

**Last amended  
on 22.09.2022**



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**Memorandum  
and  
Articles of Association  
of  
HT Media Limited**

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सत्यमेव जयते

# GOVERNMENT OF INDIA

MINISTRY OF CORPORATE AFFAIRS

Registrar of companies, Delhi  
4th Floor, IFCI Tower 61, New Delhi, Delhi, India, 110019

Corporate Identity Number: L22121DL2002PLC117874

## SECTION 13(1) OF THE COMPANIES ACT, 2013

### Certificate of Registration of the Special Resolution Confirming Alteration of Object Clause(s)

The shareholders of M/s HT MEDIA LIMITED having passed Special Resolution in the Annual/Extra Ordinary General Meeting held on -- altered the provisions of its Memorandum of Association with respect to its objects and complied with the Section 13(1) of the Companies Act, 2013.

I hereby certify that the said Special Resolution together with the copy of the Memorandum of Association as altered has this day been registered.

Given under my hand at New Delhi this Twenty second day of February Two thousand eighteen.

DS Ministry of  
Corporate Affairs -  
(Govt of India) 23

SANJAY BOSE

Registrar of Companies

RoC - Delhi

Mailing Address as per record available in Registrar of Companies office:

HT MEDIA LIMITED

18-20,, KASTURBA GANDHI MARG,, NEW DELHI, Delhi, India, 110001





सत्यमेव जयते

प्रारूप एक

**Form 1**

निगमन का प्रमाण पत्र

**Certificate of Incorporation**

U22121DLZ002PLC117874

1924

सं०..... 1924

U22121DLZ002PLC117874

No. .... 200 2 200

एचटी मीडिया लिमिटेड ।

मैं एतद द्वारा प्रमाणित करता हूँ कि आज.....

कम्पनी अधिनियम 1956 (1956 का 1) के अधीन निगमित की गई है और यह कम्पनी परिसीमित है।

I hereby certify that **HT Media Limited**

is this day Incorporated under the Companies Act, 1956 (No. 1 of 1956) and that the Company is Limited.

11 अगस्त, 1924

मेरे हस्ताक्षर से आज ता०..... को दिया गया।

Given under my hand at..... **NEW DELHI**..... this..... **THIRD**

day of ..... **DECEMBER**.. **TWO THOUSAND** ..... **AND**.. **TWO**.....



*Signature*

(जी. के. गुप्ता)

सहायक

कम्पनी रजिस्ट्रार

Asst.

**Registrar of Companies**

रा. रा. क्षेत्र दिल्ली एवं हरियाणा

**N.C.T. OF DELHI & HARYANA**



COMPANY NO. ...55117874.....



## Certificate for Commencement of Business

व्यापार प्रारम्भ करने का प्रमाण-पत्र

Pursuant to section 149(3) of the Companies Act. 1956

कम्पनी अधिनियम 1956 की धारा 149 (3) के अनुसरण में

I hereby certify that the HT Media Limited

में एतद् द्वारा प्रमाणित करता हूँ कि एचटी मीडिया लिमिटेड

which was incorporated under the Companies Act. 1956 on

जो कि कम्पनी अधिनियम, 1956 के अन्तर्गत पंजीकृत की गई थी दिनांक 11 अक्टूबर 1924

the THIRD day of DECEMBER 20 02

and which has filed duly verified declaration in the

और जिस ने कि यथावत् निर्धारित प्रपत्र में सत्यापित घोषणा पत्र प्रस्तुत

prescribed form that the conditions of section

कर दिया है कि उस ने धारा 149 (2) (क) से (ग)

149 (2) (a) to (c) of the said Act. have been complied with is entitled

को सभी शर्तों को अनुपालन कर दिया है, अतः व्यापार आरम्भ करने का

to commence business

अधिकारी है।

Given under my hand at NEW DELHI

मेरे हस्ताक्षर से आज दिनांक 7 मघ 1924

this TWENTY SEVENTH day of JANUARY

TWO THOUSAND THREE

को जारी किया गया।



*(S.K. SHARMA)*  
कम्पनी रजिस्ट्रार

DY Registrar of Companies  
रा. रा. क्षेत्र दिल्ली एव हरियाणा  
N.C.T. OF DELHI & HARYANA

**MEMORANDUM OF ASSOCIATION  
OF  
HT Media Limited  
New Delhi**

**I.** The name of the Company is “**HT Media Limited**”.

**II.** The Registered Office of the Company is to be situated in New Delhi.

**III.** The objects for which the Company is established are:

**A. \*THE OBJECTS TO BE PURSUED BY THE COMPANY ON ITS INCORPORATION ARE:**

- \*1. To print, publish, conduct for sale or deal in one or more newspapers, periodicals, magazines, books, pamphlets etc., either daily or otherwise, in English, Hindi or any other language.
2. 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.
3. To engage in the business of dissemination of news, knowledge and information of general interest, across the globe, through web-page design, creation, hosting and any business relating to the Internet or e-mail, networking and communication environments.
4. To engage in the business of radio broadcast and all other allied activities including producing, buying, selling and distribution of radio programs.
- \*\*5. 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, to 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.
- \*7. To act as manufacturers, importers, exporters and dealers in all kinds and classes of paper, board, or any other articles or things of a character similar or analogous to the foregoing.
- \*8. To provide managerial, consulting and/or advisory based services.
- \*9. To establish, purchase, acquire, operate, manage, maintain, develop, and /or run, either on its own, or in collaboration with others, coaching classes, training centers, schools, colleges, universities, bureaus, websites, research laboratories and other academic/non-academic institutions, for imparting primary, secondary and higher level education, in all disciplines of arts, science, commerce, engineering, medicine, para-medical, management, computers, management and information technology, in and outside India, by way of oral, written, correspondence, teleconferencing and online courses.”

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\* Added/Altered pursuant to Special Resolution dated 15<sup>th</sup> January, 2018

\*\*Added/alterd pursuant to Special Resolution dated 11<sup>th</sup> July, 2008

\*\*\*Added/alterd pursuant to Special Resolution dated 14<sup>th</sup> July, 2010

**B. \*MATTERS WHICH ARE NECESSARY FOR FURTHERANCE OF THE OBJECTS SPECIFIED IN CLAUSE III(A) ARE:**

1. To get franchise, copyrights, trade marks and logos and also assign franchise, copyright, trade mark and logos to others for consideration in respect of the business.
2. To apply for, purchase or otherwise, acquire any patent, patent right, copyright, trade mark, formulae, licence, lease, concession, any exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company or the acquisition of which may directly or indirectly benefit the Company; and to use, exercise, develop or grant licences in respect thereof or otherwise turn to account the property, rights, or information so acquired.
3. To set up studios, processing laboratories and other manufacturing facilities and ancillary units and to rent, hire, maintain, exchange, borrow and buy such facilities.
4. To construct, alter, maintain buildings, works and machinery, necessary or convenient, for the business of the Company.
5. To purchase any machinery, plants, stores and other articles and things for all or any of the objects and purposes of the Company, or any of them.
6. To place on deposit with any local bank for any period the moneys not required for the immediate use of the Company and to invest the same in approved and sound securities and to take or acquire shares and securities of any other Company and to sell and realize such securities when necessary, and to apply funds of the Company, in buying up, selling, extinguishing or obtaining the release from any contract or liability.
7. To purchase or otherwise acquire all or any part of the business and property of any person, firm or company carrying on any business which this Company is authorized to carry on and to take over the assets or property and liability of such persons, firm or company on such terms as the Company may think fit.
8. To enter into working arrangements of all kinds, for sharing profits, co-operation, joint venture, reciprocal conversion or otherwise with any other company or companies, corporations, firms or persons carrying on or about to carry on business which this Company is authorized to carry on or engaged in carrying on.
9. To amalgamate, enter into any arrangement, scheme or merger or demerger, with any other company or companies whose objects in whole or part are similar to or include objects similar to those of the Company or to demerge any unit of the company, on such terms as may be agreed upon between the several companies.
10. To invest and deal with money, in such manner as may, from time to time, be thought fit, subject to the provisions of any applicable law.
11. To borrow or raise, secure the payment of money, or to receive money on deposits at interest from time to time for any of the purposes of the Company by promissory notes or by taking credits in or opening current accounts with any person, firm, bank or bankers and whether with or without giving any security, goods or other articles, or by mortgaging or selling or receiving advances on the sale of any land, buildings, machinery, goods or other property of the Company or by such other means as the Directors may in their absolute discretion deem expedient and in particular by the issue of debentures or debenture stock, perpetual or otherwise, charged upon all or any of the Company's property and assets (both present and future) including its uncalled capital by special assignment or otherwise or to transfer or convey the same absolutely or in trust and to give lenders power of sale and other powers as may seem expedient and to purchase, redeem or pay off any such securities.
12. To remunerate the servants of the Company and others, out of and in proportion to the profits of the Company or otherwise as the Company may think fit, and to establish and support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences calculated

to benefit employees or ex-employees of the Company, or the dependents or connections of such persons, and to grant pensions and allowances and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition or for any public, general or useful object.

13. To pay all expenses of and incidental to the formation and registration of the Company and the issue of its capital, including any underwriting or other commissions, brokers' fees and charges in connection therewith.
14. To acquire and work the printing, publishing, internet and other allied business of The Hindustan Times Ltd. for such consideration as may be deemed just and proper.
15. To do all or any of the things stated herein as principals, agents, contractors, trustees or otherwise, and by or through trustees or otherwise, and by or through trustees, agents or otherwise and either alone or in connection with others, and to do all such other things as are incidental to or may be conducive to the attainment of the above objects or any of them.
16. To enter into any arrangement for sharing of profits, union of interest, co-operation, reciprocal concession, lease, licence or otherwise with any person carrying on any business or transaction which the Company is authorized to carry on or engage in.
17. To enter into any arrangement with any Government or authority whether municipal, local or otherwise or any person, that may seem conducive to the Company's objects or any of them; and to obtain from any such Government or other authority any rights, privileges and concessions which the Company may think, is desirable to obtain and to carry out, exercise and comply with any such arrangements, rights, privileges and concessions.
18. To establish or support or aid in the establishment and support of associations, institutions, funds, trusts and conveniences for the benefit of past or present employees or Directors of the Company or the dependents of such persons; and to grant pensions, gratuities and allowances and Superannuation and other benefits or ensure payment of any of them by taking insurance or any other promises and assurances as the Company may undertake, and to subscribe or guarantee money for charitable or benevolent objects or useful objects for general public.
19. To form, establish or promote any other company, body corporate or any other entity either as subsidiary of this Company or otherwise for the purpose of carrying on any of the business or activities of the Company or for the purpose of acquiring or taking over all or any of the property, rights and liabilities of such company, body corporate, or any other entity or for any other purpose which may directly or indirectly benefit the Company.
20. To purchase or import, take on lease or in exchange or hire or otherwise acquire any movable or immovable property and any rights or privileges which the Company may think necessary or convenient for the purposes of its business and in particular any land, building, easement, rights, privileges, concessions, machinery, plant or any other property or assets.
21. To adopt such means of making known and advertising the business and products and services of the Company as may be expedient.
22. To apply for, promote, and obtain any order, regulation, or other authorization or enactment which may directly or indirectly benefit the Company.
23. To procure recognition of the Company in any country or place outside India.
24. To issue or allot fully or partly paid shares in the capital of the Company in payment or part payment of any movable or immovable property purchased or otherwise acquired by the Company or any services rendered to the Company.
25. To take or hold mortgages, liens and charges to secure payment of the purchase price, or any unpaid balance of the purchase price of any part of the Company's property of any kind sold by the Company, or any money due to the Company from buyer or any other person.
26. To insure any of the properties, undertakings, contracts, risks or obligations of the Company in any manner whatsoever.

27. To make donations either in cash or in kind for such objects or causes as may be directly or indirectly conducive to, any of the Company's objects or otherwise expedient.
28. To aid and support, any person, association, body or movement, whose object is solution, settlement or surrounding any industrial or labour problems or the promotion of trade or business of the Company or for the promotion of science and technology, cultural activities, sports, environment, rural development and other social and welfare activities.
29. To establish, support, promote or run associations, institutions, schools, centres or to develop and/or facilitate the development of modules, lectures, classes, programmes, seminars, conferences for imparting education, knowledge, training in any field.
30. To establish or support hospitals, guest houses, clubs, funds and trusts which may be considered beneficial to any employees or ex-employees and to officers and ex-officers of the Company or the dependents of any such person.
31. To create any depreciation fund, reserve, reserve fund, sinking fund, redemption fund, insurance fund or any special or other reserve or fund, whether for repayment of redeemable preference shares, redemption of debentures or debenture-stock, for dividends, for equalizing dividends, or for repairing, improving, extending and maintaining any part of the property of the Company.
32. To open and operate any type of bank accounts with any bank and obtain credit facilities with or without securities for its business.
33. To train or pay for training in India or abroad of any of the Company's employees or officers or any candidate in the interest of or furtherance of the Company's objects.
34. To take or otherwise acquire and hold shares in any other company.
35. To promote or finance or assist in promoting or financing any business, undertaking or industry either existing or new and develop or form the same either through the instrumentality of syndicates or otherwise in conformity with the relevant laws governing banks.
36. To carry on any other business which may seem to the Company capable of being conveniently carried on in connection with the other business of the Company, or calculated directly or indirectly to promote the interests of the Company, or which may be subsidiary to any of the Company's objects, and to undertake and transact all kinds of agency business.
- \*37. To put to gainful use any assets or infrastructure facility by way of lease, letting out or subletting, property of the Company, including plant, machinery, equipments, buildings, furniture, vehicles etc., on such terms which may benefit the Company.

**IV.** The liability of the shareholders of the Company is limited.

**\*\*V.** The Authorized Share Capital of the Company is Rs.72,50,00,000/- (Rupees Seventy Two Crore Fifty Five Lac Only) divided into 36,25,00,000 (Thirty Six Crore Twenty Five Lac) Equity Shares of Rs.2/- each. The rights of the holders of any class of shares forming part of the Capital for the time being of the Company may be modified, affected, varied, extended, surrendered or abrogated in such manner as is, or may be, provided by the Articles of Association of the Company as originally registered or as altered from time to time.

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*\* Added/Altered pursuant to Special Resolution dated 15<sup>th</sup> January, 2018*

*\*\*Altered pursuant to Special Resolution dated 11<sup>th</sup> July, 2008*

*Clause III(C) titled "OTHER OBJECTS" has been deleted pursuant to Special Resolution dated 15<sup>th</sup> January, 2018*



We, the several persons, whose names and addresses are subscribed hereto, are desirous of being formed into a Company in pursuance of the Memorandum of Association and we respectively agree to take the number of equity shares in the capital of the Company set opposite to our respective names.

Name, Addresses and Description of subscribers.	No. of Equity shares taken by each subscriber	Signatures of the Subscribers	Name, Addresses Description and signature of Witness
DR. KRISHNA KUMAR BIRLA S/O LATE SHRI GHANSHYAM DAS BIRLA R/O 17, GURUSADAY ROAD KOLKATA-700 019 OCCUPATION: INDUSTRIALIST	1 (ONE)	Sd/-	I WITNESS THE SIGNATURES OF THE SUBSCRIBERS  Sd/- SANJAY AGARWAL S/O SHRI M.P. AGARWAL B-26, QUTAB INSTITUTIONAL AREA, NEW DELHI-110016
SHRI SHYAM SUNDER BHARTIA S/O SHRI MOHANLAL BHARTIA R/O 46, FRIENDS COLONY (EAST) NEW DELHI- 110 065 OCCUPATION: INDUSTRIALIST	1 (ONE)	Sd/-	
SMT. SHOBHANA BHARTIA W/O SHRI SHYAM SUNDER BHARTIA R/O 46, FRIENDS COLONY (EAST) NEW DELHI- 110 065 OCCUPATION: BUSINESS	1 (ONE)	Sd/-	
SHRI PRIYAVRAT BHARTIA S/O SHRI SHYAM SUNDER BHARTIA R/O 46, FRIENDS COLONY (EAST) NEW DELHI- 110 065 OCCUPATION: BUSINESS	1 (ONE)	Sd/-	
SHRI SURAJ MAL AGARWAL S/O LATE SHRI TANSUKH RAM AGARWAL R/O 111, GOLF LINKS NEW DELHI- 110 003 OCCUPATION: BUSINESS EXECUITVE	1 (ONE)	Sd/-	
SHRI SHAMIT BHARTIA S/O SHRI SHYAM SUNDER BHARTIA R/O 46, FRIENDS COLONY (EAST) NEW DELHI- 110 065 OCCUPATION: BUSINESS	1 (ONE)	Sd/-	
THE HINDUSTAN TIMES LTD. HINDUSTAN TIMES HOUSE 18-20, KASTURBA GANDHI MARG NEW DELHI- 110001 [THROUGH SMT. SHOBHANA BHARTIA, AUTHORISED SIGNATORY, THE HINDUSTAN TIMES LIMITED, 46, FRIENDS COLONY (EAST) NEW DELHI- 110 065]	49,994 (FORTY NINE THOUSAND NINE HUNDRED NINETY FOUR)	Sd/-	

NEW DELHI, DATED THE TWENTY SIXTH DAY OF NOVEMBER, 2002.

THE COMPANIES ACT, 2013  
COMPANY LIMITED BY SHARES  
(Incorporated under Companies Act, 1956)

**ARTICLES OF ASSOCIATION**  
**OF**  
**HT MEDIA LIMITED**

(Adopted by Special Resolution passed at the 14<sup>th</sup> Annual General Meeting of the  
Company held on 20<sup>th</sup> September, 2016)

1. Except where provided in these Articles, the Articles contained in Table 'F' of Schedule I of the Act, shall apply to the Company as if the Articles contained therein were mentioned in these presents. In case of conflict between Table 'F' and these Articles, the provisions of these Articles shall prevail.

2. **DEFINITIONS AND INTERPRETATION**

2.1 **Definitions**

Unless the context otherwise requires, words or expressions contained in these Articles shall bear the meaning assigned to them respectively hereunder, namely:

<b>“Act”</b>	means the Companies Act, 2013 including rules made thereunder and to the limited extent the Companies Act, 2013 is not enforced, and consequentially the Companies Act 1956 applies, means the Companies Act, 1956;
<b>“Annual General Meeting”</b>	means a general meeting of Members held in accordance with the provisions of the Act, and any adjourned holding thereof;
<b>“Articles”</b>	means these Articles of Association, as amended from time to time;
<b>“Auditor”</b>	means and includes a person appointed as such for the time being of the Company in accordance with the provisions of these Articles and applicable Laws;
<b>“Board of Directors” or “Board”</b>	means the Board of Directors of the Company constituted from time to time consistent with the provisions of these Articles and applicable Laws;
<b>“Beneficial Owner”</b>	“Beneficial Owner” shall mean a Beneficial Owner as defined in Clause (a) of Sub-Section (1) of Section 2 of the Depositories Act, 1996.
<b>“Chairperson”</b>	means the Chairperson of the Board of Directors;
<b>“Company”</b>	means HT Media Limited;
<b>“Committee”</b>	means a Committee of the Board;
<b>“Director”</b>	means a Director of the company appointed from time to time;
<b>“Depository”</b>	Depository shall have the meaning as ascribed under the Depositories Act, 1996;



<b>“Extra-ordinary General Meeting”</b>	means a General Meeting other than Annual General Meeting of the Members;
<b>“General Meeting”</b>	means a meeting of the Members;
<b>“Financial Year”</b>	means the period ending on March 31 every year or any other period as allowed under the Act;
<b>“Law”</b>	includes all statutes, enactments, acts of legislature or parliament, Laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal board, court or recognized stock exchange;
<b>“Listing Regulations”</b>	means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ;
<b>“Manager”</b>	means a Manager of the Company as defined in the Act;
<b>“Member”</b>	means in relation to the Company a Member as defined in the Act;
<b>“Memorandum of Association”</b> or <b>“Memorandum”</b>	means the Memorandum of Association, of the Company registered with the Registrar of Companies as amended from time to time
<b>“Postal Ballot”</b>	means voting by post, or electronic mode or through any other mode permissible by Law from time to time;
<b>“Proxy”</b>	means any person who is duly appointed as such under the Act;
<b>“Register of Charges”</b>	means the Register of Charges maintained by the Company pursuant to the Act;
<b>“Register of Members”</b>	means the Register of Members maintained by the Company pursuant to the Act and also includes records of the Depository maintained in any media as may be permitted by applicable Law including electronic media;
<b>“Seal”</b>	means the common seal of the Company;
<b>“Secretary”</b>	means the Company Secretary of the Company as defined under Section 2(24) of the Act;
<b>“Share”</b>	means a Share in the share capital of the Company and includes stock.

## 2.2 Interpretation

2.2.1 In these Articles, unless the context requires otherwise:

- (i) reference to the singular includes a reference to the plural and vice versa;
- (ii) reference to any gender includes a reference to all other genders;
- (iii) reference to an individual shall include his legal representative, successor, legal heir, executor and administrator;
- (iv) reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment (whether before or after the date of these Articles) for the time being in force and to all statutory instruments or orders made pursuant to statutory provisions;
- (v) references to any statute or regulation made using a commonly used abbreviation, shall be construed as a reference to the title of the statute or regulation;
- (vi) references to any Article, shall be deemed to be a reference to an Article of these Articles.

- (vii) Words and expressions used, and not defined in these Articles, but defined under the applicable provisions of the Act, shall have the meanings respectively assigned to them in the Act.
- 2.2.2 Any word or phrase defined in the body of these Articles as opposed to being defined in Article 1 above shall have the meaning assigned to it in such definition throughout these Articles, unless the contrary is expressly stated or the contrary clearly appears from the context.
- 2.2.3 The use of the word “including” followed by a specific example/s in these Articles shall not be construed as limiting the meaning of the general wording preceding it.
- 2.2.4 Reference to a “person” includes (as the context requires) an individual, proprietorship, partnership firm, company, body of corporate, co-operative society, entity, authority or any body, association or organization of individuals or persons whether incorporated or not.

### 3. SHARE CAPITAL, ALTERATION OF CAPITAL

- 3.1 The authorized share capital of the Company shall be as prescribed in the Memorandum of Association.
- 3.2 Subject to provisions of the Act, the Company in General Meeting, may increase the share capital by such sum to be divided into Shares of such amount as the resolution shall prescribe.
- 3.3 **Terms of Issue of Debentures:** Any debentures, debenture-stock or other securities may be issued by the Company with or without an option to convert into shares either wholly or partly, in terms of the applicable provisions of the Act.
- 3.4 **Terms of Issue of Shares:** New shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the Board/General Meeting, as applicable, resolving upon the creation whereof shall direct. The rights to exercise a call on shares of the Company cannot be given to any person except with the sanction of the Board/ General Meeting as applicable.
- 3.5 **Further issue of Shares:**
  - 3.5.1 Whenever it is proposed to increase the subscribed capital of the Company by issue of further Shares either out of the unissued capital or out of the increased share capital then:
    - (a) such further Shares shall be offered to the persons who at the date of the offer, are holders of the equity shares of the Company, in proportion as near as circumstances admit, to the capital paid up on these Shares at the date;
    - (b) such offer shall be made by a notice specifying the number of shares offered and limiting a time within which the offer, if not accepted, will be deemed to have been declined;
    - (c) the offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in Sub Clause (b) hereof in favour of any person and the notice shall contain a statement of this right. Provided that the Directors may decline, without assigning any reason to allot any shares to any person in whose favour any Member may renounce the shares offered to him;
    - (d) after expiry of the time specified in the aforesaid notice or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board may dispose off them in such manner and to such person(s) as they may think fit, in their sole discretion.

3.5.2 Notwithstanding anything contained in Clause 3.5.1 hereof, the further shares aforesaid may be offered to any person (including to employees under a scheme of employee's stock option, and whether or not those persons include the persons referred to in Clause 3.5.1(a) hereof) in any manner whatsoever:

- (a) if a special resolution to that effect is passed by the Company in General Meeting; or
- (b) where no such special resolution is passed, if the votes cast (whether on a show of hands or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in the General Meeting (including the casting vote, if any of the Chairperson) by the Members who, being entitled to do so, vote in person, or where Proxies are allowed, by Proxy, exceed the votes, if any, cast against the proposal by Members, so entitled and voting and the Central Government/any other designated authority/body is satisfied on an application made by the Board of Directors in this behalf that the proposal be approved.

3.5.3 Nothing in Sub-Clause (c) of 3.5.1 hereof shall be deemed :

- (a) to extend the time within which the offer should be accepted; or
- (b) to authorise any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

3.5.4 Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the debenture issued or loans raised by the Company:

- (i) to convert such debentures or loans into shares in the Company; or
- (ii) to subscribe for shares in the Company (whether such option is conferred in these Articles or otherwise).

Provided that the terms of issue of such debentures or the terms of such loans include a term providing for such option and such term:

- (a) either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with rules, if any, made by that Government in this behalf; and
- (b) in the case of debentures or loans or other than debentures issued to or loans obtained from Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the debentures or raising of the loans.

3.6 Except so far as otherwise provided by the conditions of issue or by these Articles, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, transfer and transmission, forfeiture, lien, surrender, voting and otherwise.

3.7 Subject to the provisions of the Act, the Company in a General Meeting, may from time to time sub-divide or consolidate its shares or any of them and exercise any of the other powers conferred by Section 61 of the Act or any other applicable provisions and shall file with the Registrar such notice in exercise of any such powers, if any, as may be required by the Act.

3.8 Notwithstanding anything contained in these Articles, the Company shall be entitled to purchase its own shares and specified securities, as permitted by Law, and in connection thereto the Board may, when and if thought fit, buy back such of the Company's own shares or specified securities permitted by Law, as it may think fit, subject to such limits, upon such terms and conditions, and in such manner as may be prescribed by Law and subject to such approvals as may be necessary.

#### 4. SHARES

- 4.1 Subject to the provisions of the Act and these Articles, the shares shall be under the control of the Board, who may, subject to these Articles, issue, allot or otherwise dispose off the same or any of them to such persons in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Section 54 and other applicable provisions of the Act) and at such times as they may from time to time think fit and proper and with the sanction of the Members in General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit and may issue and allot shares in the capital of the Company on payment in full or in part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may be allotted may be issued as fully paid-up shares and if so issued shall be deemed to be fully paid shares. Provided that option or right to call any shares shall not be given to any person or persons without the sanction of the Members in General Meeting.
- 4.2 Subject to these Articles, the applicable provisions of the Act and other applicable Laws, the Company, with the necessary approval of shareholders, if required, shall have the power to issue or re-issue preference shares of one or more classes, which are liable to be redeemed and/or converted into equity shares, on such terms and conditions, and in the manner provided in the resolution authorizing such issue, and in absence of any specific condition of their issue in that behalf, in such manner as the Board may deem fit.
- 4.3 Subject to these Articles, the applicable provisions of the Act and other applicable Laws, the Company may, with the necessary approval of the shareholders, issue sweat equity Shares, on such terms and conditions and in the manner provided in the resolution authorizing such issue, and in absence of any specific condition of their issue in that behalf, in such manner as the Board may deem fit.
- 4.4 Notwithstanding anything contained in any of these Articles, but subject to the applicable provisions of the Act and other applicable Laws, the Company may from time to time, issue to any person(s) as it may deem fit, Shares whether equity, preference or any other class(es), by whatever name called, with differential rights as to voting, dividend or otherwise.
- 4.5 The Company shall be entitled to dematerialize or rematerialize any or all of its shares, debentures and other marketable securities pursuant to the Depositories Act, 1996 and, subject to these presents, to offer its shares, debentures and other securities for subscription in a dematerialized form.
- 4.6 Every person subscribing to securities offered by the Company shall have the option either to receive the security certificates or to hold the securities with a Depository. If a person opts to hold the securities with a Depository, the Company shall intimate such Depository the details of allotment of the security. On receipt of such information, the Depository shall enter in its records the name of the allottee as the Beneficial Owner of the security.
- 4.7 Every person who is the Beneficial Owner of the securities can at any time opt out of a Depository, in the manner provided by the Depositories Act, 1996. The Company shall, in the manner and within the time prescribed, issue to the Beneficial Owner the required certificates of securities.
- 4.8 All securities held by a Depository shall be dematerialized and be in fungible form.
- 4.9 Notwithstanding anything to the contrary contained in the Act or the Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the Beneficial Owner.
- 4.10 Save as otherwise provided in Article 4.9 above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

- 4.11 Every person holding securities of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Member of the Company. The Beneficial Owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities which are held by a Depository.
- 4.12 The Company may exercise the powers of paying commissions conferred by Section 40 of the Act and applicable rules, subject to such conditions as may be prescribed thereunder. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way or partly in other. The Company may also, on any issue of shares, pay such brokerage as may be lawful.
- 4.13 If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Articles shall be issued without payment of fees or if the Directors so decide, on payment of such fees (not exceeding Rs. 50/- for each certificate or such higher fees as may be allowed to be charged pursuant to the Act) as the Directors shall prescribe. Provided that notwithstanding what is stated above, the Directors shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act or rules applicable in this behalf.
- 4.14 Every Member shall be entitled, without payment, to one or more certificates in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fees as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within two months from the date of allotment unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its shares, as the case may be. Every certificate of shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the directors may prescribe or approve.
- 4.15 Every certificate shall be authenticated by (a) two Directors duly authorized by the Board for the purpose or the Committee of the Board, if so authorized by the Board; and (b) Company Secretary or any other person as may be authorized by the Board for the purpose.

Provided that in respect of Share(s) held jointly by several persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to one of several right holders shall be sufficient delivery to all such holder.

## **5. SHARE WARRANTS**

The Company may issue Share warrants subject to, and in accordance with, the terms and conditions as may be prescribed pursuant to the provisions of the Act or as may be permissible under applicable Law from time to time. Accordingly, the Board may, in its discretion, and subject to the Act, prescribe applicable procedure, charges and requirements from time to time that will apply in that regard.

## **6. CALLS AND FORFEITURE OF SHARES**

- 6.1 The Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board make such call as it thinks fit upon the Members in respect of all moneys unpaid on the shares held by them respectively and each Member shall pay the amount of every call so made on him to the person or persons and at the time and place appointed by the Board. A call may be made payable by installments.

- 6.2 The Directors may, from time to time, at their discretion, extend the time fixed for the payment of any call and may extend such time as to the payment of any call for any of the Members; but no Member shall be entitled to such extension save as a matter of right.
- 6.3 The Board may, from time to time, make calls upon the Members in respect of any monies unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times. Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.
- 6.4 Each Member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.
- 6.5 A call may be revoked or postponed at the discretion of the Board.
- 6.6 Any sum, which by the terms of issue of a Share becomes payable on allotment or at any fixed date whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable and in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
- 6.7 A call shall be deemed to have been made at the time when the resolution of the Directors authorizing such call was passed and may be made payable by Members on such date or at the discretion of the Directors on such subsequent date as shall be fixed by the Directors.
- 6.8 If any Member fails to pay any call due from him on the date appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall, from time to time be fixed by the Board or a Committee of the Board if so authorized in this regard. The Board/ Committee shall be at liberty to waive payment of any such interest wholly or partly.
- 6.9 Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of payment of any money shall preclude the forfeiture of such shares as herein provided.
- 6.10 The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the moneys so paid in advance or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made the Company may pay interest at such rate not exceeding, unless the Company in General Meeting directs, twelve percent per annum, as may be agreed between the Board and the Member paying the sum in advance. However, such amounts paid in advance will not confer a right to dividend or participate in profits.
- 6.11 No Member shall be entitled to receive any dividend or to exercise any privilege as a Member until he shall have paid all calls for the time being due and payable on every Share held by him whether alone or jointly with any person, together with interest and expenses, if any.
- 6.12 On the trial or hearing of any action or suit brought by the Company against any Member or his legal representatives for the recovery of any moneys claimed to be due to the Company in respect of his shares it shall be sufficient to prove that the name of the Member in respect of whose shares the moneys are sought to be recovered, is entered in the Register of Members as a Member/one of the Members at or any subsequent date on which the moneys sought to be recovered are alleged to have become due on the shares and that the resolution making the call



is duly recorded in the Minute book and the notice of such call was duly given to the Member, holder or joint-holder or his legal representatives issued in pursuance of these presents. It shall not be necessary to prove the appointment of Directors who made such call nor that the quorum of Directors was present at the Board at which any such call was made nor that the Meeting at which any such call was made had been duly convened or constituted nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt.

### 6.13 **Forfeiture**

6.13.1 If a Member or debenture-holder fails to pay any call or the allotment money or installment of a call on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or allotment money or installment remains unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part serve a notice on him requiring payment of so much call or installment as is unpaid, together with any interest which may have accrued.

6.13.2 The notice aforesaid shall :

- (a) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
- (b) state that, in the event of non-payment on or before the day so named, the shares or debentures in respect of which the call was made will be liable to be forfeited.

6.13.3 If the requirements of any such notice as aforesaid are not complied with, any Share or debenture in respect of which the notice has been given, may at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.

6.13.4 A forfeited Share or debenture may be sold or otherwise disposed off on such terms and in such manner as the Board thinks fit.

6.13.5 At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.

### 6.14 **Effect of Forfeiture**

- (i) A person whose shares or debentures have been forfeited shall cease to be Member or holder in respect of the forfeited shares or debentures, but shall notwithstanding the forfeiture remain liable to pay to the Company all moneys which, at the date of forfeiture, were presently payable by him to the Company in respect of the Share or debenture.
- (ii) The liability of such person shall cease if and when the Company shall have received payment in full of all such moneys in respect of the shares or debentures.
- (iii) All such moneys payable shall be paid together with interest thereon at such rate as the Board may determine, from the time of forfeiture until payment or realization. The Board may, if it thinks fit, but without being under any obligation to do so, enforce the payment of the whole or any portion of the moneys due, without any allowance for the value of the shares or debentures at the time of forfeiture, or waive payment in whole or in part.

### 6.15 **Declaration and other provisions of Forfeiture**

- (i) A duly verified declaration in writing that the declarant is a Director, Manager or the Company Secretary and that a Share or debenture in the Company has been duly forfeited on the date stated in the declaration, shall be conclusive evidence of the facts therein stated, as against all persons claiming to be entitled to the Share or debenture.
- (ii) The Company may receive the consideration, if any, given for the Share or debenture on any sale or disposal thereof and may execute a transfer of the Share or debenture in favour of the persons to whom the Share or debenture is sold or disposed of.



- (iii) The transferee shall thereupon be registered as the holder of the Share or debenture.
  - (iv) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the Share or debenture be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share or debenture.
  - (v) The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the term of issue of a Share or debenture, becomes payable at a fixed time, whether on account of the nominal value of the Share or debenture or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
  - (vi) The Board may subject to the provision of the Act accept from any shareholder/debenture holder on such terms and conditions as shall be agreed, a surrender of all or any of his shares/debentures.
- 6.16 The Company shall have a first and paramount lien upon all the shares/debentures (other than fully paid-up shares/debentures) registered in the name of each Member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares/debentures, and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect and such lien shall extend to all dividends and bonuses from time to time declared in respect of such shares/debentures. Unless otherwise agreed, the registration of a transfer or shares/debentures shall operate as a waiver of the Company's lien if any, on such shares/debentures. The Directors may, at any time declare any shares/debentures wholly or in part to be exempt from the provisions of this Clause.

## **7. TRANSFER AND TRANSMISSION OF SHARES, NOMINATION**

- 7.1 The instrument of transfer of any Shares shall be executed by or on behalf of both the transferor and transferee.
- 7.2 The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any Share.
- 7.3 A common instrument of transfer shall be used which shall be in writing in case of shares/debentures held in physical form and all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being, shall be duly complied with in respect of all transfer of shares and the registration thereof.
- 7.4 The instrument of transfer in case of shares/debentures held in physical form shall be in writing and all provisions of Section 56 of the Act, and statutory modification thereof, and rules prescribed under the Act for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
- 7.5 Subject to the provisions of Law, in the event that the proper documents have been lodged, the Company shall register the transfer of securities in the name of the transferee except :
  - (a) when the transfer is, in exceptional circumstances, not approved by the Directors in accordance with the provisions contained herein;
  - (b) when any statutory prohibition or any attachment or prohibitory order of a competent authority restrains the Company from transferring the securities out of the name of the transferor;
  - (c) when the transferor object to the transfer, provided he serves on the Company within a reasonable time a prohibitory order of a court of competent jurisdiction;
  - (d) the transfer of a Share, not being a fully paid Share, to a person whom they do not approve;
  - (e) any transfer of Share(s) on which the Company has lien.

- 7.6 Subject to the provisions of Section 58, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of Law of the right to, any shares or interest of a Member in or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal, provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
- 7.7 Subject to the provisions of Sections 56 and 72 of the Act, a transfer of the shares or other interest in the Company of a deceased Member thereof made by his legal representative shall although the legal representative is not himself a Member, be as valid as if he had been a Member at the time of the execution of the instrument of transfer.
- 7.8 The instrument of transfer shall, after registration, be retained by the Company and shall remain in its custody. All the instruments of transfer which the Directors may decline to register shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as may be prescribed.
- 7.9 Subject to the provisions of Section 72 of the Act and Clauses 7.14 and 7.15 of these Articles, the executors or administrators of a deceased Member or a holder of a succession certificate or other legal representative or nominee in respect of shares of a deceased Member where he was a sole or only surviving holder shall be the only person whom the Company will be bound to recognize as having any title to the shares registered in the name of such Member and the Company shall not be bound to recognize such executors, administrators or holder unless such executors or administrators shall have first obtained probate or letters of administration or such holder is the holder of a succession certificate or other legal representation, from a court of competent jurisdiction or in the case of nomination, on the production of such evidence as the Board may require, as the case may be.
- Provided that in any case where the Directors, at their absolute discretion, think fit, the Directors may dispense with production of probate or letters of administration or succession certificate or other legal representation or other evidence and register the name of any person who claims to be absolutely entitled to the share standing in the name of a deceased Member as a Member, in accordance with the provisions of these Articles.
- 7.10 Any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any Member or by any lawful means other than by a transfer in accordance with these presents, may with the consent of the Directors (which they shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of his title as the Directors shall require, either be registered as a Member in respect of such shares or may subject to the regulations as to transfer contained in these presents and applicable Law, transfer such shares to some other person. This Article, in these presents, is referred to as the "Transmission Clause".
- 7.11 The Directors shall have the same right to refuse to register a person entitled by transmission to any shares or his nominee as if he were the transferee named in an ordinary transfer presented for registration.
- 7.12 Every transmission of a share shall be verified in such manner as the Directors may require and the Company may refuse to register any transmission until the same be so verified or until or unless an indemnity be given to the Company with regard to such registration which the Directors at their discretion shall consider sufficient, provided nevertheless that there shall not be any obligation on the Company or the Directors to accept any indemnity.
- 7.13 No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other document.

7.14 The Company shall incur no liability or responsibility whatever in consequence of their registering or giving effect to any transfer of shares made or purporting to be made by the apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of persons having or claiming any equitable right, title or interest to or in the same shares notwithstanding that the Company may have had notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend to give effect to any notice which may be given to them of any equitable right, title or interest or be under any liability whatsoever for refusing or neglecting to do so though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.

#### 7.15 **Nomination**

7.15.1 Every Share/bond/debenture holder of the Company and a depositor under the Company's Public Deposit Scheme (Depositor) of the Company may at any time, nominate in the prescribed manner, a person to whom his shares/bonds/debentures or deposits in the Company shall vest in the event of his death.

7.15.2 Where the shares or bonds or debentures or deposits in the Company are held by more than one person jointly, the joint holder may together nominate, in the prescribed manner, a person to whom all the rights in the shares or bonds, debentures or deposits in the Company, as the case may be, shall vest in the event of death of all the joint holders.

