

Date: August 21, 2020

To,

|                                                                                                                                                    |                                                                                                                                                                                                  |
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| Department of Corporate Services,<br><b>BSE Limited</b> ,<br>Phiroze Jeejeebhoy Towers,<br>Dalal Street,<br>Mumbai – 400 001<br>Scrip Code: 500189 | Department of Corporate Services,<br><b>National Stock Exchange of India Limited</b><br>Exchange Plaza,<br>Bandra-Kurla Complex,<br>Bandra (East),<br>Mumbai – 400 051<br>Scrip Code: NXTDIGITAL |
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**Ref: Approval of the Scheme of Arrangement between IndusInd Media & Communications Limited (“IMCL” or “Demerged Company”) and NXTDIGITAL LIMITED (“NXTDIGITAL or Resulting Company”) and their respective shareholders, by Hon’ble National Company Law Tribunal, Mumbai Bench.**

**Sub: Receipt of the order of Hon’ble National Company Law Tribunal, Mumbai Bench approving the Scheme of Arrangement.**

Dear Sir/Madam,

We refer to our letter dated August 06, 2020 intimating your office that the National Company Law Tribunal, Mumbai Bench (**“Hon’ble NCLT”**) had approved the aforesaid Scheme of Arrangement on August 06, 2020 and the matter was listed today i.e. August 21, 2020 for pronouncement of the Order sanctioning the Scheme of Arrangement.

In this regard we are forwarding herewith copy of the Order dated August 21, 2020 passed by the Hon’ble NCLT towards approval of the Scheme of Arrangement by and between NXTDIGITAL LIMITED and IndusInd Media & Communications Limited (IMCL) and their respective shareholders (**“Scheme of Arrangement”**) by which Media and Communication undertaking of IMCL demerged in to the Company ( Signed Copy of Order dated August 21, 2020 attached Marked **Annexure I** ). Further the said Order has also been filed with the Registrar of Companies on August 21, 2020 and therefore the Effective Date for the Scheme of Arrangement is **August 21, 2020** (Copy of **form no INC 28** marked as **Annexure II** filed with ROC vide **Challan no. R50882737** dated August 21, 2020 at 19:10 Hrs).

The copy of the order Dated August 21, 2020 of the Hon’ble NCLT is available on the website of the Company i.e. [www.nxtdigital.co.in](http://www.nxtdigital.co.in)  
Kindly take the same on records

Thanking you,  
For **NXTDIGITAL LIMITED**  
(formerly known as Hinduja Ventures Limited)

Digitally signed by  
MANSUKHANI ASHOK  
HIRANAND  
Date: 2020.08.21 20:56:39  
+05'30'

**Ashok Mansukhani**  
**Managing Director**  
**DIN: 00143001**  
**Encl: a/a**



(formerly known as Hinduja Ventures Limited)

Registered Office: IN CENTRE, 49/50 MIDC, 12<sup>TH</sup> Road, Andheri (E), Mumbai – 400 093  
T: +91 – 22 – 2820 8585 W: [www.nxtdigital.co.in](http://www.nxtdigital.co.in) CIN. No. L51900MH1985PLC036896

IN THE NATIONAL COMPANY LAW TRIBUNAL  
COURT No. I, MUMBAI BENCH,

\*\*\* \*\*

CP (CAA)/940/MB-I/2020  
connected with  
CA (CAA)/378/MB-I/2020

*In the matter of*

Section 230-232 and other applicable provisions of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016

and

In the matter of Scheme of Arrangement INDUSIND MEDIA AND COMMUNICATIONS LIMITED (Demerged company) with NXTDIGITAL LIMITED (Resulting Company) and their respective shareholders.

INDUSIND MEDIA AND COMMUNICATIONS LIMITED a company incorporated under the Companies Act, 1956 having its registered office at In Centre, Plot No. 49 & 50, 12th Road, MIDC, Andheri East, Mumbai 400093

CIN: U92132MH1995PLC085835

... Petitioner Company No. 1 (Demerged Company)

NXTDIGITAL LIMITED a company incorporated under the Companies Act, 1956 having its registered office at In Centre, Plot No. 49 & 50, 12th Road, MIDC, Andheri East, Mumbai 400093

CIN: L51900MH1985PLC036896

... Petitioner Company No. 2 (Resulting Company)

Date of Order: 21<sup>st</sup> August 2020

Coram:

Hon'ble Janab Mohammed Ajmal, Member (Judicial)

Hon'ble Mr. V. Nallasenapathy, Member (Technical)



Appearance (through Videoconferencing):

For the Petitioner (s) : Mr. Gaurav Joshi with Ms. Parita Dave  
i/b AAT Legal.

For the Regional Director : Ms Rupa Sutar, Deputy Director, Office  
of the Regional Director, MCA (WR), Mumbai

Per: V. Nallasenapathy, Member (Technical)

ORDER

1. This Petition seeks sanction under sections 230 to 232 of the Companies Act, 2013 (the Act for short) to the Scheme of Arrangement between IndusInd Media And Communications Limited (*the Demerged Company*)/Petitioner Company 1) and NxtDigital Limited (*the Resulting Company*/Petitioner Company 2) and their respective shareholders.
2. The Court is convened through video conference today. Heard the Learned Counsel for the Petitioner Companies. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any of the averments made in the Petition to the Scheme.
3. Learned Counsel for the Petitioner Companies submits that the Petitioner Company 1 engaged in the business of engaged in the business of Media and Communications business consisting of Cable TV, HITS platform (Media and Communication Undertaking); Technical services business (including investments in JVs); and Passive infrastructure business. The Petitioner Company 2 is engaged in business of Media, Real Estate, Treasury, Dark Fiber Leasing business and has close to 4,000 kilometers of underground and overhead Dark Fiber network across the country and is also engaged in the business of high sea sale of set-top boxes.



4. Learned Counsel for the Petitioner Companies submits that the Board of Directors of the Petitioner Companies approved the Scheme in their meetings held on 27<sup>th</sup> August, 2019. The Appointed Date fixed under the Scheme is 1<sup>st</sup> October 2019.
5. Learned Counsel for the Petitioner Companies submits the rationale for the Scheme is that the restructuring would have following benefits.
  - a) *Demerged Company and Resulting Company are part of the Hinduja Group. Demerged Company has grown into one of India's largest integrated media companies. Accordingly, in 2017 as a step towards consolidation of media and communications business, the Headend in the Sky ("HITS") business was transferred by Grant Investrade Ltd. (a Hinduja Group Company), to Demerged Company pursuant to scheme of arrangement. The Resulting Company holds 77.55 % of shares in the Demerged Company.*
  - b) *Recognizing the growth potential of the 'Media and Communications Undertaking' (more particularly defined hereinafter) in the backdrop of the fact that its 'Media and Communications Undertaking' has matured and the associated risks has reduced significantly as well as the recent regulatory reforms (New Tariff Order) providing additional stimuli, Resulting Company is proposing to consolidate this vertical as it feels that this will create a new platform for it go to the next level of performance.*
  - c) *The Resulting Company is streamlining its business and proposes to consolidate its Media and Communications Undertaking carried on by its subsidiary i.e. Demerged Company into a single company. As part of this arrangement, the Media and Communications Undertaking of Demerged Company will be demerged into Resulting Company.*



- d) Pursuant to this restructuring, the media business of the Group will be consolidated into a single group which will assist in achieving flexibility, scale and financial strength. Upon segregation of identified business undertaking, Resulting Company and Demerged Company shall be able to achieve higher long-term financial returns, increased competitive strength, cost reduction and efficiencies, productivity gains, and logistical advantages, thereby significantly contributing to future growth in their respective business verticals.
- e) Apart from the various benefits/advantages stated and illustrated above, the management of the Resulting Company and Demerged Company are of the opinion that the following benefits shall also be enjoyed and realized by all the stakeholders:
- i. Consolidation and growth of Media and Communications Undertaking: The demerger will enable Resulting Company to consolidate similar businesses into a single company. This will enable Resulting Company with an opportunity to provide services in a seamless manner to its customers. Further, this will also help Resulting Company to demonstrate its capability and provide competitive advantages vis-à-vis its competitors.
  - ii. Focused Management, Organization Efficiency and Operational Synergies: Consolidation of the business into a single consolidated entity shall enable focused strategies, management, investment and leadership for the consolidated entity and further result into organization efficiency and operational synergies;
  - iii. Unlock shareholders value: The proposed consolidation will create long term value for the shareholders by unlocking value since the



