limited and their respective shareholders and creditors ('the Scheme')

This is in connection with the Draft Scheme of Arrangement between HT Media Limited ('Demerged Company' or 'HTML') and HT Digital Ventures Limited ('Resulting Company' or 'HTDVL') and their respective shareholders and creditors under Sections 230-232 of the Companies Act, 2013, read with Section 66 of the Companies Act, 2013, and other applicable provisions of the Companies Act, 2013 and/or Companies Act, 1956, as the case may be, and pursuant to para (I)(A)(9)(a) of the SEBI Circular, wherein it is mandated for listed companies to ensure that the Scheme submitted with the Hon'ble National Company Law Tribunal, for sanction, provides for voting by public shareholders through e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution.

HT Media Limited hereby undertakes that the requirement stated at para (I)(A)(9)(a) of the SEBI Circular i.e. approval by public shareholders through e-voting, is not applicable to the Scheme, for the following reasons:

1) Para (I)(A)(9)(b)(i)

The Scheme does not envisage any allotment of additional shares to Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group, of the listed entity i.e. HTML, other than the shares to be issued by HTDVL to all the Members of HTML as per the Share Entitlement Ratio enshrined in Clause 12.1 of the Scheme, in discharge of the consideration for transfer of 'Entertainment & Digital Innovation Business' of HTML to HTDVL.

Fact pattern upon demerger coming into effect:

- Issue of shares by the Resulting Company to the existing Members of the Demerged Company.

Resulting Company shall issue and allot equity shares on a proportionate basis to each Member of the Demerged Company [including The Hindustan Times Limited (holding company of the Demerged Company) and other shareholders], whose name is recorded in the Register of Members of the Demerged Company as holding equity shares on Record Date, as per the Share Entitlement Ratio enshrined in Clause 12.1 of the Scheme i.e. one fully paid up equity share of Rs.2 (Rupees two only) of Resulting Company shall be issued and allotted for every 4 (four) fully paid up equity shares of Rs.2 (Rupees Two only) each of the Demerged Company held by the Member.

- Cancellation of the equity shares held by the Demerged Company in Resulting Company

Simultaneous with the issuance of equity shares by the Resulting Company to the members of the Demerged Company, the existing equity shares of the Resulting Company held by the Demerged Company and its nominees will be cancelled.

This will ensure that shareholding pattern of Resulting Company is identical and mirror image of the Demerged Company.



Accordingly, it is evident from the above that all the Members of the Demerged Company would get equity shares in Resulting Company in proportion to their entitlement as per Share Entitlement Ratio enshrined in the Scheme and there would be no allotment of additional shares to Promoter / Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter / Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group of the listed entity.

2) Para (I)(A)(9)(b)(ii)

The Scheme envisages demerger of 'Entertainment & Digital Innovation Business' (as defined in the Scheme) of HTML and transfer and vesting thereof into HTDVL (wholly-owned subsidiary company), and thus, the Scheme does not involve any other entity involving Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group of HTML.

Fact pattern upon demerger coming into effect:

- HTDVL (Resulting Company) is a wholly-owned subsidiary of HTML (Demerged Company) and therefore, the Resulting Company is not part of the Promoter/Promoter Group of Demerged Company as the relationship is only through the Demerged Company.
- As mentioned in para (1) above, the Resulting Company shall issue and allot fully-paid up equity shares as per the Share Entitlement Ratio enshrined in Clause 12.1 of the Scheme to each Member of the Demerged Company. Subsequent to issuance of such equity shares by the Resulting Company to the Members of the Demerged Company, the equity shares of the Resulting Company held by the Demerged Company and its nominees will be cancelled, which will ensure that the shareholding pattern of Resulting Company is identical and mirror image of the Demerged Company. In such a case, benefit, if any, of the Scheme shall be to the advantage of all the shareholders of the Demerged Company.
- Since all the Members of the Demerged Company are being issued equity shares of the Resulting Company, the benefit of the Scheme would accrue to the advantage of all Members of the Demerged Company. Thus, the objective of safeguarding the interest of the minority shareholders is met in this case.

3) Para (I)(A)(9)(b)(iii)

HTML (Demerged Company and parent listed company) has not acquired, either directly or indirectly, any equity shares of HTDVL (Resulting Company and wholly-owned subsidiary company of Demerged Company) from any shareholders of HTDVL, who may be Promoter/ Promoter Group, Related Parties of Promoter/ Promoter Group, Associates of Promoter/ Promoter Group, Subsidiary/(s) of Promoter/ Promoter Group of HTML.

The Scheme does not envisage the merger of HTDVL with HTML.

4) Para (I)(A)(9)(b)(iv)

The Scheme does not envisage merger of unlisted entity i.e. HTDVL (Resulting Company) with the listed entity i.e. HTML (Demerged Company) and therefore, the question of any reduction in the



voting share of pre-scheme public shareholders of HTML in HTDVL, by more than 5% of the total capital of the merged entity, does not arise at all.

5) Para (I)(A)(9)(b)(v)

The Scheme envisages demerger of 'Entertainment & Digital Innovation Business' (as defined in the Scheme) of HTML and transfer and vesting thereof into HTDVL.

As per the SEBI Circular, for the purposes of para (I)(A)(9)(b)(v), the expression "substantially the whole of the undertaking" in any financial year shall mean 20% or more of value of the company in terms of consolidated net worth or consolidated total income during previous financial year as specified in section 180(1)(a)(i) of the Companies Act, 2013.

As per the audited financials of HTML for the financial year ended 31st March, 2017, the 'Entertainment & Digital Innovation Business', does not satisfy the criteria of consolidated net worth and consolidated total income outlined in para (I)(A)(9)(b)(v) of the SEBI Circular.

The shares to be issued/ allotted by HTDVL to the Members of HTML as per Share Entitlement Ratio enshrined in Clause 12.1 of the Scheme, shall be listed on both, BSE and NSE as enshrined in the Clause 12.7 of the Scheme.

For HT Media Limited

(Dinesh Mittal)
Whole-time Director, Group General Counsel
& Company Secretary

Date: August 25, 2017

Place: New Delhi



SCHEME OF ARRANGEMENT

BETWEEN

HT MEDIA LIMITED (DEMERGED COMPANY)

AND

HT DIGITAL VENTURES LIMITED (RESULTING COMPANY)

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 230 TO 232 OF THE COMPANIES ACT, 2013

READ WITH SECTION 66 OF THE COMPANIES ACT, 2013

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PREAMBLE

This Scheme (hereinafter defined) is presented under Sections 230 to 232 read with Section 66 and other applicable provisions of the Act (hereinafter defined), for transfer and vesting of Entertainment & Digital Innovation Business (hereinafter defined) of HTML (hereinafter defined) to the Resulting Company (hereinafter defined) with effect from the Appointed Date (hereinafter defined), and upon effectiveness of the Scheme on the Effective Date (hereinafter defined). In addition, the Scheme also provides for various other matters consequential and/or otherwise integrally connected herewith.

A. Background

1. HT Media Limited ("**HTML**" or the "**Demerged Company**") is a public limited company incorporated under the provisions of the Companies Act, 1956 on December 03, 2002 bearing Corporate Identification Number L22121DL2002PLC117874. The registered office of HTML is situated at 18-20, Kasturba Gandhi Marg, New Delhi – 110001. The correspondence email address of HTML is investor@hindustantimes.com. The equity shares of HTML are listed on BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE").

HTML is engaged in the following key businesses:

- a) Printing and publication of newspapers and periodicals
 - b) FM Radio Broadcasting
 - c) Entertainment & Digital Innovation Business
 - d) Operating Online job portal "shine.com"
2. HT Digital Ventures Limited ("**HTDVL**" or the "**Resulting Company**") is a public limited company incorporated under the provisions of Companies Act, 2013 on August 14, 2017 bearing Corporate Identification Number U74999DL2017PLC322147. The registered office of the Resulting Company is situated at Hindustan Times House, 2nd Floor, 18-20, Kasturba Gandhi Marg, New Delhi-110001. The correspondence email address of the Resulting Company is tridib.barat@livehindustan.com. It is a wholly owned subsidiary of HTML and has been recently incorporated. The Entertainment & Digital Innovation Business is proposed to be demerged and vested into the Resulting Company.