7.15.3 Notwithstanding anything contained in these Articles, or any other Law for the time being in force or in disposition, whether testamentary or otherwise, in respect of such shares/bonds/debentures or deposits in the Company, where a nomination made in the prescribed manner purport to confer on any person the right to vest the shares/bonds/debentures or deposits in the Company, the nominee shall on the death of the Share/bond/debenture holder or a depositor, as the case may be, or on the death of the joint holders become entitled to all the rights in such shares/bonds/debentures or deposits, as the case may be, to the exclusion of all persons, unless the nomination is varied, cancelled in the prescribed manner.

7.15.4 Where the nominee is a minor, it shall be lawful for the holder of the shares/bonds/debentures or deposits, to make the nomination to appoint, in the prescribed manner, any person to become entitled to shares/bonds/debentures or deposits in the Company, in the event of his death, during the minority.

#### 7.16 **Transmission of Securities by Nominee**

7.16.1 Notwithstanding anything provided in these Articles, a nominee, upon production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:

- (a) to be registered himself as holder of the share/bond/debenture or deposits, as the case may be; or
- (b) to make such transfer of the Share/bond/debenture or deposits, as the case may be, as deceased Share/bond/debenture holder or depositor could have made;
- (c) if the nominee elects to be registered as holder of the Share/bond/debenture or deposits, himself, as the case may be, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased Share/bond/debenture holder or depositor, as the case may be;

7.16.2 A nominee shall be entitled to the same dividends and other advantages to which he would be entitled to, if he were the registered holder of the share/bond/debenture or deposits except that he shall not, before being registered as a Member in respect of his Share/bond/debenture or deposits be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the Company.

Provided further that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the Share/bond/debenture or deposits, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable or rights accruing in respect of the Share/bond/debenture or deposits, until the requirements of the notice have been complied with.

## **8. DIVISION OF PROFITS AND DIVIDEND**

- 8.1 The profits of the Company available for payment of dividend subject to any special rights relating thereto created or authorised to be created by these presents and subject to the provisions of the Act and these presents as to the reserve fund and amortisation of capital shall be divisible among the Members in proportion to the amount of capital paid-up by them respectively. Provided always that (subject as aforesaid) any capital paid-up on a Share during the period in respect of which a dividend is declared shall only entitle the holder of such Share to an apportioned amount of such dividend as from the date of payment.
- 8.2 No dividend shall be declared or paid by the Company for any Financial Year except out of profits of the Company for that year arrived after providing for the depreciation in accordance with the provisions of Section 123 of the Act or out of profits of the Company for any previous Financial Year or years arrived after providing for the depreciation in accordance with applicable Laws and remaining undistributed or out of both or out of moneys provided by the government for the payment of dividend in pursuance of a guarantee given by the government. No dividend shall carry interest against the Company. No dividend shall be declared unless carried over previous years losses and depreciation not provided in previous year(s) are set off against profit of the Company for the current year.
- 8.3 The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.
- 8.4 The Board may also carry forward any profits which it may think prudent not to divide, without setting them aside as a reserve.
- 8.5 Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.
- 8.6 All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the dividend is paid; but, if any Share is issued on terms providing that it shall rank for dividend as from a particular date, such Share shall rank for dividend accordingly.
- 8.7 The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.

- 8.8 No amount paid or credited as paid on a Share in advance of calls shall be treated for the purposes of these Articles as paid on the Share.
- 8.9 Subject to the provisions of Section 123 of the Act, no dividend shall be payable except in cash.
- 8.10 A transfer of shares shall not pass the right to any dividend declared thereon after transfer and before the registration of the transfer.
- 8.11 Any one of the several persons who are registered as the joint holders of any Share, may give effectual receipts for all dividends and payments on accounts of dividends in respect of such shares.
- 8.12 Unless otherwise directed, any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic means or by cheque or demand draft or warrant or such other permissible means to the registered address of the Member or person entitled or in the case of joint holding, to the registered address of that one whose name stands first in the register in respect of joint holding and every cheque, demand draft or warrant so sent shall be made payable to the Member or to such person and to such address as the shareholder or the joint shareholders in writing may direct.
- 8.13 Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.
- 8.14 The Company in a General Meeting may declare a dividend (other than interim dividend) to be paid to the Members according to their rights and interests in the profits and may fix the time for payment, but no dividend shall exceed the amount recommended by the directors, but a Company may declare a lesser dividend at the General Meeting.
- 8.15 The Directors may, from time to time, and subject to the provisions of Section 123 of the Act, pay to the Members such interim dividends, as in their judgment the position of the Company justifies.
- 8.16 Where the Company has declared a dividend but which has not been paid or claimed or the dividend warrant in respect thereof has not been posted within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall, within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called "Unpaid Dividend Account" of the Company and transfer to the said account, the total amount of dividend which remains unpaid/unclaimed or in relation to which no dividend warrant has been posted.
- 8.17 Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company alongwith interest accrued to the fund established under Section 125 of the Act (viz. Investor Education and Protection Fund) in accordance with the provisions of Section 124(5) and other applicable provisions of the Act.
- 8.18 No unclaimed or unpaid dividend shall be forfeited by the Board.
- 8.19 The Board may retain dividend payable upon Shares in respect of which any person is, under the Articles regarding transmission hereinbefore contained, entitled to become a Member, until such person shall become a Member in respect of such Shares.

## **9. CAPITALIZATION OF RESERVE**

- 9.1 The Company in General Meeting may, upon the recommendation of the Board, resolve—
- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the statement of profit and loss, or otherwise available for distribution; and

- (b) that such sum be accordingly set free for distribution in the manner specified in Clause 9.2 amongst the Members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
- 9.2 The sum aforesaid shall not be paid in cash but shall be applied, either in or towards:
  - (i) paying up any amounts for the time being unpaid on any shares held by such Members respectively;
  - (ii) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up, to and amongst such Members in the proportions aforesaid; or
  - (iii) partly in the way specified in Sub-Clause (i) and partly in that specified in Sub-Clause (ii).
- 9.3 A securities premium account and a capital redemption reserve account may, for the purposes of this Article, be applied in the paying up of unissued Shares to be issued to Members of the Company as fully paid bonus Shares.
- 9.4 The Board shall give effect to the resolution passed by the Company in pursuance of this Article. Provided however that such payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalized sum.
- 9.5 Whenever such a resolution as aforesaid shall have been passed, the Board shall:
  - (a) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid shares, if any; and
  - (b) generally do all acts and things required to give effect thereto.
- 9.6 The Board shall have full power :
  - (a) to make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of shares or debentures becoming distributable in fractions; and
  - (b) to authorise any person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid-up, of any further shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment up by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised, of the amounts or any part of the amounts remaining unpaid on their existing shares. Any agreement made under such authority shall be effective and binding on all such Members.

## 10. COMMON SEAL

- 10.1 The Board, may in its discretion, provide or continue with a common Seal for the purpose of the Company and shall have power from time to time to discontinue, destroy the same and substitute a new Seal in lieu thereof. The Board shall provide for the safe custody of the Seal, if the same is continued.
- 10.2 The Seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorised by it in that behalf and except in the presence of at least one Director and the Company Secretary of the Company or such other persons as the Board may appoint for the purpose; and that one Director and the Company Secretary or such other persons as aforesaid shall sign every instrument to which the Seal of the Company is so affixed, in their presence. Director may, however, sign a Share/debenture certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means such as engraving in metal or lithography, but not by means of a rubber stamp provided that the Director shall be responsible for the safe custody of such machine equipment or other metal used for the purpose. In the absence of the Seal, the provisions of Section 22 and other applicable provisions of the Act shall apply for authorization in lieu thereof.



## 11. BORROWING POWERS

- 11.1 Subject to the provisions of Section 73, 179 and 180 of the Act and these Articles, on behalf of the Company, the Board may, from time to time at its discretion, by means of a resolution, and, if statutorily required, passed at a General Meeting, accept deposits from Members either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company. Provided, however where the moneys to be borrowed together with moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves which are available for distribution as dividend) the Board shall not borrow such moneys without consent of the Company in General Meeting.
- 11.2 The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board resolution, or Special Resolution, as the case may be, shall prescribe including by the issue of debentures or debenture stock of the Company, charged upon all or any part of the property of the Company (both present and future), including its uncalled capital for the time being; and debentures, debenture stock and other securities may be made assignable free from any equities between the Company and the person to whom the same may be issued.
- 11.3 Any bonds, debentures, debenture stock or other securities issued or to be issued by the Company shall be under the control of the Board who may issue them upon such terms and conditions and in such manner and for such consideration as they shall consider being for the benefit of the Company.
- 11.4 Subject to the provisions of the Act and applicable Law, any bonds, debentures, debenture stock or other securities may be issued at a discount, premium or at par and with any special privileges as to redemption, surrender, drawing, allotment of shares, appointment of Directors or otherwise.
- 11.5 If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may authorize the person in whose favour such mortgage or security is executed or any other person in trust for him to make calls on the Members in respect of such uncalled capital and the provisions hereinbefore contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally and either presently or contingently and either to the exclusion of the Directors' power or otherwise and shall be assignable if expressed so to be.
- 11.6 The Directors shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the Act in regard to registration of mortgages and charges and in regard to inspection to be given to creditors or Members of the Register of Charges and of copies of instruments creating charges. Such sum as may be prescribed pursuant to the Act shall be payable by any person other than a Creditor or Member of the Company for each inspection of the Register of Charges.
- 11.7 <sup>1</sup> Notwithstanding anything to the contrary contained in these Articles, as long as the Company is indebted, and any moneys remain owing by the Company to any financial institutions, banks, corporation, debenture holders (acting through their trustees) or body corporate in relation to any financial assistance by way of loan/debentures advanced to the Company or guarantee given on behalf of the Company for any loan borrowed or liability incurred by the Company, and if provided in the trust deed or any agreement in connection with the financial assistance, the said financial institutions, banks, corporation, debenture holders (acting through their trustees) or body corporate shall, if required by applicable regulations prevailing at that time and in the event of any circumstances or events as specified in the regulations, be entitled from time to time to appoint any person as Director(s) on the Board of the Company

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<sup>1</sup> Inserted vide Special Resolution passed by the shareholders at the Annual General Meeting dated 22<sup>nd</sup> September, 2022



(“Nominee Director”) and to remove from such office any person so appointed and to appoint any person in his/ her place. The Nominee Director so appointed shall not be liable to retire by rotation nor required to hold any qualification shares. Such Nominee Director(s) shall be entitled to attend meetings of the Board of Directors of the Company. Subject as aforesaid, the Nominee Director(s) shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Director so appointed shall hold the said office, only so long as any money remain owing by the Company. The Nominee Director appointed under this Article shall be entitled to receive all notices of and attend all general meetings, board meetings and the meetings of the committee(s) of which he/ she is a member, and also the minutes of meetings of the Board and such committee(s). The Company shall pay the Nominee Director(s) sitting fees, commission or remuneration in any form and expenses which the other non-executive Directors of the Company, are entitled to.

## **12. GENERAL MEETINGS**

- 12.1 All General Meetings other than the Annual General Meeting shall be called Extra- ordinary General Meetings.
- 12.2 The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any Member or Members holding in the aggregate not less than one-tenth of such of the paid-up capital as at that date carries the right of voting in regard to the matter in respect of which the requisition has been made. Such requisition shall state the reason for calling the meeting.
- 12.3 Such minimum number of Members, as prescribed under Section 103 or any other applicable provisions of the Act, to be personally present for comprising quorum for meetings, and no business shall be transacted at any General Meeting unless the requisite quorum is present when the meeting proceeds to business.
- 12.4 No business shall be discussed at any General Meeting except the election of a Chairperson, whilst the Chair is vacant.
- 12.5 The Chairperson or in his/her absence the Vice Chairperson, if any, of the Board shall preside as Chairperson at every General Meeting of the Company.
- 12.6 If there be no Chairperson or, if at any meeting he shall not be present within 15 minutes after the time appointed for holding such meeting, or is unwilling to act, Directors present shall elect one amongst them to be the Chairperson of the meeting.
- 12.7 If at any meeting no Director is willing to act as Chairperson or if no Director is present within fifteen minutes after the time appointed for holding the meeting, the Members present shall choose one amongst them to be Chairperson of the meeting.
- 12.8 If within half an hour from the time appointed for the General Meeting, a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved and in any other case shall stand adjourned to the same day in the next week, at the same time and place or to such other day and at such other time and place as the Board may determine. If at such adjourned meeting also a quorum is not present within half an hour from the time appointed for holding the meeting the Members present shall be a quorum and may transact the business for which the meeting was called.
- 12.9 The Chairperson may, with the consent of any meeting at which a quorum is present, and shall, if so directed by the meeting adjourn any meeting from time to time, and from place to place.
- 12.10 No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for more than 30 days, notice of the adjourned meeting shall be given as in the case of an original meeting.

Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of the adjournment or of the business to be transacted at an adjourned Meeting.

- 12.11 At any General Meeting, a resolution put to vote at the meeting shall be decided on a show of hands unless the voting is carried out electronically, or a poll is ordered (before or on the declaration of the result on a show of hands) to be taken by the Chairperson of the meeting of his own motion or demanded by any Member or Members present in person or by Proxy and holding shares in the Company which confer a power to vote on the resolution not being less than one tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than five lakh rupees or such higher sum as may be prescribed under Section 109 of the Act has been paid up and unless a poll is so ordered to be taken or demanded, a declaration by the Chairperson that a resolution has, on a show of hands, been carried or carried unanimously or by a particular majority or lost, and an entry to that effect in the minute book of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against that resolution. In case voting through electronic means is applicable pursuant to provisions of Section 108 of the Act, the manner prescribed pursuant thereto and other applicable provisions of the Act shall apply.
- 12.12 If a poll is demanded on the election of a Chairperson or on a question of adjournment, it shall be taken forthwith and without adjournment. A poll demanded on any other question shall be taken at such time not being later than forty eight hours from the time when the demand was made, as the Chairperson may direct.
- 12.13 On a poll taken at a meeting of the Company, a Member entitled to more than one vote or his Proxy or other person entitled to vote for him as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
- 12.14 Where a poll is to be taken, the Chairperson of the meeting shall appoint one or more Scrutineer to scrutinize the votes given to the poll and to report thereon to him. The Chairperson shall have power, at any time before the result of the poll is declared, to remove a Scrutineer from office and to fill vacancies in the office of the scrutineer arising from such removal or from any other cause. Scrutineers appointed under this Article may be a Member present at the meeting (not being an officer or employee of the Company), provided that such a Member is available and willing to be appointed.
- 12.15 The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
- 12.16 In the case of any equality of votes, whether on a show of hands or on a poll, the Chairperson of the meeting at which the show of hands takes place or at which the poll is demanded, shall, unless otherwise provided under the Act, be entitled to a casting vote in addition to his own votes to which he may be entitled as a Member.
- 12.17 Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll.
- 12.18 Notwithstanding anything contained in the provisions of these presents, the provisions of Section 110 of the Act and the rules made thereunder, shall apply in relation to passing of resolutions by Postal Ballot.
- 12.19 Subject to the provisions of the Act :
  - (a) on a show of hands, every Member present in person shall have one vote; and
  - (b) on a poll, the voting rights of Members shall be as provided in Section 47 of the Act.
- 12.20 Any Member of unsound mind or in respect of whom an order has been made by any Court having jurisdiction to lunacy, may vote whether on a show of hands or on a poll, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by Proxy.
- 12.21 A body corporate (whether a company within the meaning of the Act or not) may, if it is a

Member, by resolution of its Board or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company in accordance with the provisions of Section 113 of the Act. The production at the meeting of a copy of such resolution duly signed by one Director of such body corporate or by a Member of its governing body and certified by him as being a true copy of the resolution shall on production at the meeting be accepted by the Company as sufficient evidence of the validity of his appointment.

- 12.22 Any person entitled under the Transmission Clause to transfer any shares may vote at General Meetings in respect thereof as if he was the registered holder of such shares provided that at least 48 hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Board of his right to transfer such shares unless the Board has previously admitted his right to vote at such meeting in respect thereof.
- 12.23 Any Member who is entitled to attend and vote at a meeting of Company shall be entitled to appoint another person (whether a Member or not) as his proxy to attend and vote instead of himself. A Proxy so appointed shall not have any right to speak at the meeting.
- 12.24 Votes may be given either personally or by attorney or by Proxy or in the case of a body corporate by a representative duly authorized as aforesaid.
- 12.25 No person shall act as Proxy unless the instrument of his appointment and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall have been deposited at the registered office of the Company at least 48 hours before the time for holding the meeting at which the person named in the instrument of Proxy proposes to vote and in default the instrument appointing the Proxy shall not be treated as valid. No attorney shall be entitled to vote unless the power of attorney or other instrument appointing him as attorney or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than 48 hours before the time of the meeting at which the attorney proposes to vote or is deposited at the registered office not less than 48 hours before the time of such meeting as aforesaid. Notwithstanding that a power of attorney of that authority has been registered in the records of the Company, the Company may by notice in writing addressed to the Members or the attorney at least seven days before the date of a meeting require him to produce the original power of attorney or authority and unless the same is thereupon deposited with the Company not less than 48 hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board, at its absolute discretion, excuse such non-production and deposit. Every Member entitled to vote at a meeting of the Company or on any resolution to be moved there at shall be entitled, during the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged at any time during the business hours of the Company provided that not less than three days' notice in writing of the intention to inspect is given to the Company.
- 12.26 If any such instrument of appointment be confined to the object of appointing a Proxy or substitute for voting at meetings of the Company, it shall remain permanently or for such time as the Board may determine, in the custody of the Company and if embracing other objects, a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- 12.27 A vote given in accordance with the terms of an instrument of Proxy shall be valid notwithstanding the previous death of the principal or revocation of the Proxy or of any power of attorney under which such Proxy was signed or the transfer of Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the registered office before meeting.
- 12.28 No objection shall be made to the validity of the vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by Proxy not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or

poll whatsoever.

- 12.29 The Chairperson of any meeting shall be the sole judge of the validity of every vote cast at such meeting. The Chairperson present at the taking of a poll shall be the sole judge of the validity of every vote cast at such poll.
- 12.30 Any Member whose name is entered in the Register of Members, or who is a Beneficial Owner of the shares shall enjoy the same right and be subject to the same liabilities as all other Members of the same class. No Member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the company has exercised any right of lien.
- 12.31 **Postal Ballot:** Notwithstanding anything contained in the Articles of the Company, the Company do adopt the mode of passing resolutions by the Members of the Company by means of Postal Ballot (which includes voting by electronic mode) and/or other ways as may be prescribed under the Act or Rules formed thereunder from time to time in respect of the matters specified in said Rules as modified from time to time instead of transacting such business in a General Meeting of the Company subject to compliances with the procedure for such Postal Ballot and/or other requirements prescribed in the rules in this regard.
- 12.32 The books containing the minutes of the proceedings of any General Meeting or a resolution passed by Postal Ballot shall: (a) be kept at the registered office of the Company; and (b) be open to inspection of any Member without charge, during 10.00 a.m. to 1.00 p.m. on all working days other than Saturdays.
- 12.33 Subject to the provisions of the Act, any Member shall be entitled to be furnished within the time prescribed by the Act, after he has made a request in writing in that behalf to the Company and on payment of such fees as may be fixed by the Board, with a copy of any minutes referred to in Clause 12.32

### 13. BOARD OF DIRECTORS AND BOARD MEETINGS

- 13.1 Unless otherwise determined by the Company in General Meeting and subject to the provisions of the Act, the number of Directors of the Company shall not be less than three and not more than fifteen or any other number as the Act may prescribe. The composition of the Board shall comply with the terms of the Act and Listing Regulations. Subject to the provisions of the Act, the Board shall have the power to appoint alternate and additional director(s).
- 13.2 Subject to Section 197 and other applicable provisions of the Act, the Directors shall be paid such remuneration, salary and/or allowances as may, from time to time, be approved and determined in accordance with the Act. The remuneration of Directors shall, in so far as it consists of a monthly payment, be deemed to accrue from day to day. In addition to the remuneration payable to the Directors under this Act, all reasonable expenses of Directors, including the Nominee Directors, for attending meetings of the Board or any Committee thereof or General Meetings of the Company or otherwise in connection with the business may be borne by the Company.
- 13.3 Subject to provisions of the Act, and in particular section 149 (13) of the Act, two-thirds (any fraction to be rounded off to the next number) of the Directors shall be persons whose period of office shall be liable to determination by rotation and save as otherwise expressly provided in the Act, be appointed by the Company in General Meeting.
- 13.4 In accordance with provisions of Section 152 of the Act, at every Annual General Meeting of the Company held next after the date of General Meeting in which first Directors are appointed, one-third of such Directors for the time being liable to retire by rotation (if their number is not three or a multiple of three, then the number nearest to one-third) shall retire from office.
- 13.5 Directors to retire by rotation at every Annual General Meeting shall be those (other than the Chairperson if such Chairperson is a Managerial Personnel of the Company, and such other non-retiring Directors, if any) who have been longest in office since their last appointment but as between persons who become Directors on the same day, those who are to retire shall, unless

- otherwise agreed among themselves, be determined by lot.
- 13.6 Subject to the provisions of the Act, a retiring Director shall be eligible for re-election. The Company at the Annual General Meeting in which Director retires, may fill-up the vacated office by appointing the retiring Director or some other person thereto.
- 13.7 If the place of retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a public holiday, till the next succeeding day which is not a holiday, at the same time and place, and if at the adjourned meeting also, the place of retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting, unless:
- (i) at that meeting or at the previous meeting, a resolution for the re-appointment of such Director has been put to the meeting and lost;
  - (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
  - (iii) he is not qualified or is disqualified for appointment;
  - (iv) a resolution, whether special or ordinary, is required for his appointment by virtue of any provisions of the Act;
  - (v) a resolution was moved and passed for appointment of another person in place of the retiring director, but is rendered void pursuant to section 162(2) of the Act.
- 13.8 The Board shall have the power to appoint any person or persons as Director(s) nominated by any bank, financial institution or any other lender to the Company in pursuance of the provisions of any Law for the time being in force or any agreement.
- 13.9 The Board shall from time to time, elect from amongst itself a Director to be the Chairperson of the Board, and to be the Vice Chairperson of the Board, and determine the periods for which the Chairperson and the Vice Chairperson shall hold such office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within five minutes after the time appointed for holding the meeting, the Vice Chairperson shall be the Chairperson for that meeting, and in the absence of both the Chairperson and the Vice Chairperson, the Directors present may choose one of their number to be the Chairperson of the meeting.
- 13.10 All acts done by any meeting of the Board or a Committee thereof or by any person acting as a Director, shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be valid as if every such Director or such person had been duly appointed was qualified to be a Director.
- 13.11 If the office of any Director appointed by the Company in a General Meeting is vacated before his term of office expires in the normal course, the resulting casual vacancy may, be filled by the Board in terms of applicable provisions of the Act.
- 13.12 Subject to provisions of the Act and applicable Law, meetings of the Board shall be held in such manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board and at least four such meetings shall be held every year. Notice of every meeting of the Board of Directors shall be given in accordance with the Act and other applicable Laws. Provided however that the accidental omission to give notice of any meetings of the Board to any Director shall not invalidate any resolution passed at any meeting.
- 13.13 The quorum necessary for the transaction of business of the Directors shall be one-third of the total strength of Directors (any fraction contained in that one third being rounded off as one) or two Directors whichever is higher (participation of the Directors by video conferencing or by any other audio visual means shall also be counted for the purpose of quorum) as provided in



Section 174 of the Act.

- 13.14 Save as otherwise expressly provided in the Act, a resolution in writing, signed by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.
- 13.15 All matters shall be decided by the Board by a simple majority, and in case of an equality of votes the Chairperson shall have a second or casting vote.
- 13.16 Each Director shall be entitled to exercise one vote.
- 13.17 The Directors shall not be required to hold any qualification shares.
- 13.18 **Committee of Directors**
- (a) The Board may, subject to the provision of Section 179 and other applicable provisions of the Act, delegate any of their powers to its committees (“**Committees**”) consisting of such Member or Members of their body as they think fit and they may from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board of Directors including with relation to sub-delegation of its powers or any other matter. The proceedings of such a Committee shall be placed before the Board at its next meeting or in a subsequent meeting of the Board held within a period of 120 days.
  - (b) The meeting and proceedings of any such Committee consisting of two or more Members shall, subject to applicable Law, be governed by the provisions of the Act, other applicable Laws and its charter of constitution for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto.
  - (c) A Committee may elect a Chairperson at its meeting; however if no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 minutes after the time appointed for holding the same, the members present may choose one of their members to be Chairperson of the meeting.
- 13.19 The Board of Directors may, to the extent permissible in Law, have the Company take an insurance as the Board may deem appropriate on behalf of the Directors, including the Managing Director(s), Whole-time Director(s), Manager, Chief Executive Officer, Chief Financial Officer, Company Secretary or such other persons as the Board may deem fit for indemnifying any of them against liability in respect of any negligence, default, misfeasance, breach of duty or breach of trust for which they may be guilty in relation to the Company and the premium paid on such insurance shall , subject to proviso to Section 197(13), not be treated as a part of the remuneration payable to such personnel, if any. Further provided that to the extent such personnel are not directly responsible for such liability the Company shall, to the extent permissible in Law, shall keep them indemnified to the extent insurance is not available.

#### **14. MANAGING DIRECTOR & WHOLE-TIME DIRECTOR**

- 14.1 Subject to the provisions of the Act and these Articles, the Board shall have the power to appoint, remove, replace and dismiss at the same time more than one Managerial Personnel including Managing Director and Whole-time Director, upon such terms and conditions as the Board thinks fit and, the Board may by resolution vest in such Managerial Personnel powers, as it thinks fit, hereby vested in the Board generally, and such powers may be made exercisable for such period or periods and upon such condition and subject to such restrictions as the Board may determine.
- 14.2 Subject to the provisions of Law and requisite permission/approvals of the shareholders and the Central Government, if required, the remuneration of the Managerial Personnel as per

Clause 14.1 above, shall be such as may be determined by the Board from time to time and may be by way of monthly payment, fee for each meeting or participation in profits or by any or all these modes or any other mode not expressly prohibited by the Act.

- 14.3 The terms and period of appointment of the Managerial Personnel shall be determined by the Company from time to time.

## **15. CHIEF EXECUTIVE OFFICER, MANAGER, COMPANY SECRETARY OR CHIEF FINANCIAL OFFICER**

15.1 Subject to the provisions of the Act:

- (a) the Board of Directors may, from time to time, appoint for such term, at such remuneration and upon such conditions as it may think fit, and at its discretion, remove, a chief executive officer, manager, company secretary or chief financial officer. Such officers may be appointed to perform any functions, which by the Act are to be performed by the chief executive officer, manager, company secretary or chief financial officer respectively, and to execute any other managerial, ministerial or administrative duties or functions, which may, from time to time, be assigned to any of them by the Board of Directors.
- (b) the Board of Directors may appoint one or more chief executive officers for its multiple businesses.
- (c) a Director may be appointed as chief executive officer, manager, company secretary or chief financial officer.
- (d) an individual can be the chairperson of the Company as well as the managing director and/ or chief executive officer of the Company, at the same time.

## **16. ACCOUNTS**

16.1 The Directors shall, from time to time, determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books of the Company or any of them shall be open to the inspection of Members not being Directors and no Member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by Law or authorised by the Board of Directors or by the Company in General Meeting.

## **17. AUDIT**

- 17.1 At least once in every year, the accounts of the Company shall be balanced and audited and the correctness of the statement of profit and loss and balance sheet ascertained by one or more Auditor or Auditors to be appointed as required by the Act.
- 17.2 The Company, at the Annual General Meeting, shall appoint an Auditor or Auditors for a term as prescribed under the Act. The appointment and the removal of Auditors and the person who may be appointed as the Auditors shall be as provided in the Act.
- 17.3 The Auditor of the branch office, if any, of the Company shall be appointed by and in the manner provided by Section 143 of the Act.
- 17.4 The remuneration of the Auditors of the Company shall be fixed and determined in accordance with the provisions of Section 142 of the Act. The powers and duties of the Auditor shall be the same as those provided in the Act.

## **18. REGISTERS**

18.1 Subject to the provisions of the Act, the Company shall keep and maintain at its registered office or such other place, statutory register(s) as required under the Act.



- 18.2 The statutory registers and copies of annual return shall be open for inspecting during 10.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at such place where the statutory registers are kept, by the persons entitled thereto on payment, where required, of such fees as may be fixed by the Board but not exceeding the limits prescribed under the Act.
- 18.3 The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register in any country outside India in accordance with the provisions provided therein and subject to the provisions of the Act, the Board may make and vary such regulations as it may think fit respecting the keeping of any such register.
- 18.4 The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, *mutatis mutandis*, as is applicable to the Register of Members.

## 19. CONFIDENTIALITY

- 19.1 Every Director, Manager, Auditor, Secretarial Auditor, treasurer, trustee, member of a Committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required so to do by the Directors or by law or by the person to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- 19.2 No Member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which is or may be in the nature of a trade secret, mystery of trade, secret process and which in the opinion of the Directors, would be inexpedient in the interest of the Company to disclose.

## 20. RECONSTRUCTION

- 20.1 In the event of winding up, pursuant to any compromise or arrangement with Creditors and Members under Sections 391 and 394 of the Companies Act 1956, till the same are in force, or under the applicable provisions of the Act when enforced, the liquidator or sponsors of such scheme of arrangement, composition or re-construction may propose the sale of any undertaking thereunder and the Company may accept fully paid-up or partly paid-up shares, debentures or securities of any other Company, whether incorporated in India or not, either then existing or to be formed for the purchase in whole or in part of the property of the Company or for cash consideration. Such scheme shall be approved and passed by the requisite majority and if required by special majority, as required by the court/the Tribunal, as the case may be, monitoring the scheme. The liquidators (in a winding-up) may distribute such shares or securities, or any other property of the Company amongst the contributories without realisation, or vest the same in trustees for them, and may, if authorised by an appropriate resolution, including, if required by Special Resolution, provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and the contributories shall be bound to accept and shall be bound by any valuation or distribution so authorised and may waive all rights in relation thereto, save such statutory rights (if any) under the Act as are incapable of being varied or excluded by these presents.

## 21. WINDING UP

21.1 Subject to the provisions of the Act:

- (a) If the Company shall be wound up, the liquidator may, with the sanction of a special resolution of the Company and any other sanction required by the Act, divide amongst the Members, in specie or kind, the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members.
- (c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no Member shall be compelled to accept any Shares or other Securities whereon there is any liability.

## 22. MISCELLANEOUS

22.1 A notice (which expression for the purposes of these presents, shall be deemed to include and shall include any summon, notice, process, order, judgment or any other document in relation to or in the winding up of the Company) may be given by the Company to any Member either personally or by sending it by post to him to his registered address or electronic mode or such other mode as is permissible under applicable Law.

22.2 Where a notice is sent by post, the service of such notice shall be deemed to be effected by properly addressing, pre-paying and posting a letter containing the notice.

Provided that where a Member has intimated to the Company in advance that documents should be sent to him under a certificate of posting or by registered post/speed post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, and the same is duly accepted by the Company, the service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the Member.

22.3 If a Member has no registered address in India and has not supplied to the Company an address within India for giving of notices to him, a notice advertised in a newspaper circulating in the neighborhood of the registered office shall be deemed to be duly given to him on the day on which the advertisement appears.

22.4 A notice may be given by the Company to the persons entitled to a share in consequence of the death or insolvency of a Member by sending it through electronic mode or through the post in a pre-paid letter, addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent by any like description, at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

22.5 Subject to the provisions of the Act and these presents, notice of every General Meeting shall be given in any manner hereinbefore authorized to :

- (i) every Member of the Company, legal representatives of any deceased Member or the assignee of an insolvent Member;
- (ii) every Director of the Company
- (iii) the Auditor or Auditors of the Company;
- (iv) the Secretarial Auditor; and
- (v) the debenture trustee, if any.

- 22.6 Any notice to be given by the Company shall be signed by or be given under the authority of anyone of the Company Secretary, Chief Executive Officer, Chief Financial Officer or such Director or Officer as the Board may appoint. Such signature may be written or printed or lithographed or affixed in electronic/digital mode or in such other mode as prescribed under the Act.
- 22.7 Every person who, by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every notice in respect of such Share, which previously to his name and address and title to the Share being notified to the Company, shall have been duly given to the person from whom he derives his title to such Share.
- 22.8 Subject to the provisions of the Act and these presents, any notice given in pursuance of these presents or document delivered or sent by electronic mode or post to or left at the registered address of any Member or at the address given by him in pursuance of these presents, shall notwithstanding that such Member be then deceased and whether or not the Company have notice of his death, be deemed to have been duly served in respect of any registered Share, whether held solely or jointly by other persons, to such Member until some other person be registered in his stead as the holder or the joint holder thereof and such service shall, for all purposes of these presents, be deemed sufficient service of such notice or document on his or her heirs, executors or administrators and all persons, if any jointly interested with him or her in any such Share.
- 22.9 Ensuring compliance with applicable Law: Notwithstanding anything stated elsewhere in these Articles, the Directors shall be entitled to take all necessary steps to ensure compliance with applicable Law including, without limitation, the applicable provisions of the Guidelines for Foreign Direct Investment in Indian Entities publishing Newspapers and Periodicals dealing with News and Current Affairs published by the Ministry of Information and Broadcasting, Government of India and subject to the provisions of Sections 58 and 59 of the Act, and the other provisions of applicable law, the Directors may, for contravention of the provisions of Securities and Exchange Board of India Act, 1992, or regulations made thereunder or the Sick Industrial Companies (Special Provisions) Act, 1985, or the Guidelines for Foreign Direct Investment in Indian Entities publishing Newspapers and Periodicals dealing with News and Current Affairs, or other applicable Law for the time being in force, and by giving reasons, decline to register or acknowledge any transfer or transmission of shares whether fully paid or not, and the Company shall within one month from the date on which the instrument of transfer or intimation of transmission was given to it, send to the transferee a notice of the refusal to accept such transfer or transmission of its shares.

Name, Address, and Description of the Subscribers	Signatures of the Subscriber	Name, Address Description and Signature of Witness
Dr. KRISHNA KUMAR BIRLA S/O LATE SHRI GHANSHYAM DAS BIRLA R/O 17, GURUSADAY ROAD KOLKATA-700 019 OCCUPATION: INDUSTRIALIST	Sd/-	I WITNESS THE SIGNATURES OF THE SUBSCRIBERS Sd/- SANJAY AGARWAL S/O SHRI M.P. AGARWAL B-26, QUTAB INSTITUTIONAL AREA NEW DELHI-110016 CHARTERED ACCOUNTANT, MEMBERSHIP NO. 77610
SHRI SHYAM SUNDER BHARTIA S/O SHRI MOHAN LAL BHARTIA R/O 46, FRIENDS COLONY (EAST) NEW DELHI-110 065 OCCUPATION: INDUSTRIALIST	Sd/-	
SMT. SHOBHANA BHARTIA W/O SHRI SHYAM SUNDER BHARTIA R/O 46, FRIENDS COLONY (EAST) NEW DELHI-110 065 OCCUPATION: BUSINESS	Sd/-	
SHRI PRIYAVRAT BHARTIA S/O SHRI SHYAM SUNDER BHARTIA R/O 46, FRIENDS COLONY (EAST) NEW DELHI-110 065 OCCUPATION: BUSINESS	Sd/-	
SHRI SURAJ MAL AGARWAL S/O LATE SHRI TANSUKH RAM AGARWAL R/O 111, GOLF LINKS NEW DELHI-110 003 OCCUPATION: BUSINESS EXECUTIVE	Sd/-	
SHRI SHAMIT BHARTIA S/O SHRI SHYAM SUNDER BHARTIA R/O 46, FRIENDS COLONY (EAST) NEW DELHI-110 065 OCCUPATION: BUSINESS	Sd/-	
THE HINDUSTAN TIMES LTD. HINDUSTAN TIMES HOUSE 18-20, KASTURBA GANDHI MARG, NEW DELHI-110 001 <i>[THROUGH SMT. SHOBHANA BHARTIA, AUTHORIZED SIGNATORY, 46, FRIENDS COLONY (EAST) NEW DELHI-110 065]</i>	Sd/-	

NEW DELHI, DATED THE TWENTY SIXTH DAY OF NOVEMBER, 2002

IN THE HIGH COURT OF DELHI AT NEW DELHI  
(ORIGINAL JURISDICTION)  
IN THE MATTER OF THE COMPANIES ACT, 1956  
AND  
IN THE MATTER OF SCHEME OF ARRANGEMENT/DEMERGER  
OF  
COMPANY PETITION NO. 78/2007  
CONNECTED WITH  
COMPANY APPLICATION (M) NO. 27/2007  
IN THE MATTER OF **Go4i.com (India) Pvt. Ltd.**  
having its Regd. Office at  
Hindustan Times House  
18-20, Kasturba Gandhi Marg, New Delhi-110 001  
Petitioner/Transferor Company  
WITH  
IN THE MATTER OF **HT Media Ltd.**  
having its Regd. Office at  
Hindustan Times House  
18-20, Kasturba Gandhi Marg, New Delhi-110 001  
Petitioner/Transferee Company

**BEFORE HON'BLE MS. JUSTICE REKHA SHARMA  
DATED THIS THE 13TH DAY OF SEPTEMBER, 2007**

**ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956**

The above petition coming up for hearing on 13/9/2007 for sanction of scheme of arrangement/demerger proposed to be made of Go4i.com (India) Pvt. Ltd. (hereinafter referred to as the Transferor Company) with HT Media Ltd. (hereinafter referred to as the Transferee Company), upon reading the said petition, the order dt. 19/2/2007 whereby the requirement of convening and holding the meetings of the equity shareholders and unsecured creditors of the Transferor Company and secured creditors of the Transferee Company was dispensed with and the meeting of equity shareholders and unsecured creditors of the Transferee Company was ordered to be convened for the purpose of considering and if thought fit approving with or without modification, the Scheme of Arrangement/Demerger annexed to the affidavit of Sh. Dinesh Mittal, authorised representative of the petitioner companies filed on 9<sup>th</sup> day of February, 2007 and the publication in the newspapers namely (1) Hindustan Times (English) and (2) Jansatta (Hindi) both dt. 2/3/2007 each containing the advertisement of the said notice convening the said meetings directed to be held by the said order dt. 19/2/2007, the affidavit of Ms. Rajdipa Behura and Mr. Suryakant Singla, Chairpersons filed on 13/3/2007 showing the publication and despatch of the notices convening the said meetings, the report of the Chairpersons of the said meeting as to the result of the said meetings and upon hearing Sh. Rajiv Nayyar, Sr. Advocate with Mr. Anirudh Das, Advocate for the petitioner and Mr. R.D. Kashyap, Dy. Registrar of Companies in person and it appearing from the report that the proposed scheme of arrangement/demerger has been approved by requisite majority without any modification by the said equity shareholders and unsecured creditors of the Transferee Company present and voting either in person or by proxy and upon reading the affidavit dated 4/7/2007 of Sh. Rakesh Chandra, Regional Director, Northern Region, Ministry of Company Affairs, Noida on behalf of Central Government stating that on perusal of Chairman's report in the meeting of the Transferee Company, it was observed that out of 136 shareholders who participated, 3 shareholders

entitled to Rs. 60/- voted against the scheme. In response to the above objection, it has been stated that 112 equity shareholders representing 97.93% in number and almost 100% in value voted in favour of the resolution. The 3 equity shareholders who voted against the scheme of arrangement represented 2.60% in number and almost 0% in value. The scheme thus, was duly passed in accordance with the provisions of Section 391(2) of the Act. Considering the facts and circumstances, the objection raised by the Regional Director is rejected. The Regional Director has further contended that the individual assets and liabilities and the values thereof pertaining to “De-merged Undertaking” of the Demerged company viz. M/s. Go4i.com (India) Pvt. Ltd. to be transferred to the Transferee Company viz. M/s. HT Media Ltd. is not mentioned in the scheme. In response to the above objection the petitioner has stated that clause 1.2.1 sub para 4 of the scheme has defined the “Demerged undertaking”. However, all the details required by the Regional Director including the details of assets and liabilities have been furnished to the office of the Regional Director. It is further submitted that upon the scheme becoming effective and in terms of clause 5.1 of the scheme the balance sheet of the Transferor Company and Transferee Company shall be re-organized in accordance with the terms of the scheme. The Regional Director has filed an additional affidavit dt. 14/8/2007 confirming that the petitioners companies have furnished the details of individual assets and liabilities and the values thereof pertaining to “Demerged undertaking”; and considering the affidavit of Sh. A.K. Chaturvedi, Official Liquidator filed on 10/7/2007 stating therein that the affairs of the Transferor Company have not been conducted in a manner prejudicial to the interest of its shareholders or creditors or to public interest; and there being no investigation proceedings pending in relation to the petitioner companies under Section 235 to 251 of the Companies Act, 1956.

