DRAFT LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Draft Letter of Offer ("**Draft Letter of Offer**"/"**DLoF**") is sent to you as a Public Shareholder (as defined below) of Next Mediaworks Limited. If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager (as defined below) / Registrar to the Offer (as defined below). In case you have recently sold your Equity Shares (as defined below), please hand over this LoF and the accompanying Form of Acceptance-cum-Acknowledgement and Transfer Deed to the member of stock exchange through whom the said sale was effected.

HT MEDIA LIMITED

Listed public limited company incorporated under the Companies Act, 1956
Registered office: -18-20, Kasturba Gandhi Marg, New Delhi - 110001
(Tel: +91-11-66561234, Fax: +91-11-66561270, CIN: L22121DL2002PLC117874)
(hereinafter referred to as the "**Acquirer**" / "**HT MEDIA**")

MAKE A CASH OFFER AT A PRICE OF INR 27.00 (INDIAN RUPEES TWENTY SEVEN ONLY) PER FULLY PAID UP EQUITY SHARE OF FACE VALUE OF INR 10 (INDIAN RUPEES TEN ONLY) EACH, TO ACQUIRE UPTO 1,73,92,157 (ONE CRORE SEVENTY THREE LAKH NINETY TWO THOUSAND ONE HUNDRED AND FIFTY SEVEN ONLY) EQUITY SHARES REPRESENTING 26.00% OF THE VOTING SHARE CAPITAL (AS DEFINED BELOW), UNDER THE SEBI (SAST) REGULATIONS (AS DEFINED BELOW) FROM THE PUBLIC SHAREHOLDERS OF

NEXT MEDIAWORKS LIMITED

Listed public limited company incorporated under the Companies Act, 1956
Registered office: I-17, I-18 & I-19, 10th Floor, Tardeo Everest Co-operative Society Limited, 156, D J Dadajee Road, Tardeo, Mumbai – 400034
Tel: +91-22-67527016 , CIN: L22100MH1981PLC024052
(hereinafter referred to as the "**Target Company**" / "**NMW**")

1. This Offer (as defined below) is made pursuant to and in compliance with the provisions of regulation 3(1) and regulation 4 of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer in terms of regulation 19 of the SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.
4. As on the date of the DLoF, to the best of the knowledge of the Acquirer, there are no statutory approvals required to acquire the Offer Shares that are validly tendered pursuant to this Offer and to complete the Underlying Transaction, save and except as set out in Part VI of this DLoF. If, however, any further statutory or other approval becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) and the Acquirer shall make necessary applications for such approvals.
5. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.
6. The Acquirer may withdraw the Offer in accordance with the terms and conditions specified in Part VI section C paragraph 7 of this Draft Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days (as defined below) of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement (as defined below) had appeared, stating the grounds for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations.
7. The Offer Price (as defined below) may be subject to revision pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to the commencement of the last one Working Day before the commencement of the Tendering Period (as defined below) in accordance with regulation 18(4) of the SEBI (SAST) Regulations. Where the Acquirer has acquired any Equity Shares during the offer period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares during the period commencing three Working Days prior to the commencement of the Tendering Period and ending on the expiry of the Tendering Period. In the event of such revision, the Acquirer shall (i) make corresponding increases to the Open Offer Escrow Amount (as defined below); (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such announcement, inform SEBI (as defined below), the Stock Exchanges (as defined below) and the Target Company at its registered office of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.
8. **There has been no competing offer as of the date of this Draft Letter of Offer.**

A copy of the Public Announcement (as defined below), the Detailed Public Statement and the Draft Letter of Offer (including the Form of Acceptance-cum-Acknowledgement) is also available on the website of SEBI (www.sebi.gov.in).

MANAGER TO THE OFFER	REGISTRAR TO THE OFFER
Kotak Mahindra Capital Company Limited 27BKC, 1st floor, Plot no. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051 Tel: +91 22 4336 0000 Fax: +91 22 6713 2447 Email: project.nmwopenoffer@kotak.com Contact Person: Mr. Ganesh Rane SEBI Registration Number: INM000008704 CIN: U67120MH1995PLC134050	**Link Intime Private Limited** C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai – 400 083, Tel : + 91 22 49186200 Fax : + 91 22 49186195 Email: nextmedia.offer@linkintime.co.in Contact Person: Mr. Sumeet Deshpande SEBI Registration Number: INR000004058 CIN: U67190MH1999PTC118368

The schedule of activities under the Offer is as follows:

Activity	Schedule of activities
	Date & Day
Date of the Public Announcement	Thursday, December 20, 2018
Date of publication of the Detailed Public Statement	Friday, December 28, 2018
Filing of the Draft Letter of Offer with SEBI	Friday, January 4, 2019
Last date for a competing offer(s)	Friday, January 18, 2019
Last date for SEBI observations on the Draft Letter of Offer (in the event SEBI has not sought clarifications or additional information from the Manager)	Friday, January 25, 2019
Identified Date* (as defined below)	Tuesday, January 29, 2019
Date by which the Letter of Offer is to be dispatched to the Public Shareholders whose name appears on the register of members on the Identified Date	Tuesday, February 5, 2019
Last date for revising the Offer Price / Offer Size	Friday, February 8, 2019
Last date by which the committee of the independent directors of the Target Company shall give its recommendation to the shareholders of the Target Company for this Offer	Friday, February 8, 2019
Date of publication of Offer Opening Public Announcement in the newspapers in which the Detailed Public Statement has been published	Monday, February 11, 2019
Date of commencement of the Tendering Period (“Offer Opening Date”)	Tuesday, February 12, 2019
Date of closure of the Tendering Period (“Offer Closing Date”)	Tuesday, February 26, 2019
Last date of communicating the rejection/ acceptance and completion of payment of consideration or refund of Equity Shares to the shareholders of the Target Company	Wednesday, March 13, 2019
Last date for publication of post-Offer public announcement in the newspapers in which the Detailed Public Statement has been published	Wednesday, March 20, 2019

**The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be sent. It is clarified that all the Public Shareholders (registered or unregistered) of the Target Company are eligible to participate in the Offer at any time prior to the expiry of the Tendering Period.*

RISK FACTORS

Risk factors relating to the transaction

- The acquisition of the Sale Shares is subject to the satisfaction or waiver (at the discretion of the Acquirer) of various conditions under the SPA (as defined hereinbelow). Highlights of each of these conditions have been outlined in Part II of Section A (*Background to the the Offer*).

Risk factors relating to the Offer

- The Acquirer may withdraw the Offer in accordance with the conditions specified in Part VI Section C paragraph 7 of this Draft Letter of Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the Detailed Public Statement had appeared, stating the grounds for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations.

- In the event of any litigation leading to a stay on the Offer by a court of competent jurisdiction, or SEBI instructing that the Offer should not proceed, the Offer may be withdrawn or the Offer process may be delayed beyond the schedule of activities indicated in this Draft Letter of Offer. Consequently, in the event of any delay, the payment of consideration to the Public Shareholders of the Target Company, whose Equity Shares are accepted under this Offer, as well as the release of Equity Shares not accepted under this Open Offer by the Acquirer may be delayed.

- The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer / Clearing Corporation until the completion of the Offer formalities, and the Public Shareholders who have tendered their Equity Shares will not be able to trade such Equity Shares held in trust by the Registrar to the Offer / Clearing Corporation during such period. During such period, there may be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.

- In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares which are validly tendered by the Public Shareholders on a proportionate basis as detailed in paragraph 9 of Section A (*Justification of Offer Price*) of Part V below. Therefore, there is no certainty that all the Equity Shares tendered in the Offer will be accepted. The unaccepted Equity Shares will be released to the respective Public Shareholders in accordance with the schedule of activities for the Offer.

- Further, Public Shareholders should note that, under the SEBI (SAST) Regulations, once Public Shareholders have tendered their Equity Shares in the Offer, they will not be able to withdraw their Equity Shares from the Offer even in the event of a delay in the acceptance of Equity Shares under the Offer and/or the dispatch of consideration.

- In case of delay in receipt of any statutory approval, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, and subject to such terms and conditions as specified by SEBI, including payment of interest in accordance with regulation 18(11) of the SEBI (SAST) Regulations, grant an extension of time to the Acquirer pending receipt of such statutory approval(s) to make the payment of the consideration to the Public Shareholders whose Equity Shares have been accepted in the Offer.

- The Acquirer and the Manager accept no responsibility for the statements made otherwise than in the LoF, the DPS (as defined below) and/or the PA (as defined below) and/or in the Offer Opening Public Announcement (as defined below) and/or in any corrigendum to the DPS and PA (if issued) and anyone placing reliance on any other source of information (not released by the Acquirer or the Manager) would be doing so at his, her or their own risk.

- Public Shareholders are advised to consult their respective tax advisors for assessing the tax liability, pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer and the Manager do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in the LoF.

Probable risks involved in associating with the Acquirer

- Neither the Acquirer nor the Manager makes any assurance with respect to the continuation of past trends in the financial performance of the Target Company.

- Neither the Acquirer nor the Manager can provide any assurance with respect to the market price of the Equity Shares of the Target Company before, during or after the Offer and each of them expressly disclaim any responsibility or obligation of any kind with respect to any decision by any Public Shareholder regarding whether or not to participate in the Offer.

The risk factors set forth above are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associating with the Acquirer. The risk factors set forth above do not relate to the present or future business or operations of the Target Company and any other related matters, and are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by any Public Shareholder in the Offer. Public Shareholders are advised to consult their stockbroker, investment consultant or tax advisor for an understanding of the further risks associated with their participation in the Offer.

CURRENCY OF PRESENTATION

In this Draft Letter of Offer, all references to "**Rs.**"/"**INR**" are to Indian Rupee(s), the official currency of India.

In this Draft Letter of Offer, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

All financial data presented in this Draft Letter of Offer is in INR.

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DEFINITIONS / ABBREVIATIONS

Particulars	Details / Definition
Acquirer / HT MEDIA	HT Media Limited
BSE	BSE Limited
Cash Escrow	Cash aggregating to INR 11,73,98,000 (Indian Rupees Eleven Crore Seventy Three Lac Ninety Eight Thousand Only)
CDSL	Central Depository Services (India) Limited
CIN	Corporate Identification Number
Clearing Corporation	Clearing Corporation of Stock Exchanges
Conditions Precedent	The conditions precedent as contained in the SPA and summarised in paragraph 6(i) of Section A (Background to the Offer) of Part II of this DLOF.
Depositories	CDSL and NSDL
Detailed Public Statement / DPS	The detailed public statement in connection with the Offer, published on behalf of the Acquirer on December 28, 2018
DP	Depository Participant
Draft Letter of Offer / Draft LOF / DLOF	Draft Letter of Offer dated January 4, 2019, filed with the SEBI pursuant to regulation 16(1) of the SEBI (SAST) Regulations
Equity Share(s)	Fully paid up equity shares of the Target Company of Face Value of INR 10 (Indian Rupees Ten Only) each of the Target Company
Escrow Bank	Kotak Mahindra Bank Limited, acting through its office at 5 C / II, Mittal Court, 224, Nariman Point, Mumbai – 400 021
FEMA	Foreign Exchange Management Act, 1999 and the rules and the regulations framed thereunder, as amended or modified from time to time
FII	Foreign Institutional Investors
FPI	Foreign Portfolio Investors
Identified Date	The date falling on the 10th Working Day prior to the commencement of the Tendering Period
IFSC	Indian Financial System Code
Income Tax Act	The Income Tax Act, 1961, as amended
Letter of Offer / LOF	Letter of Offer dated [●]
Manager	Kotak Mahindra Capital Company Limited
Maximum Open Offer Consideration	INR 46,95,88,239 (Indian Rupees Forty Six Crore Ninety Five Lac Eighty Eight Thousand Two Hundred and Thirty Nine Only)
NRL	Next Radio Limited, a subsidiary company of the Target Company
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCBs	Overseas Corporate Bodies
ODI Regulations	Foreign Exchange Management Act, 1999 (i.e. the Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004)
Offer / Open Offer	Open offer being made by the Acquirer to the Public Shareholders of the Target to acquire up to 1,73,92,157 (One Crore Seventy Three Lac Ninety Two Thousand One Hundred and Fifty Seven) Equity Shares of Face Value of INR10 (Indian Rupees Ten Only) each, representing 26.00% of the Voting Share Capital, at a price of INR 27 (Indian Rupees Twenty Seven Only) per Offer Share
Offer Opening Public Announcement	The announcement of the commencement of the Tendering Period made on behalf of the Acquirer
Offer Price	INR 27 (Indian Rupees Twenty Seven Only) per Offer Share
Offer Shares	1,73,92,157 (One Crore Seventy Three Lac Ninety Two Thousand One Hundred and Fifty Seven) Equity Shares, representing 26.00% of the Voting Share Capital