B. Rationale for the Scheme of Arrangement

HTML has various businesses that are complementary in nature. However, they are distinct in terms of their nature, regulatory & competitive environment, risk profile, workforce capability, capital requirement and growth trajectory.

With a view to support the Entertainment & Digital Innovation Business to capitalize on its growth opportunities, led by a dedicated management team, it is proposed to assign a separate



identity to this business by way of its demerger into the Resulting Company.

The proposed demerger is likely to offer benefits to HTML and the Resulting Company, as outlined hereunder:

- a. The Entertainment & Digital Innovation Business of HTML has significant potential for growth. The nature of risk, competition, challenges, opportunities and business operations of the Entertainment & Digital Innovation Business is separate and distinct from other businesses of HTML. Thus, the Scheme, which envisages demerger of Entertainment & Digital Innovation Business into a separate company, would enable this business to innovate, scale up and run independently to pursue growth opportunities in a more focused manner.
- b. As part of the Resulting Company, the Entertainment & Digital Innovation Business shall be amenable to benchmarking, and be in a position to attract the right set of investors, strategic partners, employees and other relevant stakeholders.
- c. There would be enhanced focus on the operations of the Entertainment & Digital Innovation Business under a dedicated management team of the Resulting Company, who can chart out and pursue an independent strategy to maximize value creation for stakeholders. Likewise, there would be greater management focus on the Remaining Business (hereinafter defined) of HTML.
- d. The listing of shares of the Resulting Company on stock exchanges, would enable independent bench-marking of Entertainment & Digital Innovation Business, and give a distinct identity to the Entertainment & Digital Innovation Business which is independent, and accountable to the interest of all stakeholders and thus, would provide enhanced liquidity to the investors of HTML.

There is no adverse effect of Scheme on the directors, key managerial personnel, promoters, non-promoter shareholders, creditors, vendors and employees of HTML and the Resulting Company. The Scheme would be in the best interest of all stakeholders.

Pursuant to this Scheme, all shareholders of HTML shall be entitled to equity shares in the Resulting Company on a pro-rata basis on the terms specified in this Scheme.

Accordingly, the Board of Directors of HTML and the Resulting Company have decided to make requisite applications and/or petitions before the Tribunal (hereinafter defined), as applicable under Sections 230 to 232 of the Act (hereinafter defined) read with section 66 of the Act and other applicable provisions for the sanction of this Scheme.



C. Treatment of Scheme for the purposes of Income-Tax Act, 1961

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the Income-tax Act, 1961 ("IT Act"). If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section 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 IT Act shall prevail, and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the IT Act. Such modification(s), will, however, not affect the other provisions of the Scheme.

D. The Scheme is divided into the following parts:

PART A deals with Definition and Share Capital of the companies.

PART B deals with the transfer and vesting of the Entertainment & Digital Innovation Business (hereinafter defined) of HTML to and with the Resulting Company in accordance with Sections 230 to 232 of the Act (hereinafter defined) read with Section 66 of the Act, other applicable provisions of the Act and/ or the 1956 Act (hereinafter defined), and in accordance with Section 2(19AA) of the IT Act.

PART C deals with general terms and conditions that would be applicable to the Scheme.

PART A

DEFINITION AND SHARE CAPITAL

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject, following expressions shall have the meanings respectively assigned against them:

- 1.1 **"the Act"** means the Companies Act, 2013, as notified, and ordinances, rules and regulations made and notifications, circulars etc. issued thereunder, and shall include any statutory modifications, re-enactments or amendments thereof.
- 1.2 **"1956 Act"** means the Companies Act, 1956 (as applicable) and ordinances, rules and regulations made thereunder, and shall include any statutory modifications, re-enactments or amendments thereof.



- 1.3 **"Appointed Date"** shall mean March 31, 2018(at close of business hours).
- 1.4 **"Board of Directors"** or **"Board"** means and includes the respective Boards of Directors of the Demerged Company and the Resulting Company or any committee constituted by such Board of Directors for the purposes of the Scheme.
- 1.5 **"Clause"** and **"Sub Clause"** means the relevant clause /sub clause set out in the Scheme.
- 1.6 **"Entertainment & Digital Innovation Business of HTML" or "Entertainment & Digital Innovation Business"** means all, the businesses, undertakings, activities, assets, properties and liabilities, of whatsoever nature and kind and where so ever situated, of HTML pertaining to the Entertainment & Digital Innovation Business, including specifically the following:
- 1.6.1 Fever Audio Tools for aggregation and creation of audio, audio feed which plays music and promotional talks across various stores, malls, buildings, restaurants, eateries, etc., distribution of in-house creative and niche celeb based content to mobile and digital users, innovative tools to build, promote and amplify brand communication and deliver it with a greater impact and credibility; strategic investments in multimedia content management business, movie review and rating entertainment platform and the digital repository of images;
- 1.6.2 All immovable properties i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise), benefits of any rental agreement for use of premises, marketing offices, share of any joint assets, etc., which immovable properties are being used for the purpose of and in relation to the Entertainment & Digital Innovation Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- 1.6.3 All assets, as are movable in nature pertaining to and in relation to the Entertainment & Digital Innovation Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including plant and machinery, capital work in progress, stores under progress, electrical fittings, furniture, fixtures, appliances, accessories, power lines, office equipments, computers, communication facilities, installations, vehicles, inventory, hardware & software and tools and plants, stock-in-trade, stock-in-transit, raw materials, finished good packaging items), actionable claims, current assets, earnest monies and sundry debtors, investments, financial assets,



outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Government, semi-Government, local and other authorities and bodies, banks, customers and other persons, insurances, the benefits of any bank guarantees, performance guarantees and letters of credit, and tax related assets, including but not limited to Goods and Services tax credits, CENVAT credits, value added/sales tax/entry tax credits or set-offs, advance tax, minimum alternate tax credit, deferred tax assets/liabilities, tax deducted at source and tax refunds;

- 1.6.4 All permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, liberties and advantages (including consent/authorisation granted by relevant authorities and other licenses/permits granted/issued/ given by any governmental, statutory or regulatory or local or administrative bodies for the purpose of carrying on the Entertainment & Digital Innovation Business or in connection therewith) including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Entertainment & Digital Innovation Business;
- 1.6.5 All contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/license agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacture of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Entertainment & Digital Innovation Business;
- 1.6.6 All applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, websites, designs, contracts, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description



and nature that pertain exclusively to the Entertainment & Digital Innovation Business;

- 1.6.7 All rights to use and avail telephones, telexes, facsimile, email, Internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by HTML pertaining to or in connection with or relating to the Entertainment & Digital Innovation Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by HTML and pertaining to the Entertainment & Digital Innovation Business;
- 1.6.8 All books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Entertainment & Digital Innovation Business;
- 1.6.9 All debts, liabilities including contingent liabilities, duties, taxes and obligations of HTML pertaining to the Entertainment & Digital Innovation Business and/or arising out of and/or relatable to the Entertainment & Digital Innovation Business including:
- a) the debts, liabilities, duties and obligations of HTML which arises out of the activities or operations of the Entertainment & Digital Innovation Business;
 - b) specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Entertainment & Digital Innovation Business; and
 - c) liabilities other than those referred to in sub-clauses a) and b) above and not directly relatable to the Remaining Business of HTML, being the amounts of general and multipurpose borrowings of HTML shall be allocated to the Entertainment & Digital Innovation Business in the same proportion which the value of assets transferred under this Scheme bears to the total value of HTML immediately before giving effect to Part B of the Scheme.



