

February 10, 2021

To,

**Board of Directors  
HT Media Limited**

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

**Board of Directors  
Digicontent Limited**

Hindustan Times House (2nd Floor)  
18-20 Kasturba Gandhi Marg  
New Delhi - 110 001

**Board of Directors  
Next Mediaworks Limited**

Unit 701A, 7th Floor  
Tower - 2, Indiabulls Finance Centre  
Senapati Bapat Marg, Elphinstone Road  
Mumbai - 400 013

**Sub.: Fairness Opinion on Fair Equity Share Exchange Ratio recommended by M/s SSPA & Co. and  
M/s Finvox Analytics pursuant to the proposed "Composite Scheme of Amalgamation"**

Dear Sir / Madam,

We, Sundae Capital Advisors Private Limited (referred to as "**Sundae**" or "**We**"), refer to the engagement letter dated **February 01, 2021**, wherein we have been requested by **HT Media Limited** (referred to as "**Transferee Company / HTML**"), **Digicontent Limited** (referred to as "**Transferor Company 1 / DCL**") and **Next Mediaworks Limited** (referred to as "**Transferor Company 2 / NMW**") collectively known as "**Companies**" to provide a fairness opinion on the Fair Equity Share Exchange Ratio recommended by the report dated February 10, 2021 ("**Fair Equity Share Exchange Ratio Report**") issued jointly by SSPA & CO. ("**SSPA**") and Finvox Analytics LLP ("**Finvox**") (SSPA and Finvox collectively referred as "**Valuers**") for the proposed amalgamation of DCL, NMW and HT Mobile Solutions Limited (referred to as "**Transferor Company 3**" / "**HTMS**") with HTML and their respective shareholders and creditors as a going concern vide a composite scheme of amalgamation under provision of Section 230 to Section 232 of the Companies Act, 2013 read with other applicable provisions and rules thereunder ("**Proposed Scheme**").

**SCOPE AND PURPOSE OF THIS REPORT**

The Company has appointed Valuers for recommendation of Fair Equity Share Exchange Ratio for the Proposed Scheme and our scope is restricted issue our independent opinion as to the fairness of the Fair Equity Share Exchange Ratio ("**Fairness Opinion**").

All terms not specifically defined in this fairness opinion shall carry the same meaning as in the valuation report issued by the Valuers or Proposed Scheme.

## BACKGROUND OF THE COMPANIES INVOLVED IN THE SCHEME

**Digicontent Limited** ("Transferor Company 1" or "DCL") is a public listed company incorporated under the provisions of the Companies Act, 2013 on 14th August 2017 in the name of "HT Digital Ventures Limited" bearing corporate identification number of L74999DL2017PLC322147. Subsequently on 24<sup>th</sup> October 2017, the name of the Transferor Company 1 was changed to "Digicontent Limited". The Registered office of DCL is situated at Hindustan Times house, 2nd Floor, 18-20, Kasturba Gandhi Marg, New Delhi - 110 001. Equity shares of DCL are listed on BSE Limited ("BSE") and National Stock Exchange Limited ("NSE"). DCL is engaged in Entertainment & Digital Innovation Business. As on the date of this Scheme, DCL is a fellow subsidiary of Transferee Company.

The Authorized, Issued, Subscribed and Paid-up Share Capital of DCL as on the date of approval of this Scheme by the Board of DCL is as under:

Particulars	Amount (₹)
<b>Authorized Share Capital</b>	
6,00,00,000 Equity shares of ₹ 2/- each	12,00,00,000
Total	12,00,00,000
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
5,81,87,078 Equity shares of ₹ 2/- each	11,63,74,156
Total	11,63,74,156

The equity shares of DCL are listed on BSE and NSE.

**Next Mediaworks Limited** ("Transferor Company 2" or "NMW") is a public listed company incorporated under the provisions of the Companies Act, 1956 on 12th March 1981 bearing corporate identification number of L22100MH1981PLC024052. The Registered office of NMW is situated at Unit 701 A, 7th Floor, Tower 2, Indiabulls Finance Centre, Senapati Bapat Marg, Elphinstone Road Mumbai, Maharashtra - 400 013. Equity shares of NMW are listed on BSE and NSE. NMW is engaged in the business of FM Radio broadcasting through its subsidiary viz. Next Radio Limited which operates as FM Radio broadcaster under the brand "Radio One" in (i) Delhi, (ii) Mumbai, (iii) Chennai, (iv) Kolkata, (v) Bengaluru, (vi) Pune, and (vii) Ahmedabad. As on the date of this Scheme, NMW is a subsidiary of Transferee Company.