THIS COURT DOT H HEREBY SANCTION THE SCHEME OF ARRANGEMENT/DEMERGER setforth in Schedule-I annexed hereto and DOT H HEREBY DECLARE the same to be binding on all the shareholders and creditors of the Transferor and Transferee Companies and all concerned and doth approve the said scheme of arrangement/demerger with effect from the appointed date *i.e.*, 1.7.2006.

AND THIS COURT DOT H FURTHER ORDER :

1. That all the property, rights and powers of the Demerged Undertaking of the Transferor Company specified in the First, Second and Third parts of the schedule-II hereto and all other property, rights and powers of the Demerged Undertaking of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and vest in the Transferee Company for all the estate and interest of the Demerged Undertaking of the Transferor Company therein but subject nevertheless to all charges now affecting the same; and
2. That all the liabilities and duties of the Demerged Undertaking of the Transferor Company be transferred without further act or deed to the Transferee Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Transferee Company; and
3. That all the proceedings now pending by or against the Demerged Undertaking of the Transferor Company be continued by or against the Transferee Company; and
4. That the Transferee Company do without further application allot to such members of the Demerged Undertaking of the Transferor Company as have not given such notice of dissent as is required by Clause 4.4 given in the scheme of arrangement/demerger herein the shares in the Transferee Company to which they are entitled under the said arrangement/demerger; and
5. That the Demerged Undertaking of the Transferor Company do within five weeks after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration; and
6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary; and



7. That the scheme of arrangement/demerger has been sanctioned and it has been ordered that the cost of Rs. 20,000/- has to be paid by the petitioner to the Official Liquidator, which will be deposited in the Common Pool Fund of the Official Liquidator.

*Schedule- 'I'*

**SCHEME OF ARRANGEMENT AND DEMERGER  
BETWEEN  
HT MEDIA LIMITED  
AND ITS SHAREHOLDERS AND CREDITORS  
and  
Go4i.com (INDIA) PRIVATE LIMITED  
AND ITS SHAREHOLDERS AND CREDITORS**

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**PART-I**

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**1. INTRODUCTION AND DEFINITIONS**

**1.1 Introduction**

- 1.1.1 HT Media Limited (“**HTML**”) is a company incorporated under the Companies Act, 1956, having its registered office at 18/20 Kasturba Gandhi Marg, New Delhi - 110 001. HTML was incorporated on December 3, 2002 and is listed on the Bombay Stock Exchange Limited (BSE) and the National Stock Exchange of India Limited (NSE).
- 1.1.2 HTML is authorized to and is engaged in the business of *inter alia*:
- (a) print, publish and conduct for sale one or more newspapers and other periodicals including magazines, books, pamphlets or any other publications in English, Hindi or any other language, anywhere in India, either daily or otherwise; and
  - (b) creation of content for websites revolving around news, entertainment, sports etc.
- 1.1.3 Go4i.com (India) Private Limited (“**GIPL**”) is a company incorporated under the Companies Act, 1956, having its registered office at 18/20 Kasturba Gandhi Marg, New Delhi-110 001. GIPL was incorporated on March 19, 2000. GIPL is a wholly owned subsidiary of Go4i.com (Mauritius) Limited.
- 1.1.4 GIPL is authorized to and is engaged in the business of *inter alia* :
- (a) creation of content for websites including syndication (“**Demerged Undertaking**”); and
  - (b) technical consultancy for websites.
- 1.1.5 In order to implement its business plan of expanding the web business, HTML recognizes the need for strengthening its in-house content creation capabilities. Having sourced content from GIPL in the past and

due to the synergies in their respective content creation businesses, it is proposed that the Demerged Undertaking of GIPL be transferred and vested with HTML, through a scheme of arrangement and demerger.

1.1.6 The restructuring and vesting of the Demerged Undertaking in HTML shall achieve operational efficiencies and synergies and enable exploitation of growth opportunities of both companies. Such restructuring and vesting of the Demerged Undertaking in HTML shall also be in the larger interests of both companies, their respective shareholders, creditors and general public.

1.1.7 The present Scheme is expected to achieve the aforesaid objectives.

## 1.2 Definitions and Interpretations

1.2.1 In this Scheme, unless repugnant to the subject or meaning or context thereof, the following expressions shall have the meanings as mentioned hereinbelow:

**“Act”** means the Companies Act, 1956 (Act No. 1, of 1956), the rules and regulations made thereunder and will include any statutory amendments and/or re-enactments or modifications thereof from time to time.

**“Appointed Date”** means July 01, 2006, being the date with effect from which this Scheme shall be applicable.

**“Board of Directors”** in relation to HTML and/or GIPL, as the case may be, shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.

**“Demerged Undertaking”** means the business carried out by GIPL of creation of content for websites including syndication. Without prejudice and limitation to the generality of the above, the Demerged Undertaking shall mean and include:

- (i) assets relating to the Demerged Undertaking, if any, whether movable or immovable, including all rights, title, interests, covenants, undertakings and liabilities including continuing rights, title, interests, covenants, undertakings and liabilities in connection with the land and the buildings thereon, whether leasehold or otherwise, plant and machinery, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;
- (ii) investments, loans and advances, if any, including accrued interests thereon, appertaining to the Demerged Undertaking;
- (iii) debts, borrowings and liabilities (including contingent liabilities), if any, present or future, whether secured or unsecured, pertaining to the Demerged Undertaking;
- (iv) permits, quotas, rights, entitlements, allotments, approvals, consents, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, registrations, easements,

goodwill, licenses, tenancies, offices and depots, income tax credits, privileges, trademarks, service marks, patents, copyrights, domain names and applications made for registration of the above, privileges and benefits of all contracts, agreements and all other rights including lease rights, licenses, powers and facilities of every kind and description whatsoever, appertaining to the Demerged Undertaking, if any;

- (v) employees of GIPL, if any, as engaged in or in relation to the Demerged Undertaking, at its respective offices, branches, etc.; and
- (vi) earnest monies and/or security deposits and other entitlements, if any, in connection with or relating to the Demerged Undertaking.

**“Effective Date”** has the meaning assigned to it in Clause 5.6 hereof.

**“High Court”** means the Hon’ble High Court of Delhi at New Delhi.

**“GIPL”** has the meaning assigned to it in Clause 1.1.3 hereof.

**“HTML”** has the meaning assigned to it in Clause 1.1.1 hereof.

**“NCLT”** has the meaning assigned to it in Clause 1.2.3 hereof.

**“Residual Company”** is the term used to refer to the residual GIPL, as would emerge immediately after the transfer and vesting of the Demerged Undertaking in HTML, carrying on the business of technical consultancy for websites.

**“Record Date”** has the meaning as assigned to it in Clause 5.11 hereof.

**“Scheme”** means this Scheme of Arrangement and Demerger in its present form, with or without modifications, as may be approved for sanction by the Hon’ble High Court.

- 1.2.2 Any references in this Scheme to “upon this Scheme becoming effective” or “effectiveness of this Scheme” shall mean the Effective Date.
- 1.2.3 The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the Regulations made thereunder), the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Hon’ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal (“NCLT”) or such other forum or authority, as may be vested with any of the powers of a High Court under the Act.

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**PART-II**

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**2. CAPITAL STRUCTURE**

2.1.1 The capital structure of HTML, as on June 30, 2006, is as under :

<b>Authorized Share Capital</b>	<b>Amount in Rupees</b>
5,25,00,000 equity shares of Rs. 10/- each	52,50,00,000
20,00,000 preference shares of Rs. 100/- each	20,00,00,000
<b>Total</b>	<b><u>72,50,00,000</u></b>

<b>Issued and Subscribed and Paid-up Share Capital</b>	<b>Amount in Rupees</b>
4,68,45,841 equity shares of Rs. 10/- each	46,84,58,410
20,00,000 – 1% non-cumulative redeemable preference shares of Rs. 100/- each, fully paid-up*	20,00,00,000
<b>Total</b>	<b><u>66,84,58,410</u></b>

\*Redeemed on September 19, 2006

2.1.2 The capital structure of GIPL, as on June 30, 2006, is as under :

<b>Authorized Share Capital</b>	<b>Amount in Rupees</b>
50,000 equity shares of Rs. 10/- each	5,00,000
<b>Total</b>	<b><u>5,00,000</u></b>

<b>Issued and Subscribed and Paid-up Share Capital</b>	<b>Amount in Rupees</b>
11,953 equity shares of Rs. 10/- each	1,19,530
<b>Total</b>	<b><u>1,19,530</u></b>

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**PART-III**

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**3. DEMERGER, TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING IN HTML****3.1 Demerger and Vesting**

3.1.1 Upon this Scheme becoming effective and with effect from the Appointed Date, the Demerged Undertaking shall stand demerged from GIPL and be vested in HTML on a going concern basis, without any further deed or act, together with all properties, assets, rights, benefits and interest therein, subject to existing charges or *lis pendens*, if any thereon.

3.1.2 Without prejudice to the generality of the foregoing, with effect from the Appointed Date :

- (i) assets relating to the Demerged Undertaking, if any, whether movable or immovable, including all rights, title, interests, covenants, undertakings and liabilities including continuing rights, title, interests, covenants, undertakings and liabilities in

connection with the land and the buildings thereon, whether leasehold or otherwise, plant and machinery, whether leased or otherwise, together with all present and future liabilities including contingent liabilities and debts appertaining thereto;

- (ii) debts, liabilities, contingent liabilities, duties and obligations, secured or unsecured, whether provided for or not or disclosed in the books of accounts of GIPL relating to the Demerged Undertakings, if any, shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of HTML and HTML undertakes to meet, discharge and satisfy the same. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.

It is clarified that in so far as the assets of the Demerged Undertaking are concerned, the security or charge over such assets or any part thereof, relating to any loans, debentures or borrowings attributed to the Demerged Undertaking, shall, without any further act or deed continue to relate to such assets or any part thereof, after the Effective Date and shall not relate to or be available as security to any or any part of the other assets of HTML, save to the extent warranted by the existing security arrangements to which GIPL or HTML are party and consistent with the joint obligations assumed by them under such arrangement.

Where any of the liabilities and obligations attributed to the Demerged Undertaking on or after the Appointed Date have been discharged by GIPL on behalf of the Demerged Undertaking after the Appointed Date but prior to the Effective Date, such discharge shall be deemed to have been for and on behalf of HTML;

- (iii) contracts, agreements, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, letters of agreed points, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking, to which GIPL is a party or to the benefit of which, the Demerged Undertaking may be eligible and which are subsisting or having effect immediately before the Effective Date, if any, shall be in full force and effect on or against or in favour of HTML and may be enforced as fully and effectually as if, instead of GIPL, HTML had been a party or beneficiary or obligee thereto;
- (iv) registrations, goodwill, licenses, trademarks, tradenames, service marks, copyrights, domain names, applications for trademarks, tradenames, service marks, copyrights and domain names, if any, appertaining to the Demerged Undertaking shall stand transferred to and vested in HTML;

- (v) statutory licenses, no-objection certificates, permissions, approvals, consents, quotas, rights, benefits, entitlements, licenses including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto, in relation to the Demerged Undertaking, if any, shall stand transferred to or vested in HTML, without any further act or deed done by GIPL and HTML and shall be appropriately substituted by the statutory authorities concerned therewith in favour of HTML.

With effect from the Appointed Date, any such statutory and regulatory no-objection certificates, licenses, permissions, consents, approvals, authorisations or registrations, as are jointly held for the Demerged Undertaking and the Residual Company shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights and the necessary substitution/endorsement shall be made and duly recorded in the name of HTML by the appropriate authorities pursuant to the sanction of this Scheme by the Hon'ble High Court and this Scheme becoming effective in accordance with the terms hereof;

- (vi) employees of GIPL, if any, engaged in or in relation to the Demerged Undertaking shall be engaged by HTML, on such terms and conditions as are no less favourable than those on which they are currently engaged by HTML, without any interruption of service as a result of the transfer.
- (vii) HTML shall bear the burden and the benefits of any legal or other proceedings relating to or in connection with the Demerged Undertaking, initiated by or against GIPL, if any. If any suit, appeal or other proceedings relating to the Demerged Undertaking, of whatsoever nature by or against GIPL be pending, the same shall not abate, be discontinued or in anyway be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced, by or against HTML in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against GIPL, as if this Scheme had not been made. HTML also undertakes to deal with all legal or other proceedings, which may be initiated by or against GIPL or HTML after the Effective Date but relating to the Demerged Undertaking, in respect of the period up to the Effective Date, in its own name and account and to the extent possible, to the exclusion of GIPL. HTML further undertakes to pay all amounts including interest, penalties, damages, etc., which may be called upon to be paid or secured in respect of any liability or obligation relating to the Demerged Undertaking for the period up to the Effective Date. Any reasonable costs incurred by GIPL, in respect of the proceedings started by or against it relating to the Demerged Undertaking and for the period up to the Effective Date shall be reimbursed by HTML, upon submission of necessary evidence of having incurred such costs by GIPL to HTML; and



(viii) taxes, duties, cess payable by GIPL relating to the Demerged Undertaking including all or any refunds/credit/claims relating thereto, if any, shall be treated as the liability or refunds/credit/claims, as the case may be, of HTML.

3.2 GIPL and/or HTML, as the case may be, shall at any time after the coming into effect of this Scheme and in accordance with the provisions hereof, if so required under any law or otherwise, shall execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertaking to which GIPL has been a party, in order to give formal effect to the above provisions. HTML shall, under the provisions of this Scheme, be deemed to be authorized to execute any such writing on behalf of GIPL and to carry out or perform all such formalities or compliances referred to above on part of GIPL.

### 3.3 **Conduct of Business**

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

(i) GIPL 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 Demerged Undertaking, for and on account of, and in trust for, HTML; and

(ii) GIPL shall carry on the business of the Demerged Undertaking with reasonable diligence and business prudence and in the same manner as it had been doing hitherto and shall not in respect of the said undertaking, undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment, either for itself or its group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal, except :

(a) when the same is expressly provided in this Scheme; or

(b) when the same is in the ordinary course of business as carried on by it as on the date of filing of this Scheme in the Hon'ble High Court; or

(c) when a written consent of HTML has been obtained in this regard; and

(iii) GIPL shall not alter or substantially expand the business of the Demerged Undertaking, except with the written concurrence of HTML; and

(iv) all profits accruing to GIPL and all taxes thereon or losses arising or incurred by it with respect to the Demerged Undertaking shall, for all purposes, be treated as and deemed to be the profits, taxes or losses, as the case may be, of HTML.

3.3.2 (i) With effect from the Effective Date, HTML shall be authorized to carry on the businesses and activities of the Demerged Undertaking, carried on by GIPL.

- (ii) For the purpose of giving effect to the demerger order passed under Sections 391 and 394 of the Act in respect of this Scheme by the Hon'ble High Court, HTML shall, at any time pursuant to the order on this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Demerged Undertaking in accordance with the provisions of Sections 391-394 of the Act. HTML shall be authorized to execute any pleadings, applications, forms etc. as are required to remove any difficulties and carry out any formalities or compliance as are necessary for the implementation of this Scheme.
- (iii) HTML unconditionally and irrevocably agrees and undertakes to pay, discharge and satisfy all the liabilities and obligations of the Demerged Undertaking with effect from the Appointed Date, in order to give effect to the foregoing provisions.

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#### PART-IV

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#### 4. ENTITLEMENT OF MEMBERS OF GIPL AND ACCOUNTING TREATMENT

##### 4.1 Entitlement of members of GIPL

- 4.1.1 For every 100 (Hundred) equity shares held in GIPL, as on the Record Date, an equity shareholder of GIPL shall be issued 37.8151 (Three Seven point Eight One Five One) equity shares in HTML.
- 4.1.2 The issue and allotment of equity shares of HTML under the provisions of this Scheme to the shareholders of GIPL will be made subject to receipt of required approvals of statutory and governmental authorities, if any.
- 4.1.3 The equity shares in the capital of HTML issued to the shareholders of GIPL, as aforesaid, shall rank *pari passu* in all respects, with the existing equity shares in HTML.
- 4.1.4 In the event, the aforesaid allotment of equity shares result in fractional entitlements, the Board of Directors of HTML shall consolidate all such fractional entitlements and thereupon issue and allot whole equity shares respectively in lieu thereof to a director or officer of HTML or such other person as the Board of Directors of HTML shall appoint in this behalf who shall hold such equity shares respectively with the express understanding that such director, officer or person shall sell the same at such time, at such price or the prices and to such person or persons, as he may deem fit and the net sale proceeds thereof (*i.e.*, after deduction therefrom of expenses incurred in connection with the sale) shall be deposited with HTML, which shall be distributed by HTML to the members (as on the Record Date) in proportion to the respective fractional entitlements.
- 4.1.5 The shareholders of GIPL shall have the option, to be exercised by way of giving a notice to HTML, on or before such date, as may be determined by the Board of Directors of HTML, to receive the equity shares of HTML, either in certificate form or in dematerialized form. In the event that such notice has not been received by HTML in respect of any shareholder of GIPL by the specified date or in the event of such a

notice being incomplete, the shareholders of GIPL shall be issued equity shares of HTML in dematerialized form and shall receive the dematerialized receipts of credit of new equity shares in their share accounts maintained with the depository participants reflecting the equity shares of HTML, issued in accordance with Clause 4.1.1 above. HTML shall, if so required, be eligible to issue letters of allotment of the equity shares pending issue of share certificates or receipts for credit to the account of the shareholders with the depository participants under the depository system.

- 4.2 It is clarified that HTML shall not be required to pass any further resolutions under the Act for the purpose of issuing the aforesaid equity shares to the members of GIPL under Section 81 (1A) of the Act.

**4.3 Listing of securities**

All equity shares of HTML issued in terms of this Scheme to the shareholders of GIPL shall be listed on the Stock Exchanges, where the equity shares of HTML are currently listed, in accordance with applicable laws.

**4.4 Accounting Treatment**

4.4.1 The equity share allotment ratio stated in Clause 4.1.1 above has been determined by the Board of Directors of HTML and GIPL, based on their independent judgment and taking into consideration the share allotment report provided by independent valuer, T.R. Chaddha & Co.

4.4.2 HTML shall upon this Scheme coming into effect as on the Appointed Date, record the assets and liabilities of the Demerged Undertaking vested in it pursuant to this Scheme, at their respective book values or in any other manner as may be deemed fit by the Board of Directors of HTML.

4.4.3 As an integral part of the restructuring, accumulated losses of GIPL to the extent of Rs. 23,85,04,731/- (Twenty Three Crore Eighty Five Lakh Four Thousand Seven Hundred and Thirty One) shall be written-off against the balance in the share premium account. Accordingly, there shall be consequent reduction in the share premium account of GIPL to the extent of Rs. 23,85,04,731/- (Twenty Three Crore Eighty Five Lakh Four Thousand Seven Hundred and Thirty One).

4.4.4 Pursuant to demerger of the Demerged Undertaking in according with this Scheme, the difference, if any, arising in the books of HTML between :

(i) the aggregate of equity shares allotted by HTML to the shareholders of GIPL pursuant to Clause 4.1.1 above; and

(ii) the net book value of assets and liabilities of the Demerged Undertaking;

shall be recorded as goodwill/capital reserve, as the case may be, in HTML's books of account.

- 4.4.5 In case any goodwill arises pursuant to Clause 4.4.4 above, the same may be written off against the capital reserve of HTML or in any other manner, as may be determined by the Board of Directors of HTML.
- 4.4.6 In case any capital reserve arises pursuant to Clause 4.4.4 above, the same may be treated as free reserves in the books of HTML.
- 4.4.7 Pursuant to the demerger of the Demerged Undertaking in accordance with this Scheme, the difference, if any, arising in the books of the Residual Company between:
- (a) the paid-up equity share capital of the Residual Company; and
  - (b) the net book value of assets and liabilities of the Residual Company;
- shall be recorded as goodwill/capital reserve, as the case may be, in the Residual Company's books of account.
- 4.4.8 In case any goodwill arises pursuant to Clause 4.4.7 above, the same may be written off against the general reserve of the Residual Company or in any other manner, as may be determined by the Board of Directors of the Residual Company.
- 4.4.9 In case any capital reserve arises pursuant to Clause 4.4.7 above, the same may be treated as free reserves in the books of the Residual Company.

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## PART-V

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### 5. GENERAL/RESIDUAL TERMS AND CONDITIONS

- 5.1 Upon this Scheme becoming effective, the balance sheet of GIPL and HTML, as on the Appointed Date shall be reorganized in accordance with the terms of this Scheme.
- 5.2 GIPL and HTML shall be entitled to file/revise their income tax returns and related TDS certificates and other statutory returns, if required and shall have the right to claim refunds, advance tax credits etc., if any, as may be required consequent to implementation of this Scheme.
- 5.3 GIPL and HTML shall, with all reasonable dispatch, make applications to the Hon'ble High Court, under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of their respective members and/or creditors and for sanctioning this Scheme, with such modifications as may be approved by the Hon'ble High Court.
- 5.4 Upon this Scheme being approved to by the requisite majority of the members and creditors of GIPL and of the members and creditors of HTML (as may be directed by the Hon'ble High Court), GIPL and HTML shall, with all reasonable dispatch, apply to the Hon'ble High Court, for sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the Act and for such other order or orders, as the said Hon'ble High Court may deem fit for carrying this Scheme into effect.

- 5.5 Upon this Scheme becoming effective, the shareholders of GIPL and HTML shall be deemed to have also accorded their approval under all relevant provisions of the Act for giving effect to the provisions contained in this Scheme.
- 5.6 This Scheme is conditional upon and subject to it being sanctioned by the Hon'ble High Court and shall become effective upon the certified copy of the order of the Hon'ble High Court sanctioning this Scheme being filed with the Registrar of Companies, NCT of Delhi and Haryana. Such date shall be known as the "Effective Date".
- 5.7 Each of GIPL and HTML (acting through their Boards of Directors) may assent to any modifications of amendments to this Scheme, which the Hon'ble High Court and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. Each of GIPL and HTML (acting through their Board of Directors) be and is hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of the order of the Hon'ble High Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.
- 5.8 GIPL and HTML shall be at liberty to withdraw from this Scheme, in case any condition or alteration imposed by the Hon'ble High Court or any other authority is not on terms acceptable to them.
- 5.9 All costs, charges, taxes, duties, levies and fees and all other expenses, if any, arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and incidental thereto shall be borne and paid by HTML.
- 5.10 Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:
- (i) Demerger of the Demerged Undertaking and transfer and vesting in HTML; and
  - (ii) Issue and allotment of fully paid-up equity shares of HTML to the shareholders of GIPL.
- 5.11 Upon this Scheme becoming effective, the Board of Directors of HTML shall determine the Record Date, which shall be later than the Effective Date, for issue and allotment of fully paid-up equity shares to the shareholders of GIPL.
- On determination of the Record Date, GIPL shall provide to HTML, the list of equity shareholders of GIPL as on the Record Date who are entitled to the receive fully paid-up equity shares in terms of this Scheme in order to enable HTML to issue and allot such fully paid-up equity shares in terms of this Scheme.

- 5.12 If this Scheme is not sanctioned by the Hon'ble High Court, the adjustment of the share premium account, as contemplated hereinabove shall also not be effective. Since the reduction mentioned hereinabove is conditional upon sanction of this Scheme by the Hon'ble High Court under Sections 391 to 394 of the Act, the order of the Hon'ble High Court sanctioning this Scheme shall also be deemed to be an order under Sections 100 to 102 of the Act, confirming such reduction of the share premium account of GIPL.
- 5.13 The reference summary balance sheet of the Residual Company, as on June 30, 2006 (which shall be the same for the purposes of the opening day of the appointed Date), assuming that this scheme has become effective, is attached as **Annexure A** hereto.
- 5.14 In case any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors and/or other persons entitled to or claiming any right to any equity shares in GIPL or HTML as to the construction thereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred to HTML or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to the arbitration under the Arbitration and Conciliation Act, 1996, whose decision shall be final and binding on all concerned.
- 5.15 If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this scheme and this scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits and obligations of this Scheme, including but not limited to such part.
- 5.16 The transfer of properties and liabilities to and the continuance of proceedings by or against HTML, with respect to the Demerged Undertaking shall not affect any transaction or proceedings already concluded by GIPL on or before the Appointed Date and after the Appointed Date till the Effective Date, to the end and intent that HTML accepts and adopts all acts, deeds and things done and executed by GIPL in respect thereto as done and executed on behalf of itself.
- 5.17 GIPL and HTML shall make necessary applications before the Hon'ble High Court for sanction of this Scheme and any dispute arising out of this Scheme shall be subject to the jurisdiction of the Courts located in the State of New Delhi only.



*Annexure-‘A’*

**REFERENCE BALANCE SHEET OF RESIDUAL COMPANY**

	<b>As at June 30, 2006 (Rs.)</b>
<b>SOURCES OF FUNDS</b>	
<b>SHAREHOLDERS’ FUNDS</b>	
Share Capital	119,530
Share Application Money (Pending Allotment)	—
<b>RESERVES AND SURPLUS</b>	796,438
<b>UNSECURED LOANS</b>	922,722
<b>TOTAL</b>	<b>1,838,690</b>
<b>APPLICATION OF FUNDS</b>	
<b>FIXED ASSETS</b>	
Gross Block	148,500
Less: Depreciation	<u>141,075</u>
Net Block	7,425
<b>INVESTMENTS</b>	<u>71,400</u>
	71,400
<b>CURRENT ASSETS, LOANS AND ADVANCES</b>	
Sundry Debtors	150,993
Cash and Bank Balances	521,981
Loans and Advances	<u>353,193</u>
	1,026,167
<b>LESS: CURRENT LIABILITIES AND PROVISIONS</b>	
Current Liabilities	46,253
Provisions	<u>9,813</u>
	56,066
<b>NET CURRENT ASSETS</b>	970,101
<b>PROFIT AND LOSS ACCOUNT</b>	789,764
<b>TOTAL</b>	<b>1,838,690</b>

**SCHEDULE**

**PART-I**

**[Short description of the Freehold property of  
Go4i.com (India) Pvt. Ltd., Transferor Company]**

NIL

**PART-II**

**[Short description of the Leasehold property of  
Go4i.com (India) Pvt. Ltd., Transferor Company]**

NIL

**PART-III**

**[Short description of all Stocks, Shares, Debentures, Properties, Liabilities and  
Charges in action of Go4i.com (India) Pvt. Ltd., Transferor Company]**

<b>Details</b>	<b>Value (Rs.)</b>
Computers	10,15,297
HT Media Ltd. (Debtor)	3,05,297
Jubilant Enpro Pvt. Ltd. (Debtor)	11,22,400
Enpro Oil Pvt. Ltd. (Debtor)	11,22,400
Shradhanjali Investments & Trading Co. Ltd. (Unsecured Loan)	29,77,277
Sterling Infoways (Current Liability and Provision)	10,06,500
Content Fee Payable (Current Liability and Provision)	1,23,920
Service Tax (Current Liability and Provision)	2,44,800
T.D.S. payable (Current Liability and Provision)	6,660
F.B.T. payable (Provision)	2,675

Dated this the 13<sup>th</sup> day of September, 2007  
(By order of the Court)

IN THE HIGH COURT OF DELHI AT NEW DELHI  
(ORIGINAL JURISDICTION)  
IN THE MATTER OF THE COMPANIES ACT, 1956  
AND  
IN THE MATTER OF SCHEME OF ARRANGEMENT/RESTRUCTURING  
OF  
COMPANY PETITION NO. 57/2009  
CONNECTED WITH  
COMPANY APPLICATION (M) NO. 206/2008  
IN THE MATTER OF **M/s. HT Music and Entertainment Company Ltd.**  
having its Regd. Office at  
Hindustan Times House  
18-20, Kasturba Gandhi Marg,  
New Delhi-110 001  
...Demerged Company  
WITH  
COMPANY PETITION NO. 58/2009  
CONNECTED WITH  
COMPANY APPLICATION (M) NO. 207/2008  
IN THE MATTER OF **M/s. HT Media Ltd.**  
having its Regd. Office at  
Hindustan Times House  
18-20, Kasturba Gandhi Marg,  
New Delhi-110 001  
....Resulting Company

**BEFORE HON'BLE MS. JUSTICE GITA MITTAL  
DATED THIS THE 19<sup>TH</sup> DAY OF MARCH, 2009**

**ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956**

The above petition came up for hearing on 19/03/2009 for sanction of scheme of Arrangement & Restructuring proposed to be made of M/s. HT Music and Entertainment Company Ltd. (hereinafter referred to as the Demerged Company) with M/s. HT Media Ltd. (hereinafter referred to as the Resulting Company). The court examined the petitions; the order dt. 18/12/2008, passed in CA(M) 206/2008 and CA(M) 207/2008 whereby the requirement of convening and holding the meetings of the equity shareholders and Preference Shareholders of the Demerged Company was dispensed with; and the meeting of the Equity Shareholders of Resulting Company and Secured & unsecured creditors of the Demerged & Resulting Companies was ordered to be convened for the purpose of considering and it thought fit approving with or without modification the proposed Scheme of Arrangement & Restructuring, annexed to the affidavit of Shri Tridib Barat and Shri Dinesh Mittal, authorised signatories of the Petitioner Companies filed on 16<sup>th</sup> day of December, 2009 and the publication in the newspapers namely Hindustan Times (English) & Hindustan (Hindi) dt. 02/01/2009 containing the notice of, the petition; the affidavit of Shri Alakh kumar, Shri S.K. Tandon, Ms. Ekta Kalra, Shri C. Mohan Rao and Shri Israel Ali, Chairpersons filed on 03/02/2009 showing the publication and despatch of the notices convening the said meetings and also the report of the Chairpersons as to the result of the said meetings.

The Court also examined the affidavit dated 05/03/2009 of Sh. Dhan Raj, Regional Director, Northern region, Ministry of Corporate affairs, Noida on behalf of Central Government submitting that the shares of the Transfree company are listed at Bombay stock exchange & National Stock Exchange. The Bombay stock Exchange vide its letter dated

11.12.2008 has given its “No Objection” with condition that “25% of the new Equity Shares to be issued to the shareholder of Demerged Company i.e. 1,92,307 Equity Shares, shall be kept under lock-in for a period of three years from the date of listing at BSE”. In response, learned counsel for the petitioners in reply dated 13<sup>th</sup> March, 2009 has submitted that the Resulting company has already confirmed in writing to BSE that out of its 7,69,230 new Equity Shares of Rs. 2/- each to be issued pursuant to the proposed scheme of Arrangement and Restructuring, 25% of such new Equity Shares i.e. 1,92,307 Equity Shares of Rs. 2/- each, shall be subject to lock in’ for a period of 3 years from the date of listing of such equity Shares. Accordingly, the resulting Company will abide by the letter dated 11.12.2008 issued by BSE. In view of the same, the objection raised by the Regional Director did not survive.

The Regional Director further submitted that in Para 1.3 of Part-A of the Scheme, the appointed date of the Scheme is 1<sup>st</sup> day of January, 2009, while the Valuation Report prepared by M/s SSPA & Co., Chartered Accountants, has taken into consideration Audited Balance Sheets as at 31<sup>st</sup> March, 2008 as well as projected Balance Sheet as at 31.12.2008 of both the transferor and transferee Companies. In response, learned counsel for the Petitioners in his reply dated 13<sup>th</sup> March, 2009, submitted that the Resulting Company is a Listed Corporate and the Demerged Company is its subsidiary. The Valuation Report of the Chartered Accountant mandated to prepare the Valuation Report was made available to the Shareholders and the creditors of both the companies as the said Valuation Report was available for inspection. It was further submitted that Paras 24 & 25 of the statement u/s 393 of the Companies Act, 1956 forming part of the notice convening the meetings of the Equity Shareholders, Secured and Unsecured Creditors of the Demerged and Resulting Companies discloses the place, date and time of inspection of the documents available for inspection, including the Valuation Report. The said Valuation Report has taken into consideration the Projected Balance Sheet as at 31.12.2008 of Radio Business of the Demerged Company and that of the Resulting Company for the purpose of recommending a fair share issue ratio in terms of the proposed Scheme of Arrangement & Restructuring. It was further submitted that the Shareholders and Creditors of both the companies had approved by an overwhelming majority the proposed Scheme of Arrangement & Restructuring after fully satisfying themselves with regard to all relevant material. In view of the above facts, the objection raised by the Regional Director did not survive.

The Regional Director, while referring to para 4.1.1 of Part-B and para 11.2.1 of Part-C of the Scheme regarding reduction of the share capital of the Resulting company, submitted that the proposed reduction can be affected in accordance with the provisions of Section 100/101 of the Act and the Petitioner Companies had not filed the separate petition under Section 100/101 of the Companies Act, 1956 as it is part of the Scheme of Arrangement. In response, learned counsel for the petitioners in his reply dated 13<sup>th</sup> March, 2009 submitted that the proposed Scheme of Arrangement & Restructuring is a combined Scheme of Demerger and Capital Reduction and the courts have consistently held that provisions of Sections 391 to 394 of the Companies Act, 1956 can be resorted to for seeking approval to a Scheme of Demerger including capital reduction. It was submitted that Section 391 is a complete code in itself and it intends that all approvals with regard to implementation of the scheme be given in one petition itself so that separate and represented applications to the court for other alterations or changes, which may be required, for effectively implementing the sanction of the Scheme, were avoided. In view of the aforesaid position of law, the objection raised by the Regional Director did not survive.

Upon hearing Shri N. Ganpathy, Advocate for the Petitioner and Mr. Raisuddin, Asstt. Registrar of Companies in person; and in view of the approval of the Scheme of Arrangement & Restructuring without any modification; by the Equity Shareholders of Resulting Company and Secured & Unsecured Creditors of the Demerged & Resulting Companies; and there being no investigation proceedings pending in relation to the petitioner Transferee Company under Section 235 to 251 of the Companies Act, 1956,

**THIS COURT DOETH HEREBY SANCTION THE SCHEME OF ARRANGEMENT & RESTRUCTURING set forth in Schedule-I annexed hereto and Doth Hereby Declare the**

same to be binding on all the shareholders & creditors of the Demerged Company and Resulting Company and all concerned and doth approve the said scheme of arrangement & Restructuring with effect from the appointed date i.e., 30.09.2008 for reduction of Share capital and 01/01/2009 for Demerger of the radio Business of the Demerged Company and Transfer and vesting thereof in the Resulting Company

AND THIS COURT DOTH FURTHER ORDER :

1. That all the property, rights and powers of the Radio Business of Demerged Company specified in the first, Second and Third parts of the Schedule-II hereto and all other property, rights and powers of the radio Business of Demerged Company be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the Resulting Company for all the estate and interest of the radio Business of Demerged Company therein but subject nevertheless to all charges now affecting the same; and
2. That all the liabilities and duties of the Radio Business of Demerged Company be Transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 394 (2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Resulting Company; and
3. That all the proceedings now pending by or against the Radio Business of Demerged Company be continued by or against the Resulting Company; and
4. That the Resulting Company do without further application allot to such members of the Radio Business of Demerged Company as have not given such notice of dissent as is required by Clause-10 of Part C given in the Scheme of Arrangement & Restructuring herein the shares in the Resulting Company to which they are entitled under the said Arrangement & Restructuring; and
5. That the Demerged Company do within five weeks after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration; and
6. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

## SCHEDULE - I

SCHEME OF ARRANGEMENT AND RESTRUCTURING

BETWEEN

HT MUSIC AND ENTERTAINMENT COMPANY LIMITED

AND

HT MEDIA LIMITED

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

UNDER SECTIONS 391 TO 394 READ WITH SECTIONS 100 TO 104 OF THE  
COMPANIES ACT, 1956

### PREAMBLE

#### (A) Description of Companies

1. HT Media Limited (“**HT Media**”), is a public limited company incorporated on December 3, 2002 and having its registered office at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110 001. HT Media is one of the largest print media company in India and its flagship brand, ‘Hindustan Times’ is one of the most well recognized media brands in India. The equity shares of HT Media are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.
2. HT Music and Entertainment Company Limited (“**HT Music**”), is a public limited company incorporated on October 28, 2005 and having its registered office at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110001. The preference shares and equity shares issued by HT Music are not listed on any stock exchanges.
3. HT Music is in the business, *inter alia*, of operating FM Radio channels, Event Management and all other related activities, as follows:
  - a. Radio Business – HT Music has launched FM Radio stations (under the brand name 'Fever 104') in Delhi, Mumbai, Bangalore and Kolkata in October 2006, January 2007, March 2007 and January 2008 respectively.



- b. Event Management Business - HT Music has been organizing brand promotion events for various companies by way of innovative marketing solutions on its FM radio stations. HT Music foresees huge potential for expanding the Event Management Business by managing events, shows etc. of all kinds and nature.

**(B) Rationale and purpose of the Scheme of Arrangement and Restructuring**

1. Radio Business of HT Music has incurred substantial losses since inception on account of low advertisement revenue, high brand building cost, delay in availability of common infrastructure tower resulting in substantial investment in transmission facilities for Delhi and Mumbai FM Radio stations and payment of transmission charges to multiple agencies, intense competition etc., all of which have resulted in erosion of its share capital.

It is therefore proposed to write off part of the share capital which has been eroded due to accumulated losses.

2. It is proposed to demerge Radio Business of HT Music and transfer and vest it into HT Media in view of the following likely benefits/advantages:
  - a. The revenue stream of Radio Business i.e. advertisement, is similar to that of the print media business of HT Media. The proposed demerger will enable HT Media to reach the advertisers with offering(s) of attractively bundled advertising options in the print, internet and FM Radio mediums in order to attain larger share of advertising spend and also operational synergies in the said behalf.
  - b. Radio Business of HT Music is in consolidation and expansion mode and hence is likely to continue incurring losses in near term. This may again result in erosion of share capital of HT Music.
  - c. Radio Business of HT Music in the past, has been in need of funds and in future, is likely to be in continuous need of funds. Since HT Media has an ongoing cash generation capacity, it has already been rendering financial support to the said Radio Business by way of subscription to 1% Non Cumulative Redeemable Preference Shares of HT Music and placing Inter-Corporate Deposits, from time to time, as and when required.