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- 1.6.10 All employees of HTML employed/engaged in the Entertainment & Digital Innovation Business as on the Effective Date ("Employees"); and
- 1.6.11 All legal or other proceedings of whatsoever nature that pertain to the Entertainment & Digital Innovation Business.
- 1.7 **"Demerged Company"** shall mean HT Media Limited ("HTML").
- 1.8 **"Effective Date"** means the date on which the last of the conditions mentioned in Clause 18 of Part C of the Scheme is fulfilled and the Scheme is made effective with effect from the Appointed Date. Any references in this Scheme to the "date of coming into effect of this Scheme" or "effectiveness of the Scheme" or "Scheme taking effect" shall mean the Effective Date.
- 1.9 **"ESOP Plans"** shall mean, collectively all Employee Stock Option Schemes approved by the Board of Directors and shareholders of HTML, as amended, modified or replaced from time to time.
- 1.10 **"National Company Law Tribunal" or "NCLT" or "Tribunal"** means the National Company Law Tribunal, New Delhi Bench or any other bench having jurisdiction over the Demerged Company and/or Resulting Company.
- 1.11 **"Record Date"** means the date fixed by the Board of Directors of the Resulting Company or any committee thereof, in consultation with the Demerged Company, for the purpose of determining names of the members of the Demerged Company, who shall be entitled to receive the equity shares in the Resulting Company pursuant to Clause 12.1 of the Scheme, upon effectiveness of this Scheme.
- 1.12 **"Remaining Business"** means all assets, liabilities, businesses, activities and operations of the Demerged Company other than the Entertainment & Digital Innovation Business.
- 1.13 **"Resulting Company"** means HT Digital Ventures Limited ("HTDVL").
- 1.14 **"Scheme" or "the Scheme" or "this Scheme" or "the Composite Scheme"** means this Scheme of Arrangement among the Demerged Company, the Resulting Company and their respective shareholders and creditors pursuant to the provisions of Sections 230 to 232 read with section 66 and other applicable provisions of the Act or the 1956 Act, as the case may be, in its present form or with any modification(s) made under Clause 17 of the Scheme by the Board of Directors of the Demerged Company and the Resulting Company, and/ or as approved or directed by the Tribunal, as the case may be.



- 1.15 "SEBI" means Securities and Exchange Board of India established under the Securities and Exchange Board of India Act, 1992.
- 1.16 "SEBI Circulars" means Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, issued by SEBI and as amended from time to time or any other circular(s) issued by SEBI applicable to a scheme of arrangement.
- 1.17 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, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996, SEBI Circulars and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or reenactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein, in its present form or with any modification(s) and amendments(s) made under Clause 17 of the Scheme or as approved or imposed or directed by the Tribunal, as the case may be and applicable, shall be effective from the Appointed Date, but shall be made operative from the Effective Date.

3. CAPITAL STRUCTURE OF THE COMPANIES

- 3.1. The share capital of HTML as at March 31, 2017 is as under:

Particulars	Amount (Rs.)
Authorized Share Capital	
36,25,00,000 Equity Shares of Rs.2/-each	72,50,00,000/-
Total	72,50,00,000/-
Issued, Subscribed and Paid Up Share Capital	
23,27,48,314 Equity Shares of Rs.2/- each fully paid up	46,54,96,628/-
Total	46,54,96,628/-

Since March 31, 2017 and as on the date of filing of this Scheme, there is no change in the capital structure of HTML.



3.2. The share capital of the Resulting Company as at August 14, 2017 is as under:

Particulars	Amount (Rs.)
Authorized Share Capital	
10,000 Equity Shares of Rs. 10/- each	1,00,000/-
Total	1,00,000/-
Issued, Subscribed and Paid Up Share Capital	
10,000 Equity Shares of Rs. 10/- each fully paid up	1,00,000/-
Total	1,00,000/-

The entire issued, subscribed and paid up share capital of the Resulting Company is presently held by HTML and its nominees and hence, the Resulting Company is a wholly owned subsidiary of HTML.

Since August 14, 2017 i.e. the date of incorporation of the Resulting Company and as on the date of filing of this Scheme, there is been no change in the capital structure of the Resulting Company. It is proposed to sub-divide the equity shares of the Resulting Company to a face value of Rs. 2/- per equity share.

4. MAIN OBJECTS

4.1. The main objects of HTML as on the date of filing of the Scheme 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 email, 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 & video right owners, media partners and media advisors of all kinds of live and recorded sports, entertainment events, news & current affair events, summits, pageants, concerts, shows, exhibitions, premiers in all languages in India or elsewhere.

6. 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 programmes 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.

4.2. The main objects of the Resulting Company as on the date of filing of the Scheme are as follows:

1. To engage in, deal, carry out any activity or business in the digital media space and electronic media, for creation, dissemination and/or integration of news, knowledge, information, entertainment, brand/event promotion and content of general interest, in English, Hindi or any other language, across the globe through networking, telecom, web-page design, creation, hosting, radio, television and/or any other mode of communication whether currently in vogue or which may be in vogue in the future.
2. To carry on in India or elsewhere, the business to produce, promote, manage, project, procure, acquire rights, develop digital and other tools, create, curate, edit, aggregate, digital content (including photo, audio and video content) and/or to participate in, manufacture, process, aggregate, accumulate, syndicate, prepare, alter, develop, edit, exhibit, broadcast, transmit, make, remake, display, print, reprint, convert, duplicate, finish, buy, sell, promote, run, import, export, act as broker, agent, distributor, proprietor, organizers, promoter, sponsors, copyright owner, audio & video right owner, media partners / advisors or deal in any manner, in all kinds of audio, video, photo or digital content, live and recorded sports, entertainment events, music, news & current affairs events, summits, pageants, concerts, shows, exhibitions, premiers, in all languages in India or elsewhere.
3. To carry on by itself, or through franchisees or licensees, classified advertisement business including but not limited to jobs, education, property, automobile, matrimonial, travel, sale or purchase of merchandise and/or providing services in relation thereto, through internet or any other digital medium; to provide web-based services, including but not limited to gaming, blogging, audio-video streaming etc. by designing, creating, hosting, servicing web-sites or any other platform, establishing, providing, operating and managing, e-commerce, direct-to-home, m-commerce platforms, for sale of all categories of products and / or services; to create, develop and market any technology for facilitation of mobile or electronic or internet based payments or any other technology based payments for transactions, whether currently



in vogue or which may be in vogue in the future.

4. *To carry on any business relating to Internet or e-mail, networking and communication environments, including but not limited to search engines, jobs, education, property, automobile, classifieds, matrimonial, travel, sale/purchase of merchandise and/or providing services etc. through internet/on-line medium and/or to provide various web-based services, including but not limited to gaming, blogging, audio/video streaming etc. by designing, creating, hosting, servicing etc. appropriate web-sites, merchandising the web-sites or any other internet based media, to be the licensee of different web-sites, to manage, operate and maintain web-sites of different types (content, technical or otherwise) 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 and to carry on any internet, web-based or any other prevalent or future technology based business.*
5. *To carry on the business to act as advisors, consultants, guides, executants, agents, liaison representatives or in any other manner, for marketing promotion and/or brand promotion, including business-to-business solutions of any product, person, entity, advertisement and public relations agency, government and non-governmental organization, through all communication mediums, including but not limited to newspaper, magazine, pamphlet, publications, television, events, conferences, radio, mobile, internet, satellite in India or abroad or any other kind of media currently in vogue or which may be in vogue in the future.*

PART B

TRANSFER AND VESTING OF ENTERTAINMENT & DIGITAL INNOVATION BUSINESS OF HTML TO AND WITH THE RESULTING COMPANY

5. TRANSFER AND VESTING OF ENTERTAINMENT & DIGITAL INNOVATION BUSINESS FROM DEMERGED COMPANY TO RESULTING COMPANY

- 5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the "Entertainment & Digital Innovation Business" (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the "Entertainment & Digital Innovation Business") shall, without any further act, instrument, deed, matter or thing, be demerged from HTML and stand transferred to and vested in the Resulting Company or be deemed to have been demerged from HTML, and transferred to and vested in the Resulting Company as a going concern, so as to become as and from the Appointed Date, the estate, assets, rights, claims, title, interests and authorities of the Resulting Company, pursuant to Section 232 of the Act.