*business and profits will accrue to a single entity i.e. Resulting Company;*

*iv. Efficiency in Fund raising for harnessing future growth: Housing of Media and Communications Undertaking in Resulting Company directly shall facilitate and provide adequate opportunities to mobilize the financial resources of Resulting Company for the growth of the Media and Communications Undertaking and also streamline the process for fund raising;*

6. The Company Petition is filed in terms of sections 230 to 232 of the Companies Act, 2013 and in accordance with the Order passed in CA (CAA) No.378/MB/2020 of this Tribunal.
7. The Petitioner Companies have complied with all the requirements as per directions of the Tribunal and have filed necessary affidavits of compliance in the Tribunal. Moreover, the Petitioner Companies through their Counsel undertake to comply with all statutory requirements, if any, as required under the Act and the Rules made there under as applicable. The undertakings given by the Petitioner Companies are accepted.
8. The Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai, has filed its Report dated 5<sup>th</sup> August, 2020, *inter alia* stating therein that save and except as stated in para IV (a) to (g) of the Report, the Scheme is not prejudicial to the interest of shareholders and public. In response to the observations made by the Regional Director, the Petitioner Company has also given necessary undertakings and clarification. Further the observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Companies which is summarized in the table below:



| SR. No. Para (IV) | RD Report / Observation<br>5 <sup>th</sup> August 2020                                                                                                                                                                                                                                                                                                                                                                            | Response of the Petitioner companies with an Joint Affidavit dated 5 <sup>th</sup> August 2020                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|-------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a)                | <i>In addition to compliance of AS-14 (IND AS-103) the Transferee Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc.</i>                                                                                                                                                                               | <i>Apropos observation made in paragraph IV(a) of the report of Regional Director, the Petitioner Companies through its Advocate undertakes to pass such accounting entries which are necessary in connection with the scheme to comply with applicable Accounting Standards including AS- 14 (IND AS-103) and AS-5 (IND AS-B).</i>                                                                                                                                                                                                                                       |
| b)                | <p><i>As per Part – 1 Definitions clause 2(2.1 and 2.5) of the Scheme</i></p> <p><i>"Appointed Date" in relation to the Scheme means 1st October, 2019.</i></p> <p><i>"Effective Date" means the Appointed Date or the date on which the last of conditions referred to in Clause 15 hereof have been fulfilled, whichever is later. Reference in this Scheme to the "date of coming into effect of this Scheme" or "upon</i></p> | <p><i>Apropos observation made in paragraph IV(b) of the report of Regional Director, the Petitioner Companies confirms that as per Clause 2.1 of Part A of the Scheme, "Appointed Date" means 1<sup>st</sup> October, 2019. Further, Clause 2.5 of Part A of the Scheme specifies that the effective date means the Appointed Date or the date on which the last of conditions referred to in Clause 15 hereof have been fulfilled, whichever is later. Reference in this Scheme to the "date of coming into effect of this Scheme" or "upon the Scheme becoming</i></p> |



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| <p>the Scheme becoming effective" shall also mean the Effective Date.</p> <p>"Record Date" means such date after the Effective Date when the Board of Directors of the Resulting Company may decide for the purposes of issue and allotment of Equity Shares under the Scheme.</p> <p>In this regard, it is submitted that Section 232(6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.</p> <p>Further, the Petitioners may be asked to comply with the requirements as clarified vide</p> | <p>effective" shall also mean the Effective Date. In this regard, it is submitted that, in terms of provisions of section 232(6) of the Companies Act, 2013, the Scheme shall be deemed to be effective from 1<sup>st</sup> October 2019 i.e. the Appointed Date. Thus, the Petitioner Companies will be complying with the applicable requirements of the circular no F.No.7/12/2019/CL-1 dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p> |
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|    | <i>circular no. F. No. 7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs</i>                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| c) | <i>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.</i> | <i>Apropos observations made in paragraph IV(c) of the Report of the Regional Director, the Petitioner Companies submits that in pursuance of Order of this Hon'ble Tribunal dated February 27, 2020 passed in Company Scheme Application No. 378 of 2020, and Order of this Hon'ble Tribunal dated April 22, 2020 passed in the Miscellaneous Application No. 980 of 2020, the meeting of the Equity Shareholders of the Demerged Company was directed to be convened on April 15, 2020 which was duly convened and held through video conferencing for the purpose of considering and if thought fit, approving with or without modifications(s) the proposed Scheme at which the requisite quorum was present and the Scheme was approved unanimously without modifications by the Equity Shareholders. The meeting of Equity Shareholders of the</i> |



|    |                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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|    |                                                                                                                                                                                                                                                                                                                                                            | <p>Resulting Company was dispensed as the meeting of Equity Shareholders could not be convened in the present situation due to lockdown situation on account of COVID-19 pandemic and has considered the votes casted via remote e-voting / postal ballot facility as the final consent of the Equity Shareholders towards the Scheme. The Demerged Company further undertakes to submit the Minutes of the shareholder meeting.</p>                                                                               |
| d) | <p>Hon'ble NCLT may kindly direct the petitioners to file an affidavit to the extent that the Scheme enclosed to the Company Application and Company Petition, are one and the same and there is no discrepancy /any change / changes are made, for changes if any, liberty be given to the Central Government to file further report if any required;</p> | <p>Apropos observations made in paragraph IV(d) of the Report of the Regional Director, the Petitioner Companies submits that they have filed the requisite affidavit with the NCLT on August 05, 2020, inter alia, stating that the scheme enclosed to the Company Scheme Application and to the Company Scheme Petition is one and the same and there is no discrepancy/any change/ changes are made, for changes if any, liberty be given to the central government to file further report if any required.</p> |



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| e) | <i>The Petitioner under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Amalgamation. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Company(s).</i> | <i>Apropos observations made in paragraph IV(e) of the Report of the Regional Director, the Petitioner Companies submits that it has served notices to the authorities which are likely to be affected by the Compromise or Amalgamation or Arrangement in accordance with Section 230(5) of the Companies Act, 2013. Further, Petitioner Companies undertake that the sanctioning of the Scheme shall not deter the authorities from raising any issues in accordance with applicable law and the decision of such authorities shall be binding on the Petitioner Companies to the extent tenable under law.</i> |
| f) | <i>As NXTDIGITAL Limited (formerly known as Hinduja Ventures Limited), the Resulting Company the equity shares are listed on BSE &amp; NSE, hence the petitioner be directed to file an affidavit to the extent it has complied with the directions of issued vide letter No. DCS/AMAL/DS/R37/1649/2019-20 dated 13.01.2020 and</i>                                                                                                 | <i>Apropos observations made in paragraph IV(f) of the Report of the Regional Director, the Petitioner Companies submits that it has filed requisite affidavit on August 05, 2020, inter alia, stating that it has complied with all the directions of the Observation Letters issued by Bombay Stock Exchange Limited ("BSE") vide letter dated January 13, 2020 bearing Reference No.</i>                                                                                                                                                                                                                       |



|    |                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
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|    | <i>NSE/LIST/21847 II dated 13.01.2020 by BSE and NSE respectively.</i>                                                                                  | <i>DCS/AMAL/DS/R37/1649/2019-20 and National Stock Exchange of India Limited ("NSE") vide letter dated January 13, 2020 bearing Reference No. NSE/LIST/21847 II.</i>                                                                                                                                                                                                                                                                                                                                                                               |
| g) | <i>In view of the observation raised by the ROC Mumbai, mentioned at para 15 above, the Hon'ble NCLT may pass appropriate order/orders as deem fit.</i> | <i>Apropos observations made in paragraph IV(g) of the Report of the Regional Director, the Resulting Company submits that the observation raised by ROC relates to observation letters issued by Bombay Stock Exchange Limited ("BSE") vide letter dated January 13, 2020 bearing Reference No. DCS/AMAL/DS/R37/1649/2019-20 and National Stock Exchange of India Limited ("NSE") vide letter dated January 13, 2020 bearing Reference No. NSE/LIST/21847 II. The Resulting Company states that it has complied with the observation letters.</i> |

9. The observations made by the Regional Director have been explained and the clarifications and undertakings given by the Petitioner Companies have been explained in Para 8 above. The Undertaking filed by the Petitioner Companies in response to the said report, is accepted by this Tribunal.