Particulars	Details / Definition
Offer Size	INR 46,95,88,239 (Indian Rupees Forty Six Crore Ninety Five Lac Eighty Eight Thousand Two Hundred and Thirty Nine Only), being the maximum consideration payable under this Offer assuming full acceptance
Open Offer Escrow Account	The account opened with Kotak Mahindra Bank Limited in accordance with regulation 17 of the SEBI (SAST) Regulations
Open Offer Escrow Agent / Escrow Agent	Kotak Mahindra Bank Limited acting through its office at 5 C / II, Mittal Court, 224, Nariman Point, Mumbai – 400 021
Open Offer Escrow Agreement	Escrow agreement dated December 20, 2018 entered into by the Acquirer with the Open Offer Escrow Agent and the Manager
Open Offer Escrow Amount	The Cash Escrow maintained by the Acquirer with the Open Offer Escrow Agent in accordance with the Open Offer Escrow Agreement
Other NRL Shareholders	All shareholders of NRL other than the Target Company
PAN	Permanent Account Number
Promoter	Promoter of the Target Company and shall have the meaning ascribed to the term under the SEBI (SAST) Regulations
Promoter Group	Promoter Group of the Target Company and shall have the meaning ascribed to the term under the SEBI (SAST) Regulations
Public Announcement / PA	The public announcement in connection with the Offer dated December 20, 2018 issued by the Manager on behalf of the Acquirer
Public Shareholder(s)	All equity shareholders of the Target Company who are eligible to tender their Equity Shares in the Open Offer, excluding (i) the Acquirer, and (ii) parties to the SPA, and (iii) any persons deemed to be acting in concert with any of Acquirer and parties to the SPA
QIP	Qualified institutional placement, under Chapter VI- Qualified Institutional Placement of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime Private Limited
Sale Shares	The Acquirer and the Sellers (as defined below) have entered into the SPA, pursuant to which the Sellers have agreed, subject to the terms and conditions set out in the SPA, to collectively sell, and the Acquirer has agreed to purchase, for cash, 1,67,23,229 (One Crore Sixty Seven Lac Twenty Three Thousand Two Hundred and Twenty Nine) Equity Shares, representing 25% of the Voting Share Capital
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended
SEBI Delisting Regulations	Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended
SEBI (ICDR) Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI (LODR) Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
SEBI (SAST) Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Seller 1	Ms. Rukya Khalid Ansari
Seller 2	Mr. Khalid A H Ansari
Seller 3	Mr. Tarique Ansari
Seller 4	Ms. Tehzeeb Ansari
Seller 5	Mr. Sharique Ansari

Particulars	Details / Definition
Seller 6	Ferari Investments and Trading Co. Pvt. Ltd
Seller 7	Meridian Holding and Leasing Company Pvt. Ltd
Seller 8	Inquilab Offset Printers Ltd.
Sellers	Seller 1, Seller 2, Seller 3, Seller 4,Seller 5, Seller 6, Seller 7, Seller 8 are collectively referred to as Sellers
SPA	Share purchase agreement executed by and among the Acquirer and the Sellers on December 20, 2018
Stock Exchanges	BSE & NSE
STT	Securities Transaction Tax
Target / Target Company/ NMW	Next Mediaworks Limited
Tendering Period	[●], to [●], both days inclusive
TRS	Transaction Registration slip
Underlying Transaction	Collectively referring to purchase of 1,67,23,229 Equity Shares from Sellers and Additional Acquisition (as defined below)
Voting Share Capital	The total equity share capital of the Target Company on a fully diluted basis expected as of the 10th (Tenth) Working Day from the closure of the Tendering Period for the Open Offer being 6,68,92,908 (Six Crore Sixty Eight Lac Ninety Two Thousand Nine Hundred and Eight) Equity Shares
Working Day(s)	Shall have the same meaning ascribed to it in the SEBI (SAST) Regulations

I. DISCLAIMER CLAUSE

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LOF WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LOF HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF NEXT MEDIAWORKS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR FINANCIAL SOUNDNESS OF THE ACQUIRER OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 4, 2019 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS 2011 AND SUBSEQUENT AMENDEMENT(S) THEREOF. THE FILING OF THE LOF DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER FROM THE REQUIREMENT OF OBTAINING SUCH A STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER."

II. DETAILS OF THE OFFER

A. Background to the Offer

1. The Offer is being made by the Acquirer to the Public Shareholders of the Target Company in accordance with regulation 3(1) and regulation 4 of the SEBI (SAST) Regulations.
2. This Offer is a mandatory offer pursuant to the execution of the SPA on December 20, 2018 amongst the Acquirer and the Sellers.
3. The Acquirer and the Sellers have entered into the SPA, pursuant to which the Sellers have agreed, subject to the terms and conditions set out in the SPA, to collectively sell, and the Acquirer has agreed to purchase 1,67,23,229 Equity Shares, for cash at a price of INR 27 per Equity Share ("**Initial Acquisition**"). The details of the Sale Shares being sold under SPA are set out below:

Seller	Number of Sale Shares	Percentage of Equity Share Capital
Seller 1	-	-
Seller 2	33,44,647	5.00%
Seller 3	-	-
Seller 4	-	-
Seller 5	-	-
Seller 6	96,59,226	14.44%
Seller 7	29,74,610	4.45%
Seller 8	7,44,746	1.11%
Total	**1,67,23,229**	**25.00%**

4. Further the Acquirer shall also acquire such number of Equity Shares ("**Additional Shares**") from the Sellers which, taken together with the Sale Shares and Equity Shares validly tendered and accepted in the Open Offer, would result in the Acquirer holding 51% of the Voting Share Capital post such acquisition of Additional Shares ("**Additional Acquisition**") (the Initial Acquisition and Additional Acquisition are collectively referred to as "**Underlying Transaction**"). Additional Shares will be purchased for cash at a price of INR 27 per Equity Share.

5. Upon completion of the Underlying Transaction and the Open Offer, the Acquirer will be the majority shareholder in and exercise control over the Target Company and the shareholders currently classified as promoters and members of the promoter group of the Target Company will cease to exercise control over the Target Company, directly or indirectly, and will not have any special rights in the Target Company.

6. <u>Key Terms of SPA</u>:
   i. The obligation of the Acquirer to proceed to Completion (as defined in the SPA) is conditional upon *inter alia* the following conditions being fulfilled to the reasonable satisfaction of the Acquirer (or waiver in writing by the Acquirer):
      a. Sellers Fundamental Warranties/ Warranties (as defined in the SPA) being true, accurate and/or not misleading, in all respects as on the Completion Date (as defined in the SPA).
      b. Obtaining necessary approvals from such Governmental Authorities, as may be applicable, in respect of the transactions contemplated in the SPA.
      c. There being no writ, judgment, injunction, decree, restraining order or other order or any other legal or regulatory restraint or prohibition issued or made by any court of competent jurisdiction or any other Governmental Authority which prevents the consummation of the transactions contemplated in this Agreement or which has or

would have the effect of making the transfer of Sale Shares by the Sellers to the Acquirer void, illegal or otherwise prohibit the completion or effectiveness of the transactions contemplated in the SPA.

d. As on the Completion Date (as defined in the SPA), no change, event or circumstance having occurred, which has had, or which is reasonably likely to have a Material Adverse Effect (as defined in the SPA).

e. Sellers and the Target Company having obtained requisite consents, approvals or waivers from their respective lenders under the relevant facility/ loan agreements (as applicable) in relation to the consummation of the transactions contemplated in the SPA.

f. Sellers certifying that, as on the Completion Date (as defined in the SPA), the Sellers in their capacity as a shareholder of the Target Company has no claims against the Target Company and are not aware of any circumstances that may give rise to a claim as a shareholder against the Target Company.

g. Sellers not being in material breach of the agreements, covenants, obligations, representations and warranties required by the Transaction Documents (as defined in the SPA) to be so performed or complied with by the Sellers, as applicable at or before Completion Date (as defined in the SPA).

h. The Target Company not being delisted and its Equity Shares continuing to be listed on the stock exchanges.

i. The Target Company or its auditors not having: (a) withdrawn any prior financial statements; (b) publicly announced any intention to, or determined that it must, restate any financial information or financial statements; (c) publicly announced any intention to, or determined that any of its prior financial statements cannot be relied upon; and (d) failed to timely file any financial statements.

j. No notice with respect to an insolvency event has been received in writing or is subsisting against the Target Company or any subsidiary and the Target Company or any subsidiary are not being a party to any insolvency or bankruptcy proceedings.

ii. On the Completion Date (as defined in the SPA), it is *inter alia* agreed that:

a. Such number of nominees of the Acquirer, as may be determined by the Acquirer, shall be appointed as additional directors on the board of the Target Company, subject to the approval of the shareholders of the Company.

b. The existing directors and Key Managerial Personnel (as defined under the Companies Act, 2013) of the Target Company shall resign.

iii. Further, upon Completion (as defined in the SPA) and completion of this Open Offer:

a. the Sellers will cease to exercise control over the Target Company, directly or indirectly, and shall not have any special rights, directly or indirectly, over the affairs of the Target Company.

b. the Acquirer will hold a majority and controlling stake in the Target Company, with all rights including to control the management or policy decisions of the Target Company, other rights as available under applicable law, and will be in charge of the overall business, decision making and day to day operations of the Target Company

7. Further, the board of directors of the Acquirer ("**Board of Directors**") has approved the purchase of 3,68,08,001 shares of NRL (an entity in which the Target Company holds 51.40% stake) constituting 48.60% stake in NRL from Other NRL Shareholders, in the manner mentioned in the paragraph below.

If any of the Other NRL Shareholders offer their shares in NRL for sale within 2 working days following the date of payment of consideration to Public Shareholders whose shares have been accepted in this Open Offer, then such shares shall be purchased by the Acquirer at a price of INR 46.39 per share of NRL (i.e. the implied price of the NRL shares based on the Offer Price being paid to the Public Shareholders pursuant to this Open Offer). However, if any of the Other NRL Shareholders, exercise their option to sell subsequently, which option can only be exercised by them on or after November 15, 2019, then such shares shall be bought at a price of INR 52.81 per share. Definitive Agreements in this regard are being finalized between the Acquirer and the Other NRL Shareholders, and disclosures will be made once the same are finalized.

8. The Acquirer has not been prohibited by SEBI from dealing in securities pursuant to the terms of any directions issued under section 11B of the SEBI Act or under any other regulations made under the SEBI Act.

9. The Acquirer does not have any nominee director or representatives on the board of directors of the Target Company as on the date of this DLOF. In terms of the SPA, on the Completion Date (as defined in the SPA): (i) the Acquirer may nominate such number of nominees as it may determine for appointment as additional directors on the board of the Target Company, subject to the approval of the shareholders of the Company; and (ii) the existing directors of the Target Company shall resign.

10. As per regulations 26(6) and 26(7) of the SEBI (SAST) Regulations, the committee of independent directors of the Target Company will publish their reasoned recommendations on the Offer in the same newspapers in which the DPS was published by no later than 2 (two) working days prior to the commencement of Tendering Period, and simultaneously a copy of such recommendations will be sent to SEBI, the Stock Exchanges and to the Manager.

B. Details of the Proposed Offer

1. The PA in connection with the Offer was made on December 20, 2018 to the Stock Exchanges and a copy thereof was also filed with SEBI, the Stock Exchanges and the Target Company at its registered office.

2. The DPS was published on December 28, 2018 in Mint (English) (all editions), Hindustan Times (English) (all editions), Hindustan (Hindi) (all editions), Navshakti (Marathi) (Mumbai edition). A copy of the PA and a copy of the DPS are also available on the website of SEBI (www.sebi.gov.in).