- d. Event Management Business has potential of generating profits. Further, it does not require any capital investment in fixed assets and also has capacity to fund its cash requirements. Currently, it is at a stage where it requires focused management attention. Moreover, the nature of risk and return involved in this business is distinct from that of Radio Business.
3. The Scheme of Arrangement and Restructuring is in the interest of HT Media and HT Music, their respective shareholders and creditors and the general public.
4. This Scheme accordingly, inter alia, provides for (i) capital reduction of HT Music and utilization of securities premium of HT Media for the said purpose; and (ii) demerger of Radio Business of HT Music and transfer and vesting thereof into HT Media including consequential or related matters integrally connected therewith.

### **(C) Parts of the Scheme**

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

1. Part A which deals with the definitions and share capital structure;
2. Part B which deals with capital reduction of HT Music and utilization of Securities Premium of HT Media;
3. Part C which deals with demerger of Radio Business of HT Music and transfer and vesting thereof into HT Media and consequential or related matters; and
4. Part D which deals with other terms and conditions.

### **PART A - DEFINITIONS AND SHARE CAPITAL**

#### **1. DEFINITIONS**

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

- 1.1. “Act” or “The Act” means the Companies Act, 1956, or any statutory modification or reenactment thereof for the time being in force.

- 1.2. **“Appointed Date 1”** means 30<sup>th</sup> day of September 2008 (closing business hours) or such other date as may be approved by the High Court (as defined hereinafter) for the purpose of capital reduction of HT Music under Part ‘B’ of this Scheme.
- 1.3. **“Appointed Date 2”** means 1<sup>st</sup> day of January 2009 (opening business hours) or such other date as may be approved by the High Court (as defined hereinafter) for the demerger of Radio Business of HT Music and transfer and vesting thereof into HT Media under Part ‘C’ of this Scheme.
- 1.4. **“Board of Directors”** in relation to HT Media and HT Music, as the case may be, shall, unless it be repugnant to the context or otherwise, includes a Committee of Directors or any person authorised by the Board of Directors or such Committee of Directors.
- 1.5. **“BSE”** means the Bombay Stock Exchange Limited.
- 1.6. **“Court” or “High Court”** means the Honorable High Court of Judicature at Delhi or such other tribunal or authority having jurisdiction to sanction the Scheme.
- 1.7. **“Effective Date”** shall have the meaning ascribed to it in Clause 16. Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean with respect to the “Effective Date”.
- 1.8. **“HT Music” or “Demerged Company”** means HT Music and Entertainment Company Limited, a company incorporated under the Act and having its registered office at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110001.
- 1.9. **“HT Media” or “Resulting Company”** means HT Media Limited, a company incorporated under the Act and having its registered office at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110001.
- 1.10. **“IT Act”** means the Income-Tax Act, 1961 including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 1.11. **“NSE”** means the National Stock Exchange of India Limited.
- 1.12. **“Radio Business” or “Radio Undertaking”** means the FM radio business of HT Music and includes the undertaking comprising of:

- 1.12.1. All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) of the Radio Business wherever situated;
- 1.12.2. All present and future liabilities and specified contingent liabilities arising out of the activities or operations of Radio Business, including loans, debts, current liabilities and provisions, duties and obligations relating to the Radio Business.
- 1.12.3. Without prejudice to the generality of the above, the Radio Business shall include in particular
  - a. all properties of the Radio Business wherever situated, including all current assets, offices, furniture, fittings, office equipments, plant and machinery, leasehold improvements, transmission equipments and computers;
  - b. all permits, quotas, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, including licenses to operate FM stations granted by the Ministry of Information & Broadcasting, Government of India and other agencies, registrations, subsidies, concessions, broadcasting programs and content, exemptions, remissions, presentations, music content, tax deferrals, accumulated and unabsorbed tax losses, unutilized MODVAT credit of service tax, allowance for unabsorbed tax depreciation, tenancies in relation to office and/or residential property for the employees, goodwill, intellectual property, investment, cash balances, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilised for the Radio Business, bank balances and bank accounts relating to the day to day operations and specific to the working of Radio Business, privileges, all other rights and benefits, lease rights, patents, trade marks, domain names, copyrights, trade name, brand names including "Fever 104" and other intellectual property rights of any nature whatsoever and licenses in respect thereof, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, subsidies, grants and incentive schemes formulated by Central or State

Government, if any, contracts and arrangements and all other interest in connection with or relating to the Radio Business;

- c. all records, files, papers, computer programs, softwares, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical or electronic form in connection with or relating to the Radio Business;
- d. all duties and obligations which are relatable to Radio Business;
- e. all earnest moneys and/or security deposits, if any, paid or received by HT Music in connection with or relating to the Radio Business.

1.12.4. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Radio Business include:

- a. the liabilities, which arise out of the activities or operations of the Radio Business;
- b. specific loans and borrowings raised, incurred and utilised solely for the activities or operations of the Radio Business;
- c. liabilities other than those referred to in Clauses (a) and (b) above, being the amounts of general or multipurpose borrowings of HT Music, allocated to the Radio Business in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of HT Music immediately before giving effect to this Scheme.

1.12.5. All employees of HT Music employed in the Radio Business, as identified by the Board of Directors of HT Music, as on the Effective Date.

**1.13.** Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Radio Business or whether or not it arises out of the activities or operations of the Radio Business shall be decided by mutual agreement between the Board of Directors of HT Music and HT Media.

**1.14. “Record Date”** means the date to be fixed by the Board of Directors of HT Media, for the purpose of issue of shares of HT Media to the shareholders of HT Music on demerger of Radio Business and transfer and vesting thereof into HT Media.

**1.15. “Remaining Business”** means the business, assets and liabilities of the Demerged Company other than the Radio Business and includes all other business units, divisions and their respective assets, liabilities including portion of general or multipurpose borrowings and accumulated and unabsorbed tax losses (including accumulated and unabsorbed depreciation), contracts and employees not allocated to the Radio Business, of HT Music.

**1.16. “Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement and Restructuring in accordance with Section 2(19AA) of the IT Act in its present form, together with all the schedules and annexures, which shall form part of this Scheme of Arrangement and Restructuring and shall be submitted to the High Court or with any modification(s) made under Clause 15.1 of this Scheme or with such other modifications/amendments as the High Court may direct.

**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 IT Act or any other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

## **2. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court or made as per Clause 15.1 of the Scheme, shall be effective from the applicable respective Appointed Dates but shall be operative from the Effective Date.

## **3. SHARE CAPITAL**

**3.1.** The Authorised, issued, subscribed and paid-up share capital of HT Music as per Balance Sheet dated March 31, 2008 is as under:

<b>Particulars</b>	<b>Rupees</b>
<b>Authorised Capital</b>	
2,00,00,000 Equity Shares of Rs 10 each	20,00,00,000
1,80,00,000 Non Cumulative Redeemable	180,00,00,000



Preference Shares of Rs. 100 each	
<b>TOTAL</b>	<b>200,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
2,00,00,000 Equity Shares of Rs. 10 each fully paid-up	20,00,00,000
1,50,00,000 1% Non Cumulative Redeemable Preference Shares of Rs. 100 each fully paid-up.*	150,00,00,000
<b>TOTAL</b>	<b>170,00,00,000</b>

- \* 1,17,50,000 1% Non Cumulative Redeemable Preference Shares of Rs. 100 each (Series – I)  
12,50,000 1% Non Cumulative Redeemable Preference Shares of Rs. 100 each (Series – II)  
8,00,000 1% Non Cumulative Redeemable Preference Shares of Rs. 100 each (Series – III)  
4,00,000 1% Non Cumulative Redeemable Preference Shares of Rs. 100 each (Series – IV)  
8,00,000 1% Non Cumulative Redeemable Preference Shares of Rs. 100 each (Series – V)

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

Of the above 1,50,00,000 equity shares constituting 75% of the paid-up Equity Share Capital and the whole of paid-up Preference Share Capital is held by HT Media.

HT Music shall not, pending the sanction of this Scheme, make any change in its share capital structure either by any increase, by issue of equity shares (rights issue, preferential issue or otherwise), bonus shares, convertible debentures, convertible instruments or otherwise decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner, except as may be expressly permitted under this Scheme or as may be required to give effect to the Scheme.

- 3.2. The Authorised, issued, subscribed and paid-up share capital of HT Media as per Balance Sheet dated March 31, 2008 is as under:

<b>Particulars</b>	<b>Rupees</b>
<b>Authorised Capital</b>	
26,25,00,000 Equity Shares of Rs 2 each	52,50,00,000
20,00,000 Preference Shares of Rs 100 each	20,00,00,000
<b>TOTAL</b>	<b>72,50,00,000</b>

<b>Issued, Subscribed and Paid-up Capital</b>	
23,42,29,205 Equity Shares of Rs. 2 each fully paid-up	46,84,58,410
Shares pending allotment [22,600 Equity Shares of Rs 2 each fully paid-up]	45,200
<b>TOTAL</b>	<b>46,85,03,610</b>

Subsequent to the aforesaid Balance Sheet date, the Authorised capital was amended in terms of the shareholder's resolution dated 11<sup>th</sup> July, 2008, and shares pending allotment were allotted on 21<sup>st</sup> July, 2008. The Authorised, issued, subscribed and paid-up share capital of HT Media as on 28<sup>th</sup> November, 2008 is as under:

<b>Particulars</b>	<b>Rupees</b>
<b>Authorised Capital</b>	
36,25,00,000 Equity Shares of Rs 2 each	72,50,00,000
<b>TOTAL</b>	<b>72,50,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
23,42,51,805 Equity Shares of Rs. 2 each fully paid-up	46,85,03,610
<b>TOTAL</b>	<b>46,85,03,610</b>

HT Media shall not, pending the sanction of this Scheme, make any change in its share capital structure either by any increase, by issue of equity shares (rights issue, preferential issue or otherwise), bonus shares, convertible debentures, convertible instruments or otherwise decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner, except as may be expressly permitted under this Scheme or as may be required to give effect to the Scheme.

## **PART B – CAPITAL REDUCTION AND UTILISATION OF SECURITIES PREMIUM**

### **4. REDUCTION OF SHARE CAPITAL OF HT MUSIC AND UTILISATION OF SECURITIES PREMIUM OF HT MEDIA**

The share capital of HT Music has suffered erosion on account of substantial losses in its Radio Business. It is therefore proposed to write off the accumulated losses against the share capital of HT Music.

- 4.1.** Upon the Scheme coming into effect and with effect from the Appointed Date 1 but always deemed to be prior to the coming into effect of the demerger contemplated in Part C of the Scheme, the issued, subscribed and paid-up Equity Share Capital of HT Music, shall be reduced as follows;

4.1.1. The reduction of issued, subscribed and paid-up equity share capital of HT Music shall be effected by reducing face value of equity shares from Rs 10 to Re 1 by cancelling Rs 9 per equity share. Accordingly, the issued, subscribed and paid-up equity share capital of Rs 20,00,00,000 divided into 2,00,00,000 equity shares of Rs 10 each fully paid-up shall be reduced to Rs 2,00,00,000 divided into 2,00,00,000 equity shares of face value of Re 1 each fully paid-up.

4.1.2. The reduction of issued, subscribed and paid-up preference share capital of HT Music shall be effected by reducing face value of preference shares from Rs. 100 to Rs. 62 by cancelling Rs 38 per preference share. Accordingly, the issued, subscribed and paid-up preference share capital of Rs 150,00,00,000 divided into:

1,17,50,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 100 each (Series – I)

12,50,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 100 each (Series – II)

8,00,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 100 each (Series – III)

4,00,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 100 each (Series – IV)

8,00,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 100 each (Series – V)

shall be reduced to Rs 93,00,00,000 divided into:

1,17,50,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 62 each (Series – I)

12,50,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 62 each (Series – II)

8,00,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 62 each (Series – III)

4,00,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 62 each (Series – IV)

8,00,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 62 each (Series – V)

4.2. Clause V of the Memorandum of Association of HT Music specifying the Authorised Share Capital of HT Music shall stand altered accordingly.

- 4.3. The share certificates of HT Music in relation to the equity shares held by its equity shareholders shall, without any further application, act, instrument, or deed, be deemed to have been automatically modified pursuant to the reduction of share capital contemplated in Clause 4.1.1 above.
- 4.4. The share certificates of HT Music in relation to the 1% Non Cumulative Redeemable Preference Shares held by its preference shareholders shall, without any further application, act, instrument, or deed, be deemed to have been automatically modified pursuant to the reduction of share capital contemplated in Clause 4.1.2 above.
- 4.5. The reduction of share capital as aforesaid of HT Music shall be effected in terms of this scheme and shall be sufficient compliance in terms of Sections 100 to 104 of the Act and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However the order of the High Court sanctioning the Scheme shall be; deemed to be an order under Section 102 of the Act confirming the reduction
- 4.6. Consequent upon such reduction the issued, subscribed and paid-up share capital of HT Music will be revised as under:

<b>Particulars</b>	<b>Rupees</b>
<b>Issued, Subscribed, and Paid-up:</b>	
2,00,00,000 Equity Shares of Re. 1 each fully paid-up.	2,00,00,000
1,50,00,000 1% Non Cumulative Redeemable Preference Shares of Rs. 62 each fully paid-up*	93,00,00,000
<b>Total</b>	<b>95,00,00,000</b>

\* 1,17,50,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 62 each (Series – I)  
12,50,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 62 each (Series – II)  
8,00,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 62 each (Series – III)  
4,00,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 62 each (Series – IV)  
8,00,000 1% Non Cumulative Redeemable Preference Shares of face value of Rs. 62 each (Series – V)

**4.7. Accounting treatment in the books of HT Music:**

With effect from the Appointed Date 1:

- 4.7.1. The credit of Rs 75,00,00,000 arising on account of the reduction of share capital in terms of Clauses 4.1.1 and 4.1.2 above, shall be adjusted against the debit balance of "Profit and Loss Account" appearing in the balance sheet of HT Music.

**4.8. Accounting treatment in the books of HT Media:**

With effect from the Appointed Date 1:

- 4.8.1. The loss of Rs 70,50,00,000 on reduction of paid-up value of Equity and Preference Share Capital in HT Music held by HT Media as contemplated in Clauses 4.1.1 and 4.1.2 above shall be adjusted against Securities Premium Account.
- 4.8.2. The application and reduction of the Securities Premium Account, as contained in Clause 4.8.1 above, shall be effected in terms of this Scheme itself and in accordance with the provisions of Sections 100 to 104 of the Act and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

**PART C – DEMERGER OF RADIO BUSINESS OF HT MUSIC AND TRANSFER AND VESTING THEREOF INTO HT MEDIA**

This Scheme complies with the conditions relating to "Demerger" as specified under Section 2(19AA) of the IT Act. If any terms or provisions of this Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the 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 will however not affect remaining parts of the Scheme.

**5. TRANSFER AND VESTING OF RADIO BUSINESS OF THE DEMERGED COMPANY**

Upon the Scheme coming into effect and upon completion of the reduction of Capital as set out in Part B of the Scheme and with effect from the Appointed Date 2:

- 5.1.** The Radio Business as defined in Clause 1.12 shall pursuant to the provisions of Sections 391 to 394 of the Act, Section 2(19AA) of the IT Act, and all other applicable provisions of applicable laws, rules and regulations for the time being in force, without any further act or deed, stand transferred to and be vested, as a going concern, into the Resulting Company. The transfer and vesting of the Radio Business shall be effected as follows:-
- 5.1.1. In the event that the Board of Directors of the Demerged Company and the Resulting Company so desire, in respect of such of the assets of the Radio Business as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same shall, be transferred by the Demerged Company to the Resulting Company as provided in Clause 5.2.
- 5.1.2. In respect of any assets, other than those referred to in Clause 5.1.1 above, the same shall, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Resulting Company pursuant to the Scheme coming into effect.
- 5.2.** In the event that the Board of Directors of the Demerged Company and the Resulting Company so jointly decide as provided in Clause 5.1, the transfer and vesting of movable assets shall be effected as follows:
- 5.2.1. All the movable assets forming part of or comprised in the Radio Business or assets otherwise capable of transfer by manual delivery or by endorsement and delivery, including cash in hand shall be physically handed over by manual delivery to the Resulting Company to the end and intent that the property therein passes to the Resulting Company on such delivery, without requiring any deed or instrument of conveyance for the same and shall become the property of the Resulting Company accordingly.
- 5.2.2. In respect of movable assets pertaining to Radio Business, other than those specified in Clause 5.2.1 including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or value to be received, bank balances and deposits, if any, the Demerged Company may give notice in such form as it may deem fit and proper to each party, debtor or depositor of the Demerged Company as the case may be, that pursuant to the Scheme coming into effect, the said debt, loan, advances, etc. be paid or made good or held on account of the Resulting Company as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same stands extinguished, and that such rights to recover or realise



the same shall vest in the Resulting Company. The Resulting Company may, if required, give notice in such form as it may deem fit and proper to each person, debtor or deposittee that pursuant to the Scheme coming into effect, the said person, debtor or deposittee should pay the debt, loan or advance or make good the same or hold the same to the account of the Resulting Company and that the right of the Resulting Company to recover or realise the same is in substitution of the right of the Demerged Company.

- 5.3.** The immovable properties, if any, relating to the Radio Business, and any documents of title/rights and easements in relation thereto shall be vested in and transferred to and/or be deemed to have been vested in and stand transferred to and shall belong to the Resulting Company. From the Appointed Date 2, the Resulting Company shall in relation to the properties of the Radio Business transferred to the Resulting Company under this Scheme, be liable for ground rent, municipal taxes and any other applicable cess, duties, levies, taxes and the like. The mutation of the title to the said immovable properties shall be made and duly recorded by the appropriate authorities pursuant to the Scheme, in accordance with the terms hereof without any further act or deed whatsoever, in favour of the Resulting Company.
- 5.4.** Upon the coming into effect of this Scheme, all debts, liabilities, loans and obligations incurred, duties or obligations of any kind, nature or description (including specified contingent liabilities) of the Demerged Company (as on the Appointed Date 2) and relating to the Radio Business including general and multipurpose borrowings dealt with in accordance with Section 2(19AA) of the IT Act shall, without any further act or deed, stand transferred to and vested in and be deemed to be transferred to and vested in the Resulting Company to the extent that they are outstanding as on the Effective Date and on the same terms and conditions as applicable to the Demerged Company, and shall become the debts, liabilities, loans, duties and obligations of the Resulting Company which shall meet, discharge and satisfy the same. It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this Clause.
- 5.5.** Any statutory licenses, permissions, approvals and/or consents held by the Demerged Company required to carry on operations of the Radio Business shall stand vested in or transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the statutory authorities or any other person concerned therewith in favour of the Resulting Company. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents including the statutory licenses, permissions or approvals or consents required to carry on the operations of the Radio Business shall vest in and become available to the Resulting

Company pursuant to the Scheme coming into effect. Any no-objection certificates, licenses, permissions, consents, approvals, authorisations, registrations or statutory rights as are jointly held by the Radio Business and any other division of the Demerged Company shall be deemed to constitute separate licenses, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, upon the filing of the Scheme as sanctioned with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations of the Radio Business in the Resulting Company without any let or hindrance from the Effective Date.

- 5.6.** The transfer and vesting of Radio Business as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to Radio Business to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Radio Business
- 5.7.** Upon the coming into effect of this Scheme and subject to the provisions of IT Act, the accumulated and unabsorbed tax losses and the allowance for unabsorbed depreciation of the Radio Business upto the Appointed Date 2 shall be transferred to the Resulting Company.
  - 5.7.1.** The whole of such accumulated and unabsorbed tax losses and allowance for unabsorbed depreciation upto the Appointed Date 2, as is directly relating to the Radio Business;
  - 5.7.2.** Where the accumulated loss and allowance for unabsorbed depreciation upto the Appointed Date 2 is not directly relating to the Radio Business, it shall be apportioned between the Demerged Company and the Resulting Company in the same proportion in which the assets of the business have been retained by the Demerged Company and transferred to the Resulting Company under this Scheme and shall be deemed to be available for carry forward and set off in the hands of the Resulting Company in accordance with the provisions of Section 72A of the IT Act.
- 5.8.** It is clarified that all the taxes and duties payable by the Demerged Company, relating to the Radio Business, from the Appointed Date 2 onwards including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Demerged Company is expressly permitted to revise and the Resulting Company is expressly permitted to file their respective, income tax returns

including tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme.

#### **Staff, Workmen & Employees**

- 5.9.** All staff, workmen and employees of Radio Business in the Demerged Company, in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Resulting Company, with effect from the Appointed Date 2 without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favorable than those applicable to them with reference to the Demerged Company, in relation to the Radio Business, on the Effective Date. Any question that may arise as to whether any staff, workman or employee belongs to or does not belong to the Radio Business or the Remaining Business of the Demerged Company, shall be decided by Board of Directors of the Demerged Company.
- 5.10.** It is expressly provided that, the provident fund, gratuity fund, superannuation fund or any other special fund or trusts created or existing for the benefit of the staff, workmen and employees of the Demerged Company, in relation to the Radio Business, shall become the trusts/funds of the Resulting Company for all purposes whatsoever in relation to the administration or operation of such fund or funds or in relation to the obligation to make contributions to the said fund or funds in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Company, in connection with the Radio Business, relating to such fund or funds shall become those of the Resulting Company. It is clarified that the services of the staff, workmen and employees of the Demerged Company, in relation to the Radio Business, will be treated as having been continuous for the purpose of the said fund or funds.

#### **Legal and Other Proceedings**

- 5.11.** All legal and other proceedings, including before any statutory or quasi-judicial authority or tribunal of whatsoever nature by or against the Demerged Company pending and/or arising at the Appointed Date 2 and relating to the Radio Business, shall be continued and enforced by or against the Resulting Company only, to the exclusion of the Demerged Company in the manner and to the same extent as would have been continued and enforced by or against the Demerged Company. On and from the Effective Date, the Resulting Company shall and may, if required, initiate any legal proceedings in relation to the Radio Business.

In the event that the legal proceedings referred to above, require the Demerged Company and the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Demerged Company. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Radio Business or not, the decision of the Board of Directors of the Demerged Company as to whether such proceeding relates to the Radio Business or not, shall be conclusive evidence of the relationship with Radio Business.

It is clarified that after the Appointed Date 2, in case the proceedings referred above, cannot be transferred for any reason, the Demerged Company shall prosecute or defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse, indemnify and hold harmless the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

#### **Contracts, Deeds and Other Instruments**

- 5.12.** Notwithstanding anything contrary contained in this Scheme, any and all existing contracts, deeds, bonds, insurance policies, agreements and other instruments if any, of whatsoever nature relating to the Radio Business and to which the Demerged Company is party and subsisting or having effect on the Effective Date, shall be in full force and effect in favour of the Resulting Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Company, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act or deed.
- 5.13.** The Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which the Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. The Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company to give effect to the provisions of this Scheme.
- 5.14.** Even after this Scheme becomes effective, the Resulting Company shall, as its own right, be entitled to realise all monies and complete and enforce all pending contracts and transactions in respect of the Radio Business in the name of the Demerged Company, in so far as may be necessary, until the transfer of rights and obligations of the Demerged Company to the Resulting Company under this Scheme is formally accepted by the third parties.

## **Permissions**

**5.15.** Any statutory licenses, permissions, approvals or consents to carry on the operations of the Demerged Company, in relation to the Radio Business, shall stand vested in and transferred to the Resulting Company without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of the Resulting Company upon the vesting and transfer of the Radio Business pursuant to this Scheme. The benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents to the extent relevant and required shall vest in and become available to the Resulting Company pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company, in relation to the Radio Business, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions.

## **6. SECURITY**

**6.1.** It is clarified that unless otherwise determined by the Board of Directors of the Resulting Company, in so far as the assets of the Demerged Company, in relation to the Radio Business, are concerned:

- 6.1.1. the security or charge relating to loans, debentures or borrowings of the Demerged Company, in relation to the Radio Business, shall without any further act or deed continue to relate to the said assets after the Effective Date and shall not relate to or be available as security in relation to the borrowings of the remaining business of the Demerged Company; and
- 6.1.2. the assets of the remaining business of Demerged Company shall not relate to or be available as security in relation to the said borrowings of the Demerged Company, in relation to the Radio Business.

## **7. SAVING OF CONCLUDED TRANSACTIONS**

**7.1.** The transfer of Radio Business as above and the continuance of proceedings by or against the Demerged Company in relation to the Radio Business and the Resulting Company, shall not affect any transaction or proceedings already concluded on or after the Appointed Date 2 till the Effective Date, to the end and intent that the Resulting Company, accepts and adopts all acts, deeds and things done and executed by the Demerged Company, in relation to the Radio Business, in respect thereto as done and executed on behalf of the Resulting Company.

## **8. CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**

During the period between the Appointed Date 2 and the Effective Date:

- 8.1.** The Demerged Company shall carry on and be deemed to have carried on its business and activities in relation to the Radio Business, and shall hold and deal with all assets and properties and stand possessed of all rights, title, interest and authorities of the Radio Business, for and on account of and in trust for the Resulting Company.
- 8.2.** Any income or profit accruing or arising to the Demerged Company in relation to the Radio Business and all costs, charges, expenses and losses, arising or incurred by the Demerged Company in relation to the Radio Business shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the Resulting Company.
- 8.3.** The Demerged Company shall not utilise the profits or income, if any, relating to the Radio Business for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date 2, without the prior written consent of the Resulting Company.
- 8.4.** The Demerged Company shall not (without the prior, written consent of the Resulting Company) alienate, charge or otherwise deal with or dispose of the Radio Business or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken prior to the Appointed Date 2.
- 8.5.** The Demerged Company shall carry on Radio Business with reasonable diligence and prudence, in the ordinary course of business, and the Demerged Company shall not, in any material respect, alter or expand Radio Business, other than such alterations or expansions as have already been commenced, except with the prior written consent of the Resulting Company and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Radio Business, save and except, in each case, in the following circumstances:
  - (i) if the same is in the ordinary course of business; or
  - (ii) if the same is expressly permitted by this Scheme; or
  - (iii) if the written consent of the Resulting Company, has been obtained.
- 8.6.** The Demerged Company shall not vary or alter, except in the ordinary course of its business, the terms and conditions of employment of any of its employees in relation to the Radio Business.



**8.7.** The Demerged Company and/or the Resulting Company shall, pending the sanction of the Scheme by the High Court, apply to the Central Government or any State Government and all other ministries, agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own and carry on the Radio Business.

**9. REMAINING BUSINESS**

**9.1.** The Remaining Business of the Demerged Company shall continue to belong to and be vested in and be managed by the Demerged Company.

**9.2.** All legal and other proceedings by or against the Demerged Company under any statute, whether pending on the Appointed Date 2 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 of the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.

**9.3.** With effect from the Appointed Date 2 and upto and including the Effective Date –

9.3.1. the Demerged Company shall be deemed to have been carrying and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;

9.3.2. all profit accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Demerged Company.

**10. ISSUE OF SHARES BY HT MEDIA**

Upon the Scheme coming into effect and in consideration of the transfer of and vesting of the undertaking of the Radio Business in the Resulting Company in terms of the Scheme,

**10.1.** HT Media shall, without any further application of deed, issue and allot to every shareholder of HT Music, holding fully paid-up equity shares in HT Music and whose names appear in the register of shareholders of HT Music, except HT Media as mentioned in Clause 10.2, on the Record Date, his/her/its heirs, executors, administrators or the successors in title as the case may be, in respect of every 13 (Thirteen) equity shares of the face value of Re 1 each fully paid-up held by her/him/it in HT Music, 2 (Two) equity shares of the face value of Rs 2 each of HT Media (hereinafter called the “**New Equity Shares**”), credited as fully paid-up.

- 10.2.** No shares of HT Media shall be required to be issued in respect of shares of HT Music held by HT Media as under:
- 10.2.1. 75% of the Equity Share Capital; and
  - 10.2.2. 100% of the Preference Share Capital.
- 10.3.** The New Equity Shares in HT Media to be issued to the shareholders of HT Music pursuant to Clause 10.1 above shall be subject to the Memorandum and Articles of Association of HT Media and shall rank pari passu in all respects, including dividend, with the existing equity shares of HT Media.
- 10.4.** The issue and allotment of equity shares of HT Media under the provisions of this Scheme to the equity shareholders of HT Music will be made subject to receipt of required approvals of statutory and governmental authorities, if any.
- 10.5.** Upon this Scheme becoming effective, the Board of Directors of HT Media shall determine the Record Date, which shall be later than the Effective Date, for issue and allotment of its fully paid-up equity shares to the equity shareholders of HT Music. On determination of the Record Date, HT Music shall provide to HT Media, the list of equity shareholders of HT Music as on the Record Date who are entitled to receive fully paid-up equity shares of HT Media in terms of this Scheme in order to enable HT Media to issue and allot such fully paid-up equity shares of HT Media in terms of this Scheme.
- 10.6.** The New Equity Shares of HT Media will be issued in dematerialised form to the shareholders holding equity shares of HT Music unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of HT Media.
- 10.7.** In the event, the aforesaid allotment of new equity shares of HT Media to the equity shareholders of HT Music result in fractional entitlements, the Board of Directors of HT Media shall consolidate all such fractional entitlements and thereupon issue and allot whole equity share(s), if any in lieu thereof to a director or officer of HT Media or such other persons as the Board of Directors of HT Media shall appoint in this behalf who shall hold such equity shares in trust on behalf of the said equity shareholders with the express understanding that such director, officer or person shall sell the same at such time, at such price or the prices and to such person or persons, as he may deem fit and the net sale proceeds thereof (i.e. after deduction there from of expenses incurred in connection with the sale) shall be deposited with HT Media, which shall be distributed by HT Media to such equity shareholders of HT Music in proportion to their respective fractional entitlements.
- 10.8.** The issue and allotment of New Equity Shares in the Resulting Company to the shareholders of the Demerged Company as provided in the Scheme as an integral part thereof, shall be deemed to have been carried out as if the procedure laid down under

Section 81(1A) and any other applicable provisions of the Act were duly complied with.

- 10.9.** The New Equity Shares of HT Media issued in terms of Clause 10.1 above shall, subject to applicable regulations, be listed and/or admitted to trading on the BSE and NSE where the existing equity shares of the Resulting Company are listed and/or admitted to trading.
- 10.10.** Shares allotted by HT Media pursuant to the Scheme and issued in dematerialised form shall be credited to the depository accounts of the shareholders and shall be subject to all requirements of the BSE and NSE including listing and trading approvals.

**11. REDUCTION OF SHARE CAPITAL OF HT MUSIC PURSUANT TO DEMERGER**

- 11.1.** Upon the demerger and resultant transfer and vesting thereof of assets and liabilities of the Radio Business as envisaged in Clause 5 of the Scheme, the share capital of HT Music will no longer be fully represented by assets. To reflect the same, as an integral part of the Scheme, the share capital comprising the shareholder's funds is proposed to be reduced.

- 11.2.** Reduction of the share capital of HT Music:

With effect from Appointed Date 2:

- 11.2.1. The issued, subscribed and paid-up Equity Share Capital of HT Music shall be reduced by Rs. 1,00,00,000 proportionately amongst the equity shareholders from Rs. 2,00,00,000 divided into 2,00,00,000 equity shares of Re 1 each fully paid-up to Rs. 1,00,00,000 divided into 1,00,00,000 equity shares of Re 1 each fully paid-up by cancelling 1,00,00,000 equity shares of Re 1 each as not being represented by the assets transferred pursuant to demerger.
- 11.2.2. The entire issued, subscribed and paid up Preference Share Capital of Rs 93,00,00,000 divided into:
- 1,17,50,000 1% Non Cumulative Redeemable Preference Shares of Rs. 62 each (Series – I)
  - 12,50,000 1% Non Cumulative Redeemable Preference Shares of Rs. 62 each (Series – II)
  - 8,00,000 1% Non Cumulative Redeemable Preference Shares of Rs. 62 each (Series – III)
  - 4,00,000 1% Non Cumulative Redeemable Preference Shares of Rs. 62 each (Series – IV)

8,00,000 1% Non Cumulative Redeemable Preference Shares of Rs. 62 each (Series – V)

held by the existing preference shareholders of HT Music shall, without any application or deed, stand cancelled as not being represented by the assets transferred pursuant to demerger.

- 11.2.3. The share certificates of HT Music in relation to, the equity shares held by its equity shareholders shall, without any further application, act, instrument, or deed, be deemed to have been automatically cancelled pursuant to the reduction of share capital contemplated in Clause 11.2.1 above and requisite equity share certificates will be issued by HT Music.
- 11.2.4. The share certificates of HT Music in relation to, the Non Cumulative Redeemable Preference Shares held by its preference shareholders shall, without any further application, act, instrument, or deed, be deemed to have been automatically cancelled pursuant to the reduction of share capital contemplated in Clause 11.2.2 above.
- 11.2.5. The reduction of share capital as aforesaid of HT Music shall be effected in terms of this Scheme and shall be sufficient compliance in terms of Sections 100 to 104 of the Act and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.
- 11.2.6. Consequent upon such reduction the issued, subscribed and paid-up share capital of HT Music will be revised as under:

<b>Particulars</b>	<b>Rupees</b>
<b>Issued, subscribed and paid-up capital</b>	
1,00,00,000 Equity Shares of Re. 1 each fully paid-up	1,00,00,000
<b>Total</b>	<b>1,00,00,000</b>

## **12. ACCOUNTING TREATMENT AND UTILISATION OF SECURITIES PREMIUM ACCOUNT OF HT MEDIA**

With effect from the Appointed Date 2:

### **12.1. Accounting treatment – In the books of HT Music**

- 12.1.1. The accounts representing the assets and liabilities of the Radio Business shall stand closed on transfer to the Resulting Company.

- 12.1.2. The difference between the amount of assets and liabilities so transferred shall be adjusted against the balance of Profit and Loss Account in the balance sheet of HT Music.
- 12.1.3. The credit arising on account of the reduction of share capital in terms of Clauses 11.2.1 and 11.2.2 shall be adjusted against the balance of Profit and Loss Account in the balance sheet of HT Music.

## **12.2. Accounting Treatment - In the books of HT Media**

- 12.2.1. The Resulting Company shall record the assets and liabilities of the Radio Business vested in it in accordance with Clause 5 of the Scheme, at their respective values (ignoring revaluation), as appearing in the books of account of the Demerged Company at the close of the business of the day immediately preceding the Appointed Date 2.
- 12.2.2. The Resulting Company shall credit the aggregate face value of the New Equity Shares of the Resulting Company issued by it to the shareholders of the Demerged Company pursuant to this Scheme to the Share Capital Account in its books of account.
- 12.2.3. The difference in the recorded value of assets in the books of account of the Resulting Company over recorded value of liabilities in the books of account of the Resulting Company and the face value of the New Equity Shares allotted by the Resulting Company under Clause 10.1 shall be recorded by the Resulting Company as capital reserve, which may be treated as free reserves.
- 12.2.4. The loss on reduction of paid-up value of Equity and Preference Share Capital in HT Music held by HT Media as contemplated in Clauses 11.2.1 and 11.2.2 shall be adjusted against Securities Premium Account.
- 12.2.5. HT Music has paid license fee to Government of India for acquiring licenses to operate FM Radio channels, which shall be amortised on straight line basis by HT Media against its Securities Premium Account over the useful life of the said licenses or their unexpired period (whichever is lower).
- 12.2.6. The application and reduction of the Securities Premium Account in Clauses 12.2.4 and 12.2.5 above, shall be effected in terms of this Scheme and in accordance with the provisions of Sections 100 to 104 of the Act and as the same does not involve either diminution of liability in respect of unpaid share

capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

#### **PART D - OTHER TERMS AND CONDITIONS**

##### **13. DISPENSATION FROM ADDITION OF THE WORDS “AND REDUCED”**

**13.1.** The proposed reduction of share capital and securities premium as envisaged in this Scheme shall not affect or impair in any manner the rights and interests of any of the creditors (whether secured or unsecured) of HT Media and HT Music, since HT Media and HT Music shall, post such reduction, still continue to be in a position to honour the dues of their respective creditors. Therefore, HT Media and HT Music seek liberty of the High Court for dispensation of the words “and reduced” to be added as suffix to their names, as contemplated in Sections 102(2) and 102(3) of the Act.

##### **14. APPLICATION TO THE HIGH COURT**

**14.1.** HT Music and HT Media shall make applications / petitions under Sections 391 to 394 read with Sections 100 to 104 and other applicable provisions of the Act to the High Court for sanction of this Scheme.

**14.2.** Any dispute arising out of this Scheme shall be subject to the jurisdiction of the Court.

##### **15. MODIFICATION / AMENDMENT TO THE SCHEME**

**15.1.** HT Music (by its Board of Directors) and HT Media (by its Board of Directors) in their full and absolute discretion may assent to any modification(s) or amendment(s) in this Scheme which the High Court or such other appropriate authority and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme.

**15.2.** HT Music (by its Board of Directors) and HT Media (by its Board of Directors) are hereby authorised to give assent to any modification(s) or amendment(s) in the Scheme which may be considered necessary or desirable for any reason whatsoever and without prejudice to the generality of the foregoing, any modification to the Scheme involving withdrawal of any of the parties to the Scheme at any time and for any reason whatsoever, the implementation of the Scheme shall not get adversely affected as a result of acceptance of any such modification(s) or amendment(s) by the Board of



Directors of HT Music or HT Media, who are hereby authorised to take such steps and to do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubt, difficulties or questions howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

## **16. CONDITIONALITY AND EFFECTIVENESS OF THE SCHEME**

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

- 16.1.** The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective shareholders and/or creditors of HT Media and HT Music as may be directed by the High Court or any other competent authority, as may be applicable.
- 16.2.** The Scheme being sanctioned by the High Court under Sections 391 to 394 read with Sections 100 to 104 of the Act.
- 16.3.** The requisite, consent, approval or permission of the Central Government or any other statutory, ministry or regulatory authority, which by law may be necessary for the implementation of this Scheme or any part thereof.
- 16.4.** This Scheme shall not become effective until the last of the following dates, namely:
  - 16.4.1. That on which the last of the aforesaid consents, approvals, permissions, resolutions and orders as mentioned in Clauses 16.1 to 16.3 shall be obtained or passed; or
  - 16.4.2. That on which all necessary certified copies of order under Sections 102, 391 and 394 of the Act shall be duly filed with the Registrar of Companies, NCT of Delhi & Haryana.
  - 16.4.3. The last of such dates shall be the “Effective Date” for the purpose of this Scheme.

## **17. REVOCATION AND SEVERABILITY**

- 17.1.** In the event of any of the said sanctions and approvals referred to in Clause 16 not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the High Court or such other appropriate authority and/or order or orders not being passed as aforesaid before September 30, 2009 or such other date as may be mutually agreed upon by the respective Board of Directors of HT Music and HT Media who are hereby empowered and authorised to agree to and extend the aforesaid period from time to time without any limitations in exercise of their powers through and by

their respective delegate(s), this Scheme shall stand revoked, cancelled and be of no effect.

- 17.2.** In the event of revocation under Clause 17.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to HT Music and HT Media, their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, HT Media shall bear all costs.
- 17.3.** If any part of this Scheme hereof is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.
- 17.4.** The Board of Directors of HT Music and HT Media shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on HT Music and/or HT Media.
- 17.5.** HT Music and HT Media shall be at liberty to withdraw from this Scheme, in case any condition or alteration imposed by the High Court or any other authority is not on terms acceptable to them.

## **18. COSTS, CHARGES & EXPENSES**

- 18.1.** All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of HT Media and HT Music arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by HT Media.