10. From the material on record, the Scheme appears to be fair and reasonable and does not violate of any provisions of law and is not contrary to public policy.
11. Since all the requisite statutory compliances have been fulfilled, CP (CAA) No. 940/MB-I/2020 is made absolute in terms of prayer made in the Petition. Hence ordered.

ORDER

The Petition be and the same is allowed subject to the following.

- i. The Scheme, with the Appointed Date fixed as 1st October, 2019 placed at Page Nos. 655 to 669 of the CP (CAA) No. 940/230/MB-I/2020 is hereby sanctioned. It shall be binding on the Petitioner and the Companies involved in the Scheme and all concerned including their respective Shareholders, Secured Creditors, Unsecured Creditors/Trade Creditors and Employees.
- ii. The Registrar of this Tribunal shall issue the certified copy of this order along with the Scheme forthwith. The Petitioners are directed to file a copy of this Order along with a copy of the Scheme with the Registrar of Companies concerned, electronically in E-Form INC-28, within 30 days from the date of receipt of the Order from the Registry.
- iii. The Petitioner Companies to lodge a copy of this Order and the Scheme duly authenticated by the Deputy/Assistant Registrar of this Tribunal with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, payable within 60 days from the date of receipt of the Order.



- iv. The Petitioner Company shall comply with the undertakings given by it.
- v. All concerned shall act on a copy of this Order along with Scheme duly authenticated by the Deputy/Assistant Registrar of this Tribunal.
- vi. The Petitioner Company is directed to issue newspaper publications with respect to approval of the Scheme, in the same newspapers in which previous publications were issued.
- vii. The Petitioner Company shall take all consequential and statutory steps required under the provisions of the Act in pursuance of the Scheme.
- viii. Any person interested in above matter shall be at liberty to apply to the Tribunal for any directions that may be necessary.

Sd/-  
V. Nallasenapathy  
Member Technical

Sd/-  
Janab Mohammed Ajmal  
Member Judicial



Certified True Copy  
Date of Application 6.08.2020  
Number of Pages 13  
Fee Paid Rs. 65  
Applicant called for production copy on 21.08.2020  
21.08.2020  
Copy issued on 21.08.2020

  
Assistant Registrar  
National Company Law Tribunal, Mumbai Bench  
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**SCHEME OF ARRANGEMENT**

**BETWEEN**

**INDUSIND MEDIA AND COMMUNICATIONS LIMITED  
(DEMERGED COMPANY)**

**AND**

**HINDUJA VENTURES LIMITED  
(RESULTING COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS**

**(UNDER SECTION 230 TO 232 READ WITH SECTION 52 AND 66 OF THE COMPANIES ACT, 2013  
AND RELEVANT RULES MADE THEREUNDER)**

**(A) PREAMBLE:**

This Scheme of Arrangement between IndusInd Media and Communications Limited and Hinduja Ventures Limited and their respective Shareholders ("the Scheme", more particularly defined hereinafter) for demerger is presented under the provisions of Sections 230 to 232 read with Sections 52 and 66 and other relevant provisions of the Companies Act, 2013, as may be applicable, and also read with Section 2(19AA) and other relevant provisions of the Income-tax Act, 1961, as may be applicable, for Demerger of the Media and Communication Undertaking (more particularly defined hereinafter) of IndusInd Media and Communications Limited and vesting of the same in Hinduja Ventures Limited on a going concern basis.

**(B) BACKGROUND AND DESCRIPTION OF THE COMPANIES:**

1. **IndusInd Media and Communications Limited** (hereinafter referred to as "IMCL" or the "Demerged Company"), was incorporated as a public limited company under the Companies Act, 1956 on 23<sup>rd</sup> February, 1995 in the State of Maharashtra with CIN U92132MH1995PLC085835. The Registered office of the Demerged Company is situated at In Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai - 400093.
2. The Demerged Company is currently engaged in the business of Media and Communications business consisting of Cable TV, HITS platform (Media and Communication Undertaking); Technical services business (including investments in JVs); and Passive infrastructure business.
3. **HinduJa Ventures Limited** (hereinafter referred to as "HVL" or the "Resulting Company"), was incorporated as a public limited company under the Companies Act, 1956 on 18<sup>th</sup> July, 1985 in the name of "Mitesh Mercantile & Financing Limited" in the state of Maharashtra with CIN L51900MH1985PLC036896. The name of the Resulting Company was changed from "Mitesh Mercantile & Financing Limited" to "HinduJa Finance Corporation Limited" and a fresh Certificate of Incorporation consequent upon the change of name was issued on 31<sup>st</sup> March, 1995. The name of the Resulting Company was further changed from "HinduJa Finance Corporation Limited" to "HinduJa



TMT Limited" and a fresh Certificate of Incorporation consequent upon the change of name was issued on 8<sup>th</sup> June, 2001. The name of the Resulting Company was later changed from "Hinduja TMT Limited" to "Hinduja Ventures Limited" and a fresh Certificate of Incorporation consequent upon the change of name was issued on 23<sup>rd</sup> October, 2007. The Registered Office of the Resulting Company is situated at In Centre, 49/50, MIDC, 12th Road, Andheri (East) Mumbai-400093. The equity shares of RESULTING COMPANY are listed on the BSE Limited and the National Stock Exchange of India Limited.

4. The Resulting Company is currently engaged in the business of Media, Real Estate, Treasury, Dark Fiber Leasing business and has close to 4,000 kilometers of underground and overhead Dark Fiber network across the country and is also engaged in the business of high sea sale of set-top boxes.

**(C) RATIONALE OF THE SCHEME:**

1. Demerged Company and Resulting Company are part of the Hinduja Group. Demerged Company has grown into one of India's largest integrated media companies. Accordingly, in 2017 as a step towards consolidation of media and communications business, the Headend in the Sky ("HITS") business was transferred by Grant Investrade Ltd. (a Hinduja Group Company), to Demerged Company pursuant to scheme of arrangement. The Resulting Company holds 77.55 % of shares in the Demerged Company.
2. Recognizing the growth potential of the 'Media and Communications Undertaking' (more particularly defined hereinafter) in the backdrop of the fact that its 'Media and Communications Undertaking' has matured and the associated risks has reduced significantly as well as the recent regulatory reforms (New Tariff Order) providing additional stimuli, Resulting Company is proposing to consolidate this vertical as it feels that this will create a new platform for it go to the next level of performance.
3. The Resulting Company is streamlining its business and proposes to consolidate its Media and Communications Undertaking carried on by its subsidiary i.e. Demerged Company into a single company. As part of this arrangement, the Media and Communications Undertaking of Demerged Company will be demerged into Resulting Company.
4. Pursuant to this restructuring, the media business of the Group will be consolidated into a single group which will assist in achieving flexibility, scale and financial strength. Upon segregation of identified business undertaking, Resulting Company and Demerged Company shall be able to achieve higher long-term financial returns, increased competitive strength, cost reduction and efficiencies, productivity gains, and logistical advantages, thereby significantly contributing to future growth in their respective business verticals.
5. Apart from the various benefits/advantages stated and illustrated above, the management of the Resulting Company and Demerged Company are of the opinion that the following benefits shall also be enjoyed and realized by all the stakeholders:
  - i. **Consolidation and growth of Media and Communications Undertaking:** The demerger will enable Resulting Company to consolidate similar businesses into a single company. This will enable Resulting Company with an opportunity to provide services in a seamless manner to its customers. Further, this will also help Resulting Company to demonstrate its capability and provide competitive advantages *vis-à-vis* its competitors.
  - ii. **Focused Management, Organization Efficiency and Operational Synergies:** Consolidation of the business into a single consolidated entity shall enable focused strategies, management, investment and leadership for the consolidated entity and further result into organization efficiency and operational synergies;



