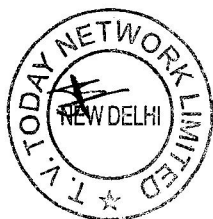




**FAIRNESS OPINION ON VALUATION IN  
COMPOSITE SCHEME OF ARRANGEMENT AND  
AMALGAMATION AMONG MAIL TODAY  
NEWSPAPERS PRIVATE LIMITED, INDIA TODAY  
ONLINE PRIVATE LIMITED AND T.V. TODAY  
NETWORK LIMITED**



14<sup>th</sup> December, 2017

Strictly Private & Confidential

Ref. No: CPC/MB/198/2017-18

SEBI Reg. No: INM000011435

Dated: 14<sup>th</sup> December 2017

**The Board of Directors**

**T.V. TODAY NETWORK LIMITED (Transferee Company)**

Registered Office : F-26, Connaught Place,

New Delhi 110 001

**The Board of Directors**

**MAIL TODAY NEWSPAPERS PRIVATE LIMITED (Transferor Company 1)**

Registered Office :F-26, Connaught Place,

New Delhi 110 001

**The Board of Directors**

**INDIA TODAY ONLINE PRIVATE LIMITED (Transferor Company 2)**

Registered Office :F-26, Connaught Place,

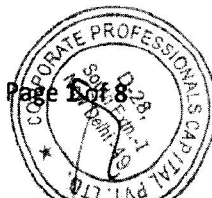
New Delhi 110 001

**Subject: Fairness Opinion on valuation of Mail Today Newspapers Private Limited, India Today Online Private Limited and T.V. Today Network Limited under a Composite Scheme of Arrangement and Amalgamation**

Dear Sir/s,

We refer to our appointment for the purpose of arriving at an opinion on the valuation of Mail Today Newspapers Private Limited, India Today Online Private Limited and T.V. Today Network Limited under a Composite Scheme of Arrangement and Arrangement ("Proposed Scheme/Scheme").

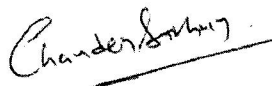
With reference to the above, Corporate Professionals Capital Private Limited has been appointed as Merchant Bankers by the management of Mail Today Newspapers Private Limited, India Today Online Private Limited and T.V. Today Network Limited to provide a Fairness Opinion on the valuation aspects of this transaction pursuant to the Proposed Scheme.



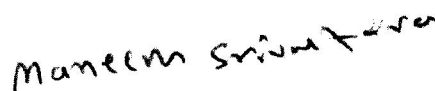
In terms of our engagement, we are enclosing our opinion along with this letter. All comments as contained herein must be read in conjunction with the caveats to this opinion. The opinion is confidential and has been made in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "**Listing Regulations**") read with SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017, it should not be used, reproduced or circulated to any other person, in whole or in part, without the prior consent of Corporate Professionals Capital Private Limited, such consent will only be given after full consideration of the circumstance at the time. We are however aware that the conclusion in this report may be used for the purpose of disclosure to be made to the stock exchanges, National Company Law Tribunal ("**NCLT**") and notices to be dispatched to the shareholder and creditors for convening the meeting pursuant the directions of NCLT and we provide consent for the same. Please feel free to contact us in case you require any additional information or clarifications.

Yours Faithfully,

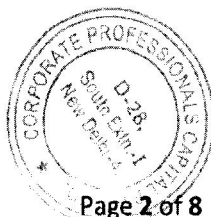
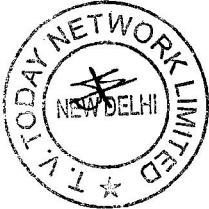
For Corporate Professionals Capital Private Limited



Chander Sawhney  
[Partner]

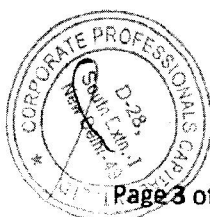
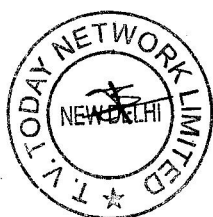


