# NXTDIGITAL LIMITED

**(formerly known as Hinduja Ventures Limited)**

**Registered Office**: IN Centre, 49/50 MIDC 12th Road, Andheri (E) Mumbai- 400093
**Corporate Identity Number**: L51900MH1985PLC036896
**Tel:** (+91 22) 6691 0945; **Website**: www.nxtdigital.co.in; **Email**: hasmukhs@nxtdigital.in

# NOTICE TO EQUITY SHAREHOLDERS

**NOTICE OF MEETING OF THE EQUITY SHAREHOLDERS OF NXTDIGITAL LIMITED CONVENED PURSUANT TO THE ORDER DATED FEBRUARY 27, 2020 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

| **Meeting of the Equity Shareholders of NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited)** | |
|---|---|
| Day | **Thursday** |
| Date | **April 16, 2020** |
| Time | **11:30 a.m.** |
| Venue | **Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018** |

| **Postal Ballot and Remote E-Voting:** | |
|---|---|
| Start Date | **Tuesday, March 17, 2020 at 9.00 a.m. (IST)** |
| End Date | **Wednesday, April 15, 2020 at 5:00 p.m. (IST)** |

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**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,**

**MUMBAI BENCH**

**COMPANY APPLICATION NO. 378 OF 2020**

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

And

In the matter of Scheme of Arrangement between IndusInd Media & Communications Limited ("**IMCL**" or "**Demerged Company**") and Hinduja Ventures Limited (now known as NXTDIGITAL LIMITED) ("**NXTDIGITAL**" or "**Resulting Company**") and their respective shareholders.

| | | |
|---|---|---|
| **NXTDIGITAL LIMITED, (formerly known as Hinduja Ventures Limited)** a Public Limited Company incorporated under the provisions of the Companies Act, 1956, having its registered office situated at IN Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai – 400093. | ) ) ) ) | **… Resulting Company** |

**NOTICE CONVENING THE MEETING OF THE EQUITY SHAREHOLDERS OF THE COMPANY PURSUANT TO THE ORDER DATED FEBRUARY 27, 2020 OF THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH**

**To,**
**The Equity Shareholders of NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited).**

**NOTICE** is hereby given that by an Order dated February 27, 2020, the Hon'ble National Company Law Tribunal, Mumbai Bench ("**Hon'ble NCLT**") has directed to convene a meeting of the Equity Shareholders of the Resulting Company, for the purpose of considering, and if thought fit, approving with or without modifications, the Scheme of Arrangement between IndusInd Media & Communications Limited ("**IMCL**" or "**Demerged Company**") and Hinduja Ventures Limited (now known as NXTDIGITAL LIMITED) ("**NXTDIGITAL**" or "**Resulting Company**") and their respective shareholders.

Copies of the said Scheme of Arrangement and of the Statement under Section 230 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Company. Persons entitled to attend and vote at the meeting, may vote in person or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Company at IN Centre, 49/50, MIDC, 12th Road, Andheri (E), Mumbai- 400093, Maharashtra, India not later than 48 hours before the meeting.

The form of proxy can be obtained free of charge from the registered office of the Company. All alterations made in the form of proxy should be initialed.

The Hon'ble NCLT has appointed Mr. Ashok P. Hinduja, Non-Executive Chairman of the Resulting Company to be the Chairman of the meeting, failing him Mr. Ashok Mansukhani, Managing Director of the Resulting Company to be the Chairman of the meeting and failing him Mr. Amar Chintopanth, Chief Financial Officer of the Resulting Company to be the Chairman of the meeting.

The abovementioned Scheme, if approved by the Equity Shareholders, will be subject to the subsequent approval of the Hon'ble NCLT.

This notice is given for consideration of the resolution mentioned below. In compliance with the order issued by Hon'ble NCLT dated February 27, 2020 ("**NCLT Order**") and the provisions of Section 230(4), 108 read with Section 110 of the Companies Act, 2013 read with Rule 20, 22 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has provided the facility of voting by Postal Ballot as well as Remote E-voting so as to enable the equity shareholders to consider and approve the Scheme of Arrangement by considering and if thought fit, passing the resolution mentioned below. Accordingly, voting by Equity Shareholders of the Company to the Scheme of Arrangement shall be carried out through (i) Postal Ballot (ii) Remote E-voting and (iii) Poll at the venue of the Meeting to be held on Thursday, April 16, 2020.

**Take further notice** that each equity shareholder can opt for only one mode of voting i.e. either at the venue of the meeting of the equity shareholders of the Company or by Remote E-voting or by Postal Ballot. If an equity shareholder has opted for Remote E-voting, then such equity shareholder shall not be entitled to vote by Postal Ballot or vice-versa. However, in case equity shareholders cast their vote both through Postal Ballot and Remote E-voting, then voting through Remote E-voting shall prevail and voting done through Postal Ballot shall be treated as invalid. An equity shareholder who has cast his/her votes by Postal Ballot or Remote E-voting will not be eligible to cast votes at the Meeting. However, such equity shareholder can attend the meeting. It is further clarified that votes may be cast personally or by proxy at the meeting as provided in this Notice.

In pursuance of the said Order and as directed therein, further Notice is hereby given that a meeting of the equity shareholders of the Company will be held at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on **Thursday, April 16, 2020 at 11:30 A.M.** The equity shareholders of the Resulting Company are requested to attend to consider and if thought fit, to approve with or without modifications the following resolution:

**To consider and approve the Scheme of Arrangement between IndusInd Media & Communications Limited ("IMCL" or "Demerged Company") and Hinduja Ventures Limited (now known as NXTDIGITAL LIMITED) ("NXTDIGITAL" or "Resulting Company") and their respective shareholders under Sections 230-232 and other applicable provisions, if any, of the Companies Act, 2013.**

**"RESOLVED THAT** pursuant to the provisions of Sections 230 - 232 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications, or re-enactments thereof, for the time being in force) and the rules, circulars, notifications made thereunder, and in accordance with the provisions of the Memorandum of Association and Articles of Association of the Company and subject to the approval of Hon'ble National Company Law Tribunal, Mumbai Bench (**"Hon'ble NCLT"**) and subject to such other approvals, consents, permissions or sanctions of regulatory and other authorities, as may be necessary and subject to conditions and modifications, if any, as may be prescribed, stipulated or imposed by Hon'ble NCLT or by any regulatory or other authorities, from time to time, while granting such approvals, consents, permissions or sanctions and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "**Board**", which term shall be deemed to mean and include one or more Committee(s) constituted / to be constituted by the Board or any person(s) which the Board may nominate to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the Scheme of Arrangement between IndusInd Media & Communications Limited and NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited) and their respective shareholders (**"Scheme"**) placed before this meeting and initialed by Managing Director of the Company for the purpose of identification, be and is hereby approved.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this Resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Hon'ble NCLT while sanctioning the arrangement embodied in the Scheme or by any authorities under the law, or as may be required for the purpose of resolving any questions or doubts or difficulties that may arise including passing of such accounting entries and/or making such adjustments in the books of accounts as considered necessary in giving effect to the Scheme, as the Board may deem fit and proper".

A copy of the Scheme and of the Explanatory Statement under Sections 230(3), 232(1) & (2) and 102 of the Companies Act, 2013 read with rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, along with the enclosures as indicated in the Index to this Notice, are enclosed herewith and the same can be obtained free of charges on any working day **(Monday to Friday) prior to the date of the meeting from the Registered Office of the Company.**

Sd/-
**Ashok P. Hinduja**
**(DIN: 00123180)**
**Chairman appointed for the meeting**

**Place:** Mumbai
**Date:** March 02, 2020

**NOTES:**

1. The Hon'ble NCLT by its said Order has directed that a meeting of the equity shareholders of the Company shall be convened and held at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on **Thursday, April 16, 2020 at 11:30 A.M**. for the purpose of considering, and if thought fit, approving, with or without modifications, the arrangement embodied in the Scheme. Equity shareholders would be entitled to vote in the said meeting either in person or through proxy.

2. In addition, the Company is seeking the approval of its equity shareholders to the Scheme by way of voting through Postal Ballot and Remote E-voting.

3. The Explanatory Statement pursuant to Sections 230(3), 232(1) & (2) and 102 of the Companies Act, 2013 read with rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 is enclosed herewith and forms part of this Notice.

4. **AN EQUITY SHAREHOLDER OF THE COMPANY ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING A PROXY SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 (FORTY-EIGHT) HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**

5. The equity shareholders of the Company whose names are appearing in the records of the Company as on Friday, March 06, 2020 shall be eligible to attend and vote at the meeting. Only registered equity shareholders of the Company may attend and vote (either in person or by proxy or by authorised representative under the applicable provisions of the Companies Act, 2013) at the equity shareholders meeting. The authorised representative of a Body Corporate which is a registered equity shareholder of the Company may attend and vote at the meeting of the equity shareholders of the Company provided a certified true copy of the resolution of the Board of Directors or other governing body of the Body Corporate authorising such representative to attend and vote at the meeting of the equity shareholders of the Company, is deposited at the registered office of the Company not later than 48 (forty eight) hours before the scheduled time of the commencement of the meeting of the equity shareholders of the Company.

6. As per Section 105 of the Companies Act, 2013 and the rules made thereunder, a person can act as proxy on behalf of not more than 50 (fifty) equity shareholders holding in aggregate, not more than 10% (ten percent) of the total share capital of the Company carrying voting rights. Equity shareholders holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other equity shareholders.

7. The form of proxy can be obtained free of charge from the registered office of the Company or can be downloaded from the website of the Company (*www.nxtdigital.co.in*). All alterations made in the form of proxy should be initialed.

8. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, an equity shareholder would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company.

9. A registered equity shareholder or his proxy, attending the meeting, is requested to bring the copy of the Notice to the meeting and produce the attendance slip, duly filled-in and signed, at the entrance of the meeting venue.

10. The registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Members of the Company / list of beneficial owners as received from National Securities Depository Limited ("**NSDL**") / Central Depository Services (India) Limited ("**CDSL**") in respect of such joint holding will be entitled to vote.

11. The documents referred to in the accompanying Explanatory Statement shall be open for inspection by the equity shareholders at the registered office of the Company between 11:00 a.m. to 1:00 p.m. on all working days (Monday to Friday) up to the date of the meeting.

12. The Company has engaged the services of KFin Technologies Private Limited (**"KFin"**) for facilitating E-voting for the said meeting to be held on **Thursday, April 16, 2020**.

13. The Notice convening the meeting, the date of dispatch of the Notice and the Explanatory Statement along with the Postal Ballot, amongst others, will be published through advertisement in the following newspapers, namely, (i) "**Business Standard**" in the English language; and (ii) translation thereof in "**Sakal**" in the Marathi language.

14. Ms. Akanksha Bilaney, Practicing Company Secretary, (CP No. 11975) (Membership No. F9683), has been appointed as the Scrutinizer under the Order of the Hon'ble NCLT dated February 27, 2020 to conduct the Postal Ballot and E-voting process in a fair and transparent manner.

15. In compliance with the provisions as stated hereinabove, the Company is pleased to offer Postal Ballot and E-voting facility to its equity shareholders holding equity shares as on Friday, March 06, 2020, being the cut-off date, to exercise their right to vote on the above resolution. A person, whose name is not recorded in the Register of Members or in the Register of beneficial owners maintained by NSDL/CDSL as on the cut-off date i.e. Friday, March 06, 2020 shall not be entitled to facility of E-voting or voting through Postal Ballot or voting at the meeting to be held on on Thursday, April 16, 2020. Voting rights shall be reckoned on the paid-up value of the equity shares registered in the names of the equity shareholders as on Friday, March 06, 2020. Persons who are not equity shareholders of the Company as on the cut-off date should treat this Notice for information purposes only.

16. Any person, who acquires shares of the Company and becomes an equity shareholder of the Company after dispatch of the Notice and holds shares as of the cut-off date i.e. Friday, March 06, 2020 may obtain the User ID and Password by sending a request at *einward.ris@kfintech.com* . However, if such person is already registered with KFin for Remote E-voting then he / she can use his /her existing USER ID and Password for casting his / her votes.

    The equity shareholders have the option either to vote through E-voting process or through Postal Ballot form.

**VOTING THROUGH POSTAL BALLOT:**

**The detailed procedure is as under:**

i. A shareholder desiring to exercise vote by Postal Ballot may complete the Postal Ballot Form (no other form or photocopy thereof is permitted) and send it at the Registered Office of NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited) at IN Centre, 49/50, MIDC, 12th Road, Andheri (E), Mumbai- 400093 in the enclosed self- addressed postage prepaid business reply envelope. The postage has been borne and paid by the Company. However, envelopes containing Postal Ballot Form(s), if deposited in person or if sent by courier or registered/speed post at the expense of the shareholder will also be accepted. Members are requested to carefully read the instructions printed on the Postal Ballot form and return the form duly completed with assent (for) or dissent (against), in the enclosed business reply envelope, so as to reach at the Registered Office of NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited) at IN Centre, 49/50, MIDC, 12th Road, Andheri (E), Mumbai- 400093 on or before Wednesday, April 15, 2020 at 5:00 p.m.

ii. The self-addressed postage prepaid business reply envelope bears the name and address of the NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited).

iii. The Postal Ballot Form should be signed by the Member as per specimen signature registered with the Company. In case, shares are jointly held, this Form should be completed and signed (as per specimen signature registered with the Company) by the first named member and in his/her absence, by the next named member. Holders of Power of Attorney ("**POA**") on behalf of member may vote on the Postal Ballot mentioning the registration no. of the POA or enclosing an attested copy of POA. Unsigned Postal Ballot Form will be rejected.

iv. Duly completed Postal Ballot Form should reach at the Registered Office of NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited) at IN Centre, 49/50, MIDC, 12th Road, Andheri (E), Mumbai- 400093 on or before **Wednesday, April 15, 2020 at 5:00 p.m.** Postal Ballot Forms received after that date will be strictly treated as if reply from such member has not been received.

v. The voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders as on Friday, March 06, 2020.

vi. In case of shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of the Board Resolution / Authority and preferably with attested specimen signature(s) of the duly authorized signatory (ies) giving requisite authority to the person voting on the Postal Ballot Form.

vii. The exercise of vote by Postal Ballot is not permitted through proxy.

viii. There will be only one Postal Ballot Form for every Registered Folio/client ID irrespective of the number of joint member(s).

ix. Incomplete, improperly or incorrectly tick marked Postal Ballot Forms will be rejected.

x. The Scrutinizer's decision on the validity of a Postal Ballot shall be final.

**INSTRUCTIONS FOR ELECTRONIC VOTING BY EQUITY SHAREHOLDERS (E-voting Event No. 5245)**

**Voting through Electronic Means:**

In compliance with the provisions of Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Section 108 and 110 of the Act and the Rules made thereunder, the Members are provided with the facility to cast their votes electronically instead of dispatching or delivering the Postal Ballot Form. The Company has engaged the services of KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited) ("**KFin**") for providing E-voting facility to its Members.

The detailed process, instructions and manner for casting your votes through E-voting is provided herein below:

The E-voting period commences on Tuesday, March 17, 2020 at 9.00 a.m. (IST). and ends on Wednesday, April 15, 2020 at 5:00 p.m. (IST). During this period, the Members of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date Friday, March 06, 2020 may cast their vote. The E-voting module shall be disabled by KFin for voting after 5:00 p.m. on Wednesday, April 15, 2020. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently or cast their vote again.

The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on the cut-off date of Friday, March 06, 2020.

For those Members opting for E-voting, the process and manner of E-voting will be as follows:

**A. In case a Member receives an e-mail from KFin [for Members whose e-mail IDs are registered with the Company/ Depository Participant(s)]:**

(i) Launch the internet browser by typing the following URL: https://evoting.karvy.com.

(ii) Click on "Login"

(iii) Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVENT (E-voting Event Number) followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFin for E-voting, you can use your existing User ID and password for casting your vote.

(iv) If you are logging in for the first time, please enter the user ID and password provided in the e-mail of KFin as initial password. Password change menu will appear on your screen wherein you are required to mandatorily change your password. Change the password with new password of your choice with minimum 8 characters with at least one upper case (A-Z), one lower case (a- z), one numeric (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email address, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.**

(v) You need to login again with the new credentials.

(vi) On successful login, the system will prompt you to select the "EVENT (E-voting Event Number)" for NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited).

(vii) On the voting page enter the number of shares (which represents the number of votes) as on the cut-off date and cast your vote by selecting the option of your choice.

(viii) Members holding shares under multiple folios / demat accounts shall choose the voting process separately for each of the folios / demat accounts.

(ix) Voting has to be done for each item of this Notice separately.

(x) Cast your vote by selecting an appropriate option and click on "Submit".

(xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

(xii) Corporate/ Institutional members (i.e. other than individuals, HUF, NRI etc.) are required to send scanned certified true copy (PDF Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer through e-mail to the Scrutinizer at e-mail ID: *akankshamotwani@gmail.com* with a copy marked to e- mail ID: *evoting@kfintech.com*. They may also upload the same in the E-voting module in their login. The scanned image of the above mentioned documents should be in the naming format **"NXTDIGITAL LIMITED _Event No. 5245"**

**B. A Member receiving physical copy of this Notice [for Members whose e-mail IDs are not registered with the Company/ Depository Participant(s) or requesting physical copy] :**

(i) E-voting Event Number, User ID and Initial password is provided in the Postal Ballot Form.

(ii) Please follow all steps from Sl. No. (i) to Sl. No. (xii) of A above, to cast vote.

C. In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download Section of *https://evoting.karvy.com* or contact Mr. Premkumar Nair [Unit: NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited)] at KFin Technologies Private Limited, Selenium Tower, B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032 or at einward.ris@kfintech.com or phone no. 040 – 6716 2222 or call KFin's toll free No. 1-800-34-54-001 for any further clarifications.

D. Ms. Akanksha Bilaney, Practicing Company Secretary, (CP No. 11975) (Membership No. F9683), has been appointed as the Scrutinizer to scrutinize the E-voting process in a fair and transparent manner.

**IN THE HON'BLE NATIONAL COMPANY LAW TRIBUNAL,**

**MUMBAI BENCH**

**COMPANY APPLICATION NO. 378 OF 2020**

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

And

In the matter of Scheme of Arrangement between IndusInd Media & Communications Limited ("**IMCL**" or "**Demerged Company**") and Hinduja Ventures Limited (now known as NXTDIGITAL LIMITED) ("**NXTDIGITAL**" or "**Resulting Company**") and their respective shareholders.

| | | |
|---|---|---|
| **NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited)** a Public Limited Company incorporated under the provisions of the Companies Act, 1956, having its registered office situated at IN Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai – 400093. | ) | **… Resulting Company** |

**EXPLANATORY STATEMENT UNDER SECTION 230(3) READ WITH SECTION 232(2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENTS AND AMALGAMATIONS) RULES, 2016**

Pursuant to the order dated February 27, 2020, passed by the Hon'ble National Company Law Tribunal, Bench, at Mumbai (**"Hon'ble NCLT"**), in Company Application No. 378 of 2020 (**"Order"**), a meeting of the equity shareholders of Hinduja Ventures Limited (now known as NXTDIGITAL LIMITED) (**"NXTDIGITAL" or "Resulting Company")** is being convened at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018, on Thursday, April 16, 2020 at 11:30 a.m. for the purpose of considering, and if thought fit, approving, with or without modifications Scheme of Arrangement between IndusInd Media & Communications Limited and Hinduja Ventures Limited (now known as NXTDIGITAL LIMITED) and their respective shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013.

The Hon'ble NCLT has appointed Mr. Ashok P. Hinduja, Non-Executive Chairman of the Resulting Company to be the Chairman of the meeting, failing him Mr. Ashok Mansukhani, Managing Director of the Resulting Company to be the Chairman of the meeting and failing him Mr. Amar Chintopanth, Chief Financial Officer of the Resulting Company to be the Chairman of the meeting of Equity Shareholders of Resulting Company.

This statement is being furnished as required under Sections 230(3), 232(1) & (2) and 102 of the Companies Act, 2013 read with rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (**"Rules"**).

As stated earlier, the Hon'ble NCLT by the said Order has, inter alia, directed that a meeting of the equity shareholders of the Company shall be convened and held at Hall of Harmony, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018, on Thursday, April 16, 2020 at 11:30 a.m. for the purpose to consider, and if thought fit, to approve , with or without modifications Scheme of Arrangement between IndusInd Media & Communications Limited and Hinduja Ventures Limited (now known as NXTDIGITAL LIMITED) and their respective shareholders under Sections 230-232 and other applicable provisions of the Companies Act, 2013. Equity Shareholders would be entitled to vote in the said meeting either in person or through proxy. In addition, the Company is seeking the approval of its equity shareholders to the Scheme by way of voting through Postal Ballot and E-voting.

In accordance with the provisions of Sections 230 - 232 of the Companies Act, 2013, the Scheme shall be acted upon only if, a majority in number representing three fourths in value of the equity shareholders of the Company voting in person or by proxy or by Postal Ballot (which includes E-voting), agree to the Scheme.

In addition, the Company is seeking the approval of its equity shareholders to the Scheme by way of voting through Postal Ballot and E-voting. Circular No. CFD/DIL3/CIR/2017/ 21 dated March 10, 2017 issued by the Securities and Exchange Board of India (**"SEBI"**), inter alia, provides that approval of Public Shareholders of the Company to the Scheme shall be obtained by way of voting through Postal Ballot and E-voting. Since, the Applicant Company is seeking the approval of its equity shareholders (which includes Public Shareholders) to the Scheme by way of voting through Postal Ballot and E-voting, this notice will be deemed to be (i) issued in accordance with the provisions of the Companies Act, 2013; and (ii) the notice sent to the Public Shareholders of the Company in accordance with the SEBI Circular. For this purpose, the term **"Public"** shall have the meaning assigned to it in rule 2(d) of the Securities Contracts (Regulations) Rules, 1957 and the term **"Public Shareholders"** shall be construed accordingly.

**Background:**

1. **Details of the Demerged Company:**

| | | |
|---|---|---|
| (a) | Corporate Identification Number (CIN) of the company: | U92132MH1995PLC085835 |
| (b) | Permanent Account Number: | AAACI1198L |
| (c) | Name of the company: | IndusInd Media & Communications Limited |
| (d) | Date of incorporation: | February 23, 1995 |
| (e) | Type of the company (whether public or private or one-person company): | Public Limited Company |
| (f) | Registered office address and e-mail address: | Registered office address: IN Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai – 400093,<br>Email: secretarial@nxtdigital.in |
| (g) | Summary of main object as per the memorandum of association; and main business carried on by the Company | Demerged Company is engaged in the business of Media and Communications business consisting of Cable TV, HITS platform, Technical services business (including investment in JVs); and passive infrastructure business |
| (h) | Details of change of name, registered office and objects of the company during the last five years; | NONE |
| (i) | Name of stock exchanges where shares of Company are listed | NOT APPLICABLE (unlisted Company) |

2. **The Share Capital of Demerged Company as on January 31, 2020 is as follows:**

| **IndusInd Media & Communications Limited** | |
|---|---|
| **Particulars** | **Amount (Rupees)** |
| **Authorized Capital** | |
| 25,00,00,000 equity shares of ₹ 10 each | 25,00,00,0000 |
| 20,00,00,000 preference shares of ₹ 10 each | 2,00,00,00,000 |
| **Total** | **4,50,00,00,000** |
| **Issued, Subscribed and Paid – up** | |
| 19,46,30,623 equity shares of ₹ 10 each | 19,46,30,6230 |
| **Total** | **1,94,63,06,230** |

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Demerged Company.

3. **Names and Address of the promoter of Demerged Company:**

**Name :** NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited)

**Details of Shareholding:** NXTDIGITAL LIMITED holds 15,09,34,930 number of equity shares in the Demerged Company which constitutes 77.55% of the equity paid-up capital of the Demerged Company.

**Address:** IN Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai – 400093

4. **Details of Directors of Demerged Company i.e. IndusInd Media & Communications Limited**

| **Name** | **DIN** | **Designation** | **Address** | **Number of shares in Demerged Company ("IMCL")** | **% of shareholding in Demerged Company ("IMCL")** |
|---|---|---|---|---|---|
| Mrs. Kanchan Chitale | 00007267 | Independent Director | 1204, Navdurga CHS Ltd., 12th Flr, Deonar Chembur, Govandi Station Road, Mumbai 400088 | NIL | NIL |
| Mr. Prakash Shah | 00120671 | Independent Director | B-601, Marvel Ritz, Amanora Plaza, Hadapsar, Pune 411028 | NIL | NIL |
| Mr. Abin Kumar Das | 00122913 | Chairman. Non-Executive Director | 61-A, Atlas Apartments J. Mehta Road Mumbai 400006 | 20 | NIL |

| Name | DIN | Designation | Address | Number of shares in Demerged Company ("IMCL") | % of shareholding in Demerged Company ("IMCL") |
|---|---|---|---|---|---|
| Mr. Ashok Mansukhani | 00143001 | Vice Chairman. Non-Executive Director | B 504 Sterling Sea Face Annie Besant Road, Opp Atria Mall, Worli Mumbai 400018 | 20 | NIL |
| Mr. Prashant Asher | 00274409 | Independent Director | 32/34, Khatau Building, Modi Street Fort Mumbai 400001 | NIL | NIL |
| Mr. Amar Chintopanth | 00048789 | Executive Director & Chief Financial Officer | 1403, Tower 4, Raheja Tipco Height, Rani Sati Marg, Malad (E) Mumbai 400097 | NIL | NIL |

5. **Details of the Resulting Company:**

| | | |
|---|---|---|
| (a) | Corporate Identification Number (CIN) of the company: | L51900MH1985PLC036896 |
| (b) | Permanent Account Number: | AAACH2058N |
| (c) | Name of the company: | NXTDIGITAL LIMITED (formerly known as "Hinduja Ventures Limited") |
| (d) | Date of incorporation: | July 18, 1985 |
| (e) | Type of the company (whether public or private or one-person company): | Public Limited Company |
| (f) | Registered office address and e-mail address: | Registered office address: IN Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai – 400093<br>Email: hasmukhs@nxtdigital.in |
| (g) | Summary of main object as per the Memorandum of Association; and main business carried on by the Company | Resulting Company is engaged in the business of Real Estate, Investments & Treasury and; Media & Communications (including investments in IndusInd Media and Communications Ltd.) and Dark Fibre 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. |
| (h) | Details of change of name, registered office and objects of the company during the last five years; | The name of the Resulting Company was changed from 'Hinduja Ventures Limited' to 'NXTDIGITAL LIMITED' on October 25, 2019 and since then, there has been no further change in the name of the Resulting Company. |
| (i) | Name of stock exchanges where shares of Company are listed | The equity shares of the Resulting Company are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**"). |

6. **The authorized, issued, subscribed and paid-up share capital of the Resulting Company as on January 31, 2020 is as under:**

| NXTDIGITAL LIMITED | |
|---|---|
| **Particulars** | **Amount (Rupees)** |
| **Authorized Capital** | |
| 870,00,000 equity shares of ₹ 10 each | 87,00,00,000 |
| 30,00,000 preference shares of ₹ 10 each | 3,00,00,000 |
| 1,000 9.50% Preference shares of ₹ 100 each | 1,00,000 |
| **Total** | **90,01,00,000** |
| **Issued, Subscribed and Paid – up** | |
| 2,05,55,503 equity shares of ₹ 10 each | 20,55,55,030 |
| **Total** | **20,55,55,030** |

Subsequent to the above date, there has been no change in the authorised, issued, subscribed and paid-up share capital of the Resulting Company.