- iii. **Unlock shareholders value:** The proposed consolidation will create long term value for the shareholders by unlocking value since the business and profits will accrue to a single entity i.e. Resulting Company;
- iv. **Efficiency in Fund raising for harnessing future growth:** Housing of Media and Communications Undertaking in Resulting Company directly shall facilitate and provide adequate opportunities to mobilize the financial resources of Resulting Company for the growth of the Media and Communications Undertaking and also streamline the process for fund raising;
- (D) The proposed Scheme, with effect from the Appointed Date is in the interest of the shareholders, creditors, stakeholders and employees, as it would enable a focused business approach for the maximization of benefits to all stakeholders and for the purposes of synergies of business.
- (E) This Scheme is divided into the following parts:
- (i) Part I, which deals with the definitions and share capital of the Demerged Company and Resulting Company;
  - (ii) Part II, which deals with the demerger of the Media and Communications Undertaking of the Demerged Company into the Resulting Company; and
  - (iii) Part III, which deals with the general terms and conditions as applicable to the Scheme.

## **PART I**

### **1. DEFINITIONS**

In this Scheme, unless inconsistent with the meaning or context, the following expressions shall have the following meanings:-

- 1.1. **"Act"** means the Companies Act, 2013 and any rules, regulations, circulars or guidelines issued thereunder and shall, if the context so requires and as may be applicable, mean the Companies Act, 1956 and any rules, regulations, circulars or guidelines issued thereunder, as amended from time to time and shall include any statutory replacement or re-enactment thereof.
- 1.2. **"Appointed Date"** in relation to the Scheme means 1<sup>st</sup> October, 2019.
- 1.3. **"Board of Directors"** in relation to Demerged Company and/or the Resulting Company, as the case may be, shall, unless it is repugnant to the context or otherwise, include a committee of directors or any person authorized by the board of directors or such committee of directors.
- 1.4. **"BSE"** means the BSE Limited, the designated stock exchange of the Resulting Company.
- 1.5. **"Competent Authority"** means the National Company Law Tribunal ("NCLT") as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of arrangement, compromise or reconstruction of companies under the relevant provisions of the Act.
- 1.6. **"Demerged Company"** means IndusInd Media and Communications Limited, a company incorporated under the Companies Act 1956 with CIN U92132MH1995PLC085835 and having its registered office situated at In Centre, 49/50, MIDC, 12th Road, Andheri (East) Mumbai-400093.



- 1.7. **"Effective Date"** means the Appointed Date or the date on which the last of conditions referred to in Clause 15 hereof have been fulfilled, whichever is later. Reference in this Scheme to the "date of coming into effect of this Scheme" or "upon the Scheme becoming effective" shall also mean the Effective Date.
- 1.8. **"Media and Communications Undertaking"** means activities of development, operation, marketing, sale and distribution of television channels through the medium of various modes of transmission undertaken by the Demerged Company and includes:
- 1.8.1. All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent) and liabilities pertaining thereto.
- 1.8.2. Without prejudice to the generality of the provisions of sub-clause 1.5.1 above, the Media and Communications Undertaking shall include in particular:
- (i) All properties of or required for the above business wherever situated, including all fixed assets, plant and machinery, current assets, funds, capital work in progress, furniture, fixtures, office equipment, debtors, investments, vehicles, deposits, loans and advances, appliances and accessories;
  - (ii) All permits, rights, entitlements, industrial and other licenses (including but not limited to HITS license), brands (including but not limited to NXTDIGITAL, INDIGITAL, INNETWORK, INCABLENET, and IN Brands), registered and unregistered trademarks, copyrights, designs, and all other intellectual property, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, registrations, tenancies, subsidies, concessions, exemptions, remissions, tax deferrals, brought forward tax losses and unabsorbed depreciation, benefits of all taxes including but not limited to Minimum Alternate Tax ("MAT") paid under Section 115JA/115JB of the Income Tax Act, 1961 ("IT Act"), advance taxes and tax deducted at source, etc., Goods and Service Tax (GST) credit, SGST, CGST and IGST credits, right to carry forward and set off unabsorbed losses and depreciation, unutilized MAT credit under the provisions of the IT Act, right to claim deductions under Section 80-IA of the IT Act including its continuing benefits; engagements, arrangements of all kinds, exemptions, benefits, incentives, privileges and rights under State tariff regulations and under various laws, bank accounts, lease rights, licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Media and Communications Undertaking;
  - (iii) All records, files, papers, engineering and process information, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information, and other records, whether in physical form or electronic form in connection with or relating to the Media and Communications Undertaking; and
  - (iv) Fixed deposits, debts, duties, obligations, and liabilities (including contingent liabilities) relating to the Media and Communications Undertaking.

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Media and Communications Undertaking includes:

- (i) The liabilities, which arise out of the activities or operations of the Media and Communications Undertaking.



- (ii) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Media and Communications Undertaking.
  - (iii) Liabilities other than those referred to in sub-clauses (i) and (ii) above, being the amounts of general or multipurpose borrowings of IMCL, allocated to the Media and Communications Undertaking in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of Media and Communications Undertaking immediately before giving effect to this Scheme.
- 1.8.3. All permanent employees of the Media and Communications Undertaking, as identified by the Board of Directors of Demerged Company, as on the Effective Date.
- 1.8.4. Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Media and Communications Undertaking or whether it arises out of the activities or operations of the Media and Communications Undertaking shall be decided by mutual agreement between the Board of Directors of Demerged and Resulting Company;
- 1.9. "NSE" means the National Stock Exchange of India Limited.
- 1.10. "Record Date" means such date after the Effective Date when the Board of Directors of the Resulting Company may decide for the purposes of issue and allotment of Equity Shares under the Scheme.
- 1.11. "Residual Demerged Company" means businesses of Demerged Company other than the Media and Communications Undertaking as defined in Clause 1.8 and shall specifically include the passive infrastructure, technical service division and investments in subsidiaries and joint ventures, as may be identified by the Board of Directors of Demerged Company.
- 1.12. "Resulting Company" means Hinduja Ventures Limited, a company incorporated under the Companies Act, 1956 with CIN L51900MH1985PLC036896, and having its registered office situated at In Centre, 49/50 MIDC, 12<sup>th</sup> Road Andheri (East), Mumbai-400093.
- 1.13. "Scheme" means this Scheme of Arrangement in its present form submitted to the Competent Authority for sanction or with any modification(s) made under Clause 13 of this Scheme and/or any modification(s) approved or imposed or directed by the Competent Authority.
- 1.14. "SEBI" means the Securities and Exchange Board of India
- 1.15. "SEBI Circular" means (i) Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, (ii) Circular No. CFD/DIL3/CIR/2017/26 dated March 23, 2017, (iii) Circular No. CFD/ DIL3/CIR/2017/105 dated September 21, 2017, (iv) Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 issued by SEBI or any other Circulars issued by SEBI applicable to schemes of arrangement from time to time.
- 1.16. "Stock Exchange" shall have the same meaning as ascribed to it under the Securities Contract (Regulation) Act, 1956.