The Authorized, Issued, Subscribed and Paid-up Share Capital of NMW as on the date of approval of this Scheme by the Board of NMW is as under:

Particulars	Amount (₹)
<b>Authorized Share Capital</b>	
8,00,00,000 Equity shares of ₹ 10/- each	80,00,00,000
Total	80,00,00,000
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
6,68,92,908 Equity shares of ₹ 10/- each	66,89,29,080
Total	66,89,29,080

The equity shares of NMW are listed on BSE and NSE.

**HT Mobile Solutions Limited** (“Transferor Company 3” or “HTMS”) is an unlisted public limited company incorporated under the provisions of the Companies Act, 1956 on 19th February 2009 bearing corporate identification number of U74900DL2009PLC187795. The Registered office of HTMS is situated at Hindustan Times House, Second Floor, 18-20 Kasturba Gandhi Marg, New Delhi - 110 001. The main business of HTMS is to carry out mobile marketing, social media marketing, advertising, mobile CRM and loyalty campaigns, mobile music content and ring tones and integrates with other media campaigns and strategies. As on the date of this Scheme, HTMS is an indirect subsidiary of Transferee Company.

### Existing Scheme of Arrangement By HTMS

An NCLT application for sanction of the Ongoing HTMS Scheme (Application No. CA(CAA)-72/ND/2020 dated December 16, 2020) with an appointed date of April 01, 2020 has been filed with Hon’ble NCLT, Division Bench, Delhi Bench III. The application is currently pending for sanction by said Hon’ble NCLT.

Under the Ongoing HTMS Scheme, HTMS is the transferee company while all the transferor companies of the Ongoing HTMS Scheme are direct or indirect subsidiaries of HT Media Limited (i.e., the Transferee Company).

The Authorized, Issued, Subscribed and Paid-up Share Capital of HTMS as on the date of approval of this Scheme by the Board of HTMS is as under:

Particulars	Amount (₹)
<b>Authorized Share Capital</b>	
4,10,00,000 Equity shares of ₹ 10/- each	41,00,00,000
5,00,00,000 0.1% Optionally Convertible Cumulative Preference Shares (OCCPS) of ₹ 0.10/- each	50,00,000
<b>Total</b>	<b>41,50,00,000</b>
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
3,54,58,598 Equity shares of ₹ 10/- each	35,45,85,980
<b>Total</b>	<b>35,45,85,980</b>

The Authorized, Issued, Subscribed and Paid-up Share Capital of HTMS (after considering the effect of the Ongoing HTMS Scheme) is as under:

Particulars	Amount (₹)
<b>Authorized Share Capital</b>	
55,34,00,000 Equity shares of ₹ 10/- each	5,53,40,00,000
<b>Total</b>	<b>5,53,40,00,000</b>
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
5,04,15,889 Equity shares of ₹ 10/- each	50,41,58,890
<b>Total</b>	<b>50,41,58,890</b>

**HT Media Limited** (“Transferee Company” or “HTML”) is a public listed company incorporated under the provisions of the Companies Act, 1956 on 3rd December 2002 bearing corporate identification number of L22121DL2002PLC117874. The Registered office of HTML is situated at 18-20 Kasturba Gandhi Marg, New Delhi - 110 001. Equity shares of HTML are listed on BSE and NSE. HTML is a diversified conglomerate, inter alia, engaged in printing and publication of newspapers and

periodicals, radio broadcast & entertainment (under the brand name "Fever" and "Nasha") and digital business.

The Authorized, Issued, Subscribed and Paid-up Share Capital of HTML as on the date of approval of this Scheme by the Board of HTML is as under:

Particulars	Amount (₹)
<b>Authorized Share Capital</b>	
36,25,00,000 Equity shares of ₹ 2/- each	72,50,00,000
Total	72,50,00,000
<b>Issued, Subscribed and Paid-Up Share Capital</b>	
23,27,48,314 Equity shares of ₹ 2/- each	46,54,96,628
Total	46,54,96,628

## RATIONALE OF THE SCHEME

The Transferee Company is engaged in the business of printing and publication of newspapers along with operating radio broadcasting and digital business. The Transferor Companies and Transferee Company are desirous of consolidating their businesses under the Transferee Company. This would enable the business to scale up and pursue growth opportunities in a more focussed manner.