7. **Names and Address of the promoters of the Resulting Company:**

**Details of Promoters**

| Sr. No | Name of Promoters | Address | Number of shares in Resulting Company ("NXTDIGITAL" | % of shareholding in Resulting Company ("NXTDIGITAL") |
|---|---|---|---|---|
| 1. | Mr. Ashok Parmanand Hinduja, Karta of S.P. Hinduja (HUF BIGGER) | Hinduja House, 171, Dr Annie Besant Road Worli, Mumbai 400018. | 532,483 | 2.59 |
| 2. | Ms. Harsha Ashok Hinduja jointly with Ashok Parmanand Hinduja | Hinduja House, 171, Dr Annie Besant Road Worli, Mumbai 400018. | 489,193 | 2.38 |
| 3. | Ms. Ambika Ashok Hinduja | Premises 328, Floor 03 Building 02, Dubai Design District, Dubai U A E P O Box 184194, 111111 | 177,242 | 0.86 |
| 4. | Mr. Shom Ashok Hinduja | Param Jamuna, Opp Ruia Park, Dr J R Mhatre Marg, Juhu, Mumbai 400049 | 140,007 | 0.68 |
| 5. | Mr. Ashok P Hinduja and Ashok Parmanand Hinduja jointly with Harsha Ashok Hinduja | Hinduja House, 171, Dr Annie Besant Road Worli, Mumbai 400018. | 76,913 | 0.37 |
| 6. | Ms. Vinoo Srichand Hinduja | Hinduja House, 171, Dr Annie Besant Road Worli, Mumbai 400018. | 61,065 | 0.30 |
| 7. | Mr. A P Hinduja, Karta of A.P Hinduja (HUF) | Hinduja House, 171, Dr Annie Besant Road Worli, Mumbai 400018. | 54,327 | 0.26 |
| 8. | Ms. Shanoo S. Mukhi | C/O. Indu K. Chhabria, 90, Neeta Bldg., 621 Marine Drive, G. Road, Mumbai - 400002 | 955 | 0.00 |
| 9. | Hinduja Group Limited | Hinduja House, 171, Dr Annie Besant Road Worli, Mumbai 400018. | 5,637,449 | 27.43 |
| 10. | Hinduja Group Limited jointly with Hinduja Realty Ventures Limited (as the demat account holder and partner of Aasia Exports) | Hinduja House, 171, Dr Annie Besant Road Worli, Mumbai 400018. | 2,913,123 | 14.17 |
| 11. | Aasia Corporation LLP | Hinduja House, 171, Dr Annie Besant Road Worli, Mumbai 400018. | 1,400,879 | 6.82 |
| 12. | Hinduja Properties Limited | No 377 R.r. Complex, 3Rd Floor, Anna Salai, Teynampet, Chennai Tamilnadu 600018 | 2,12,843 | 1.04 |
| 13. | Hinduja Finance Limited | Hinduja House, 171, Dr Annie Besant Road Worli, Mumbai 400018. | 100,000 | 0.49 |
| 14. | Amas Mauritius Limited | Hinduja House, 171, Dr Annie Besant Road Worli, Mumbai 400018. | 2,761,427 | 13.43 |

**8. Details of Directors of Resulting Company**

| Name | DIN | Designation | Address | Number of shares in Resulting Company (NXTDIGITAL) | % of shareholder in in Resulting Company (NXTDIGITAL) |
|---|---|---|---|---|---|
| Mr. Ashok P. Hinduja | 00123180 | Non-Executive Chairman | Param Jamuna J. R. Mhatre Marg, Juhu, Mumbai 400049 | 76913 | 0.37 |
| Mr. Anil Harish | 00001685 | Independent Director | 13, C.C.I. Chambers, Dinshaw Wacha Road, Churchgate, Mumbai 400020 | NIL | NIL |
| Mr. Prashant Asher | 00274409 | Independent Director | 32/34, Khatau Building, Modi Street, Fort, Mumbai 400001 | 125 | 0.0006 |
| Ms. Bhumika Batra | 03502004 | Independent Director | 32, Mody Street, 3rd Floor, Fort, Mumbai 400001 | NIL | NIL |
| Mr. Sudhanshu Tripathi | 06431686 | Non- Executive Director | 703, Casa Grande, 7th Floor S B Marg, Lower Parel, (West), Mumbai 400013 | NIL | NIL |
| Mr. Ashok Mansukhani | 00143001 | Managing Director | B-504, Sterling Sea Face, Annie Besant Road, Opp Atria Mall, Worli, Mumbai 400018 | 500 | 0.0024 |

**9. Corporate Approvals:**

The Scheme of arrangement was placed before the Audit Committee of the Demerged Company and Resulting Company at their respective meetings held on August 27, 2019. The Audit Committees of the Demerged Company and Resulting Company considered the Valuation Report issued by PKF Sridhar & Santhanam, LLP, Independent Chartered Accountants and Fairness Opinion report issued by Saffron Capital Advisors Private Limited, Merchant Banker, and thereafter, recommended the Scheme for approval to the Board of Directors of the respective companies.

The Board of Directors of the Demerged Company and the Resulting Company at their respective Board Meetings held on August 27, 2019 approved the proposed Scheme, after taking on record:

a) Valuation Report issued by PKF Sridhar & Santhanam, LLP, Independent Chartered Accountants;

b) Fairness Opinion report issued by Saffron Capital Advisors Private Limited, Merchant Banker,

c) Statutory Auditors certificate confirming the accounting treatment in the scheme;

d) Statutory Auditors certificate towards the minimum issue price based on the pricing method specified under Regulation 165 and 166 of Chapter V of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2015.

All the Directors of both the Demerged Company and Resulting Company have voted in favor of the proposed scheme.

Post the approval of the Board of Directors of both the Companies, the Company had made applications with BSE Limited ("**BSE**") and National Stock Exchange of India Limited (**"NSE"**) on September 11, 2019 for in-principle approvals towards the Scheme of Arrangement from both the stock exchanges. BSE and NSE had uploaded the documents pertaining to the Scheme of Arrangement on their respective websites on October 03, 2019 and October 15, 2019 respectively for the purpose of receipt of complaints, if any from the stakeholders.

According to provisions of the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 the Company shall file Report on Complaints within 7 days of expiry of 21 days from the date of documents uploaded on the websites by the stock exchanges. The Company had filed report on Complaints with BSE on October 24, 2019 and with NSE on November 05, 2019 with "**NIL**" complaints on the Scheme of Arrangement.

The Resulting Company has received Observation Letters issued by BSE vide letter No. DCS/AMAL/DS/R37/1649/2019-20 dated January 13, 2020 and NSE vide letter No. NSE/LIST/21847 II dated January 13, 2020.

**The BSE vide its letter dated January 13, 2020 have stated that:**

*"We hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing / de-listing/ continuous listing requirements within the provisions of Listing agreement, so as to enable the Company to file the scheme with Hon'ble NCLT".*

**The NSE vide its letter dated January 13, 2020 have stated that:**

"*Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.*"

**Action taken by Securities Exchange Board of India ("SEBI") and Reserve Bank of India ("RBI"):**

Pursuant to the directions issued in the Observation Letters issued by BSE vide letter No. DCS/AMAL/DS/R37/1649/2019-20 dated January 13, 2020 and NSE vide letter No. NSE/LIST/21847 dated January 13, 2020, the information pertaining to Mr. Anil Harish, Non-Executive Independent Director of Resulting Company appearing in wilful defaulters list of RBI and Action taken by SEBI and RBI against Mr. Anil Harish in various matters. Mr. Anil Harish has confirmed vide its letter dated 17$^{th}$ January, 2020 that there has been no change in the status of those matters from the last update on November 19, 2019 and December 18, 2019 and no hearing has taken place in any of the matters. Resulting Company undertakes to take additional update from Mr. Anil Harish.

Mr. Anil Harish is a Non-Executive Independent Director on the Board of the Resulting Company and that the Resulting Company has nothing with his directorship as Independent Director in other Companies. Resulting Company is a separate entity managed by the professional Board of Directors and has also appointed Managing Director to look after the operations and day-to-day affairs of Company.

**10. Rationale of the Scheme:**

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 the 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 have reduced significantly as well as the recent regulatory reforms **(New Tariff Order- NTO)** providing additional stimuli, Resulting Company is proposing to consolidate this vertical as it feels that this will create a new digital media platform for it to 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.

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;

**11. Description of the Scheme:**

This Scheme of Arrangement between IndusInd Media & Communications Limited and Hinduja Ventures Limited (now known as NXTDIGITAL LIMITED) and their respective Shareholders ("**the Scheme**"), 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 of IndusInd Media & Communications Limited and vesting of the same in Hinduja Ventures Limited (now known as NXTDIGITAL LIMITED) on a going concern basis.

Demerged Company will retain the Remaining Business which includes Technical services business (including investment in JVs); and Passive infrastructure business.

**NOTE: THE FEATURES/DETAILS SET OUT ABOVE BEING ONLY THE SALIENT FEATURES OF THE SCHEME, THE EQUITY SHAREHOLDERS OF THE COMPANY ARE REQUESTED TO READ THE ENTIRE TEXT OF THE SCHEME TO GET THEMSELVES FULLY ACQUAINTED WITH THE PROVISIONS THEREOF. THE WORDS AND EXPRESSIONS USED ABOVE AND NOT DEFINED BUT DEFINED IN THE SCHEME, SHALL HAVE THE SAME MEANINGS RESPECTIVELY ASSIGNED TO THEM IN THE SCHEME.**

12. The Scheme shall be deemed to be effective from the Appointed Date i.e. October 01, 2019 but shall be operative from the Effective Date.

13. The Share exchange ratio calculated by PKF Sridhar & Santhanam LLP, Chartered Accountant, Independent Valuer is as under:

*"10 fully paid up Equity Shares of face value of Rs. 10 each of NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited) shall be issued and allotted as fully paid up for every 125 Equity Shares of face value of Rs. 10 each fully paid up, held in IndusInd Media & Communications Limited."*

14. Complaints Report dated October 24, 2019 and November 05, 2019 submitted by the Company to BSE and NSE respectively are enclosed herewith collectively as **Annexure D**.

15. Observation Letters from BSE and NSE, both dated January 13, 2020, conveying no objection to the Scheme are enclosed

herewith collectively as **Annexure E**.

16. The unaudited financial results of the Demerged Company for the quarter and nine months ended December 31, 2019 along with limited review report issue by Statutory Auditors of the Company are enclosed as **Annexure F-1.**

17. The unaudited financial results of the Resulting Company for the quarter and nine months ended December 31, 2019 along with limited review report issue by Statutory Auditors of the Company are enclosed as **Annexure F-2**.

18. Pre- and post-shareholding pattern of the Demerged Company and the Resulting Company are enclosed as **Annexure G**.

19. Summary of Valuation Report is enclosed herewith as **Annexure H**.

20. The applicable information of the Demerged Company in the format specified for the Abridged Prospectus as provided in Part E of Schedule VI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed herewith as **Annexure I**.

21. **Amounts due to creditors as on December 31, 2019:**

| Particulars | Demerged Company | | Resulting Company | |
|---|---|---|---|---|
| | Number | Amount (₹) | Number | Amount (₹) |
| Secured Creditors | 2 | 3,93,64,95,212 | 3 | 4,48,40,06,433 |
| Unsecured Creditors | 655 | 6,45,18,11,422 | 21 | 1,71,55,54,188 |

22. **As per Section 2(87) of the Companies Act, 2013, "subsidiary company", in relation to in relation to any other company (that is to say the holding company), means a company in which the holding company- controls the composition of the Board of Directors; or exercises or controls more than one-half of the total voting power either at its own or together with one or more of its subsidiary companies:**

Provided that such class or classes of holding companies as may be prescribed shall not have layers of subsidiaries beyond such numbers as may be prescribed.

Explanation—For the purposes of this clause, —

(a) a company shall be deemed to be a subsidiary company of the holding company even if the control referred to in sub-clause (i) or sub-clause (ii) is of another subsidiary company of the holding company;

(b) the composition of a company's Board of Directors shall be deemed to be controlled by another company if that other company by exercise of some power exercisable by it at its discretion can appoint or remove all or a majority of the directors;

(c) the expression "company" includes any body corporate;

Since the Resulting Company has control and holds 77.55% of the paid up capital of the Demerged Company, the Demerged Company is considered to be a Subsidiary of the Resulting Company.

23. **Effect of the Scheme on various parties:**

**A. Key Managerial Personnel (KMPs) and Directors**

There won't be any impact on the KMPs and directors of the Company pursuant to the Scheme.

The KMPs and Directors of the Company and their respective relatives may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Company (if any), or to the extent the said KMP / directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of the trust that hold shares in the Company, as applicable.

**B. Promoter and Non-Promoter of the Company**

As far as the equity shareholders of the Company are concerned (promoter shareholders as well as non-promoter shareholders), pursuant to the Scheme they will continue to remain shareholders of the Company but their percentage shareholding in the Company may vary based on the share exchange ratio determined on the basis of the Valuation Report.

**C. Preference Shareholders**

The Resulting Company and Demerged Company does not have, issued preference share capital.

**D. Depositors**

Neither the Demerged Company nor the Resulting Company has accepted any public deposits.

**E. Creditors**

Upon this Scheme coming into effect, the creditors relating to the Demerged Undertaking, shall become the creditors of the Resulting Company.

The proposed Scheme does not involve any compromise or arrangement with the creditors. The rights of the creditors shall not be affected by the Scheme. There will be no reduction in their claims on account of the Scheme. The creditors will be paid in the ordinary course of business as and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned.

**F. Debenture Holder**

Neither the Demerged Company nor the Resulting Company has issued any debentures.

**G. Debenture Trustee and Depositor Trustee**

Neither the Demerged Company nor the Resulting Company have Debenture Trustee and the Depositor Trustee.

**H. Employees**

On the Scheme becoming operative, all staff and employees on the rolls of Demerged Company engaged in the Media and Communications Undertaking and who are duly identified or specified as such by the Board of Directors as at 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.

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.

**I. Report adopted by the Board of Directors of the Demerged Company and Resulting Company explaining effect of the Scheme on each class of Shareholders, Key Managerial Personnel, Promoters and Non-Promoter Shareholders, laying out particulars of the share entitlement ratio.**

In compliance with the provisions of Section 232(2)(c) of the Companies Act, 2013, the Board of Directors of the Demerged Company and the Resulting Company, in their meetings held on August 27, 2020 have adopted a report, inter-alia, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoter shareholders amongst others. Copy of the reports adopted by the respective Board of Directors of the Demerged Company and the Resulting Company are enclosed as **Annexure C-1 and C-2**.

**24. Capital Structure pre and post demerger**

The Pre-Scheme capital structure of the Demerged Company and the Resulting Company are detailed in clause 2 and 6 respectively above.

The Post-Scheme capital structure is as follows:

**Demerged Company:** Upon the Scheme coming into effect, the share capital as on the Appointed Date i.e. October 01, 2019 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.

| **IndusInd Media & Communications Limited** | |
|---|---|
| **Particulars** | **Amount (Rupees)** |
| **Authorized Capital** | |
| 25,00,00,000 equity shares of ₹ 2.50 each | 62,50,00,000.00 |
| 20,00,00,000 preference shares of ₹ 10 each | 200,00,00,000.00 |
| **Total** | **262,50,00,000.00** |
| **Issued, Subscribed and Paid – up** | |
| 19,46,30,623 equity shares of ₹ 2.50 each | 48,65,76,557.50 |
| **Total** | **48,65,76,557.50** |

**Resulting Company:** Upon the Scheme coming into effect and on issue of 34,95,655 fully paid-up equity shares of the Resulting Company of the face value of Rs. 10 each to the shareholders of the Demerged Company, except to the Resulting Company itself, in consideration for the demerger in compliance with the provisions of Section 2(19AA) of the Income Tax Act, 1961, the issued, subscribed and paid up share capital of the Resulting Company shall increase to 24,05,11,580 divided into 24,05,11,58 equity shares of Rs. 10 each, as given below:

| **NXTDIGITAL LIMITED** | |
|---|---|
| **Particulars** | **Amount (Rupees)** |
| **Authorized Capital** | |
| 870,00,000 equity shares of ₹ 10 each | 87,00,00,000 |
| 30,00,000 preference shares of ₹ 10 each | 3,00,00,000 |
| 1,000 9.50% Preference shares of ₹ 100 each | 1,00,000 |
| **Total** | **90,01,00,000** |
| **Issued, Subscribed and Paid – up** | |
| 24,05,11,58 equity shares of Rs 10 each | 24,05,11,580 |
| **Total** | **24,05,11,580** |

The issued, subscribed and paid up share capital of the Resulting Company as on the date of this Notice is ₹ 20,55,55,030 divided into 2,05,55,503 equity shares of ₹ 10 each.

**25. General**

The Scheme is not expected to have any adverse effects on the material interests of KMP, directors, promoters, non-promoters shareholders, depositors, creditors, debenture-holders, debenture-trustee and employees of the Demerged Company and the Resulting Company, wherever relevant.

The rights and interest of secured creditors and unsecured creditors of either of the companies, if any, will not be prejudicially affected by the Scheme, as no sacrifice or waiver, at all called from them, nor their rights are sought to be modified in any manner and post the Scheme, the Resulting Company will be able to meet their liabilities.

The latest audited financial statements for the year ended March 31, 2019 of the Resulting Company indicate that is in a solvent position and would be able to meet liabilities as they arise in the course of business. There is no likelihood that any secured creditor or unsecured creditor of the Demerged / Resulting Company would lose or to be prejudiced as a result of the Scheme being passed, since no sacrifice or waiver is called for from them nor are their rights sought to be adversely modified in any manner.

Hence, the Scheme will not cast any additional burden on the shareholders or the creditors nor will it adversely affect the interest of any shareholders or creditors

As on the date of this Notice, no winding up proceedings are pending against the Demerged Company and the Resulting Company.

No investigation or proceedings are pending under the provisions of the Companies Act, 2013 in respect of the Demerged Company and the Resulting Company.

**26. Approvals/Sanctions/No-Objections from Regulatory or any Governmental Authorities**

The Scheme is conditional upon and subject to:

a) 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;

b) The Scheme being agreed to by the respective requisite majorities of the members of the Demerged Company and the Resulting Company and the requisite order or orders being obtained;

c) The Scheme being approved by the shareholders of the Resulting Company through resolution based on: (i) Postal Ballot (ii) Remote E-voting and (iii) Poll at the venue of the Meeting 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;

d) The sanction of the Scheme by the Competent Authority under Sections 230 - 232 of the Companies Act, 2013;

e) The certified copies of the order of the Competent Authority being filed with the Registrar of Companies, Maharashtra at Mumbai.

f) Any other sanction or approval of any government 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.

**27. Inspection**

The following documents will be open for inspection by the shareholders of the Resulting Company at its registered office at IN Centre, 49/50, 12th Road, MIDC, Andheri (E), Mumbai- 400093

i. Copy of the Order passed by Hon'ble NCLT in Company Application 378 of 2020, dated February 27, 2020 directing the Resulting Company to, inter-alia, convene the meetings of its equity shareholders;

ii. Copy of the Memorandum and Articles of Association of all the companies;

iii. Copy of the audited financial statement of the Demerged Company and Resulting Company as on March 31, 2019;

iv. Copy of unaudited financial results of the Company with Limited Review Report for the quarter and nine months ended December 31, 2019 for both the Resulting and Demerged Company;

v. Copies of Valuation Report, along with its annexures, dated August 22, 2019 and September 24, 2019, issued by PKF Sridhar & Santhanam LLP, Chartered Accountants;

vi. Copies of Fairness Opinion dated August 23, 2019, and September 25, 2019 alongwith letter of undertaking dated October 04, 2019 issued by Saffron Capital Advisors Private Limited, Merchant Banker;

vii. Copies of Statutory Auditors certificates dated September 23, 2019 and September 25, 2019 issued by the statutory auditors of Resulting Company and Demerged Company respectively confirming the accounting treatment proposed in the Scheme is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act;

viii. Copy of the Scheme of Arrangement;

ix. Copies of the resolutions passed by the Board of Directors of the Demerged Company and Resulting Company approving the Scheme of Arrangement;

x. Copy of Audit Committee report recommending Scheme of Arrangement of Demerged Company and Resulting Company;

xi. Copy of Board Report recommending Scheme of Arrangement of Demerged Company and Resulting Company;

xii. Observation letters to the Scheme of Arrangement received from the BSE Limited (BSE) and National Stock Exchange of India Limited (NSE) both dated January 13, 2020;

xiii. Pre and Post Shareholding pattern of the Companies involved in the Scheme of Arrangement.

This statement may be treated as an Explanatory Statement under Sections 230(3), 232(1) & (2) and 102 of the Act read with rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by the Resulting Company to its shareholders, free of charge, within one (1) working day (except Saturdays) on a requisition being so made for the same by the shareholders of the Resulting Company.

After the Scheme is approved by the equity shareholders, of the Resulting Company it will be subject to approval / sanction by the Hon'ble NCLT.

Sd/-
**Ashok P. Hinduja**
**(DIN: 00123180)**
**Chairman appointed for the meeting**

Place: Mumbai
Date: March 02, 2020

**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 23rd 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 18th 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 31st March, 1995. The name of the Resulting Company was further changed from "Hinduja Finance Corporation Limited" to "Hinduja TMT Limited" and a fresh



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Certificate of Incorporation consequent upon the change of name was issued on 8th 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 23rd 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' of the Demerged Company (more particularly defined hereinafter) in the backdrop of the fact that Demerged Company's 'Media and Communications 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 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;



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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 1st 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.



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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) relatable 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.



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(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, 12th 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 31st July 2019 is as under:-



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| IndusInd Media and Communications Limited (Demerged Company) | |
|---|---|
| **Particulars** | **Amount in Rs** |
| **Authorised Share Capital** | |
| 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 |
| **Total** | **450,00,00,000** |
| **Issued, Subscribed, Called-up and Paid-up Capital** | |
| 19,46,30,623 equity shares of Rs. 10 each | 194,63,06,230 |
| **Total** | **194,63,06,230** |

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

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

| Hinduja Ventures Limited (Resulting Company) | |
|---|---|
| **Particulars** | **Amount in Rs** |
| **Authorised Share Capital** | |
| 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 |
| **Total** | **90,01,00,000** |
| **Issued, Subscribed, Called-up and Paid-up Capital** | |
| 2,05,55,503 equity shares of Rs 10 each | 20,55,55,030 |
| **Total** | **20,55,55,030** |

There has been no change in the share capital of Resulting Company post 31st 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



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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.



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## 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.

5.1 **In the books of Demerged Company**

5.1.1 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.

5.1.2 The excess of the book value of assets transferred over the book value of liabilities transferred shall be transferred to the Retained earnings (Debit balance in Profit and Loss Account).

5.1.3 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.

5.1.4 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.

5.1.5 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.

5.1.6 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



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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

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

5.2 **In the books of Resulting Company**

5.2.1 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.

5.2.2 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.

5.2.3 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.

5.2.4 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 based on the valuation carried out by an independent valuer for the purpose of demerger.

5.2.5 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.

5.2.6 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.

5.2.7 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.

5.2.8 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."



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## 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



HINDUJA VENTURES LIMITED

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 on the rolls of Demerged Company engaged in the Media and Communications Undertaking and who are duly identified or specified as such by the Board of Directors as at 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.



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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.



HINDUJA VENTURES LIMITED

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.

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HINDUJA VENTURES LIMITED

Ashok Mansukhani

**PKF SRIDHAR & SANTHANAM LLP**
*Chartered Accountants*

To
The Board of Directors
Hinduja Ventures Limited,
In Center, 49/50, MIDC, 12th Road,
Marol, Andheri East – 400093

Dear Sirs,

Subject: Our valuation report in connection with the scheme of arrangement between Indusind Media and Communications Limited (Demerged Company) and Hinduja Ventures Limited (Resulting Company) and their respective shareholders

We are pleased to attach our valuation report and an explanatory note of even date in connection with the subject matter mentioned above.

Our valuation approach and methodology confirm with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the extent relevant for the 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 the relevant rules made thereunder.

Thanking You,

Respectfully submitted,

PKF SRIDHAR & SANTHANAM LLP Firm No. 003990S/S200018 MUMBAI

T.V. Balasubramanian
Regn. No. IBBI/RV/06/2018/10073
Partner
PKF Sridhar & Santhanam LLP
Date: 22-Aug-2019

91/92, VII Floor, Dr.Radhakrishnan Road, Mylapore, Chennai- 600004, India
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# Security cover

PKF SRIDHAR & SANTHANAM LLP
Firm No. 003990S/S200018
MUMBAI

# Project Sprint

**PKF Sridhar & Santhanam LLP**

Valuation Analysis for
Hinduja Ventures Limited

Hinduja Ventures
Inspiring Growth

*August 22, 2019*

# Background

## About the Company

Hinduja Ventures Limited ("HVL" or the "company") a listed company was incorporated on 18 July 1985.

The company is engaged in trading of electronic equipment, treasury and investments. The Company's segments include media and communications, real estate, investments and treasury.