## 2. SHARE CAPITAL

- 2.1 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Demerged Company as on 31<sup>st</sup> July 2019 is as under:-

IndusInd Media and Communications Limited (Demerged Company)



| Particulars                                              | Amount in Rs         |
|----------------------------------------------------------|----------------------|
| <b>Authorised Share Capital</b>                          |                      |
| 25,00,00,000 equity shares of Rs. 10 each                | 250,00,00,000        |
| 20,00,00,000 preference shares of Rs. 10 each            | 200,00,00,000        |
| <b>Total</b>                                             | <b>450,00,00,000</b> |
| <b>Issued, Subscribed, Called-up and Paid-up Capital</b> |                      |
| 19,46,30,623 equity shares of Rs. 10 each                | 194,63,06,230        |
| <b>Total</b>                                             | <b>194,63,06,230</b> |

There has been no change in the share capital of Demerged Company post 31<sup>st</sup> July, 2019.

- 2.2 The Authorised, Issued, Subscribed and Paid-up Share Capital of the Resulting Company as on 31<sup>st</sup> July, 2019 is as under:

| Hinduja Ventures Limited (Resulting Company)             |                     |
|----------------------------------------------------------|---------------------|
| Particulars                                              | Amount in Rs        |
| <b>Authorised Share Capital</b>                          |                     |
| 870,00,000 equity shares of Rs 10 each                   | 87,00,00,000        |
| 30,00,000 preference shares of Rs 10 each                | 3,00,00,000         |
| 1,000 9.50% Preference shares of Rs 100 each             | 1,00,000            |
| <b>Total</b>                                             | <b>90,01,00,000</b> |
| <b>Issued, Subscribed, Called-up and Paid-up Capital</b> |                     |
| 2,05,55,503 equity shares of Rs 10 each                  | 20,55,55,030        |
| <b>Total</b>                                             | <b>20,55,55,030</b> |

There has been no change in the share capital of Resulting Company post 31<sup>st</sup> July, 2019. .

- 2.3 The equity shares of the Resulting Company are listed on the NSE and the BSE. The equity shares of the Demerged Company are not listed on any Stock Exchange.
- 2.4 The Demerged Company is a subsidiary of the Resulting Company. 77.55% of the paid up equity share capital of the Demerged Company is directly held by the Resulting Company. Balance equity share capital is held by other shareholders.

## **PART II - DEMERGER OF MEDIA AND COMMUNICATIONS UNDERTAKING OF DEMERGED COMPANY INTO RESULTING COMPANY**

### **3. TRANSFER AND VESTING OF MEDIA AND COMMUNICATIONS UNDERTAKING**

- 3.1 The Media and Communications Undertaking of Demerged Company, as defined in Clause 1.8, shall stand transferred to and vested in or deemed to be transferred to and vested in Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail.



and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961.

- 3.2 With effect from the Appointed Date, the whole of the undertaking and assets and properties and brands of the Media and Communications Undertaking, shall, under the provisions of Sections 230 to 232 and all other applicable provisions, if any, of the Act, without any further act or deed, stand transferred to and vested in and/or deemed to be transferred to and vested in Resulting Company, so as to vest in Resulting Company all the rights, title and interest pertaining to the Media and Communications Undertaking.
- 3.3 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of Demerged Company relatable to the Media and Communications Undertaking shall, without any further act or deed be and stand transferred to Resulting Company so as to become as from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of Resulting Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this sub-clause.
- 3.4 After the Effective Date, Resulting Company undertakes to meet, discharge and satisfy the said liabilities to the exclusion of Demerged Company and to keep Demerged Company indemnified at all times from and against all such liabilities and from and against all actions, demands and proceedings in respect thereto.
- 3.5 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents including but not limited to HITS license, brands including but not limited to NXTDIGITAL, INDIGITAL, INNETWORK, INCABLENET, and IN Brands, registered and unregistered trademarks, copyrights, designs, and all other intellectual property held by Demerged Company required to carry on operations in the Media and Communications Undertaking shall stand vested in or transferred to Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favor of Resulting Company. The benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to Resulting Company pursuant to the Scheme. In so far as the various incentives given by the Government of Maharashtra, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by Demerged Company relating to the Media and Communications Undertaking, are concerned, the same shall vest with and be available to Resulting Company on the same terms and conditions.
- 3.6 With effect from the Appointed Date all the accumulated and unabsorbed depreciation tax losses pertaining to the Media and Communications Undertaking shall stand vested in or transferred to Resulting Company in terms of Section 72A(4) of the Income-tax Act, 1961. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section of the Income-tax Act, 1961, at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 72A(4) of the Income-tax Act, 1961.
- 3.7 The transfer and vesting of Media and Communications Undertaking as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relatable to Media and Communications Undertaking to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Media and Communications Undertaking.

4. **CONSIDERATION**



- 4.1 Upon this Scheme becoming effective and upon vesting of the Media and Communications Undertaking of Demerged Company in Resulting Company in terms of this Scheme, Resulting Company shall without any further application or deed, issue and allot equity shares, credited as fully paid-up, to the extent indicated below, to the equity shareholders of Demerged Company (other than itself and prior to giving effect to the capital reduction of the Demerged Company as per Clause 5.1.3 below), and whose names appear in the Register of Members of Demerged Company on the Effective Date or to such of their respective heirs, executors, administrators or other legal representative or other successors in title as may be recognized by the Board of Directors of Resulting Company in the following manner:

**"10 (Ten) fully paid up Equity Shares of Rs. 10 each of Resulting Company shall be issued and allotted for every 125 (One hundred and twenty five) Equity Shares of Rs. 10 each held in Demerged Company"**

Equity shares issued by Resulting Company pursuant to this Clause is hereinafter referred to as "New Equity Shares".

- 4.2 Any fraction shares arising on issue of Equity Shares as above will be rounded off to the nearest integer.
- 4.3 The New Equity Shares shall be issued and allotted in dematerialized form to the equity shareholders of Demerged Company. If the Resulting Company has received notice from any member that New Equity Shares are to be issued in physical form or if any member has not provided any requisite details relating to his account with a depository participant or other confirmation as may be required or if the details furnished by any member do not permit electronic credit of New Equity Shares, then the Resulting Company shall issue New Equity Shares in physical form to such member or members.
- 4.4 The New Equity Shares to be issued and allotted as above shall be subject to the Memorandum and Articles of Association of Resulting Company and shall rank pari passu with the existing equity shares of Resulting Company in all respects including dividends.
- 4.5 The Board of Directors of Resulting Company shall, if and to the extent required, apply for and obtain any approvals from concerned Government / Regulatory authorities for the issue and allotment of New Equity Shares pursuant to Clause 4.1 of the Scheme.
- 4.6 Resulting Company Equity Shares to be issued and allotted to the equity shareholders of Demerged Company pursuant to Clause 4.1 of this Scheme will be listed and/or admitted to trading on the BSE and NSE, where the equity shares of Resulting Company are listed and/or admitted to trading. Resulting Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the said stock exchanges.
- 4.7 In the event of there being any pending share transfers with respect to the application lodged for transfer by any shareholder of Demerged Company, the Board of Directors or any committee thereof of Demerged Company if in existence, or failing which the Board of Directors or any committee thereof of Resulting Company shall be empowered in appropriate case, even subsequent to the Record Date to effectuate such a transfer in Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in Demerged Company and in relation to the Demerged Company Equity Shares after the Scheme becomes effective.
- 4.8 New Equity Shares to be issued and allotted by Resulting Company to the equity shareholders of Demerged Company pursuant to Clause 4.1 of this Scheme, in respect of any equity shares in Demerged Company which are held in abeyance under the provisions of Section 126 of the Act, pending allotment or settlement of dispute, by order of court or otherwise, be held in abeyance by Resulting Company.



- 4.9 Approval of this Scheme by the equity shareholders of Resulting Company shall be deemed to be due compliance of the provisions of Section 61 of the Act and the other relevant and applicable provisions of the Act for the issue and allotment of New Equity Shares by Resulting Company, as provided in this Scheme.
- 4.10 The approval of this Scheme by the equity shareholders of Resulting Company under Sections 230 to 232 of the Act shall be deemed to have the approval under Sections 13, 14, 62 and 188 and any other applicable provisions of the Act and any other consents and approvals required in this regard.