- 5.2. In respect of such of the assets of the Entertainment & Digital Innovation Business as are movable in nature and/or otherwise capable of transfer by manual or constructive delivery of possession and/or by endorsement and delivery, the same shall be so transferred by HTML to the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer of the same, and shall become the property of the Resulting Company as an integral part of the Entertainment & Digital Innovation Business.
- 5.3. In respect of the movable assets other than those dealt with in clause 5.2 above, including but not limited to sundry debts, actionable claims, earnest monies, receivables, bills, credits, loans, advances and deposits with the Government, semi-Government, local and any other authorities and bodies and/or customers, if any, whether recoverable in cash or in kind or for value to be received, bank balances, etc. the same shall stand transferred to and vested in the Resulting Company without any notice or other intimation to any person in pursuance of the provisions of Sections 230 to 232 read with Section 66 and other relevant provisions of the Act, to the end and intent that the right of HTML to recover or realize the same stands transferred to the Resulting Company. The Resulting Company shall, at its sole discretion but without being obliged, give notice in such form as it may deem fit and proper, to such person, as the case may be, that the said debt, receivable, bill, credit, loan, advance or deposit stands transferred to and vested in the Resulting Company and that appropriate modification should be made in their respective books/records to reflect the aforesaid changes.
- 5.4. In respect of such of the assets belonging to the Entertainment & Digital Innovation Business other than those referred to in clause 5.2 and 5.3 above, the same shall, as more particularly provided in clause 5.1 above, without any further act, instrument or deed, be demerged from HTML and transferred to and vested in and/or be deemed to be demerged from HTML and transferred to and vested in the Resulting Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230-232 of the Act.
- 5.5. All assets, rights, title, interests and investments of HTML in relation to the Entertainment & Digital Innovation Business shall also without any further act, instrument or deed stand transferred to and vested in and be deemed to have been transferred to and vested in the Resulting Company upon the coming into effect of this Scheme and with effect from the Appointed Date pursuant to the provisions of Sections 230 to 232 of the Act.
- 5.6. Without prejudice to the generality of the foregoing, upon the coming into effect of this Scheme, all the rights, title, interest and claims of HTML in any leasehold/leave and licence/right of way properties of HTML in relation to the Entertainment & Digital Innovation Business, shall, pursuant to Section 232 of the Act, without any further act of



deed, be transferred to and vested in or be-deemed to have been transferred to or vested in the Resulting Company automatically and on the same terms and conditions.

- 5.7. For the avoidance of doubt and without prejudice to the generality of the foregoing, it is expressly clarified that upon the coming into effect of this Scheme, all permits, licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of HTML, and the rights and benefits under the same, in so far as they relate to the Entertainment & Digital Innovation Business and all quality certifications and approvals, trademarks, trade names, service marks, copy rights, domain names, web-sites, designs, trade secrets, research and studies, technical knowhow and other intellectual properties (whether owned, licensed or otherwise, and whether registered or unregistered) and all other interests relating to the goods or services being dealt with by the Entertainment & Digital Innovation Business and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents acquired by HTML, in relation to the Entertainment & Digital Innovation Business shall be transferred to and vested in the Resulting Company and the concerned licensors and granters of such approvals, clearances, permissions, etc., shall endorse, where necessary, and record, in accordance with law, the Resulting Company on such approvals, clearances, permissions so as to empower and facilitate the approval and vesting of the Entertainment & Digital Innovation Business of HTML in the Resulting Company and continuation of operations pertaining to the Entertainment & Digital Innovation Business of HTML in the Resulting Company without hindrance and that such approvals, clearances and permissions shall remain in full force and effect in favour of or against the Resulting Company, as the case may be, and may be enforced as fully and effectually as if, instead of HTML, the Resulting Company had been a party or beneficiary or obligee thereto.
- 5.8. In so far as various incentives, subsidies, exemptions, special status, indirect tax benefits or credits, income tax holiday/benefit/losses and other benefits or exemptions or privileges enjoyed, granted by any Government body, regulatory authority, local authority or by any other person, or availed of by HTML are concerned, the same shall, without any further act or deed, in so far as they relate to the Entertainment & Digital Innovation Business, vest with and be available to the Resulting Company on the same terms and conditions, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.
- 5.9. Any claims due to HTML from its customers or otherwise and which have not been received by HTML as on the date immediately preceding the Effective Date as the case may be, in relation to or in connection with the Entertainment & Digital Innovation



Business, shall also belong to and be received by the Resulting Company.

- 5.10. All assets, estate, rights, title, interest and authorities acquired by HTML after the Appointed Date and prior to the Effective Date for operation of the Entertainment & Digital Innovation Business shall also stand transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.
- 5.11. Upon the coming into effect of this Scheme, all debts, duties, obligations and liabilities (including contingent liabilities) of HTML relating to the Entertainment & Digital Innovation Business shall without any further act, instrument or deed be and stand transferred to the Resulting Company and shall thereupon become the debts, duties, obligations and liabilities of the Resulting Company, which it undertakes to meet, discharge and satisfy to the exclusion of HTML and to keep HTML indemnified at all times from and against all such debts, duties, obligations and liabilities (including contingent liabilities) and from and against all actions, demands and proceedings in respect thereto. It shall not be necessary to obtain the consent of any third party or other person, who is a party to an act or arrangement by virtue of which such debts, obligations, duties and liabilities, have arisen in order to give effect to the provisions of this clause.
- 5.12. In so far as loans and borrowings of HTML are concerned, the loans and borrowings and such amounts pertaining to the general and multipurpose loans and borrowings, and liabilities, if any which are to be transferred to the Resulting Company in terms of clause 5.11 above, being a part of the Entertainment & Digital Innovation Business, shall, without any further act or deed, become loans and borrowings of the Resulting Company, and all rights, powers, duties and obligations in relation thereto shall be and stand transferred to and vested in and shall be exercised by or against the Resulting Company, as if it had entered into such loans and incurred such borrowings. However, without prejudice to such transfer of proportionate liability amount, if any, where considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the Resulting Company may discharge such liability (including accretions) by making payments on the respective due dates to HTML, which in turn shall make payments to, the respective creditors.
- 5.13. Subject to clause 5.12 above, from the Effective Date, the Resulting Company alone shall be liable to perform all obligations in respect of the liabilities of the Entertainment & Digital Innovation Business as the borrower/issuer thereof, and HTML shall not have any obligations in respect of the said liabilities.
- 5.14. Where any of the liabilities and obligations of HTML as on the Appointed Date deemed to be transferred to the Resulting Company, have been discharged by HTML after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been made for and on account of the Resulting Company and all liabilities and obligations



incurred by HTML for the operations of the Entertainment & Digital Innovation Business after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of the Resulting Company and to the extent of their outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Resulting Company and shall become the liabilities and obligations of the Resulting Company, which shall meet, discharge and satisfy the same.

