

REPORT OF THE INDEPENDENT DIRECTORS OF NXTDIGITAL LIMITED RECOMMENDING THE DRAFT SCHEME OF ARRANGEMENT BETWEEN NXTDIGITAL LIMITED (DEMERGED COMPANY) AND HINDUJA GLOBAL SOLUTIONS LIMITED (RESULTING COMPANY) AND THEIR RESPECTIVE SHAREHOLDERS FOR DEMERGER OF DIGITAL MEDIA AND COMMUNICATION BUSINESS UNDERTAKING AND INVESTMENTS IN THE SUBSIDIARIES ON GOING CONCERN BASIS

Independent Directors (IDs):

- | | |
|-----------------------|------------------------|
| 1. Mr. Anil Harish | : Independent Director |
| 2. Mr. Prashant Asher | : Independent Director |
| 3. Ms. Bhumika Batra | : Independent Director |
| 4. Mr. Munesh Khanna | : Independent Director |

I. Background:

The proposed Scheme of Arrangement ("Scheme") between NXTDIGITAL Limited (the "Demerged Company" or "NDL") and Hinduja Global Solutions Limited (the "Resulting Company" or "HGS") and their respective shareholders wherein the Digital, Media and Communication business Undertaking and investments in its subsidiaries on going concern basis and allied activities (the "Demerged Undertaking") of the Demerged Company would stand transferred to and vested in Resulting Company with effect from the appointed date i.e. February 1, 2022 in accordance with the terms of the Scheme and pursuant to the provisions of Sections 230 to 232 read with applicable provisions of the Companies Act, 2013 ("Act") and the rules and regulations made thereunder, as amended from time to time (including any statutory modification(s) or re-enactment thereof for the time being in force) and the Master Circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by the Securities and Exchange Board of India ("SEBI Circular"), as amended from time to time.

The Demerged Company is incorporated under the provisions of the Companies Act, 1956. The equity shares of the Demerged Company are listed on BSE Limited and National Stock Exchange of India Limited (collectively referred as "Stock Exchanges").

This report of the IDs is made in order to comply with the requirements of SEBI (LODR) Regulations, 2015 and read with the Master Circular number CFD/DIL1/CIR/P/2021/0000000665 dated November 23, 2021 issued by SEBI ("SEBI Circular") on schemes of arrangement of listed entities.

This report of the IDs is made in order to comply with the requirements of the aforesaid SEBI Circular after considering the following necessary documents:

1. Draft Scheme of Arrangement between NDL and HGS in accordance with the provisions of Sections 230 to 232 read with Sections 52 and 66 of the Companies Act, 2013. (the "Scheme").;
2. Valuation Reports dated February 17, 2022, issued by M/s SSPA & Co., Chartered Accountants and M/s KPMG Valuation Services, LLP;
3. Fairness opinion dated February 17, 2022, issued by Motilal Oswal Investment Advisors Limited, Merchant Banker;
4. Statutory Auditors Certificate dated February 17, 2022, for accounting treatment in the Scheme issued by Haribhakti & Co., LLP, Chartered Accountants.



(Formerly known as Hinduja Ventures Limited)

Registered Office: IN CENTRE, 49/50 MIDC, 12th Road, Andheri (E), Mumbai - 400 093.

T: +91 - 22 - 2820 8585 W: www.nxtdigital.co.in CIN. No.: L51900MH1985PLC036896



II. Proposed Scheme of Arrangement:

The ID's noted the following salient features of the Scheme:

- a. Demerger of the Demerged Undertaking of Demerged Company and vesting the same with and into the Resulting Company, on a going concern basis;
- b. The Appointed Date means the opening of business hours on February 1, 2022 or such other date as may be approved by the National Company Law Tribunal, Mumbai bench ("NCLT"); and
- c. In consideration of the proposed Scheme, the Resulting Company will issue and allot equity shares, to each shareholder of the Demerged Company, whose names appear in the register of members of Demerged Company on the record date as may be fixed for the purpose by the Board of Resulting Company in consultation with the Demerged Company (hereinafter referred to as "the Record Date").
- d. The equity shares proposed to be allotted by the Resulting Company will be listed on BSE Limited and National Stock Exchange of India Limited, a recognized Stock Exchanges having nationwide trading platform.
- e. The Demerged Company and the Resulting Company shall follow the method of accounting as per the applicable accounting principles as prescribed under the Companies (Indian Accounting standards) Rules, 2015 (Ind AS) as notified under Section 133 of the Act, as may be amended from time to time and relevant clarifications issued by Institute of Chartered Accountants of India.
- f. The Scheme is and shall be 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;
 - (ii) The approval of the Scheme by the respective requisite majorities in number and value of the shareholders of the Companies in accordance with section 230 to 232 of the Act;
 - (iii) The Scheme being sanctioned by the Tribunal in terms of sections 230 to 232 and other relevant provisions of the Act and the requisite orders of the Tribunal; and
 - (iv) Certified copies of the orders of the Tribunal sanctioning this Scheme being filed with the relevant Registrar of Companies by Demerged Company and Resultant Company as per the provisions of the Companies Act

III. Rationale of the Scheme of Arrangement:

1. Demerged Company and Resulting Company are part of the Hinduja Group. Demerged Company has grown into one of India's largest integrated digital, media and communications companies. Accordingly, in 2020 as a step towards consolidation of media and communications business, the digital, media and communications business was transferred by Indusind Media and Communications Limited (a Hinduja Group Company), to Demerged Company pursuant to scheme of arrangement approved by National Company Law Tribunal, Mumbai Bench vide its Order dated August 21, 2020.