**SCHEDULE**

**PART – I**

[Short description of the freehold property of HT Music and Entertainment Company Limited, Transferor Company]

NIL

**PART – II**

[Short description of the Leasehold property of HT Music and Entertainment Company Limited, Transferor Company]

**A. Tower Lease Agreement**

Sl. No.	Description of Agreement	Name of Lessor/Licensor	Address
1.	License Agreement Dated – 24.01.2008	Kalpatru Heights Cooperative Housing Society Limited	Dr. Anandrao Road, Bombay Central Mumbai – 400 007
2.	Lease Agreement Dated – 30.06.2007	Bengal Silver Spring Projects Limited	Municipal Premises No. 5 JBS Halden Avenue Kolkata – 700 105

**B. Residential Lease Agreement**

Sl. No.	Description of Agreement	Name of Lessor/Licensor	Address
1.	Lease Deed Dated – 06.12.2007	Ms. Veena Vohra	B-45, 1 <sup>st</sup> Floor, Panchsheel Enclave, New Delhi
2.	Lease Deed Dated – 24.10.2008	1. Mr. Purushotham 2. Ms. E Shivakumari	Villa # 134/1, Adarsh Vista, Vignam Nagar, Bangalore – 37

**C. Office Lease Agreement**

<b>Sl. No.</b>	<b>Description of Agreement</b>	<b>Name of Lessor/Licensor</b>	<b>Address</b>
1.	Leave and License Agreement Dated – 26.06.2006	1. Mr. Rakesh Atmaram Arora	Unit No. 209, Dynasty Business Park, Wing A 2 <sup>nd</sup> Floor, Andheri Kurla Road, Andheri (East) Mumbai - 400059
2.	Leave and License Agreement Dated – 26.06.2006	1. Jugal K tendon 2. Ms. Manju Tandon	Unit No. 207, Dynasty Business Park, Wing A 2 <sup>nd</sup> Floor, Andheri Kurla Road, Andheri (East) Mumbai - 400059
3.	Leave and License Agreement Dated – 26.06.2006	1. Jayant Mehrotra 2. Ms. Monita J. Mehrotra	Unit No. 208, Dynasty Business Park, Wing A 2 <sup>nd</sup> Floor, Andheri Kurla Road, Andheri (East) Mumbai - 400059
4.	Leave and License Agreement Dated – 26.06.2006	1. Mr. Naresh G Punjabi 2. Ms. Savita G Punjabi	Unit No. 210, Dynasty Business Park, Wing A 2 <sup>nd</sup> Floor, Andheri Kurla Road, Andheri (East) Mumbai - 400059
5.	Leave and License Agreement Dated – 26.06.2006	1. Mr. Kamal Jajoo	Unit No. 212, Dynasty Business Park, Wing A 2 <sup>nd</sup> Floor, Andheri Kurla Road, Andheri (East) Mumbai - 400059
6.	Leave and License Agreement Dated – 26.06.2006	1. Mr. Sudeep Shome 2. Mrs. Adity Shome	Unit No. 213, Dynasty Business Park, Wing A 2 <sup>nd</sup> Floor, Andheri Kurla Road, Andheri (East) Mumbai - 400059
7.	Leave and License Agreement Dated – 26.06.2006	Mr. Haroor Gaffar Agwan	Unit No. 206, Dynasty Business Park, Wing A 2 <sup>nd</sup> Floor, Andheri Kurla Road, Andheri (East) Mumbai - 400059
8.	Leave Agreement Dated – 17.07.2006	M/s Value Designbuild Private Limited	Touchdown No. 1 & 2, HAL Industrial Area, Vibhudipura Bangalore - 560037
9.	Rental Agreement Dated – 15.07.2008	M/s Somlatha Suresh	Sarover, 12 <sup>th</sup> Cross, Ramesh Nagar, Marathahali post Bangalore - 560037
10.	License Agreement Dated – 04.12.2006	The Hindustan Times Limited	HT House, 17 <sup>th</sup> Floor, 18-20, K.G.Marg, New Delhi - 110001
11.	Rent Agreement Dated – 02.05.2008	Muhammad Raza Education Charitable Trust (Regd.)	¼ & 9/5, Janpath Lane, Connought place, New Delhi - 110001
12.	License Agreement Dated – 01.12.2006	HT Media Limited	B-2, Sector 62, Noida - UP
13.	Lease Deed Dated – 27.08.2007	DLF Info City Developers (Kolkata) limited	DLF IT Park, Block I, 12 <sup>th</sup> Floor, New Town, Rajarhat, Kolkatta - 700156

**PART – III**

**Short description of all Stocks, Shares, Debentures, properties, Liabilities and Charges  
in action of HT Music and Entertainment Company Limited, Transferor Company**

	<b>Amount (Rs.)</b>	<b>Total (Rs.)</b>
<b>Fixed Assets</b>		
Computer	39,667,377	
Furniture	9,077,524	
Leasehold Improvement	85,849,922	
Office Equipment	33,090,926	
Studio Equipment	179,560,314	
Intangible Assets	772,995,614	
Capital Work in progress	41,208,219	
Less: Accumulated depreciation	(227,623,711)	<b>933,826,185</b>
<b>Current Assets</b>		
Trade Debtors	137,991,409	
Bank	2,492,996	
Cash	4,446	
Fixed Deposits	18,480,013	<b>158,968,864</b>
<b>Others</b>		
Advance to Employee	966,497	
Advance to Others	11,302,386	
Deferred Tax Assets	194,887,442	
Interest Accrued but not due	4,934,621	
Miscellaneous Expenditure	467,759	
Security Deposit	35,004,469	
Service Tax Utilisation	33,617,622	
TDS Deduction by Clients	11,229,834	<b>292,410,631</b>
<b>Total Assets</b>		<b>1,385,205,680</b>
<b>Current Liabilities</b>		
Income received in Advance	415,902	
Other creditors	185,388,585	
Provision for Doubtful debts	4,520,218	
Due to Holding company	95,984,575	
Advance from Customers	1,554,208	
Provisions for expenses	6,997,558	<b>294,861,047</b>
<b>Tax Liability</b>		
Service Tax Payable	13,998,077	
TDS Payable	8,188,479	
Professional Tax	34,830	

PF	1,083,735	23,305,121
<b>Secured Loans</b>		
Secured loan – Kotak	66,641,577	
Inter Corporate Deposit	250,000,000	316,641,577
<b>Total Liabilities</b>		<b>634,807,744</b>

**DATED THIS THE 19<sup>TH</sup> MARCH, 2009**  
**(BY ORDER OF THE COURT)**

**IN THE HIGH COURT OF DELHI AT NEW DELHI**

(ORIGINAL JURISDICTION)

IN THE MATTER OF THE COMPANIES ACT, 1956

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT & RESTRUCTURING

OF

COMPANY PETITION NO. 364/2012

CONNECTED WITH

COMPANY APPLICATION (M) NO. 104/2012

AND

IN THE MATTER OF

**M/s Firefly e- Ventures Limited**

Hindustan Times House,

18-20, Kasturba Gandhi Marg,

New Delhi – 110 001

... Transferor/ Demerged Company

**M/s HT Media Limited**

Hindustan Times House,

18-20, Kasturba Gandhi Marg,

New Delhi – 110 001

...Resulting/ Transferee Company

**BEFORE HON'BLE DR. JUSTICE S. MURALIDHAR**

**DATED THIS THE 18<sup>TH</sup> DAY OF APRIL, 2013**

**ORDER UNDER SECTION 394 OF THE COMPANIES ACT, 1956**

**READ WITH SECTIONS 100-104 OF THE COMPANIES ACT, 1956**

The above petition came up for hearing on 18/04/2013 for sanction of Scheme of Arrangement & Restructuring proposed to be made of **M/s Firefly e- Ventures Limited**. (hereinafter referred to as the Transferor/Demerged



Company) and **M/s HT Media Limited**. (hereinafter referred to as Resulting Company). The Court examined the petitions; the order dated 30/05/2012, passed in CA (M) 104/2012 whereby the requirement of convening and holding the meetings of the Equity Shareholders of the Demerged Company was dispensed with; and the meeting of unsecured creditors of Demerged Company and the Equity Shareholders of Resulting Company and Secured & Unsecured Creditors of the Resulting Company was ordered to be convened for the purpose of considering and if thought fit approving with or without modification the proposed Scheme of Arrangement & Restructuring, annexed to the affidavit dated 22.05.2012 of Mr. Manoj Bhargava and Mr. Dinesh Mittal, Company Secretaries and the publication in the newspapers namely 'Hindustan Times' (English) & Hindustan (Hindi) dated 12.06.2012, 14.06.2012 and 19.06.2012 containing the notice of convening the meetings and publication in the newspapers namely 'Hindustan Times' (English) dated 09.11.2012 and 'Hindustan' (Hindi) dated 10.11.2012 containing the notice of Petition.

The Court also examined the affidavit dated 24/09/2012 of Sh. Rakesh Chandra, Regional Director, Northern Region, Ministry of Corporate Affairs, Noida on behalf of the Central Government. One observation therein was as to how in the context of paragraph 6.1 and 6.3 of the Scheme, a holding company can issue shares to its subsidiary in view of Section 42 of the Companies Act, 1956 ("Act"). In response to the observation the Petitioners amended clauses 6.1 and 6.3 of the Scheme which has been approved by the Court (along with Affidavits dated 07.03.2013 from Authorized Signatories of the Petitioner Companies). As such HT Digital Media Holdings Limited will not be issued any shares of HT Media Limited under the amended Scheme. In view of the amendment to the Scheme the observation of Regional Director regarding Section 42 of the Act. No longer survives.

Observations of the Regional Director in para 4 and 4.1 of his affidavit is that if the Court sanctions the proposed Scheme the conversion of such debentures into Equity Shares shall take effect and

increase the Paid-up Share Capital of the Petitioner No.1. However, this would be without complying with the provisions of Section 95 read with Section 97 of the Act and the Rules made thereunder. In other words the Paid-up Share Capital of the Company would increase automatically without corresponding increase in the authorised Share Capital of the Company.

The Petitioners submitted that Section 95 of the Act is not applicable in case of conversion of debentures into Equity Shares, as envisaged under Part B of the Scheme. As regards compliance with requirements under Section 97 of the Act, are concerned, the Petitioner No. 1 has submitted that the increase in its Share Capital from Rs. 60 Crore to Rs. 171.90 Crore is momentary. The net effect of the amended Scheme, after sanction by the Court, is that the Paid-up Share Capital shall be Rs 12.50 Crores with the authorized Share Capital of the Transferor Company be maintained at Rs. 60 Crores. It is pointed out that the authorized Share Capital of the Petitioner No.1 before the Scheme is Rs. 60 Crores and post sanction of the Scheme shall continue to remain Rs. 60 Crores. In other words there will be no increase in the authorised Share Capital. The Paid-up Share Capital of the Petitioner No.1 before the Scheme is Rs. 55 Crores and post-sanction of the Scheme will stand reduced to Rs. 12.50 Crores. Therefore, prior to and after sanction of Scheme the Paid-up Share Capital of Petitioner No. 1 would be within the existing authorized Share Capital. Counsel for the Petitioners accordingly submitted that the procedure prescribed in Section 95 and 97 of the Act in relation to the momentary increase in the Share Capital under the Scheme could be dispensed with by the Court. Considering that the increase in the Paid-up Share Capital is momentary and the actual Shareholding post sanction is less than the Authorized Capital, the requirement of compliance with Section 95 and Section 97 of the Act is dispensed with.

Upon hearing Mr. Abhinav Vashisht, Senior Advocate, Ms. Mohna M. Lal and Mr. Anuj Malhotra, Advocates for the Petitioner and Mr. K.S. Pradhan, Deputy Registrar on behalf of Regional Director (NR) and Registrar of Companies and in view of the approval of the Scheme of Arrangement & Restructuring without any modification; by the Shareholders and Creditors of the Petitioner Companies; and there being no investigation proceedings

pending in relation to the petitioner Companies under Section 235 to 251 of the Companies Act, 1956 and/or the Competition Act, 2002 are pending against the Petitioner companies.

THIS COURT DOTH HEREBY SANCTION THE SCHEME OF ARRANGEMENT & RESTRUCTURING set forth in Schedule –I annexed hereto and Doth hereby declare the same to be binding on all the Shareholders & Creditors of the Transferor/Demerged Company and Resulting Company and all concerned and doth approve the said Scheme of Arrangement & Restructuring with effect from the appointed date i.e. 01.04.2012 in terms of Sections 391 to 394 read with Sections 100 to 104 of the Act and in terms of the amended Scheme, the job portal undertaking of Transferor company stands transferred to and vest in the Transferee company without any further act or deed. Upon the Amended Scheme coming into effect, the job portal undertaking of Firefly e-Ventures Limited / Transferor Company shall be de-merged transferred and vest into HT Media Limited / Transferee company as a going concern basis, with effect from the appointed date including consequential or related matters. The reorganization of the capital of Transferor company, as provided in Clause 7 of the amended Scheme, shall be effected as an integral part of the Scheme itself and shall constitute sufficient compliance with Sections 100 to 104 of the Act without having to follow process under Section 78 read with Section 100 to 103 of the Act, separately. However, the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 and other applicable provisions of the Act. The reduction of paid up share capital of Transferor company (Firefly e-Ventures Limited) is approved and confirmed.

AND THIS COURT DOTH FURTHER ORDER:

1. The Form of Minute to be registered under Section 103 (1) (b) of the Act, is hereby approved as under:  
“The capital of Firefly e-Ventures Limited is henceforth Rs.12,50,00,000/- divided into 1,25,00,000 equity shares of Rs.10/- each, reduced from Rs.1,71,90,00,000/- divided into 17,19,00,000

- equity shares of Rs.10/- each. At the date of registration of this minute 1,25,00,000 equity shares, have been issued and are deemed to be fully paid (and the remaining 475,00,000 equity shares are unissued)”
2. The Notice of Registration of Order and Minute shall be published in Hindustan Times (English) and Hindustan (Hindi) within 14 days of the registration aforesaid.
  3. The requirement of the Transferor company having to add the word “And reduced” as part of its corporate name, is dispensed with.
  4. That all the property, rights and powers of the Job Portal Undertaking of Firefly e-Ventures Limited / Transferor Company specified in the First, Second and Third parts of the Schedule –II hereto and all other property, rights and powers of the Job Portal Undertaking of Demerged Company be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and vest in the Resulting Company for all the estate and interest of the Job Portal Undertaking of Demerged Company therein; and
  5. That all the liabilities and duties of the job portal undertaking of Firefly e-Ventures Limited / Transferor Company be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section 394(2) of the Companies Act, 1956 be transferred to and become the liabilities and duties of the Resulting Company; and
  6. That all the proceedings now pending by or against the job portal undertaking of Firefly e-Ventures Limited / Transferor Company be continued by or against the Resulting Company; and
  7. That the Resulting Company do without further application allot to such members of the Demerged Company as have not given such

notice of dissent as is required by Clause -6 of the amended Scheme of Arrangement & Restructuring herein the shares in the Resulting Company to which they are entitled under the said Arrangement & Restructuring; and

8. That the Transferor Company do within four weeks after the date of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration.



**SCHEME OF ARRANGEMENT AND RESTRUCTURING**

**BETWEEN**

**FIREFLY e-VENTURES LIMITED**

**AND**

**HT MEDIA LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**UNDER SECTIONS 391 TO 394 READ WITH**

**SECTIONS 100 TO 104 OF THE COMPANIES ACT, 1956**

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**PREAMBLE**

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

**I. DESCRIPTION OF COMPANIES**

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

FEVL is engaged, inter-alia, in the internet business; and currently operates three web-based businesses namely, online recruitment business primarily carried on through the website, ‘Shine.com’ (job portal), movie

reviews and ratings business, primarily carried on through the website, DesiMartini.com (movie review and rating site) and online education information business, primarily carried on through the website, 'HT Campus.com' (education information site); and also holds job fair(s) and pursues other related activities from time to time.

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

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



information, data, statistics, computer based information systems and library and information sciences, both in the form and nature in which the same may be so gathered, accumulated, organized, tabulated, obtained, imported, acquired, collected or purchased and also in all types of modified forms, formats, manner and nature.

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

- a. **Job Portal** – ‘Shine.com’ is a career site, which partners candidates not only through their recruitment process, but through their career lifecycle. It affords a unique opportunity to the candidates to seek guidance on how to further their ambitions - in the form of interviewing advisory, career counselling or entrepreneurship ideas. It has several unique features including best-in-class job-matching technology, skill-based short listing, instant opportunity alerts, etc. In addition to the above, Job-fair(s) are organized under the ‘Shine’ brand from time to time, to support recruiters in finding prospective employees.
  - b. **Movie review and rating site** – ‘DesiMartini.com’ is a movie review and rating site . where latest movie content including storylines, star cast, trailers, photos, videos, songs, etc and built conversations around movies through user generated reviews & ratings, audience polls, opinion meters, discussions are available
  - c. **Education information site** – ‘htcampus.com’ provides information to students on various education opportunities and educational institutions. It also supports the students in their decision making process to select career/education institute, of their choice. The site is an advertising medium and also generates leads for educational institutions
- B. HT Media Limited (“HTML” or the “Resulting Company”) is a public limited company, having its registered office at Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110 001. HTML is one of the largest print media companies in India and its flagship newspaper

'Hindustan Times', is a well-recognized media brand. HTML's other businesses include printing and publication of a business daily "Mint", FM Radio transmission under "Fever 104" brand and running news portal "hindustantimes.com" and "livemint.com". The equity shares of HT Media are listed on Bombay Stock Exchange Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

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

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

promoters, sponsors, copyright owners, audio and video right owners, media partners and media advisors of all kinds of live and recorded sports, entertainment events, news and current affairs events, summits, pageants, concerts, shows, exhibitions, premiers in all languages in India or elsewhere.

- vi. To carry on business as advertising agent, to purchase and sell advertising time or space on any media like, newspaper, magazines, pamphlets, publications, televisions, radio, mobile, internet, satellite in India or abroad or any other kind of media currently in vogue or which may be in vogue at any time and to act as agent or representative for any person(s), or entities for soliciting/booking advertisements and/or any other promotional, commercial and other programs on any form of media or medium including collection of charges and remittances thereof, to principals and any other activities related to or necessary in the context of the said business.

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

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

- i. The business of Job Portal Undertaking which, *inter-alia*, includes on-line job portal activity (Shine.com) and on-ground job fair activity (holding job fairs) under brand name Shine.com and other related business(s), has incurred substantial losses since inception on account of brand building, employee and other operational costs, capital expenditure, etc., all of which have resulted in substantial erosion of the share capital/net worth of FEVL.

- ii. It is proposed to demerge the Job Portal Undertaking of FEVL and transfer and vest the same into HTML as a going concern, in view of the following likely benefits/advantages:
- a. The job related supplement of HTML's flagship publication viz. Hindustan Times namely, 'HT Power Jobs', was renamed as "Shine" to leverage on the brand name. It has been well accepted by the readers. The proposed demerger will, on one hand offer the advertisers, attractively bundled advertising options in the print, Job Portal and FM Radio mediums, and on the other hand enable HTML to garner a larger share of advertising spend and offer operational synergies.
  - b. The on-ground job fair activity (holding job fairs) under brand name Shine.com is likely to deliver better results with the support of media and event properties of HTML, and FM radio medium in particular, which has a wide reach amongst the target audience of such fairs.
  - c. The target audience for both job portal 'Shine' and FM Radio being common i.e. the young city population, they can leverage on each other's strengths and clientele.
  - d. Job Portal Undertaking of FEVL is still in the consolidation and expansion mode and hence is likely to continue incurring losses in near term. This may result in further erosion of share capital/net worth of FEVL.
  - e. The Job Portal Undertaking has been in need of funds and in the near future, is likely to be in continuous need of funds to fund its losses/expenses. HTML has an ongoing cash generation capacity, as it is already rendering financial support from time to time, whenever required, to the Job Portal Undertaking.
  - f. The business of operating movie review and education websites have potential of generating profits. Currently, they are at

a stage where they require focused management attention. Moreover, the nature of risk and return involved in these businesses are distinct from that of Job Portal Undertaking.

- g. Attracting and retaining employees of the Job Portal Undertaking would be easy in HTML, being a profitable entity, as compared to FEVL, which has been incurring losses since inception.
- h. HTML is already running two news portals namely, "hindustantimes.com" and "livemint.com" and other business related websites. Therefore, HTML may leverage its experience of running internet portal operations alongwith technical and sales manpower to increase the business prospects of job portal "Shine.com".

### **III. PARTS OF THE SCHEME**

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

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

#### **PART A - DEFINITIONS AND SHARE CAPITAL**

##### **1. Definitions**

In this Scheme (as defined in clause 1.12 hereinafter), unless inconsistent with the subject or context, the following expressions shall have the meaning as mentioned herein below:

- 1.1 **“Act”** means the Companies Act, 1956 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force .
- 1.2 **“Appointed Date”** means the opening of business on 1<sup>st</sup> day of April 2012.
- 1.3 **“Board”** or **“Board of Directors”** in relation to FEVL or HTML shall, as the case may be mean the Board of Directors of the relevant company and shall include a committee of the Directors or any person authorized by the Board of Directors or a committee thereof.
- 1.4 **“Court”** or **“High Court”** means the Hon’ble High Court of Judicature at Delhi to which this Scheme of Arrangement and Restructuring in its present form is submitted for sanction under Sections 391 to 394 read with Section 100 to 104 of the Act, and shall include National Company Law Tribunal as and when applicable.
- 1.5 **“Effective Date”** means the date on which this Scheme becomes operative being the date on which certified copy of the Order of the Hon’ble Court sanctioning the Scheme, is filed with the Registrar of Companies, NCT of Delhi and Haryana. Any references in the Scheme to “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the Effective Date.
- 1.6 **“FEVL”** or the **“Demerged Company”** shall have the meaning given to it in Preamble I A.
- 1.7 **“FEVL Residual Entity”** means all the businesses of FEVL, and shall include but not be limited to all the properties, assets and



liabilities; and all brands, trademarks and/or other intellectual property rights licensed to or being utilized by FEVL and relating to such businesses, other than those relating to the Job Portal Undertaking as defined in Clause 1.9.

1.8. **"HTML"** or the **"Resulting Company"** shall have the meaning given to it in Preamble I B.

1.9 **"Job Portal Undertaking"** means the undertaking of FEVL established for the Job Portal related business under the brand name of "Shine.com" and includes:

1.9.1 All assets and liabilities of FEVL pertaining to the Job Portal related business.

1.9.2 Notwithstanding the generality of the provisions of sub-Clause 1.9.1 above, the Job Portal Undertaking includes the undertaking comprising of –

1.9.2.1 All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future, contingent, tangible or intangible) pertaining to the Job Portal related business of the Demerged Company (as defined in clause 1.2) wherever situated including but without being limited to plant and machinery, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, vehicles, all stocks, sundry debtors, deposits, provisions, advances, receivables, funds, cash balances with banks (if any), leases, licences, tenancy rights, premises, hire purchase and lease arrangements, all records, files, papers, computer programmes, softwares, manuals, data, customer lists and any other records (in physical or electronic form), utilities, power lines, electricity and other services, funds, provisions, subsidies, grants, exemptions, concessions, tax deferrals, benefits of agreements, contracts and arrangements, powers,



authorities, industrial and other licences, registrations, quotas, websites, domain names, permits, allotments, approvals, consents, privileges, liberties, advantages, easements, bids, tenders, letters of intent, expressions of interest, award of contracts, orders, municipal and other statutory permissions, approvals, consents, licenses, and other agencies, registrations, subsidies, concessions, exemptions, remissions, presentations, content, tax deferrals, tax deducted at source, accumulated and unabsorbed tax losses, unutilized CENVAT credit of service tax, allowance for unabsorbed tax depreciation, and all the right, title, interests, goodwill, benefits, entitlement and advantages, patents, trade marks, domain names, copyrights, trade names, brand names including "Shine.com", intellectual property rights of any nature whatsoever and licenses in respect thereof, software licenses in respect thereof, contingent rights or benefits belonging to or in the ownership, power, possession or the control of or vested in or granted in favour of or held for the benefit of or enjoyed by the Demerged Company with respect to the Job Portal related business. It shall also include all records, files, papers, computer programs, software, manuals, data, catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical or electronic form, in connection with or relating to the Job Portal Undertaking or the Job Portal related business, wherever located.

Without prejudice to the generality of the foregoing, it is clarified that all consents, permissions, licenses, certificates, authorities relating to the Job Portal Undertaking shall stand transferred to the Resulting Company as (as defined in Clause 1.8) if the same were originally given by, issued to or executed in favour of the Resulting Company, and the

rights, benefits and obligations under the same shall be available to and vest in the Resulting Company with effect from the Appointed Date, upon the Scheme being approved by the Hon'ble Court.

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

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

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

the assets of the Demerged Company immediately before giving effect to this Scheme.

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

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

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

1.10 **“Job Portal Related Business”** includes on-line job portal activity (Shine.com) and on-ground Job fair activity (holding job fairs) under the brand name Shine.com and other Job Portal related businesses not forming part of the business of the FEVL Residual Entity.

1.11 **“Record Date”** means the date to be fixed by the Board of Directors of HTML and FEVL respectively, for the purposes of issue of shares of HTML to the shareholders of FEVL on demerger of the Job Portal Undertaking and transfer and vesting thereof into HTML.

1.12 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement and Restructuring under Section 391 to 394 read with Sections 100 to 104 of the Act made in accordance with the provisions of the Act and in accordance with Section 2(19AA) of the

Income tax Act, 1961, in its present form together with all the schedules and annexures, which shall form part of this Scheme of Arrangement and Restructuring and as submitted to the High Court or with any modification(s) made under Clause 17 of this Scheme or with such other modifications/amendments as the Hon'ble High Court may direct.

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

## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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

## 3. SHARE CAPITAL

3.1 The Authorized, Issued, Subscribed and Paid-up share capital of FEVL as per its last audited Balance Sheet dated as on March 31, 2011 is as under:

Particulars	(Rupees)
<b>Authorized Capital</b>	
1,00,00,000 Equity Shares of Rs. 10 each	60,00,00,000
<b>Issued, Subscribed and Paid-up Capital</b>	
50,00,000 Equity Shares of Rs. 10 each fully paid up	55,00,00,000

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

3.2 The Authorized, Issued, Subscribed and Paid-up share capital of HTML as per its last audited Balance Sheet as on March 31, 2011 is as under:

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

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

**PART B – CONVERSION OF ZERO COUPON COMPULSORILY  
CONVERTIBLE DEBENTURES ISSUED BY FEVL TO HTDML INTO  
EQUITY SHARES**

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

FEVL has issued Zero Coupon Compulsorily Convertible Debentures to HTDML. Zero Coupon Compulsorily Convertible Debentures issued by FEVL as per its last audited Balance Sheet as on March 31, 2011 is as under:

<b>Particulars</b>	<b>(Rupees)</b>
74,00,000 Zero Coupon Compulsorily Convertible Debentures of Rs. 100 each fully paid up	74,00,00,000

Subsequent to the aforesaid Balance Sheet date, additional Zero Coupon Compulsorily Convertible Debentures of Rs. 42,90,00,000 (Rupees Forty Two Crore Ninty Lacs Only) were issued to HTDML

by FEVL. Consequently, Zero Coupon Compulsorily Convertible Debentures of FEVL as on 29<sup>th</sup> February 2012 is as under:

Particulars	(Rupees)
1,16,90,000 Zero Coupon Compulsorily Convertible Debentures of Rs. 100 each fully paid up	1,16,90,00,000

Upon the Scheme becoming effective, the existing Zero Coupon Compulsorily Convertible Debentures issued by FEVL to HTDML aggregating to Rs 1,16,90,00,000 (One Hundred Sixteen Crore Ninty Lacs Only ) shall be converted into 11,69,00,000 Equity Shares of Rs. 10 each fully paid up of FEVL and the authorized share capital of FEVL in Clause V of FEVL's Memorandum of Association shall consequently and automatically stand increased / altered / revised from Rs.60,00,00,000 divided into 6,00,00,000 Equity Shares of Rs. 10/- each to Rs 1,71,90,00,000 divided into 17,19,00,000 Equity Shares of Rs. 10/- each, without any further resolution, act, deed or thing and shall be deemed to be sufficient compliance with Section 94 and other relevant provisions of the Act and rules made thereunder in the said behalf. Such conversion of the existing Zero Coupon Compulsorily Convertible Debentures issued by FEVL to HTDML. In terms of this Scheme, shall override original terms of their issue, including conversion thereof into Equity Shares.

4.1 The consent of the members of the Company to this scheme, when taken under the provisions of the Section 391 of the Act shall be deemed to be the consent required for further issue of shares under Section 81 (1A) of the Act and no further resolutions need to be passed separately under the said Section 81 (1A) of the Act in this regard.

4.2 Such equity shares to be issued and allotted by FEVL shall rank *pari passu* in all respects with the existing shares of FEVL.



- 4.3 Consequent upon such conversion of the Zero Coupon Compulsorily Convertible Debentures issued by FEVL to HTDML, the issued, subscribed and paid-up share capital of FEVL will stand revised momentarily as under:

Particulars	(Rupees)
<b>Authorized Capital</b>	
17,19,00,000 Equity Shares of Rs. 10 each	1,71,90,00,000
<b>Issued Subscribed and Paid-up Capital</b>	
17,19,00,000 Equity Shares of Rs. 10 each fully paid up	1,71,90,00,000

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

**5. TRANSFER AND VESTING OF JOB PORTAL UNDERTAKING**

5.1 With effect from the Appointed Date, and upon the Scheme becoming effective, the Job Portal Undertaking as defined in Clause 1.9 of Part A hereof, shall pursuant to the provisions of Sections 391 to 394 and all other applicable provisions of the Act and other applicable laws, without any further act or deed, stand transferred to and be vested, as a going concern, to HTML, at their book values in accordance with Section 2(19AA) of the Income Tax Act, 1961, and the Job Portal Undertaking shall consequently vest in HTML with effect from the said date for all the estate and interest of FEVL therein, subject, however, to all charges, liens, lispendens, mortgages and encumbrances, if any, affecting the same or any part thereof and arising out of the liabilities which shall also stand transferred to HTML.

5.2 The transfer and vesting shall be effected as follows: -

- a) Without prejudice to sub-clause 5.1 above, in respect of such of the assets of the Job Portal Undertaking as are movable in nature or are otherwise capable of transfer by manual delivery or by



endorsement and/or delivery, the same may be transferred at the option of the Board of Directors of FEVL and HTML as follows:

- i. All the moveable assets capable of being transferred by physical delivery of position including plant and machinery, investments, cash on hand, shall be physically handed over by physical delivery (together with duly executed transfer forms or other documents as may be required) to HTML along with such other documents as may be necessary to the end and intent that the property therein passes to HTML on such delivery without requiring any deed or instrument of conveyance for the same and shall become the property of HTML accordingly;
- ii. In respect of movable assets, other than those specified in sub-clause 5.2.(a)(i) above, including sundry debtors, outstanding loans, recoverable in cash or in kind or value to be received, bank balances and deposits the following methodology shall be followed:
  - (a) HTML shall give notice in such form as it may deem fit and proper to each party, debtors or depositee as the case may be, that pursuant to this Scheme, the said debt, loan, advances, etc. be paid or made good or held on account of HTML as the persons entitled thereto. HTML may, if required, give notice in such form as it may deem fit and proper to each person, debtor or depositee that pursuant to this Scheme the said person, debtor or depositee should pay the debt, loan or advance or make good the same or hold the same to its account and that the right of HTML to recover or realise the same is in substitution of the right of FEVL. Such notice may also be given by way of

publication of public notice in two national daily newspapers, at the option of the HTML.

- (b) All taxes paid or payable by FEVL as is directly relatable to the Job Portal Undertaking for the period from Appointed Date onwards shall be on account of HTML so far it relates to the tax payment (whether by way of deduction at source, advance tax or otherwise howsoever) relating to the Job Portal Undertaking. Further, any refund of any such tax in relation to the Job Portal Undertaking, received by FEVL shall be held in trust by FEVL for and on behalf of HTML and FEVL shall transfer the same to HTML on its receipt.
- b) In respect of any remaining assets of the Job Portal Undertaking, other than those referred to in sub-clause (a) above, the same shall, without any further act, instrument or deed, be transferred and vested in and/or be deemed to be transferred to and vested in HTML pursuant to an order being made therefor under Section 394 of the Act.

5.3 With effect from the Appointed Date and upon the Scheme becoming effective, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of FEVL relatable to the Job Portal Undertaking, whether provided for or not in the books of accounts of FEVL as on the date preceding the Appointed Date, and all liabilities of FEVL relating to the Job Portal Undertaking which may arise or accrue after the Appointed Date but which relates to the period up to the date immediately preceding the Appointed Date shall, under the provisions of Sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to HTML so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of HTML and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have

arisen in order to give effect to the provisions of this sub-clause. With effect from the Appointed Date and upon the Scheme becoming effective, HTML undertakes to meet, discharge and satisfy the liabilities referred to in this Clause 5.3 to the exclusion of FEVL and to keep FEVL indemnified at all times from and against all such debts, liabilities, duties and obligations and from and against all actions, demands and proceedings in respect thereto.

- 5.4 Any reference in any security documents or arrangements relating to loans and liabilities of FEVL in connection with the Job Portal Undertaking, to the assets of FEVL which it has offered or agreed to be offered as security to such secured creditors of FEVL in connection with the Job Portal Undertaking, shall be construed as reference only to the assets pertaining to the Job Portal Undertaking as are vested in HTML by virtue of this Scheme.

Provided that the Scheme shall not operate to enlarge or extend the security for any loan, deposit or facility availed by FEVL in connection with the Job Portal Undertaking, and HTML shall not be obliged to create any further or additional security therefor after the Effective Date or otherwise unless specifically agreed to by HTML with such secured creditors and subject to the consents and approvals of the existing secured creditors of HTML. Further, the Scheme shall not operate to enlarge or extend the security for any loan, deposit or facility availed by HTML, in as much as the security shall not extend to the assets transferred by FEVL to HTML in terms of Clause 5.2 above.

- 5.5 With effect from the Appointed Date and upon the Scheme becoming effective, all permits, quotas, rights, entitlements, licences including those relating to tenancies, privileges, powers, facilities of every kind and description of whatsoever nature in relation to the Job Portal Undertaking to the benefit of which the Job Portal Undertaking may be eligible, shall be and remain in full force and effect in favour of, or

against, HTML as the case may be, and may be enforced fully and effectually as if, instead of FEVL, HTML had been a beneficiary or obligee thereto.

5.6 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licences, permissions or approvals or consents held by FEVL required to carry on operations in the Job Portal Undertaking shall stand vested in or transferred to HTML without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of HTML. The benefit of all statutory and regulatory permissions and consents including but not limited to the statutory licences, sales and service tax registrations, permissions or approvals or consents required to carry on the operations of the Job Portal Undertaking shall vest in and become available to HTML pursuant to the Scheme. Any no-objection certificates, licences, permissions, consents, approvals, authorizations, registrations or statutory rights as are jointly held by the Job Portal Undertaking and any other undertaking of FEVL shall be deemed to constitute separate licences, permissions, no-objection certificates, consents, approvals, authorities, registrations or statutory rights, and the relevant or concerned statutory authorities and licensors shall endorse and/or mutate or record the separation, upon the filing of the Scheme as sanctioned with such authorities and licensors after the same becomes effective, so as to facilitate the continuation of operations of the Job Portal Undertaking in HTML without any hindrance from the Appointed Date.

5.7 With effect from the Appointed Date and upon the Scheme becoming effective, patents, trade marks, domain names, copyrights, trade name, brand names including "Shine.com", software licenses and other intellectual property rights of any nature whatsoever and licenses in respect thereof in relation to the Job Portal Undertaking shall be and remain in full force and effect in favour of HTML and may be enforced fully and effectually as if, instead of FEVL, HTML had been

a beneficiary or owner of such intellectual property rights and the relevant or concerned statutory authorities shall endorse and/or mutate or record the ownership of HTML, upon the filing of the Scheme as sanctioned alongwith requisite application, or necessary documents with such authorities after the same becomes effective, so as to facilitate the continuation of operations of the Job Portal Undertaking in HTML without any hindrance from the Appointed Date.

5.8 FEVL may be entitled to various benefits under incentive schemes and policies in relation to the Job Portal Undertaking, and pursuant to this Scheme it is declared that the benefits under all of such schemes and policies shall be transferred to and vest in HTML and all benefits, entitlements and incentives of any nature whatsoever including exemptions, unutilised CENVAT credit, tax allowances and benefits, sales tax concessions and incentives in relation to the Job Portal Undertaking to the extent statutorily available shall be claimed by HTML, and these shall relate back to the Appointed Date as if HTML was originally entitled to all benefits under such incentive scheme and/or policies, subject to continued compliance by HTML of all the terms and conditions subject to which the benefits under the incentive schemes were made available to FEVL.

5.9 Upon the coming into effect of this Scheme and subject to the provisions of the Income-tax Act, 1961, the accumulated and unabsorbed tax losses and the allowance for unabsorbed depreciation of the Job Portal Undertaking upto the Appointed Date shall be transferred to the Resulting Company.

5.9.1 The whole of such accumulated and unabsorbed tax losses and allowance for unabsorbed depreciation upto the Appointed Date, as is directly relatable to the Job Portal Undertaking;

5.9.2 Where the accumulated loss and allowance for unabsorbed depreciation upto the Appointed Date is not directly relatable to the Job Portal Undertaking, it shall be apportioned between



the Demerged Company and the Resulting Company in the same proportion in which the assets of the business have been retained by the Demerged Company and transferred to the Resulting Company under this Scheme and shall be deemed to be available for carry forward and set off in the hands of the Resulting Company in accordance with the provisions of Section 72A of the IT Act.

5.10 It is clarified that all the taxes and duties payable by the Demerged Company, relating to the Job Portal Undertaking, from the Appointed Date onwards including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes, be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of the Resulting Company. Accordingly, upon the Scheme becoming effective, the Demerged Company is expressly permitted to but not obligated to revise and the Resulting Company is expressly permitted and not obligated to file their respective income tax returns including tax deducted at source certificates, sales tax/value added tax returns, excise returns, service tax returns and other tax returns, and to claim refunds/credits, pursuant to the provisions of this Scheme. It is clarified that FEVL shall remain liable and responsible for taxes if any in respect of Job Portal Undertaking for the period prior to Appointed Date. Further HTML shall be entitled to refunds, if any, of tax credits or tax deducted at source on income pertaining to Job Portal Undertaking as on Appointed Date. After the Scheme coming into effect HTML shall be entitled to recover from FEVL on receipt by the latter, refunds of such tax credits or tax deducted at source on income pertaining to Job portal Undertaking.

5.11 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales tax remissions, holidays, incentives, concessions and other authorizations relating to the Job Portal Undertaking, shall stand transferred by the order of the Court to

HTML, HTML shall file the relevant intimations, if any, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning Court.

5.12 For the purpose of giving effect to the order passed by the Court under Section 391 and 394 in respect of this Scheme, HTML shall at any time pursuant to the orders on this Scheme be entitled to get the recordal of the change in the title to any immovable property and any appurtenant legal right(s) thereto upon the vesting of such assets of the Job Portal Undertaking in HTML. Upon the Scheme becoming effective and with effect from the Appointed Date, charges (if any) created by FEVL with respect to the assets of the Job Portal Undertaking or charges created in favour of FEVL in connection with the Job Portal Business shall constitute a creation/ modification of charge in the name of HTML in accordance with the provisions of Section 127 of the Act and satisfaction of charge in respect of FEVL in accordance with Section 138 of the Act, shall constitute satisfaction of charge vis-à-vis HTML if there are any existing charges attaching to the Job Portal Undertaking.