3. The Offer is a mandatory offer in compliance with regulation 3(1) and 4 of the SEBI (SAST) Regulations pursuant to the substantial acquisition of shares, voting rights and control over the Target Company by Acquirer in accordance with and subject to the terms of the SPA.

4. This Offer is being made by the Acquirer to all the Public Shareholders of the Target Company to acquire up to **1,73,92,157 (One Crore Seventy Three Lac Ninety Two Thousand One Hundred and Fifty Seven only)** Equity Shares representing **26% (twenty six per cent)** of the Voting Share Capital of the Target Company, at an offer price of **INR 27 (Indian Rupees Twenty Seven only)** per Equity Share aggregating to a total consideration of INR 46,95,88,239 (Indian Rupees Forty Six Crore Ninety Five Lac Eighty Eight Thousand Two Hundred and Thirty Nine only) (**"Maximum Open Offer Consideration"**). The Offer Price will be payable in cash by the Acquirer, in accordance with the provisions of regulation 9(1)(a) of the SEBI (SAST) Regulations. If the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, the Acquirer shall accept the Equity Shares received from the Public Shareholders on a proportionate basis in consultation with the Manager.

5. As on the date of this DLOF, the total equity share capital of the Target Company (**"Equity Share Capital"**) is as follows:

Particulars	Number of Equity Shares	% of Equity Share Capital
Fully paid up Equity Shares as on the date of the DLoF	6,68,92,908	100%
Partly paid up Equity Shares as on the date of the DLoF	Nil	Nil
Equity Share Capital	**6,68,92,908**	**100%**

6. As on the date of this DLOF, there are no partly paid-up equity shares and no outstanding convertible instruments (such as depository receipts, fully convertible debentures or warrants) issued by the Target Company which are convertible into Equity Shares of the Target Company. The Voting Share Capital, i.e. the equity share capital of the Target Company as on the 10th Working Day (as defined under the SEBI (SAST) Regulations) from the date of closure of the tendering period on a fully diluted basis will be same as that of the Equity Share Capital.

7. There is no differential pricing for this Offer.

8. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of regulation 19 of the SEBI (SAST) Regulations.

9. The Offer is not a competing offer in terms of regulation 20 of the SEBI (SAST) Regulations.

10. The Acquirer has not acquired any Equity Shares of the Target Company after the date of the PA, i.e. December 20, 2018 and up to the date of this DLOF.

11. As on the date of this DLOF, to the best of the knowledge of the Acquirer, there are no statutory approvals required to acquire the Offer Shares that are validly tendered pursuant to this Offer and to complete the Underlying Transaction, save and except as set out in paragraph 1 of Section C (*Statutory and Other Approvals*) of Part VI of this DLOF. If, however, any further statutory or other approval becomes applicable prior to the completion of the Offer, the Offer would also be subject to such statutory or other approval(s) and the Acquirer shall make necessary applications for such approvals.

12. In terms of regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals, whether relating to the Underlying Transaction or the acquisition of the Offer Shares, specified in this DLOF or those which become applicable prior to completion of the Offer are not received, or if any of the conditions set out in paragraph 6(i) of Section A (*Backgroud of Offer*) of Part II of this DLOF, which are outside the reasonable control of the Acquirer, are not satisfied, the Acquirer shall have the right to withdraw the Offer. In the event of a withdrawal of the Offer, the Acquirer (through the Manager) shall, within two Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds and reasons for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations.

13. The Equity Shares will be acquired by the Acquirer as fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis.

14. In terms of regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer has no intention to restructure or alienate, whether by way of sale, lease, encumbrance or otherwise, any material assets of the Target Company or of its subsidiaries or of entities controlled by the Target Company during the period of two years following the completion of the Offer save and except:
    i. in the ordinary course of business; or
    ii. on account of regulatory approvals or conditions, or compliance with any law that is binding on or applicable to the operations of the Target Company; or

iii. as has already been disclosed by the Target Company in the public domain.

15. If the Acquirer intends to alienate any material asset of the Target Company or its subsidiaries, within a period of 2 years from completion of the Offer, the Target Company shall seek the approval of its shareholders in accordance with proviso to regulation 25(2) of SEBI (SAST) Regulations.

16. Pursuant to completion of this Open Offer, if the shareholding of the Public Shareholders in the Target Company fall below the minimum public shareholding requirement as per Rule 19A of the SCRR read with the SEBI (LODR) Regulations, in accordance with the SPA, the Sellers have agreed to disinvest their shareholding in order to ensure compliance with the minimum public shareholding requirement in such manner and timelines as prescribed under applicable law(s).

C. Object of the Acquisition / Offer

1. The proposed acquisition of 51% stake in Target Company:
   i. is in line with the business strategy of the Acquirer to scale-up its FM Radio Broadcasting business, in order to pursue growth opportunities in this space in a more focused manner;
   ii. will render enhanced focus on the operations of FM radio broadcasting business of both, the Acquirer and the Target Company and the same is likely to deliver operational synergies between them, synchronised planning, better co-ordination, standardization of business processes under a dedicated management who can chart out and pursue an effective strategy to unlock stakeholders' value.
2. There is no likelihood of any material adverse impact on the employment.

III. BACKGROUND OF THE ACQUIRER

ACQUIRER – HT Media Limited

1. HT Media Limited is a public company limited by shares. It was incorporated on December 3, 2002 under the provisions of the Companies Act, 1956 (CIN: L22121DL2002PLC117874). Its registered office is situated at 18-20, Kasturba Gandhi Marg, New Delhi - 110001. There has been no change in the name of the Acquirer since inception.

2. Acquirer is a diversified media conglomerate, *inter alia,* engaged in FM Radio broadcasting business (under the brand name "Fever" and "Nasha"), printing and publication of newspaper and periodicals, internet, education, entertainment and digital media business.

3. The Acquirer is a subsidiary of The Hindustan Times Limited. The following are the details of the major shareholders of the Acquirer all of whom form part of the promoters and promoter group of the Acquirer:

Shareholder	Number of equity shares of INR 2 per Share	% of total issued shares
The Hindustan Times Limited	16,17,54,490	69.50
Go4i.com (Mauritius) Limited	22,581	0.01
Mrs. Shobhana Bhartia	20*	0.00
Mr. Priyavrat Bhartia	1	0.00
Mr. Shamit Bhartia	1	0.00
Total	**16,17,77,093**	**69.51**

** 19 shares held as nominee of Go4i.com (Mauritius) Limited*

4. The issued and paid up share capital of the Acquirer as on the date of the DLOF is INR 46,54,96,628 comprising of 23,27,48,314 shares of INR 2 each . Shareholding pattern of the Acquirer as on the December 31, 2018 is as follows:

Partners	No. of Shares	% Holding
Promoters / Promoter Group	16,17,77,093	69.51
FPIs/ FIIs / Mutual Funds/ FIs/ Banks/ Insurance Companies/AIFs	3,41,18,804	14.66
Public	3,46,74,127	14.90
Non-Promoter Non-Public (ESOP Trust)	21,78,290	0.94
Total Paid Up Capital	**23,27,48,314**	**100.00%**

5. The Equity Shares of the Acquirer are listed on BSE (Scrip Code:532662) and NSE (Symbol: HTMEDIA). The ISIN of the equity shares of the Acquirer is INE501G01024.

6. The closing market price on January 3, 2019 of the equity shares having face value of INR 2 (Indian Rupee Two Only) each of the Acquirer listed on the Stock Exchanges is given below:

Stock Exchange	Closing market price per equity share having face value of INR 2 each
BSE	39.95
NSE	39.80

7. The Acquirer has confirmed that it is in compliance with the Corporate Governance requirements of the LODR Regulations.

8. Mr. Dinesh Mittal, Group General Counsel & Company Secretary of HT Media Limited Contact No. - 011 – 66561219, email – investor@hindustantimes.com is the Compliance Officer of the Acquirer.

9. The details of the directors on the Board of Directors of the Acquirer are provided below:

Name of Director	Date of Appoint-ment	Current Desig-nation	Qualification & Experience	DIN
Mrs. Shobhana Bhartia	December 3, 2002	Chairperson & Editorial Director	**Qualification:** Graduate from Calcutta University **Experience:** -Former Member of Rajya Sabha and various Committees in Parliament on Energy, Women Empowerment, and Human Resource Development. -Presently, Pro-Chancellor of Birla Institute of Technology and Sciences	00020648
Mr. Kashi Nath Memani	May 5, 2004	Independent Director	**Qualification:** Chartered Accountant **Experience:** -Retired Chairman and Country Managing Partner of Ernst & Young, India -Ex - Chairman of the External Audit Committee of the International Monetary Fund -Member of the National Advisory Committee on Accounting Standards	00020696
Mr. Ajay Relan	August 24, 2009	Independent Director	**Qualification:** -B.A. (Hons.) in Economics (St. Stephen's College, Delhi University); -MBA (IIM, Ahmedabad) **Experience:** - Managing Partner of Xponentia Capital Partners - Founder of CX Partners	00002632

Name of Director	Date of Appoint-ment	Current Desig-nation	Qualification & Experience	DIN
			-Ex-Head of Private Equity Business of Citibank -Ex-CEO of Citicorp Securities & Investments Ltd.	
Mr. Vivek Mehra	January 12, 2018	Independent Director	**<u>Qualification:</u>** Chartered Accountant **<u>Experience:</u>** -38 years of professional consulting experience in tax & regulatory aspects of mergers and acquisitions -Ex-Head of Regulatory and M&A tax practices at Price Waterhouse Coopers in India (PwC) -Ex-Member of Governance Oversight Board of PwC	00101328
Mr. Vikram Singh Mehta	June 20, 2015	Independent Director	**<u>Qualification:</u>** -B.A. (Mathematics Honors) from St. Stephens College, Delhi University, -BA/MA (Economics Honors) degree from Magdalen College, Oxford University -Post graduate degree in Energy Economics from the Fletcher School of Law and Diplomacy, Tufts University **<u>Experience:</u>** -Former IAS officer -Worked with Phillips Petroleum as the International Affairs Specialist for Asia -Ex- Chairman of the Shell Companies in India -Presently, Executive Chairman of Think Tank Brookings India	00041197
Mr. Priyavrat Bhartia	October 28, 2005	Director	**<u>Qualification:</u>** MBA from Stanford University **<u>Experience:</u>** Ex- Financial Analyst with Wasserstein Perella & Co., New York	00020603
Mr. Shamit Bhartia	December 3, 2002	Director	**<u>Qualification:</u>** Degree in Economics (Dartmouth College, USA) **Experience** Worked in the Corporate Finance and M&A Group, Lazard Frere, New York	00020623
Mr. Praveen Someshwar	August 1, 2018	Managing Director & CEO	**<u>Qualification:</u>** Chartered Accountant and Cost Accountant **<u>Experience:</u>** -27 years of experience of Consumer Business -Headed Pepsico business across Asia, in Food & Beverage spectrum -Ex-Senior Vice President & GM at Pepsico, Hong Kong	01802656

10. As on the date of this DLOF, none of the directors of the Acquirer are directors on the board of directors of the Target Company.

11. Acquirer has confirmed that it is not categorized as “wilful defaulter” in terms of Regulation 2(1)(ze) or a “fugitive economic offender” in terms of Regulation 2(1)(ja) of the SEBI (SAST) Regulations.

12. Other than the Underlying Transaction, which has triggered this Offer, pursuant to which the Acquirer shall acquire Equity Shares in the Target Company, as on the date of this DLoF, the Acquirer, its directors, and its Key Managerial Personnel (as defined under the Companies Act, 2013) do not hold any ownership/interest/ relationship/shares in the Target Company. Mr. Sharad Saxena, who is the director of subsidiary companies of the Acquirer viz. HT Digital Streams Limited, Digicontent Limited, Firefly e-Ventures Limited and HT Global Education, had purchased 73,100 Equity Shares representing 0.11% of Voting Share Capital of the Target Company during the period July 23, 2018 –September 28, 2018 at an average purchase price

of INR 20.20 per Equity Share (maximum purchase price of INR 21.15 per Equity Share). Subsequently, Mr. Saxena has sold Equity Shares held by him and as on the date of this DLoF he holds Nil Equity Shares.