Maneesh Srivastava  
[Associate Vice President]



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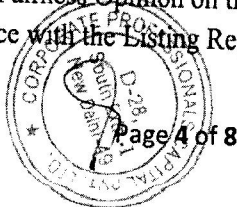
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## CONTEXT AND BACKGROUND

- 1.1 We understand that this Proposed Scheme seeks to restructure, amalgamate and consolidate the business of publishing of daily English newspaper 'Mail Today', conducted through Mail Today Newspapers Private Limited ("**Transferor Company 1**"), India Today Online Private Limited ("**Transferor Company 2**") (Transferor Company 1 and Transferor Company 2 together referred to as "**Transferor Companies**") with the operation of news channels conducted by T.V. Today Network Limited ("**Transferee Company**"). Transferor Company 1, Transferor Company 2 and the Transferee Company are together referred to as the "**Restructured Companies**".
- 1.2 The board of directors of the Restructured Companies have resolved that the capital reduction of the Transferor Companies, the demerger of the MTN Undertaking of Transferor Company 1 and the amalgamation of Transferor Company 2 with the Transferee Company would be in the interests of the shareholders, creditors and employees of the Restructured Companies. The Transferee Company is engaged in the operation of news channels such as Aajtak and India Today and Transferor Company 1 is in the business of publishing of daily English newspaper "Mail Today". Accordingly the Scheme will result in consolidation of the newspaper business of the Transferee Company presently being carried out through the Transferor Companies in one entity and would strengthen the position of the resultant entity i.e., the Transferee Company, by enabling it to harness and optimise the synergies of the Transferor Companies. The Scheme will result in operational efficiencies due to optimal utilization of content of the newspaper business by the TV channels. In addition, the content created by Transferor Company 1 will be valuable for Transferee Company's news content for its television and digital platforms.
- 1.3 The Proposed Scheme presented under Chapter XV of the Companies Act, 2013 is divided into the following parts:
- Part I Deals with the overview and objects of this Scheme;
  - Part II: Deals with share capital of the Restructured Companies;
  - Part III: Deals with the reduction of share capital to be undertaken by Transferor Company 1;
  - Part IV: Deals with the reduction of share capital to be undertaken by Transferor Company 2;
  - Part V: Deals with the demerger of the MTN Undertaking into and with the Transferee Company in accordance with Chapter XV of the Companies Act 2013 the Transferee Company shall be referred to as the "**Resultant Company**" after the demerger and vesting of the MTN Undertaking into the Transferee Company);
  - Part VI: Deals with the Residual Undertaking of Transferor Company 1;
  - Part VII: Deals with the amalgamation of Transferor Company 2 into and with the Resultant Company in accordance with Chapter XV of the Companies Act 2013;
  - Part VIII: Deals with the general terms and conditions applicable and sets forth certain additional arrangements that form a part of the Proposed Scheme.

We, Corporate Professionals Capital Private Limited have been appointed as Merchant Bankers by the management of companies to provide a Fairness Opinion on the valuation aspects of the Restructured Companies under the Proposed Scheme in accordance with the Listing Regulations.



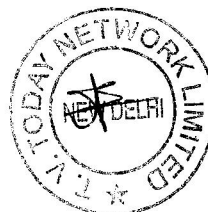
## BRIEF ABOUT COMPANIES

1. **Mail Today Newspapers Private Limited** (Transferor Company 1) is a private limited company incorporated under the Companies Act, 1956 and has its registered office at F-26, Connaught Place, New Delhi 110 001. It was incorporated on 9 May 2007 and is engaged in the newspaper publication business of India Today group.

Transferor Company 1 is an indirectly held wholly-owned subsidiary of the Transferee Company, with the Transferee Company holding 48.99% of the share capital of Transferor Company 1 and Transferor Company 2 legally and beneficially holding the remaining 51.01% share capital of Transferor Company 1.

