



ANNEXURE - E

To,
The Board of Directors,
HT Media Limited
18-20, Kasturba Gandhi Marg,
New Delhi – 110001

Dated – 25th August, 2017

Sub: Opinion on the share entitlement ratio on the proposed scheme of arrangement for demerger of Entertainment and Digital Innovation Business of HT Media Limited with its wholly owned subsidiary, HT Digital Ventures Limited.

Dear Members of the Board:

We understand that Board of Directors of HT Media Limited (here in after referred as Demerged Company/ HTML) is considering scheme of arrangement for demerger of Entertainment and Digital Innovation Business of the Company w.e.f. Appointed Date i.e. March 31, 2018 through a scheme of arrangement ('Scheme') under section 230 - 232 read with section 66 and other applicable provisions of the Companies Act, 2013.

The scheme of arrangement provides for -

- Demerger of Entertainment and Digital Innovation Business of the Demerged Company into its wholly owned subsidiary, HT Digital Ventures Limited ("Resulting Company"), on a going concern basis, and
- Issuance of equity shares by the Resulting Company to the shareholders of HT Media Limited, as per the terms and conditions more fully set forth in the draft scheme of arrangement, which shall be listed at BSE Limited and National Stock Exchange of India Limited (NSE), the Stock Exchange(s), where the shares of Demerged Company are presently listed.

CERTIFIED TRUE COPY

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- c. Cancellation of shares held by the Demerged Company in the Resulting Company. Accordingly post demerger there would be mirror image proportionate shareholding of Demerged Company and Resulting Company i.e. economic interest of shareholders shall remain intact and in the same ratio.

The share entitlement ratio for the proposed scheme of arrangement for demerger has been determined by M/s Jain Jindal & Co., Chartered Accountants; vide their valuation report dated August 25, 2017.

In terms of Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (LODR Regulations) read with SEBI Circular No. CFD/ DIL3/CIR/ 2017/21 dated March 10, 2017, the listed companies undertaking a scheme of arrangement is required to submit to stock exchange, copy of fairness opinion obtained from the Merchant Banker on the valuation of shares / assets of the companies done by the independent valuer.

With reference to above, we Finshore Management Services Limited, a SEBI Registered (Cat-I) Merchant Banker have been appointed by the demerged company to provide our fairness opinion on the same.

Brief Background of the Companies, our opinion and basis for forming an opinion and caveats is as hereunder -

1. Background of companies:

1.1. HT Media Limited (Demerged Company)

HT Media Limited is a public limited company incorporated under the provisions of 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 – 110 001. The equity shares of HTML are listed on BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE").

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HTML is primary engaged in the following key businesses:

- a) Printing and publication of newspapers and periodicals;
- b) FM Radio Broadcasting
- c) Online job portal "shine.com"
- d) Entertainment & Digital Innovation Business

1.2. HT Digital Ventures Limited (Resulting Company)

HT Digital Ventures Limited 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 HTDVL is situated at 18-20, Kasturba Gandhi Marg, New Delhi – 110 001. HTDVL is wholly owned subsidiary of HTML. In accordance with the constitutional documents of HTDVL, the company is authorized to engage in the business of entertainment and digital innovation.

2. Basis of our opinion

2.1. Rationale of the draft scheme of arrangement (as per extract of draft scheme dated August 25, 2017)

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 enable Entertainment & Digital Innovation Business to capitalize on growth opportunities, led by a dedicated management team, it is proposed to assign a separate identity to business by way of a demerger into HTDVL. The demerger is likely to offer the following benefits to HTML and HTDVL:

- a) The Entertainment & Digital Innovation Business carried on by HTML has significant potential for growth. The nature of risk, competition, challenges, opportunities and business operations for the Entertainment & Digital Innovation Business is separate and distinct from the other businesses of HTML. Thus, the scheme would enable the Entertainment & Digital Innovation Business to innovate, scale up and run independently to pursue growth opportunities in a more focused manner. As part of HTDVL, 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.