13. The Acquirer's key financial information based on its audited consolidated financial statements audited by the statutory auditors of the Acquirer, on and for the financial years ended March 31, 2016, March 31, 2017 and March 31, 2018 and the limited reviewed consolidated financial statements as on and for the 6 months ended September 30, 2018, is as below:

Income Statement

(in INR Lac except EPS)

Particulars	For financial year ended March 31, 2016[1]	For financial year ended March 31, 2017	For financial year ended March 31, 2018	For the 6 months ended September 30, 2018
Income from operations	250,151	245,209	234,623	105,518
Other Income	15,619	22,946	24,545	8,034
Total Income	**265,770**	**268,155**	**259,168**	**113,552**
Total Expenditure	217,879	215,379	194,659	103,866
EBITDA	**47,891**	**52,776**	**64,509**	**9,686**
Depreciation and Amortization	10,222	12,476	12,281	5,389
Interest	6,264	9,512	8,159	5,849
Exceptional Items	-	-	(312)	2,390
Profit/(Loss) Before Tax	**31,405**	**30,788**	**44,381**	**(3,942)**
Tax Expense	8,034	6,714	8,593	29
Profit/ (Loss) before share of profit/(loss) of associate and joint venture	**23,371**	**24,074**	**35,788**	**(3,971)**
Share of Profit/(Loss) from JV	(1,429)	(2,173)	(580)	-
Profit from discontinued operations	-	-	-	1,002
Profit/(Loss) after Tax for the year	**21,942**	**21,901**	**35,208**	**(2,969)**

Balance Sheet Statement

Particulars	As at March 31, 2016[1]	As at March 31, 2017	As at March 31, 2018	As at September 30, 2018
Sources of funds				
Paid up share capital	4,610	4,610	4,611	4,611
Reserves and Surplus (excluding revaluation reserves)	203,565	218,579	248,534	244,198
Networth	**208,175**	**223,189**	**253,145**	**248,809**
Minority Interest	23,429	30,001	34,218	34,637

Loans[2]	105,723	110,445	118,753	169,226
Other Non-current Liabilities	4,158	6,087	2,647	3,383
Liabilities classified as held for distribution				3,868
Total	**341,485**	**369,722**	**408,763**	**459,923**
Uses of funds				
Net fixed assets	102,392	112,928	103,348	102,202
Non Current Financial Assets	120,751	203,916	183,775	113,897
Other Non-current Assets	58,611	45,010	54,198	53,515
Net current assets[3]	59,731	7,868	67,442	178,476
Assets classified as held for distribution				11,833
Total	**341,485**	**369,722**	**408,763**	**459,923**

Other financial data

Particulars	**For financial year ended March 31, 2016[1]**	**For financial year ended March 31, 2017**	**For financial year ended March 31, 2018**	**For the 6 months ended September 30, 2018**
Dividend (%)	20%	20%	20%	-
Earnings/(Loss) per share-basic and diluted	7.45	7.31	13.20	(1.56)

Notes:
1. *The financial information for the financial year ended March 31, 2016 has been extracted from the annual report for financial year ended March 31, 2017, restated as per Ind-AS*
2. *Loans include Short Term and Long Term Borrowings*
3. *Net Current Assets exclude short term loans*

14. The Acquirer has the following contingent liabilities as disclosed in its audited consolidated financial statements for the year ended March 31, 2018.

<u>HT Media Limited (The Parent Company)</u>

Legal claim contingency

(i) Income- tax authorities have raised additional demands for INR 53 Lac (Previous Year: INR 406 Lac) for various financial years. The tax demands are mainly on account of disallowances of expenses claimed by the Company under the Income Tax Act. The matters are pending before various authorities. The Company is contesting the demands and the management believes that its position will likely to be upheld. No tax expenses have been accrued in the financial statements for these tax demands.

(ii) Service tax authorities have raised additional demands for INR 61 Lac (Previous Year: INR 317 Lac) for various financial years. The matters are pending before Service Tax Appellate Tribunal. The Company is contesting the demands and the management believes that its position will likely to be upheld. No tax expenses have been accrued in the financial statements for these tax demands.

(iii) During the year ended March 31, 2005, the Company acquired the printing undertaking at New Delhi from The Hindustan Times Limited (HTL). Ex-workmen of HTL challenged the transfer of business by way of a writ in Hon’ble Delhi High Court, which was quashed on May 9, 2006. Thereafter these workmen raised the industrial dispute before Industrial Tribunal-I, New

Delhi (Tribunal). The case was decided by an award by Industrial Tribunal, on January 23, 2012, wherein the workmen were granted "relief of treating them in continuity of services under terms and conditions of service as before their alleged termination w.e.f. October 3, 2004. As per the award, they will not be entitled to any notice pay or compensation u/s 25 FF of Industrial Dispute Act. The said notice pay or compensation, if any, received by them, will have to be refunded to the Company."

The said award after publication came into operation w.e.f. April 1, 2012. The HTL issued several letter(s) to the workmen, followed by the public notice asking them to refund the notice pay and retrenchment compensation so received, as directed by Industrial Tribunal, However, there was no response from the workman.

The workman also filed the Execution Proceeding for Back wages on April 2, 2012, Execution Court vide its order dated October 8, 2012, held that "No Back Wages" have been granted and decree in relation thereto cannot be executed". The Execution Court vide its order dated January 04, 2013 directed the management to reinstate the workman without insisting for refund of notice pay and retrenchment compensation The said order of the Ld. Execution Court was challenged before High Court of Delhi.

As HTL has no factory, it offered notional reinstatement & Salary w.e.f. April 18, 2013. HTL informed the High Court during the pendency of the petition that since HTL is currently engaged in non industrial activities, it can offer non-industrial work to a maximum of 38 (thirty eight) workmen based on seniority. It was also submitted that HTL will accordingly exercise its rights and remedies as available under the Industrial Disputes Act, 1947 qua the remaining workmen. Accordingly, HTL issued letter of posting to 38 workmen on December 4, 2013 and paid compensation under Section 25FFF of the Industrial Dispute Act, 1947 to remaining 167 workmen Single Bench of Delhi High Court on September 14, 2015 delivered the judgment wherein Court relied on the Judgment of Division Bench and held that the parties will be at liberty to pursue the logical corollary. The proceedings before the Execution Court re-started after judgment of Single Bench of Delhi High Court. The Execution Court ordered HTL to reinstate the workmen as earlier reinstatement was not in accordance with Award dated January 23, 2012 and also directed to make payment of wages accordingly. HTL challenged the said order of Execution Court before single bench of Hon'ble High Court. In the mean time the workmen filed an application for relief of interim wages under Section 17B of the Industrial Disputes Act, 1947 in the pending writ petition of HTL. The Ld. Single Judge allowed the said application vide order dated March 1, 2017 and directed HTL to pay last drawn monthly wages w.e.f. March 1, 2017. The said order was challenged by the management in LPA 176 /2017 before Division Bench wherein the Division Bench has stayed the impugned order to the extent of the direction for payment of monthly wages. The Hon'ble Division Bench has disposed of the LPA 176/2017 on April 20, 2017 and granted HTL an opportunity to file reply to the application under Section 17B before single bench of Hon'ble High Court. The reply to the afore mentioned application has been filed The matter is being argued by the parties and it is listed on May 4, 2018 for remaining final arguments.

After the Petition of management challenging the order of Execution Court dated January 4, 2013, the workmen also filed Writ Petition against the order of Ld. Execution Court dated October 08, 2012 denying them back wages. The Single Bench of Delhi High Court pronounced the judgment on November 17, 2014 in favour of the workmen that Back wage are payable to them. HTL challenged the said order before Division Bench, which vide order dated February 23, 2015, held that no back wages are granted to the workmen vide award dated January 23, 2012. The SLP filed by the workmen against the judgment of Division Bench, was dismissed by Hon'ble Supreme Court vide order dated August 1, 2016. Some other workmen filed another SLP (C) No. 28705/2015 challenging the same order of Division Bench, Delhi High Court, virtually on same grounds, which is pending for
hearing though there is a likely hood of same fate as of another SLP. The workmen thereafter filed a fresh Writ Petition before the single bench of Delhi High Court challenging the award dated January 23, 2012 to the extent of denial of back wages. The said Writ Petition was dismissed vide order dated October 3, 2016 on the ground of res- judicata and on account of delay or latches. The judgment of the Single Bench of Delhi High Court is challenged by the

workmen before Division Bench of High Court, wherein notice is issued to the Company. The said matter is now listed on July 3, 2018 for final arguments before the Division Bench.

The Delhi High Court has already ruled in favour of the Company in the original challenge to the Industrial Tribunal Award by the Company. Against that order of High Court, the workers have started a fresh round of litigation. At this stage, basis the facts and earlier order of Delhi High Court, the Company does not expect a material adverse outcome in the current round of litigation.

<u>Hindustan Media Ventures Limited</u>

A. **Claims against the company not acknowledged as debts**

INR in lac

Sr.No.	Particulars	March 31, 2018	March 31, 2017
(i)	The Company has filed a petition before the Hon'ble Patna High Court against an initial claim for additional contribution of INR 73 Lac made by Employees State Insurance Corporation (ESIC) relating to the years 1989-90 to 1999-00. The Company has furnished a bank guarantee amounting to INR 13 Lac to ESIC. The Hon'ble High Court had initially stayed the matter and on July 18, 2012 disposed of the Petition with the Order of "No Coercive Step shall be taken against HMVL" with direction to move for ESI Court. Matter is still pending in Lower Court. There is no further progress in the matter during the year.	73	73
(ii)	The Company has filed a petition before the Hon'ble Patna High Court against the demand of INR 10 Lac (including interest) for short payment of ESI dues pertaining to the years from 2001 to 2005. The Hon'ble High Court had initially stayed the matter and on July 18, 2012 disposed of the Petition with the Order of "No Coercive Step shall be taken against HMVL" with direction to move for ESI Court. Matter is still pending in Lower Court. There is no further progress in the matter during the year.	10	10

B. During the current year and as in the previous financial year, the management has received several claims substantially from employees in UP, Jharkhand and Bihar who are either retired or separated from the Company regarding the benefits of Majithia Wage Board recommendations. However, all such claims/ recovery order(s) issued by ALC/ DLC office are generally either stayed by the respective Hon'ble High Court(s) or are pending before ALC/ DLC. Based on management assessment and current status of the above matters, the management is confident that no provision is required in the financial statements as on March 31, 2018.

C. Income- tax authorities have raised additional demands for INR 91 Lac (March 31 2017: Nil) for various financial years. The tax demands are mainly on account of disallowances of expenses claimed by the company under the Income Tax Act. The matters are pending before various authorities. The company is contesting the demands and the management believes that its position will likely to be upheld. No tax expenses have been accrued in the financial statements for these tax demands.