5.13 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the said provisions at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said section of the Income Tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with conditions contained in Section 2(19AA) of the Income Tax Act, 1961. Such modification will however not affect remaining parts of the Scheme.



## 6 ISSUE OF SHARES

6.1 Upon coming into effect of the Scheme, and in consideration for the transfer of and vesting of the assets and liabilities of the Job Portal Undertaking in HTML in terms of the Scheme, HTML shall, without any further act or deed, subject to clause 6.3 below, issue and allot to every equity shareholder of FEVL and whose names appear in the Register of Members of FEVL, on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the board of directors of FEVL in the following proportion viz.:

“ 1 (one) fully paid up equity share of Rs 2 each of HTML shall be issued and allotted for every 15 (fifteen) equity shares of Rs 10 each held in FEVL” (hereinafter referred to as “New Equity Shares”).

6.2 Any fraction arising pursuant to the Share Exchange Ratio for allotment of New Equity Shares to the Members of FEVL in terms of the provisions of clause 6.1 above, shall be rounded off to the next integer.

6.3 Consequent upon the Scheme becoming effective, HTDML will come to acquire shares of HTML as per clause 6.1 above. However, it will not receive shares in HTML in compliance with Section 42 of the Act.

6.4 HTML shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment by HTML of New Equity Shares to the members of FEVL under the Scheme.

6.5 The New Equity Shares to be issued to the members of FEVL under Clause 6.1 shall be subject to the Memorandum and Articles of Association of HTML and shall rank *pari passu* with the existing equity shares of HTML in all respects including dividend. The holders of the equity shares of HTML and FEVL shall, save as expressly

provided otherwise in this Scheme, continue to enjoy their existing rights under their respective Articles of Association including the right to receive dividends from the respective companies of which they are members for the financial year upto the Appointed Date

6.6 Upon this Scheme becoming effective, the Board of Directors of HTML and FEVL respectively shall determine the Record Date, which shall be later than the Effective Date, for issue and allotment of fully paid-up equity shares of HTML to the equity shareholders of FEVL. On determination of the Record Date, FEVL shall provide to HTML, the list of equity shareholders of FEVL as on the Record Date who are entitled to receive fully paid-up equity shares of HTML in terms of this Scheme in order to enable HTML to issue and allot such fully paid-up equity shares of HTML in terms of this Scheme.

6.7 The New Equity Shares of HTML will be issued in dematerialised form to the shareholders holding equity shares of FEVL, unless otherwise communicated in writing by the shareholders on or before such date as may be determined by the Board of Directors of HTML.

6.8 The issue and allotment of the New Equity Shares by the Resulting Company to the shareholders of the Demerged Company as provided in this Scheme is an integral part hereof and shall be deemed to have been carried out without any further act or deed by the Resulting Company as if the procedure laid down under Section 81(1A) of the Act and any other applicable provisions of the Act were duly complied with. The Resulting Company shall obtain the necessary approval from its shareholders, as required, in terms of this Scheme only, under and pursuant to provisions of Section 391-394 of the Act and such approval shall be deemed to be approval under Section 81(1A) of the Act.

6.9 New Equity Shares issued by the Resulting Company issued in terms of Clause 6.1 above, shall, subject to applicable regulations, be listed

or admitted to trading on BSE and NSE where the existing equity shares of HTML are presently listed and/or admitted to trading. HTML shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.

- 6.10 Shares allotted by HTML pursuant to the Scheme and issued in dematerialised form shall be credited to the depository accounts of the shareholders / Trustee(s), as the case may be and shall be subject to all requirements of the BSE and NSE including listing and trading approvals.

#### **PART D - REORGANIZATION OF SHARE CAPITAL OF FEVL**

#### **7 REORGANIZATION OF SHARE CAPITAL OF FEVL AND DISPENSATION FROM ADDITION OF THE WORDS “AND REDUCED”**

- 7.1 Conditional upon the Scheme becoming effective and with effect from the Appointed Date, the existing paid-up equity capital of FEVL shall be reorganized as detailed hereunder, so as to bring it in line with the value of the Demerged Undertaking and the erosion in existing paid-up equity capital of FEVL on account of losses in its Job Portal business.

- 7.2 The paid-up equity share capital of FEVL, after taking into consideration conversion of zero coupon compulsorily convertible debentures of FEVL into equity shares of Rs. 10/- each in terms of Part

B of this Scheme shall stand reduced from Rs 1,71,90,00,000 divided into 17,19,00,000 equity shares of Rs. 10 each fully paid-up to Rs.12,50,00,000 divided into 1,25,00,000 equity shares of Rs. 10 each fully paid-up by cancelling 15,94,00,000 equity shares of Rs.10 each, without extinguishment or reduction of liability on the said shares and without any payment of the cancelled value of the said shares to the shareholders of FEVL. Conditional upon the Scheme becoming effective the existing shareholders of FEVL as on the Record Date shall, pursuant to such reorganization, receive such number of fully paid-up equity shares in the reorganized paid-up equity share capital of FEVL pro-rated accordingly as against their shareholding in FEVL as on the Record Date.

7.3 Any fractional holding arising out of the capital reduction, as above, shall be rounded off to the next integer.

7.4 Consequent upon such reduction the issued, subscribed and paid-up share capital of FEVL will be revised as under:

Particulars	Rupees
<b>Issued, Subscribed, and Paid-up:</b>	
1,25,00,000 Equity Shares of Rs. 10 each fully paid-up.	12,50,00,000
<b>Total</b>	12,50,00,000

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

or delivered by hand against acknowledgement, in lieu thereof, irrespective of whether such equity shareholders surrender their old share certificates or not.

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

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

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

## **8 ACCOUNTING TREATMENT IN THE BOOKS OF HTML**

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

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

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

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

8.4 Any deficit in the value of net assets of Job Portal Undertaking transferred to HTML pursuant to the order of the Court over the fair value of the New Equity Shares allotted by HTML under Clause 6, shall be adjusted first against balance of Securities Premium Account, to the extent of Share Premium created in Clause 8.2 above and the remaining amount shall be adjusted against the following, in the order specified, to the extent required:

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

8.5 In case of any differences in accounting policy between FEVL and HTML, the impact of such differences shall be quantified and adjusted in the Statement of Profit and Loss of HTML to ensure that the true

financial statements of HTML on the Appointed Date are on the basis of standard accounting policies and practices consistent followed.

## **9 ACCOUNTING TREATMENT IN THE BOOKS OF FEVL**

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

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

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

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

## **10 CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**

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

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

b) Any income or profit accruing or arising to FEVL in relation to the Job Portal Undertaking and all costs, charges, expenses and losses incurred by FEVL in relation to the Job Portal



Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of HTML.

- c) FEVL shall not utilize the profits or income, if any, relating to the Job Portal Undertaking for the purpose of declaring or paying any dividend or for any other purpose in respect of the period from and after the Appointed Date, without the prior written consent of HTML.
- d) FEVL shall not (without the prior written consent of HTML) alienate, charge or otherwise deal with or dispose of the Job Portal Undertaking or any part thereof except in the usual course of business or pursuant to any pre-existing obligation undertaken prior to the Appointed Date.
- e) FEVL shall carry on the business of the Job Portal Undertaking with reasonable diligence and prudence, in the ordinary course of business, and FEVL shall not in any material respect alter or expand the business of the Job Portal Undertaking except with the prior written consent of HTML other than such alterations or expansions as have already been commenced and shall not undertake any material additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for itself or on behalf of its group companies or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal with the Job Portal Undertaking, save and except, in each case, in the following circumstances:
  - i. if the same is in the ordinary course of business as carried on by it as on the date of filing this Scheme with the Court; or
  - ii. if the same is expressly permitted by this Scheme; or

- iii. if the written consent of HTML, as the case may be, has been obtained.
- f) Pending sanction of this Scheme, HTML and FEVL shall not make any change in their respective capital structure either by any increase, (by issue of equity shares, bonus shares, convertible debentures or otherwise) decrease, reduction, reclassification, sub-division or consolidation, re-organisation, or in any other manner, affect the reorganisation of capital herein, except such changes in the share capital already considered in arriving at number of shares to be issued to FEVL shareholders in HTML as described under clause 6.1.
- g) FEVL shall not vary or alter, except in the ordinary course of its business and as may be required for reorganization, the terms and conditions of employment of any of its employees in relation to the said Job Portal Undertaking.

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

10.2 If on the Effective Date, the necessary consents, approvals and sanctions, which may be required for HTML to own and carry on the business of the Job Portal Undertaking, have not been obtained, during the period between the Effective Date and the date of obtaining all such approvals, FEVL shall continue to carry on and deemed to have carried on the business and activities in relation to the Job Portal Undertaking in trust for HTML.

10.3 FEVL shall be entitled, pending the sanction of the Scheme by the Court, to apply to the Central Government and all other agencies, departments and authorities concerned as are necessary under any law

for such consents, approvals and sanctions which HTML may require to own and carry on the business of the Job Portal Undertaking.

- 10.4 On the Effective Date but with effect from the Appointed Date, HTML shall commence and carry on and shall be authorized to carry on the businesses carried on by the Job Portal Undertaking of FEVL.

## **11 EMPLOYEES OF JOB PORTAL UNDERTAKING**

- 11.1 All permanent employees of Job Portal Undertaking, in service on the Effective Date shall be deemed to have become employees of HTML, without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with HTML shall not be less favorable than those applicable to them with reference to FEVL, in relation to the Job Portal Undertaking, on the Effective Date. Any question that may arise as to whether any employee belongs to or does not belong to the Job Portal Undertaking or FEVL Residual Entity shall be decided by Board of Directors of FEVL.

## **12 LEGAL AND OTHER PROCEEDINGS**

- 12.1 Upon the Scheme becoming effective on the Effective Date, all legal or other proceedings of whatsoever nature by or against FEVL pending and/or arising after the Appointed Date and relating to the Job Portal Undertaking of FEVL, shall be continued and enforced by or against HTML in the manner and to the same extent as would have been continued and enforced by or against FEVL.
- 12.2 After the Appointed Date, if any proceedings are taken by or against Demerged Company in respect of the matters referred to in the Clause 12.1 above, Demerged Company shall defend the same at the cost of Resulting Company, and Resulting Company shall reimburse and indemnify Demerged Company against all liabilities and obligations incurred by Demerged Company in respect thereof.

12.3 Resulting Company undertakes to have all legal or other proceedings initiated by or against Demerged Company referred to in Clause 12.1 or 12.2 above, transferred into its name and to have the same continued, prosecuted and enforced by or against Resulting Company to the exclusion of Demerged Company.

12.4 In the event that the legal proceedings referred to above, require the Demerged Company and the Resulting Company to be jointly treated as parties thereto, the Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in cooperation with the Demerged Company. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Job Portal Undertaking or not, the decision of the Board of Directors of the Demerged Company as to whether such proceeding relates to the Job Portal Undertaking or not, shall be conclusive evidence of the relationship with Job Portal Undertaking.

12.5 It is clarified that after the Appointed Date, in case the proceedings referred above, cannot be transferred for any reason, the Demerged Company shall prosecute or defend the same at the cost of the Resulting Company, and the Resulting Company shall reimburse, indemnify and hold harmless the Demerged Company against all liabilities and obligations incurred by the Demerged Company in respect thereof.

### 13 **CONTRACTS, DEEDS, ETC.**

13.1 Notwithstanding anything else contained in this Clause 13; but subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance policies, agreements and other instruments, if any, of whatsoever nature relating to the Job Portal Undertaking and to which FEVL is party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of HTML, as the

case may be, and may be enforced by or against HTML as fully and effectually as if, instead of FEVL, HTML had been a party thereto without any further act or deed, whatsoever.

- 13.2 HTML shall enter into and/or issue and/or execute deeds, writings or confirmations or documents or enter into any tripartite arrangements, confirmations or novations, to which FEVL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. HTML shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of FEVL and to implement or carry out all formalities required on the part of FEVL to give effect to the provisions of this Scheme.
- 13.3 Even after this Scheme becomes effective, HTML shall, as its own right, be entitled to realize all monies and complete and enforce all pending contracts and transactions in respect of the Job Portal Undertaking in the name of FEVL, in so far as may be necessary, until the transfer of rights and obligations of FEVL to HTML under this Scheme is formally accepted by the parties concerned.

#### **14 SAVING OF CONCLUDED TRANSACTIONS**

- 14.1 The transfer of properties and liabilities relating to the Job Portal Undertaking pursuant to this Scheme, and the continuance of proceedings by or against FEVL under Clause 12 above shall not affect any transaction or proceedings already concluded or liabilities incurred, or any liabilities discharged by FEVL in connection with the Job Portal Undertaking subject to the provisions of Clause 10 above, on or after the Appointed Date till the Effective Date, to the end and intent that HTML shall accept and adopt all acts, deeds and things done and executed by FEVL in respect thereto as done and executed on behalf of itself.

**15 REMAINING BUSINESS**

15.1 FEVL Residual Entity and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be continued to be owned and managed by FEVL.

15.2 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal including an arbitral tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the FEVL Residual Entity (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the FEVL Residual Entity) shall be continued and enforced by or against the Demerged Company after the Effective Date.

15.3 HTML shall in any event not be responsible or liable in relation to any such legal, taxation or other proceeding against the Demerged Company, which relate to the FEVL Residual Entity.

15.4 With effect from the Appointed Date and upto and including the Effective Date –

15.4.1 the Demerged Company shall be deemed to have been carrying and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;

15.4.2 all profit accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Demerged Company.



## **PART E – GENERAL**

### **16 APPLICATION TO HIGH COURT**

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

### **17 MODIFICATION OR AMENDMENTS TO THE SCHEME**

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



arising under this Scheme, whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

## **18 CONDITIONALITY AND EFFECTIVENESS OF THE SCHEME**

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

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

## **19 EFFECT OF NON-RECEIPT OF APPROVALS**

- 19.1 In the event that the Scheme is not sanctioned by the Court or in the event any of consents, approvals, permissions, resolutions, agreements, sanctions or conditions enumerated or arising out of the Scheme are not obtained or complied or for any other reason, the Scheme cannot be implemented, the Scheme shall become null and void, and HTML shall bear the costs.

19.2 In the event of revocation under Clause 19.1 above, no rights and liabilities whatsoever shall accrue to or be incurred inter se to FEVL and HTML, their respective shareholders or creditors or employees or any other person save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the applicable law and in such case, HTML shall bear all costs.

19.3 The Board of Directors of FEVL and HTML shall be entitled to revoke, cancel and declare the Scheme of no effect if they are of view that the coming into effect of the Scheme could have adverse implications on FEVL and/or HTML.

19.4 FEVL and HTML shall be at liberty to withdraw from this Scheme, in case any condition or alteration imposed by the Hon'ble High Court or any other authority is not on terms acceptable to them.

## **20 COSTS, CHARGES & EXPENSES**

20.1 Except as otherwise expressly provided in the Scheme, HTML shall pay all costs and expenses in connection with the Scheme. Upon the scheme becoming effective, all costs, charges, taxes including duties, levies and all other expenses, arising out of or incurred for implementing this Scheme and matters incidental thereto shall also be borne by HTML.

20.2 The stamp duty under the Indian Stamp Act, 1899, if any transfer duties including registration fees, development cess, rates and property tax and registration charges payable to the concerned authorities arising out of the execution and registration of the conveyances of the properties in favour of HTML as applicable shall be paid by HTML.

**21 MISCELLANEOUS**

21.1 If any Part of this Scheme hereof is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the Parties that such Part shall be severable from the remainder of the Scheme, and the Scheme shall not be affected thereby, unless the deletion of such Part shall cause this Scheme to become materially adverse to any Party, in which case the Parties shall attempt to bring about a modification in the Scheme, as will best preserve for the Parties the benefits and obligations of the Scheme, including but not limited to such Part.

21.2 On the sanction of the Scheme and upon the Scheme becoming effective, with effect from the Appointed Date, the following shall be deemed to have occurred and become effective and operative only in the sequence and in the order mentioned hereunder: -

- a) Conversion of Zero Coupon Compulsorily Convertible Debentures of FEVL into equity shares of Rs 10/- each of FEVL as mentioned in PART B of this Scheme;
- b) Demerger of the Job Portal Undertaking of FEVL and transfer and vesting thereof into HTML as mentioned in PART C of this Scheme;
- c) The issue of New Equity Shares by HTML to existing shareholders of FEVL as mentioned in PART C of this Scheme; and
- d) Reorganisation of Equity Share Capital of FEVL as mentioned in PART D of this Scheme.
- e) Part E deals with general matters

21.3 In case any doubt or difference or issue shall arise between the parties hereto or any of their shareholders, creditors, employees and/or persons entitled to or claiming any right to any New Equity Shares in HTML or any equity shares in FEVL, as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred to HTML or the FEVL Residual Entity

or as to anything else contained in or relating to or arising out of this Scheme, the same shall be decided jointly by the boards of directors of FEVL and HTML, whose decision shall be final and binding on all concerned.

**SCHEDULE**

**PART I**

**Short description of the freehold property of Firefly e-Ventures Limited ('Demerged Company') to be transferred to HT Media Limited ('Resulting Company') [figures as on March 31, 2012]**

<b>Particulars</b>	<b>(Amount in INR)</b>
Freehold property	Nil

**PART II**

**Short description of the leasehold property of Firefly e-Ventures Limited ('Demerged Company') to be transferred to HT Media Limited ('Resulting Company') [figures as on March 31, 2012]**

<b>S.No.</b>	<b>Name of the lessor</b>	<b>Address</b>
1	B.V. GOUD (H U F)	2A, Le Benaka, No. 6-3-248/F, Road No. 1, Banjara Hills, Hyderabad - 500034
2	Nirmala Shamsundar Bhandari Shamsundar Govardhan Bhandari	4th Floor, Zenith Complex, Shivaji Nagar, Pune-411005
3	Nirmal Bhatwal	301,3rd floor,Center Point, Next to Kohinoor Continental, Andheri Kurla Road,Andheri (E) Mumbai -400059
4	HT Media Limited	#3580/3, Fremont Terraces Building, Ground Floor, 13th G Main, 4th Cross, Hal 2nd Stage, Bangalore 560008
5	A-1 Realtech Pvt Ltd	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
6	ALKA KAPUR	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
7	Amit Uppal	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
8	Anil Arora	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
9	Anjali Duggal	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana

S.No.	Name of the lessor	Address
10	Anu Chadha	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
11	Ashwani Soni	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
12	Chamanjit Singh	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
13	Gaurika Miglani	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
14	Indira Associates	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
15	Indu Leekha	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
16	Irus Corp	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
17	Jagbir Singh	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
18	Jagdeep Kaur	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
19	Jatinder Johar	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
20	Krishna Kumari	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
21	Kusum Gupta	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
22	Lalit Mohan Duggal	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
23	Madhu Mati Saini	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
24	Madhu Sharma	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
25	Manish Kumar Saini	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
26	Monika Soni	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
27	Mukesh Bahri	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana

S.No.	Name of the lessor	Address
28	Narinder Soni	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
29	Neena Rastogi	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
30	Parkh Batra	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
31	Parmesh Kumar Saini	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
32	Prem Kumar	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
33	Promila Sahni	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
34	Radha Bhargava	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
35	Raj Kumar Arora	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
36	Rajdeep Singh Uppal	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
37	Reach Realcons Pvt Ltd	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
38	Renu Soni	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
39	Satinder Kumar Goyal(HUF)	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
40	Naveen Kohli	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
41	Sudeep Bhatia(HUF)	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
42	Sumant chadha(HUF)	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
43	Sunil Chadha	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
44	Vijay Naresh Negi	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana
45	Vivek Sethi(HUF)	11th Floor, Park Centra Building, Sector 30, Opp 32nd Milestone, Gurgaon-122001, Haryana



**PART III**

**Short description of all stocks, shares, debentures and other charges in action of Firefly e-Ventures Limited ('Demerged Company') to be transferred to HT Media Limited ('Resulting Company') [figures as on March 31, 2012]**

<b>Particulars</b>	<b>(Amount in INR)</b>	<b>(Amount in INR)</b>
<b>Investments</b>		
a) Non Current		Nil
b) Current		Nil
<b>Fixed Assets(WDV)</b>		
a) Intangible Assets	84,573,445	
b) Tangible Assets		
Improvement To Leasehold Premises	475,283	
Office Equipment	212,283	
IT Equipments	33,567,615	
Furniture & Fixture	218,311	
Capital work in progress	3,987,144	
Less: Accumulated depreciation	(92,808,153)	30,225,928
<b>Current assets, loans and advances:</b>		
a) Sundry debtors	5,632,322	5,632,322
b) Cash and bank balances		
Bank	2,033,038	
Fixed Deposits	105,000,000	107,033,038
c) Loans and advances		
Advances recoverable in cash or kind or for value to be received	13,401,296	
Balances with statutory/government authorities	49,853,957	
Deposits - others	12,118,062	89,212,843
<b>Total Assets</b>		<b>232,104,131</b>
<b>Current Liabilities</b>		
Short Term Borrowings	192,000,000	
Trade payables	87,695,526	
Other current liabilities	11,413,650	
Provision for Gratuity	4,348,378	
Provision for leave encashment	2,959,979	
<b>Total Liabilities</b>		<b>298,417,442</b>

**DATED THIS THE 18<sup>TH</sup> DAY OF APRIL, 2013  
(BY ORDER OF THE COURT)**

IN IN THE HIGH COURT OF DELHI AT NEW DELHI

COMPANY JURISDICTION

COMPANY PETITION NO. 361 OF 2016

CONNECTED WITH

COMPANY APPLICATION (M) NO. 25 OF 2016

IN THE MATTER OF:

The Companies Act, 1956;

AND

IN THE MATTER OF:

Petition under Sections 391 to 394 of the Companies Act, 1956;

IN THE MATTER OF:

Scheme of Arrangement amongst HT Media Limited and HT Digital Streams Limited and their respective Shareholders and Creditors.

For Private Use  
Registrar Judicial Dept  
High Court of Delhi

MEMO OF PARTIES

<p>HT MEDIA LIMITED, a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 18-20, Kasturba Gandhi Marg, New Delhi – 110 001.</p>	<p>PETITIONER/ TRANSFEROR COMPANY</p>
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Exhibit to Official Department  
High Court of Delhi  
Authenticated under Section 70 of  
Indian Evidence Act

<p><b>HT DIGITAL STREAMS LIMITED</b>, a Company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at 101, Jagat Trade Centre, Fraser Road, Patna – 800-001 (outside the jurisdiction of this Hon'ble Court).</p>	<p><b>TRANSFeree COMPANY</b></p>
--	----------------------------------

FILED THROUGH:



**[ANIRUDH DAS]**  
 SHARDUL AMARCHAND MANGALDAS & CO.  
 ADVOCATES FOR THE PETITIONER/  
 TRANSFEROR COMPANY  
 AMARCHAND TOWERS  
 216, OKHLA INDUSTRIAL ESTATE, PHASE-III  
 NEW DELHI-110 020  
 PH.: 26920500, 41590700 FAX: 26922900, 26924900  
 EMAIL: [AM.DELHI\\_LIT@AMSSHARDUL.COM](mailto:AM.DELHI_LIT@AMSSHARDUL.COM)

PLACE: NEW DELHI  
 DATED: 05 APRIL 2016

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 From the Registrar Department  
 City of Delhi  
 Number 22 under Section 79 of  
 Indian Evidence Act

IN THE HIGH COURT OF DELHI  
COMPANY PETITION NO. 361/2016

Reserved on 13<sup>th</sup> July, 2016

Date of pronouncement: 2<sup>nd</sup> August, 2016

In the matter of  
The Companies Act, 1956 & the Companies Act, 2013 (to the extent  
applicable):

And

Petition under Sections 391 to 394 of the  
Companies Act, 1956

Scheme of Arrangement between:

HT Media Limited

Petitioner/Demerged Company

AND

HT Digital Streams Limited

Non-Petitioner/Resulting Company

Through Mr. Anirudh Das and  
Mr. Kamaljeet Singh, Advocates for the  
petitioners

Ms. Aparna Mudiam, Asstt. Registrar  
of Companies for the Regional Director

**SUDERSHAN KUMAR MISRA, J.**

1. This petition has been filed under Sections 391 to 394 of the Companies Act, 1956 by the petitioner/demerged company seeking sanction of the Scheme of Arrangement between HT Media Limited (hereinafter referred to as the petitioner/demerged company) with HT Digital Streams Limited (hereinafter referred to as the resulting company).

2. The registered office of the petitioner/demerged company is situated at New Delhi, within the jurisdiction of this court. However, the

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registered office of the resulting company is situated at Patna, outside the jurisdiction of this Court. Learned counsel for the petitioner has submitted that the a separate petition has been filed by the resulting company in the court of competent jurisdiction seeking sanction to the Scheme of Arrangement, which is pending adjudication.

3. The petitioner/demerged company was incorporated under the Companies Act, 1956 on 3<sup>rd</sup> December, 2002 with the Registrar of Companies, NCT of Delhi & Haryana at New Delhi.

4. The present authorized share capital of the petitioner/demerged company is Rs.72,50,00,000/- divided into 36,25,00,000 equity shares of Rs.2/- each. The issued, subscribed and paid-up share capital of the company is Rs.46,54,96,628/- divided into 23,27,48,314 equity shares of Rs.2/- each.

5. Copies of the Memorandum and Articles of Association of the demerged and resulting companies have been filed on record. The audited balance sheet, as on 31<sup>st</sup> March, 2015, of the demerged company, along with the report of the auditors, has also been filed.

6. A copy of the Scheme of Arrangement has been placed on record and the salient features of the Scheme have been incorporated and

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detailed in the petition and the accompanying affidavit. It is submitted by the petitioner that the Scheme, *inter alia*, provides for transfer of the Multimedia Content Management Undertaking of the demerged company into the resulting company. It is claimed that the proposed demerger will facilitate creation of a separate entity to take advantage of future emerging opportunities in the digital media segment and would cater to independent growth plans of the Multimedia Content Management Undertaking.

7. So far as the slump exchange ratio is concerned, the Scheme provides that, upon coming into effect of this Scheme, the resulting company shall issue and allot equity shares to the shareholders of the demerged company in the following ratio:

"1,14,12,104 fully paid up equity shares of Rs.10/- each to the demerged company in exchange of the transfer and vesting of the Multimedia Content Management Undertaking."

8. It has been submitted by the petitioners that no proceedings under Sections 235 to 250A of the Companies Act, 1956 are pending against the demerged and resulting companies.

9. The Board of Directors of the demerged and resulting companies in their separate meetings held on 19<sup>th</sup> November, 2015 have unanimously approved the proposed Scheme of Arrangement. Copies of

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of the Company Law Board  
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the Resolutions passed at the meetings of the Board of Directors of the demerged and resulting companies have been placed on record.

10. The petitioner/demerged company had earlier filed CA (M) No. 25/2016 seeking directions of this court to convene the meetings of their equity shareholders, secured and unsecured creditors, which are statutorily required for sanction of the Scheme of Arrangement. Vide order dated 12<sup>th</sup> February, 2016, this court allowed the application and directed convening of separate meetings of the equity shareholders, secured and unsecured creditors of the petitioner/demerged company, to consider and, if thought fit, approve, with or without modification, the proposed Scheme of Arrangement.

11. The Chairpersons of the ordered meetings of the equity shareholders, secured and unsecured creditors of the petitioner/demerged company have filed their reports stating that the meetings were duly held on 26<sup>th</sup> March, 2016, as directed, and that the Scheme of Arrangement has been approved unanimously by the equity shareholders, secured and unsecured creditors of the petitioner/demerged company, present and voting, in the meetings.

12. The petitioner/demerged company has thereafter filed the present petition seeking sanction of the Scheme of Arrangement. Vide order

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dated 2<sup>nd</sup> May, 2016, notice in the petition was directed to be issued to the Regional Director, Northern Region. Citations were also directed to be published in 'Hindustan Times' (English) and 'Hindustan' (Hindi) editions. Affidavit of service has been filed by the petitioners showing compliance regarding service on the Regional Director, Northern Region and also regarding publication of citations in the aforesaid newspapers on 21<sup>st</sup> June, 2016. Copies of the newspaper clippings containing the publications have been filed along with the said affidavit.

13. In response to the notices issued in the petition, Mr. Narender Kumar Bhola, Regional Director, Northern Region, Ministry of Corporate Affairs has filed his report dated 8<sup>th</sup> July, 2016 not raising any objection to the proposed Scheme. However, the Regional Director in para 9 of his report has prayed that the resulting company may be directed to comply with the applicable provisions of the Companies Act, 2013 with regard to increase in its authorized share capital. Further, in para 10 of his report, the Regional Director has submitted that the necessary compliance, if any, of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and other applicable Regulations should be made by the petitioner/demerged company.

14. In response to the aforesaid observations, learned counsel for the petitioner has submitted that since the resulting company is a wholly

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owned subsidiary of the petitioner company, therefore, it shall call upon the resulting company to take all steps as per law in this behalf. Further, the petitioner company in the affidavit dated 11<sup>th</sup> July, 2016 of Mr. Dinesh Mittal, authorized signatory of the petitioner company, has submitted that the petitioner company shall undertake compliance by the resulting company of the applicable provisions of the Companies Act, 2013 for increase in the authorized share capital of the resulting company. So far as the second observation of the Regional Director is concerned, it has been submitted by the petitioner that the petitioner/demerged company is in compliance with and undertakes to continue compliance with the provisions of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. In view of the aforesaid, the observations made by the Regional Director stand satisfied.

15. No objection has been received to the Scheme of Arrangement from any other party. The petitioner companies, affidavit dated 11<sup>th</sup> July, 2016 of Mr. Dinesh Mittal, authorized signatory of the petitioner company, have submitted that neither the petitioner company nor their counsel have received any objection pursuant to the citations published in the newspapers on 21<sup>st</sup> June, 2016.

16. Considering the approval accorded by the equity shareholders and creditors of the petitioner companies to the proposed Scheme of

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Arrangement and the affidavit filed by the Regional Director, Northern Region not raising any objection to the proposed Scheme of Arrangement, there appears to be no impediment to the grant of sanction to the Scheme of Arrangement. Consequently, subject to sanction of the Scheme from the court of competent jurisdiction in respect of the resulting company, sanction is hereby granted to the Scheme of Arrangement under Sections 391 and 394 of the Companies Act, 1956. The petitioner company will comply with the statutory requirements in accordance with law. Certified copy of this order be filed with the Registrar of Companies within 30 days. It is also clarified that this order will not be construed as an order granting exemption from payment of stamp duty as payable in accordance with law. Upon the sanction becoming effective from the appointed date of Arrangement, i.e. 31<sup>st</sup> March, 2016, the Multimedia Content Management Undertaking of the demerged company shall stand merged in the resulting company.

17. Learned counsel for the Official Liquidator prays that costs of at least Rs.1,00,000/- should be paid by the petitioners keeping in view the fact that the matter has involved examination of extensive records and also prioritized hearings. Learned counsel for the petitioner company states that the same is acceptable to him. As already directed vide order dated 13.07.2016, the petitioners shall deposit a sum of Rs.1,00,000/- by

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way of costs with the Delhi High Court Bar Association Lawyers Social Security and Welfare Fund, New Delhi.

18. The petition is allowed in the above terms.

**Dasti.**

August 29, 2016

  
**SUDERSHAN KUMAR MISRA, J.**

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DATE 08/29/2016 BY 60322 UCBAW/STP  
EXEMPT FROM DISCLOSURE UNDER SECTION 70 OF  
THE AMERICAN EVIDENCE ACT

IN THE HIGH COURT OF DELHI AT NEW DELHI

(ORIGINAL COMPANY JURISDICTION)

IN THE MATTER OF PETITION UNDER SECTIONS 391 TO 394 OF  
THE COMPANIES ACT, 1956 AND THE COMPANIES ACT, 2013 (TO  
THE EXTENT APPLICABLE)

AND

IN THE MATTER OF SCHEME OF ARRANGEMENT  
COMPANY PETITION NO. 361 of 2016.

CONNECTED WITH

COMPANY APPLICATION NO. (M) 25 OF 2016

IN THE MATTER OF:

**HT MEDIA LIMITED**

18-20, Kasturba Gandhi Marg,

New Delhi – 110 001

..... Petitioner/Demerged Company

AND

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**HT DIGITAL STREAMS LIMITED**

101, Jagat Trade Centre,  
Fraser Road, Patna – 800-001

.....Non - Petitioner / Resulting Company

**BEFORE HON'BLE MR. JUSTICE SUDERSHAN KUMAR MISRA.**

**ORDER RESERVED ON 13<sup>th</sup> JULY, 2016**

**ORDER PRONOUNCED ON 29<sup>th</sup> AUGUST, 2016.**

**ORDER UNDER SECTION 391-394 OF THE COMPANIES ACT, 1956**

The above Petition filed by the petitioner/demerged company came up for hearing on 13/07/2016 and order pronounced on 29/08/2016 seeking sanction of the Scheme of Arrangement between HT Media Limited (hereinafter referred to as the petitioner/demerged company) and HT Digital Streams Limited (hereinafter referred to as the resulting company).

The registered office of the resulting company is situated at Patna, outside the jurisdiction of this Court. Learned counsel for the petitioner has submitted that the a separate petition has been filed by the resulting company in the court of competent jurisdiction seeking sanction to the Scheme of Arrangement, which is pending adjudication.

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The Court examined the Petition; the Order dated 12/02/2016 passed in CA(M) No. 25 of 2016, whereby this court directed to convene separate meetings of the Equity Shareholders, Secured and Unsecured Creditors of the petitioner/demerged company pursuant to the publication in the Newspaper namely "The Hindustan Times" (English) Delhi Edition and "Hindustan" (Hindi) Delhi Edition both dated 02/03/2016 under the supervision of the Court, for the purpose of considering and if thought fit, approving with or without modification the Scheme of Arrangement annexed to the affidavit dated 03/02/2016 of Mr. Dinesh Mittal, Constituted and Authorised Signatory of the Demerged Company; three Reports dated 29/03/2016, of the Chairpersons as to the result of the said meetings; and the publication in the newspapers namely 'Hindustan Times' (English) and 'Hindustan' (Hindi) both dated 21/06/2016 containing the notice of final hearing of the petition.

The Court also examined the affidavit dated 08/07/2016 of the Regional Director, Northern Region, Ministry of Corporate Affairs and approved the proposed Scheme of Arrangement.

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Court of Delhi of  
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Upon hearing Mr. Anirudh Das and Kamaljeet Singh, Advocates for the petitioners and Ms. Aparna Mudiam, Assistant Registrar of Companies for the Regional Director and in view of the approval of the Scheme of Arrangement without any modification by the Shareholders and Creditors of the Demerged Company and there being no proceedings pending in relation to the Demerged and Resulting Companies under section 235 to 250A of the Companies Act, 1956,

**THIS COURT DOETH HEREBY SANCTIONS THE SCHEME OF ARRANGEMENT SUBJECT TO SANCTION OF THE SCHEME FROM THE COURT OF COMPETENT JURISDICTION IN RESPECT OF THE RESULTING COMPANY** under section 391 to 394 of the Companies Act, 1956 as set forth in Schedule-1 annexed hereto and Doeth hereby declare the same to be binding on all the shareholders and creditors of the Demerged Company and all concerned and doth approve the said Scheme of Arrangement with effect from the Appointed Date, i.e., 31<sup>st</sup>, March, 2016.

**AND THIS COURT DOETH FURTHER ORDER:**

1. That in terms of the Scheme of Arrangement, the assets, rights and properties of the Demerged Undertaking of the Demerged Company as specified in Schedule-II hereto be transferred without further act or deed to the Resulting Company and accordingly the same shall pursuant to Section

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394(2) of the Companies Act, 1956 be transferred to and vest in the Resulting Company for all the estate and interest of the Demerged Undertaking of the Demerged Company therein but subject nevertheless to all charges now affecting the same; and

2. That in terms of the Scheme of Arrangement, all the liabilities, duties and obligations of every kind nature and description of the Demerged Undertaking of the Demerged Company shall also, under the provisions of Sections 391 and 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Resulting Company, so as to become the liabilities, duties and obligations of the Resulting Company.
3. That in terms of the Scheme of Arrangement, all the proceedings now pending by or against the Demerged Undertaking of the Demerged Company be continued by or against the Resulting Company; and
4. So far as the slump exchange ratio is concerned, the Scheme provides that, upon coming into effect of this Scheme, the resulting company shall issue

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and allot equity shares to the shareholders of the demerged company in the following ratio:

"1,14,12,104 fully paid up equity shares of Rs.10/- each to the demerged company in exchange of the transfer and vesting of the Multimedia Content Management Undertaking."

5. That the Petitioner Company do within 30 days from the date of receipt of this order cause a certified copy of this order to be delivered to the concerned Registrar of Companies for registration and upon the Sanction becoming effective from the appointed date of Arrangement, i.e. 31<sup>st</sup>, March, 2016, the Multimedia Content Management Undertaking of the demerged company shall stand merged in the resulting company ; and
6. It is clarified that this order will not be construed as an order granting exemption from payment of stamp duty or taxes or any other charges, if payable in accordance with any law; or permission/compliance with any other department which may specifically required under any law; and
7. That any person interested shall be at liberty to apply to the Court in the above matter for any directions that may be necessary.

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# SCHEDULE I

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## ANNEXURE 'A'

### SCHEME OF ARRANGEMENT

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956

BETWEEN

HT MEDIA LIMITED: TRANSFEROR COMPANY  
AND

HT DIGITAL STREAMS LIMITED: TRANSFEREE COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS

AND

THEIR RESPECTIVE CREDITORS



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**PART I**  
**INTRODUCTION**

**1. INTRODUCTION, DEFINITIONS AND INTERPRETATION**

**1.1 Introduction**

**1.1.1 HT MEDIA LIMITED**

- (i) HT Media Limited (hereinafter referred to as the "HTML" or "Transferor Company") having CIN L22121DL2002PLC117874, was incorporated under the Companies Act, 1956 vide certificate of incorporation dated December 3, 2002 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. The Transferor Company has its registered office at 18-20, Kasturba Gandhi Marg, New Delhi - 110-001.
- (ii) The shares of the Transferor Company are, at present, listed on the Stock Exchanges.
- (iii) The main objects of the Transferor Company as per its memorandum of association are as follows:
  - 1) 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.
  - 2) 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.
  - 3) 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.
  - 4) To engage in the business of radio broadcast and all other allied activities including producing, buying, selling and distribution of radio programs.
  - 5) 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, premieres 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

HT MEDIA LIMITED  
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DIGITAL STREAM LIMITED

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Kasturba Marg under Section 78  
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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.

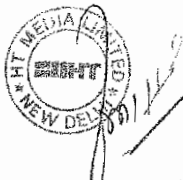
- (iv) The Transferor Company is engaged in the business of:
  - (a) printing and publication of 'Hindustan Times', a newspaper which is well-recognized brand of India and business daily "Mint";
  - (b) development, management and sale of multimedia content;
  - (c) FM Radio transmission under "Fever 104" brand;
  - (d) holding, conducting, organizing and managing various events;
  - (e) running, maintenance and management of news portal "hindustantimes.com", "livemint.com"; and
  - (f) running, maintenance and management of job portal "shine.com"

1.1.2 HT DIGITAL STREAMS LIMITED

(i) HT Digital Streams Limited (hereinafter referred to as "HT Digital" or "Transferee Company") having CIN U74900BR2015PLC025243 is a company incorporated under the Companies Act, 2013, vide certificate of incorporation dated November 2, 2015 issued by the Registrar of Companies, Bihar. The Transferee Company has its registered office at 101, Jagat Trade Centre, Fraser Road, Patna- 800001.