2. **India Today Online Private Limited** (Transferor Company 2) is a private limited company incorporated under the Companies Act, 1956 and has its registered office at F-26, First Floor, Connaught Place, New Delhi 110 001. It was incorporated on 14 September 2000 and is formed with the object of providing web & internet based service, publishing, distributing, marketing newspaper etc. It also holds investment in Transferor Company 1 along with the Transferee Company. The Transferee Company legally and beneficially holds one hundred per cent. (100%) equity shares of Transferor Company 2.

3. **T.V. Today Network Limited** (Transferee Company) is a public limited company incorporated under the Companies Act, 1956 and has its registered office at F-26, First Floor, Connaught Circus, New Delhi 110 001. It was incorporated on 28 December 1999 and is engaged in the media and broadcasting business across television and other digital platforms of India Today group. The equity shares of the Transferee Company are listed on National Stock Exchange of India Limited (hereinafter called 'NSE') and BSE Limited (hereinafter called 'BSE').



## EXTRACTS OF SCHEME

### **PART III OF THE PROPOSED SCHEME DEALS WITH REDUCTION OF SHARE CAPITAL TO BE UNDERTAKEN BY TRANSFEROR COMPANY 1**

In accordance with the provisions of Section 66 of the Act, on and from the effective date, the paid up equity share capital and securities premium account of Transferor Company 1 shall stand reduced by offsetting the accumulated losses of Transferor Company 1 in the following manner: first, against the securities premium account of Transferor Company 1; and the balance, if any, of the accumulated losses after offsetting against the securities premium account, will be set off against paid up equity share capital of Transferor Company 1. The above reduction in the issued, subscribed and paid up equity share capital shall be effected by a reduction and cancellation of the equity shares held by all the shareholders pro rata to their shareholding in Transferor Company 1.

### **PART IV OF THE PROPOSED SCHEME DEALS WITH REDUCTION OF SHARE CAPITAL TO BE UNDERTAKEN BY TRANSFEROR COMPANY 2**

In accordance with the provisions of Section 66 of the Act, on and from the effective date, the paid up equity share capital and securities premium account of Transferor Company 2 shall stand reduced by offsetting the accumulated losses of Transferor Company 2 in the following manner: first, against the securities premium account of Transferor Company 2; and the balance, if any, of the accumulated losses after offsetting against the securities premium account, will be set off against paid up equity share capital of Transferor Company 2. The above reduction in the issued, subscribed and paid up equity share capital shall be effected by a reduction and cancellation of the equity shares held by all the shareholders pro rata to their shareholding in Transferor Company 2.

### **PART V OF THE PROPOSED SCHEME DEALS WITH THE DEMERGER OF THE MTN UNDERTAKING FROM TRANSFEROR COMPANY 1 TO THE TRANSFeree COMPANY**

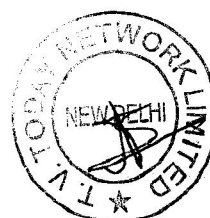
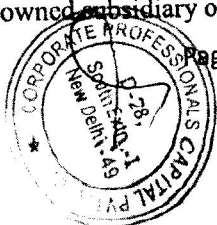
The payment of consideration clause in this respect states as under-

Upon the Proposed Scheme becoming effective and upon vesting of the MTN Undertaking in the Transferee Company in terms of this scheme, the equity shareholders of Transferor Company 1 (i.e., the Transferee Company and Transferor Company 2) shall not be entitled to receive equity shares of the Transferee Company as Transferor Company 2 is a wholly owned subsidiary of the Transferee Company. Transferor Company 1 is indirectly held by the Transferee Company. The Act prohibits allotment or transfer of shares of a parent company to its subsidiary company.