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- b) There would be enhanced focus on the operations of the Entertainment & Digital Innovation Business under a dedicated management team of HTDVL, 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 businesses of HTML.
- c) The listing of shares of HTDVL on the stock exchanges would enable independent benchmarking 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 provide enhanced liquidity to the investors of HTML.

There is no adverse effect of Scheme on the directors, key management personnel, promoters, non-promoter members, creditors and employees of HTML and HTDVL. The Scheme would be in the best interest of all stakeholders.

2.2. Sources of Information

- i) Draft scheme of arrangement.
- ii) Share Entitlement Ratio report dated August 25, 2017, issued by Jain Jindal & Co., Chartered Accountants.
- iii) Audited Balance Sheet and Income Statement of Demerged Company for the financial year ended March 31, 2017.
- iv) Management representation that the face value of shares of HTDVL shall be changed to Rs 2 per share before the record date of the Scheme.

2.3. Valuers Analysis

The clause 4 of Share entitlement ratio report provides the ratio of allotment for shares, which is as follows -

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

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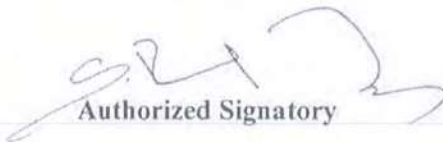
3. Conclusion and Our Opinion

- 3.1. With reference to above and based on information provided by the KMP's and after discussions with the Valuers, we understand that the present scheme of arrangement has been structured to enable Entertainment & Digital Innovation Business to capitalize on growth opportunities and unlock the potential value of each business of the Demerged Company. Pursuant to scheme of arrangement the shares of the Resulting Company shall be listed on the same stock exchange on which the shares of the Demerged company are listed.
- 3.2. We also understand that, the proposed cancellation and reduction of share capital of the Resulting Company to the extent held by the Demerged Company, should result in creation of mirror image proportionate shareholding of the Resulting Company as that of Demerged Company (i.e. economic interest of both companies shall remain intact in the hands of common shareholders and in the same ratio.) Thus, the interest of shareholders remains unaffected post demerger.

"Considering above and subject to our caveats as provided in annexure, we as a Merchant Banker hereby certify that we have reviewed the share entitlement ratio report for the proposed scheme of arrangement for demerger of Entertainment & Digital Innovation Business of HT Media Limited and are of the opinion that share entitlement ratio of 1 (one) equity shares of INR 2 (Rupees Two) each at par in Resulting Company for every 4 (four) equity shares of face value of INR 2 (Rupees Two) held in demerged company, as fair and reasonable to the equity shareholders of HT Media Limited."

Thanking You,

For Finshore Management Services Limited


Authorized Signatory



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Caveats

1. Our opinion and analysis is limited to the extent of review of documents as provided to us by the KMP's of HT Media Limited including the share entitlement ratio report prepared by Jain Jindal & Co., Chartered Accountants and draft scheme of arrangement for demerger. We have relied on accuracy and completeness of all the information and explanations provided by the KMP's. We have not carried out any due diligence or independent verification or validation to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of demerged company/ resulting company or their subsidiaries, if any.
2. The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
3. We have no present or planned future interest in HT Media Limited / HT Digital Ventures Limited and the fee payable for this opinion is not contingent upon the opinion reported herein. The company has been provided with an opportunity to review the draft opinion as a part of our standard practice to make sure that factual accuracy / omissions are avoided in our final opinion.
4. Our fairness opinion is not intended to and does not constitute a recommendation to any shareholders as to how such holder should vote or act in connection with the scheme or any matter related thereto.
5. The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Report. This opinion is issued on the understanding that the KMP's of HT Media Limited has drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Report.
6. Our report should not be construed as an opinion or certificate certifying the compliance of the proposed scheme of demerger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implication or issues arising from proposed demerger.

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