The Scheme will result in:

- a) consolidation of businesses under the Transferee Company provides an increased capability to offer a wider portfolio of products and services to effectively address change in consumer preferences and market dynamics with a combined ability to integrate, innovate, customize and bundle the offerings and services of the Transferee and the Transferor Companies under a single platform and creation of a synergized go to market strategy which shall result in building a sustainable business;
- b) simplification of the holding structure by consolidation of Transferor Companies multiple entities, thereby resulting in a linear corporate structure with greater management focus;
- c) reduction in management overlaps and elimination of legal and regulatory compliances & associated costs due to operation of multiple listed and unlisted entities;
- d) optimisation of the allocated capital & availability of funds which can be deployed more efficiently to pursue the operational growth opportunities;
- e) consolidation of businesses under the Transferee Company thereby resulting in synergies, pooling of financial, managerial, technical and human resources, thereby creating stronger base for future growth and value accretion for the stakeholders;
- f) consolidation of businesses under the Transferee Company thereby resulting in savings of operational costs which has become critical for long term sustainability and will also lead to optimum utilisation of resources;
- g) elimination of the need for inter-company transactions between the Transferor Companies and Transferee Company;
- h) post scheme, the Transferee Company would be in a better position to support and finance organic and inorganic expansion of the businesses;
- i) post scheme, the Transferee Company would be in a position to offer a bouquet of media platforms which result in value accretion for all the stakeholders.

In the view of the above advantages and benefits, the Board of Directors of each of the Transferor Companies and the Transferee Company have formulated this Scheme pursuant to the provisions of Section 230-232 and other applicable provisions of the Act.

Further, the Scheme also states that the Scheme would be beneficial to and in the best interest of the shareholders, creditors, employees, and other stakeholders of each of the Transferor Companies and Transferee Company along with general public at large.

## **SOURCE OF INFORMATION AND REPRESENTATIONS**

For the purpose of forming our opinion on the Fair Equity Share Exchange Ratio Reports, we have relied on the discussions with the Management and Valuers and the following information and documents made available to us:

- Fair Equity Share Exchange Ratio Report dated February 10, 2021 issued by Valuers;
- Draft Proposed Scheme;
- Necessary explanations and information from the management of Companies & their representatives;
- Discussion with the Valuer; and
- Other information as available in public domain.

We have obtained explanations and information considered reasonably necessary for our exercise, from the representatives of the Companies. Our analysis considers those facts and circumstances present at the date of this Fairness Opinion.

## **EXCLUSIONS AND LIMITATIONS**

We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by the companies and their representatives for the purpose of this opinion. With respect to the estimated financials, if any, provided to us by the management, we have assumed that such financials were prepared in good faith and reflect the best currently available estimates and judgments by the management of the company. We express no opinion and accordingly accept no responsibility with respect to or for such estimated financials or the assumptions on which they were based. Our work does not constitute an audit or certification or due diligence of the working results, financial statements, financial estimates or estimates of value to be realized for the business. We have solely relied upon the information provided to us by the management. We have not reviewed any books or records of the business (other than those provided or made available to us). We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the properties or facilities of the business and neither express any opinion with respect thereto nor accept any responsibility therefore. We have not made any independent valuation or appraisal of the assets or liabilities of the business. We have not reviewed any internal management information statements or any non-public reports, and, instead, with your consent we have relied upon information which was publicly available or provided or otherwise made available to us by the business for the purpose of this opinion. We are not experts in the evaluation of litigation or other actual or threaten claims and hence have not commented on the effect of such litigation or claims on the valuation. We are not legal, tax, regulatory or actuarial advisors. We are financial advisors only and have relied upon, without independent verification, the assessment of the business with respect to these matters. In addition, we have assumed that the Proposed Scheme will be approved by the appropriate authorities, if any,

and that the proposed transaction will be consummated substantially in accordance with the terms set forth in the Proposed Scheme.

We understand that the managements of the business during our discussion with them would have drawn our attention to all such information and matters which may have an impact on our analysis and opinion. We have assumed that in the course of obtaining necessary approvals for the Proposed Scheme, no restrictions will be imposed that will have a material adverse effect on the benefits of the transaction that the business may have contemplated. Our opinion is necessarily based on financial, economic, market and other conditions as they currently exist and, on the information, made available to us as of the date hereof. It should be understood that although subsequent developments may affect this opinion, we do not have any obligation to update, revise or reaffirm this opinion. In arriving at our opinion, we are not authorized to solicit, and did not solicit, interests for any party with respect to the acquisition, business combination or other extra-ordinary transaction involving the business or any of its assets, nor did we negotiate with any other party in this regard.

We have acted as a merchant banker to HTML, DCL and NMW for providing a fairness opinion on the proposed transaction and will receive professional fees for our services. In the ordinary course of business, Sundae is engaged in merchant banking business including corporate advisory, re-structuring, valuations, etc. We may be providing various other independent professional advisory services to the said entities in the ordinary course of our business.

It is understood that this letter is solely for the benefit of and use by the Board of Directors of HTML, DCL and NMW and may not be relied upon by any other person and may not be used or disclosed for any other purpose without our prior written consent. The opinion is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law- Statute, Act, guideline or similar instruction. Management should not make this report available to any party, including any regulatory or compliance authority/agency except as mentioned above. The letter is only intended for the aforementioned specific purpose and if it is used for any other purpose; we will not be liable for any consequences thereof.