15. No entities or persons are acting in concert with the Acquirer for the purpose of this Open Offer.

IV. BACKGROUND OF THE TARGET COMPANY

1. The Target Company is a listed public limited company incorporated under the provisions of the Companies Act, 1956 on March 12, 1981. The following have been the changes in the name of the Target Company since incorporation:

Original Name/Changed Name	Date of Name Change
Mid-Day Publications Private Limited	March 12, 1981
Mid-Day Publications Limited	February 1, 1987
Mid-Day Multimedia Limited	July 7, 2000
Next Mediaworks Limited	April 26, 2011

2. The registered office of the Target Company is situated at I-17, I-18 & I-19, 10th Floor, Tardeo Everest Co-operative Society Limited, 156, D J Dadajee Road, Tardeo, Mumbai – 400034. The Company Identification Number of the Target Company is L22100MH1981PLC024052.
3. The Target is engaged in FM Radio broadcasting business through its subsidiary viz. NRL which operates as FM Radio broadcaster under the brand “Radio One” in Delhi, Mumbai, Chennai, Kolkata, Bengaluru, Pune and Ahmedabad.
4. Equity Shares of the Target Company are listed on BSE (Scrip code: 532416) and NSE (Symbol: NEXTMEDIA). The ISIN of the Equity Shares of the Target Company is INE747B01016
5. The Equity Shares of the Target Company are frequently traded on NSE within the meaning of the explanation provided in regulation 2(1)(j) of the SEBI (SAST) Regulations.
6. As on the date of the DPS, the authorized share capital of the Target Company is INR 80,00,00,000 comprising of 8,00,00,000 equity shares of INR 10 each. The issued, subscribed and fully paid-up equity share capital of the Target Company is INR 66,89,29,080 comprising of 6,68,92,908 equity shares of INR 10 each. The Target Company does not have partly paid-up equity shares.
7. The Equity Share capital structure of the Target Company as on the date of DLOF is as follows:

Paid up shares	No. of shares	% of shares
Fully paid-up equity shares	6,68,92,908	100%
Partly paid-up equity shares	Nil	Nil
Total paid-up Equity Shares	6,68,92,908	100%
Total voting rights in Target Company	6,68,15,492	99.88%

Note 0.12% of total shares consisting 77,416 shares are held by the ESOP trust.As per SEBI (Share Based Employee Benefits) Regulations, 2014, the trustees of a trust cannot vote in respect of the shares held by trust. Therefore, total voting rights in Target Company have been shown exclusive of shares held by the ESOP Trust

8. Details of the locked-in shares of the Target Company in accordance with the SEBI (ICDR) Regulations, are as given below:

Name	Category of shareholder	No. of shares allotted	No. of shares allotted as a % of Voting Share Capital	Date of expiry of lock-in
Ferari Investments and Trading Co. Pvt. Ltd	Promoter	15,57,632	2.33%	June 30, 2020
Total		**15,57,632**	**2.33%**	

The locked-in shares to be acquired, if any, pursuant to the SPA, will be transferred to the Acquirer subject to the continuation of the residual lock-in period in the hands of the Acquirer.

9. The Equity Shares of the Target Company have not been delisted from any stock exchange in India.

10. The entire paid-up equity share capital of the Target Company is listed on the Stock Exchanges. Further, trading of the Equity Shares of the Target Company is not currently suspended on the Stock Exchanges. As on the date of the DLOF there are no partly paid up equity shares in the share capital of the Target Company and there are no outstanding convertible securities, depository receipts, warrants or instruments, issued by the Target Company, convertible into Equity Shares of the Target Company.

11. The details of the board of directors of the Target Company as of the date of the DLoF are provided below.

Name of Director	Date of Appointment	Current Designation	DIN
Mr. Chetan Desai	May 8, 2018	Non-Executive Non-Independent Director	03595319
Mr. Sunil Dalal	August 29, 2017	Independent Director	00021019
Mr. Adille Sumariwalla	January 23, 2015	Independent Director	00045855
Mr. Idupuganty Venkat	January 23, 2015	Independent Director	00089679
Mr. Dilip Cherian	January 23, 2015	Independent Director	00322763
Ms. Monisha Shah	January 23, 2015	Independent Director	00542228
Mr. Rajbir Singh Bhandal	July 28, 2011	Independent Director	01962971
Mr. Tarique Ansari	July 1 , 2004	Managing Director	00101820

12. There have been no mergers/demergers/spin-offs involving the Target Company during the last 3 (three) years. The board of directors of the Target Company, at their meeting held on August 8, 2018, approved the draft composite scheme of arrangement and amalgamation ("**draft Scheme**" or "**Scheme**") amongst the Acquirer, NRL, HT Music and Entertainment Company Limited ("**HTM**"), and the Target Company and their respective shareholders and creditors, under section 230 to 232 of the Companies Act, 2013. However, the aforesaid draft Scheme was withdrawn by the board of directors of the Target Company at its meeting held on December 20, 2018.

13. Brief audited consolidated financials of the Target Company as of and for the financial years ended March 31, 2016, March 31, 2017 and March 31, 2018 and the limited reviewed consolidated financial statements as on and for the 6 months ended September 30, 2018, is as below:

Income Statement

(in INR Lac except EPS)

Particulars	For financial year ended March 31, 2016[1]	For financial year ended March 31, 2017[2]	For financial year ended March 31, 2018	For the 6 months ended September 30, 2018
Income from operations	7,618	7,801	7,637	3,629
Other Income	253	263	278	104
Total Income	**7,872**	**8,064**	**7,915**	**3,733**
Total Expenditure	6,190	6,602	6,560	3,249
EBITDA	**1,682**	**1,462**	**1,355**	**483**
Depreciation and Amortization	1,354	1,151	1,102	532
Interest	653	1,125	1,019	471
Extraordinary / Exceptional Items	5,490			(34)
Profit/(Loss) Before Tax	**(5,815)**	**(815)**	**(766)**	**(485)**
Tax Expense	3,745		2	
Profit/ (Loss) before share of profit/(loss) of associate and joint venture	**(9,560)**	**(815)**	**(768)**	**(485)**

Share of Profit/(Loss) from JV	-	-	-	-
Profit from discontinued operations	-	-	-	-
Profit/(Loss) After Tax for the period	**(9,560)**	**(815)**	**(768)**	**(485)**

Balance Sheet Statement

Balance Sheet	As at March 31, 2016[1]	As at March 31, 2017[2]	As at March 31, 2018	As at September 30, 2018
Sources of funds				
Paid up share capital	6,517	6,679	6,686	6,686
Reserves and Surplus (excluding revaluation reserves)	(2,817)	(3,874)	(4,364)	(4,662)
Networth	3,699	2,805	2,322	2,024
Preference Shares in Subsidiary	2,500			
Minority Interest	262	3,410	3,139	2,954
Loans[5]	6,743	5,205	5,259	4,771
Other Non-current Liabilities	1,941	1,707	1,914	1,523
Total	**15,145**	**13,127**	**12,635**	**11,272**
Uses of funds				
Net fixed assets[3]	13,443	12,551	11,476	10,971
Non current Financial Assets	964[4]	727	658	319
Other Non-current Assets	157[6]	194	185	602
Net current assets[7]	580	(344)	316	(620)
Total	**15,145**	**13,127**	**12,635**	**11,272**

Other financial data

Other financial data	For financial year ended March 31, 2016[1]	For financial year ended March 31, 2017[2]	For financial year ended March 31, 2018	For the 6 months ended September 30, 2018
Loss Per Share-Basic and Diluted	(13.08)	(1.25)	(1.15)	(0.73)
Dividend (%)	-	-	-	-

Notes:

1. *The financial information for the financial year ended March 31, 2016 are as per Indian GAAP and the same has been extracted from the annual report for financial year ended March 31, 2017*
2. *The financial information for the financial year ended March 31, 2017 has been extracted from the annual report for financial year ended March 31, 2018, restated as per Ind-AS*
3. *Net Fixed Assets includes in PPE and Intangible Assets*
4. *Includes non-current investment, advance TDS and fixed deposits*

5. *Loans include Short Term and Long Term Borrowings*
6. *For FY16 Other Non-Current Assets includes Capital Advances and Investment Property. Investment Property is valued at INR 23.87 Lac by the Target Company for FY16*
7. *Net Current Assets exclude short term loans*

14. Details of the contingent liabilities in the Target Company (as disclosed in the audited consolidated financial statements of the Target Company as on March 31, 2018):

(in INR Lac)

Sr. No.	Particulars	March 31, 2018	March 31, 2017
	Contingent Liabilities		
i	In respect of guarantees issued by the Company's bankers	1,377.73	1,384.13
ii	In respect of Income Tax demand under dispute	214.50	458.65

15. Shareholding pattern of the Target Company pre and post Offer is provided below:

Shareholders' category	Shareholding & voting rights prior to agreement / acquisition and Offer (A)		Shareholding & voting rights to be acquired which triggered the SEBI (SAST) Regulations (B)		Shares / voting rights to be acquired / (sold) in the Offer (assuming eptance) (C)		Shareholding / voting rights after the acquisition and Offer	
	No.	***%***	***No.***	***%***	***No.***	***%***	***No.***	***%***
(I) Promoter group								
a) Acquirer[1]	Nil	Nil	1,67,23,229	25.00	1,73,92,157	26.00	3,41,15,386	51.00
b) Sellers (Parties to the SPA)	4,13,96,484	61.88	(1,67,23,229)	(25.00)	Nil	Nil	2,46,73,255	36.88
Total (I) (a+b)	4,13,96,484	61.88	Nil	Nil	1,73,92,157	26.00	5,87,88,641	87.88
(II) Public share Holders								
a) Public other than Parties to agreement								
1. Institutions	20,81,361	3.11			(1,73,92,157)	(26.00)	81,04,267	12.12
2. Others[2]	2,34,15,063	35.00						
Total (II)	**2,54,96,424**	**38.12**					**81,04,267**	**12.12**
Grand total (I+II)	**6,68,92,908**	**100.00**					**6,68,92,908**	**100.00**

Notes:

1. *Upon completion of the Open Offer, the Acquirer will become a Promoter of the Target Company. Hence, the Acquirer has been included under the Promoter Group category*
2. *Includes shares held by the ESOP trust*

V. OFFER PRICE AND FINANCIAL ARRANGEMENTS

A. Justification of Offer Price

1. The Equity Shares are listed on the NSE and the BSE.
2. The trading turnover in the Equity Shares based on the trading volumes during the twelve calendar months prior to the calendar month of the PA on the BSE and NSE is as given below:

Stock exchange	Total traded volumes during the 12 calendar months preceding the calendar month of the PA ("A")	Weighted average number of Equity Shares during the 12 calendar months preceding date of the PA ("B")	Trading turnover % (A/B)
BSE	32,42,620	6,68,92,908	4.85%
NSE	1,17,39,933	6,68,92,908	17.55%

(Source: www.nseindia.com, www.bseindia.com)

3. Based on the above, the Equity Shares are frequently traded on NSE in terms of regulation 2(1)(j) of the SEBI (SAST) Regulations.
4. The Offer Price of INR 27 (Indian Rupees Twenty Seven only) per Equity Share has been determined in terms of regulation 8(2) of the SEBI (SAST) Regulations, being the highest of the following parameters:

Sl. No.	Details	
(a)	The highest negotiated price per Equity Share of the Target Company for any acquisition under the agreement attracting the obligation to make a public announcement of an open offer i.e. the price per Equity Share under the SPA	INR 27.00*
(b)	The volume-weighted average price paid or payable per Equity Share for acquisitions, whether by the Acquirer, during the fifty-two weeks immediately preceding the date of the public announcement	Not Applicable
(c)	The highest price paid or payable per Equity Share for any acquisition, whether by the Acquirer, during the twenty-six weeks immediately preceding the date of the public announcement	Not Applicable
(d)	the volume-weighted average market price per Equity Share for a period of sixty trading days immediately preceding the date of the public announcement as traded on the Stock Exchange where the maximum volume of trading in the Equity Shares of the Target Company is recorded during such period and such shares being frequently traded	INR 17.88
(e)	where the shares are not frequently traded, the price determined by the Acquirer and the manager to the open offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies	Not Applicable

Source: CA Certificate issued by S.V. Shah & Associates, Chartered Accountants (FRN: 139517W) dated December 20, 2018

Notes:

** Upon the completion of the Offer, if the number of Equity Shares validly tendered by the Public Shareholders and accepted by the Acquirer, in the Open Offer is less than 26% (twenty six percent) of the Voting Share Capital, then Sellers shall, in accordance with the Share Purchase Agreement ("SPA"), sell to the Acquirer such number of Equity Shares, free and clear of all encumbrances, at a price of INR 27per Equity Share, as may be required to ensure that the aggregate shareholding of the Acquirer, after the completion of the Open Offer and the above acquisition, represents 51% (fifty one percent) of the Voting Share Capital.*

5. In view of the parameters considered and presented in the table in paragraph 4 above, the minimum offer price per Equity Share under Regulation 8(2) of the SEBI (SAST) Regulations is the highest of item numbers (a) to (e) above i.e. INR 27 per Equity Share. Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations.

6. There have been no corporate actions by the Target Company warranting adjustment of any of the relevant price parameters under regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split etc. where the record date for effecting such corporate actions falls within 3 Working Days prior to the commencement of tendering period of the Offer.

7. If the Acquirer acquire Equity Shares of the Target Company during the period of twenty-six weeks after the tendering period at a price higher than the Offer Price, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all the Public Shareholders whose shares have been accepted in the Offer within sixty days from

the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under another open offer under the SEBI (SAST) Regulations, or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.

