



सत्यमेव जयते

Office of the
Deputy Commissioner of Income Tax
Circle-18(1), Room No. 212, C.R. Building
I. P. Estate, New Delhi- 110002

F.No. DCIT/Circle-18(1)/2017-18/ 150

Dated : 16.06.2017

To

The Principal Officer,
M/s. New Delhi Television Limited,
207, Okhla Industrial Estate,
Phase-III, New Delhi – 110 020.

Madam/Sir,

Sub : Corporate announcement by M/s. New Delhi Television Limited regarding intended disposal of equity stake by its subsidiaries – Regarding –

Please refer to the above subject.

2. Order u/s 281B of the Income Tax Act, 1961 directing provisional attachment of assets was passed in the case of M/s. New Delhi Television Limited ("NDTV") on 14.09.2015, which was contested by NDTV in WP(C) 9120/2015 filed before the Hon'ble Delhi High Court. During the proceedings, the Hon'ble High Court vide order dated 23.09.2015 was pleased to direct as under :-

"In the meanwhile, there shall be stay of operation of the impugned order dated 14.09.2015 subject to the petitioner's undertaking that the petitioner will not alienate any asset or create any third party rights without the leave of the court except in the ordinary course of business."

3. NDTV has made corporate announcement at the National Stock Exchange and Bombay Stock Exchange on 05.05.2017 intimating that the Board of Directors of NDTV have approved, subject to approval of shareholders of NDTV, the following two intended transactions of sale of equity :-

- (i) Sale of entire 99.92% equity held by NDTV Lifestyle Holdings Ltd, NDTV Convergence Ltd and NDTV Worldwide Ltd in the company NDTV Ethnic Retail Ltd to the company Nameh Hotels & Resorts P Ltd @ Rs. 3.6518 per equity share
- (ii) Sale of 2% equity held by NDTV Networks Ltd in the company NDTV Lifestyle Holdings Ltd to the company Nameh Hotels & Resorts P Ltd @ Rs. 17.7247 per equity share



4. NDTV further disclosed on 12.05.2017 that the subsidiaries intended to be alienated (i.e. NDTV Ethnic Retail Ltd and its WOS (100%) Indianroots Retail P Ltd) contribute 5352.01 million (i.e. Rs. 535.20 crore) towards the revenue and net worth of NDTV group. On 19.05.2017, NDTV disclosed that it had issued postal ballot notice to its shareholders. It also disclosed that for the purpose of fixing the value, NDTV has used the fair valuation report prepared by Duff & Phelps, for the purpose of infusion of equity shares of funds by NDTV Lifestyle Holdings Ltd into NDTV Ethnic Retail Ltd.

5. The impact of the above two transactions will be that NDTV shall have no stake left in NDTV Ethnic Retail Ltd and its WOS (100%) Indianroots Retail P Ltd. Further, NDTV shall cease to exercise control over NDTV Lifestyle Holdings Ltd and its WOS (96.40%) NDTV Lifestyle Ltd.

6. In this regard, section 281 of the Income Tax Act, 1961 provides as under :-

"Certain transfers to be void.

281. (1) Where, during the pendency of any proceeding under this Act or after the completion thereof, but before the service of notice under rule 2 of the Second Schedule, any assessee creates a charge on, or parts with the possession (by way of sale, mortgage, gift, exchange or any other mode of transfer whatsoever) of, any of his assets in favour of any other person, such charge or transfer shall be void as against any claim in respect of any tax or any other sum payable by the assessee as a result of the completion of the said proceeding or otherwise :

Provided that such charge or transfer shall not be void if it is made—

- (i) for adequate consideration and without notice of the pendency of such proceeding or, as the case may be, without notice of such tax or other sum payable by the assessee ; or
- (ii) with the previous permission of the [Assessing] Officer.

(2) This section applies to cases where the amount of tax or other sum payable or likely to be payable exceeds five thousand rupees and the assets charged or transferred exceed ten thousand rupees in value.

Explanation.—In this section, "assets" means land, building, machinery, plant, shares, securities and fixed deposits in banks, to the extent to which any of the assets aforesaid does not form part of the stock-in-trade of the business of the assessee."