We express no opinion whatever and make no recommendation at all as to the underlying decision of HTML, DCL and NMW to effect to the proposed transaction or as to how the holders of equity shares of HTML, DCL and NMW should vote at their respective meetings held in connection with the transaction. We do not express and should not be deemed to have expressed any views on any other terms of transaction. We also express no opinion and accordingly accept no responsibility for or as to the prices at which the equity shares of HTML, DCL and NMW will trade following the announcement of the transaction or as to the financial performance of HTML, DCL and NMW following the consummation of the transaction.

It should be noted that we have examined only the fairness of the Fair Equity Share Exchange Ratio for the Proposed Scheme and have not examined any other matter including economic rationale of the transfer per se or accounting and tax matters involved.

In no circumstances however, will Sundae or its associates, directors or employees accept any responsibility or liability to any third party. Our liability (statutory or otherwise) for any economic loss or damage arising out of the rendering this opinion shall be limited to amount of fees received for rendering this Opinion as per our engagement with HTML, DCL and NMW.

## CONCLUSION

Valuer's Recommendation: As stated in the Valuation Report, Independent Valuers have recommended the following fair equity share exchange ratio:

Computation of Fair Equity Share Exchange Ratio as derived by SSPA, is given below:

Method of Valuation	HTML		DCL		NMW		HTMS	
	Value per Share (in ₹)	Weights	Value per Share (in ₹)	Weights	Value per Share (in ₹)	Weights	Value per Share (in ₹)	Weights
Asset Approach - NAV Method	NA	NA	34.18	50%	5.36	50%	NA	NA
Income Approach - DCF Method	137.29	50%	NA	NA	NA	NA	6.41	100%
Market Approach - Market Price Method	15.93	50%	13.13	50%	5.57	50%	NA	NA
<b>Relative Value per equity share</b>	76.61		23.65		5.46		6.41	
<b>Exchange Ratio (rounded off)</b>			3.25		14.00		12.00	

NA: Not Applicable / Not Applied

Computation of Fair Equity Share Exchange Ratios as derived by Finvox, is given below:

Method of Valuation	HTML		DCL		NMW		HTMS	
	Value per Share (in ₹)	Weights	Value per Share (in ₹)	Weights	Value per Share (in ₹)	Weights	Value per Share (in ₹)	Weights
Asset Approach - NAV Method	84.53	33.33%	32.56	50%	5.44	50%	NA	NA
Income Approach - DCF Method	127.69	33.33%	NA	NA	NA	NA	6.44	100%
Market Approach - Market Price Method	17.30	33.33%	14.64	50%	5.31	50%	NA	NA
<b>Relative Value per equity share</b>	76.51		23.60		5.38		6.44	
<b>Exchange Ratio (rounded off)</b>			3.25		14.00		12.00	

NA: Not Applicable / Not Applied

The Fair Equity Share Exchange Ratio for the proposed amalgamation of DCL with HTML is as under:

**4 (Four) equity shares of HTML of ₹2 each fully paid up for every 13 (Thirteen) equity shares of DCL of ₹2 each fully paid up.**

The Fair Equity Share Exchange Ratio for the proposed amalgamation of NMW with HTML is as under:

**1 (One) equity shares of HTML of ₹2 each fully paid up for every 14 (Fourteen) equity shares of NMW of ₹10 each fully paid up.**

The Fair Equity Share Exchange Ratio for the proposed amalgamation of HTMS with HTML is as under:

***1 (One) equity shares of HTML of ₹2 each fully paid up for every 12 (Twelve) equity shares of HTMS of ₹10 each fully paid up.***

## **OUR OPINION**

With reference to details above and based on our examination of Fair Equity Share Exchange Ratio, such other information / undertakings / representation provided by the management of the Companies and their representatives, after analyzing the Proposed Scheme and our independent analysis and evaluation of such information and subject to the exclusions and limitations as mentioned hereinabove, and to the best of our knowledge and belief, the Fair Equity Share Exchange Ratio as recommended by the Independent Valuers in relation the Proposed Scheme, as stated in all three scenarios above in our opinion, is fair and reasonable.

The aforesaid Proposed Scheme shall be subject to the receipt of approvals from NCLT and other statutory authorities as may be required. The detailed terms and conditions are more fully set forth in the Proposed Scheme. Sundae has issued this Fairness Opinion with the understanding the Proposed Scheme shall not be materially altered and the parties hereto agree that the Fairness Opinion shall not stand good in case the final Proposed Scheme alters the transaction.

***for Sundae Capital Advisors Private Limited  
(SEBI Regn. No.: INM000012494)***

***Sourabh Garg  
Director***