- 5.15. Any claims, liabilities or demands arising on account of the Entertainment & Digital Innovation Business of HTML which relates to the period prior to the Appointed Date but arises at any time after the Effective Date shall be entirely borne by the Resulting Company. In the event that such liability is incurred by or such claim or demand is made upon HTML, then the Resulting Company shall indemnify HTML for any payments made in relation to the same.
- 5.16. Subject to the other provisions of this Scheme, in so far as the assets of the Entertainment & Digital Innovation Business are concerned, the security, pledge, existing charges and mortgages, over such assets, to the extent they relate to any loans or borrowings of the Remaining Business of HTML shall, without any further act, instrument or deed be released and discharged from the same and shall no longer be available as security, pledge, charges and mortgages in relation to those liabilities of HTML which are not transferred to the Resulting Company.
- 5.17. In so far as the assets of the Remaining Business of HTML are concerned, the security, pledge, existing charges and mortgages over such assets, to the extent they relate to any loans or borrowings of the Entertainment & Digital Innovation Business shall, without any further act, instrument or deed be released and discharged from such security, pledge, charges and mortgages. The absence of any formal amendment which may be required by a bank and/or financial institution in order to affect such release shall not affect the operation of this clause.
- 5.18. In so far as the existing security in respect of the loans and other liabilities relating to the Remaining Business of HTML are concerned, such security shall, without any further act, instrument or deed be continued with HTML only, on the assets which are remaining with HTML.
- 5.19. Without any prejudice to the provisions of the foregoing clauses and upon the Scheme being effective, HTML, and the Resulting Company shall execute any instrument(s) and/or document(s) and/or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, NCT of Delhi and Haryana, to give formal effect to the provisions of this clause and foregoing clauses, if required.



- 5.20. Upon the coming into effect of this Scheme, HTML alone shall be liable to perform all obligations in respect of all debts, liabilities, duties and obligations pertaining to the Remaining Business of HTML and the Resulting Company shall not have any obligations in respect of the Remaining Business of HTML.
- 5.21. The foregoing provisions shall operate, notwithstanding anything to the contrary contained in any instrument, deed or writing or the terms of sanction or issue or any security documents, all of which instruments, deeds or writings shall stand modified and/or superseded by the foregoing provisions.
- 5.22. On and from the Effective Date, and thereafter, the Resulting Company shall be entitled to operate the bank accounts of HTML, in relation to or in connection with the Entertainment & Digital Innovation Business, and realize all monies and complete and enforce all pending contracts and transactions and to accept stock returns and issue credit notes, in relation to or in connection with the Entertainment & Digital Innovation Business, in the name of the Resulting Company in so far as may be necessary until the transfer of rights and obligations of the Entertainment & Digital Innovation Business to the Resulting Company under this Scheme have been formally given effect to under such contracts and transactions. From the Appointed Date and prior to the Effective Date, any money collected or realized by HTML in relation to or in connection with the Entertainment & Digital Innovation Business shall be deemed to have been for and on account of the Resulting Company.
- 5.23. As on the Appointed Date, certain portions of the working capital facilities of HTML are being utilized for the activities or operation of the Entertainment & Digital Innovation Business. It is being clarified that pursuant to the Scheme becoming effective and as part of the transfer and vesting of the Entertainment & Digital Innovation Business with the Resulting Company and subject to the approval of relevant lenders, such working capital facilities, as may be identified by the Board of Directors of HTML, shall stand transferred to the Resulting Company. In the event such facilities are not transferred as on the Effective Date, HTML and the Resulting Company may, subject to applicable laws and if required, enter into inter-company loan arrangement to that extent from HTML to the Resulting Company till the time the Resulting Company establishes its own line of credit.
- 5.24. For avoidance of doubt and without prejudice to the generality of the applicable provisions of the Scheme, it is clarified that with effect from the Effective Date and till such time that the name of bank accounts of HTML, in relation to or in connection with the Entertainment & Digital Innovation Business, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to operate the bank accounts of HTML, in relation to or in connection with the Entertainment & Digital Innovation Business, in the name of HTML in so far as may be necessary. All cheques and other



negotiable instruments, payment orders received or presented for encashment, which are in the name of HTML in relation to or in connection with the Entertainment & Digital Innovation Business, after the Effective Date shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company. The Resulting Company shall be allowed to maintain bank accounts in the name of HTML for such time as may be determined to be necessary by the Resulting Company for presentation and deposition of cheques and pay orders that have been issued in the name of HTML, in relation to or in connection with the Entertainment & Digital Innovation Business. To the extent such collection is made in the name of HTML it shall also without any further act or deed be and stand transferred to the Resulting Company. It is hereby expressly clarified that any legal proceedings by or against HTML, in relation to or in connection with the Entertainment & Digital Innovation Business, in relation to the cheques and other negotiable instruments, payment orders received or presented for encashment, which are in the name of HTML shall be instituted, or as the case may be, continued by or against the Resulting Company after the coming into effect of this Scheme.

- 5.25. It is clarified that in order to ensure the smooth transition of business in relation to or in connection with the Entertainment & Digital Innovation Business, the Resulting Company shall have the right to use, market, sell, exhaust or to in any manner deal with any items or service pertaining to the Entertainment & Digital Innovation Business without making any modifications whatsoever to items or services and/or their branding. All invoices/payment related documents pertaining to such items shall be raised in the name of the Resulting Company after the Effective Date.
- 5.26. It is hereby clarified that all assets and liabilities of the Entertainment & Digital Innovation Business, which are set forth in the closing balance sheet of HTML as on the Appointed Date, shall be transferred at values appearing in the books of account of HTML as on the Appointed Date.
- 5.27. Upon this Scheme coming into effect, HTML and the Resulting Company may enter into shared services agreements, inter-alia, in relation to use by the Resulting Company of office space, infrastructure facilities, club membership facilities, information technology services, security personnel, legal, administrative and other services, etc. of HTML on such terms and conditions that may be agreed between the parties and on payment of consideration on an arm's length basis.
- 5.28. Notwithstanding anything contained herein, it is hereby clarified that no separate corporate approvals, inter-alia, under the Act or any other applicable law or regulation or contract, shall be required to be taken for undertaking any of the actions/transactions pertaining to the Entertainment & Digital Innovation Business or the services provided by HTML under clause 5.27 above from the Appointed Date and until the Effective Date and



all such actions/transactions shall be deemed to be in compliance with the Act or other laws, regulations, contracts as applicable, by virtue of approval of the Scheme.

6. LEGAL PROCEEDINGS

- 6.1. Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against HTML, under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future and in each relating to the Entertainment & Digital Innovation Business shall be continued and enforced by or against the Resulting Company after the Effective Date. In the event that the legal proceedings referred to herein require HTML and the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as a party to such proceedings and shall prosecute and defend such proceedings in co-operation with HTML. In the event of any difference or difficulty in determining as to whether any specific legal or other proceedings relate to the Entertainment & Digital Innovation Business or not, a decision jointly taken by the Board of Directors of HTML and the Resulting Company in this regard, shall be conclusive evidence of the matter.
- 6.2. If proceedings are taken against HTML in respect of the matters referred to in clause 6.1 above, it shall defend the same in accordance with the advice of the Resulting Company and at the cost of the Resulting Company, and the latter shall reimburse and indemnify HTML against all the liabilities and obligations incurred by HTML in respect thereof.
- 6.3. The Resulting Company shall have all legal or other proceedings initiated by or against HTML with respect to the Entertainment & Digital Innovation Business, transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of HTML.

7. CONTRACTS, DEEDS, ETC.

- 7.1. Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Entertainment & Digital Innovation Business to which HTML is a party or to the benefit of which HTML may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall be in full force and effect by or against or in favour of the Resulting Company, as the case may be, and may be enforced as fully and effectually as if, instead of HTML, the Resulting Company had been a party or beneficiary or obligee thereto.
- 7.2. Notwithstanding the fact that vesting of the Entertainment & Digital Innovation Business occurs by virtue of this Scheme itself, the Resulting Company may, at any time after the



coming into effect of this Scheme, in accordance with the provisions hereof, if so required, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings with any party to a contract or arrangement to which HTML is a party in order to give formal effect to the above provisions. The Resulting Company will, if necessary, also be a party to the above. The Resulting Company shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writings and carry out or perform, all such formalities or compliances referred to above on behalf of HTML.