**5. ACCOUNTING TREATMENT AND CAPITAL REORGANIZATION**

Notwithstanding anything to the contrary herein, upon this Scheme becoming effective, Resulting Company and Demerged Company shall give effect to the accounting treatment in its books of account in accordance with the accounting standards specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and more particularly, IND AS 103 (Business combinations of entities under common control), or any other relevant or related requirement under the Act, as applicable on the Appointed Date.

**2.1 In the books of Demerged Company**

- 2.1.1 Upon the Scheme becoming effective, Demerged Company shall reduce the book value of assets and liabilities pertaining to the Media and Communications Undertaking transferred to Resulting Company.
- 2.1.2 The excess of the book value of assets transferred over the book value of liabilities transferred shall be transferred to the Profit and Loss Account.
- 2.1.3 The share capital as on the Appointed Date will be reduced by reducing the paid up value of the equity shares from Rs. 10/- per equity share to Rs. 2.50/- per equity share and the amount equivalent to paid up equity share capital reduced (i.e. Rs. 7.50/- per equity share multiplied by number of paid up equity shares) will be credited to the Capital Reserve Account.
- 5.1.1 The equity shareholders holding equity shares of Rs. 10 each will continue to hold the same number, however the paid-up value of each such share shall become Rs. 2.50 per share and hence no fractional shares will result consequent to the reduction of the share capital as detailed in connection with the Scheme.
- 5.1.2 Post the above reduction in the face value of equity shares, the debit balance in other Comprehensive Income and debit balance in Profit and Loss account (post giving effect to Clause 5.1.2 above) shall be adjusted against the balance in the Securities Premium Account, to the extent available and thereafter against Capital Reserve Account (post considering the reduction in the face value of equity shares as per Clause 5.1.3 above) to the extent available.
- 5.1.3 The reduction in the face value of paid up equity share capital of the Demerged Company as on Appointed Date (as per Clause 5.1.3 above) including adjustment to the Securities Premium Account and Capital Reserve Account (as per Clause 5.1.5 above) shall be given effect as an integral part of the Scheme without following the procedure laid down under Sections 52 and 66 of the Act. The Demerged Company shall obtain the necessary approvals from its shareholders and creditors as required under Section 66 in terms of this scheme only and the Demerged Company shall not, nor shall be obliged to call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of the issued, subscribed and paid-up equity share capital as contemplated herein. The order



of the NCLT sanctioning the Scheme shall be deemed to be also the order under Section 66 of the Act confirming the reduction

5.1.4 The provisions of this part shall operate notwithstanding anything to the contrary in this scheme

**2.1 In the books of Resulting Company**

- 2.1.4 Upon coming into effect of this Scheme, Resulting Company shall account for the scheme in accordance with "Pooling of Interest Method" laid down under Appendix C of Ind AS 103 (Business Combinations of entities under common control) and shall record the assets and liabilities, of the Media and Communications Undertaking vested in it pursuant to this Scheme, at their respective carrying values of Demerged Company as on the Appointed Date.
- 2.1.5 Upon coming into effect of this Scheme, to the extent there are inter-corporate loans or balances between Media and Communications Undertaking of the Demerged Company and the Resulting Company, the obligations in respect thereof shall stand cancelled. All intercompany transactions between Media and Communications Undertaking of the Demerged Company and the Resulting Company shall be eliminated in the Resulting Company financial statements.
- 2.1.6 The Resulting Company shall credit to its Equity Share Capital account the aggregate face value of the New Equity Shares, issued and allotted by it to the shareholders of the Resulting Company pursuant to Clause 4.1 of this Scheme.
- 2.1.7 Consequent to the transfer and vesting of Media and Communications Undertaking, as on Appointed Date, Resulting Company shall also effect reorganization of investment cost in Demerged Company proportionate to value of Media and Communications Undertaking vis-à-vis total value of Demerged Company in absolute figures.
- 2.1.8 The difference, if any, between the carrying value of assets and liabilities under Clause 5.2.1 above transferred to Resulting Company (post giving effect to cancellation of intercompany company transactions and loans under Clause 5.2.2 above) and the amount credited to Equity Share Capital account as per Clause 5.2.3 above and post adjusting the investment cost in Demerged Company as per Clause 5.2.4 above shall be transferred to capital reserve account in the books of Resulting Company.
- 2.1.9 Upon coming into effect of this Scheme, the Resulting Company shall debit all expenses incurred in connection with this Scheme and matters incidental thereto, against the Profit and Loss Account.
- 2.1.10 In case of any difference in the accounting policy between Resulting Company and Media and Communications Undertaking of Demerged Company, the impact of the same up to the Appointed Date will be quantified and adjusted in the capital reserves of Resulting Company to ensure that the financial statements of Resulting Company reflect the financial position on the basis of consistent accounting policy.
- 2.1.11 Comparative accounting period presented in the financial statements of Resulting Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the beginning of the preceding period in the financial statements in accordance with Para 9(iii) of Appendix C 'Business Combination of entities under Common Control' of Ind AS 103 for Business Combinations."



6. **TAXATION MATTERS**

- 6.1 Upon the Scheme becoming effective and with effect from the Appointed Date, all the taxes, duties, cess paid or payable by the Demerged Company (including under the Income-tax Act, 1961 or any other applicable laws) pertaining to the Media and Communications Undertaking including but not limited to IGST, CGST, SGST, GST, advance taxes, tax deducted at source, withholding tax, credits, refunds, claims or interest thereon, if any, shall for all purpose, be treated as IGST, CGST, SGST, GST, advance taxes, tax deducted at source, withholding tax, credits, refunds, claims or interest of the Resulting Company.
- 6.2 Upon the Scheme becoming effective and with effect from the Appointed Date, the Resulting Company is expressly, permitted to revise and file returns pertaining to the Media and Communications Undertaking belonging to Demerged Company, including but not limited to income tax returns, tax deduction at source return, sales tax/value added tax returns, excise return, service tax returns, IGST, CGST, SGST, GST returns and other tax returns filed with the governmental and other authorities.
- 6.3 All expenses incurred by the Demerged Company under Section 43B of the Income-tax Act, 1961, in relation and pertaining to the Media and Communications Undertaking, shall be claimed as a deduction by the Resulting Company and the transfer of the Demerged Undertaking shall be considered as succession of business by the Resulting Company.
- 6.4 All the expenses incurred by the Demerged Company and the Resulting Company in relation to the Scheme, including stamp duty expenses, if any, shall be allowed as deduction to each of the Demerged Company and the Resulting Company in accordance with Section 35DD of the Income-tax Act, 1961.

7. **PROFIT, DIVIDEND, BONUS/RIGHT SHARES**

- 7.1 Demerged Company shall not utilize profits or income, if any, of the Media and Communications Undertaking for any purpose including declaring or paying any dividend in respect of the period falling on and after the Appointed Date. Demerged Company shall also not utilize profits, adjust or claim adjustment of the profits/loss as the case may be earned/incurred or suffered in respect of the Media and Communications Undertaking after the Appointed Date.
- 7.2 Until the Effective Date, Demerged Company shall not issue or allot any further equity or preference shares either by way of rights issue or bonus issue or otherwise.

8. **CONDUCT OF MEDIA AND COMMUNICATIONS UNDERTAKING OF THE DEMERGED COMPANY TILL EFFECTIVE DATE**

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

- 8.1 Demerged Company shall be deemed to have been carrying on and shall carry on its business and activities relating to the Media and Communications Undertaking and shall be deemed to have held and stood possessed of and shall hold and stand possessed of all its properties and assets pertaining to the Media and Communications Undertaking for and on account of and in trust for Resulting Company. Demerged Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.
- 8.2 Demerged Company shall carry on its business and activities relating to the Media and Communications Undertaking with reasonable diligence, business prudence and shall not, except in the ordinary course of



business or without prior written consent of Resulting Company, alienate charge, mortgage, encumber or otherwise deal with or dispose of Media and Communications Undertaking or part thereof.