The company's performance is highlighted below:

| Rs crores | Standalone | | Consolidated | |
|---|---|---|---|---|
| Particulars | FY 2019 | FY 2018 | FY 2019 | FY 2018 |
| Revenue from operations | 45.44 | 252.88 | 690.48 | 839.84 |
| Other Income | 1.55 | 0.68 | 20.10 | 24.22 |
| Net Profit / (Loss) after Tax | (47.20) | 97.05 | (343.12) | (231.02) |

A significant part of HVL's investments is in the media sector through its investment in IndusInd Media & Communications Limited (IMCL), a subsidiary of HVL. IMCL is the only integrated digital platform operator (DPO) with delivery via digital cable, satellite ("HITS").

As on 31st March 2019, HVL holds 77.55% stake in IMCL.

Current shareholding pattern of HVL is as follows:

| Particulars | % held |
|---|---|
| Promoter group | 57% |
| Individuals | 15% |
| Institutions | 28% |
| | 100% |

## Engagement background

HVL has commissioned Mr. T.V. Balasubramanian, Registered Valuer, Partner - PKF Sridhar & Santhanam LLP and to carry out valuation analysis of the Company for determining the swap ratio of shares of HVL (Holding Company) to be issued to minority shareholders of IMCL in connection with a scheme of reorganization to be undertaken by HVL with its subsidiary company IMCL.

Our mandate is to carry out a valuation analysis without a detailed due diligence based on full, frank and complete disclosure by the company of all matters that a qualified commercial investor would consider as affecting the valuation of the company.

Work has been carried out based on projections, financial statements and other information provided to us from time to time coupled with external sources of information such as publicly available data on peer companies.

Consistent with the objectives of the valuation context, the projected business plan is the optimistic business plan in order to fully exploit the existing investment in the network and supply chain:

the business plan has not been independently appraised by ourselves or any external agency;

Were we required to make such an appraisal, additional information could come to our knowledge which may affect the valuation analysis

and our current opinion on the valuation presented in this report.

Our report is strictly addressed to the management of the Company and should not be used by any other person or for purposes without our prior written consent.



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# Full, frank and complete disclosures

| S. No. | Particulars | Response |
|---|---|---|
| 1 | Does the Technical network infrastructure have any limitations to offer services that are consistent with the services provided by the competition and would enable the business to reach it envisaged market position ? | No limitations considering current market offerings by competition |
| 2 | Is there required capital expenditure to technically put the company in a position to offer the services envisaged been provided in the Project business plan provided for the valuation ? | Yes. Our technical team has appraised this and confirmed the capital expenditure factored in the business plan |
| 3 | Is the company fully independent to execute all the activities required for its business cycles? List out dependencies if any | Nil. There are no dependencies |
| 4 | Any regulatory restrictions that are currently affecting the performance of the Company or would potentially affect the future performance ? | None |
| 5 | Intercompany and Group Transactions and any other related party transactions included in the business plan? Are they carried out at Arm's length ? | Yes, as disclosed in the financial statements. All transactions are carried out at Arms length |
| 6 | Is there any changes in the corporate structure of the company? | No |
| 7 | Detailed List of Contingent Liabilities. Enumerate the amount of liability envisaged? | Disputed Income Tax demands – Rs.49.51 crores |
| 8 | Any Legal disputes or other Litigation and its impact on the company | None other than those disclosed in contingent liabilities in financial statements |
| 9 | The company has full compliment of staff required to carry out proposed business plan of the company | Yes |
| 10 | Any Environmental issues faced by the company and is there likely to be any financial impact? If yes quantify? | None |
| 11 | Position of tax related liabilities | Nil, other than contingent liabilities disclosed in financial statements |
| 12 | Are there any incentives enjoyed by the company currently? | No |
| 13 | Any corporate guarantee for the company provided? Will it continue? | No |
| 14 | If the financials for the completed period are unaudited, are the unaudited financials prepared on a reasonable basis and are not likely to have material change on audit? | Yes, Unaudited prepared on the same basis as audited accounts |
| 15 | Any major change in business operations? If yes, are the projections adjusted accordingly? | No major change in business operations. |
| 16 | Any other disclosure that a qualified commercial investor would consider affecting the valuation | No |



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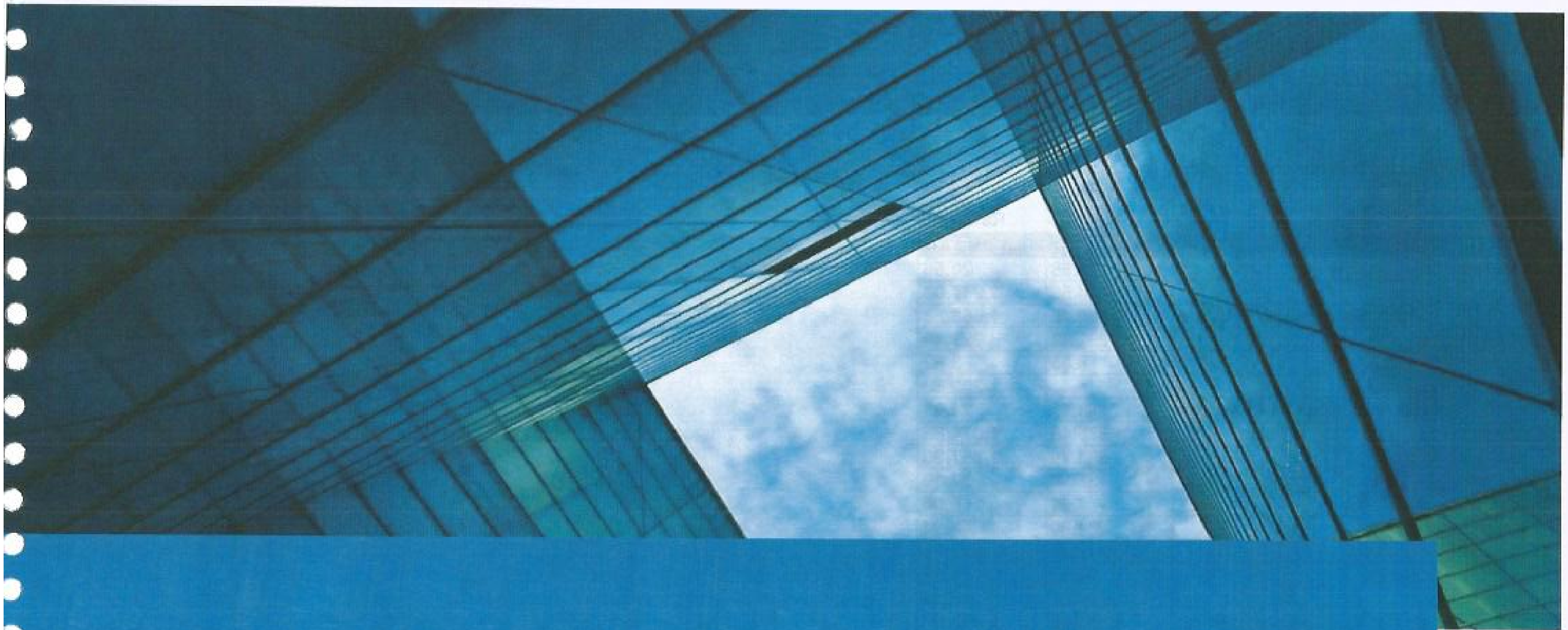

# Historical financial statements



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# Balance sheet

Given below is the balance sheet of HVL:

Rs Crores

| Particulars | FY18 | FY19 |
|---|---|---|
| Capital | 20.56 | 20.56 |
| Reserves | 2,014.56 | 1,948.03 |
| **Total Shareholders Funds** | **2,035.12** | **1,968.58** |
| Fixed Assets | 237.38 | 223.49 |
| Trade receivables | 6.05 | 3.62 |
| Debt for Fiber assets | | -202.50 |
| **Total Assets for Fiber assets** | **243.43** | **24.61** |
| Investments | 1,675.46 | 1,074.35 |
| Investments in IMCL | 893.79 | 1,357.30 |
| Inventories – Land | 37.19 | 37.19 |
| Cash & bank balance | 7.51 | 5.06 |
| Other assets | 234.90 | 42.04 |
| Less:Other liabilities | -312.37 | -223.73 |
| Net Current Assets | -69.95 | -176.64 |
| Debt | -744.82 | -348.23 |
| **Total Assets for Treasury Operations** | **1,791.69** | **1,943.97** |
| **Total Assets** | **2,035,12** | **1,968.97** |

# Profit & loss statement

Given below is the profit and loss statement of HVL:

Rs Crores

| | FY2019 | | | | | FY2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Investments | Real estate | Media | Unallocated | Total | Investments | Real estate | Media | Unallocated | Total |
| **INCOME** | | | | | | | | | | |
| Interest | 0.4 | - | 5.3 | - | 5.7 | 30.19 | - | - | - | 30.2 |
| Dividend | 5.5 | - | - | - | 5.5 | 5.02 | - | - | - | 5.0 |
| Fibre | - | - | 34.2 | - | 34.2 | - | - | 5.64 | - | 5.6 |
| Sub-broking / fee | 0.1 | - | - | - | 0.1 | 0.25 | - | - | - | 0.3 |
| Other income | - | - | - | 1.6 | 1.6 | - | - | - | 0.03 | 0.0 |
| Realised income from shares / debentures | 405.7 | | | | 405.7 | 183.98 | - | - | - | 184.0 |
| | **411.7** | - | **39.4** | **1.6** | **452.7** | **219.4** | - | **5.6** | **0.0** | **225.1** |
| Finance cost | 43.9 | - | 20.7 | 0.0 | 64.7 | 41.75 | - | 3.09 | 0.00 | 44.8 |
| Impact of Ind As | 427.7 | - | - | - | 427.7 | - | - | - | - | - |
| Other Income | 3.3 | - | - | - | 3.3 | - | - | - | - | - |
| Staff Cost | 1.7 | 0.5 | 1.2 | 0.3 | 3.6 | 1.75 | 0.48 | 1.37 | 0.41 | 4.0 |
| Impact of Ind AS | - | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | - | - |
| Depreciation / Amorisation | 0.2 | - | 13.7 | - | 14.0 | 0.25 | - | 4.14 | - | 4.4 |
| Admin and Other Expense | 5.0 | 0.4 | 0.5 | 0.8 | 6.7 | 2.98 | 0.40 | 0.77 | 1.81 | 6.0 |
| Legal & Prof. Fee | 1.9 | 0.8 | 0.1 | 0.6 | 3.4 | 3.92 | 0.93 | 0.04 | 1.61 | 6.5 |
| Rent | 1.0 | - | - | - | 1.0 | 1.07 | - | - | - | 1.1 |
| | **484.8** | **1.7** | **36.2** | **1.7** | **524.4** | **51.7** | **1.8** | **9.4** | **3.8** | **66.8** |
| **Profit before tax** | **-73.1** | **-1.7** | **3.3** | **-0.2** | **-71.6** | **167.7** | **-1.8** | **-3.8** | **-3.8** | **158.3** |



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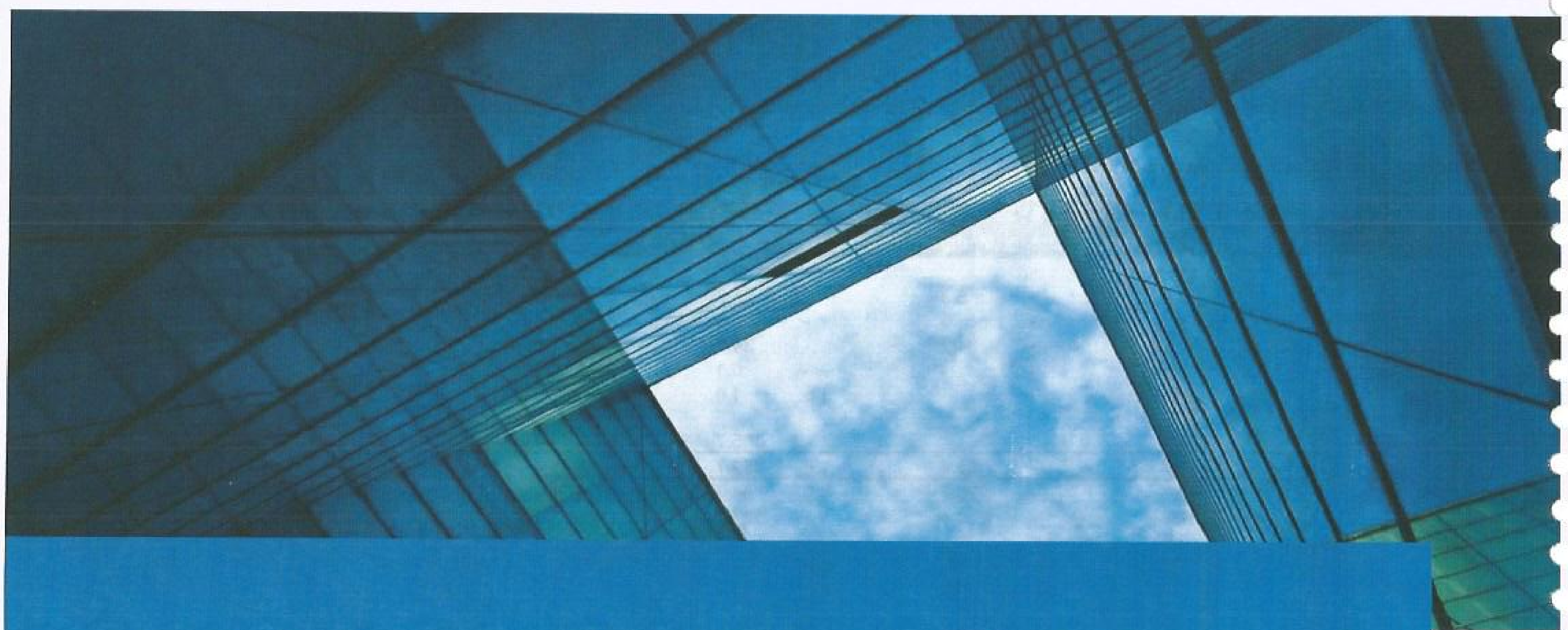

# Methods & approach

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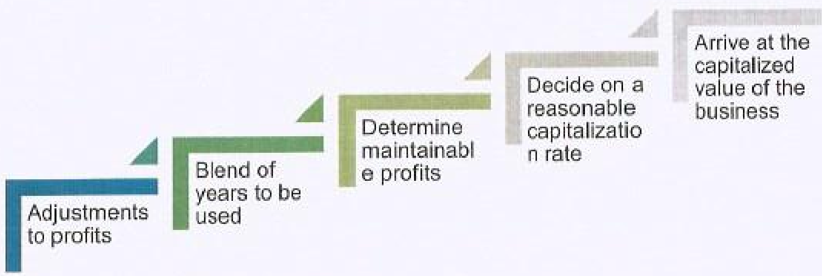
# Overview of possible methods

**Capitalization method**

Average profits are capitalised at a rate of return, as applicable to the company and the industry.

The Capitalisation approach can be structured in the following five steps, which are depicted in the graph below:

- Determine adjustments for extraordinary items, abnormal losses, taxation, appropriate weights to profits etc
- Decide on the blend of past and future years to be considered
- Determining the maintainable profits based on a blend of past and future financials, evaluating what is best reflective of the potential of the company as investor's business objective post acquisition;
- Determination of the capitalisation rate, which represents a rate of return that considers the relative risk of the Company;
- Determine the value of the business based on the maintainable profits as arrived at the appropriate capitalisation rate determined.




**Discounted cashflow method ("DCF")**

The estimate of the future net returns to investors would be the theoretically most appropriate approach for company valuations. As these returns are difficult to determine, proxies are needed. The most widely used proxies are the so called "free cash flows", which are calculated as the gross cash flows generated by the operating activities of the company less the needed investments in the net working capital and the capital expenditures ("capex").

The DCF approach can be structured in the following four steps:

- Estimation / validation of unlevered future free cash flows for a certain discrete projection period;
- Determination of the weighted average cost of capital ("WACC"), which represents a rate of return that considers the relative risk of the Company achieving its cash flows and the time value of money;
- Estimation of the terminal value of free cash flows subsequent to the discrete projection period by taking into consideration the full investment cycle of the Company;
- Discounting both the future free cash flows of the discrete projection period as well as the terminal value to the valuation date to determine the operating firm value.



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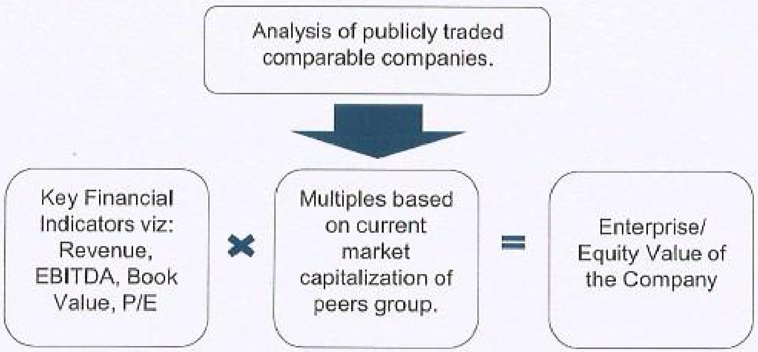
# Overview of possible methods

**Market Multiple Method ("MMM")**

The market comparable approach determines the market value of a company by applying metrics from publicly traded companies ("peers group") in similar lines of business.

The conditions and prospects of companies in similar lines of business depend on common factors such as overall demand for their products and services. An analysis of the market multiples of companies engaged in similar businesses yields insights into investor perceptions and, therefore, the value of the subject business.




**Cost Method**

Cost Method could be a variant of
- Book value method (Historical cost);
- Current Cost method; or
- a combination of these.

In the case of historical cost method, all assets are taken at their respective historical costs.
- Value of goodwill is ascertained and added to such historical cost of assets.

Under Current cost method
- Tangible assets – cost or current replacement price is taken
- Investment – valued at current market prices, unquoted investments are taken at cost, unless MP determined
- Inventory – current market prices
- Debtors – net collection / realizable amount
- Intangibles – current acquisition prices (Patents, TM, CP)

Cost method is generally not the preferred method in a going concern valuation but is surely a useful tool for valuation in specific circumstances

# Choosing the right valuation method

| Methods and their general use scenario | | | |
|---|---|---|---|
| **DCF method** | **Capitalization method** | **Multiples method** | **Cost Method** |
| • Growth phase / new projects<br>• Cash flow projections are available and reliable<br>• Unique business model<br>• Long term outlook | • Stable returns<br>• Standard business model | • Stable business<br>• Peer group companies' data available<br>• Short to Medium term outlook | • Nascent projects with high capex involvement<br>• No significant intangibles involved |

Note: These are general criteria in selecting the right model to use and on a case to case basis, judgment is applied by us in choosing the appropriate model for valuation analysis

**Drivers in choosing the method of valuation analysis**

- Information
  - Availability
  - Reliability
- Characteristics
  - Marketability
  - Current cash flow status
  - Uniqueness of assets
- Investment
  - Time horizon
  - Market views
- Legal requirements

# Our approach to valuation analysis

We generally apply one or more valuation methods, analysing principal characteristics of businesses relevant to value and particular considerations required in the analysis to arrive at valuation analysis objective. Three broad valuation approaches are as explained below:

**Income Approach:**
It considers the income that an asset will generate over its remaining useful life. Appropriate yield or discount rate is applied to the projected income stream to arrive at a capital value. Two commonly used methods under Income Approach are Capitalization Method and Discounted Cash Flow Method.

This method has been applied for HVL's fiber asset business in our valuation analysis.

**Market Approach:**

**Market price method** – the market price of an equity share as quoted on a stock exchange is normally considered as the value of equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

This approach has been considered for valuing investments in quoted shares.

**Comparable transaction multiple method:** under this method, value of the equity shares of a company/business is arrived at by using multiples derived from valuations of comparable companies, as manifested through transaction valuations of listed. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances

We have used the price to book multiples for peer companies to cross check the valuation conclusions for one investment.

**Cost Approach:**
It considers the basic economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal quality. Appropriate adjustments are to be made considering undue time, inconvenience, risk and other factors involved towards the cost of modern equivalent. Being a service business, the physical assets have limited implication on the company's business potential and accordingly as a going concern, net asset value will not provide appropriate value in the current situation.

Thus, cost approach will not showcase a fair benchmark for INE's business.



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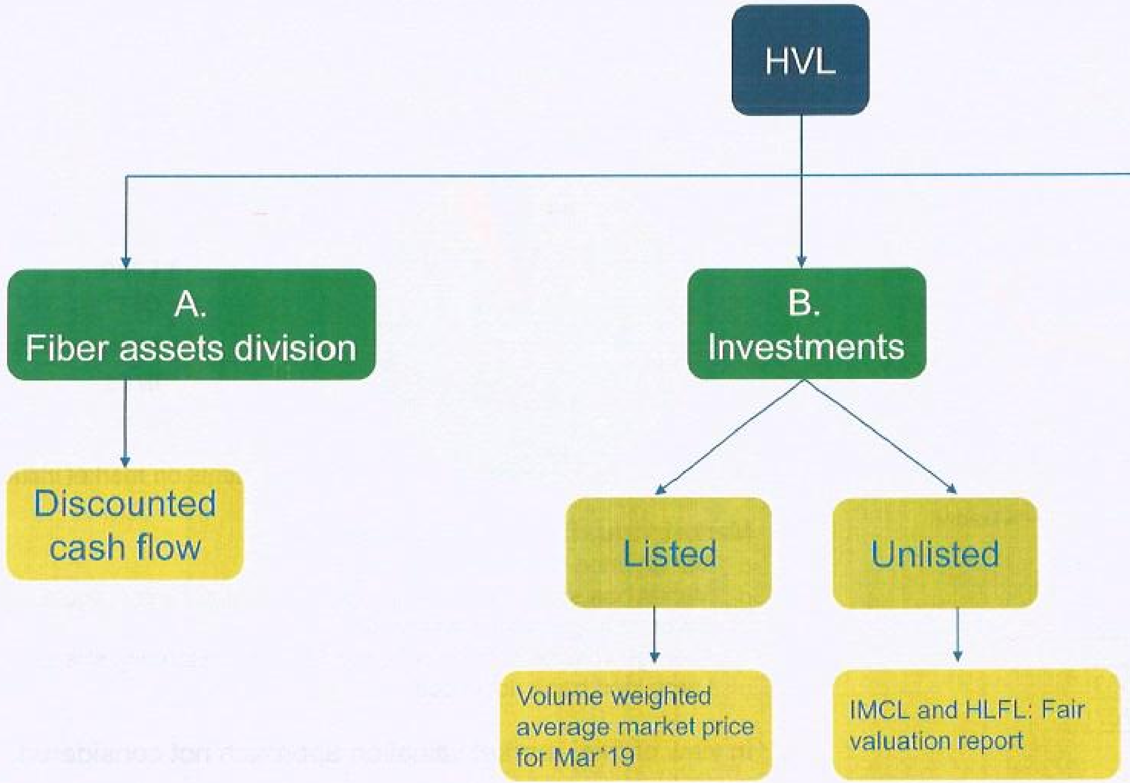
## Valuation approach

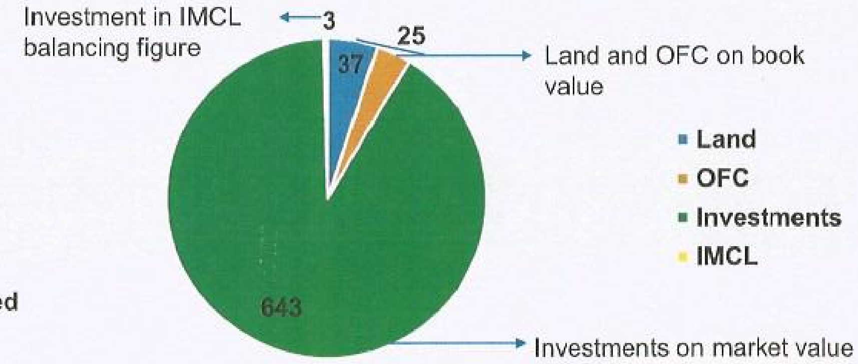


# HVL Market value of shares

**Monthly volume weighted average share price (Rs. crs.) / % of paid-up capital traded**


| | |
|---|---|
| Market price (volume weighted average Mar'19) (Rs.) | 344 |
| No. of shares o/s | 2,05,55,503 |
| Market capitalisation (Rs. crs.) | 707 |

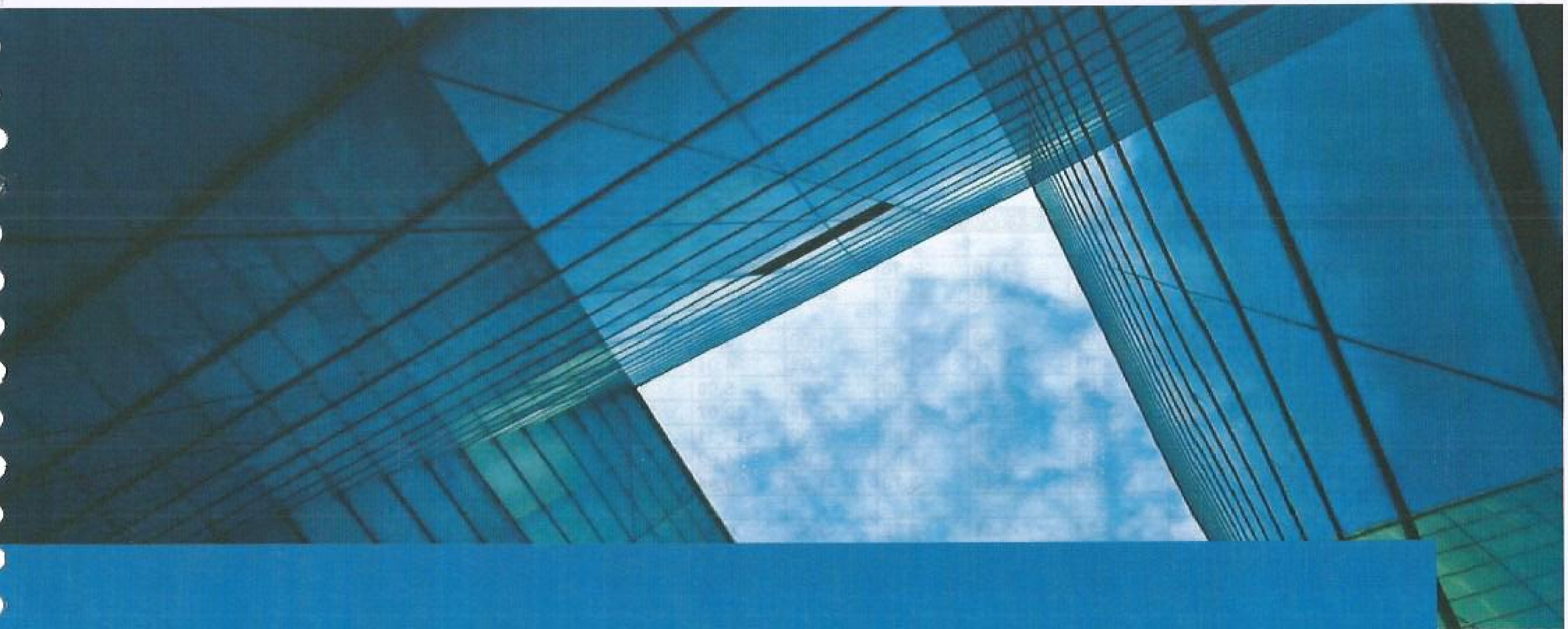
**Allocation of market value to segments (Rs. crs.)**




**Market valuation – aberrations**

- Market price is deeply discounted.
- Market has still not repriced investment in IMCL after regulatory driven change in business model.
- Average volume of trade is below 10% of outstanding shares.
- Large land bank not priced.