- 7.3. Without prejudice to the aforesaid, it is clarified that if any assets (estate, claims, rights, title, interests in or authorities relating to such assets) or any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Entertainment & Digital Innovation Business which HTML owns or to which HTML is a party to, cannot be transferred to the Resulting Company for any reason whatsoever, HTML shall hold such asset or contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature, in trust for the benefit of the Resulting Company, in so far as it is permissible so to do, till such time as the transfer is effected.

8. SAVING OF CONCLUDED TRANSACTIONS

- 8.1. The transfer and the vesting of the assets, liabilities and obligations of the Entertainment & Digital Innovation Business under clause 5 hereof and the continuance of proceedings by or against the Resulting Company under clause 6 hereof shall not affect any transaction or proceedings already completed by HTML on or after the Appointed Date, to the end and intent that the Resulting Company adopts, accepts all acts, deeds and things done and executed by and/or on behalf of HTML in relation to Entertainment & Digital Innovation Business as acts, deeds and things made, done and executed by and on behalf of the Resulting Company.

9. STAFF, EMPLOYEES & WORKMEN

- 9.1. Upon the coming into effect of this Scheme, all the employees relating to the Entertainment & Digital Innovation Business that were employed by HTML, immediately before the Effective Date, shall become the employees of the Resulting Company without any break or interruption of service and with the benefit of continuity of service on terms and conditions which are not less favourable than the terms and conditions as were applicable to such employees relating to the Entertainment & Digital Innovation Business of HTML immediately prior to the demerger of the Entertainment & Digital Innovation Business.



- 9.2. The Resulting Company agrees that the length of service of the employees pertaining to the Entertainment & Digital Innovation Business with HTML up to the Effective Date shall be taken into account for the purpose of all retirement benefits to which they may be eligible in HTML up to the Effective Date. The Resulting Company further agrees that for the purpose of payment of any retrenchment compensation, gratuity or other terminal benefits, such past service with HTML, shall also be taken into account and agrees and undertakes to pay the same as and when payable.
- 9.3. Upon the coming into effect of this Scheme, the Resulting Company shall make all the necessary contributions for such transferred employees relating to the Entertainment & Digital Innovation Business, and deposit the same in provident fund, gratuity fund or superannuation fund or any other special fund or staff welfare scheme or any other special scheme. The Resulting Company will also file relevant intimations in respect of the Entertainment & Digital Innovation Business to the statutory authorities concerned who shall take the same on record and substitute the name of the Resulting Company for HTML.
- 9.4. In so far as the existing provident fund, gratuity fund and pension and /or superannuation fund/trusts, retirement funds or employees state insurance schemes or pension scheme or employee deposit linked insurance scheme or any other benefits, if any, created by HTML for employees of the Entertainment & Digital Innovation Business are concerned, such proportion of the funds, contributions to the funds or the scheme or the investments made into the funds relatable to the employees pertaining to the Entertainment & Digital Innovation Business as on the Effective Date, who are being transferred along with the Entertainment & Digital Innovation Business in terms of the Scheme, upon the coming into effect of this Scheme, shall be transferred to the necessary funds, schemes or trusts of the Resulting Company and till the time such necessary funds, schemes or trusts are created by the Resulting Company, all contribution shall continue to be made to the existing funds, schemes or trusts of HTML.
- 9.5. In respect of the stock options granted by HTML under the ESOP Plans, it is hereby clarified that upon the coming into effect of this Scheme, the options as of the Effective Date would continue on the existing terms and conditions except for such modifications / adjustments as may be deemed appropriate by the Board of HTML in view of this Scheme and in accordance with the applicable laws. Any such modifications/ adjustments shall not require any further approval of the shareholders of HTML and/or holders of options in the said behalf.

10. CONDUCT OF BUSINESS

- 10.1. With effect from the Appointed Date and up to and including the Effective Date:



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- a) HTML undertakes to carry on and shall be deemed to carry on all businesses and activities and stand possessed of the properties and assets of the Entertainment & Digital Innovation Business, for and on account of and in trust for the Resulting Company.
- b) All profits accruing to HTML and all taxes thereon or losses arising or incurred by it with respect to the Entertainment & Digital Innovation Business shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of the Resulting Company.
- c) All accretions and depletions in relation to the Entertainment & Digital Innovation Business shall be for and on account of the Resulting Company.

10.2. With effect from the date of approval to the Scheme by the Board of Directors of HTML and the Resulting Company, and upto and including the Effective Date, HTML shall carry on the business of the Entertainment & Digital Innovation Business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto. Notwithstanding anything contained herein, it is hereby clarified that no separate corporate approvals, *inter-alia*, under the Act or any other applicable law or regulation or contract, shall be required to be taken for undertaking any of the actions/transactions pertaining to the Entertainment & Digital Innovation Business or services provided by HTML under Clause 5.27 from the Appointed Date and until the Effective Date and all such actions/transactions shall be deemed to be in compliance with the Act or other laws, regulations, contracts as applicable, by virtue of approval of the Scheme.

10.3. From the date of filing of this Scheme with the Tribunal and upto and including the Effective Date, HTML and the Resulting Company shall, unless expressly prohibited under this Scheme, carry on their respective business in ordinary course and shall also be *inter alia* permitted to make a payment or distribution of dividend in any manner, alter its share capital in any manner including any sub-division of shares, change in the constitutional documents including the objects or name of the company, any issue of shares or other securities, acquisition and/ or restructuring with the approval of their respective Board any other activity or business as may be deemed necessary or expedient in the opinion of the Board.

10.4. The Resulting Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company may require including the registration, approvals, exemptions, reliefs, etc., as may be required/ granted under any law for time being in force for carrying on business of Entertainment & Digital Innovation Business.



11. TREATMENT OF TAX

- 11.1. The Resulting Company will be the successor of HTML vis-à-vis the Entertainment & Digital Innovation Business. Hence, it will be deemed that the benefits of any tax credits whether central, state, or local, availed vis-a-vis the Entertainment & Digital Innovation Business and the obligations, if any, for payment of taxes on any assets of the Entertainment & Digital Innovation Business or their erection and/or installation, etc. shall be deemed to have been availed by the Resulting Company, or as the case may be deemed to be the obligation of the Resulting Company.
- 11.2. With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess, receivables/ payables by HTML relating to the Entertainment & Digital Innovation Business including all or any refunds/ credits/ claims/ tax losses/ unabsorbed depreciation relating thereto shall be treated as the assets/ liability or refund/ credit/ claims/ tax losses/ unabsorbed depreciation, as the case may be, of the Resulting Company.
- 11.3. HTML and the Resulting Company are expressly permitted to revise their tax returns including tax deducted at source ('TDS') certificates/ returns and to claim refund, advance tax, credits, excise and service tax credits, set off etc. on the basis of the accounts of the Entertainment & Digital Innovation Business as vested with the Resulting Company upon coming into effect of this Scheme. Such returns may be revised and filed notwithstanding that the statutory period for such revision and filing may have expired.
- 11.4. Any refund, under the Income tax Act, 1961, Goods & Service Tax, Service Tax laws, Excise Duty laws, Central Sales Tax, applicable State Value Added Tax laws or other applicable laws/ regulations dealing with taxes/ duties/ levies due to Entertainment & Digital Innovation Business of HTML consequent to the assessment made on HTML and for which no credit is taken in the accounts as on the date immediately preceding the Appointed Date shall also belong to and be received by the Resulting Company upon this Scheme becoming effective.
- 11.5. The tax payments (including, without limitation income tax, Goods & Service Tax, Service Tax, Excise Duty, Central Sales Tax, applicable State Value Added Tax, etc.) whether by way of tax deducted at source, advance tax, all earnest monies, security deposits provisional payments, payment under protest, or otherwise howsoever, by HTML with respect to the Entertainment & Digital Innovation Business after the Appointed Date, shall be deemed to be paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.
- 11.6. Further, any tax deducted at source by HTML / the Resulting Company or any other party with respect to Entertainment & Digital Innovation Business on transactions with HTML/



the Resulting Company, if any (from Appointed Date to Effective Date) shall be deemed to be advance tax paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.