- 8.3 All the profits or income accruing or arising to Demerged Company or expenditure or losses arising or incurred or suffered by Demerged Company pertaining to the Media and Communications Undertaking shall for all purposes be treated and be deemed to be accrued as the income or profits or losses or expenditure as the case may be of Resulting Company.
- 8.4 Demerged Company shall not vary the terms and conditions of employment of any of the employees of Media and Communications Undertaking except in the ordinary course of business or without the prior consent of Resulting Company or pursuant to any pre-existing obligation undertaken by Demerged Company, as the case may be, prior to the Effective Date.
- 8.5 All loans raised and all liabilities and obligations incurred by the Demerged Company with respect to the Media and Communications Undertaking after the Appointed Date and prior to the Effective Date, shall, subject to the terms of this Scheme, be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and to the extent they are outstanding on the Effective Date, shall also, without any further act or deed be and be deemed to become the debts, liabilities, duties and obligations of the Resulting Company;
- 8.6 Demerged Company shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government, and all other agencies, departments and authorities concerned as are necessary under any law or rules, for such consents, approvals and sanctions, which Resulting Company may require pursuant to this Scheme.

#### **9. EMPLOYEES**

- 9.1 On the Scheme becoming operative, all staff and employees appearing on the rolls of Media and Communications Undertaking in service on the Effective Date shall be deemed to have become staff and employees of Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with Resulting Company shall not be less favorable than those applicable to them with reference to their employment in Demerged Company.
- 9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of Media and Communications Undertaking or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of Demerged Company in relation to Media and Communications Undertaking in relation to such Fund or Funds shall become those of Resulting Company. It is clarified that the services of the staff and employees of Media and Communications Undertaking will be treated as having been continuous for the purpose of the said Fund or Funds.

#### **10. LEGAL PROCEEDINGS**

- 10.1 If any suit, appeal or other proceeding of whatever nature by or against Media and Communications Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against Resulting Company, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Media and Communications Undertaking as if this Scheme had not been made.



- 10.2 In case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against Media and Communications Undertaking, Resulting Company shall be made party thereto and any payment and expenses made thereto shall be the liability of Resulting Company.

**11. CONTRACTS, DEEDS, ETC.**

- 11.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertakings, arrangements, policies, agreements and other instruments, if any, of whatsoever nature pertaining to Media and Communications Undertaking to which Demerged Company is a party and which is subsisting or having effect on the Effective Date, shall be in full force and effect against or in favor of Resulting Company, as the case may be, and may be enforced by or against Resulting Company as fully and effectually as if, instead of Demerged Company, Resulting Company had been a party thereto.
- 11.2 Resulting Company shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which Demerged Company will, if necessary, also be party in order to give formal effect to the provisions of this Scheme. Resulting Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Media and Communications Undertaking and to implement or carry out all formalities required on the part of Media and Communications Undertaking to give effect to the provisions of this Scheme.

**12. SAVING OF CONCLUDED TRANSACTIONS**

The transfer of properties and liabilities under Clause 3 above and the continuance of proceedings by or against Resulting Company under Clause 9 above shall not affect any transaction or proceedings already concluded by the Media and Communications Undertaking on or after the Appointed Date till the Effective Date, to the end and intent that Resulting Company accept and adopts all acts, deeds and things done and executed by Media and Communications Undertaking in respect thereto as done and executed on behalf of Resulting Company.

**PART III - GENERAL TERMS AND CONDITIONS**

**13. APPLICATION TO THE COMPETENT AUTHORITY**

The Demerged Company and Resulting Company shall make necessary applications before the NCLT, Mumbai Bench for the sanction of this Scheme of Arrangement under Sections 230 to 232 read with Sections 52 and 66 of the Act. Any further approval under the Act arising from the Scheme shall be deemed to have been granted, without any application, for any transaction among the Demerged Company and the Resulting Company and/or its Directors.

**14. MODIFICATIONS/AMENDMENTS TO THE SCHEME**

- 14.1 The Demerged Company (through its Board of Directors) and the Resulting Company (through its Board of Directors) may, in their full and absolute discretion, assent to any alterations or modifications in this Scheme which the Competent Authority may deem fit to approve or impose and may give such directions as they may consider necessary to settle any questions or difficulty that may arise under the Scheme or in regard to its implementation or in any matter connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholder of the respective Company). In the event that any conditions are imposed by the Competent Authority which the Demerged Company and/or the Resulting Company find unacceptable for any reason whatsoever then the Demerged Company and/or the Resulting Company shall be entitled to withdraw from the Scheme.



- 14.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Board of Directors or a Committee appointed by the Board of the Resulting Company are hereby authorized to give such directions and / or to take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

**15. SCHEME CONDITIONAL ON APPROVALS/SANCTIONS:**

The Scheme is conditional upon and subject to:

- (i.) The requisite consents, no-objections and approvals of the Stock Exchanges and SEBI to the Scheme in terms of the SEBI Circular and/or SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 on terms acceptable to the Demerged Company and the Resulting Company;
- (ii.) The Scheme being agreed to by the respective requisite majorities of the members and creditors of the Demerged Company and the Resulting Company and the requisite order or orders being obtained;
- (iii.) The Scheme being approved by the shareholders of the Resulting Company through resolution based by way of postal ballot and e-voting in terms of SEBI Circular, provided that the same shall be acted upon only if the votes cast by the public shareholders in favor of the Scheme are more than the votes cast by the public shareholders against it;
- (iv.) The sanction of the Scheme by the Competent Authority under Sections 230 to 232 of the Act;
- (v.) The certified copies of the order of the Competent Authority being filed with the Registrar of Companies, Maharashtra at Mumbai.
- (vi.) Any other sanction or approval of any governmental or regulatory authority including Ministry of Information and Broadcasting, Department of Telecommunications in relation to transfer of licenses, etc., as may be considered necessary and appropriate by the respective Board of Directors of the Demerged Company and the Resulting Company, being obtained and granted in respect of any of the matters for which such sanction or approval is required.

**16. EFFECTIVE DATE OF THE SCHEME:**

- 16.1 This Scheme shall become effective when all the following conditions are fulfilled:

- (i.) The Scheme being approved by the requisite majority of the shareholders and creditors of the Demerged Company and the Resulting Company as may be required under the Act and/or the orders of the Competent Authority.
- (ii.) The Scheme is sanctioned by the said Competent Authority under Section 230 to 232 of the Act.
- (iii.) The certified copy of the order of the said Competent Authority sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai.

- 16.2 In the event of this Scheme failing to take effect finally within such period or periods as may be decided by the Demerged Company (through its Directors) and the Resulting Company (through its Directors), this Scheme shall become null and void and in that event no rights and liabilities whatsoever shall accrue to or by incurred inter se to or by the Parties or any one of them. In such a case, each company shall bear its own cost or as may be mutually agreed.



- 16.3 The Demerged Company and the Resulting Company shall be at liberty to withdraw this Scheme at any time as may be mutually agreed through the Board of Directors of the Demerged Company and the Resulting Company. In such a case, each company shall bear its own cost or as may be mutually agreed.

**17. OPERATIVE DATE OF THE SCHEME:**

- 17.1 The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

**18. EXPENSES CONNECTED WITH THE SCHEME:**

- 18.1 Save and except as provided elsewhere in the Scheme, all costs, charges taxes, levies and other expenses including registration fee of any deed, in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of the Scheme shall be borne and paid by the Resulting Company.
- 18.2 In the event that this Scheme fails to take effect within such period or periods as may be decided by the Demerged Company (through its Board of Directors) and the Resulting Company (through its Board of Directors) then, the Demerged Company and Resulting Company shall bear their own costs and expenses incurred by them, in relation to or in connection with the Scheme.