In view of this, market valuation approach not considered.



# Valuation - A
## Fiber asset division - DCF

# Projected profit and loss statement – Fiber asset

Given below is the projected profit & loss statement for fiber asset business for FY20 to FY24 vis-à-vis the performance for FY19:

Rs Crores

| Particulars | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|---|
| **Income** | | | | | | |
| Income from Optic Fiber | 34.16 | 34.16 | 34.16 | 34.16 | 34.16 | 34.16 |
| **Total Income** | **34.16** | **34.16** | **34.16** | **34.16** | **34.16** | **34.16** |
| Expenditure | | | | | | |
| Employee Costs | 1.09 | 1.09 | 1.09 | 1.09 | 1.09 | 1.09 |
| Admin & Other Expenditure | 4.01 | 4.01 | 4.01 | 4.01 | 4.01 | 4.01 |
| **Total Expenditure** | **5.09** | **5.09** | **5.09** | **5.09** | **5.09** | **5.09** |
| **EBIDTA** | **29.07** | **29.07** | **29.07** | **29.07** | **29.07** | **29.07** |
| Interest & amortisation of fee | 19.36 | 20.46 | 18.83 | 16.62 | 14.11 | 10.14 |
| Depreciation | 13.96 | 14.02 | 14.02 | 14.02 | 14.02 | 14.02 |
| **PBT** | **-4.24** | **-5.41** | **-3.78** | **-1.57** | **0.94** | **4.90** |
| Tax | - | - | - | - | - | - |
| **PAT** | **-4.24** | **-5.41** | **-3.78** | **-1.57** | **0.94** | **4.90** |
| CSR Adjustments | 3.04 | 3.04 | 3.04 | 3.04 | 3.04 | 3.04 |
| PAT after CSR adjustment | **-7.29** | **-8.45** | **-6.83** | **-4.61** | **-2.10** | **1.86** |



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# WACC assumptions

| Parameter | Assumption | Comments |
|---|---|---|
| Valuation Object | Equity | Object of the value considerations is equity of HVL |
| Scenario | Standalone and going concern | For the purpose of this valuation we have assumed that the company will be able to independently continue its business activities in future |
| Valuation Date | 31-Mar-2019 | Valuation date of our analysis is 31st March 2019 |
| Tax Rate | 29.12% | Applicable as per Income Tax Act |
| Terminal Growth Rate | 5% | Considering the revenue and cash flow growth envisaged in the projections, a 5% growth rate is considered for perpetuity |
| Risk adjustment to WACC | - | Considering stable cash flows with no incremental working capital requirement, no risk adjustment has been considered |
| Unlisted Company Discount | - | Since HVL is a listed company, this is considered as 0% |
| Cost of Equity | 15.38% | Cost of equity is built up considering returns on SNP CNX Index and re-levered beta of the peer companies available for comparison |
| Pre-tax cost of debt | 10.50% | Actual cost of debt |
| WACC | 11.79% | Computing using cost of equity, cost of debt and their corresponding weights |



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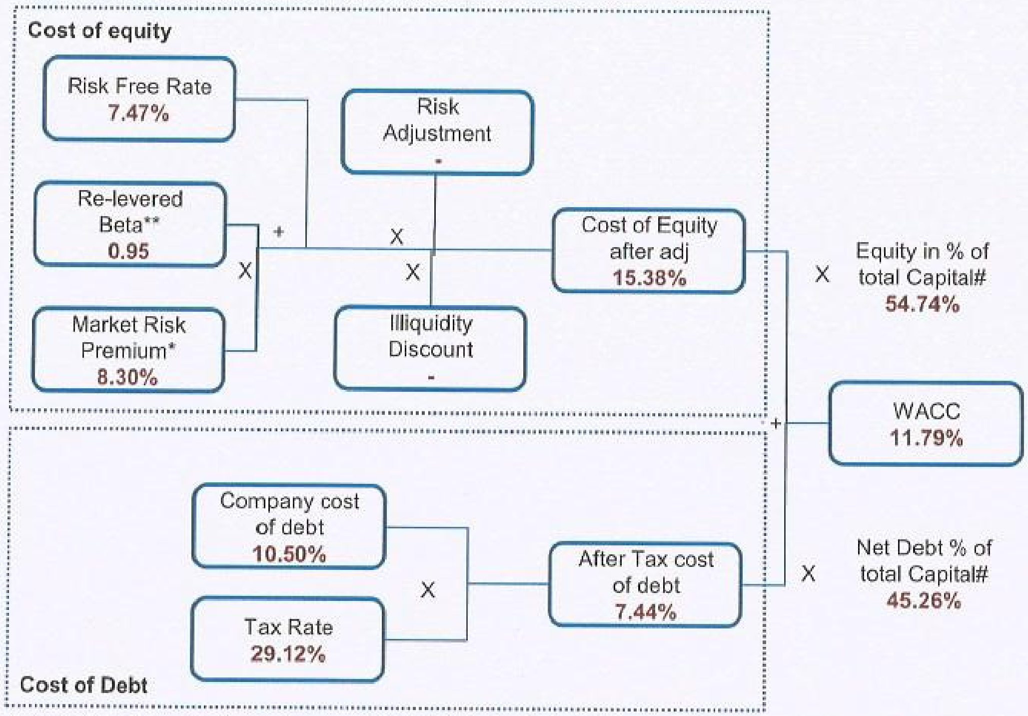
# Weighted average cost of capital (WACC)

WACC for the target is computed as follows:




# Weight of total debt as against total equity of the entity.

*- Calculated considering returns on SNP CNX Index for last 15 years minus risk free rate of government bond

** - Calculated considering average of unlevered beta of peer companies as on recent available date and re-levered with debt : equity of the Company

# Discounted cash flow – fiber asset business

Given below is the discounted cashflow for fiber asset business:

Rs Crores

| Amount in Rs. Crores | 2019 (UA) | 2020 | 2021 | 2022 | 2023 | 2024 | 2024 (TV) |
|---|---|---|---|---|---|---|---|
| PAT | -7.29 | -8.45 | -6.83 | -4.61 | -2.10 | 1.86 | |
| Add: Depreciation | 13.96 | 14.02 | 14.02 | 14.02 | 14.02 | 14.02 | |
| Add: Interest | 19.36 | 20.46 | 18.83 | 16.62 | 14.11 | 10.14 | |
| CFFO | 26.03 | 26.03 | 26.03 | 26.03 | 26.03 | 26.03 | |
| Capex | - | - | - | - | - | - | |
| Inc. WC | | - | - | - | - | - | |
| Cash Flow | 26.03 | 26.03 | 26.03 | 26.03 | 26.03 | 26.03 | |
| Terminal Value | | | | | | | 285.29 |
| Total | | **26.03** | **26.03** | **26.03** | **26.03** | **26.03** | **285.29** |
| Discount Period | | 1.00 | 2.00 | 3.00 | 4.00 | 5.00 | 5.00 |
| Discounting Factor | | 0.89 | 0.80 | 0.72 | 0.64 | 0.57 | 0.57 |
| Cash Flow Present Value | | **23.28** | **20.83** | **18.63** | **16.67** | **14.91** | **163.41** |
| Discounting Rate | 11.79% | | | | | | |
| Growth Rate | 5.00% | | | | | | |
| EV | **257.72** | | | | | | |
| Less: Opening debt | -202.50 | | | | | | |
| Add: Cash and bank balances | 5.06 | | | | | | |
| Total Equity Value | **60.28** | | | | | | |



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# Valuation - B

## Investments (Quoted & Unquoted)

# Investments

## Quoted shares

Basis: 1 month ended Mar'19 volume weighted average price on the exchange which recorded higher trading volume

| Sr. No. | Name of the Security | Qty | Face Value (Rs.) | Carrying value – March' 19 (Rs. crs.) | Market Price (Rs.) | Market Value (1M ended Mar'19) (Rs. crs.) |
|---|---|---|---|---|---|---|
| A.1 | GOCL Corporation | 1,916 | 2.00 | 0.06 | 308.69 | 0.06 |
| A.2 | Gulf Oil Lubricants India | 1,916 | 2.00 | 0.16 | 847.16 | 0.16 |
| A.3 | IndusInd Bank | 45,31,581 | 10.00 | 807.57 | 1,652.32 | 748.76 |
| A.3 | VCK Capital Market Services | 24,007 | 10.00 | 0.01 | 1.32 | 0.00 |
| | **Quoted Shares (A)** | | | **807.81** | | **748.99** |

## Unquoted shares

| Sr. No. | Name of the Security | Qty | Face Value (Rs.) | Carrying value – March' 19 | Valuation Basis | Total Fair Value (Rs. crs.) | % held | Fair Value (Rs. crs.) |
|---|---|---|---|---|---|---|---|---|
| B.1 | IMCL | 15,09,34,830 | 10 | 1,357.30 | Fair valuation report | 2,015.48 | 77.55% | 1,562.99 |
| B.2 | HLFL | 1,62,70,244 | 100 | 266.55 | Fair valuation report by VC Capital Advisors | 7694.34 | 3.46% | 266.55 |
| | **Unquoted Shares (B)** | | | **1,623.85** | | | | **1,829.54** |
| | **A + B** | | | | | | | **2,578.22** |
| | **(-) Debt** | | | | | | | **(348.23)** |
| | **(-) Contingent liability – Disputed Income Tax demands (50%)** | | | | | | | **(24.75)** |
| | **Total** | | | | | | | **2,205.53** |



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# Investments (contd.) – HLFL

PKF Sridhar & Santhanam LLP

**HLFL:**

| | Consolidated |
|---|---|
| Net worth (Rs. crs.) | 2,767.25 |
| No. of shares | 46,96,70,990 |
| Book value per share (Rs.) | 58.92 |
| Enterprise value (Rs. crs.) | 7,694.34 |
| No. of shares | 46,96,70,990 |
| Fair value per share (Rs.) | 163.82 |
| **Price to book ratio** | 2.78 |

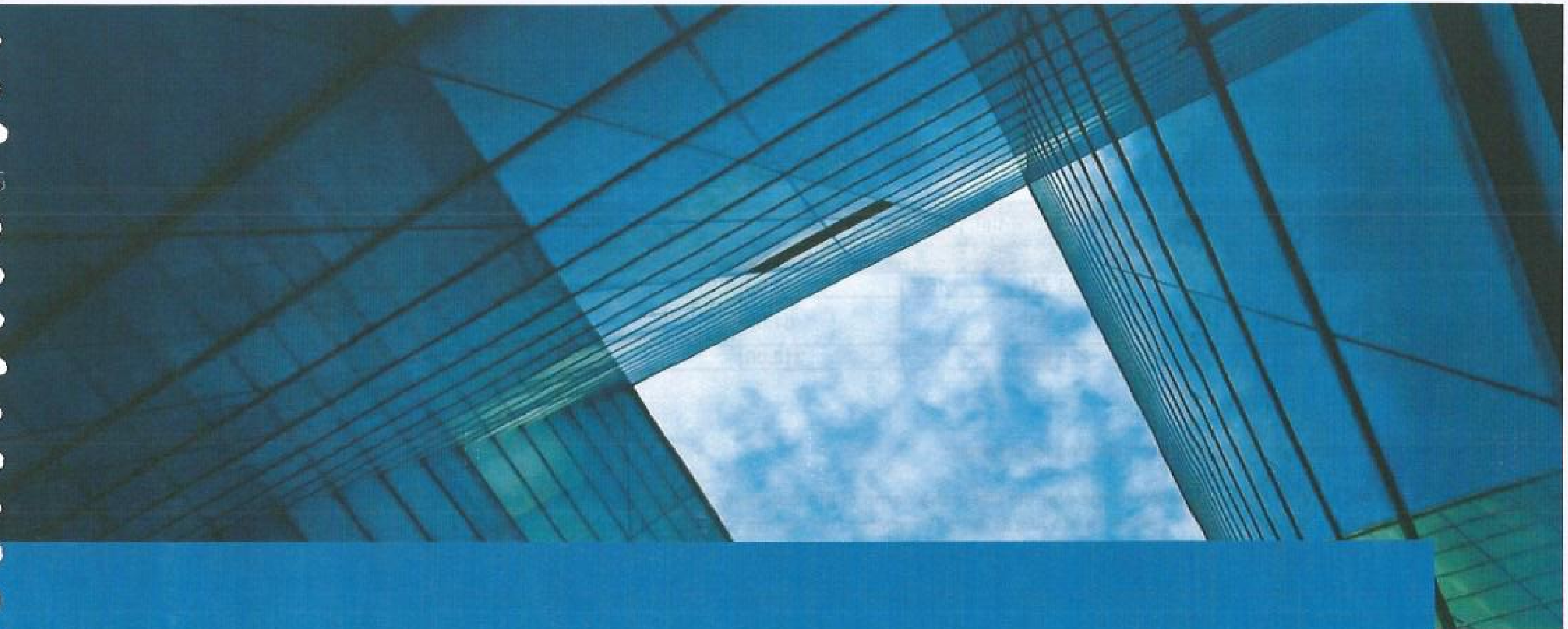
**Comparison of HLFL vis-vis peer companies (Mar'19):**

| Mar-19 | HLFL | Sundar am Fin | Shriram Trpt | Chola | SREI | Bajaj Fin |
|---|---|---|---|---|---|---|
| Price to book ratio | 2.78 | 2.74 | 1.81 | 3.65 | 0.36 | 8.86 |
| | 2.78 | | | | Median | 2.74 |

VC Capital Advisors has valued at Rs.164 per share of HLFL

**Recent transactions**

- FY 2019 - 132 lacs shares @ average price of Rs.151 per share.
- Out of this,
  - Rights issue - 2 lacs shares to HVL @ Rs.153 per share.



# Valuation - C

# Real estate (Land)

# Land valuation

HVL's land parcels have been valued by external valuers. Summary of valuation is as follows:

| Sr. No. | Land Location | Area - acres | Rate per acre (Rs. crs.) | Value (Rs. crs.) | Adjustment % | Adjusted value (Rs. crs.) | Name of the valuer |
|---|---|---|---|---|---|---|---|
| 1 | Bengaluru | 47.02 | 3.27 | 153.71 | 15% | 130.65 | K.S. Venkatakrishnan |
| 2 | Hyderabad | 4.74 | 18.49 | 81.35 | - | 81.35 | ANVI Technical Advisors India Private Limited |
| | | | | **235.06** | | **212.00** | |

Valuer for Bengaluru land has highlighted the following legal issues:

- The seller did not fulfil his legal obligation to transfer the title in the name of the Company, the Company has filed a suit for specific performance in the Civil Court which is running since last 8 years. The case is said to be have been posted for final hearing;
- The Department of Revenue, Government of Karnataka, has also raised certain issues relating to the title of the land which are being addressed by the Company.

The valuer has opined a discount of 15% for the above legal issues.



PKF SRIDHAR & SANTHANAM LLP Firm No. 003990S/S200018 MUMBAI

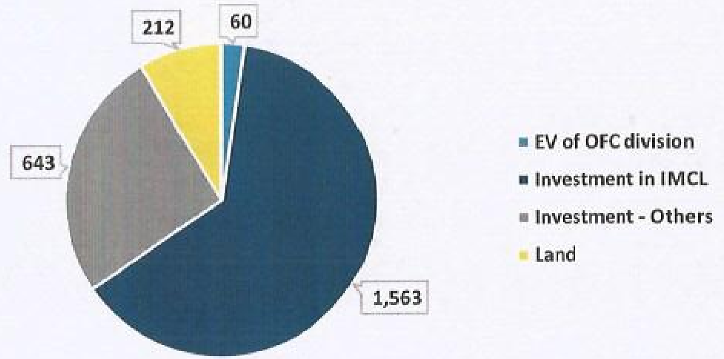
# Valuation conclusion

- The equity value of HVL is as calculated below:

Rs Crores

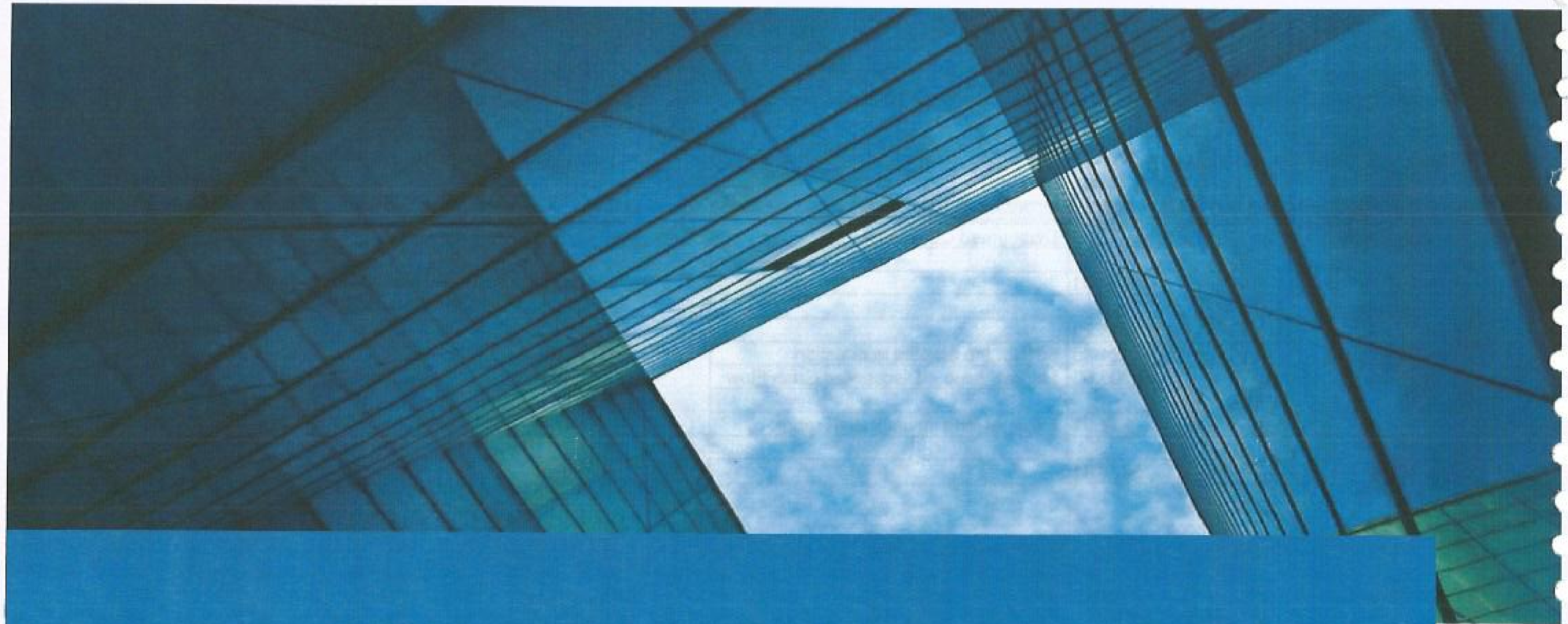
| | Particulars | 2019(UA) | Valuation Methodology |
|---|---|---|---|
| A | Valuation of Fiber Assets | 60.28 | Discounted Cash Flow |
| | | | |
| B | Investments Valuation | 2,578.51 | |
| | Adjustments for- | | |
| | Debt | -348.23 | |
| | Contingent liability | -24.75 | 50% of the amount in question |
| | Total Treasury Valuation | 2,205.53 | Market Value + Discounted Cash Flow |
| | | | |
| C | Land Value | 212.00 | External land valuer's draft report |
| | | | |
| | **Total Value** | **2,477.81** | |

**Components of HVL valuation (Rs. in crs.)**




Respectfully submitted,

T.V. Balasubramanian
Regn. No. IBBI/RV/06/2018/10073
Partner
PKF Sridhar & Santhanam LLP
Date: 22-Aug-2019



# Swap summary



PKF SRIDHAR & SANTHANAM LLP
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MUMBAI

# APPROACH: Asset

HVL:

| Particulars | Rs. crs. |
|---|---|
| Equity share capital | 20.56 |
| Other equity - consolidated | 517.38 |
| **Net worth - consolidated** | **537.93** |
| No. of shares o/s | 2,05,55,503 |
| **Value per share (Rs,)** | **261.70** |

IMCL Transfer assets:

| Particulars | Rs. crs. |
|---|---|
| **Cable / Digital TV business** | |
| Net worth | 249.65 |
| Less: Non-transfer assets | |
| Land | 0.02 |
| Building | 27.00 |
| Subsidiaries | 46.21 |
| OneOTT | 272.00 |
| **Net assets for cable business** | **-95.57** |
| No. of shares o/s | 19,46,30,623 |
| **Value per share** | **-4.91** |
| | |
| **Investment in OneOTT** | **272.00** |
| No. of shares o/s | 19,46,30,623 |
| **Value per share (Rs.)** | **13.98** |

# Market

HVL:

| Particulars | Amount |
|---|---|
| 1 month ended Mar'19 volume weighted average price per share (Rs.) | 344.09 |
| No. of shares o/s | 2,05,55,503 |
| **Market value (Rs. crs.)** | **707.28** |
| No. of shares o/s | 2,05,55,503 |
| **Value per share (Rs.)** | **344.09** |

IMCL Transfer assets:

Not applicable as the Company is not listed on any stock exchange

# Income

HVL:

| Particulars | Amount |
|---|---|
| Fair value computed using income approach (Rs. crs.) | 2,477.83 |
| No. of shares o/s | 2,05,55,503 |
| **Value per share (Rs.)** | **1,205.43** |

IMCL Transfer assets:

| Particulars | Amount |
|---|---|
| Fair value of cable / digital TV business computed using income approach (Rs. crs.) | 1,704.46 |
| Less: Contingent liability | -72.67 |
| Less: Book value of building - cost factored in DCF | -27.00 |
| Fair value of cable / digital TV business (Rs. crs.) | **1,604.79** |
| Add: IMCL's investment in OneOTT (Rs. crs.) | **272.00** |
| Value of IMCL transfer assets (Rs. crs.) | **1,876.79** |
| No. of shares o/s | 19,46,30,623 |
| **Value per share (Rs.)** | **96.43** |



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# Fair share exchange ratio

| Valuation approach (Rs.) | HVL Value per share | HVL Weight | IMCL Transfer Assets Value per share | IMCL Transfer Assets Weight |
|---|---|---|---|---|
| Asset approach | 261.70 | - | 9.06 | - |
| Income approach | 1,205.43 | 1.00 | 96.43 | 1.00 |
| Market approach | 344.09 | - | N/A | N/A |
| Relative value per share | 1,205.43 | | 96.43 | |
| **Exchange ratio (rounded off)** | | | **12.50** | |

An analysis of value per share of HVL and transfer assets of IMCL depicts the following ratio:

1 equity share of HVL of Rs.10 each for every 12.50 equity shares of IMCL of Rs.10 each fully paid-up

Or

10 equity shares of HVL of Rs.10 each for every 125 equity shares of IMCL of Rs.10 each fully paid-up

Respectfully submitted,

T.V. Balasubramanian
Regn. No. IBBI/RV/06/2018/10073
Partner
PKF Sridhar & Santhanam LLP
Date: 22-Aug-2019

# General information

# About our work and limitations



**About this work product**

- This work product is a deliverable that is a part of Valuation Analysis Engagement with HVL.
- We execute such work based on agreed scope of work with the Client and documented in the engagement letter/ subsequent scope documents agreed with the Client.
- As others may seek to use it for different purposes, this report should not be quoted, referred to or shown to any other parties without our prior consent in writing.
- This report includes information not available to the public. Accordingly, this report is strictly confidential, and no part thereof may be reproduced or used by any other party other than HVL for its intended use.

**Limitations**

- We have relied on the information provided by management and have not carried out any investigation to verify the same. No representation is made as to the accuracy or completeness of such information unless expressly stated and nothing in this report is or shall be relied upon as a representation of the future.
- Our assignment does not include any attestation of financial statements or any certification.
- We have assumed the genuineness of all the documents provided to us.
- Transactions and events which are not recorded, and which were not disclosed to us may not have been identified in our procedures.
- We have not independently validated the information provided to us with the actual records maintained by any regulatory authorities or any other external source.
- We have no responsibility to update the report for events occurring subsequent to the date of this report.



PKF SRIDHAR & SANTHANAM LLP Firm No. 003990S/S200018 MUMBAI

# Thank You

PKF Sridhar & Santhanam LLP
Chennai | New Delhi | Mumbai | Bangalore | Hyderabad

Website: www.pkfindia.in



PKF SRIDHAR & SANTHANAM LLP Firm No. [illegible]S200016 MUMBAI

**PKF SRIDHAR & SANTHANAM LLP**

Chartered Accountants

To
The Board of Directors
Hinduja Ventures Limited,
In Center, 49/50, MIDC, 12th Road,
Marol, Andheri East – 400093

Dear Sirs,

Subject: Our updated valuation report in connection with the scheme of arrangement between Indusind Media and Communications Limited (Demerged Company) and Hinduja Ventures Limited (Resulting Company) and their respective shareholders

We are pleased to attach our updated valuation report and an explanatory note of even date in connection with the subject matter mentioned above.

Our valuation approach and methodology confirm with Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 to the extent relevant for the 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 the relevant rules made thereunder.