- 11.7. Obligation for deduction of tax at source on any payment made by or to be made by HTML shall be made or deemed to have been made and duly complied with by the Resulting Company.
- 11.8. Upon the Scheme becoming effective, all unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax, Goods and Service Tax, Cenvat, Customs, VAT, Sales Tax, Service Tax etc. relating to the Entertainment & Digital Innovation Business to which HTML is entitled to shall be available to and vest in the Resulting Company, without any further act or deed.
- 11.9. The Board of Directors of HTML shall be empowered to determine if any specific tax liability or any tax proceeding relates to the Entertainment & Digital Innovation Business and whether the same would be transferred to the Resulting Company.

12. CONSIDERATION

- 12.1. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Entertainment & Digital Innovation Business of HTML in the Resulting Company, the Resulting Company shall, without any further act or deed, issue and allot to the equity shareholders of HTML, whose names appear in the Register of Members of HTML, on a date (hereinafter referred to as "Record Date") to be fixed in that behalf by the Board of Directors of HTML in consultation with the Resulting Company for the purpose of reckoning the names of the equity shareholders of HTML in the following proportion namely,;

"for every 4 (four) equity share of face value of Rs.2/- (Rupees two only) each held in HTML as on the record date, the equity shareholders of HTML shall be issued 1 (one) equity share of face value Rs. 2/- (Rupees two only) each credited as fully paid-up in the Resulting Company."

In issue and allotment of such shares of the Resulting Company to the equity shareholders of HTML, as aforesaid, the fractional entitlements shall not be taken into account, but such shares representing fractional entitlements shall be consolidated and thereupon, the Resulting Company will issue and allot shares in lieu thereof to a Director or Company Secretary or Key Managerial Personnel of the Resulting Company or such other person as the Board of Directors of the Resulting Company shall appoint in this behalf upon trust, who will sell them on the date of listing of the Resulting Company or within such period of listing of the Resulting Company as may be decided by the Board of Directors of the



Resulting Company, and distribute their sale proceeds (less expenses, if any) to the shareholders of HTML, who are entitled to such fractional shares of the Resulting Company.

- 12.2. The new equity shares issued, pursuant to clause 12.1 above, shall be issued and allotted in a dematerialized form to those equity shareholders who hold equity shares in HTML in dematerialized form, into the account with the depository participant in which the equity shares of HTML are held on the Record Date. All those equity shareholders of HTML who hold equity shares of HTML in physical form shall also have the option to receive the new equity shares, in dematerialized form, provided the details of their account with the depository participant are intimated in writing to the Resulting Company before the Record Date. In the event that the Resulting Company has received notice from any equity shareholder of HTML that equity shares are to be issued in physical form or if any equity shareholder has not provided the requisite details relating to his/her/its account with a depository participant or other confirmations as may be required or if the details furnished by any equity shareholder do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue new equity shares of the Resulting Company in accordance with clause 12.1 above, as the case may be, in physical form to such equity shareholder.
- 12.3. The new equity shares of the Resulting Company to be issued to the shareholders of HTML in terms of clause 12.1 above, shall be subject to the provisions of the Memorandum and Articles of Association of the Resulting Company and shall rank pari-passu, in all respects with the then existing equity shares the Resulting Company, if any in all respects including dividends.
- 12.4. Where the new equity shares of the Resulting Company are to be allotted, pursuant to clause 12.1 above, to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of HTML, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of the Resulting Company.
- 12.5. The new equity shares to be issued by the Resulting Company, pursuant to clause 12.1 above, in respect of any equity shares of HTML, which are held in abeyance under the provisions of Section 126 of the Act or otherwise shall, pending allotment or settlement of dispute by order of court or otherwise, be held in abeyance by the Resulting Company.
- 12.6. The approval of this Scheme by the shareholders of the Resulting Company shall be deemed to be due compliance of the provisions of section 62 of the Act and other applicable provisions of the Act, for the issue and allotment of new equity shares by the Resulting Company to the shareholders of HTML, as provided in this Scheme.



- 12.7. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of HTML, the Board of Directors of HTML shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer in HTML as if such changes in the registered holder were operative as on the Record Date and to remove any difficulties arising thereto.
- 12.8. The Resulting Company shall, if and to the extent required to, apply for and/or intimate and/or obtain any approvals from the concerned regulatory authorities for issue and allotment of shares pursuant to the Scheme including the provisions of Foreign Exchange Management Act, 1999, if any, for issue and allotment of new equity shares to the non-resident equity shareholders of HTML, if any.
- 12.9. The new equity shares to be issued by the Resulting Company, in terms of clause 12.1 above, will be listed and/or admitted to trading on the BSE and NSE, where the equity shares of HTML are listed and/or admitted to trading in terms of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable regulations. The Resulting Company 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 aforesaid stock exchanges. On such formalities being fulfilled, the said stock exchanges shall list and /or admit such new equity shares also for the purpose of trading. The new equity shares allotted by the Resulting Company, pursuant to clause 12.1 above, shall remain frozen in the depositories system till the listing/trading permission is given by the BSE and NSE. Between the date of allotment of the equity shares of the Resulting Company to the shareholders of HTML and the date of listing of the equity shares of the Resulting Company with the stock exchanges, except as provided for in Clause 14.1 of this Scheme in relation to the reduction of the existing share capital of the Resulting Company, there shall be no change in the shareholding pattern or control of the Resulting Company.

13. ACCOUNTING TREATMENT

Accounting treatment in the books of HTML

On effectiveness of the Scheme and with effect from the Appointed Date, HTML shall account for Demerger of the Entertainment & Digital Innovation Business in its books of account in accordance with the Indian Accounting Standard (IND AS) prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, as under:

- 13.1. All the assets and the liabilities of the Entertainment & Digital Innovation business being



transferred shall be reduced at their Book Value as on the Appointed date. (other than inter-company loan, if any, referred to in Clause 5.23 of the Scheme)

- 13.2. The difference between the book value of assets and book value of liabilities of the Entertainment & Digital Innovation business as on the Appointed date shall be adjusted against the Capital Reserve, to the extent required.
- 13.3. If considered appropriate for compliance with Accounting Standards, HTML may make suitable adjustment to the accounting treatment and adjust the effect thereof in the manner determined by the Board of Directors of HTML.
- 13.4. Upon the Scheme being effective, the existing equity shareholding of HTML in the Resulting Company shall stand cancelled. Upon cancellation, HTML shall credit to its investment in the Resulting Company, the value of investment held by HTML in the Resulting Company, which stands cancelled and the same shall be debited to the Profit & Loss Account of HTML.

Accounting treatment in the books of the Resulting Company

On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are ultimately controlled by the same party before and after the transaction, the Resulting Company shall account for Demerger of the Entertainment & Digital Innovation Business in its books of account in accordance with Appendix C 'Business combinations of entities under common control' of the Indian Accounting Standard (Ind AS) 103 for Business Combination prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounted principles, as may be amended from time to time, as under:

- 13.5. The Resulting Company shall, record the assets and liabilities of the Entertainment & Digital Innovation business vested in it pursuant to this Scheme at the respective carrying amounts appearing in the books of HTML.
- 13.6. The Resulting Company shall credit its share capital account with the aggregate face value of the new equity shares issued by it to the equity shareholders of HTML pursuant to Clause 12.1 of this Scheme.
- 13.7. The difference between the carrying amount of the assets and liabilities as recorded under Clause 13.5 above, and the share capital account credited with aggregate face value of the new equity shares as recorded under Clause 13.6 above, shall be recorded as Capital Reserve.
- 13.8. If considered appropriate for the purpose of application of uniform accounting policies



and method or for compliance with the applicable Accounting Standards, the Resulting Company may make suitable adjustment and adjust the effect thereof in the manner determined by the Board of Directors of the Resulting Company.