**19. GENERAL TERMS AND CONDITIONS:**

- 19.1 The Demerged Company and the Resulting Company shall, with all reasonable dispatch, make all applications / petitions under Sections 230 to 232 and other applicable provisions of the Act to the Competent Authority for the sanctioning of the Scheme and obtain all approvals and consents as may be required under law or any agreement.
- 19.2 The respective Board of Directors of the Demerged Company and the Resulting Company may empower any Committee of Directors or Officer(s) or any individual director, officer or other person to discharge all or any of the powers and functions, which the said Board of Directors are entitled to exercise and perform under the Scheme.
- 19.3 In the event of any inconsistency between any of the terms and conditions of any earlier arrangement between the Demerged Company and the Resulting Company and their respective shareholders and/or creditors, and the terms and conditions of this Scheme, the latter shall prevail.
- 19.4 If any part of this Scheme is invalid, ruled illegal by any court(s) or authority of competent jurisdiction or unenforceable under the present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the parties shall attempt to bring about a modification in this Scheme, as will best preserve for the parties, the benefits and obligations of this Scheme, including but not limited to such part.



IN THE NATIONAL COMPANY LAW TRIBUNAL,  
MUMBAI BENCH

C.P.(CAA)/940 /MB/2020

IN

C.A.(CAA)/ 378/MB/2020

In the matter of the Companies Act, 2013

And

In the matter of Sections 230 to 232 and other  
applicable provisions of the Companies Act, 2013

And

In the matter of Scheme of Arrangement

Between

IndusInd Media and Communications Limited  
(‘First Applicant Company’ or ‘Demerged  
Company’)

And

NXTDIGITAL Limited (‘Second Applicant  
Company’ or ‘Resulting Company’)

And

Their respective shareholders.

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Final order along with Scheme of Arrangement

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Dated this 6th day of August, 2020

M/s. AAT Legal  
Advocates of the Applicant Companies,  
Mahavir Chamber,  
Office No. 5, First Floor,  
Banaji Street, Nanubai Lane,  
Fort, Mumbai 400 001.



# FORM NO. INC-28

[Section 12(6), 13(7), 58(5), 87, 111(5), 88(1), 230, 232, 233, 234, 237, others of the Companies Act, 2013 and section 107(3), 81(4), 167, 186, 391, 394, 396, 397, 398, 445, 481, 466, 518, 559 & 621A, others of the Companies Act, 1956]



Notice of Order of the Court or Tribunal or any other competent authority

Form Language ☒ English ☐ Hindi

Refer instruction kit for filing the form.

|                                                                                                                                                                                                                         |                                                                                                                                                |              |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| 1.(a) *Corporate identity number (CIN) or foreign company registration number (FCRN) of the company                                                                                                                     | <input type="text" value="L51900MH1985PLC038896"/>                                                                                             | Pre - Fill   |
| (b) Global location number (GLN) of company                                                                                                                                                                             | <input type="text"/>                                                                                                                           |              |
| 2.(a) Name of the company                                                                                                                                                                                               | <input type="text" value="NXTDIGITAL LIMITED"/>                                                                                                |              |
| (b) Address of the registered office of the company or of the principal place of business in India of the company                                                                                                       | <input type="text" value="IN CENTRE, 49/50 MIDC 12TH ROAD, ANDHERI (E) MUMBAI Maharashtra 400083 India"/>                                      |              |
| (c) e-mail ID of the company                                                                                                                                                                                            | <input type="text" value="hasmukhs@nxtdigital.in"/>                                                                                            |              |
| 3.(a) *Order passed by                                                                                                                                                                                                  | <input type="text" value="NCLT"/>                                                                                                              |              |
| (b) *Name of the court or or Tribunal or any other competent authority                                                                                                                                                  | <input type="text" value="National Company Law Tribunal Mumbai Bench"/>                                                                        |              |
| (c) *Location                                                                                                                                                                                                           | <input type="text" value="4th Floor, MTNL Exchange Building, Near G.D. Somani Memorial School, G.D.Somani Marg, Cuffe Parade, Mumbai-400005"/> |              |
| (d) *Petition or application number                                                                                                                                                                                     | <input type="text" value="CP(CAA) No. 940/MB-I/2020"/>                                                                                         |              |
| (e) *Order number                                                                                                                                                                                                       | <input type="text" value="CP(CAA) No. 940/MB-I/2020"/>                                                                                         |              |
| 4. *Date of passing the order                                                                                                                                                                                           | <input type="text" value="21/08/2020"/>                                                                                                        | (DD/MM/YYYY) |
| 5.(a) (i) Section of the Companies Act, 2013 under which order passed                                                                                                                                                   | <input type="text" value="232 - Demerger"/>                                                                                                    |              |
| (ii) Section of the Companies Act, 1956 under which order passed                                                                                                                                                        | <input type="text"/>                                                                                                                           |              |
| (iii) Section of Insolvency and Bankruptcy Code, 2016 under which order passed                                                                                                                                          | <input type="text"/>                                                                                                                           |              |
| 6. *Number of days within which order is to be filed with Registrar (To be entered pursuant to aforesaid sections or in terms of court order or Tribunal order or order of the competent authority, as the case may be) | <input type="text" value="30"/>                                                                                                                |              |
| 7. *Date of application to court or Tribunal or the competent authority for issue of certified copy of order                                                                                                            | <input type="text" value="21/08/2020"/>                                                                                                        | (DD/MM/YYYY) |
| 8. *Date of issue of certified copy of order                                                                                                                                                                            | <input type="text" value="21/08/2020"/>                                                                                                        | (DD/MM/YYYY) |
| 9. Due date by which order is to be filed with Registrar                                                                                                                                                                | <input type="text" value="21/09/2020"/>                                                                                                        | (DD/MM/YYYY) |

13.(a) SRN of relevant form

(Mention the SRN of relevant Form INC-23, INC-28, CHG-1, CHG-4, CHG-9, MGT-14 or any other form; if applicable)

14. <sup>\*</sup>Whether penalty involved or not ☐ Yes ☒ No

#### Attachments

1. <sup>\*</sup>Copy of court order or NCLT or CLB or order by any other competent authority.

Attach

2. Optional attachment(s) - if any

Attach

Final Order - Stamped.pdf  
Scheme of Arrangement.pdf

Remove attachment

### Declaration

I am authorized by the Board of Directors of the Company vide resolution no. \*

Dated \*  to sign the form and declare that all the requirements of the companies Act,2013 and rules thereunder in respect of the subject matter of this form and matters incidental thereto have been complied with. I further declare that:

1. Whatever is stated in this form and in the attachments thereto is true ,correct and complete and no information material to the subject matter of this form has been suppressed or concealed and is as per the original records maintained by the company
2. All the required attachments have been completely and legibly attached to this form

#### \*To be digitally signed by

Particulars of the person signing and submitting the form



\*Name

Capacity

\*Designation

DIN or Income-tax PAN or Membership number

### Certificate by practicing professional

It is hereby certified that I have gone through the provisions of the Companies Act, 2013 and Rules thereunder for the subject matter of this form and matters incidental thereto and I have verified the above particulars (including attachment(s)) from the original records maintained by the Company which is subject matter of this form and found them to be true, correct and complete and no information material to this form has been suppressed.

- ☐ Chartered accountant (in whole-time practice) or  
☐ Cost accountant (in whole-time practice) or  
☒ Company secretary (in whole-time practice)



\*Whether associate or fellow ☒ Associate ☐ Fellow

\*Membership number  \*Certificate of practice number

**Note: Attention is drawn to provisions of Section 448 and 449 which provide for punishment for false statement/certificate and punishment for false evidence respectively.**

Modify

Check Form

Prescrutiny

Submit

For office use only:

eForm Service request number (SRN)  eForm filing date  (DD/MM/YYYY)

This e-Form is hereby registered

Digital signature of the authorising officer



Confirm submission

Date of signing  (DD/MM/YYYY)