Thanking You,

Respectfully submitted,

PKF SRIDHAR & SANTHANAM LLP
FIRM REGN No. 003990S/S200018
CHENNAI

T.V. Balasubramanian
Regn. No. IBBI/RV/06/2018/10073
Partner
PKF Sridhar & Santhanam LLP
Date: 24-Sep-2019

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REGISTRATION NO. WITH ICAI IS 003990S/S200018

# Security cover



PKF SRIDHAR & SANTHANAM LLP
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CHENNAI

# Project Sprint

PKF Sridhar &
Santhanam LLP

Valuation Analysis for

Hinduja Ventures Limited
- Updated Report

Hinduja Ventures
Inspiring Growth

*September 24, 2019*

PKF SRIDHAR & SANTHANAM LLP
FIRM REGN No. 003990S/S200018
CHENNAI

# Background

## About the Company

Hinduja Ventures Limited ("HVL" or the "company") a listed company was incorporated on 18 July 1985.

The company is engaged in trading of electronic equipment, treasury and investments. The Company's segments include media and communications, real estate, investments and treasury.

The company's performance is highlighted below:

| Rs crores | Standalone | | Consolidated | |
|---|---|---|---|---|
| Particulars | FY 2019 | FY 2018 | FY 2019 | FY 2018 |
| Revenue from operations | 45.44 | 252.88 | 690.48 | 839.84 |
| Other Income | 1.55 | 0.68 | 20.10 | 24.22 |
| Net Profit / (Loss) after Tax | (47.20) | 97.05 | (343.12) | (231.02) |

A significant part of HVL's investments is in the media sector through its investment in IndusInd Media & Communications Limited (IMCL), a subsidiary of HVL. IMCL is the only integrated digital platform operator (DPO) with delivery via digital cable, satellite ("HITS").

As on 31st March 2019, HVL holds 77.55% stake in IMCL.

Current shareholding pattern of HVL is as follows:

| Particulars | % held |
|---|---|
| Promoter group | 57% |
| Individuals | 15% |
| Institutions | 28% |
| | 100% |

## Engagement background

HVL has commissioned Mr. T.V. Balasubramanian, Registered Valuer, Partner - PKF Sridhar & Santhanam LLP and to carry out valuation analysis of the Company for determining the swap ratio of shares of HVL (Holding Company) to be issued to minority shareholders of IMCL in connection with a scheme of reorganization to be undertaken by HVL with its subsidiary company IMCL.

Our mandate is to carry out a valuation analysis without a detailed due diligence based on full, frank and complete disclosure by the company of all matters that a qualified commercial investor would consider as affecting the valuation of the company.

Work has been carried out based on projections, financial statements and other information provided to us from time to time coupled with external sources of information such as publicly available data on peer companies.

Consistent with the objectives of the valuation context, the projected business plan is the optimistic business plan in order to fully exploit the existing investment in the network and supply chain:

- the business plan has not been independently appraised by ourselves or any external agency;
- Were we required to make such an appraisal, additional information could come to our knowledge which may affect the valuation analysis

and our current opinion on the valuation presented in this report.

Our report is strictly addressed to the management of the Company and should not be used by any other person or for purposes without our prior written consent.

PKF SRIDHAR & SANTHANAM LLP FIRM REGN No. 003990S/S200018 CHENNAI

# Full, frank and complete disclosures

PKF Sridhar & Santhanam LLP

| S. No. | Particulars | Response |
|---|---|---|
| 1 | Does the Technical network infrastructure have any limitations to offer services that are consistent with the services provided by the competition and would enable the business to reach it envisaged market position ? | No limitations considering current market offerings by competition |
| 2 | Is there required capital expenditure to technically put the company in a position to offer the services envisaged been provided in the Project business plan provided for the valuation ? | Yes. Our technical team has appraised this and confirmed the capital expenditure factored in the business plan |
| 3 | Is the company fully independent to execute all the activities required for its business cycles? List out dependencies if any | Nil. There are no dependencies |
| 4 | Any regulatory restrictions that are currently affecting the performance of the Company or would potentially affect the future performance ? | None |
| 5 | Intercompany and Group Transactions and any other related party transactions included in the business plan? Are they carried out at Arm's length ? | Yes, as disclosed in the financial statements. All transactions are carried out at Arms length |
| 6 | Is there any changes in the corporate structure of the company? | No |
| 7 | Detailed List of Contingent Liabilities. Enumerate the amount of liability envisaged? | Disputed Income Tax demands – Rs.49.51 crores |
| 8 | Any Legal disputes or other Litigation and its impact on the company | None other than those disclosed in contingent liabilities in financial statements |
| 9 | The company has full compliment of staff required to carry out proposed business plan of the company | Yes |
| 10 | Any Environmental issues faced by the company and is there likely to be any financial impact? If yes quantify? | None |
| 11 | Position of tax related liabilities | Nil, other than contingent liabilities disclosed in financial statements |
| 12 | Are there any incentives enjoyed by the company currently? | No |
| 13 | Any corporate guarantee for the company provided? Will it continue? | No |
| 14 | If the financials for the completed period are unaudited, are the unaudited financials prepared on a reasonable basis and are not likely to have material change on audit? | Yes, Unaudited prepared on the same basis as audited accounts |
| 15 | Any major change in business operations? If yes, are the projections adjusted accordingly? | No major change in business operations. |
| 16 | Any other disclosure that a qualified commercial investor would consider affecting the valuation | No |



PKF SRIDHAR & SANTHANAM LLP FIRM REGN No. 003990S/S200018 CHENNAI

# Historical financial statements

# Balance sheet

Given below is the balance sheet of HVL:

Rs Crores

| Particulars | FY18 | FY19 |
|---|---|---|
| Capital | 20.56 | 20.56 |
| Reserves | 2,014.56 | 1,948.03 |
| **Total Shareholders Funds** | **2,035.12** | **1,968.58** |
| Fixed Assets | 237.38 | 223.49 |
| Trade receivables | 6.05 | 3.62 |
| Debt for Fiber assets | | -202.50 |
| **Total Assets for Fiber assets** | **243.43** | **24.61** |
| Investments | 1,675.46 | 1,074.35 |
| Investments in IMCL | 893.79 | 1,357.30 |
| Inventories – Land | 37.19 | 37.19 |
| Cash & bank balance | 7.51 | 5.06 |
| Other assets | 234.90 | 42.04 |
| Less:Other liabilities | -312.37 | -223.73 |
| Net Current Assets | -69.95 | -176.64 |
| Debt | -744.82 | -348.23 |
| **Total Assets for Treasury Operations** | **1,791.69** | **1,943.97** |
| **Total Assets** | **2,035,12** | **1,968.97** |

PKF SRIDHAR & SANTHANAM LLP
FIRM REGN No. 003990S/S200018
*CHENNAI*

# Profit & loss statement

Given below is the profit and loss statement of HVL:

Rs Crores

| | FY2019 | | | | | FY2018 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Investments | Real estate | Media | Unallocated | Total | Investments | Real estate | Media | Unallocated | Total |
| **INCOME** | | | | | | | | | | |
| Interest | 0.4 | - | 5.3 | - | 5.7 | 30.19 | - | - | - | 30.2 |
| Dividend | 5.5 | - | - | - | 5.5 | 5.02 | - | - | - | 5.0 |
| Fibre | - | - | 34.2 | - | 34.2 | - | - | 5.64 | - | 5.6 |
| Sub-broking / fee | 0.1 | - | - | - | 0.1 | 0.25 | - | - | - | 0.3 |
| Other income | - | - | - | 1.6 | 1.6 | - | - | - | 0.03 | 0.0 |
| Realised income from shares / debentures | 405.7 | | | | 405.7 | 183.98 | - | - | - | 184.0 |
| | **411.7** | - | **39.4** | **1.6** | **452.7** | **219.4** | - | **5.6** | **0.0** | **225.1** |
| Finance cost | 43.9 | - | 20.7 | 0.0 | 64.7 | 41.75 | - | 3.09 | 0.00 | 44.8 |
| Impact of Ind As | 427.7 | - | - | - | 427.7 | - | - | - | - | - |
| Other Income | 3.3 | - | - | - | 3.3 | - | - | - | - | - |
| Staff Cost | 1.7 | 0.5 | 1.2 | 0.3 | 3.6 | 1.75 | 0.48 | 1.37 | 0.41 | 4.0 |
| Impact of Ind AS | - | 0.0 | 0.0 | 0.0 | 0.0 | - | - | - | - | - |
| Depreciation / Amorisation | 0.2 | - | 13.7 | - | 14.0 | 0.25 | - | 4.14 | - | 4.4 |
| Admin and Other Expense | 5.0 | 0.4 | 0.5 | 0.8 | 6.7 | 2.98 | 0.40 | 0.77 | 1.81 | 6.0 |
| Legal & Prof. Fee | 1.9 | 0.8 | 0.1 | 0.6 | 3.4 | 3.92 | 0.93 | 0.04 | 1.61 | 6.5 |
| Rent | 1.0 | - | - | - | 1.0 | 1.07 | - | - | - | 1.1 |
| | **484.8** | **1.7** | **36.2** | **1.7** | **524.4** | **51.7** | **1.8** | **9.4** | **3.8** | **66.8** |
| **Profit before tax** | **-73.1** | **-1.7** | **3.3** | **-0.2** | **-71.6** | **167.7** | **-1.8** | **-3.8** | **-3.8** | **158.3** |

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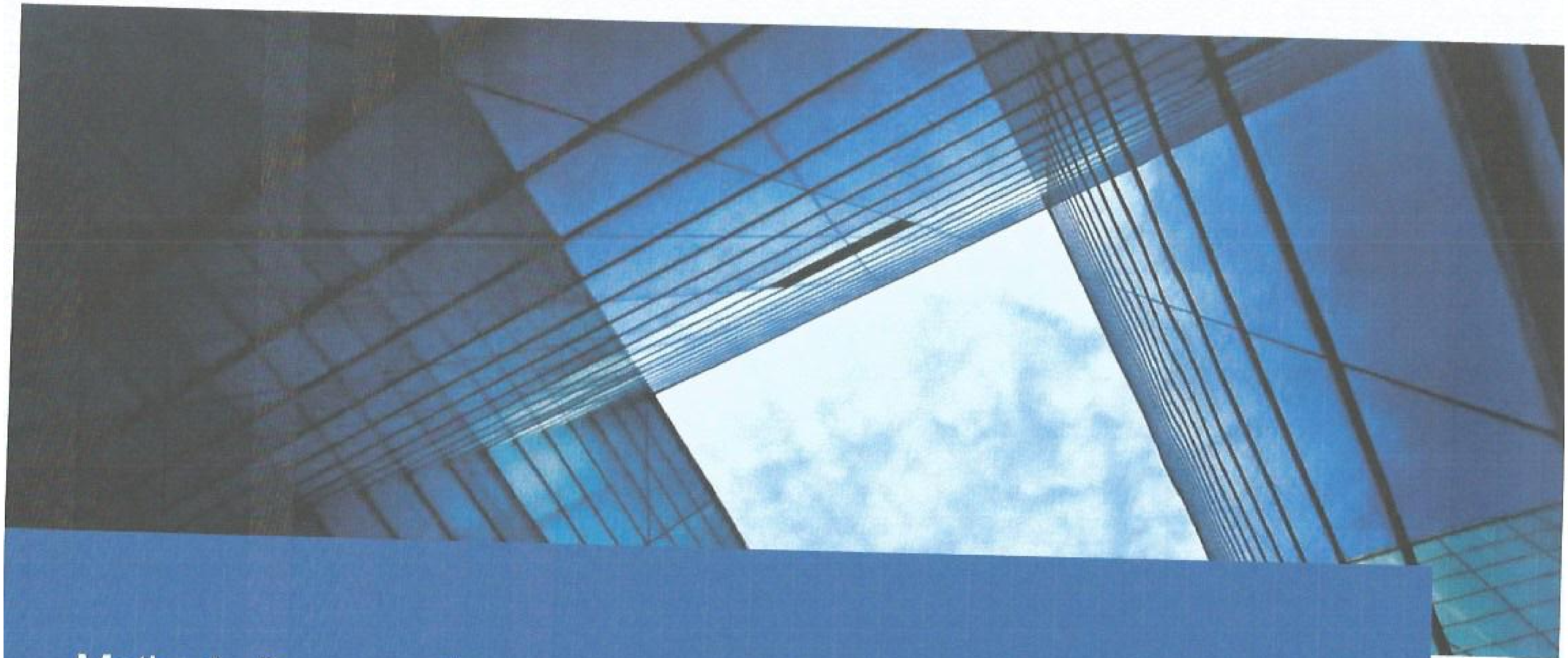
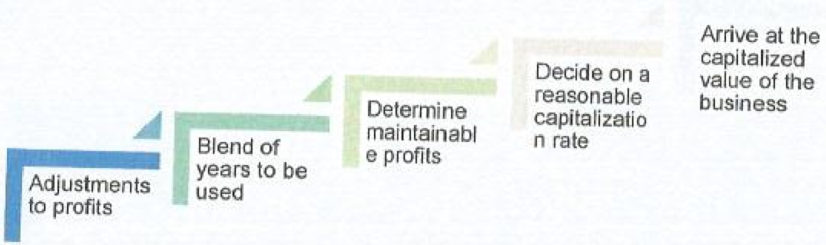


# Methods & approach

# Overview of possible methods

**Capitalization method**

- Average profits are capitalised at a rate of return, as applicable to the company and the industry.
- The Capitalisation approach can be structured in the following five steps, which are depicted in the graph below:
  - Determine adjustments for extraordinary items, abnormal losses, taxation, appropriate weights to profits etc
  - Decide on the blend of past and future years to be considered
  - Determining the maintainable profits based on a blend of past and future financials, evaluating what is best reflective of the potential of the company as investor's business objective post acquisition;
  - Determination of the capitalisation rate, which represents a rate of return that considers the relative risk of the Company;
  - Determine the value of the business based on the maintainable profits as arrived at the appropriate capitalisation rate determined.



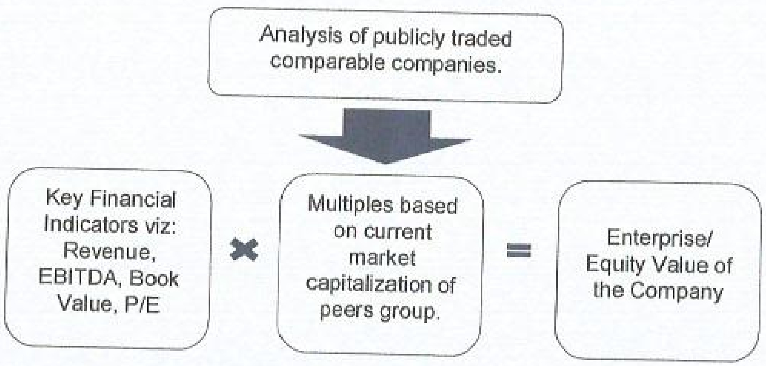

**Discounted cashflow method ("DCF")**

- The estimate of the future net returns to investors would be the theoretically most appropriate approach for company valuations. As these returns are difficult to determine, proxies are needed. The most widely used proxies are the so called "free cash flows", which are calculated as the gross cash flows generated by the operating activities of the company less the needed investments in the net working capital and the capital expenditures ("capex").
- The DCF approach can be structured in the following four steps:
  - Estimation / validation of unlevered future free cash flows for a certain discrete projection period;
  - Determination of the weighted average cost of capital ("WACC"), which represents a rate of return that considers the relative risk of the Company achieving its cash flows and the time value of money;
  - Estimation of the terminal value of free cash flows subsequent to the discrete projection period by taking into consideration the full investment cycle of the Company;
  - Discounting both the future free cash flows of the discrete projection period as well as the terminal value to the valuation date to determine the operating firm value.

# Overview of possible methods

**Market Multiple Method ("MMM")**

- The market comparable approach determines the market value of a company by applying metrics from publicly traded companies ("peers group") in similar lines of business.
- The conditions and prospects of companies in similar lines of business depend on common factors such as overall demand for their products and services. An analysis of the market multiples of companies engaged in similar businesses yields insights into investor perceptions and, therefore, the value of the subject business.




**Cost Method**

- Cost Method could be a variant of
  - Book value method (Historical cost);
  - Current Cost method; or
  - a combination of these.
- In the case of historical cost method, all assets are taken at their respective historical costs.
  - Value of goodwill is ascertained and added to such historical cost of assets.
- Under Current cost method
  - Tangible assets – cost or current replacement price is taken
  - Investment – valued at current market prices, unquoted investments are taken at cost, unless MP determined
  - Inventory – current market prices
  - Debtors – net collection / realizable amount
  - Intangibles – current acquisition prices (Patents, TM, CP)
- Cost method is generally not the preferred method in a going concern valuation but is surely a useful tool for valuation in specific circumstances

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# Choosing the right valuation method

PKF Sridhar & Santhanam LLP

| Methods and their general use scenario | | | |
|---|---|---|---|
| **DCF method** | **Capitalization method** | **Multiples method** | **Cost Method** |
| • Growth phase / new projects<br>• Cash flow projections are available and reliable<br>• Unique business model<br>• Long term outlook | • Stable returns<br>• Standard business model | • Stable business<br>• Peer group companies' data available<br>• Short to Medium term outlook | • Nascent projects with high capex involvement<br>• No significant intangibles involved |

Note: These are general criteria in selecting the right model to use and on a case to case basis, judgment is applied by us in choosing the appropriate model for valuation analysis

**Drivers in choosing the method of valuation analysis**

- Information
  - Availability
  - Reliability
- Characteristics
  - Marketability
  - Current cash flow status
  - Uniqueness of assets
- Investment
  - Time horizon
  - Market views
- Legal requirements

# Our approach to valuation analysis

We generally apply one or more valuation methods, analysing principal characteristics of businesses relevant to value and particular considerations required in the analysis to arrive at valuation analysis objective. Three broad valuation approaches are as explained below:

**Income Approach:**

It considers the income that an asset will generate over its remaining useful life. Appropriate yield or discount rate is applied to the projected income stream to arrive at a capital value. Two commonly used methods under Income Approach are Capitalization Method and Discounted Cash Flow Method.

This method has been applied for HVL's fiber asset business in our valuation analysis.

**Market Approach:**

**Market price method** – the market price of an equity share as quoted on a stock exchange is normally considered as the value of equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares.

This approach has been considered for valuing investments in quoted shares.

**Comparable transaction multiple method:** under this method, value of the equity shares of a company/business is arrived at by using multiples derived from valuations of comparable companies, as manifested through transaction valuations of listed. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances

We have used the price to book multiples for peer companies to cross check the valuation conclusions for one investment.

**Cost Approach:**

It considers the basic economic principle that a buyer will pay no more for an asset than the cost to obtain an asset of equal quality. Appropriate adjustments are to be made considering undue time, inconvenience, risk and other factors involved towards the cost of modern equivalent. Being a service business, the physical assets have limited implication on the company's business potential and accordingly as a going concern, net asset value will not provide appropriate value in the current situation.

Thus, cost approach will not showcase a fair benchmark for INE's business.

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## Valuation approach

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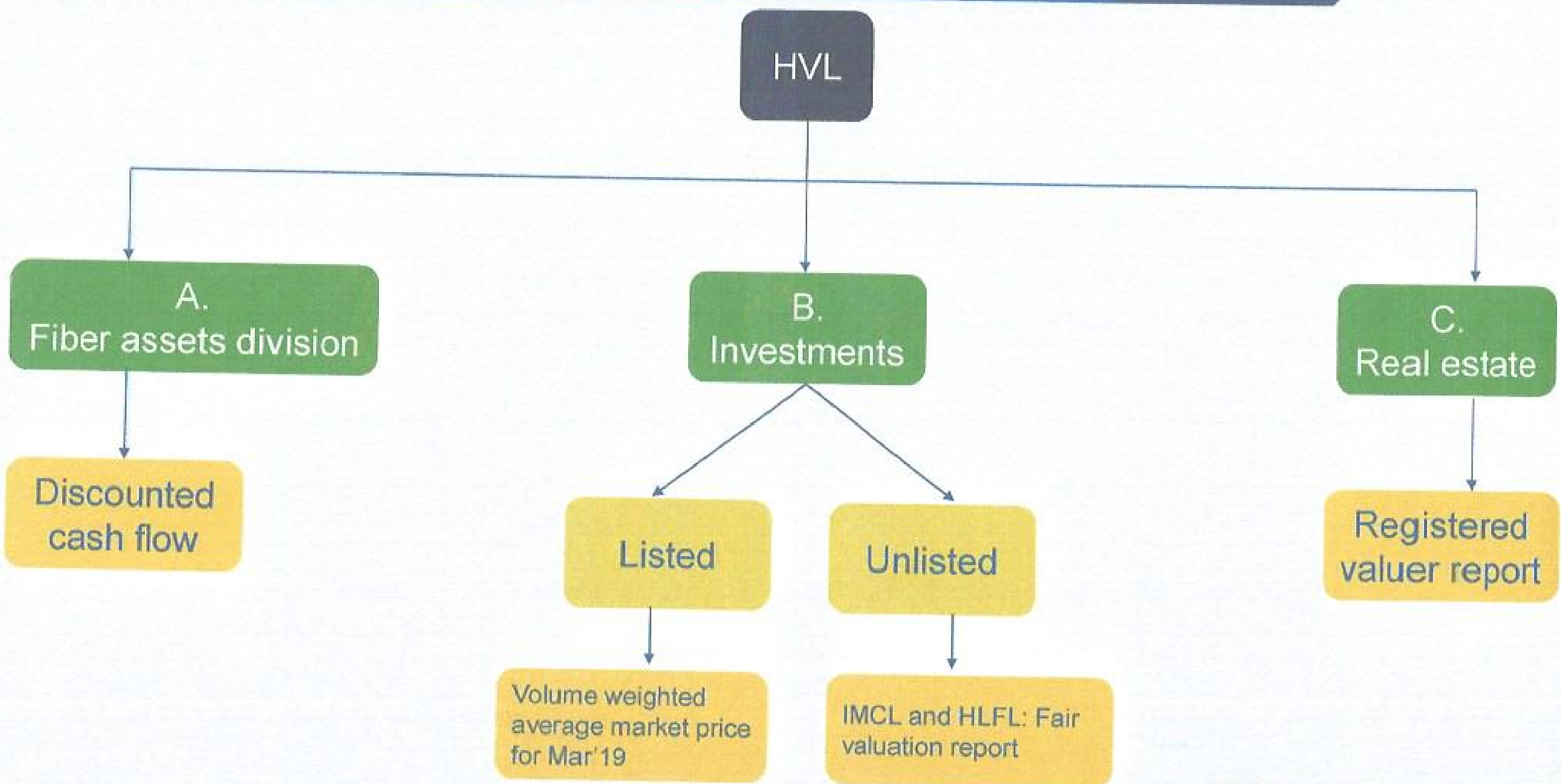




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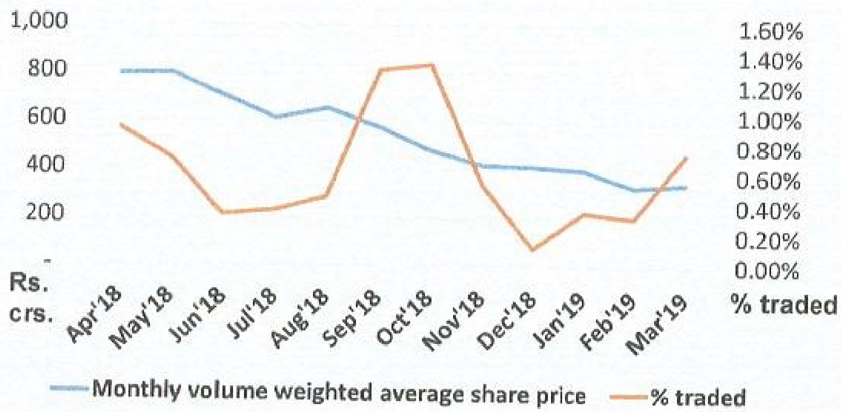
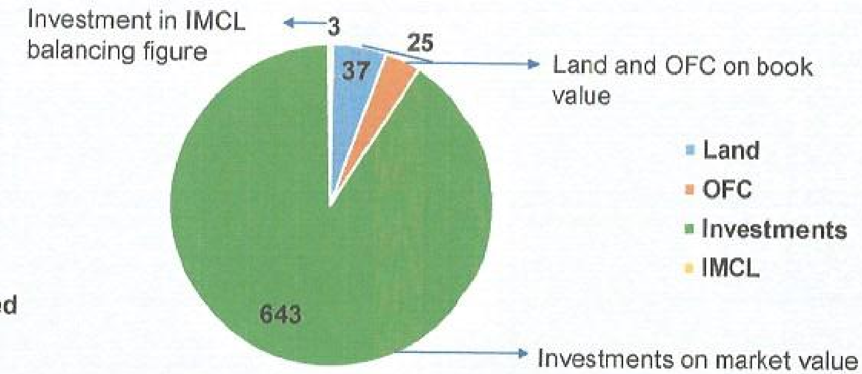
# HVL Market value of shares

Monthly volume weighted average share price (Rs. crs.) / % of paid-up capital traded




| | |
|---|---|
| Market price (volume weighted average Mar'19) (Rs.) | 344 |
| No. of shares o/s | 2,05,55,503 |
| Market capitalisation (Rs. crs.) | 707 |

Allocation of market value to segments (Rs. crs.)




**Market valuation – aberrations**

- Market price is deeply discounted.
- Market has still not repriced investment in IMCL after regulatory driven change in business model.
- Average volume of trade is below 10% of outstanding shares.
- Large land bank not priced.

In view of this, market valuation approach not considered.