8. As on date, there is no revision in Offer Price or Offer Size. The Offer Price may be subject to revision pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer, at any time prior to the commencement of the last 1 (one) Working Day before the commencement of the Tendering Period in accordance with regulation 18(4) of the SEBI (SAST) Regulations. Where the Acquirer has acquired any Equity Shares during the offer period at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid for such acquisition in accordance with regulation 8(8) of the SEBI (SAST) Regulations. However, the Acquirer shall not acquire any Equity Shares during the period commencing 3 (three) Working Days prior to the commencement of the Tendering Period and ending on the expiry of the Tendering Period. In the event of such revision, the Acquirer shall (i) make corresponding increases to the Open Offer Escrow Amount; (ii) make a public announcement in the same newspapers in which the Detailed Public Statement was published; and (iii) simultaneously with the issue of such announcement, inform SEBI, Stock Exchanges and the Target Company at its registered office of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.

9. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

B. Financial Arrangements

1. The Maximum Open Offer Consideration, assuming full acceptance of the Offer, is INR 46,95,88,239 (Indian Rupees Forty Six Crore Ninety Five Lac Eighty Eight Thousand Two Hundred and Thirty Nine only).

2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, the Acquirer, the Manager to the Offer have entered into an escrow agreement with the Escrow Agent on December 20, 2018 ("**Escrow Agreement**"), and by way of security for performance by the Acquirer of their obligations under the SEBI (SAST) Regulations, the Acquirer has created an escrow account named "HT Media Escrow Account" (the "Open Offer Escrow Account") with the Escrow Agent. The Acquirer has made a cash deposit of a sum of INR 11,73,98,000 (Indian Rupees Eleven Crore Seventy Three Lac Ninety Eight Thousand only) in the Open Offer Escrow Account ("Escrow Amount") which is more than the amount required to be deposited in cash computed in accordance with regulation 17(1) of the SEBI (SAST) Regulations. In the event the Acquirer proposes to complete the Initial Acquisition in terms of the SPA prior to the expiry of the offer period (as defined under SEBI (SAST) Regulations), the Acquirer shall, prior to such completion, deposit additional cash for an amount which together with the Escrow Amount would aggregate to 100% of the Maximum Open Offer Consideration.

3. The Acquirer has solely authorized the Manager to the Open Offer to realize the monies lying to the credit of the Open Offer Escrow Account as per the provisions of the SEBI (SAST) Regulations.

4. The Acquirer has confirmed that they have adequate financial resources to meet the obligations under the Open Offer. The Acquirer has earmarked open ended debt mutual fund investments ("**Liquid Investments**") of INR 61,70,44,022.24 (Indian Rupees Sixty One Crore Seventy Lac Forty Four Thousand Twenty Two and Twenty Four Paise only) to fund the acquisition of Offer Shares under the Open Offer. The Acquirer has undertaken to utilize the

funds from sale of part/ all of the Liquid Investments solely towards fulfilling its payment obligation for the Offer, till the entire of the Maximum Open Offer Consideration is deposited in Cash Escrow. The Liquid Investments and Cash Escrow aggregating to INR 73,44,42,022.24 (Indian Rupees Seventy Three Crore Forty Four Lac Forty Two Thousand Twenty Two and Twenty Four Paise Only) ("**Firm Financing**") is higher than the Maximum Open Offer Consideration.

5. S.V. Shah & Associates, Chartered Accountants, (FRN: 139517W), Address: 23, Rajgir Chambers, 3rd Floor, 12-14, Shahid Bhagat Singh Road, Opp. Old Customs House, Mumbai – 400001, Tel No: +91-22-43440123, Fax No: +91-22-22662667, Email: sheetalshah@svshah.com has vide its certificate dated December 20, 2018, and signed by Sheetal V. Shah (Membership No: 102140) certified that the Acquirer has adequate and firm financial resources through verifiable means to fulfill their obligations under this Offer.

6. Based on the above, the Manager is satisfied that firm arrangements have been put in place by the Acquirer to fulfill their obligations in relation to this Open Offer through verifiable means in accordance with the SEBI (SAST) Regulations.

7. In case of any upward revision in the Offer Price or the size of the Open Offer, the corresponding increase to the escrow amounts as mentioned above shall be made by the Acquirer in terms of Regulation 17(2) of the SEBI (SAST) Regulations, prior to effecting such revision.

VI. TERMS AND CONDITIONS OF THE OFFER

A. Operational Terms and Conditions

1. In terms of the schedule of activities, the Tendering Period for the Offer shall commence on [●],[●] and close on [●],[●].

2. The Equity Shares tendered under this Offer shall be fully paid-up, free from all liens, charges, equitable interests and encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained any necessary consents for it to sell the Equity Shares on the foregoing basis.

3. This is not a conditional Offer and there is no stipulation on any minimum level of acceptance.

4. The Identified Date for this Offer as per the schedule of activities is [●],[●].

5. The Public Shareholders as on the Identified Date who have registered their email IDs with the depositories / the Target Company, shall be dispatched the Letter of Offer through electronic means. The Public Shareholders who have not registered their email IDs with the depositories / the Target Company, shall be dispatched the Letter of Offer through physical mode by registered post / speed post / courier. In case of non -receipt of Letter of Offer and the tender form, please follow the procedure as mentioned in paragraph 13 of Part VII below.

6. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (one).

7. In terms of regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

B. Eligibility for accepting the Offer

1. The Letter of Offer shall be sent to all Public Shareholders holding Equity Shares whose names appear in the register of members of the Target Company on the Identified Date.

2. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible (subject to paragraph 2 of Part VI (*Statutory and Other Approvals*) below) to participate in this Offer.

3. The Public Announcement, the Detailed Public Statement, the Draft Letter of Offer, the Letter of Offer and the Form of Acceptance-cum-Acknowledgement will also be available on SEBI's website (www.sebi.gov.in). In case of non-receipt of the Letter of Offer, Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so desire, may download the Letter of Offer or the Form of Acceptance-cum-Acknowledgement from SEBI's website.

4. There shall be no discrimination in the acceptance of locked-in and non locked-in Shares in the Offer. The residual lock-in period will continue in the hands of the Acquirer. The Shares to be acquired under the Offer must be free from all liens, charges and encumbrances and will be acquired together with all rights attached thereto.

5. The acceptance of this Offer by Public Shareholders must be absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.

6. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company.

7. By accepting this offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer.

8. None of the Acquirer, the Manager or the Registrar to the Offer accepts any responsibility for any loss of equity share certificates, Offer acceptance forms, share transfer forms etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.

9. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer in consultation with the Manager.

10. The Acquirer reserves the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 1 (one) Working Day prior to the commencement of the Tendering Period, i.e., up to [●], in accordance with the SEBI (SAST) Regulations and the revision, if any, in the Offer Price and/or the Offer Size would be announced in the same newspapers where the DPS was published. The Acquirer would pay such revised price for all the Shares validly tendered at any time during the Offer and accepted under the Offer in accordance with the terms of the Letter of Offer.

11. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.

C. Statutory and Other approvals

1. To the best of the knowledge of the Acquirer, there are no statutory or other approvals required to complete the acquisition under the SPA and the Offer as on the date of the DLOF, save and except receipt of necessary approvals from various Governmental Authorities including but not limited to Ministry of Information & Broadcasting, Government of India, as may be applicable, in respect of these transactions. If any other statutory and/or other regulatory approval becomes applicable prior to completion of the Offer, the Offer would also be subject to receipt of such other approval(s)

2. The Acquirer does not require any approvals from financial institutions or banks for this Offer.

3. All Public Shareholders, including non-resident holders of Equity Shares, must obtain all requisite approvals required, if any, to tender the Offer Shares (including without limitation, the approval from the Reserve Bank of India ("RBI")) and submit such approvals, along with the other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer reserve the right to reject such Equity Shares tendered in this Offer. Further, if the holders of the Equity Shares who are not persons resident in India had required any approvals (including from the RBI, or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for holding the Equity Shares, to tender the Offer Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares.

4. Public Shareholders classified as OCBs, if any, may tender the Equity Shares held by them in the Open Offer pursuant to receipt of approval from the RBI under the Foreign Exchange Management Act, 1999 and the regulations made thereunder. Such OCBs shall approach the RBI independently to seek approval to tender the Equity Shares held by them in the Open Offer

5. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders, in respect of whom no statutory or other approvals are required or where statutory or other approvals have been received, in order to complete this Offer.

6. In case of delay in receipt of any statutory approval to be obtained by the Acquirer, SEBI may, if satisfied that such delay in receipt of the requisite statutory approval(s) was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, and subject to such terms and conditions as may be specified by SEBI, including payment of interest in accordance with regulation 18(11) of the SEBI (SAST) Regulations, permit the Acquirer to delay the commencement of the tendering period for the Offer pending receipt of such statutory approval(s) or grant an extension of time to the Acquirer to make the payment of the consideration to the Public Shareholders whose Offer Shares have been accepted in the Offer.

7. In terms of regulation 23(1) of the SEBI (SAST) Regulations, in the event that the approvals, whether relating to the acquisition under the SPA or the acquisition of the Offer Shares, specified in this DLoF or those which become applicable prior to completion of the Offer are not received, or if any of the conditions set out in paragraph 6(i) of Section A (Background to the Offer) of Part II above, which are outside the reasonable control of the Acquirer, are not satisfied, the Acquirer shall have the right to withdraw the Offer. In the event of such a withdrawal of the Offer, the Acquirer (through the Manager) shall, within 2 (two) Working Days (as defined in the SEBI (SAST) Regulations) of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with regulation 23(2) of the SEBI (SAST) Regulations. In such an event, the Acquirer shall not acquire the Equity Shares pursuant to the SPA as well.

VII. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

1. The Open Offer will be implemented by the Acquirer through Stock Exchange Mechanism made available by the Stock Exchanges in the form of separate window ("**Acquisition Window"**) as provided under the SEBI (SAST) Regulations and SEBI circular CIR/CFD/POLICY/CELL/1/2015 dated April 13, 2015 issued by SEBI as amended via SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016.

2. NSE shall be the Designated Stock Exchange for the purpose of tendering Shares in the Open Offer.

3. The facility for acquisition of shares through Stock Exchange mechanism pursuant to Offer shall be available on NSE in the form of a separate window.

4. The Acquirers have appointed Kotak Securities Limited ("**Buying Broker**") for the Open Offer through whom the purchases and settlement of Open Offer shall be made during the tendering period.

   The Contact details of the Buying Broker are as mentioned below:

   Kotak Securities Limited
   27 BKC, C 27, G Block, Bandra Kurla Complex,
   Bandra (East), Mumbai- 400051
   Contact Person: Ms. Naaz Khan, Tel: +91-22-42852552
   Email: naaz.khan@kotak.com;
   Website: www.kotaksecurities.com;
   SEBI Registration No.: INZ000200137
   NSE Capital Market: INB230808130;
   BSE Equity: INB010808153
   CIN: U99999MH1994PLC134051

5. All Public Shareholders who desire to tender their Shares under the Open Offer would have to approach their respective stock brokers ("**Selling Broker(s)**"), during the normal trading hours of the secondary market during the Tendering Period.

6. Separate Acquisition Window will be provided by the Stock Exchange to facilitate placing of sell orders. The Selling Brokers can enter orders for demat Shares as well as physical Shares.

7. The cumulative quantity tendered shall be displayed on the exchange website throughout the trading session at specific intervals by NSE during the Tendering Period

8. Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer.

9. Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant).