(ii) The main objects of the Transferee Company as per its memorandum of association are as follows:

- 1) To engage, deal, carry out any activity or business in the digital media space and electronic media for dissemination of news, knowledge, information, entertainment 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 or acquire rights, participate, manufacture, process, prepare, alter, develop, 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, promoter, sponsors, copyright owner, audio & video right owner, media partners and media advisors of all kind of live and recorded sports, entertainment events, news & current affairs events, summits, pageants, concerts, shows, exhibitions, premiers in all languages in India or elsewhere in the digital media and electronic media space.
- 3) To carry on business as advertising agent, to purchase and sell advertising time or space on any media or otherwise 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 an agent and representative for any person(s) or entities for soliciting/booking advertisements and/or any other promotional, commercial



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and other contents/programmes on any form of media or medium including collection of charges and remittances thereof to principals and any other activity related to or necessary in the context of the said business.

- 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 and act as advisors, consultants, guides, executives, agents, liaison representatives or in any other manner, for marketing promotion and business-to-business solutions of any product, person, organization, trust, body corporate, advertisement and public relations agency, government and non-governmental organization and department 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 at any time in the digital media and electronic media space.

- (iii) The Transferee Company is authorized to be engaged in the business of:
  - (a) dissemination of news, knowledge, information, entertainment and content of general interest, in English, Hindi or any other language, globally through various digital and electronic media; and
  - (b) management of advertising time and space on any media.
- (iv) The Transferee Company is a wholly owned subsidiary of the Transferor Company.

1.1.3 Rationale of the Scheme

The transfer and vesting of the Multimedia Content Management Undertaking from the Transferor Company to the Transferee Company pursuant to this Scheme, as a going concern on a slump exchange basis, shall be in the interest of both the Transferor Company and the Transferee Company, and all concerned stakeholders including shareholders, creditors, employees, and general public as it would:



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- (i) Facilitate creation of a separate, focused entity to take advantage of the future emerging opportunities in the digital media segment. The separate entity shall more effectively and efficiently cater to the independent growth plan for the Multimedia Content Management Undertaking and its future value recognition, expansion and diversification.
- (ii) Additionally, the Multimedia Content Management Undertaking has distinct resource requirements and challenges to expand and grow. Developing the business across the country would need access to capital through various structured and innovative routes. The housing of multimedia content management undertaking in a separate entity shall provide flexibility for future fund raising capability through strategic / financial partnership(s).
- (iii) It shall provide greater management focus and speedy decision process to achieve strategic advantage in the separate entity.
- (iv) It shall provide greater transparency and visibility on the operations and financial performances of each business as well as accountability with autonomy for the multimedia content management undertaking.
- (v) Attract and retain relevant talent in the multimedia content management undertaking.

1.1.4 The Scheme is in the interest of the shareholders, creditors and employees of the Transferor Company, the Transferee Company and their stakeholders, and would enable the Transferor Company and the Transferee Company to adopt a focused business approach for the maximization of benefits to their respective stakeholders. The Scheme shall not in any manner be prejudicial to the interests of concerned shareholders, creditors or/and general public at large.

1.1.5 The Scheme is divided into four parts:

- (i) Part I sets-forth the Introduction, Definitions and Interpretation;
- (ii) Part II sets-forth the capital structure of the Transferor Company and the Transferee Company;
- (iii) Part III deals with the transfer and vesting of the Multimedia Content Management Undertaking of the Transferor Company to and in the Transferee Company, in accordance with section 391 to 394 of the 1956 Act or such other equivalent provisions of the 2013 Act, as applicable; and
- (iv) Part IV deals with general/residuary terms and conditions.



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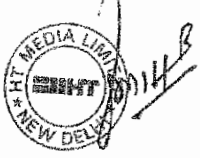
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**DEFINITIONS**

**2. DEFINITIONS**

- 2.1 "1956 Act" means the Companies Act, 1956 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto;
- 2.2 "2013 Act" means the Companies Act, 2013 and the rules made thereunder, and includes any alterations, modifications and amendments made thereto and/or any re-enactment thereof;
- 2.3 "Applicable Law(s)" means any statute, law, regulation, ordinance, rule, judgment, order, decree, by-law, approval from the concerned authority, Government resolution, order, directive, guideline, policy, requirement, or other governmental restriction or any similar form of decision of, or determination by, or any interpretation or adjudication having the force of law of any of the foregoing, by any concerned authority having jurisdiction over the matter in question.;
- 2.4 "Appointed Date" means closing hours of March 31, 2016 or such other date as may be approved by the Court;
- 2.5 "Board of Directors" in relation to the Transferee Company and/or the Transferor Company, as the case may be, shall, unless it be repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors;
- 2.6 "Clause" and "sub-Clause" means the relevant clauses and sub-clauses set out in this Scheme;
- 2.7 "Court" means the High Court of Judicature of Delhi and/or High Court of Judicature at Patna to which this scheme of arrangement in its present form is submitted for its sanctioning under sections 391 to 394 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable;
- 2.8 "Effective Date" means the date on which the Scheme shall become effective pursuant to Clause 15 of Part IV of this Scheme. Any references in this Scheme to "upon this Scheme becoming effective" or "effectiveness of this Scheme" or "after this Scheme becomes effective" means and refers to the Effective Date;
- 2.9 "ESOP Scheme" means the HTML Employee Stock Option Scheme and the HTML Employee Stock Option Scheme - 2009, instituted by the Transferor Company, as amended, modified or replaced from time to time;
- 2.10 "Financial Statements" means and include stand alone and consolidated accounts;
- 2.11 "Government" means any government authority, statutory authority, government department, agency, commission, board, tribunal or court or other law, rule or regulation making entity having or purporting to have jurisdiction on behalf of the Republic of India or any state or other subdivision thereof or any municipality, district or other subdivision thereof;
- 2.12 "HMVL Scheme of Arrangement" shall have the meaning as ascribed to it in Clause 14;



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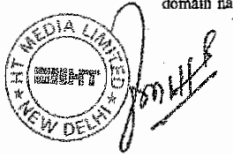
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2.13 "Multimedia Content Management Undertaking" means the Transferor Company's business, activities and operations pertaining to multimedia content management undertaking, and comprising of all the assets and liabilities, as described hereunder, as on the Appointed Date relating thereto:

- (i) the digital news portal HindustanTimes.com which is the flagship website covering digital news pertaining to various segments like current affairs, sports, entertainment, etc. This is available on web, digital web as well as on iOS and android apps for both mobile phones and tablets. There are also dedicated microsites from time to time for significant events such as World Cup T20, elections etc;
- (ii) livemint.com, a business content site which houses sections such as companies, industry, politics/policies, money/markets, as well as sections on lifestyle, etc. From time to time, there are microsites which focus on specific initiatives such as "Made in India", the Rich professional, the Greek Crisis, etc. The content is available on website, as well as on mobile web, web-app and native android and iOS apps;
- (iii) syndication business which aggregates and disseminates news, analysis and other content from nearly 200+ high ranking publications to users of such content across the world. Apart from syndicating Hindustan Times and Mint, the syndication business offers content generated by several other prominent websites, newspapers and newswires spanning domains ranging from business, health, government news, travel, and politics, social to environment news. The syndicated content is then suitably categorized, customized and packaged and transferred to data ports in the United States and India, which are the primary customers;
- (iv) all assets (movable or immovable), title, properties, interests, investments, loans, deposits, receivables, advances and rights, including rights arising under contracts, wherever located (including in the possession of vendors, third parties or elsewhere), whether real, personal or mixed, tangible, intangible or contingent, exclusively used or held, by the Transferor Company in, or otherwise identified for use in, the Transferor Company's undertaking, business, activities and operations pertaining to the multimedia content management undertaking (collectively, "Assets");
- (v) all debts, liabilities, guarantees, assurances, commitments and obligations of any nature or description, whether fixed, contingent or absolute, secured or unsecured, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising, (including, without limitation, whether arising out of any contract or tort based on negligence or strict liability), pertaining to the Transferor Company's undertaking, business, activities and operations pertaining to the multimedia content management undertaking (collectively, "Liabilities");
- (vi) all existing and future contracts, agreements, request for proposal, bids, responses to invitation for expression of interest, leases, leave and licences, memoranda of undertakings, memoranda of agreements, arrangements, undertakings, whether written or otherwise, deeds, bonds, schemes, arrangements, sales orders, purchase orders or other instruments of whatsoever nature to which the Transferor Company is either a party or it may enter, exclusively relating to the Transferor Company's undertaking, business, activities and operations pertaining to the multimedia content management undertaking (collectively, "Contracts").
- (vii) all registrations, trademarks, trade names, service marks, copyrights, patents, designs, domain names, applications for trademarks, trade names, service marks, copyrights,



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designs and domain names exclusively used by or held for use by the Transferor Company in the Transferor Company's undertaking, business, activities and operations pertaining to the multimedia content management undertaking (collectively, "Intellectual Property");

- (viii) all permits, licenses, consents, approvals, authorizations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights and any waiver of the foregoing issued by any legislative, executive or judicial unit of any Governmental or semi-Governmental entity or any department, commission, board, agency, bureau, official or other regulatory, administrative or judicial authority exclusively used or held for use by the Transferor Company in the Transferor Company's undertaking, business, activities and operations pertaining to the multimedia content management undertaking (collectively, "Licences");
- (ix) all such permanent employees of the Transferor Company and employees/personnel engaged on contract basis, as are primarily engaged in or in relation to the Transferor Company's undertaking, business, activities and operations pertaining to the multimedia content management undertaking, at its respective offices or otherwise, and any other employees/personnel hired by the Transferor Company after the date hereof who are primarily engaged in or in relation to the Transferor Company's undertaking, business, activities and operations pertaining to the multimedia content management undertaking (collectively, "Employees");

Any question or doubts that may arise as to whether a specified asset or liability pertains to or does not pertain to the Multimedia Content Management Undertaking or whether it arises out of the activities or operations or is to be included in the Multimedia Content Management Undertaking shall be decided by mutual agreement between the Board of Directors of Transferor Company and Transferee Company.

- 2.14 "Residual Undertaking" means all the undertakings, businesses, activities and operations of the Transferor Company other than the Multimedia Content Management Undertaking;
- 2.15 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form (along with any annexures, schedules, etc., annexed/attached hereto), with such modifications and amendments as may be made from time to time, and with appropriate approvals and sanctions of the Court and other relevant regulatory authorities, as may be required under the 1956 Act or the 2013 Act, as applicable, and under all other Applicable Laws;
- 2.16 "Stock Exchanges" means National Stock Exchange of India Limited and BSE;
- 2.17 "Transferee Company" means HT Digital, as defined in Clause 1.1.2 of Part I above;
- 2.18 "Transferor Company" means HTML, as defined in Clause 1.1.1 of Part I above.

3. INTERPRETATION

- 3.1 The terms "hereof", "herein", "hereby", "hereto" and derivative or similar words used in this Scheme refers to this entire Scheme.
- 3.2 The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the 1956 Act, 2013 Act, the Securities Contracts (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 (including the regulations made there



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under), the Depositories Act, 1996 and other applicable laws, rules, regulations, guidelines, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Court or the Hon'ble High Court in this Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal ("NCLT") or such other forum or authority, as may be vested with any of the powers of a High Court under the 1956 Act and/ or 2013 Act.

4. DATE OF TAKING EFFECT AND OPERATIVE DATE

- 4.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Court shall be deemed to be effective from the Appointed Date but shall be operative only from the Effective Date.



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**PART-II**  
**SHARE CAPITAL STRUCTURE**

**5. CAPITAL STRUCTURE**

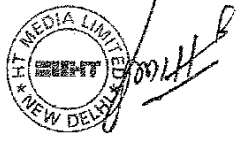
5.1 The share capital of Transferor Company as on March 31, 2015 was as under:

Share Capital	Amount in Indian Rupees
Authorized Capital	
36,25,00,000 equity shares of Rs.2/- each	72,50,00,000/-
Total	72,50,00,000/-
Issued, Subscribed and fully paid-up	
23,27,48,314 equity shares of Rs. 2/- each	46,54,96,628/-
Total	46,54,96,628/-

5.2 There has been no change in the capital structure of the Transferor Company since March 31, 2015.

5.3 The share capital of Transferee Company as on November 19, 2015 was as under:

Share Capital	Amount in Indian Rupees
Authorized Capital	
50,000 equity shares of Rs. 10/- each	5,00,000/-
Total	5,00,000/-
Issued, Subscribed and fully paid-up	
50,000 equity shares of Rs. 10/- each	5,00,000/-
Total	5,00,000/-



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**PART III**  
**TRANSFER AND VESTING OF THE MULTIMEDIA CONTENT MANAGEMENT**  
**UNDERTAKING OF THE TRANSFEROR COMPANY TO AND IN THE transferee**  
**COMPANY**

**6. Transfer and Vesting**

6.1 Upon this Scheme becoming effective, and with effect from the Appointed Date, the Multimedia Content Management Undertaking shall under the provisions of section 391 and 394 and all other applicable provisions, if any of the 1956 Act or 2013 Act, as the case may be, and pursuant to the order of the Court or any other appropriate authority sanctioning the Scheme and without any further act or deed, be transferred to and vested in and/or deemed to be transferred to and vested in the Transferee Company, as a going concern on a slump exchange basis.

6.2 Without limiting the generality of the foregoing, upon this Scheme becoming effective, and with effect from the Appointed Date:

- (i) All the Assets of the Multimedia Content Management Undertaking that are movable, in nature or incorporeal property or are otherwise capable of transfer by manual or constructive delivery or by endorsement and delivery or by vesting and recordal, pursuant to this Scheme, shall stand vested in the Transferee Company and shall become the property and an integral part of the Transferee Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual or constructive delivery or by endorsement and delivery or by vesting and recordal, as appropriate to the property being vested, and title to the property shall be deemed to have been transferred accordingly.
- (ii) All the Assets of the Multimedia Content Management Undertaking that are movable properties other than those described under sub-clause (i) above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons, shall without any further act, instrument or deed, become the property of the Transferee Company, and the same shall also be deemed to have been transferred by way of delivery of possession of the respective documents in this regard.
- (iii) All the Assets of the Multimedia Content Management Undertaking that are immovable properties, if any, including land together with the buildings and structures standing thereon, whether freehold, leasehold, licensed or otherwise held by the Transferor Company, and all documents of title, rights and easements in relation thereto shall stand transferred to and be vested in the Transferee Company, without any further act or deed done or being required to be done by the Transferor Company and/or the Transferee Company. The Transferee Company shall be entitled to and shall exercise all rights and privileges attached to the aforesaid immovable properties and shall be liable to pay the ground rent and taxes and fulfil all obligations in relation to or applicable to such immovable properties. The mutation or substitution of the title to the immovable properties shall, upon this Scheme becoming effective, be made and duly recorded in the name of the Transferee Company by the appropriate authorities, pursuant to the sanction of this Scheme by the Court in accordance with the terms hereof.

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**High Court of Delhi at**  
**Audience Chamber Section 70**  
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(iv) All the Liabilities of the Multimedia Content Management Undertaking shall without any further act, instrument or deed, become the liability of the Transferee Company and shall be deemed to be the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company, as the case may be, and the Transferee Company shall be liable to meet, discharge and satisfy the same in accordance with its terms. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities duties and obligations have arisen in order to give effect to the provisions of this sub-clause.

(v) The existing security or charge in favor of the secured creditors shall remain unaffected and shall continue to remain valid and in full force and effect even after the transfer of the Multimedia Content Management Undertaking from the Transferor Company to the Transferee Company. Restructuring of all such security or charge and reallocation of existing credit facilities granted by the secured creditors shall be given effect to only with the mutual consent of the concerned secured creditors and the Board of Directors of the Transferor and Transferee Company.

It is hereby clarified that if any security or charge exists on the assets comprising the Multimedia Content Management Undertaking in respect of the loans and liabilities which have not been transferred to the Transferee Company pursuant to this Scheme, the Transferor Company shall create adequate security over the assets of the Residual Undertaking to the satisfaction of the lenders and upon creation of such security, the assets of the Multimedia Content Management Undertaking shall be released and discharged from such encumbrance.

(vi) All cheques and other negotiable instruments, payment orders received in the name of the Transferor Company pertaining to the Multimedia Content Management Undertaking after the Effective Date shall be accepted by the bankers of the Transferee Company and credited to the account of the Transferee Company. Similarly, all cheques and other negotiable instruments, payment orders received in the name of the Transferee Company pertaining to the Multimedia Content Management Undertaking prior to the Appointed Date shall be accepted by the bankers of the Transferor Company and credited to the account of the Transferor Company.

(vii) All the Contracts of the Multimedia Content Management Undertaking shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto. In relation to the same, any procedural requirements which are to be fulfilled by the Transferor Company shall be fulfilled by the Transferee Company, as if it is the duly constituted attorney of the Transferor Company. Upon this Scheme becoming effective and with effect from the Appointed Date, any contract of the Transferor Company relating to or benefiting at present the Residual Undertaking and the Multimedia Content Management Undertaking, shall be deemed to constitute separate contracts, thereby relating to and/or benefiting the Transferor Company and the Transferee Company.

(viii) It is hereby clarified that if any contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to the Multimedia Content Management Undertaking to which Transferor Company is a party to, cannot be transferred to the Transferee Company for any reason whatsoever, the Transferor Company shall hold such contract, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of the



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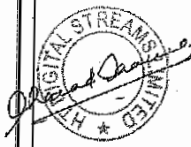
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Transferee Company insofar as it is permissible so to do, till such time as the transfer is effected.

- (ix) Upon coming into effect of this Scheme, the past track record of Transferor Company relating to the Multimedia Content Management Undertaking, including without limitation, the profitability, production volumes, experience, credentials and market share, shall be deemed to be the track record of the Transferee Company for all commercial and regulatory purposes including for the purpose of eligibility, standing, evaluation and participation of the Transferee Company in all existing and future bids, tenders and contracts of all authorities, agencies and clients.
- (x) All the Intellectual Property of the Multimedia Content Management Undertaking except domain names shall stand transferred to and be vested in the Transferee Company. Domain name(s) of the Transferor Company that are used by the Multimedia Content Management Undertaking shall continue to be used by the Transferee Company as a licensee, subject to the terms and conditions as mutually agreed to between the Transferor Company and the Transferee Company. The Transferee Company undertakes and shall ensure that it shall not use the word "HT", "Hindustan Times", "Mint" or any other intellectual property rights of the Transferor Company, which is not a subject matter of this scheme, in conjunction or otherwise with any other new intellectual property, trade mark or brand name or logo or symbol or in any other manner of the Transferee Company except as part of the intellectual property of the Multimedia Content Management Undertaking, unless otherwise specifically agreed and permitted by the Transferor Company in writing. The Transferee Company shall ensure that the usage of Intellectual Property by the Transferee Company shall not damage or disparage the Transferor Company or its interests in the intellectual property rights.
- (xi) All the Licences of the Multimedia Content Management Undertaking shall stand transferred to and vested in the Transferee Company. Such of the other permits, licenses, consents, approvals, authorisations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, as are held at present by the Transferor Company, but relate to or benefitting at present the Residual Undertaking and the Multimedia Content Management Undertaking, shall be deemed to constitute separate permits, licenses, consents, approvals, authorisations, quotas, rights, entitlements, allotments, concessions, exemptions, liberties, advantages, no-objection certificates, certifications, easements, tenancies, privileges and similar rights, and any waiver of the foregoing, and the necessary substitution/endorsement shall be made and duly recorded in the name of the Transferor Company and the Transferee Company by the relevant authorities pursuant to the sanction of this Scheme by the Court. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this sub-clause, the said third party or authority shall make and duly record the necessary substitution/endorsement in the name of the Transferee Company pursuant to sanction of this Scheme by the Court. For this purpose, the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes.
- (xii) All the Employees of the Multimedia Content Management Undertaking shall be transferred to and engaged by the Transferee Company, without any interruption of service and on the basis of continuity of service, and on such terms and conditions as are no less favourable than those on which they are currently engaged by the Transferor Company.



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- (a) With regard to provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme, employee stock option scheme or any other special scheme or benefits created or existing exclusively for the benefit of the Employees, if any, upon this Scheme becoming effective, the Transferee Company shall be under an obligation to make contributions to such funds and schemes as may be created by the Transferee Company. Pending creation of such funds and schemes by the Transferee Company, the Transferee Company shall continue to make contributions to the existing funds maintained by the Transferor Company. The accumulations under provident fund, employee state insurance contribution, gratuity fund, superannuation fund, staff welfare scheme and any other special scheme or benefits of the Transferor Company pertaining to the Employees shall be transferred to such funds and schemes as may be created by the Transferee Company for such purpose.
- (b) In respect of the stock options granted by the Transferor Company under the ESOP Scheme to employees engaged in the Multimedia Content Management Undertaking who are proposed to be transferred as part of the Scheme to the Transferee Company, which have been granted and vested but have not been exercised as on the Appointed Date, such options shall continue to vest in the employees of the Multimedia Content Management Undertaking being transferred to the Transferee Company. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme, the Transferor Company shall continue to honour its obligations under the ESOP Scheme with respect to such employees in accordance with the provisions of the ESOP Scheme and shall transfer fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Scheme.

In respect of the stock options granted by the Transferor Company under the ESOP Scheme to the employees of HMVL who are proposed to be transferred as part of HTML Scheme to the Transferee Company, which have been granted and vested but have not been exercised as on the Appointed Date, such options shall continue to vest in the employees of HTML being transferred to the Transferee Company. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Scheme, the Transferor Company shall continue to honour its obligations under the ESOP Scheme with respect to such employees in accordance with the provisions of the ESOP Scheme and shall transfer fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Scheme.

The ESOP Scheme shall, pursuant to this Scheme, be modified by the Transferor Company, as considered appropriate by its Nomination and Remuneration Committee, to give effect to sub-clause (b) above and the consent of the shareholders of the Transferor Company to this Scheme shall be deemed to be their consent and approval in relation to all matters pertaining to the ESOP Scheme as described in this Scheme, including without limitation, for the purposes of effecting necessary modifications to the ESOP Scheme and all related matters. All actions taken in accordance with this sub-clause (b) of this Scheme shall be deemed to be in full compliance of Sections 62 and/or 42 of the 2013 Act, any other applicable provisions of the Act and the guidelines/regulations issued by SEBI and no further approval of the shareholders of the Transferor Company or resolution, action or compliance under Sections 62 and/or 42 of the 2013 Act and/or any

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other applicable provisions of the Act and/or under the guidelines/regulations issued by the SEBI would be required to be separately passed or undertaken by the Transferor Company or the Transferee Company.

(xiii) The Transferee Company shall be entitled to the benefits and shall bear the burdens of any legal or other proceedings to the extent specifically relating to the Multimedia Content Management Undertaking . initiated by or against the Transferor Company. If any suit, appeal or other proceedings to the extent specifically relating to the Multimedia Content Management Undertaking initiated by or against the Transferor Company is pending, the same shall not be abated, be discontinued or in any way be prejudicially affected by reason of this Scheme and the proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as they would or might have been continued, prosecuted and enforced by or against the Transferor Company, if this Scheme had not been effected. All reasonable costs incurred by the Transferor Company in respect of any proceedings initiated by or against the Transferor Company after the Appointed Date to the extent relating to the Multimedia Content Management Undertaking shall be reimbursed by the Transferee Company upon submission by the Transferor Company to the Transferee Company of documents evidencing that the Transferor Company has incurred such costs. The Transferee Company shall file necessary application for transfer of all pending suit/appeal or other proceedings of whatsoever nature relating to the Multimedia Content Management Undertaking .

(xiv) All rights, obligations, benefits available under any direct and indirect taxes, including tax incentives, advantages, privileges, exemptions, credits, holidays, remissions, reductions, etc., sales tax benefits/exemptions, service tax credit, stamp duty benefits and exemptions which may be obtained by the Transferor Company or which the Transferor Company is entitled to or which are or may be available to Transferor Company in respect of the Multimedia Content Management Undertaking shall, pursuant to the sanction of this Scheme, be available to the Transferee Company on an as is where is/going concern basis.

It is hereby clarified that any tax related liabilities/benefits, arising out of or in connection with an event occurring prior to the Appointed Date, even when the same may arise and/or accrue subsequent to the Appointed Date, shall, subject to and in accordance with applicable direct and indirect tax laws, continue to be liabilities/benefits of Transferor Company.

(xv) The benefits of any and all corporate approvals as may have already been taken by the Transferor Company in relation to the Multimedia Content Management Undertaking, whether being in the nature of compliances or otherwise and any other approvals as under either Act (1956 Act and/or 2013 Act), shall stand transferred to the Transferee Company and shall be deemed to have been taken by the Transferee Company, by virtue of approval of this Scheme.

(xvi) All estates, assets, rights, title, interests and authorities accrued to and/or acquired by the Transferor Company for or in relation to the Multimedia Content Management Undertaking shall be deemed to have been accrued to and/or acquired for and on behalf of the Transferee Company and shall, upon this Scheme becoming effective, pursuant to the provisions of section 394(2) and other applicable provisions of the 1956 Act or the 2013 Act, without any further act, instrument or deed be and stand transferred to or vested in or be deemed to have been transferred to or vested in the Transferee Company to that extent and shall become the estates, assets, right, title, interests and authorities of the Transferee Company.



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6.3 The Transferor Company and/or the Transferee Company, as the case may be, shall, at any time after this Scheme becomes effective in accordance with the provisions hereof, if so required under any law or otherwise, do all such acts or things as may be necessary to transfer/obtain the approvals, consents, exemptions, registrations, no-objection certificates, permits, quotas, rights, entitlements, licenses and certificates which were held or enjoyed by the Transferor Company in relation to the Multimedia Content Management Undertaking. It is hereby clarified that if the consent of any third party or authority is required to give effect to the provisions of this Clause, the said third party or authority shall make and duly record the necessary substitution/ endorsement in the name of the Transferee Company upon this Scheme becoming effective in accordance with the terms hereof. For this purpose the Transferee Company shall file appropriate applications/documents with relevant authorities concerned for information and record purposes. The Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of the Transferor Company and to carry out or perform all such acts, formalities or compliances referred to above as may be required in this regard.

6.4 Conduct of business till the Appointed Date

6.4.1 Until the Appointed Date:

- (i) the Transferor Company shall carry on the business of the Multimedia Content Management Undertaking with reasonable diligence and business prudence and in a manner consistent with its past practices;
- (ii) the Transferor Company shall carry on the business of the Multimedia Content Management Undertaking, in its ordinary course of business, except with the written concurrence of the Transferee Company; and
- (iii) the Transferor Company shall not alter the business of the Multimedia Content Management Undertaking, except with the written concurrence of the Transferee Company.

6.5 Conduct of business till the Effective Date

6.5.1 With effect from the Appointed Date and up to and including the Effective Date:

- (i) the Transferor Company undertakes to carry on and shall be deemed to have carried on the business activities of the Multimedia Content Management Undertaking and stand possessed of the properties and assets of the Multimedia Content Management Undertaking, for and on account of and in trust for the Transferee Company;
- (ii) all profits or income accruing to or received by the Transferor Company, out of the Multimedia Content Management Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax, fringe benefit tax, securities transaction tax, taxes withheld/paid in a foreign country, value added tax, sales tax, service tax, etc.) or losses arising in or incurred by the Transferor Company with respect to the Multimedia Content Management Undertaking shall, for all purposes, be treated as and deemed to be the profits, losses, income or taxes, as the case may be, of the Transferee Company;
- (iii) the Transferor Company shall carry on the business of the Multimedia Content Management Undertaking with reasonable diligence and business prudence and in a manner consistent with its past practices;
- (iv) the Transferor Company shall carry on the business of the Multimedia Content Management Undertaking, in its ordinary course of business. All the actions taken by



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the Transferor Company for the Multimedia Content Management Undertaking, *inter-alia*, including any income, advances, payments made/collections received, funds or resources deployed or cost incurred, shall be suitably accounted for and recorded by Transferor Company and the Transferee Company on such terms and conditions as the Board of Directors of the Transferor Company and the Transferee Company may agree upon. Notwithstanding anything contained herein above, it is hereby clarified that no separate corporate approvals, *inter-alia*, under the 1956 Act or 2013 Act, shall be required to be taken by the Transferor Company for undertaking any of the foregoing actions/transactions pertaining to the Multimedia Content Management Undertaking and such actions/transactions shall be deemed to be in compliance with the 1956 Act or 2013 Act as applicable, by virtue of approval of the Scheme; and

- (v) the Transferor Company shall not alter the business of the Multimedia Content Management Undertaking, except with the written concurrence of the Transferee Company.
- 6.6 With effect from the date of approval of the Scheme by the Board of Directors of the Transferor Company and the Transferee Company, and until the issue of equity shares to the Transferor Company and HMVL pursuant to this Scheme and HMVL Scheme of Arrangement, respectively, the Transferee Company shall not make any change in its capital structure either by any increase (by issue of equity shares, bonus shares, convertible securities, or otherwise), decrease, reduction, reclassification, sub-division, or consolidation re-organization, or in any other manner effect the capital of the Transferee Company.
- 6.7 The Board of Directors of the Transferor Company and Transferee Company, shall enter into such long term service agreements as may be required, *inter alia*, for content sharing/collaboration, infrastructure, and usage and management of website/domain names on such terms and conditions as may be mutually agreed by them.
- 6.8 **Conduct of business on Effective Date**
- 6.8.1 With effect from the Effective Date, the Transferee Company shall carry on and shall be authorised to carry on the businesses of the Multimedia Content Management Undertaking of the Transferor Company.
- 6.8.2 For the purpose of giving effect to the vesting and transfer order passed under section 391 and 394 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, in respect of this Scheme, the Transferee Company shall be entitled to get the recordal of the change in the legal title and rights appurtenant thereto upon the transfer and vesting of all the assets including investments pursuant to the Scheme.
- 6.9 **Residual Business**
- 6.9.1 The Residual Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company.
- 6.9.2 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company which relate to the Residual Undertaking under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Residual Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Residual Undertaking) shall be continued and enforced by or against the Transferor Company after the Effective Date. The Transferee



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Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Transferor Company, which relate to the Residual Undertaking.

6.9.3 All profits or losses pertaining to the Multimedia Content Management Undertaking, up to the Appointed Date, which are recorded in the books of the Transferor Company shall, for all purposes, continue to be treated as the profit or losses of the Transferor Company and shall be retained in the books of the Transferor Company.

**7. SLUMP EXCHANGE AND ACCOUNTING TREATMENT**

**7.1 Slump Exchange**

7.1.1 Pursuant to the Scheme, the Transferee Company shall issue 1,14,12,104 fully paid-up equity shares of face value Rs. 10/- each to the Transferor Company in exchange of the transfer and vesting of the Multimedia Content Management Undertaking.

**7.2 Accounting Treatment**

**7.2.1 Accounting Treatment in the Financial Statements of the Transferor Company**

Upon the Scheme becoming effective:

- (a) The book value of all assets and liabilities pertaining to the Multimedia Content Management Undertaking, which cease to be assets and liabilities of Transferor Company, shall be reduced by Transferor Company from the respective assets and liabilities.
- (b) The Transferor Company shall record the equity shares received pursuant to the Scheme at their respective fair value.
- (c) The difference, i.e. the excess/ shortfall of (i) the book value of the assets of the Multimedia Content Management Undertaking over (ii) the aggregate book value of the transferred liabilities and fair value of equity shares, so received, shall be adjusted to reserves(s)/ credited to 'capital reserve' respectively

Notwithstanding anything above, the Board of Directors of the Transferor Company is authorized to account for any of the above mentioned transactions balances in accordance with the applicable accounting standards and generally accepted accounting principles.

**7.2.2 Accounting Treatment in the Financial Statements of the Transferee Company**

Upon the Scheme becoming effective:

- (a) The Transferee Company shall record the equity shares, issued by it to the Transferor Company, pursuant to the Scheme, at their respective fair value.
- (b) The Transferee Company shall record all the assets and liabilities of the Multimedia Content Management Undertaking, taken over pursuant to the Scheme, at their respective book values.
- (c) Any excess of (i) the fair value of equity shares, so issued, over (ii) the difference of book value of the assets and liabilities shall be recognized as goodwill to be amortized over useful life not exceeding five years.
- (d) Any shortfall of (i) the fair value of equity shares, so issued, over (ii) the difference of book value of the assets and liabilities shall be credited to capital reserve account.



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Notwithstanding anything above, the Board of Directors of the Transferee Company is authorized to account for any of the above mentioned transactions balances in accordance with the applicable accounting standards and generally accepted accounting principles.

8. TAX

Upon the scheme becoming effective:

8.1 It is clarified that all the taxes and duties payable by Transferor Company, relating to the Multimedia Content Management Undertaking from the Appointed Date up to the Effective date, including all advance tax payments, tax deducted at source, tax liabilities or any refund and claims shall, for all purposes be treated as advance tax payments, tax deducted at source, tax liabilities or refunds and claims of Transferee Company, notwithstanding that the certificates, challans or other documents for payments of such taxes are in the name of Transferor Company. Further, the benefit of all balances relating to CENVAT or Service Tax or VAT being balances pertaining to the Multimedia Content Management Undertaking from the Appointed Date upto the Effective Date, shall stand transferred and vested to Transferee Company as if the transaction giving rise to the said balance or credit was a transaction carried out by Transferee Company. Without prejudice to the aforesaid, any credits, refunds or claims including but not limited to tax deducted at source, CENVAT credit, self-assessment tax, advance tax prior to the appointed date shall be treated as the credits, refunds or claims of Transferor Company.

8.2 All the incentives, subsidies, special status, and other benefits or privileges enjoyed, granted by any Government Body, local authority, or by any other person, or availed by Transferor Company, in relation to the Multimedia Content Management Undertaking, shall vest with and be available to Transferee Company on the same terms and conditions.

8.3 With effect from the Appointed Date, Transferor Company and Transferee Company are expressly permitted to prepare and/or revise, as the case may be, their Financial Statements and returns along with the prescribed forms, filings and annexure under the Income Tax Act, 1961, central sales tax, applicable state value added tax, service tax laws and other tax laws, if required, to give effects to provisions of the Scheme.

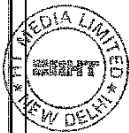
9. INCREASE IN AUTHORIZED SHARE CAPITAL OF THE TRANSFEE COMPANY AND CONSEQUENT ALTERATION OF ITS MEMORANDUM OF ASSOCIATION

9.1 Upon this Scheme becoming effective and upon the transfer and vesting of the Multimedia Content Management Undertaking into the Transferee Company pursuant to the terms of this Scheme, the authorized share capital of the Transferee Company shall stand increased from Rs. 5,00,000/- (Rupees Five Lakhs only) to Rs. 25,00,00,000/- (Rupees Twenty Five Crores only).

9.2 By virtue of Clause 9.1 above, Clause V of the memorandum of association of the Transferee Company shall, as a part of and, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following clause:

*"V. The Authorized Share Capital of the Company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 2,50,00,000 (Two Crore Fifty Lacs) Equity Shares of Rs. 10/- (Rupees Ten Only) each."*

9.3 It is clarified that for the purposes of this Clause 9, the consent of the shareholders of the Transferee Company to this Scheme shall be sufficient for the purposes of effecting the above



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amendment in the authorized share capital of the Transferee Company, and shall be deemed to include consent under any other provisions of the 2013 Act that may be applicable and no further resolution under any provisions of the 2013 Act including Section 13 and Section 61 would be separately required. The Transferee Company shall discharge the applicable filing fees and stamp duty in relation to the increase of its authorized share capital.

  
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**PART IV**  
**GENERAL / RESIDUARY TERMS AND CONDITIONS**

- 10. Upon the Scheme becoming effective, the Financial Statements of the Transferor Company and the Transferee Company shall be reconstructed in accordance with the terms of the Scheme. The Transferor Company and the Transferee Company shall be entitled to file/revise its income tax returns and other statutory returns, if required, and shall have the right to claim refunds, advance tax credits, if any, as may be required consequent to implementation of this Scheme.
- 11. The Transferor Company and the Transferee Company shall, with all reasonable dispatch, make respective applications to the Court and or applicable authority, under sections 391 to 394 and other applicable provisions of the 1956 Act or such other equivalent provision of the 2013 Act, seeking order for dispensing with or for convening, holding and/or conducting of the meetings of the classes of their respective members and creditors (secured and unsecured) as per the requirements of the 1956 Act or such other equivalent provision of the 2013 Act.
- 12. D&A Financial Services (P) Limited, a SEBI registered merchant banker, pursuant to Clause 24(h) of the listing agreement and SEBI Circular No. CIR/CFD/DIL/5/2013, dated February 04, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013, dated May 21, 2013, under its fairness opinion dated November 7, 2015, has certified that the valuation reports in reference to the Scheme, is fair and reasonable.
- 13. The Scheme is conditional upon and subject to the following:
  - (a) the Scheme being approved by the requisite majority in number and value of the members and creditors of the Transferor Company and the Transferee Company as required under Applicable Laws and as may be directed by the Court;
  - (b) the Scheme being approved by the shareholders of the Transferor Company through special resolution based by way of postal ballot and e-voting in terms of para 5.16 of SEBI Circular No. CIR/CFD/DIL/5/2013, dated February 04, 2013 read with SEBI Circular No. CIR/CFD/DIL/8/2013, dated May 21, 2013, provided that the same shall be acted upon only if the votes cast by the public shareholders in favor of the Scheme are more than the votes cast by the public shareholders against it;
  - (c) the Scheme being sanctioned by the Court under sections 391 to 394 of the 1956 Act or such other equivalent provision of the 2013 Act, as applicable, and the necessary order being obtained in respect of the same; and
  - (d) the certified copies of the order of the Court referred to in this Scheme being filed with the Registrar of Companies, National Capital Territory of Delhi and Haryana and the Registrar of Companies, Bihar and Jharkhand at Patna.
- 14. The Transferee Company has also initiated a scheme of arrangement under Sections 391-394 of the 1956 Act with Hindustan Media Ventures Limited ("HMVL"), a listed subsidiary of the Transferor Company, for the proposed transfer and vesting of the multimedia content management undertaking of HMVL in the Transferee Company, as a going concern on a slump exchange basis, for which the Transferee Company shall issue 83,87,896 fully paid-up equity shares of face value Rs. 10/- each to HMVL, more particularly provided in the scheme of arrangement between HMVL and the Transferee Company ("HMVL Scheme of

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Arrangement"). In such a case, the Transferee Company may not remain a wholly owned subsidiary of the Transferor Company.

15. This Scheme shall become effective on such date when certified copies of the order of the Court sanctioning this Scheme are filed by the Transferor Company and the Transferee Company with the Registrar of Companies, National Capital Territory of Delhi and Haryana and/or the Registrar of Companies, Bihar, as the case may be. Such date shall be known as the "Effective Date".
16. Upon the sanction of this Scheme and upon this Scheme becoming effective, the following shall be deemed to have occurred on the Appointed Date and become effective and operative only in the sequence and in the order mentioned hereunder:
  - (i) transfer and vesting of the Multimedia Content Management Undertaking from the Transferor Company to and in the Transferee Company in accordance with Part III of this Scheme;
  - (ii) issue of 1,14,12,104 equity shares of face value Rs. 10/- each by the Transferee Company to the Transferor Company in exchange of transfer and vesting of the Multimedia Content Management Undertaking from the Transferor Company to and in the Transferee Company;
17. Each of the Transferor Company and the Transferee Company (acting through their respective Boards of Directors) may assent to any modifications or amendments to this Scheme, which the Court and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out this Scheme. Each of the Transferor Company and the Transferee Company (acting through its respective Boards of Directors) be and is hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions, whether by reason of any order of the Court or of any directive or order of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith. The Transferor Company and the Transferee Company shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by the Court or any other authority is not on terms acceptable to them.
18. All costs, expenses, charges, fees, taxes, duties, stamp duties levies and all incidental expenses arising out of or incurred in carrying out and implementing the terms and conditions or provisions of this Scheme and matters incidental thereto pertaining to transfer and vesting of the Multimedia Content Management Undertaking to and in the Transferee Company shall be borne by the Transferee Company and shall form part of cost of acquisition of Multimedia Content Management Undertaking.
19. The Transferor Company shall be entitled to declare and pay dividends, whether interim and/or final, to their respective shareholders prior to the Effective Date.
20. If any part of this Scheme is invalid, ruled illegal by any court of competent jurisdiction, or unenforceable under Applicable Laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.