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## HVL market price per share calculation

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*Amounts in Rs.*

| Date | Open Price | High Price | Low Price | Average Price | Close Price | Total Volume | No. of Trades |
|---|---|---|---|---|---|---|---|
| 29/03/2019 | 351.45 | 368.8 | 351.4 | 360.1 | 362.25 | 7548 | 350 |
| 28/03/2019 | 351 | 377.1 | 341.2 | 359.15 | 356.9 | 4714 | 479 |
| 27/03/2019 | 354.5 | 355.55 | 346.5 | 351.025 | 348.8 | 3210 | 230 |
| 26/03/2019 | 353 | 358 | 351.7 | 354.85 | 354.5 | 2767 | 200 |
| 25/03/2019 | 357.7 | 358.65 | 345.6 | 352.125 | 351.55 | 5027 | 285 |
| 22/03/2019 | 362 | 368 | 352 | 360 | 357.75 | 2824 | 351 |
| 20/03/2019 | 354.95 | 366.95 | 342.6 | 354.775 | 361.2 | 6819 | 476 |
| 19/03/2019 | 353.85 | 353.9 | 349 | 351.45 | 351.45 | 2764 | 146 |
| 18/03/2019 | 352.5 | 356.85 | 344 | 350.425 | 348.7 | 4552 | 407 |
| 15/03/2019 | 352.9 | 358.95 | 350 | 354.475 | 353.2 | 12058 | 640 |
| 14/03/2019 | 349.95 | 353.3 | 349.95 | 351.625 | 350.55 | 8099 | 206 |
| 13/03/2019 | 342.95 | 353.9 | 338 | 345.95 | 350.4 | 10605 | 514 |
| 12/03/2019 | 348.3 | 354.5 | 336.6 | 345.55 | 341.25 | 4857 | 440 |
| 11/03/2019 | 337 | 346 | 327 | 336.5 | 343.2 | 7321 | 467 |
| 08/03/2019 | 325.85 | 333.1 | 320.65 | 326.875 | 328.65 | 4146 | 233 |
| 07/03/2019 | 335.85 | 336.05 | 320.25 | 328.15 | 321.05 | 16263 | 930 |
| 06/03/2019 | 339.95 | 353.95 | 329.3 | 341.625 | 330.9 | 20111 | 966 |
| 05/03/2019 | 330.95 | 350.7 | 324 | 337.35 | 336.05 | 26268 | 1018 |
| 01/03/2019 | 324.85 | 338.5 | 314.95 | 326.725 | 333.9 | 3010 | 205 |
| **Volume weighted average price per share for the month March 2019** | | | | | | | **344.09** |

Averaging of the weighted volume price over one month has been considered to avoid any specific date spikes or drops in this period.

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# Valuation - A

## Fiber asset division - DCF



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# Projected profit and loss statement – Fiber asset

Given below is the projected profit & loss statement for fiber asset business for FY20 to FY24 vis-à-vis the performance for FY19:

Rs Crores

| Particulars | FY19 | FY20 | FY21 | FY22 | FY23 | FY24 |
|---|---|---|---|---|---|---|
| Income | | | | | | |
| Income from Optic Fiber | 34.16 | 34.16 | 34.16 | 34.16 | 34.16 | 34.16 |
| **Total Income** | **34.16** | **34.16** | **34.16** | **34.16** | **34.16** | **34.16** |
| Expenditure | | | | | | |
| Employee Costs | 1.09 | 1.09 | 1.09 | 1.09 | 1.09 | 1.09 |
| Admin & Other Expenditure | 4.01 | 4.01 | 4.01 | 4.01 | 4.01 | 4.01 |
| **Total Expenditure** | **5.09** | **5.09** | **5.09** | **5.09** | **5.09** | **5.09** |
| **EBIDTA** | **29.07** | **29.07** | **29.07** | **29.07** | **29.07** | **29.07** |
| Interest & amortisation of fee | 19.36 | 20.46 | 18.83 | 16.62 | 14.11 | 10.14 |
| Depreciation | 13.96 | 14.02 | 14.02 | 14.02 | 14.02 | 14.02 |
| **PBT** | **-4.24** | **-5.41** | **-3.78** | **-1.57** | **0.94** | **4.90** |
| Tax | - | - | - | - | - | - |
| **PAT** | **-4.24** | **-5.41** | **-3.78** | **-1.57** | **0.94** | **4.90** |
| CSR Adjustments | 3.04 | 3.04 | 3.04 | 3.04 | 3.04 | 3.04 |
| PAT after CSR adjustment | **-7.29** | **-8.45** | **-6.83** | **-4.61** | **-2.10** | **1.86** |

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# WACC assumptions



| Parameter | Assumption | Comments |
|---|---|---|
| Valuation Object | Equity | Object of the value considerations is equity of HVL |
| Scenario | Standalone and going concern | For the purpose of this valuation we have assumed that the company will be able to independently continue its business activities in future |
| Valuation Date | 31-Mar-2019 | Valuation date of our analysis is 31st March 2019 |
| Tax Rate | 29.12% | Applicable as per Income Tax Act |
| Terminal Growth Rate | 5% | Considering the revenue and cash flow growth envisaged in the projections, a 5% growth rate is considered for perpetuity |
| Risk adjustment to WACC | - | Considering stable cash flows with no incremental working capital requirement, no risk adjustment has been considered |
| Unlisted Company Discount | - | Since HVL is a listed company, this is considered as 0% |
| Cost of Equity | 15.38% | Cost of equity is built up considering returns on SNP CNX Index and re-levered beta of the peer companies available for comparison |
| Pre-tax cost of debt | 10.50% | Actual cost of debt |
| WACC | 11.79% | Computing using cost of equity, cost of debt and their corresponding weights |



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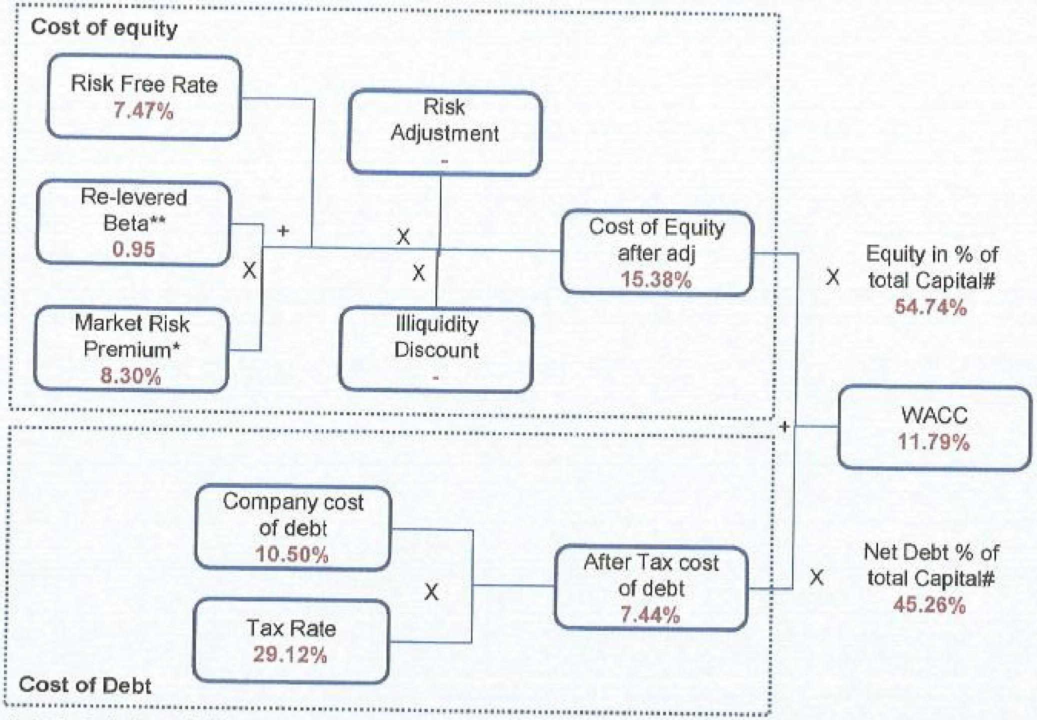
# Weighted average cost of capital (WACC)

WACC for the target is computed as follows:




# Weight of total debt as against total equity of the entity.

*- Calculated considering returns on SNP CNX Index for last 15 years minus risk free rate of government bond

** - Calculated considering average of unlevered beta of peer companies as on recent available date and re-levered with debt : equity of the Company

# Discounted cash flow – fiber asset business

Given below is the discounted cashflow for fiber asset business:

Rs Crores

| Amount in Rs. Crores | 2019 (UA) | 2020 | 2021 | 2022 | 2023 | 2024 | 2024 (TV) |
|---|---|---|---|---|---|---|---|
| PAT | -7.29 | -8.45 | -6.83 | -4.61 | -2.10 | 1.86 | |
| Add: Depreciation | 13.96 | 14.02 | 14.02 | 14.02 | 14.02 | 14.02 | |
| Add: Interest | 19.36 | 20.46 | 18.83 | 16.62 | 14.11 | 10.14 | |
| CFFO | 26.03 | 26.03 | 26.03 | 26.03 | 26.03 | 26.03 | |
| Capex | - | - | - | - | - | - | |
| Inc. WC | | - | - | - | - | - | |
| Cash Flow | 26.03 | 26.03 | 26.03 | 26.03 | 26.03 | 26.03 | |
| Terminal Value | | | | | | | 285.29 |
| Total | | **26.03** | **26.03** | **26.03** | **26.03** | **26.03** | **285.29** |
| Discount Period | | 1.00 | 2.00 | 3.00 | 4.00 | 5.00 | 5.00 |
| Discounting Factor | | 0.89 | 0.80 | 0.72 | 0.64 | 0.57 | 0.57 |
| Cash Flow Present Value | | **23.28** | **20.83** | **18.63** | **16.67** | **14.91** | **163.41** |
| Discounting Rate | 11.79% | | | | | | |
| Growth Rate | 5.00% | | | | | | |
| EV | **257.72** | | | | | | |
| Less: Opening debt | -202.50 | | | | | | |
| Add: Cash and bank balances | 5.06 | | | | | | |
| Total Equity Value | **60.28** | | | | | | |

# Valuation - B

## Investments (Quoted & Unquoted)



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# Investments

**Quoted shares**

Basis: 1 month ended Mar'19 volume weighted average price on the exchange which recorded higher trading volume

| Sr. No. | Name of the Security | Qty | Face Value (Rs.) | Carrying value – March' 19 (Rs. crs.) | Market Price (Rs.) | Market Value (1M ended Mar'19) (Rs. crs.) |
|---|---|---|---|---|---|---|
| A.1 | GOCL Corporation | 1,916 | 2.00 | 0.06 | 308.69 | 0.06 |
| A.2 | Gulf Oil Lubricants India | 1,916 | 2.00 | 0.16 | 847.16 | 0.16 |
| A.3 | IndusInd Bank | 45,31,581 | 10.00 | 807.57 | 1,652.32 | 748.76 |
| A.3 | VCK Capital Market Services | 24,007 | 10.00 | 0.01 | 1.32 | 0.00 |
| | **Quoted Shares (A)** | | | **807.81** | | **748.99** |

**Unquoted shares**

| Sr. No. | Name of the Security | Qty | Face Value (Rs.) | Carrying value – March' 19 | Valuation Basis | Total Fair Value (Rs. crs.) | % held | Fair Value (Rs. crs.) |
|---|---|---|---|---|---|---|---|---|
| B.1 | IMCL | 15,09,34,830 | 10 | 1,357.30 | Fair valuation report | 2,015.48 | 77.55% | 1,562.99 |
| B.2 | HLFL | 1,62,70,244 | 100 | 266.55 | Fair valuation report by VC Capital Advisors | 7694.34 | 3.46% | 266.55 |
| | **Unquoted Shares (B)** | | | **1,623.85** | | | | **1,829.54** |
| | **A + B** | | | | | | | **2,578.22** |
| | **(-) Debt** | | | | | | | **(348.23)** |
| | **(-) Contingent liability – Disputed Income Tax demands (50%)** | | | | | | | **(24.75)** |
| | **Total** | | | | | | | **2,205.53** |

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# Investments (contd.) – HLFL

**HLFL:**

| | Consolidated |
|---|---|
| Net worth (Rs. crs.) | 2,767.25 |
| No. of shares | 46,96,70,990 |
| Book value per share (Rs.) | 58.92 |
| Enterprise value (Rs. crs.) | 7,694.34 |
| No. of shares | 46,96,70,990 |
| Fair value per share (Rs.) | 163.82 |
| **Price to book ratio** | **2.78** |

**Comparison of HLFL vis-vis peer companies (Mar'19):**

| Mar-19 | HLFL | Sundaram Fin | Shriram Trpt | Chola | SREI | Bajaj Fin |
|---|---|---|---|---|---|---|
| Price to book ratio | 2.78 | 2.74 | 1.81 | 3.65 | 0.36 | 8.86 |
| | **2.78** | | | | **Median** | **2.74** |

VC Capital Advisors has valued at Rs.164 per share of HLFL

**Recent transactions**

- FY 2019 - 132 lacs shares @ average price of Rs.151 per share.
- Out of this,
  - Rights issue - 2 lacs shares to HVL @ Rs.153 per share.



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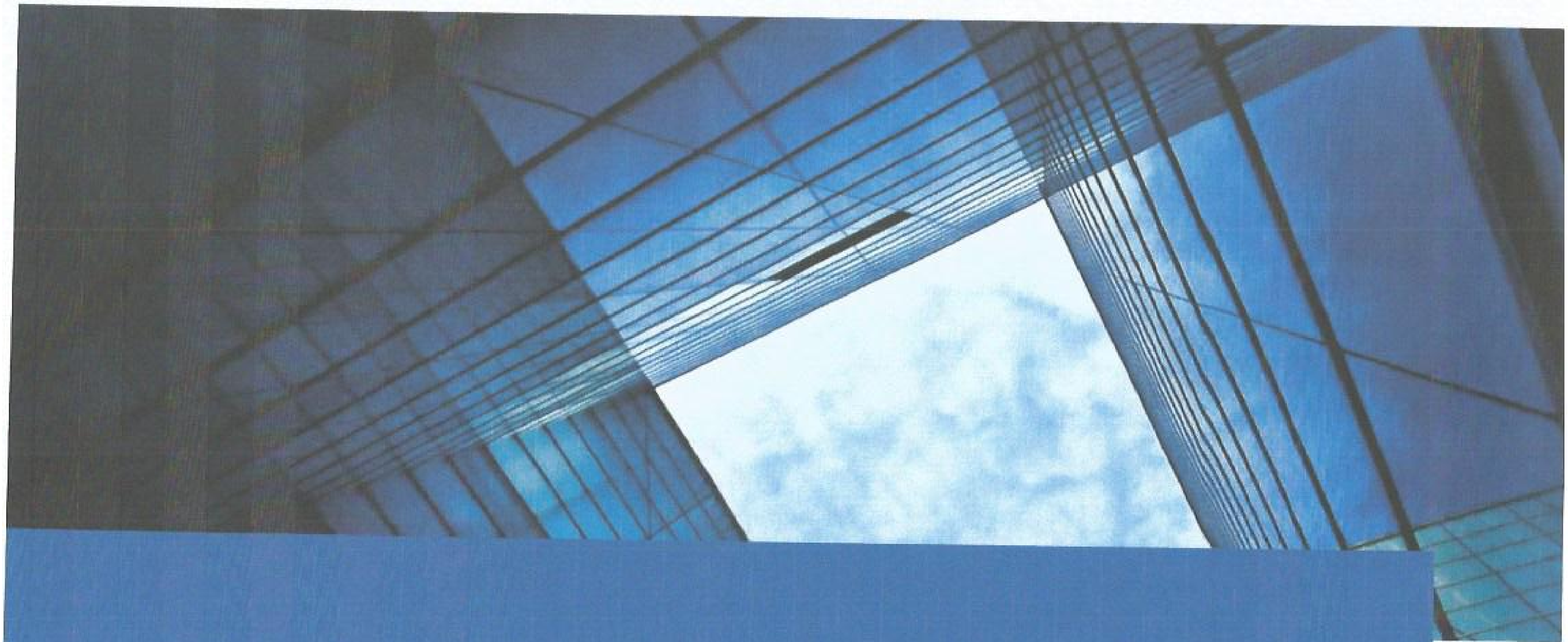

# Valuation - C
# Real estate (Land)



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# Land valuation

HVL's land parcels have been valued by external valuers. Summary of valuation is as follows:

| Sr. No. | Land Location | Area - acres | Rate per acre (Rs. crs.) | Value (Rs. crs.) | Adjustment % | Adjusted value (Rs. crs.) | Name of the valuer |
|---|---|---|---|---|---|---|---|
| 1 | Bengaluru | 47.02 | 3.27 | 153.71 | 15% | 130.65 | K.S. Venkatakrishnan |
| 2 | Hyderabad | 4.74 | 18.49 | 81.35 | - | 81.35 | ANVI Technical Advisors India Private Limited |
| | | | | **235.06** | | **212.00** | |

Valuer for Bengaluru land has highlighted the following legal issues:

- The seller did not fulfil his legal obligation to transfer the title in the name of the Company, the Company has filed a suit for specific performance in the Civil Court which is running since last 8 years. The case is said to be have been posted for final hearing;
- The Department of Revenue, Government of Karnataka, has also raised certain issues relating to the title of the land which are being addressed by the Company.

The valuer has opined a discount of 15% for the above legal issues.

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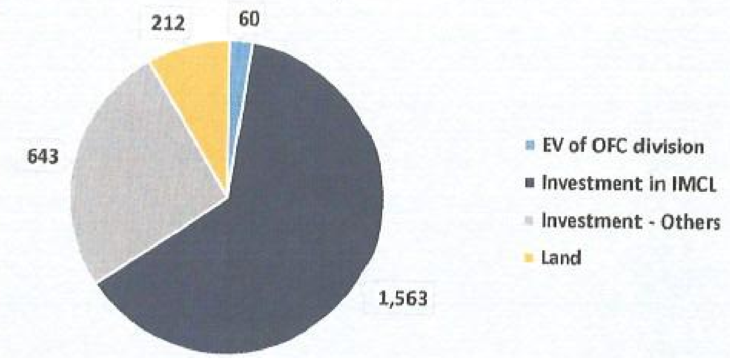
# Valuation conclusion

- The equity value of HVL is as calculated below:

Rs Crores

| | Particulars | 2019(UA) | Valuation Methodology |
|---|---|---|---|
| A | Valuation of Fiber Assets | 60.28 | Discounted Cash Flow |
| | | | |
| B | Investments Valuation | 2,578.51 | |
| | Adjustments for- | | |
| | Debt | -348.23 | |
| | Contingent liability | -24.75 | 50% of the amount in question |
| | Total Treasury Valuation | 2,205.53 | Market Value + Discounted Cash Flow |
| | | | |
| C | Land Value | 212.00 | External land valuer's draft report |
| | | | |
| | **Total Value** | **2,477.81** | |

**Components of HVL valuation (Rs. in crs.)**




Respectfully submitted,

T.V. Balasubramanian
Regn. No. IBBI/RV/06/2018/10073
Partner
PKF Sridhar & Santhanam LLP
Date: 24-Sep-2019
UDIN: 19027251AAAAGF5113

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# Swap summary

# APPROACH:

## Asset

### HVL:

| Particulars | Rs. crs. |
|---|---|
| Equity share capital | 20.56 |
| Other equity - consolidated | 517.38 |
| **Net worth - consolidated** | **537.93** |
| No. of shares o/s | 2,05,55,503 |
| **Value per share (Rs,)** | **261.70** |

### IMCL Transfer assets:

| Particulars | Rs. crs. |
|---|---|
| **Cable / Digital TV business** | |
| Net worth | 249.65 |
| Less: Non-transfer assets | |
| Land | 0.02 |
| Building | 27.00 |
| Subsidiaries | 46.21 |
| OneOTT | 272.00 |
| **Net assets for cable business** | **-95.57** |
| No. of shares o/s | 19,46,30,623 |
| **Value per share** | **-4.91** |
| **Investment in OneOTT** | **272.00** |
| No. of shares o/s | 19,46,30,623 |
| **Value per share (Rs.)** | **13.98** |

## Market

### HVL:

| Particulars | Amount |
|---|---|
| 1 month ended Mar'19 volume weighted average price per share (Rs.) | 344.09 |
| No. of shares o/s | 2,05,55,503 |
| **Market value (Rs. crs.)** | **707.28** |
| No. of shares o/s | 2,05,55,503 |
| **Value per share (Rs.)** | **344.09** |

### IMCL Transfer assets:

Not applicable as the Company is not listed on any stock exchange

## Income

### HVL:

| Particulars | Amount |
|---|---|
| Fair value computed using income approach (Rs. crs.) | 2,477.83 |
| No. of shares o/s | 2,05,55,503 |
| **Value per share (Rs.)** | **1,205.43** |

### IMCL Transfer assets:

| Particulars | Amount |
|---|---|
| Fair value of cable / digital TV business computed using income approach (Rs. crs.) | 1,704.46 |
| Less: Contingent liability | -72.67 |
| Less: Book value of building - cost factored in DCF | -27.00 |
| Fair value of cable / digital TV business (Rs. crs.) | **1,604.79** |
| Add: IMCL's investment in OneOTT (Rs. crs.) | **272.00** |
| Value of IMCL transfer assets (Rs. crs.) | **1,876.79** |
| No. of shares o/s | 19,46,30,623 |
| **Value per share (Rs.)** | **96.43** |



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# Fair share exchange ratio

| Valuation approach (Rs.) | HVL Value per share | Weight | IMCL Transfer Assets Value per share | Weight |
|---|---|---|---|---|
| Asset approach | 261.70 | - | 9.06 | - |
| Income approach | 1,205.43 | 1.00 | 96.43 | 1.00 |
| Market approach | 344.09 | - | N/A | N/A |
| Relative value per share | 1,205.43 | | 96.43 | |
| **Exchange ratio (rounded off)** | | | **12.50** | |

An analysis of value per share of HVL and transfer assets of IMCL depicts the following ratio:

**10 equity shares of HVL of Rs.10 each for every 125 equity shares of IMCL of Rs.10 each fully paid-up**

Respectfully submitted,

PKF SRIDHAR & SANTHANAM LLP FIRM REGN No. 003990S / S200018 CHENNAI

T.V. Balasubramanian
Regn. No. IBBI/RV/06/2018/10073
Partner
PKF Sridhar & Santhanam LLP
Date: 24-Sep-2019
UDIN: 19027251AAAAGF5113

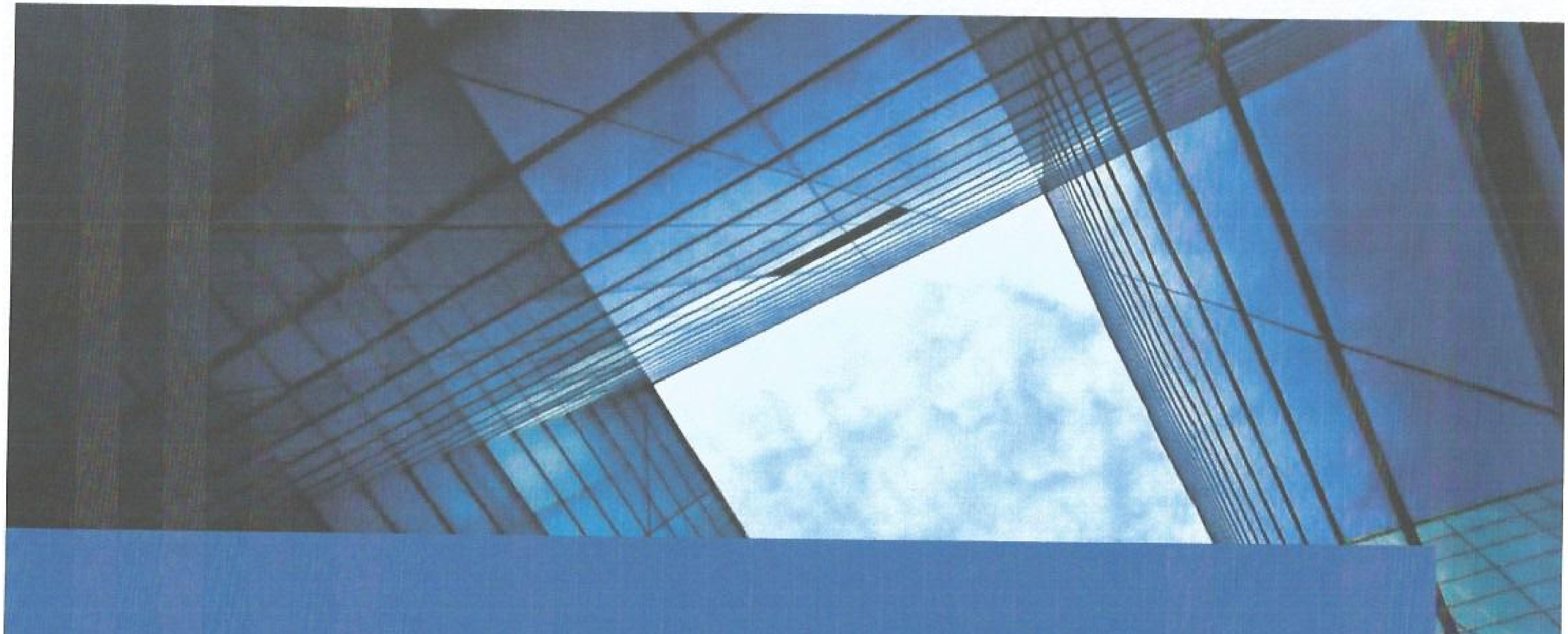
Rationale for not giving weightage to market approach:

- We did not give weightage to market approach for HVL on account of the following:
  - Market price is deeply discounted;
  - Market has still not repriced investment in IMCL after regulatory driven change in business model;
  - Average volume of trade is below 10% of outstanding shares.
- Market approach for IMCL was not applicable as the Company is unlisted.

Rationale for not giving weightage to asset approach:

- We did not give weightage to asset approach on account of the following:
  - Book value does not take into consideration the inherent cash flow potential of the cable / digital TV business in IMCL, especially post regulatory driven change in business model.
  - Book value of large land parcels does not depict the prevailing market value.

Accordingly, swap ratio has been computed giving full weight to income approach which represents the inherent cash flow potential of the business.



# General information



PKF SRIDHAR & SANTHANAM LLP
FIRM REGN No. 003990S/S200018
CHENNAI

# About our work and limitations

PKF Sridhar & Santhanam LLP

**About this work product**

- This work product is a deliverable that is a part of Valuation Analysis Engagement with HVL.
- We execute such work based on agreed scope of work with the Client and documented in the engagement letter/ subsequent scope documents agreed with the Client.
- As others may seek to use it for different purposes, this report should not be quoted, referred to or shown to any other parties without our prior consent in writing.
- This report includes information not available to the public. Accordingly, this report is strictly confidential, and no part thereof may be reproduced or used by any other party other than HVL for its intended use.

**Limitations**

- We have relied on the information provided by management and have not carried out any investigation to verify the same. No representation is made as to the accuracy or completeness of such information unless expressly stated and nothing in this report is or shall be relied upon as a representation of the future.
- Our assignment does not include any attestation of financial statements or any certification.
- We have assumed the genuineness of all the documents provided to us.
- Transactions and events which are not recorded, and which were not disclosed to us may not have been identified in our procedures.
- We have not independently validated the information provided to us with the actual records maintained by any regulatory authorities or any other external source.
- We have no responsibility to update the report for events occurring subsequent to the date of this report.