- 13.9. Upon the Scheme being effective, the existing shareholding of HTML in the Resulting Company shall stand cancelled. Upon cancellation, the Resulting Company shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by HTML in the Resulting Company, which stands cancelled and the same shall be credited to the Capital Reserves of the Resulting Company.

14. REDUCTION OF SHARE CAPITAL OF THE RESULTING COMPANY AND REDUCTION OF CAPITAL RESERVE IN HTML

14.1. Reduction of share capital of the Resulting Company

- a) Simultaneously, with the issue and allotment of the new equity shares by the Resulting Company to the equity shareholders of HTML in accordance with clause 12.1 of the Scheme, in the books of the Resulting Company, any equity shares held by HTML in the Resulting Company shall stand cancelled, extinguished and annulled on and from the Effective Date.
- b) The cancellation, as mentioned under clause 14.1(a) above, which amounts to reduction of share capital of the Resulting Company, shall be effected as an integral part of this Scheme itself in accordance with the provisions of section 66 of the Act and the order of the Tribunal sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital.
- c) Notwithstanding the reduction as mentioned above, the Resulting Company shall not be required to add "and reduced" as suffix to its name and the Resulting Company shall continue in its existing name.

14.2. Reduction of capital reserve of HTML

- a) The reduction under clause 13.2 in the Capital Reserve account of HTML shall be effected as an integral part of the Scheme in accordance with the provisions of Sections 66 of the Act and the order of the Tribunal, as the case may be, as applicable sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act for the purpose of confirming the reduction. The approval granted by the shareholders of HTML to the Scheme shall be deemed to be the approval for the purpose of Section 66 and other relevant provisions of the Act. HTML and the Resulting Company shall not be obliged or required to call for a



separate meeting of its shareholders/ creditors for obtaining their approval for sanctioning the reduction in capital reserves. The reduction does not involve either a diminution of liability in respect of unpaid share capital or payment of paid up share capital under the provisions of Section 66 of the Act.

- b) Notwithstanding the reduction as mentioned above, HTML shall not be required to add "and reduced" as suffix to its name and HTML shall continue in its existing name.

15. REMAINING BUSINESS TO CONTINUE WITH HTML

- 15.1. The Remaining Business, and all the assets, liabilities and obligations pertaining thereto, shall continue to belong to, and be vested in and be managed by HTML, subject to the provisions of the Scheme as may be applicable.
- 15.2. All legal or other proceedings by or against HTML under any statute, whether pending on the Appointed Date or which may be instituted in future whether or not in respect of any matter arising before the Effective Date, and relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of HTML in respect of the Remaining Business) shall be continued and enforced by or against HTML. The Resulting Company shall, in no event, be responsible or liable in relation to any such legal or other proceedings by or against HTML.
- 15.3. With effect from the Appointed Date and up to and including the Effective Date:
- HTML shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
 - all profits and income accruing or arising to HTML, and any cost, charges, losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) relating to the Remaining Business shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure, as the case may be, of HTML; and
 - all employees relatable to the Remaining Business shall continue to be employed by HTML, and the Resulting Company shall not in any event be liable or responsible for any claims whatsoever regarding such employees.

PART C

GENERAL TERMS & CONDITIONS

16. APPLICATION TO TRIBUNAL



The companies shall, with all reasonable dispatch, make necessary applications/petitions under Sections 230 to 232 of the Act and other applicable provisions of the Act to the Tribunal for seeking sanction of this Scheme.

17. MODIFICATION(S) OR AMENDMENT(S) TO THE SCHEME

17.1. HTML and the Resulting Company, by their respective Boards of Directors, may assent to/make and/or consent to any modifications/amendments to the Scheme, or to any conditions or limitations that the Tribunal and/or any other authority (including SEBI and stock exchanges) under law may deem fit to direct or impose, or which may otherwise be considered by them necessary, desirable or appropriate as a result of subsequent events or otherwise by them.

17.2. HTML and the Resulting Company, by their respective Board, are authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or order 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 OF THE SCHEME

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

18.1. The requisite consent, approval or permission from BSE, NSE and/or SEBI under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which by law or otherwise may be necessary for the implementation of this Scheme in compliance with the provisions of SEBI Circular;

18.2. The approval of the Scheme by the respective requisite majorities in number and value of the shareholders and/or creditors (where applicable) of the Companies in accordance with Section 230 to 232 read with section 66 of the Act;

18.3. The Scheme being sanctioned by the Tribunal in terms of Sections 230 to 232 read with section 66 and other relevant provisions of the Act and the requisite orders of the Tribunal;

18.4. Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the relevant Registrar of Companies by HTML and the Resulting Company as per the provisions of the Act, and

18.5. If any part of this Scheme is found to be unworkable or unviable for any reason



whatsoever, the same shall not, subject to the decision of the Board of Directors of the Companies affect the validity or implementation of the other parts and/or provisions of this Scheme.

18.6. This Scheme, although to come into operation from the Appointed Date, shall not become effective until the later of the following dates, namely:

- a. That on which the last of the aforesaid approvals and sanctions as mentioned in Clause 18.1, 18.2 & 18.3 shall be obtained or passed; or
- b. That on which all necessary authenticated/ certified copies of the Tribunal Order(s) being filed with the relevant Registrar of Companies by the Demerged Company and the Resulting Company respectively.

The last of such dates shall be the 'Effective Date' for the purpose of this Scheme.

19. EFFECT OF NON-RECEIPT OF APPROVALS

19.1. In the event of any of the said sanctions and approvals referred to in Clause 18.1, 18.2, 18.3 and 18.4 not being obtained and/ or complied with and/or satisfied, this Scheme shall automatically stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder, or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto, and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

19.2. In the event of revocation of the Scheme under Clause 19.1, no rights and liabilities whatsoever shall accrue to or be incurred inter se to HTML & the Resulting Company or 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 as is specifically provided in the Scheme or in accordance with the applicable laws and in such case, each company shall bear its own costs unless otherwise mutually agreed.

19.3. The Board of Directors of HTML and the Resulting Company shall be entitled to withdraw this Scheme prior to the Effective Date.

20. CHANGE OF NAME, INCREASE IN AUTHORIZED SHARE CAPITAL OF THE RESULTING COMPANY AND CONSEQUENT ALTERATION OF ITS MEMORANDUM OF ASSOCIATION



- 20.1. As an integral part of the Scheme and at any time prior to the Effective date, the name of the Resulting Company may be changed to such other name as may be approved by the Board of the Resulting Company and the Registrar of Companies, subject to the Resulting Company filing necessary forms and applications with the Registrar of Companies in the said behalf. Approval of the shareholders of the Resulting Company and HTML to the Scheme shall be considered as the approval required under the provisions of Act for such change of name.
- 20.2. In order to give effect to this Scheme, the authorized share capital of the Resulting Company shall be increased from Rs 1,00,000 (Rupees One Lakh) to Rs.12,00,00,000 (Rupees Twelve Crores).

By virtue of Clause 20.2 read with Clause 3.2, , Clause (V) of the memorandum of association of the Resulting Company shall, without any further act or deed, be amended accordingly to read as under:

"V. The Authorized Share Capital of the Company is Rs 12,00,00,000 (Rupees Twelve Crore only) divided into 6,00,00,000 (Six Crore) Equity Shares of Rs. 2/- (Rupees Two only) each."

- 20.3. It is clarified that for the purposes of this Clause 20, the consent of the shareholders of the Resulting Company to this Scheme, shall be sufficient for the purposes of effecting the above changes, and shall be deemed to include consent under any other applicable provisions of the Act, and no further resolution(s) under any provisions of the Act, including Section 13 and Section 61 thereof, would be separately required. The Resulting Company shall discharge the applicable filing fees and stamp duty in relation to such changes.

21. COSTS, CHARGES AND EXPENSES

- 21.1. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of HTML and the Resulting Company arising out of or incurred in connection with implementation of this Scheme and matters incidental thereto, shall be borne by HTML.