   In the event Seller Broker(s) are not registered with NSE or if the Shareholder does not have any stock broker then that Shareholder can approach any NSE registered stock broker and can make a bid by using quick unique client code ("**UCC**") facility through that NSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and regulations. In case Shareholder is not able to bid using quick UCC facility through any other NSE registered stock broker then the Shareholder may approach Company's Broker viz. Kotak Securities Limited, to bid by using quick UCC facility. The Shareholder approaching NSE registered stock broker (with whom he does not have an account) may have to submit following details:

   In case of Shareholder being an individual

   If Shareholder is registered with KYC Registration Agency ("**KRA**"): Forms required:

   - Central Know Your Client (CKYC) form including FATCA, IPV, OSV if applicable

- Know Your Client (KYC) form Documents required (all documents self-attested):
    - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Shareholder is not registered with KRA: Forms required:

- CKYC form including FATCA, IPV, OSV if applicable
- KRA form
- KYC form Documents required (all documents self-attested):
    - PAN card copy
    - Address proof
    - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Shareholder is HUF:

If Shareholder is registered with KYC Registration Agency ("**KRA**"): Forms required:

- Central Know Your Client (CKYC) form of KARTA including FATCA, IPV, OSV if applicable
- Know Your Client (KYC) form Documents required (all documents self-attested):
    - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)

If Shareholder is not registered with KRA: Forms required:

- CKYC form of KARTA including FATCA, IPV, OSV if applicable
- KRA form
- Know Your Client (KYC) form Documents required (all documents self-attested):
    - PAN card copy of HUF & KARTA
    - Address proof of HUF & KARTA
    - HUF declaration
    - Bank details (cancelled cheque
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)

It may be noted that other than submission of above forms and documents in person verification may be required.

In case of Shareholder other than Individual and HUF:

If Shareholder is KRA registered: Form required

- Know Your Client (KYC) form Documents required (all documents certified true copy)

    - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements

<u>If Shareholder is not KRA registered: Forms required:</u>

- KRA form
- Know Your Client (KYC) form Documents required (all documents certified true copy):
    - PAN card copy of company/ firm/trust
    - Address proof of company/ firm/trust
    - Bank details (cancelled cheque)
- Demat details only if Equity Shares are in demat mode (Demat Master /Latest Demat statement)
- FATCA, IPV, OSV if applicable
- Latest list of directors/authorised signatories /partners/trustees
- PAN card copies & address proof of directors/authorised signatories/partners/trustees
- Latest shareholding pattern
- Board resolution/partnership declaration
- Details of ultimate beneficial owner along with PAN card and address proof
- Last 2 years financial statements
- MOA/Partnership deed /trust deed

Additionally, registered Public Shareholders holding Equity Shares in physical form must also provide the documents mentioned in paragraph 11 of part VII.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

10. **Procedure for tendering Equity Shares held in Dematerialised Form:**

a. Public Shareholders who desire to tender their Equity Shares in the electronic/dematerialized form under the Open Offer would have to do so through their respective Selling Broker by giving the details of Equity Shares they intend to tender under the Open Offer.

b. Public Shareholders shall submit delivery instruction slip ("DIS") duly filled- in specifying market type as "Open Offer" and execution date along with all other details to their respective Selling Broker so that the shares can be tendered in the Open Offer.

c. The Selling Broker would be required to place an order/bid on behalf of the Public Shareholders who wish to tender Equity Shares in the Open Offer using the Acquisition Window of the NSE. Before placing the order/bid, the Shareholder would be required to transfer the tendered Equity Shares to the Clearing Corporation, by using the early pay in mechanism as prescribed by the NSE or the Clearing Corporation, prior to placing the order/bid by the Selling Broker.

d. Upon placing the order, the Selling Broker shall provide TRS generated by the stock exchange bidding system to the Equity Shareholder. TRS will contain details of order submitted like bid ID No., DP ID, Client ID, no. of Equity Shares tendered, etc.

e. Modification/cancellation of orders will not be allowed during the tendering period of the Open Offer.

f. For custodian participant, orders for demat equity shares early pay-in is mandatory prior to confirmation of order by the custodian. The custodians shall either confirm or reject orders not later than time provided by the Stock Exchange on the last day of the offer period. Thereafter, all unconfirmed orders shall be deemed to be rejected.

g. The details of settlement number for early pay-in of equity shares shall be informed in the issue opening circular that will be issued by the Stock Exchanges / Clearing Corporation, before the opening of the Offer.

h. The Shareholders will have to ensure that they keep the DP account active and unblocked to receive credit in case of return of the Equity Shares due to rejection or due to prorated Open Offer.

i. The cumulative quantity tendered shall be made available on the website of the NSE (www.nseindia.com) throughout the trading sessions and will be updated at specific intervals during the Tendering Period.

11. **Procedure for tendering the Equity Shares held in physical form:-**

(As per the proviso to Regulation 40(1) of the SEBI (LODR) Regulations (notified by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018) read with the press release dated December 3, 2018 issued by SEBI, effective from April 1, 2019, requests for effecting transfer of securities shall not be processed unless the securities are held in the dematerialized form with a depository. Assuming that the the acceptance of Equity Shares tendered in the Open Offer is completed before April 1, 2019, the procedure for tendering to be followed by Public Shareholders holding Equity Shares in the physical form is as detailed below. However, should the should the acceptance of tendered Equity Shares take place after April 1, 2019, Public Shareholders desirous of tendering their Equity Shares held in physical form can do so only after the shares are dematerialized and are advised to approach the concerned depository participant to have their Equity Shares dematerialized.)

a. The Public Shareholders holding physical shares and who wish to tender their Equity Shares in this Offer shall approach the relevant Selling Broker and submit the following set of documents for verification:

i. Form of Acceptance duly completed and signed in accordance with the instructions contained therein, by sole/joint shareholders whose name(s) appears on the share certificate(s) and in the same order and as per the specimen signature lodged with the Target;

ii. Original share certificate(s);

iii. Valid share transfer deed(s) duly signed as transferor(s) by the sole/joint shareholder(s) in the same order and as per specimen signatures lodged with the Target and duly witnessed at the appropriate place;

iv. Self-attested PAN Card copy (in case of joint holders, PAN card copy of all transferors);

v. Any other relevant document such as powers of attorney and/or corporate authorizations (including board resolution(s)/specimen signature(s)); and

vi. Self-attested copy of proof of address such as valid Aadhar card, voter ID, passport or driving license.

b. The Selling Broker(s) should place bids on the exchange platform including the relevant details as specified on the physical share certificate(s). The Selling Broker (s) shall print the TRS generated by the exchange bidding system. The TRS will contain the details of order submitted such as Folio No., Certificate No., Dist. Nos. and number of Equity Shares.

c. The Selling Broker(s)/Public Shareholder must deliver the share certificates relating to its Equity Shares and other documentation listed in paragraph (a) above along with the TRS to the Registrar i.e. Link Intime Private Limited at the address mentioned on the cover page. The envelope should be superscribed "**Next Mediaworks Limited Open Offer**". Share certificates for physical shares must reach the Registrar within 2 (two) days of bidding by the Selling Broker.

d. The Public Shareholders holding physical shares should note that their Equity Shares will not be accepted unless the complete set of documents specified in paragraph (a) above are submitted. Acceptance of the physical shares in this Offer shall be subject to verification by the Registrar. On receipt of the confirmation from the Registrar, the bid will be accepted or rejected (as applicable) and accordingly depicted on the exchange platform.

e. In case any person has submitted physical shares for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in this Offer by or before the closure of the Tendering Period.

The Public Shareholders holding Shares in Demat mode are not required to fill any Form of Acceptance. The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance. Public Shareholders holding Equity Shares in physcial mode will be sent respective Form of Acceptances along with the Letter of Offer. Detailed procedure for tendering such Equity Shares will be included in the Form of Acceptance. Form of Acceptance will not be sent to the Public Shareholders holding Equity Shares in Demat mode.

12. **Acceptance of Shares**

Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines.

In the event that the number of Equity Shares (including demat shares, physical) validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirers shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.

13. **Procedure for tendering the shares in case of non-receipt of Letter of Offer:**

a. Persons who have acquired the Equity Shares but whose names do not appear in the register of members of the Target Company on the Identified Date, or unregistered owners or those who have acquired the Equity Shares after the Identified Date, or those who have not received the Letter of Offer, may also participate in this Offer.

b. A Shareholder may participate in the Offer by approaching their broker / Selling Broker and tender the Equity Shares in the Open Offer as per the procedure mentioned in this Draft Letter of Offer or in the relevant Acceptance Form.

c. The Letter of Offer along with Form of Acceptance will be dispatched to all the eligible shareholders of the Target Company. In case of non-receipt of the Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company

d. The Letter of Offer along with the Form of Acceptance would also be available at SEBI's website, www.sebi.gov.in, and shareholders can also apply by downloading such forms from the said website.

e. Alternatively, in case of non-receipt of the Letter of Offer, shareholders holding the Equity Shares may participate in the Offer by providing their application in plain paper in writing signed by all shareholder(s), stating name, address, number of shares held, client ID number, DP name, DP ID number, number of shares tendered and other relevant documents as mentioned in paragraphs 9 and 10 or 11 above along with Form SH 4 (in case of Equity Shares being held in physical form). Such Public Shareholders have to ensure that their order is entered in the electronic platform to be made available by NSE before the closure of the Offer.

14. **Settlement Process**

On closure of the Offer, reconciliation for acceptances shall be conducted by the Manager and the Registrar to the Offer and the final list shall be provided to the Stock Exchanges to facilitate settlement on the basis of the shares transferred to the Clearing Corporation.

The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

For Equity Shares accepted under the Open Offer, the Clearing Corporation will make direct funds payout to respective eligible Public Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

In case of certain client types viz. NRI, Foreign Clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out would be given to their respective Selling Broker's settlement accounts for releasing the same to their respective Shareholder's account onwards. For this purpose, the client type details would be collected from the Registrar to the Open Offer.

The Public Shareholders will have to ensure that they keep the depository participant ("**DP**") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non –acceptance of the shares under the Offer.

Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Public Shareholders would be released to them by the Clearing Corporation. Any excess physical Equity Shares pursuant to proportionate acceptance/ rejection will be returned back to the Public Shareholders directly by the Registrar. The Target Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted in the Offer are less than the Equity Shares tendered in the Open Offer by the Public Shareholders holding Equity Shares in the physical form.

Acquirer's Broker would also issue a contract note to the Acquirer for the Equity Shares accepted under the Open Offer.

Public Shareholders who intend to participate in the Open Offer should consult their respective Selling Broker for any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Open Offer (secondary market transaction). The Open Offer consideration received by the Public Shareholders, in respect of accepted Equity Shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Acquirer and the Manager accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Public Shareholders

Once the basis of acceptance is finalised, the Clearing Corporation would facilitate clearing and settlement of trades by transferring the required number of shares to the escrow account which will be opened by the Acquirer.

Any excess physical shares, to the extent tendered but not accepted, will be returned by registered post back to the Shareholder(s) directly by Registrar to the Offer.

15. **Settlement of Funds / Payment Consideration**

The Buying Broker will transfer the funds pertaining to the Offer to the Clearing Corporation's bank account as per the prescribed schedule.

For Equity Shares accepted under the Open Offer, Clearing Corporation will make direct funds payout to respective Public Shareholders. If shareholders' bank account details are not available or if the funds transfer instruction is rejected by RBI/Bank, due to any reason, then such funds will be transferred to the concerned Selling Broker settlement bank account for onward transfer to their respective shareholders.

The payment will be made to the Buying Broker for settlement. For Equity Shares accepted under the Open Offer, the Equity Shareholder / Selling Broker / custodian participant will receive funds payout in their settlement bank account.

The funds received from the Buyer Broker by the Clearing Corporation will be released to the Equity Shareholder / Selling Broker (s) as per secondary market pay out mechanism.

Shareholders who intend to participate in the Offer should consult their respective Selling Broker for payment to them of any cost, charges and expenses (including brokerage) that may be levied by the Selling Broker upon the selling shareholders for tendering Equity Shares in the Offer (secondary market transaction). The consideration received by the selling shareholders from their respective Selling Broker, in respect of accepted Equity Shares, could be net of such costs, charges and expenses (including brokerage) and the Acquirers accept no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the selling shareholder.

In case of delay in receipt of any statutory approval(s), SEBI has the power to grant extension of time to Acquirers for payment of consideration to the shareholders of the Target Company who have accepted the Open Offer within such period, subject to Acquirers agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18 (11) of the SEBI (SAST) Regulations, 2011.