PKF SRIDHAR & SANTHANAM LLP FIRM REGN No. 003990S/S200018 CHENNAI

# Thank You

PKF Sridhar & Santhanam LLP
Chennai | New Delhi | Mumbai | Bangalore | Hyderabad

Website: www.pkfindia.in



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**Saffron Capital Advisors Private Limited**
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Tel.: +91 4082 0912 / Fax: +91 4082 0999
Email : info@saffronadvisor.com
Website: www.saffronadvisor.com
CIN No. U67120MH2007PTC166711

Date: August 23, 2019

To,
The Board of Directors
**Hinduja Ventures Limited**
In Centre, 49/50 MIDC, 12th Road,
Marol, Andheri (East), Mumbai,
Maharashtra 400093

Dear Members of the board,

**1. Engagement Background**

We Understand that the Board of Directors of IndusInd Media and Communications Limited ("IMCL" or the "Demerged Company") and Hinduja Ventures Limited ("HVL" or the "Resulting Company") are considering a Scheme of Arrangement between IMCL and HVL and their respective Shareholders ("the Scheme") for demerger under the provisions of Sections 230 to 232 read with Section 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 of IMCL and vesting of the same in HVL on a going concern basis.

The terms and conditions of the proposed mergers are more fully set out in the draft scheme document shared with us on August 22, 2019, the final version of which will be filed by the aforementioned companies with the appropriate authorities.

We understand that the Valuation as well as the swap ratio thereof is based on the Valuation Certificate dated August 22, 2019 issued by T.V. Balasubramanian (Regn. No. IBBI/RV/06/2018/10073), Partner, PKF Sridhar & Santhanam LLP ("Valuer").

We, Saffron Capital Advisors Private Limited, a SEBI registered Category-I Merchant Banker, have been engaged by HVL to give a fairness opinion ("Opinion") on Valuation Certificate dated August 22, 2019 issued by T.V. Balasubramanian (Regn. No. IBBI/RV/06/2018/10073).

**2. Background of the companies and Rationale**

**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 23rd 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.

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**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 18th 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 31st 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 8th 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 23rd 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.

Recognizing the growth potential of the 'Media and Communications Undertaking' 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.

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.

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. Pursuant to this restructuring, the media business of the Group will be consolidated into a single entity which will assist in achieving flexibility, scale and financial strength.

The Rationale of the scheme as shared with us is based on inter-alia the following benefits:

- higher long-term financial returns
- increased competitive strength
- cost reduction and efficiencies
- productivity gains
- logistical advantages
- Consolidation and growth of Media and Communications Undertaking
- Focused Management, Organization Efficiency and Operational Synergies
- Unlock shareholders value

SAFFRON CAPITAL ADVISORS PRIVATE LIMITED MUMBAI

- Efficiency in Fund raising for harnessing future growth

**3. Key Features of the Scheme of Amalgamation**

The key features of the scheme provided to us through Draft Scheme Document are as under:

a) The scheme provides for issuance of shares by HVL to the shareholders of IMCL (other than HVL) , "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".

b) In respect of fractional entitlements, if any, by Resulting Company, to the equity shareholders of Demerged Company at the time of issue and allotment of New Equity Shares, the Board of Directors of Resulting Company shall consolidate all fractional entitlements, and allot New Equity Shares in lieu thereof to a Director or such other authorized representative(s) as the Board of Directors of Resulting Company shall appoint in this behalf, who shall hold the New Equity Shares issued by Resulting Company, in trust on behalf of the equity shareholders entitled to fractional entitlements with the express understanding that such director(s) or other authorized representative(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to Resulting Company, the net sale proceeds thereof, whereupon Resulting Company shall distribute such net sale proceeds (after deduction of applicable taxes), to the equity shareholders in proportion to their respective fractional entitlements. The Board of Directors of Resulting Company, if it deems necessary, in the interests of allottees, approve such other method in this behalf as it may, in its absolute discretion, deem fit.

c) 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.

We have relied upon the draft scheme Document and taken the aforementioned key features (together with the other facts and assumptions set forth therein) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

**4. Exclusions and Limitations**

Our opinion and analysis is limited to the extent of review of the valuation report by the valuer and the Draft scheme document. In connection with the opinion, we have

a) Reviewed the Draft Scheme Document and the valuation report by the valuer dated August 22, 2019.

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b) Reviewed audited financials for HVL and IMCL for the year ended March 31, 2019

c) Held discussions with the valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the valuation report and recommendations

d) Sought various clarifications with the respective senior management teams of IMCL and HVL

e) Reviewed historical stock prices and trading volumes of HVL

f) Reviewed the legal opinion on contingent liabilities.

g) Reviewed such other information and explanations as we have required and which have been provided by the management of IMCL and HVL.

This opinion is intended only for the sole use and information of HVL and in connection with the Scheme, including for the purpose of obtaining judicial and regulatory approvals for the Scheme as also for the purpose of complying with the SEBI regulations and requirement of stock exchanges on which the company is listed, and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either IMCL and/or HVL or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Saffron has relied on the Valuation Certificate for the proposed "Scheme of Arrangement" of IMCL and HVL and their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of IMCL and HVL and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for

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the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between IMCL and HVL and their respective shareholders, and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover in this case where the shares of the company are being issued as consideration to the shareholders of IMCL, it is not the absolute valuation that is important for framing an opinion but the relative valuation of the company vis-a-vis shares of IMCL.

We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme on IMCL, HVL and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which IMCL, HVL and/or their associates/ subsidiaries, are or may be a party.

The company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion.

Our Opinion in not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.

SAFFRON CAPITAL ADVISORS PRIVATE LIMITED
MUMBAI

5. Conclusion

Based on and subject to the foregoing, we are of the opinion that the share issuance ratio is fair to the shareholders from the financial point of view. Further the valuation of IMCL and HVL as detailed by the valuer is fair.

**For Saffron Capital Advisors Private Limited,**

Sakshi Gupta
Head-Valuation

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**Saffron Capital Advisors Private Limited**
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Email : info@saffronadvisor.com
Website: www.saffronadvisor.com
CIN No. U67120MH2007PTC166711

Date: September 25, 2019

To,
The Board of Directors
**Hinduja Ventures Limited**
In Centre, 49/50 MIDC, 12th Road,
Marol, Andheri (East), Mumbai,
Maharashtra 400093

Dear Members of the board,

**1. Engagement Background**

We Understand that the Board of Directors of IndusInd Media and Communications Limited ("IMCL" or the "Demerged Company") and Hinduja Ventures Limited ("HVL" or the "Resulting Company") are considering a Scheme of Arrangement between IMCL and HVL and their respective Shareholders ("the Scheme") for demerger under the provisions of Sections 230 to 232 read with Section 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 of IMCL and vesting of the same in HVL on a going concern basis.

The terms and conditions of the proposed mergers are more fully set out in the draft scheme document shared with us on August 22, 2019, the final version of which will be filed by the aforementioned companies with the appropriate authorities.

We understand that the Valuation as well as the swap ratio thereof is based on the Valuation Certificate dated August 22, 2019 issued by T.V. Balasubramanian (Regn. No. IBBI/RV/06/2018/10073), Partner, PKF Sridhar & Santhanam LLP ("Valuer").

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**2. Background of the companies and Rationale**

**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 23rd 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.

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Registered Office : H-130, Bhoomi Green, Raheja Estate, Kulupwadi, Borivali (East), Mumbai 400 066 / SEBI Registration No. INM000011211

**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 18th 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 31st 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 8th 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 23rd 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.

Recognizing the growth potential of the 'Media and Communications Undertaking' 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.

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.

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. Pursuant to this restructuring, the media business of the Group will be consolidated into a single entity which will assist in achieving flexibility, scale and financial strength.

The Rationale of the scheme as shared with us is based on inter-alia the following benefits:

- higher long-term financial returns
- increased competitive strength
- cost reduction and efficiencies
- productivity gains
- logistical advantages
- Consolidation and growth of Media and Communications Undertaking
- Focused Management, Organization Efficiency and Operational Synergies
- Unlock shareholders value

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- Efficiency in Fund raising for harnessing future growth

**3. Key Features of the Scheme of Amalgamation**

The key features of the scheme provided to us through Draft Scheme Document are as under:

a) The scheme provides for issuance of shares by HVL to the shareholders of IMCL (other than HVL) , "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".

b) Any fraction shares arising on issue of Equity Shares as above will be rounded off to the nearest integer.

c) 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.

We have relied upon the draft scheme Document and taken the aforementioned key features (together with the other facts and assumptions set forth therein) into account while determining the meaning of "fairness", from a financial point of view, for the purposes of this Opinion.

**4. Exclusions and Limitations**

Our opinion and analysis is limited to the extent of review of the valuation report by the valuer and the Draft scheme document. In connection with the opinion, we have

a) Reviewed the Draft Scheme Document and the valuation report by the valuer dated August 22, 2019.
b) Reviewed audited financials for HVL and IMCL for the year ended March 31, 2019
c) Held discussions with the valuer, in relation to the approach taken to valuation and the details of various methodologies utilized by them in preparing the valuation report and recommendations
d) Sought various clarifications with the respective senior management teams of IMCL and HVL
e) Reviewed historical stock prices and trading volumes of HVL
f) Reviewed the legal opinion on contingent liabilities.
g) Reviewed such other information and explanations as we have required and which have been provided by the management of IMCL and HVL.

This opinion is intended only for the sole use and information of HVL and in connection with the Scheme, including for the purpose of obtaining judicial and regulatory approvals for the Scheme as also for the purpose of complying with the SEBI regulations and requirement of stock exchanges on which

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the company is listed, and for no other purpose. We are not responsible in any way to any person/party/statutory authority for any decision of such person or party or authority based on this opinion. Any person/party intending to provide finance or invest in the shares/business of either IMCL and/or HVL or their subsidiaries /joint ventures/associates shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision.

For the purpose of this assignment, Saffron has relied on the Valuation Certificate for the proposed "Scheme of Arrangement" of IMCL and HVL and their respective shareholders and information and explanation provided to it, the accuracy whereof has not been evaluated by Saffron. Saffron's work does not constitute certification or due diligence of any past working results and Saffron has relied upon the information provided to it as set out in working results of the aforesaid reports.

Saffron has not carried out any physical verification of the assets and liabilities of the companies and takes no responsibility on the identification and availability of such assets and liabilities.

We hereby give our consent to present and disclose the Fairness Opinion in the general meetings of the shareholders of IMCL and HVL and to the Stock Exchanges and to the Registrar of Companies. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed scheme of Arrangement with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon.

The information contained in this report is selective and is subject to updating, expansions, revisions and amendment, if any. It does not purport to contain all the information recipients may require. No obligation is accepted to provide recipients with access to any additional information or to correct any inaccuracies which might become apparent. Recipients are advised to independently conduct their own investigation and analysis of the business of the Companies. The report has been prepared solely for the purpose of giving a fairness opinion on Valuation Certificate issued for the proposed Scheme of Arrangement between IMCL and HVL and their respective shareholders, and may not be applicable or referred to or quoted in any other context.

Our opinion is dependent on the information provided to us being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the information provided to us. The scope of our assignment does not involve performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information used during the course of our work. As such we have not performed any audit, review or examinations of any of the historical or prospective information used and, therefore, do not express any opinion with regard to the same. In addition, we do not take any responsibility for any changes in the information used for any reason, which may occur subsequent to this date.

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One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose. Moreover in this case where the shares of the company are being issued as consideration to the shareholders of IMCL, it is not the absolute valuation that is important for framing an opinion but the relative valuation of the company vis-a-vis shares of IMCL.

We have assumed that the Final Scheme will not differ in any material respect from the Draft Scheme Document shared with us.

We do not express any opinion as to any tax or other consequences that might arise from the Scheme on IMCL, HVL and their respective shareholders, nor does our opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the respective companies have obtained such advice as they deemed necessary from qualified professionals. We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible unasserted claims, government investigation or other contingent liabilities to which IMCL, HVL and/or their associates/ subsidiaries, are or may be a party.

The company has been provided with an opportunity to review the Draft Opinion as part of our standard practice to make sure that factual inaccuracy/omissions are avoided in our Final Opinion.

Our Opinion in not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter thereto.

**5. Conclusion**

Based on and subject to the foregoing, we are of the opinion that the share issuance ratio is fair to the shareholders from the financial point of view. Further the valuation of IMCL and HVL as detailed by the valuer is fair.

**For Saffron Capital Advisors Private Limited,**

SAFFRON CAPITAL ADVISORS PRIVATE LIMITED MUMBAI

**Sakshi Gupta**
**Head-Valuation**

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**Saffron Capital Advisors Private Limited**
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J. B. Nagar, Andheri (East), Mumbai - 400 059.
Tel.: +91 4082 0912 / Fax: +91 4082 0999
Email : info@saffronadvisor.com
Website: www.saffronadvisor.com
CIN No. U67120MH2007PTC166711

Date: October 04, 2019

To,
The Board of Directors
**Hinduja Ventures Limited**
In Centre, 49/50 MIDC, 12th Road,
Marol, Andheri (East), Mumbai,
Maharashtra 400093

Dear Sirs,

Para 3(b) of our fairness opinion dated August 23, 2019 was based on clause 4.2 of the draft Scheme of arrangement between IndusInd Media and Communications Limited and Hinduja Ventures Limited Document shared with us by the company at that point of time. The Clause in respect of fraction shares of the Scheme of arrangement was revised subsequently in the final Scheme Document to "Any fraction shares arising on issue of Equity Shares as above will be rounded off to the nearest integer", which was approved by the Board of Directors of both Companies on 27/8/2019. Considering that this is a key change in the Scheme of arrangement, we had revised para 3(b) to reflect the same in our fairness opinion dated September 25, 2019. Except for this change (Para 3 (b)), the contents of our Fairness Opinion dated August 23, 2019 remain the same.

This undertaking is being issued upon the request of the company.

Yours faithfully,
For Saffron Capital Advisors Private Limited

SAFFRON CAPITAL ADVISORS PRIVATE LIMITED
MUMBAI

Sakshi Gupta
Head -Valuation

in digital

NXTDIGITAL
The Hinduja-HITS network

**REPORT OF THE BOARD OF DIRECTORS OF INDUSIND MEDIA AND COMMUNICATIONS LIMITED UNDER SECTION 232(2)(c) READ WITH SECTION 52 AND 66 OF THE COMPANIES ACT, 2013 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS (PROMOTER AND NON-PROMOTER SHAREHOLDERS), KEY MANAGERIAL PERSONNEL, AND DIRECTORS, ADOPTED BY IT AT ITS MEETING HELD ON AUGUST 27, 2019**

**The Scheme of Arrangement between IndusInd Media and Communications Limited ("IMCL" / the "Company") and Hinduja Ventures Limited ("HVL").**

As per Section 232 (2)(c) of the Companies Act, 2013 (the "**Act**"), a report adopted by the Board of Directors of the Company explaining the effect of the arrangement on Equity Shareholders (including promoters and non-promoter shareholders), Key Managerial Personnel ("**KMPs**"), and Directors of the Company and laying out in particular the share exchange ratio, is required to be circulated to the shareholders of the Company. This report is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.

1. The following documents were placed before the Board for consideration:
   a. Draft Scheme of Arrangement between IMCL and HVL in accordance with the provisions of Section 230 to 232 read with Section 52 and 66 of the Companies Act, 2013. (the "**Scheme**").
   b. Valuation report dated August 22, 2019 ("**Valuation Report**") as submitted by PKF Sridhar & Santhanam LLP, Chartered Accountants, as the Independent Valuer, describing the methodology adopted by them in arriving at the share exchange ratio in relation to the amalgamation. The share exchange ratio recommended by the Valuer are as follows:

INDUSIND MEDIA & COMMUNICATIONS LTD. MUMBAI



IndusInd Media & Communications Ltd.
Registered Office: IN CENTRE, 49/50, MIDC, 12th Road, Andheri (East), Mumbai - 400 093.
Ph: +91 - 22 - 2820 8585 Fax: 2824 8367 | E-mail: admin.mummp01@incablenet.net | CIN No.: U92132MH1995PLC085835
www.indigital.co.in | www.nxtdigital.in

HINDUJA GROUP

For IMCL

"10 fully paid up Equity Shares of face value of Rs. 10 each of HVL shall be issued and allotted as fully paid up for every 125 Equity Shares of face value of Rs. 10 each fully paid up, held in IMCL."

No special valuation difficulties were observed or reported in the Valuation Report.

**2. Effect of the Scheme on equity shareholders (*promoters and non-promoters*) of the Company**

As far as the equity shareholders of the Company are concerned (*promoter shareholders as well as non-promoter shareholders*), pursuant to the Scheme they will continue to remain shareholders of the Company. Further, shareholders will receive shares of HVL based on the share exchange ratio determined on the basis of the Valuation Report.

**3. Effect of the Scheme on KMPs and directors of the Company**

There won't be any impact on the KMPs and directors of the Company pursuant to the Scheme.

The KMPs and directors of the Company and their respective relatives may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Company (if any), or to the extent the said KMP / directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of the trust that hold shares in the Company, as applicable.

INDUSIND MEDIA & COMMUNICATIONS LTD. MUMBAI



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www.indigital.co.in | www.nxtdigital.in

4. **Adoption of the Report by the Board of Directors**

The Board of Directors have adopted this report after noting and considering the information set forth in this report.

By order of the Board
For IndusInd Media And Communications Limited

Amar Chintopanth
Executive Director & CFO
DIN: 00048789
Date: August 27, 2019
Place: Mumbai



IndusInd Media & Communications Ltd.
Registered Office: IN CENTRE, 49/50, MIDC, 12th Road, Andheri (East), Mumbai - 400 093.
Ph: +91 - 22 - 2820 8585 Fax: 2824 8367 | E-mail: admin.mummp01@incablenet.net | CIN No.: U92132MH1995PLC085835
www.indigital.co.in | www.nxtdigital.in
HINDUJA GROUP

Hinduja Ventures
Inspiring Growth

**REPORT OF THE BOARD OF DIRECTORS OF HINDUJA VENTURES LIMITED UNDER SECTION 232(2)(c) READ WITH SECTION 52 AND 66 OF THE COMPANIES ACT, 2013 EXPLAINING THE EFFECT OF THE SCHEME OF ARRANGEMENT ON EQUITY SHAREHOLDERS (PROMOTER AND NON-PROMOTER SHAREHOLDERS), KEY MANAGERIAL PERSONNEL, AND DIRECTORS, ADOPTED BY IT AT ITS MEETING HELD ON 27th AUGUST 2019.**

**The Scheme of Arrangement between IndusInd Media and Communications Limited ("IMCL") and Hinduja Ventures Limited ("HVL" / the "Company").**

As per Section 232 (2)(c) of the Companies Act, 2013 (the "**Act**"), a report adopted by the Board of Directors of the Company explaining the effect of the arrangement on equity shareholders (including promoters and non-promoter shareholders), key managerial personnel ("**KMPs**"), and directors of the Company and laying out in particular the share exchange ratio, is required to be circulated to the shareholders of the Company. This report is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Act.

1. The following documents were placed before the Board for consideration:
   a. Draft Scheme of Arrangement between IMCL and HVL in accordance with the provisions of Section 230 to 232 read with Section 52 and 66 of the Companies Act, 2013. (the "**Scheme**").
   b. Valuation report dated 22nd August 2019 **Valuation Report**") as submitted by PKF Sridhar & Santhanam, LLP (the "**Valuer**"), Chartered Accountants, as the independent chartered accountants, describing the methodology adopted by them in arriving at the share exchange ratio in relation to the scheme of arrangement. The share exchange ratio recommended by the Valuer is as follows:

CIN. No.: L51900MH1985PLC036896
Hinduja Ventures Limited, In Centre, 49/50, M.I.D.C., 12th Road, Andheri (E), Mumbai - 400 093.
Phone: +91 22 6691 0945 / 2824 8379 Fax: 6691 0988 Web: www.hindujaventures.com

HINDUJA GROUP

**For IMCL**

*"10 fully paid up Equity Shares of face value of Rs. 10 each of HVL shall be issued and allotted as fully paid up for every 125 Equity Shares of face value of Rs. 10 each fully paid up, held in IMCL."*

No special valuation difficulties were observed or reported in the Valuation Report.

c. Proposed Draft Statutory Auditors certificate towards minimum issue price based on the pricing method specified under Regulation 165 and 166 of Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

d. Fairness opinion dated 23rd August 2019 issued by Saffron Capital Advisors Private Limited, Merchant Bankers; and

e. Statutory auditors certificate dated August 27, 2019 for accounting treatment in the scheme issued by Deloitte Haskins & Sells LLP.

**2. Effect of the Scheme on equity shareholders (*promoters and non-promoters*) of the Company**

As far as the equity shareholders of the Company are concerned (*promoter shareholders as well as non-promoter shareholders*), pursuant to the Scheme they will continue to remain shareholders of the Company but their percentage shareholding in the Company may vary based on the share exchange ratio determined on the basis of the Valuation Report.

**3. Effect of the Scheme on KMPs and directors of the Company**

There won't be any impact on the KMPs and directors of the Company pursuant to the Scheme.

The KMPs and Directors of the Company and their respective relatives may be deemed to be concerned and/or interested in the Scheme only to the extent of their shareholding in the Company (if any), or to the extent the said KMP / directors are the partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of the trust that hold shares in the Company, as applicable.

4. **Adoption of the Report by the Board of Directors**

The Board of Directors have adopted this report after noting and considering the information set forth in this report.

**By order of the Board of Directors of Hinduja Ventures Limited**

Ashok Mansukhani

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Ashok Mansukhani
Managing Director
DIN: 00143001
Date: August 27, 2019.
Place: Mumbai

HINDUJA VENTURES LIMITED MUMBAI-93 MUMBAI

Hinduja Ventures
*Inspiring Growth*

October 24, 2019

To
Listing Department
The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001
**BSE Scrip Code: 500189**

Dear Madam,

**Kind Attention** – Disha Shenoy

**Sub: Complaint Report as per SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 for the Scheme of Arrangement between IndusInd Media and Communications Limited ('IMCL' or 'the Demerged Company') and Hinduja Ventures Limited ('HVL' or 'the Resulting Company') and their respective shareholders ('the Scheme').**

We refer to our application dated September 11, 2019 for the Scheme of Arrangement between IndusInd Media and Communications Limited ('**IMCL**' or 'the **Demerged Company**') and Hinduja Ventures Limited ('**HVL**' or '**the Resulting Company**') and their respective shareholders **('the Scheme'**). The documents were uploaded on the website of the by BSE Limited under the heading Scheme of Arrangement on October 03, 2019.

Pursuant to Regulation 37 of the SEBI LODR 2015 and the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('the SEBI Circular'), we hereby submit the Complaint report for the period from 03 October 2019 to 23 October 2019. The detailed disclosure as required under the said circular is enclosed as "**Annexure 1**".

We request you to take the same on records.

Yours faithfully,
For **Hinduja Ventures Limited**

**Ashok Mansukhani**
**Managing Director**
**DIN: 00143001**

HINDUJA VENTURES LIMITED MUMBAI-93
MUMBAI

**Encl: Annexure 1- Complaint Report for the Scheme of Arrangement.**

CIN. No.: L51900MH1985PLC036896
Hinduja Ventures Limited, In Centre, 49/50, M.I.D.C., 12th Road, Andheri (E), Mumbai - 400 093.
Phone: +91 22 6691 0945 / 2824 8379 Fax: 6691 0988 Web: www.hindujaventures.com

HINDUJA GROUP

**Annexure – 1**

**Complaint Report from October 03, 2019 to October 23, 2019 for the Scheme of Arrangement between IndusInd Media and Communications Limited ('IMCL' or 'the Demerged Company') and Hinduja Ventures Limited ('HVL' or 'the Resulting Company') and their respective shareholders ('the Scheme').**

| Sr. No. | Particulars | Number |
|---|---|---|
| 1. | Number of complaints received directly | **NIL** |
| 2. | Number of complaints forwarded by Stock Exchange / SEBI | **NIL** |
| 3. | Total Number of complaints/comments received (1+2) | **NIL** |
| 4. | Number of complaints resolved | **Not Applicable** |
| 5. | Number of complaints pending | **Not Applicable** |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---|---|---|---|
| 1. | **NOT APPLICABLE** | | |

For **Hinduja Ventures Limited**

Ashok Mansukhani

**Ashok Mansukhani**
**Managing Director**
**DIN: 00143001**

HINDUJA VENTURES LIMITED MUMBAI

CIN. No.: L51900MH1985PLC036896
Hinduja Ventures Limited, In Centre, 49/50, M.I.D.C., 12th Road, Andheri (E), Mumbai - 400 093.
Phone: +91 22 6691 0945 / 2824 8379 Fax: 6691 0988 Web: www.hindujaventures.com

NXTDIGITAL

November 05, 2019

To
Listing Department
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051
**BSE Scrip Code: HINDUJAVEN**

Dear Sir,

**Kind Attention** – Saurabh Singh

**Sub: Complaint Report as per SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 for the Scheme of Arrangement between IndusInd Media and Communications Limited ('IMCL' or 'the Demerged Company') and NXTDIGITAL LIMITED ('HVL' or 'the Resulting Company') and their respective shareholders ('the Scheme').**

We refer to our application dated September 11, 2019 for the Scheme of Arrangement between IndusInd Media and Communications Limited (**'IMCL'** or 'the **Demerged Company'**) and Hinduja Ventures Limited (**'HVL'** or **'the Resulting Company'**) and their respective shareholders **('the Scheme'**). The documents were uploaded on the website of the by National Stock Exchange of India Ltd under the heading Scheme of Arrangement on October 14, 2019.

Pursuant to Regulation 37 of the SEBI LODR 2015 and the SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('the SEBI Circular'), we hereby submit the Complaint report for the period from October 14, 2019 to November 04, 2019. The detailed disclosure as required under the said circular is enclosed as **"Annexure 1"**.

We request you to take the same on records.