(Formerly known as Hinduja Ventures Limited)

Registered Office: IN CENTRE, 49/50 MIDC, 12th Road, Andheri (E), Mumbai - 400 093.

T: +91 - 22 - 2820 8585 W: www.nxtdigital.co.in CIN. No.: L51900MH1985PLC036896



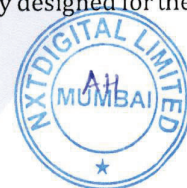
2. Recognizing the growth potential of the 'Digital, Media and Communications Undertaking' of the Demerged Company (more particularly defined hereinafter) in the backdrop of the fact that Demerged Company's 'Digital, Media and Communications Business Undertaking' has matured and the associated risks have 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 shareholders of the Demerged Company, pursuant to the demerger, will get Equity Shares of the Resulting Company for the values of Business transferred in the manner set out under this Scheme.
4. The demerger will also result in Demerged Company and Resulting Company achieving operational efficiencies by streamlining of the relevant businesses.
5. By demerger of the Demerged Undertaking into Resulting Company, the financial resources will be conveniently raised in accordance with the requirement of the business.
6. The demerger will enable the Resulting Company to diversify and expand its presence in the fast moving digital, media and communication business in India.
7. 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 the Demerged Undertaking in the Resulting Company:** 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. This will immensely benefit the Demerged Undertaking to focus on growth in the digital space.
 - 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 all aspects for harnessing future growth:** Housing of Demerged Undertaking in Resulting Company directly shall facilitate and provide adequate opportunities to mobilize the business and commercial resources of Resulting Company for the growth of the digital business.

IV. Synergies of business of the entities involved in the Scheme:

The IDs reviewed the Scheme and noted that the demerger would result in achieving efficiency in operational processes implementation of independent strategies specifically designed for the two businesses and in optimizing profitability.



(Formerly known as Hinduja Ventures Limited)



Registered Office: IN CENTRE, 49/50 MIDC, 12th Road, Andheri (E), Mumbai - 400 093.

T: +91 - 22 - 2820 8585 W: www.nxtdigital.co.in CIN. No.: L51900MH1985PLC036896



Thus, the re-structuring is proposed to result into enhanced development and growth of the business of the Company with independent focus on each business segment and more productive utilization of such resources which would be beneficial for all stakeholders.

V. Cost benefit analysis of the Scheme as under:

There are no social or environmental impact of the proposed re-structuring. Except the transaction cost, there are no additional costs involved for the proposed re-structuring. The IDs are of the opinion that the expected synergies and benefits in pursuance of the restructuring would offset the impact of such costs for the Company

VI. Impact on the scheme of the shareholders are as under:

- The shareholders of the Demerged Company as on the Record Date shall be entitled to equity shares in the Resulting Company basis the share entitlement ratio determined by M/s SSPA & Co., Chartered Accountants and M/s KPMG Valuation Services, LLP in the Valuation Reports submitted to the ID's. Subsequent to which the Shareholders of the Demerged Company in addition to the shares held in the Demerged Company shall also become shareholders in the Resulting Company.
- The Scheme will not adversely affect the rights or interest of any shareholder of the Demerged and Resulting Company or their respective shareholders or creditors, in any manner whatsoever.
- The Scheme is not detrimental to the shareholders of the Demerged and Resulting Company, in any manner whatsoever.

VII. Recommendation of the Independent Directors:

The Independent Directors recommend the Scheme.

For and on behalf of NXTDIGITAL Limited


Anil Harish
Independent Director
(DIN: 00001685)



PRASHANT KHATAU
ASHER
Digitally signed by PRASHANT KHATAU ASHER
Date: 2022.02.24 14:51:10 +05'30'

Prashant Asher
Independent Director
(DIN: 00274409)


Bhumika Batra
Independent Director
(DIN: 03502004)

munes narinder khanna
Digitally signed by munes narinder khanna
Date: 2022.02.23 11:30:31 +05'30'

Munesh Khanna
Independent Director
(DIN: 00202521)

Dated: February 17, 2022
Place: Mumbai



(Formerly known as Hinduja Ventures Limited)

Registered Office: IN CENTRE, 49/50 MIDC, 12th Road, Andheri (E), Mumbai - 400 093.
T: +91 - 22 - 2820 8585 W: www.nxtdigital.co.in CIN. No.: L51900MH1985PLC036896



HINDUJA GROUP

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001
Scrip Code: 500189

To,
National Stock Exchange of India
Exchange Plaza, Bandra-Kurla Complex,
Bandra East Mumbai- 400 051
Company Script Code: NXTDIGITAL

Dear Sir/Madam,

Sub: Undertaking for No Objection Certificate (NOC) from lending scheduled commercial bank

Ref: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 for the proposed Scheme of Arrangement between NXTDIGITAL Limited and Hinduja Global Solutions Limited and their respective shareholders.

We have initiated the process of obtaining the No Objection Certificate from the lending scheduled commercial bank as required under Para A (2) (k) of Part I of SEBI Master Circular dated November 23, 2021, and we shall submit the same with the Exchange before the receipt of the No-objection letter from stock exchange in terms of Regulation 37(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For NXTDIGITAL Limited



Amar Chintopanth
Whole-time Director & CFO
DIN: 00048789

Date: 24.02.2022

Place: Mumbai



(Formerly known as Hinduja Ventures Limited)

Registered Office: IN CENTRE, 49/50 MIDC, 12th Road, Andheri (E), Mumbai - 400 093.

T: +91 - 22 - 2820 8585 W: www.nxtdigital.co.in CIN. No.: L51900MH1985PLC036896



HINDUJA GROUP