16. **Note on taxation**

THE SUMMARY OF THE INCOME-TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT, 1961 AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE ACQUIRER DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE. THEREFORE, SHAREHOLDERS CANNOT RELY ON THIS ADVICE AND THE SUMMARY INCOME-TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX

IN THE CASE OF TENDERING OF LISTED EQUITY SHARES IN OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA SET OUT BELOW SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

General: The basis of charge of Indian income-tax depends upon the residential status of the taxpayer during a tax year. The Indian tax year runs from April 1 until March 31. A person who is an Indian tax resident is liable to income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act, 1961 (the "IT Act").

A person who is treated as a non-resident for Indian income-tax purposes is generally subject to tax in India only on such person's India-sourced income (i.e. income which accrues or arises or deemed to accrue or arise in India) and income received by such persons in India. In case of shares of a company, the source of income from shares would depend on the "situs" of such shares. As per judicial precedents, generally the "situs" of the shares is where a company is "incorporated" and where its shares can be transferred.

Accordingly, since the Target Company is incorporated in India, the Target Company's shares should be deemed to be "situated" in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under the IT Act.

Further, the non-resident shareholder can avail benefits of the Double Taxation Avoidance Agreement ("**DTAA**") between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions including non-applicability of General Anti-Avoidance Rule ("**GAAR**") and providing and maintaining necessary information and documents as prescribed under the IT Act.

The IT Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc. The summary of income-tax implications on tendering of listed equity shares on the Recognised Stock Exchange in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

Classification of Shareholders: Shareholders can be classified under the following categories:

Resident Shareholders being:

- Individuals, Hindu Undivided Family (HUF), Association of Persons (AOP) and Body of Individuals (BOI)
- Others

Non-Resident Shareholders being:

- Non-Resident Indians (NRIs)
- Foreign Portfolio Investors (FPIs)
- Others:
    - Foreign Company
    - Other than a Foreign company

Classification of Income: Shares can be classified under the following two categories:

- Shares held as investment (Income from transfer taxable under the heading "Capital Gains")
- Shares held as stock-in-trade (Income from transfer taxable under the heading "Profits and Gains from Business or Profession")

As per the current provisions of the IT Act, unless specifically exempted, gains arising from the transfer of shares may be treated either as “capital gains” or as “business income” for income-tax purposes, depending upon whether such shares were held as a capital asset or trading asset (i.e. stock-in-trade).

Shares held as investment: As per the provisions of the IT Act, where the shares are held as investments (i.e. capital asset), income arising from the transfer of such shares is taxable under the head “Capital Gains”. Capital gains in the hands of shareholders would be computed as per provisions of section 48 of the IT Act and the rate of income-tax would depend on the period of holding.

Period of holding: Depending on the period for which the shares are held, the gains would be taxable as “short-term capital gain” or “long-term capital gain”:

In respect of equity shares held for a period less than or equal to 12 months prior to the date of transfer, the same should be treated as a “short-term capital asset”, and accordingly the gains arising therefrom should be taxable as “short term capital gains” (“**STCG**”).

Similarly, where equity shares are held for a period more than 12 months prior to the date of transfer, the same should be treated as a “long-term capital asset”, and accordingly the gains arising therefrom should be taxable as “long-term capital gains” (“**LTCG**”).

Tendering of Shares in Open Offer through a Recognized Stock Exchange in India: Where a transaction for transfer of such equity shares (i.e. acceptance under the Open offer) is transacted through a Recognized Stock Exchange and is chargeable to Securities Transaction Tax (“**STT**”), then the taxability will be as under (for all categories of shareholders):

- As per the current provisions of the IT Act, under Section 112A of the IT Act, long-term capital gains arising from transfer of such long-term capital asset exceeding one lakh rupees will be taxed at a rate of 10 percent provided the same has been subjected to STT, upon acquisition and sale. If no STT is paid on acquisition, then mode of such acquisition should be exempted under the notification issued by the Central Government under Section 112A of the IT Act in order to get benefit of taxation at 10% under Section 112A of the IT Act.

  LTCG that arise on shares purchased prior to February 1, 2018 shall be grandfathered for the notional gains earned on such shares till January 31, 2018. For computing capital gains under the grandfathering regime, the cost of acquisition for the long-term capital asset acquired on or before 31st of January, 2018 will be the actual cost. However, if the actual cost is less than the fair market value of such asset as on 31st of January, 2018, the fair market value will be deemed to be the cost of acquisition.

  Further, if the full value of consideration on transfer is less than the fair market value, then such full value of consideration or the actual cost, whichever is higher, will be deemed to be the cost of acquisition.

  Where provisions of section 112A of the IT Act are not applicable (for example where STT was not paid at the time of acquisition of the equity shares):
  (i) LTCG will be chargeable to tax at rate of up to 20% (plus applicable surcharge and cess) in the case of a non-resident shareholder (other than a FPI/FII, or a NRI who is governed by the provisions of Chapter XII-A of the IT Act) under Section 112 of the IT Act.
  (ii) In the case of FIIs/FPIs, LTCG would be taxable at 10% (plus applicable surcharge and cess) under Section 115AD of the IT Act.

(iii) For a NRI who is governed by the provisions of Chapter XII-A of the IT Act, LTCG would be taxable at 10% (plus applicable surcharge and cess) under Section 115E of the IT Act.
(iv) For a resident shareholder, an option is available to pay tax on such LTCG at either 20% (plus applicable surcharge and cess) with indexation or 10% (plus applicable surcharge and cess) without indexation as per the proviso to Section 112 of the IT Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is to be considered while computing the income-tax on such LTCG taxable under section 112A of the IT Act.

- As per the current provisions of the IT Act, STCG arising from such transaction, which is subject to STT, would be subject to tax @ 15% under section 111A of the IT Act.

  Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income-tax is considered while computing the income-tax on such STCG taxable under section 111A of the IT Act.

  Taxability of capital gain arising to a non-resident in India from the sale of equity shares may be determined basis the provisions of the IT Act or the DTAA entered between India and the country of which the non-resident seller is resident, whichever is more beneficial, subject to satisfaction of certain prescribed conditions.

As per the current provisions of the IT Act, in addition to the above STCG and LTCG tax, surcharge and health and education cess are leviable.

Shares held as stock-in trade: If the shares are held as stock-in-trade by any of the shareholders of the Target Company, then the gains would be characterized as business income and taxable under the heading “Profits and Gains from Business or Profession”.

Resident Shareholders:
For individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.

For persons other than stated above, profits would be taxable @ 30% or 25% as applicable.

Non Resident Shareholders:
Non-resident shareholders can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act.

Where DTAA provisions are not applicable:
For non-resident individuals, HUF, AOP, BOI, profits would be taxable at applicable slab rates.
For foreign companies, profits would be taxed in India @ 40%.
For other non-resident shareholders, such as foreign firms, profits would be taxed in India @ 30%.

As per the current provisions of the IT Act, in addition to the above, surcharge and health and education cess are leviable.

Tax Deduction at Source:

Resident Shareholders: In absence of any specific provision under the IT Act, the Acquirer is not required to deduct tax on the consideration payable to the shareholders pursuant to Tendering of the Shares under the Open Offer.

Non-Resident Shareholders:

In Case of FPI:
Section 196D of the IT Act provides for specific exemption from withholding tax in case of capital gains arising in hands of FPIs. Thus, no withholding of tax is required in case of consideration payable to FPIs

In Case of non-resident tax payer (other than a Foreign Institutional Investor):
Section 195(1) of the IT Act provides that any person responsible for paying to a non-resident, any sum chargeable to tax is required to deduct tax at source (including applicable surcharge
and cess). Subject to regulations in this regard, wherever applicable and it is required to do so, tax at source (including applicable surcharge and cess) shall be deducted at appropriate rates as per the IT Act. In doing this, the Acquirer will be guided by generally followed practices and make use of data available in its records except in cases where the non-resident shareholders provide a specific mandate in this regard.

Under section 195 of the Act, tax is required to be deducted on payments made to non-residents, at the rates prescribed in Part-II of the First Schedule to the Finance Act, 2018. In terms of the said provisions, tax at the applicable rates will be deducted from payment of long-term capital gains to a non-resident tax payer (other than a Foreign Institutional Investor). The capital gains will be required to be computed in accordance with the provisions of the IT Act.

Since the Tendering of Shares under the Open Offer is through the Recognised Stock Exchanges in India, the responsibility of discharge of the tax due on the gains (if any) is primarily on the non-resident shareholder given that practically it is very difficult to withhold taxes. It is therefore important for the non-resident shareholders to suitably compute such gains (if any) on this transaction and immediately pay taxes in India in consultation with their custodians, authorized dealers and/or tax advisors, as appropriate.

In the event the Acquirer is held liable for the tax liability of an equity shareholder, the same shall be to the account of the equity shareholder and to that extent the Acquirer is entitled to be indemnified.

Rate of Surcharge and Cess: As per the current provisions of the IT Act, in addition to the basic tax rate, surcharge, health and education cess are leviable.

THE ABOVE DISCLOSURE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES. THIS DISCLOSURE IS NEITHER BINDING ON ANY REGULATORS NOR CAN THERE BE ANY ASSURANCE THAT THEY WILL NOT TAKE A POSITION CONTRARY TO THE COMMENTS MENTIONED HEREIN. HENCE, SHAREHOLDERS SHOULD CONSULT WITH THEIR OWN TAX ADVISORS FOR THE TAX PROVISIONS APPLICABLE TO THEIR PARTICULAR CIRCUMSTANCES.

THE TAX RATE AND OTHER PROVISIONS MAY UNDERGO CHANGES

VIII. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by Public Shareholders at the office of the Manager at Kotak Mahindra Capital Company Limited, 27BKC, 1st floor, Plot no. C-27, “G” Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, between 10:30 a.m. and 3:00 p.m. on any Working Day (except Saturdays and Sundays) during the period from the date of commencement of the Tendering Period ([●]) until the date of closure of the Tendering Period ([●]).

1. Certified copies of the Memorandum and Articles of Association and certificate of incorporation of the Acquirer;

2. Certificate dated December 20, 2018 from S.V. Shah and Associates, certifying that the Acquirer has adequate financial resources to fulfill their obligations under this Offer;

3. Certified copies of the annual reports and financial statements of the Acquirer for the three financial years ending on March 31, 2016, March 31, 2017 and March 31, 2018 and limited review financials for September 30, 2018;

4. Certified copies of the annual reports of Target Company for the three financial years ending on March 31, 2016, March 31, 2017 and March 31, 2018 limited review financials for September 30, 2018;

5. Letter dated December 21,2018 from the Open Offer Escrow Agent confirming the receipt of the cash deposit in the Open Offer Escrow Account;

6. Certified copies of the SPA executed between the Acquirer and the Sellers;

7. Copy of the Public Announcement submitted to the Stock Exchange on December 20, 2018;

8. Copy of the Detailed Public Statement published by the Manager on behalf of the Acquirer on December 28, 2018;

9. Copy of the Offer Opening Public Announcement to be published by the Manager on behalf of the Acquirer on [●];

10. Published copy of the recommendation to be made by the committee of the independent directors of Target Company in relation to the Offer;

11. SEBI observation letter no. [●] dated [●] on the Draft Letter of Offer;
12. Open Offer Escrow Agreement dated December 20, 2018 between the Acquirer, the Manager and the Open Offer Escrow Agent.

IX. DECLARATION BY THE ACQUIRER

1. The Acquirer and its directors, in their capacity as directors, accept responsibility for the information contained in the PA, the DPS and the DLoF (other than as specified in paragraph 2 below) and also for the obligations of the Acquirer laid down in the SEBI (SAST) Regulations in respect of this Offer.

2. The information pertaining to the Target Company contained in the PA or DPS or Draft Letter of Offer or any other advertisement/publications made in connection with the Open Offer has been compiled from information published or publicly available sources or provided by the Target Company. The Acquirer does not accept any responsibility with respect to any information provided in the PA or the DPS or the Draft Letter of Offer pertaining to the Target Company.
3. The Acquirer also accepts full responsibility for their obligations under the Offer and shall be liable for ensuring compliance with the SEBI (SAST) Regulations.

4. The person(s) signing this DLoF are duly and legally authorized by the Acquirer, as applicable, to sign the DLoF.

SIGNED FOR AND ON BEHALF OF HT MEDIA LIMITED

Sd/-
Authorized Signatory

Place: New Delhi
Date: January 4, 2019