7. The assessment and reassessment proceedings in the case of NDTV for AY 2007-08 and AY 2009-10 respectively have been completed, which has resulted in substantial demand, out of which the following demand is still outstanding against the company :-

S. No.	Asstt. Year	Total Demand Raised	Still Pending Demand
1	2007-08	Rs. 59.97 crore	Rs. 51.62 crore
2	2009-10	Rs. 450.28	Rs. 445.28 crore

Presently stayed by the Hon'ble Delhi High Court vide order dated 24.03.2015 in WP(C) 2992/2015

8. Apart from the above, more demand is likely to be raised for AY 2008-09 amounting to approx. Rs. 280 crore. Thus, it can be observed that there are / also likely to be, huge demands in the case of NDTV. Reference is again invited to the directions of Hon'ble Delhi High Court vide order dated 23.09.2015 passed in WP(C) 9120/2015 as reproduced in para 2 above. Copy of the said order is enclosed for ready reference. The said order continues to be in operation till date.

9. In view of the above, you are advised to ensure that the provisions of law and the order passed by the Hon'ble Delhi High Court as stated above are complied with in letter and spirit and further, you are also advised not to create any charge / effect any transfer of any asset of the company without previous permission of the Assessing Officer in accordance with CBDT's Instruction No. 4 of 2011 dated 19.07.2011.



Encls : As above.

Yours faithfully,

B Kumar
(Bhupinderjit Kumar)
Dy. Commissioner of Income Tax
Circle-18(1), New Delhi

Copy to (for information and with the request to take notice that the revenue's interest is not adversely affected) :-

1. The Vice President, Listing and Compliance, National Stock Exchange Of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai - 400 051.
2. The Assistant Vice President, Compliance and Listing, National Stock Exchange Of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra East, Mumbai - 400 051.
3. The Chief General Manager, Corporate Finance Department Division of Corporate Restructuring, Securities Exchange Board of India (SEBI), Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.
4. The Deputy General Manager, Integrated Surveillance Department, (ISD), Securities Exchange Board of India (SEBI), Plot No.C4-A,'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai 400051.

5. The General Manager, Compliance and Listing, BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
6. The Deputy General Manager, Compliance and Listing, BSE Ltd., Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400001.
7. M/s. Nameh Hotels & Resorts Private Limited, Plot No. 09, Ground Floor, Copia Corporate Suites, Jasola, New Delhi - 110044.



BKumar

Dy. Commissioner of Income Tax
(Circular-18(1), New Delhi)
By, Commissioner
Circle-18(1), N. Delhi

\$~29

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

+ W.P.(C) 9120/2015

NEW DELHI TELEVISION LIMITED

Through:

Mr Harish N. Salve, Sr Advocate with
Ms Anuradha Dutt, Mr Sachit Jolly,
Mr Kuber Dewan and Mr Gautam Swarup

..... Petitioner

versus

DEPUTY COMMISSIONER OF INCOME TAX CIRCLE - 18(1), NEW
DELHI & ANR. & ANR.

Through:

Mr N.P. Sahni, Mr Rajat Singh and Mr Nitin
Gulati

..... Respondents

CORAM:

HON'BLE MR. JUSTICE BADAR DURREZ AHMED

HON'BLE MR. JUSTICE SANJEEV SACHDEVA

ORDER

% 23.09.2015

CM No. 20737/2015 (exemption)

The exemption is allowed subject to all just exceptions.

W.P.(C) 9120/2015 and CM No. 20736/2015

Issue notice. Notice is accepted by Mr Sahni appearing on behalf of the respondents. The counter affidavit be filed within four weeks and the rejoinder affidavit, if necessary, be filed within two weeks thereafter.

Renotify on 26.11.2015.

In the meanwhile, there shall be stay of operation of the impugned order dated 14.09.2015 subject to the petitioner's undertaking that the petitioner will not alienate any asset or create any third party rights without the leave of the court except in the ordinary course of business.

In the meanwhile, the petitioner shall also not press for the refund in respect of the assessment year 2008-09 till the next date of hearing.

Dasit under the signature of the Court Master.

BADAR DURREZ AHMED, J

SANJEEV SACHDEVA, J

SEPTEMBER 23, 2015
SU