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21. The transfer of properties and liabilities to, and the continuance of proceedings by or against the Transferee Company, shall not affect any transaction or proceedings already concluded by the Transferor Company on or before the Appointed Date, and after Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.



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# SCHEDULE II

**HT MEDIA LIMITED**  
Regd. Office : Hindustan Times House  
18-20, Kasturba Gandhi Marg  
New Delhi - 110001  
Tel.: 66561234 Fax: 66561270  
www.hindustantimes.com  
E-mail : corporatedept@hindustantimes.com  
CIN : L22121DL2002PLC117874

(1-2)  
30

**IN THE HIGH COURT OF DELHI AT NEW DELHI  
COMPANY JURISDICTION  
COMPANY PETITION NO. 361 OF 2016  
CONNECTED WITH  
COMPANY APPLICATION (M) NO. 25 OF 2016**

**IN THE MATTER OF:**

The Companies Act, 1956;

**AND**

**IN THE MATTER OF:**

Petition under Sections 391 to 394 of the Companies Act, 1956;

**IN THE MATTER OF:**

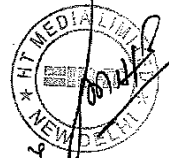
Scheme of Arrangement amongst HT Media Limited and HT Digital Streams Limited and their respective Shareholders and Creditors.

**IN THE MATTER OF:**

<b>HT MEDIA LIMITED</b> , a Company incorporated under the provisions of the Companies Act, 1956 and having its Registered Office at 18-20, Kasturba Gandhi Marg, New Delhi - 110 001.	<b>PETITIONER/ TRANSFEROR COMPANY</b>
<b>HT DIGITAL STREAMS LIMITED</b> , a Company incorporated under the provisions of the Companies Act, 2013 and having its Registered Office at 101, Jagat Trade Centre, Fraser Road, Patna - 800-001 (outside the jurisdiction of this Hon'ble Court).	<b>TRANSFeree COMPANY</b>

Certified to be True Copy

Registrar Judicial Department  
High Court of Delhi of  
Authorized Under Section 78  
Indian Evidence Act.



*[Handwritten signature]*



**HT MEDIA LIMITED**  
 Regd. Office : Hindustan Times House  
 18-20, Kasturba Gandhi Marg  
 New Delhi - 110001  
 Tel.: 66561234 Fax : 66561279  
 www.hindustantimes.com  
 E-mail : corporatedept@hindustantimes.com  
 CIN : 122121DL2002PLC117674

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**SCHEDULE II**

**PART I**

(Short description of the freehold property of the  
 Multimedia Content Management Undertaking)

NIL

**PART II**

(Short description of the leasehold property of the  
 Multimedia Content Management Undertaking)

NIL

**PART III**

(Short description of all stocks, shares, debentures and other charges in  
 action and licenses, equipments and other moveable assets of the  
 Multimedia Content Management Undertaking)

All IT equipments, software licenses, office equipments and camera &  
 studio equipments relatable to the Multimedia Content Management  
 Undertaking.

Dated this the 29<sup>th</sup> day of AUGUST, 2016  
 By Order of the Court.

- Sd/-

**Registrar(Co.)**  
**For Registrar General**

**Certified to be True Copy**

Registrar Judicial Department  
 High Court of Delhi  
 Authorized Under Section 28  
 Indian Evidence Act



9336

Date of Presentation of Application for copy ..... 30/8/16  
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 Agency Fees .....  
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 Name of Applicant ..... Anwar H Das  
 Date of Receipt of Receipt for Copy ..... 03/10/16  
 Date of Preparation of Copy ..... 03/10/16  
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Administrative Officer (Jr)  
 (Original)  
 High Court of Delhi  
 New Delhi



Spand  
 3/X/16

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL  
AT NEW DELHI

CORAM: SMT. INA MALHOTRA, MEMBER (JUDICIAL)  
& SH. V.K SUBBURAJ, MEMBER (TECHNICAL)

CAA- 86(ND) 2018

IN THE MATTER OF SCHEME OF ARRANGEMENT

BETWEEN

HT Media Limited

(APPLICANT NO.1/ DEMERGED COMPANY)

WITH

Digicontent Limited  
(Formerly known as HT Digital Ventures Limited)

(APPLICANT NO. 2/RESULTING COMPANY)

Present- Mr. Rajeev Kumar, Advocate

ORDER DELIVERED ON -07.03.2019

ORDER

PER SMT. INA MALHOTRA, MEMBER (J)

1. This Joint application has been filed by the Applicant Companies under sections 230 and 232 of the Companies Act, 2013 read with Companies (Compromises, Arrangement, and Amalgamation) Rules, 2016 for the purpose of approval of the Scheme of Arrangement, as contemplated between the Demerged Company and the Resulting Company.



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NO. 307  
Date of Presentation  
of application for Copy 11/03/19  
No. of Pages 11  
Copying Fee \$7/-  
Registration & Postage Fee  
Total 200/-  
Date of Receipt &  
Record of Copy  
Date of Preparation of Copy 27/03/19  
Date of Receipt of Copy 27/03/19  
DD/DVA/Court Officer  
National Company Law Tribunal  
New Delhi

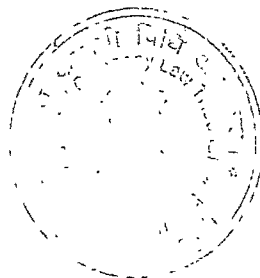
2. Both the Demerged and Resulting Companies have their registered offices at 18-20, Kasturba Gandhi Marg, New Delhi-110001, falling within the jurisdiction of this Tribunal.
3. A perusal of the petition discloses that initially the Demerged Company and Resulting Company had jointly filed the first motion application bearing CAA 24/ND/2018 which had been disposed off by this Tribunal vide its order dated 06.03.2018 directing:-

**A.) In respect to the Demerged Company:**

- i. A meeting to be convened on 19.05.2018 in respect of its 45,326 Equity Shareholders.
- ii. A meeting to be convened on 19.05.2018 in respect of its 3 Secured Creditors.
- iii. A meeting to be convened on 19.05.2018 in respect of its 734 Unsecured Creditors

**B.) In respect to the Resulting Company:**

- i. The requirement of convening a meeting of the shareholders was dispensed with, in view of the consent affidavits of its 7 equity shareholders.
- ii. As there were no Secured Creditor of the Resulting Company, the requirement of convening meeting of the Secured Creditors did not arise.
- iii. The requirement of convening a meeting in respect of its 1 Unsecured Creditors, was dispensed with in view of the consent affidavit being on record.



4. The aforesaid meeting of Equity Shareholders, Secured and Unsecured Creditors of the Demerged Company was duly held on 19.06.2018 as directed by the Tribunal, wherein the proposed Scheme was approved by its members and creditors. The Chairman's reports dated 13.06.2018, recording the approval of the proposed scheme without modification subsequent to the voting process, is on record.

5. Vide the present Scheme, the Demerged Company seeks to demerge its business of Entertainment and Digital Innovation with the Resulting Company. They have outlined the rationale and benefit in the Scheme as under:-

- The Entertainment & Digital Innovation Business of HTML has significant potential for growth. The nature of risk, competition, challenges, opportunities and business operations is separate and distinct from other business of HTML. Thus the scheme, which envisages demerger of Entertainment and Digital Innovation Business into a separate company, would enable this business to innovate, scale up and run independent to pursue growth opportunities in a more focused manner.
- As a part of M/s Digicontent Limited, the Entertainment and Digital Innovative 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.
- There would be more enhanced focus on the operation of the Entertainment and Digital Innovative Business under a dedicated management team of the M/s Digicontent Limited,



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 of HTML.

- The listing of shares of M/s Digicontent Limited stock exchanges, would enable independent benchmarking of Entertainment and Digital Innovative Business, and give a distinct identity to the Entertainment and Digital Innovative Business which is independent and accountable to the interest of all stakeholders and thus, would provide enhanced liquidity to the investor of HTML.
- There is no adverse effect of scheme on the directors, key managerial personnel, promoters, non-promoters, shareholders of HTML and M/s Digicontent Limited and the scheme would be in the best interest of all stakeholders.
- Scheme shall be amendable to benchmarking and be in a position to attract the right set of investors, strategic partners, employees and other relevant stakeholders.

6. So far as the Share Exchange Ratio is concerned, in terms of the scheme, it has been determined in accordance with the settled principles of valuation. The Report on Valuation of Shares & Share Exchange Ratio dated 25<sup>th</sup> August, 2017 has been issued by M/s Jain Jindal & Co. Chartered Accountants, New Delhi, proposing that for every 4 Equity share of face value of Rs.2/- each, held in HTML as on the record date, the equity shareholders of HTML shall be issued 1

equity share of face value of Rs. 2/- each credited as fully paid-up in the M/s Digicontent Limited.

7. The other Salient features of the scheme are:-

a.) The Appointed date shall be 31<sup>st</sup> March, 2018;

b.) Clauses 14.1(a) and 14.2(a) provide that 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. The cancellation, 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 for the purpose of confirming the reduction. The reduction would not involve diminution of liability in respect of unpaid share capital or payment of paid up share capital.

c.) Clause 20.2 provides that in order to give effect to this Scheme, the authorized share capital of the Resulting Company shall be increased from Rs. 1,00,000 to Rs. 12,00,00,000. 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:

*"the Authorized Share capital of the Company is Rs. 12,00,00,000 divided into 6,00,00,000 Equity Shares of Rs.2/- each".*



8. Copies of the Memorandum of Association and Articles of Association along with their audited Balance Sheets, as on 31.03.2017 and reports of the auditors of both the Applicant Companies have been filed on record. Provisional Balance Sheet as on 31<sup>st</sup> December, 2017 of both the Applicant Companies have also been filed.

The Applicants submits that the provisions relating to the accounting treatment for the proposed arrangement, as contained in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013. This has been certified by the Statutory Auditors of the applicant companies.

9. The applicant companies have now initiated the Second Motion. An affidavit dated 17.08.2018 discloses that the applicants had effected publication in daily newspapers in "The Hindustan Times" (English) and in "Hindustan" (Hindi) both dated 08.08.2018 (Delhi Edition). The affidavits filed further disclose that due notice of the proposed scheme had been served on the Registrar of Companies, Regional Director, (Northern Region) and the Income tax Department, inviting objections, if any, to the proposed Scheme of Arrangement.

Pursuant to the Publication in the daily newspapers, for listing of the matter before this Bench, one objector has appeared before us opposing the prayer of demerger by the applicant no.1 company, whose objections have been considered by this Bench.

10. The sole objector, Phonographic Performance Ltd. (PPL) has raised an objection on grounds that there is a contingent liability which the applicants have failed to disclose. The objector and HT Music and Entertainment Co. Ltd. had entered into a License Agreement dated 11.10.2006 which was renewed from time to time. These agreements were executed separately for each radio station at Kolkata, Bangalore, Mumbai and New Delhi. The business of HT Music Entertainment Music was



specifically amalgamated with the business FM Business of HT Radio vide order dated 19.05.2009 passed by the Hon'ble High Court of Delhi. The licenses were terminated due to efflux of time and were not renewed thereafter. However, the applicant no.1 company is alleged to have infringed the copyright in the Sound Recordings administered by the Objectors which gave rise to filing of a suit being CS(OS) No. 2749 of 2011 [subsequently re-numbered as CS(COMM) 457 of 2017] pending before the Hon'ble High Court of Delhi. In the said proceedings, the applicant company has been directed to pay a royalty giving rise to a contingent liability being adjudicated by the Delhi High Court.

It is argued by Id. Counsel for the objector that the scheme as proposed is against the interest of the creditors and is not just, fair and reasonable.

11. Reply has been filed on behalf of the applicant company allaying the apprehensions of the objector. It is submitted that vide the proposed scheme, demerger of only one branch of HT Media Ltd. i.e in respect of its Entertainment and Digital Innovation Business is proposed. It is categorically stated that the radio business of the applicant no.1 company shall continue with the Demerged Company, and they shall continue to remain liable towards liabilities, if any, towards PPL to the extent adjudicated by the Hon'ble High Court of Delhi in the pending proceedings. It is argued by the Id. Counsel for the applicant companies that the objector is merely using the scheme of arrangement as a tool to recover outstanding debts which at the moment are only contingent. The objections raised by the PPL are therefore untenable and not sufficient to derail the scheme. The scheme has been made keeping in view the larger interest of the share holders and its creditors, and apart from the objector herein, none of the creditors have raised any objection.

12. As per averments of the applicants and the arguments advanced before this Bench, it has categorically been submitted on their behalf that the demerger of only the Entertainment and Digital Innovation Business of the H T Media Ltd. is being proposed for a more efficacious operation of its business and the scheme shall not in any way effect the contingent liability of the objector herein. The FM radio business shall continue to be run by the Demerged company as its remaining business and has been clarified in the Scheme of Arrangement.

Clause 1.6 clarifies that the "Entertainment & Digital Innovation Business of HTML" shall mean 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.

Further, it is submitted that the use of the phrase "Fever Audio tool" is merely a tool that is used for aggregation and creation of audio content that is utilized in the Entertainment and Digital Innovation business which is admittedly not used for music.

Therefore, it is further clarified that the Objector does not have any relation with the Entertainment and Digital Innovation Business.

Keeping in view the submissions made, we find that the interest of the objector are not affected by the Scheme and therefore their objections raised are not sufficient to reject the scheme.

13. The Department of the Income Tax has not made any significant objections that would impeditment the sanction of the Scheme. In the reply dated 24.08.2018 filed by the Regional Director, Northern Region, it has been confirmed that the Demerged and Resulting Company are regular in filing their statutory returns. No prosecution has been filed, no complaints are pending and no inspection or investigation has been conducted. Further in

their report, they have stated that they have no objection to the sanction of the proposed scheme.

14. As the shares of the HTML are listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"), the requisite consent, approval and permission from BSE and NSE under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, has been obtained. Further the No Objection Certificate dated 26<sup>th</sup> December, 2017 issued by the BSE Limited and the National Stock Exchange of India Limited dated 22<sup>nd</sup> December, 2017 have been filed.

15. In view of the foregoing and upon considering the approval accorded by the members and creditors of both companies to the proposed Scheme, and no objections having been raised by the office of the Regional Director or the Income Tax Dept or any other interested party, other than PPL whose objections have been taken care of, there appears to be no impediment in granting sanction to the Scheme. Consequently, sanction is hereby granted to the Scheme under sections 230-232 of the Companies Act, 2013. The sanctioned Scheme of arrangement shall be binding on the Demerged and the Resulting Company and on all their respective shareholders and creditors. The Applicants shall also be bound to comply with the statutory requirements in accordance with law, and the submissions made to the objections of PPL.

16. Notwithstanding the above, if there is any deficiency found or, violation committed qua any enactment, statutory rule or regulation, the sanction granted by this court to the scheme will not come in the way of action being taken, albeit, in accordance with law, against the concerned persons, directors and officials of both the petitioner companies.

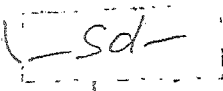
17. While approving the Scheme as above, we further clarify that this order should not be construed as an order in any way granting exemption from payment of stamp duty, taxes or any other charges, if any, and payment in accordance with law or in respect to any permission/ compliance with any other requirement which may be specifically required under any law.

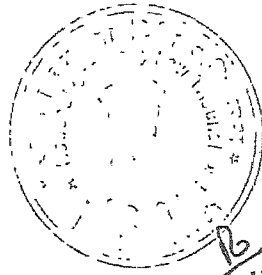
18. THIS TRIBUNAL DO FURTHER ORDER

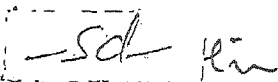
- a.) That all the property, rights and powers of the demerged company, in respect of demerged undertaking, be transferred without further act or deed, to the resulting company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and vest in the resulting company for all the estate and interests of the demerged company in respect of demerged undertaking therein but subject nevertheless to all charges now affecting the same; and
- b.) That all the liabilities and duties of the demerged company, in respect of demerged undertaking, be transferred without further act or deed, to the resulting company and accordingly the same shall pursuant to section 232 of the Act, be transferred to and become the liabilities and duties of the transferee company; and
- c.) That the Demerged Company shall reduce the Book Value assets and liabilities from its books of account at the values appearing as on the Appointed date. The difference between the Book Value of assets and liabilities shall be debited/credited to the Capital Reserve of the Applicant Company. The reduction of Share Capital of the applicant in terms of the Scheme u/s 66 of the Companies Act 2013 is also permitted in terms of approval of the Scheme of Arrangement its members and creditors.

- d.) That all proceedings now pending by or against the demerged company, in respect of demerged undertaking, be continued by or against the resultant company; and
- e.) That petitioner shall within thirty days of the date of the receipt of this order cause a certified copy of this order to be delivered to the Registrar of Companies for registration.
- f.) That any person interested shall be at liberty to apply to the Tribunal in the above matter for any directions that may be necessary.
- g.) The Demerged Company has consented to pay a sum of **Rs. 1 Lakh** to the Prime Minister Relief Fund within four weeks from the date of the order.

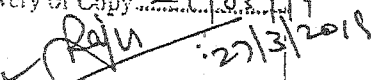
The petition stands disposed of in the above terms.


  
(V.K Subburaj)  
Member Technical



  
(Ina Malhotra)  
Member Judicial

No. 307  
Date of Presentation of application for Copy 11/02/19  
No. of Pages 11  
Copying Fee 5/-  
Registration & Postage Fee  
Total ₹. 200/-  
Date of Receipt & Record of Copy  
Date of Preparation of Copy 27/03/19  
Date of Delivery of Copy 27/03/19

  
DD/DR/Asst Court Officer  
National Company Law Tribunal  
New Delhi

  
व.वि.ब. राजू / V.V.B. RAJU  
उप पंजीयक / DEPUTY REGISTRAR  
राष्ट्रीय कम्पनी विधि अधिकरण  
NATIONAL COMPANY LAW TRIBUNAL  
Block-3, 6th Floor, CGO COMPLEX  
LODHI ROAD, NEW DELHI - 110003

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ANNEX P-1

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SCHEME OF ARRANGEMENT

BETWEEN

HT MEDIA LIMITED (DEMERGED COMPANY)

AND

DIGICONTENT LIMITED (RESULTING COMPANY)  
[FORMERLY KNOWN AS HT DIGITAL VENTURES LIMITED]

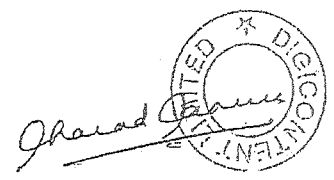
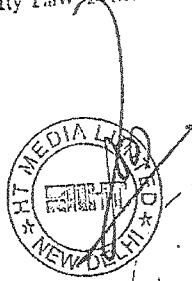
AND

THEIR RESPECTIVE SHAREHOLDERS AND  
CREDITORS

UNDER SECTIONS 230 TO 232 OF THE COMPANIES  
ACT, 2013

READ WITH SECTION 66 OF THE COMPANIES ACT, 2013

No. 307  
 Date of Presentation  
 of application for Copy 11/03/19  
 No. of Pages 29  
 Copying Fee 5/-  
 Registration & Postage Fee.....  
 Total ₹. 2.00/-  
 Date of Receipt &  
 Record of Copy.....  
 Date of Preparation of Copy 27/03/19  
 Date of Delivery of Copy 27/03/19  
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 DD/DR/AT/Court Officer  
 National Company Law Tribunal  
 New Delhi



B

PREAMBLE

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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").

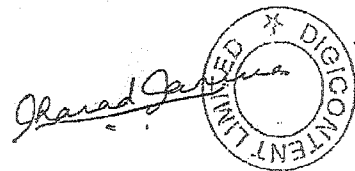
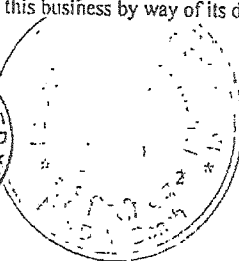
HTML is engaged in the following key businesses:

- 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. Digicent Limited ("DCL" 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 under the name of HT Digital Ventures Limited ("HTDVL"). Subsequently, the name was changed to Digicent Limited with effect from October 24, 2017. 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.

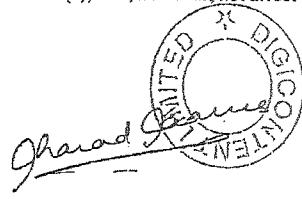
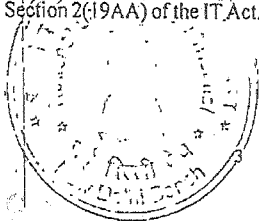
There is no adverse effect of Scheme on the directors, key managerial personnel, promoters, non-promoter shareholders, creditors, vendors and employees of HTML and the Resulting Company. The Scheme would be in the best interest of all stakeholders.

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



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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

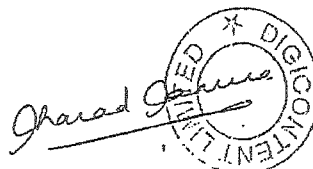
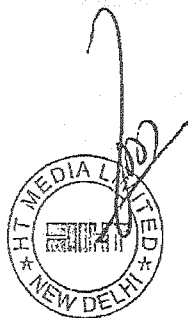
DEFINITION AND SHARE CAPITAL

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.

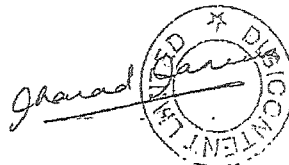
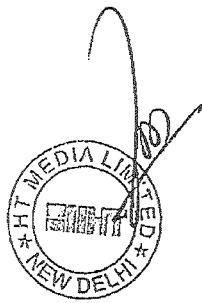


restaurants, eateries, etc., distribution of in-house creative and niche celeb based content to mobile and digital users, innovative tools to build, promote and amplify brand communication and deliver it with a greater impact and credibility; strategic investments in multimedia content management business, 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



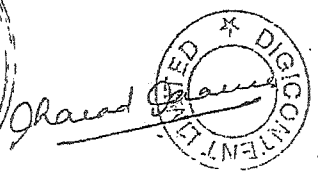
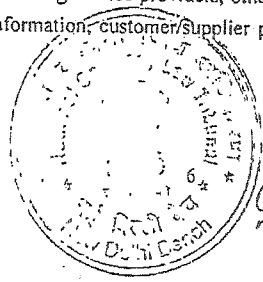
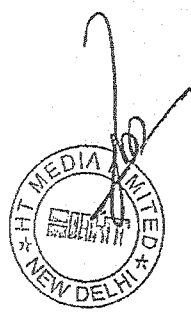
Innovation Business;

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/manufacturer 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;

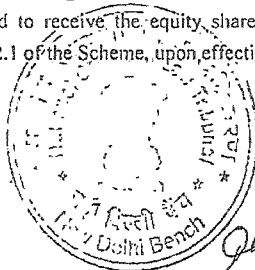
1.6.6 All applications (including hardware, software, licenses, source codes, parameterization and scripts), registrations, licenses, trade names, service marks, trademarks, copyrights, patents, domain names, websites, designs, contracts, intellectual property rights (whether owned, licensed or otherwise, 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:
- the debts, liabilities, duties and obligations of HTML which arises out of the activities or operations of the Entertainment & Digital Innovation Business;
  - specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Entertainment & Digital Innovation Business; and
  - 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.
- 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 Digicontent Limited ("DCL"), formerly known as 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.

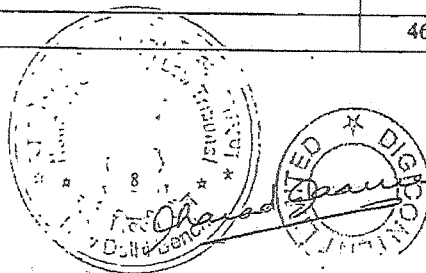
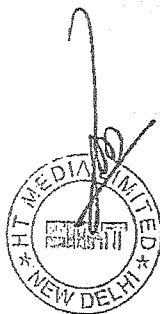
## 2. DATE OF TAKING EFFECT AND OPERATIVE DATE

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



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

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 the Resulting Company has sub-divided its equity shares to a face value of Rs. 2/- per equity share from Rs10/- per equity share.

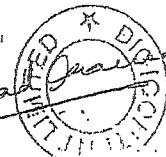
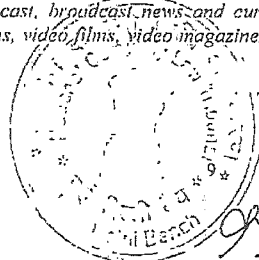
The existing Share Capital of the Resulting Company is as under:

Particular	Amount (Rs.)
<b>Authorized Share Capital</b>	
50,000 Equity Shares of Rs. 2/- each	1,00,000/-
<b>Total</b>	<b>1,00,000/-</b>
<b>Issued, Subscribed and Paid Up Share Capital</b>	
50,000 Equity Shares of Rs. 2/- each fully paid up	1,00,000/-
<b>Total</b>	<b>1,00,000/-</b>

#### 4. MAIN OBJECTS

4.1. The main objects of HTML as on the date of filing of the Scheme are as follows:

1. 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.
2. 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



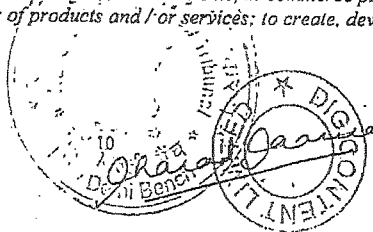
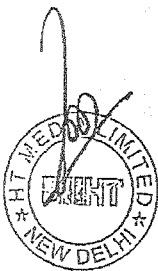


related thereto.

3. 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.
4. To engage in the business of radio broadcast and all other allied activities including producing buying, selling and distribution of radio programs.
5. 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, to 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, executives, 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.

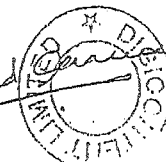
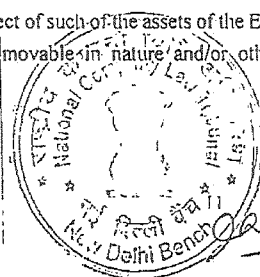
#### PART B

#### 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

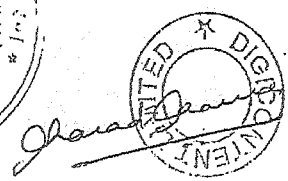
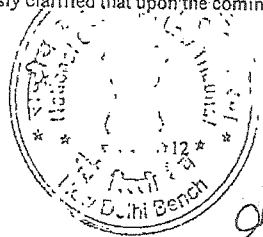
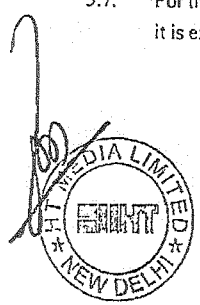
- 5.1. Upon the coming into effect of this Scheme and with effect from the Appointed Date, the "Entertainment & Digital Innovation Business" (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the "Entertainment & Digital Innovation 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



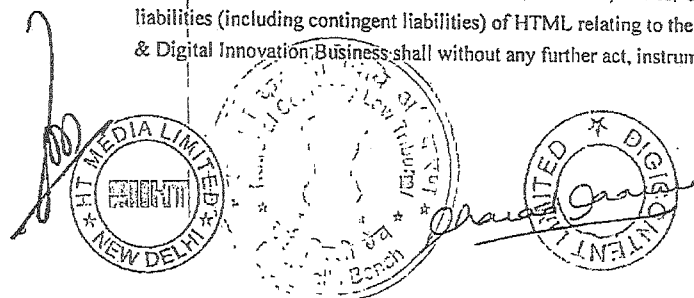
constructive delivery of possession and/or by endorsement and delivery, the same shall be so transferred by HTML to the Resulting Company upon the coming into effect of this Scheme pursuant to the provisions of Section 232 of the Act, without requiring any deed or instrument of conveyance for transfer 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 or 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,



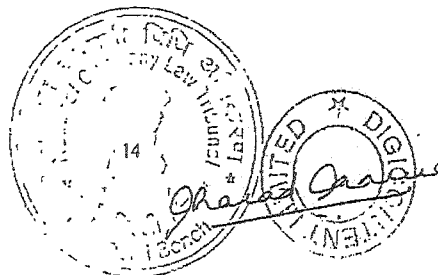
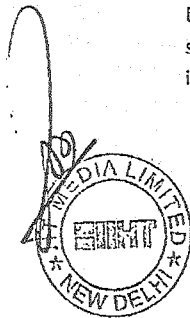
licenses, permissions, right of way, approvals, clearances, consents, benefits, registrations, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, issued to or granted to or executed in favour of HTML, and the rights and benefits 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

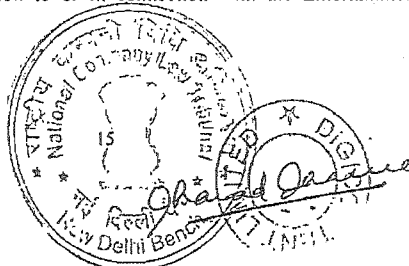
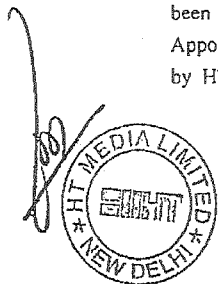


and stand transferred to the Resulting Company and shall thereupon become the debts, duties, obligations and liabilities of the Resulting Company, which it undertakes to meet, discharge and satisfy to the exclusion of HTML and to keep HTML indemnified at all times from and against all such debts, duties, 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

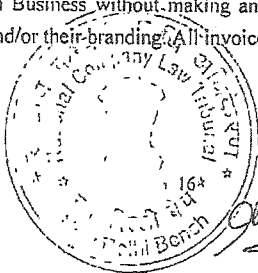
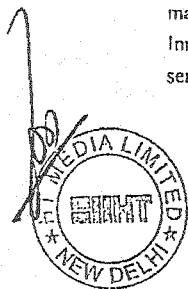


Innovation Business shall be deemed to have been for and on account of the Resulting Company.

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



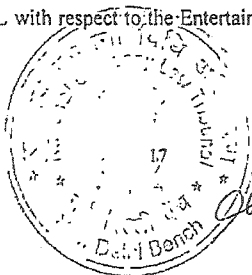
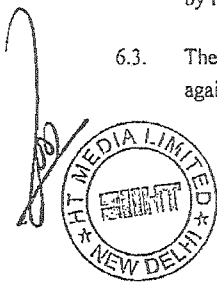


to such items shall be raised in the name of the Resulting Company after the Effective Date.

- 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,



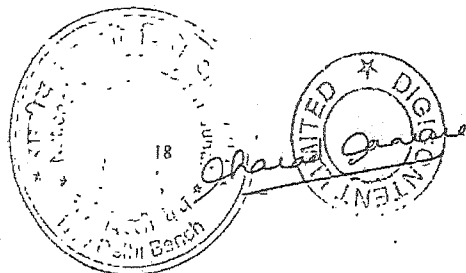
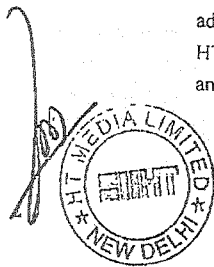
transferred into its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of HTML.

## 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

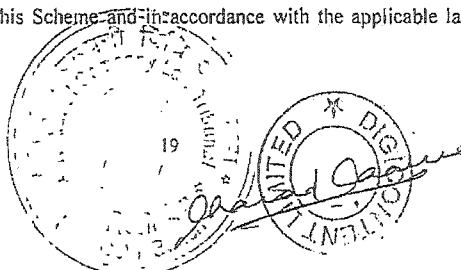
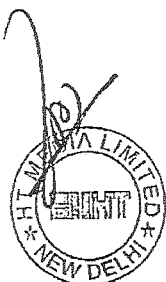
- 8.1. The transfer and the vesting of the assets, liabilities and obligations of the Entertainment & Digital Innovation Business under clause 5 hereof and the continuance of proceedings by or against the Resulting Company under clause 6 hereof shall not affect any transaction or proceedings already 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

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- 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



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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

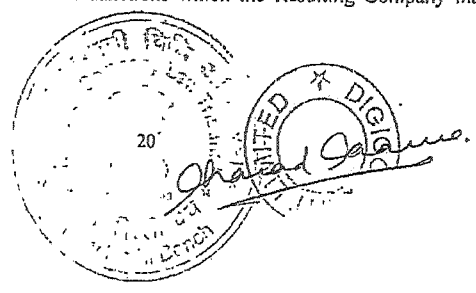
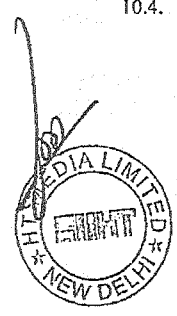
10.1. With effect from the Appointed Date and up to and including the Effective Date:

- 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 subdivision 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.

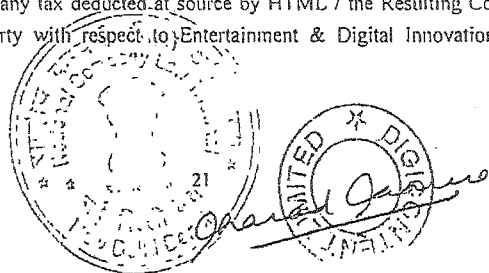
10.4. The Resulting Company shall also be entitled, pending the sanction of the Scheme, to apply to the Central Government, State Government, and all other agencies, departments and statutory authorities concerned, wherever necessary, for such consents, approvals and sanctions which the Resulting Company 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-a-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 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.

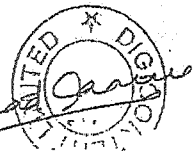
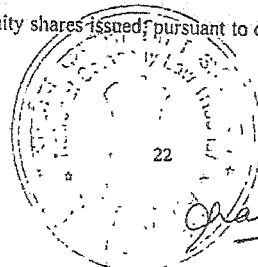
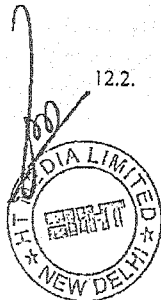
12. CONSIDERATION

- 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."

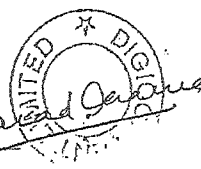
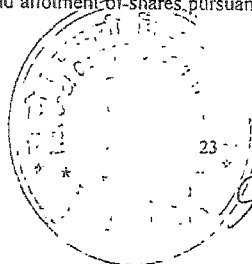
In issue and allotment of such shares of the Resulting Company to the equity shareholders of HTML, as aforesaid, the fractional entitlements shall not be taken into account, but such shares representing fractional entitlements shall be consolidated and thereupon, the Resulting Company will issue and 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 of 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



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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.

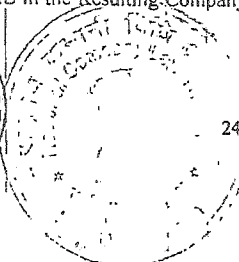
- 12.9. The new equity shares to be issued by the Resulting Company, in terms of clause 12.1 above, will be listed and/or admitted to trading on the BSE and NSE, where the equity shares of HTML are listed and/or admitted to trading in terms of the provisions of Securities and Exchange Board of India (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.

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#### Accounting treatment in the books of the Resulting Company

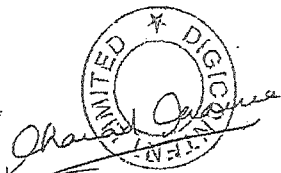
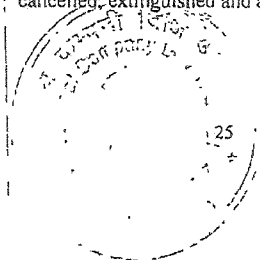
On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are ultimately controlled by the same party before and after the transaction, the Resulting Company shall account for Demerger of the Entertainment & Digital Innovation Business in its 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 accounting 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.



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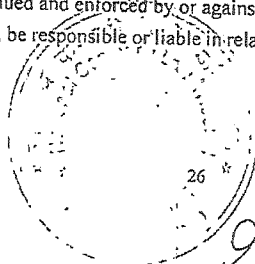
- b) The cancellation, as mentioned under clause 14.1(a) above, which amounts to reduction of share capital of the Resulting Company, shall be effected as an integral part of this Scheme itself in accordance with the provisions of section 66 of the Act and the order of the Tribunal sanctioning the Scheme 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.

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- 15.3. With effect from the Appointed Date and up to and including the Effective Date:
- a. 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;
  - b. 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
  - c. 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

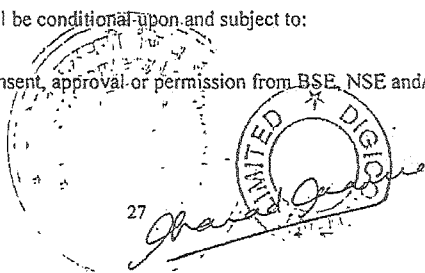
17.1. HTML and the Resulting Company, by their respective Boards of Directors, may assent to/make and/or consent to any modifications/amendments to the Scheme, or to any conditions or limitations that the Tribunal and/or any other authority (including SEBI and stock exchanges) under law may deem fit 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



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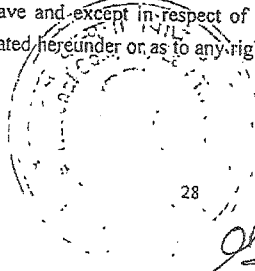
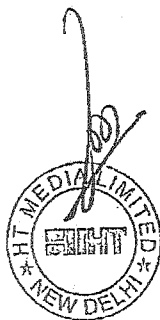
Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, which by law or otherwise may be necessary for the implementation of this Scheme in compliance with the provisions of SEBI Circular;

- 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.

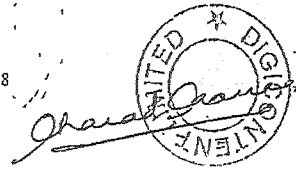
The last of such dates shall be the 'Effective Date' for the purpose of this Scheme.

#### 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



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or accrued pursuant thereto and which shall be governed and be preserved 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.

Date of Preparation of Copy ..... 27/03/19  
 Date of Delivery of Copy ..... 27/03/19

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

*Raju*  
 DD/DR/AR/Comr Officer  
 27/3/2019

**20. CHANGE OF NAME, INCREASE IN AUTHORIZED SHARE CAPITAL OF THE 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).

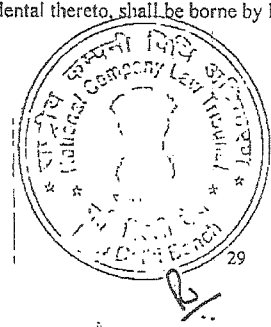
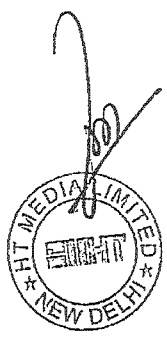
By virtue of Clause 20.2 read with Clause 3.2, , Clause (V) of the memorandum of association of the Resulting Company shall, without any further act or deed, be amended accordingly to read as under:

*"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.



*Raju*  
 DIGITAL  
 (NATIONAL COMPANY LAW TRIBUNAL)

*Raju*  
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