### **PART VII OF THE PROPOSED SCHEME DEALS WITH THE AMALGAMATION OF TRANSFEROR COMPANY 2 INTO AND WITH THE RESULTANT COMPANY**

The payment of consideration clause in this respect states as under-

Upon the Proposed Scheme becoming effective and upon amalgamation of Transferor Company 2 with the Resultant Company in terms of the Proposed Scheme, the equity shares of Transferor Company 2 held by the Resultant Company (either held in its own name or through its nominees) shall stand cancelled in their entirety as Transferor Company 2 is a wholly owned subsidiary of the Transferee Company.



## CONCLUSION & OPINION

- 1.4 We understand that the Proposed Scheme will result in consolidation of the two business carried on by the India Today Group is strategic in nature and will generate editorial and business synergies. The Proposed Scheme will result in operational efficiencies due to optimal utilization of content of the newspaper business by the TV channels. In addition, the content created by Transferor Company 1 will be valuable for Transferee Company's news content for its television and digital platforms.

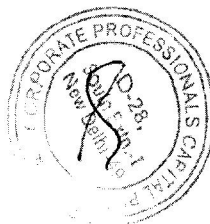
Part III and Part IV of the Scheme deals with the reduction in the equity share capital of Transferor Company 1 and Transferor Company 2 in a manner that the accumulated losses of the Transferor Companies are reduced against the securities premium account followed by the equity share capital to clean up the balance sheet. The proposed capital reduction would be beneficial for all the remaining shareholders of the Restructured Companies as neither involves any financial outlay/outgo on the part of the Transferee Company nor does it directly or indirectly involves any outflow of the Transferor Companies' assets to its shareholders. Further it would give a true and fair view of the financial statement of the Transferee Company.

Part V of the proposed scheme deals with the demerger of the MTN undertaking from Transferor Company 1 to the Transferee Company. Being transfer of undertaking to its holding company holding 100% of its share capital (directly or indirectly), no consideration is to be discharged.

Part VII of the proposed scheme deals with the amalgamation of Transferor Company 2 with the resultant company. Being amalgamation of a wholly owned subsidiary with a parent company, no consideration is to be discharged.

- In Part V and VII, valuation is not undertaken as these are occurring within the holding company and its wholly owned subsidiaries (directly or indirectly) and it does not involve any movement of assets or liabilities outside the group. There is also no change in the promoter and public shareholding pattern of the public listed company i.e., the Transferee Company. It is already clarified by SEBI that in the present context valuation report from independent chartered accountant shall not be required as per SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

*"Subject to above read with the caveats as detailed later, we as a Merchant Banker hereby certify that pursuant to SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and SEBI Circular no. CFD/DIL3/CIR/2017/26 dated March 23, 2017, we have reviewed the proposed Scheme of Arrangement and Amalgamation with respect to the valuation aspects and consider it to be fair and reasonable from the point of view of equity shareholders of the Companies.*





## CAVEATS

- We wish to emphasize that, we have relied on explanations and information provided by the respective management and other public available information. Although, we have reviewed such data for consistency and reasonableness, we have not independently investigated or otherwise verified the data provided.
- We have not made an appraisal or independent valuation of any of the assets or liabilities of the companies and have not conducted an audit or due diligence or reviewed / validated the financial data except what is provided to us by the Restructured Companies.
- The scope of our work has been limited both in terms of the areas of the business and operations which we have reviewed and the extent to which we have reviewed them. There may be matters, other than those noted in this Scheme, which might be relevant in the context of the transaction and which a wider scope might uncover.
- We have no present or planned future interest in the Restructured Company/ies and the fee payable for this opinion is not contingent upon the opinion reported herein.
- Our Fairness Opinion should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into the proposed transaction.
- The Opinion contained herein is not intended to represent at any time other than the date that is specifically stated in this Fairness Opinion. This opinion is issued on the understanding that the Management of the Restructured Companies under the Scheme have drawn our attention to all matters of which they are aware, which may have an impact on our opinion up to the date of signature. We have no responsibility to update this report for events and circumstances occurring after the date of this Fairness Opinion.