Yours faithfully,

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

NXTDIGITAL LIMITED MUMBAI

**Ashok Mansukhani**
**Managing Director**
**DIN: 00143001**

**Encl: Annexure 1- Complaint Report for the Scheme of Arrangement.**

Annexure – 1

**Complaint Report from October 14, 2019 to November 04, 2019 for the Scheme of Arrangement between IndusInd Media and Communications Limited ('IMCL' or 'the Demerged Company') and Hinduja Ventures Limited ('HVL' or 'the Resulting Company') and their respective shareholders ('the Scheme').**

| Sr. No. | Particulars | Number |
|---|---|---|
| 1. | Number of complaints received directly | NIL |
| 2. | Number of complaints forwarded by Stock Exchange / SEBI | NIL |
| 3. | Total Number of complaints/comments received (1+2) | NIL |
| 4. | Number of complaints resolved | Not Applicable |
| 5. | Number of complaints pending | Not Applicable |

**Part B**

| Sr. No. | Name of complainant | Date of complaint | Status (Resolved/Pending) |
|---|---|---|---|
| 1. | NOT APPLICABLE | | |

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

NXTDIGITAL LIMITED MUMBAI

**Ashok Mansukhani**
**Managing Director**
**DIN: 00143001**

DCS/AMAL/DS/R37/1649/2019-20 January 13, 2020

The Company Secretary,
**Nxtdigital Ltd**
**(previously known as Hinduja Ventures Ltd)**
49/50, In Centre, 12th Road, M I D C,
Andheri (East), Mumbai, Maharashtra, 400093

Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement among Nxtdigital Limited (previously known as Hinduja Ventures Limited) and IndusInd Media and Communications Limited and their respective shareholders and creditors.**

We are in receipt of Draft Scheme of Arrangement by Nxtdigital Limited (previously known as Hinduja Ventures Limited) and their respective shareholders and creditors filed as required under SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated January 09, 2020 has inter alia given the following comment(s) on the draft scheme of arrangement:

- **"Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, and from the date of receipt of this letter is displayed on the websites of the listed company and the stock exchanges."**
- **"Company shall duly comply with various provisions of the Circular."**
- **"Company shall ensure that information pertaining to Anil Harish appearing in wilful defaulters list of RBI and Action taken by SEBI against Mr. Anil Harish in various matters and latest status of the matters, is disclosed in the scheme under the heading "action taken by SEBI/RBI" and the same is brought to the notice of shareholders and Ho'ble NCLT."**
- **"Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."**
- **"It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."**

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT.

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCLT.

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Further, it may be noted that with reference to Section 230 (5) of the Companies Act, 2013 (Act), read with Rule 8 of Companies (Compromises, Arrangements and Amalgamations) Rules 2016 (Company Rules) and Section 66 of the Act read with Rule 3 of the Company Rules wherein pursuant to an Order passed by the Hon'ble National Company Law Tribunal, a Notice of the proposed scheme of compromise or arrangement filed under sections 230-232 or Section 66 of the Companies Act 2013 as the case may be **is required to be served upon the Exchange seeking representations or objections if any.**

In this regard, with a view to have a better transparency in processing the aforesaid notices served upon the Exchange, the Exchange has **already introduced an online system of serving such Notice along with the relevant documents of the proposed schemes through the BSE Listing Centre.**

Any service of notice under Section 230 (5) or Section 66 of the Companies Act 2013 seeking Exchange's representations or objections if any, **would be accepted and processed through the Listing Centre only and no physical filings would be accepted.** You may please refer to circular dated February 26, 2019 issued to the company.

Yours faithfully,

NPujari

**Nitinkumar Pujari**
**Senior Manager**

Ref: NSE/LIST/21847_II January 13, 2020

The Company Secretary
Nxtdigital Limited
In Centre, 49/50 MIDC
12th Road, Andheri (East),
Mumbai-400093

**Kind Attn.: Mr. Hasmukh Shah**

Dear Sir,

**Sub**: **Observation Letter for Draft Scheme of Arrangement between Indusind Media and Communications Limited and Nxtdigital Limited (Formerly known as "Hinduja Ventures Limited") and their respective shareholders**

We are in receipt of the Draft Scheme of Arrangement between Indusind Media and Communications Limited and Nxtdigital Limited (Formerly known as "Hinduja Ventures Limited") and their respective shareholders vide application dated September 11, 2019.

Based on our letter reference no Ref: NSE/LIST/21847 submitted to SEBI and pursuant to SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ('Circular'), SEBI vide letter dated January 09, 2020, has given following comments:

a. *The Company shall ensure that the additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange and from the date of the receipt of this letter is displayed on the website of the listed company.*

b. *The Company shall duly comply with various provisions of the Circular.*

c. *The Company shall ensure that information pertaining to Anil Harish appearing in wilful defaulters list of RBI and Action taken by SEBI against Mr. Anil Harish in various matters and latest status of the matters, is disclosed in the Scheme under the heading "action taken by SEBI/RBI" and the same is brought to the notice of shareholders and Hon'ble NCLT.*

d. *The Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT.*

e. *It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments/observations/ representations.*

It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/ stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to National Stock Exchange of India Limited again for its comments/observations/ representations.

This Document is Digitally Signed

Signer: Rajendra P Bhosale
Date: Mon, Jan 13, 2020 10:54:57 IST
Location: NSE

Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the Scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of Regulation 11 of SEBI (LODR) Regulations, 2015, we hereby convey our "No-objection" in terms of Regulation 94 of SEBI (LODR) Regulations, 2015, so as to enable the Company to file the draft scheme with NCLT.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Regulations, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from January 13, 2020, within which the scheme shall be submitted to NCLT.

Yours faithfully,
For **National Stock Exchange of India Limited**

Rajendra Bhosale
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed

Signer: Rajendra P Bhosale
Date: Mon, Jan 13, 2020 10:54:57 IST
Location: NSE

B S R & Co. LLP
Chartered Accountants

5th Floor, Lodha Excelus,
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011
India

Telephone +91 (22) 4345 5300
Fax +91 (22) 4345 5399

## Independent Auditor's Report on Review of Unaudited Standalone Financial Results

To the Board of Directors of
Indusind Media & Communications Limited

We have reviewed the accompanying Statement of unaudited standalone financial results of Indusind Media & Communications Limited ('the Company') for the quarter ended 31 December 2019 and the year-to-date results for the period from 1 April 2019 to 31 December 2019 attached herewith ("the Statement").

The Statement has been prepared by the Company's management in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') – 34 *'Interim Financial Reporting'* prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant Rules issued thereunder and other accounting principles generally accepted in India. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors in their meeting held on 25 January 2020. Our responsibility is to issue a report on these financial results based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under Section 143(10) of the Act. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with applicable accounting standards i.e. Ind AS prescribed under Section 133 of the Act and other recognised accounting practices and policies, contains any material misstatement.

**Emphasis of Matters**

1. We draw attention to Note 7b to the Statement regarding non-provision for diminution in the value of investment in and advances to a subsidiary for the reasons explained in the said Note.

Our report is not modified in respect of the above matter.

B S R & Co (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability, Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011. India

## Independent Auditor's Report on Review of Unaudited Standalone Financial Results *(Continued)*

# Indusind Media & Communications Limited

**Restriction of use**

This report is intended solely for the information and use of the Company and should not be used for any other purposes without our prior written content.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Jaclyn Desouza**
*Partner*
Membership No: 124629
UDIN: 20124629AAAAAC1753

Mumbai
25 January 2020

INDUSIND MEDIA & COMMUNICATIONS LIMITED

Statement of Standalone Unaudited Financial Results for the quarter and nine months ended 31 December 2019

(Rupees in lakhs)

| | Particulars | Quarter ended 31 December 2019 | Quarter ended 30 September 2019 | Corresponding Quarter ended 31 December 2018 | Year to date period ended 31 December 2019 | Year to date period ended 31 December 2018 | Year ended 31 March 2019 |
|---|---|---|---|---|---|---|---|
| | (Refer Notes Below) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | **Revenue from operations** | | | | | | |
| | (a) Revenue from operations | 23,454 | 19,177 | 13,769 | 61,630 | 40,215 | 56,176 |
| | (b) Other operating income | 189 | 228 | 105 | 565 | 320 | 508 |
| | Total revenue from operations (net) | 23,643 | 19,405 | 13,874 | 62,195 | 40,535 | 56,684 |
| 2 | Expenses | | | | | | |
| | (a) Operational expenses | 9,419 | 9,986 | 12,933 | 29,051 | 39,127 | 48,809 |
| | (b) Cost of material consumed | 343 | 317 | 296 | 1,043 | 677 | 1,000 |
| | (c) Changes in inventories of network cables and equipments | (72) | 15 | 55 | (115) | 183 | 175 |
| | (d) Employee benefits expense | 1,581 | 1,126 | 1,278 | 3,935 | 3,037 | 4,306 |
| | (e) Depreciation and amortisation expense | 4,289 | 4,369 | 3,602 | 12,978 | 10,703 | 14,372 |
| | (f) Other expenses | 6,232 | 4,771 | 5,618 | 15,789 | 12,571 | 16,580 |
| | Total expenses | 21,792 | 20,584 | 23,782 | 62,681 | 66,298 | 85,242 |
| 3 | **Profit/(Loss) from operations before other income and finance costs (1-2)** | **1,851** | **(1,179)** | **(9,908)** | **(486)** | **(25,763)** | (28,558) |
| 4 | Other income | 2,077 | 575 | 1,243 | 3,026 | 2,378 | 2,202 |
| 5 | **Profit/(Loss) from ordinary activities before finance costs (3+4)** | **3,928** | **(604)** | **(8,665)** | **2,540** | **(23,385)** | (26,356) |
| 6 | Finance costs | 2,216 | 2,004 | 2,187 | 6,152 | 7,218 | 8,976 |
| 7 | **Profit/(Loss) from ordinary activities before tax (5-6)** | **1,712** | **(2,608)** | **(10,852)** | **(3,612)** | **(30,603)** | (35,332) |
| 8 | **Tax expense** | | | | | | |
| | - Current tax | - | - | - | - | - | - |
| | - Deferred tax | - | (4,179) | - | (8,156) | - | - |
| 9 | **Net Profit/ (Loss) from ordinary activity after tax (7 - 8)** | **1,712** | **1571** | **(10,852)** | **4,544** | (30,603) | (35,332) |
| 10 | **Other comprehensive income / (loss)** | 103 | (103) | (65) | 416 | (966) | (1,398) |
| 11 | **Total comprehensive income / (loss) (9+10)** | **1,815** | **1,468** | **(10,917)** | **4,960** | (31,569) | (36,730) |
| 12 | Paid-up equity share capital (face value Rs. 10/- each) | 19,463 | 19,463 | 17,030 | 19,463 | 17,030 | 18,247 |
| 13 | **Earnings per share (of Rs. 10/- each) (not annualised):** | | | | | | |
| | (a) Basic (in Rupees) | 0.88 | 0.83 | (6.82) | 2.38 | (18.41) | (17.88) |
| | (b) Diluted (in Rupees) | 0.88 | 0.83 | (6.82) | 2.38 | (18.41) | (17.88) |

B S R & Co. LLP
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Chartered Accountants

INDUSIND MEDIA & COMMUNICATIONS LTD. MUMBAI

Notes:

1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of Indusind Media & Communications Limited ('the Company' or 'IMCL') at their meeting held on 25 January 2020.

2 These results have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') and other recognised accounting practices and policies to the extent applicable.

3 The statutory auditors have carried out a limited review of the Standalone Unaudited Financial Results of the Company for the quarter and nine months ended 31 December 2019.

4 The Company operates in a single business segment namely "Media and Communications" and as such there are no reportable business segments. The Company caters only to the domestic market where there are no differing risks and returns and thus there is no reportable geographical segment. The financial results are reflective of the information required by Ind AS 108.

5 The Company received notices during the financial year 2017-2018 from the Department of Telecommunication (DOT) towards alleged revenue loss due to license fees payable on Internet Service Provider (ISP) business along with interest and penalty thereon, for the period 2010-2011 to 2014-2015, aggregating to INR 50,775.24 lakhs, under the License No. 820-5/2002-LR dated 16 May 2002 (hereinafter referred to as ISP License) and Unified License bearing No. 821-52/2013-DS for ISP Category A for PAN India. DoT demand on the Company was stayed by TDSAT vide order dated 20 December 2017 and the said stay has not been vacated as on date.

During the current quarter, in a similar matter, TDSAT vide its order dated 18 October 2019 has set aside the impugned demands and directed DoT to issue directives for maintaining level playing field for all operators. Further, in matters of certain telecom companies relating to 'AGR', the Hon'ble Supreme Court vide its order dated 24 October 2019 upheld DoT's appeal thereby determining what constitutes AGR for the purposes of license fee calculation.

On 5 December 2019, in light of the Hon'ble Supreme Court's judgement, DoT decided to re-examine all demand orders raised and asked all license holders to submit comprehensive representations of the issues involved. Company have filed representations at appropriate authorities denying the alleged liabilities.

Based on an independent legal expert opinion, Company is continue to believe that the demands will not be upheld and therefore disclose these as Contingent Liabilities.

6 The Company held 26,700,000, 9% Redeemable Preference Shares in ONEOTT Intertainment Limted (OIL), aggregating to INR 267 crores and 500,000, 9% Redeemable Preference Shares in ONEOTT Intertainment Limted (OIL), aggregating to INR 5 crores. The Board of Directors of the Company and OIL agreed to amend the the terms of these Redeemable Preference Shares, to convert them into Compulsarily Convertible Preference Shares. Consequently, these shares were converted into 20,221,169 Equity shares of Rs 10 each at a premium of INR 124.51 per share on 12 August 2019 based upon a valuation carried out by an independent third party valuer. Upon completion of allotment of equity shares on 12 August 2019 effected by conversion, OIL become a subsidiary of the Company .

7a The management was in process of corporate restructuring of Gold Star Noida Network Ltd (Goldstar) and Ajanta Sky Darshan Private Limited (Ajanta); however during the current quarter subsequent to proposed Scheme of arrangement for demerger of Company's Cable TV business with its parent company NXTDIGITAL Limited ( formerly known as Hinduja Ventures Limited ), the management believes that the Company may not have any viable business opportunity for Goldstar and Ajanta. Thus, the Company has accounted for provision for diminution in value of its investment amounting to INR 236 lakhs and INR 60 lakhs respectively and provision for doubtful advances given amounting to INR 655 lakhs and INR 87 lakhs.

7b The Company holds investments of INR 209 lakhs in equity shares of and has also given advances aggregating to INR 413 lakhs to its subsidiary ('Sainath Intertainment') as of 31 December 2019. Sainath Intertainment has been treated like a linked Local Cable Operator ('LCO') since they do not have DAS license. The Company charges it for input charges in line with charges provided to any linked LCO. In view of the above and the fact that the investment in this subsidiary has been reckoned as strategic investment and based on valuation report obtained by the Company from an external valuer in respect of such subsidiary as at 31 March 2019, wherein based on the inherent value of the SPs and future cash flows and projections, the business valuation of this subsidiary is greater than the total exposure, the Company is of the opinion that there is no diminution, other than temporary, in the total exposure and is confident of turn-around with advent of New Tariff Order (NTO) 2019 and DAS implementation in the areas where this company operate and accordingly no provision is considered necessary in the value of this investment and the outstanding advances.

During the nine months and quarter ended 31 December 2019, the Company has invoiced the customers of Sainath Intertainment in the DAS regime as the aforesaid subsidiary do not have DAS license, which is a pre-requisite under TRAI regulations. A formal agreement between Sainath Intertainment and the Company is being put in place for the above arrangement. Consequently the Company has recognised a subscription revenue and broadcaster cost for the nine months and quarter ended 31 December 2019 as provided below in its books of accounts :

| | | (Rupees in lakhs) |
|---|---|---|
| Particulars | Quarter ended 31 December 2019 | Year to date period ended 31 December 2019 |
| Subscription Revenue | 46 | 144 |
| Broadcaster Cost | 33 | 102 |

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INDUSIND MEDIA & COMMUNICATIONS LTD. MUMBAI

8 The Company recognizes revenue from installation fees over the period from which the Company is expected to realize the economic benefits from such installation. The Company was in the process of stabilization under New Tariff Order (NTO) effective from 1 February 2019. The customer churn period has undergone a change, accordingly the Company has amended the expected pattern of economic benefit from four years to three years. The effect of this change has resulted in recognition of installation revenue amounting to INR 5,264 lakhs during the current quarter.

9a The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application 1 April 2019. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. This has resulted in recognising a right-of-use asset of INR 5,325 lakhs and a corresponding lease liability of INR 5,832 lakhs by adjusting retained earnings as at 1 April 2019. In the profit and loss account for the current period, the nature of expenses in respect of leases has changed from transponder charges in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

9b Thaicom Public Company Limited (Thaicom), satellite transponder service provider reported a technical incident in its satellite during the quarter and advised the Company on 20 December 2019 to migrate to another satellite immediately. Based on legal opinion, due to breach of services by Thaicom the contract is deemed to be terminated on 20 December 2019. The Company is confident of the waiver of charges by Thaicom for use of services from 21 December 2019 till migration of satellite transponders, hence no provision is made for the same.
As per Ind AS 116, the lease liability and right of use of assets is derecognised on 20 December 2019, resulting in recognition of net gain of INR 668 lakhs in the Statement of profit and loss.

10 The Boards of Directors of the Company and its parent NXTDIGITAL Limited (formerly known as Hinduja Ventires Limited) at their respective meetings held on 27 August 2019, have proposed a de-merger of the Cable TV (CATV) and Head End In the Sky (HITS) business undertaking of the Company including its investments in OneOTT Intertainment Limited into NXTDIGITAL Limited (formerly known as Hinduja Ventires Limited) through a scheme of de-merger (Scheme) subject to necessary shareholders, statutory and other approvals. The Scheme was filed with National Company Law Tribunal (NCLT) on 21 January 2020 and is pending approval.

11 The Taxation Laws (Amendment) Ordinance, 2019 has inserted a new section 115 BAA in the Income Tax Act. The section gives an option to a domestic Company of a reduced tax rate of 22%. Provisions of section 115JB have also been amended by inserting a new sub clause in the section to provide that section 115JB shall not be applicable to a company which has exercised the option to pay tax under the new section 115BAA, by virtue of which such company will not liable to pay minimum alternate tax (MAT) u/s. 115JB. The option to pay tax under the new section should be exercised before filing of the Return of Income for the financial year 2019-20 i.e. on or before 30 September 2020.
The Company is evaluating options. Accordingly, no adjustment has been made in the results for the period ended 31 December 2019.

12 The Company incurred losses during nine months period April 2019 to December 2019 and previous years and significant amounts of debts are due for repayment in the year ended 31 March 2020. However, the financial results have been prepared on a going concern basis based on the continuing financial support extended by Hinduja group evidenced by infusion of funds to make good shortfall if any.

13 Figures for the previous periods / year are re-classified / re-arranged / re-grouped, wherever necessary so as to be in conformity with the classification and presentation of the quarter and nine months ended 31 December 2019.

For and on behalf of Board of Directors

**SIGNED FOR IDENTIFICATION BY**

Chairman

Chief Executive Officer

**For B S R & CO. LLP**

Executive Director & CFO

Company Secretary

Place : Mumbai
Date: 25 January 2020

| | | | |
|---|---|---|---|
| **II** | **EQUITY AND LIABILITIES** | | |
| **A** | **Equity** | | |
| a | Equity share capital | 19,463 | 18,247 |
| b | Calls in advance | (0) | - |
| c | Other equity | 10,084 | 3,806 |
| | **Total equity** | **29,547** | **22,053** |
| **B** | **Liabilities** | | |
| **1** | **Non-current liabilities** | | |
| a | Financial liabilities | | |
| | (i) Borrowings | 12,992 | 33,505 |
| | (ii) Derivatives | 12 | 128 |
| b | Deferred income | 6,149 | 9,064 |
| c | Provisions | 413 | 384 |
| | **Total non-current liabilities** | **19,566** | **43,081** |
| | (a) Current investments | - | - |
| **2** | **Current liabilities** | | |
| a | Financial liabilities | | |
| | (i) Borrowings | 31,529 | 11,046 |
| | (ii) Trade payables | | |
| | - total outstanding dues of micro enterprises and small enterprises | 40 | 166 |
| | - total outstanding dues of creditors other than micro enterprises and small enterprises | 26,360 | 21,130 |
| | (iii) Derivatives | 168 | 936 |
| | (iv) Other financial liabilities | 32,334 | 27,240 |
| b | Deferred income | 3,947 | 12,952 |
| c | Provisions | 53 | 96 |
| d | Other current liabilities | 1,719 | 1,596 |
| | **Total current liabilities** | **96,150** | **75,162** |
| | **Total liabilities** | **1,15,716** | **1,18,243** |
| | **Total equity and liabilities** | **1,45,263** | **1,40,296** |
| | See accompanying notes to the Standalone Unaudited Condensed Financial Statements | | |

**For and on Behalf of Board of Directors**

Chairman

Chief Executive Officer

Executive Director & CFO

Company Secretary

Place : Mumbai
Date: 25 January 2020

INDUSIND MEDIA & COMMUNICATIONS LTD.
MUMBAI

**INDUSIND MEDIA & COMMUNICATIONS LIMITED**

**Standalone Unaudited Condensed Statement of Cashflow From April 1, 2019 To December 31, 2019**

| | | Year-to-date figures | Year-to-date figures |
|---|---|---|---|
| | | For April 1, 2019 to December 31, 2019 | For April 1, 2018 to March 31, 2019 |
| | | Unaudited | Audited |
| | | (Rupees in lacs) | (Rupees in lacs) |
| A | Cashflows (used in)/from operating activities | 5,304 | (14,861) |
| B | Cashflows (used in) investing activities | (4,366) | (4,847) |
| C | Cashflows from financing activities | (179) | 18,340 |
| | **Net (Decrease)/Increase in Cash & Cash Equivalents (A+B+C)** | **759** | **(1,368)** |
| | Cash and cash equivalents at beginning of period | 1,494 | 2,862 |
| | Cash and cash equivalents at end of period | **2,253** | **1,494** |
| | **Notes:** | | |
| | **Cash & Cash Equivalents Reconciliation** | | |
| | Cash on hand and balance with banks | | |
| | Cash on hand | **10** | **11** |
| | Cheques on hand | **392** | **1,382** |
| | Debit balance of cash credit facility | **555** | - |
| | Temporary book overdraft used for cash management purposes | - | **(218)** |
| | Balances with scheduled banks in : | - | - |
| | - Current account | **1,296** | **319** |
| | **Cash & Cash Equivalents** | **2,253** | **1,494** |

For and on Behalf of Board of Directors

Chairman

Chief Executive Officer

Executive Director & CFO

Company Secretary

Place : Mumbai
Date: 25 January 2020

MUMBAI
INDUSIND MEDIA & COMMUNICATIONS LTD. *

8 The Company held 2,67,00,000, 9% Redeemable Preference Shares in ONEOTT Intertainment Limted (OIL), aggregating to INR 267 crores and 5,00,000, 9% Redeemable Preference Shares in ONEOTT Intertainment Limted (OIL), aggregating to INR 5 crores.
The Boards of Director of both OIL and the Company agreed to a variation in the terms of these Redeemable Preference Shares, to convert them to Compulsarily Convertible Preference Shares.
Consequently these shares were converted into Equity shares at a value arrived at based on a valuation carried out by an independent third party valuation firm. Based on this valuation these shares were converted into 2,02,21,169 Equity shares of INR 10 each at a premium of INR 124.51 per share. The converted shares were allotted to the Company on 12th August 2019.
By virtue of such conversion, OIL has with effect from 12th August 2019 become a subsidiary of the Company.

9a The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application 1 April 2019. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. This has resulted in recognising a right-of-use asset of INR 5,325 lakhs and a corresponding lease liability of INR 5,832 lakhs by adjusting retained earnings as at 1 April 2019. In the profit and loss account for the current period, the nature of expenses in respect of leases has changed from transponder charges in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

9b Thaicom Public Company Limited (Thaicom), satellite transponder service provider reported a technical incident in its satellite during the quarter and advised the Company on 20 December 2019 to migrate to another satellite immediately. Based on legal opinion, due to breach of services by Thaicom the contract is deemed to be terminated on 20 December 2019. The Company is confident of the waiver of charges by Thaicom for use of services from 21 December 2019 till migration of satellite transponders, hence no provision is made for the same.
As per Ind AS 116, the lease liability and right of use of assets is derecognised on 20 December 2019, resulting in recognition of net gain of INR 668 Lakhs in the Statement of profit and loss.

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The Company is evaluating options. Accordingly, no adjustment has been made in the results for the period ended 31 December 2019.

12 The Company incurred losses during nine months period April 2019 to December 2019 and previous years and significant amounts of debts are due for repayment in the year ended 31 March 2020. However, the financial results have been prepared on a going concern basis based on the continuing financial support extended by Hinduja group evidenced by infusion of funds to make good shortfall if any.

13 Figures for the previous periods / year are re-classified / re-arranged / re-grouped, wherever necessary so as to be in conformity with the classification and presentation of the quarter and nine months ended 31 December 2019.

**For and on Behalf of Board of Directors**

**Chairman**

**Chief Executive Officer**

**Executive Director & CFO**

**Company Secretary**

Place : Mumbai
Date: 25 January 2020

MEDIA & COMMUNICATIONS LTD. MUMBAI

# B S R & Co. LLP
Chartered Accountants

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Mumbai - 400 011
India

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## Independent Auditor's Report on Review of Unaudited Consolidated Financial Results

To the Board of Directors of
Indusind Media & Communications Limited

1. We have reviewed the accompanying Statement of unaudited consolidated financial results of Indusind Media & Communications Limited ('the Company') and its subsidiaries (collectively referred to as 'Group') for the quarter ended 31 December 2019 and the year-to-date results for the period from 1 April 2019 to 31 December 2019 ('the Statement'), attached herewith.

2. The Statement has been prepared by the Company's management in accordance with the recognition and measurement principles laid down in Indian Accounting Standard ('Ind AS') – 34 'Interim Financial Reporting' prescribed under Section 133 of the Companies Act, 2013 ('the Act') read with relevant Rules issued thereunder and other accounting principles generally accepted in India. This Statement is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company in their meeting held on 25 January 2020. Our responsibility is to issue a report on these financial results based on our review.

3. We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* specified under Section 143(10) of the Act. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. Attention is drawn to the fact that we have not reviewed the consolidated unaudited financial results of the Company for the corresponding quarter ended 31 December 2018 and for the period from 1 April 2018 to 31 December 2018 as included in the accompanying Statement.

5. The Statement includes the results of the following entities:

   a. U.S.N Networks Private Limited,

   b. Apna Incable Broadband Services Private Limited,

   c. United Mysore Networks Private Limited,

   d. Goldstar Noida Network Private Limited,

   e. Ajanta Sky Darshan Private Limited,

   f. Goldstar Infotainment Private Limited,

   g. Sunny Infotainment Private Limited,


B S R & Co (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability, Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013



Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011. India

**Independent Auditor's Report on Review of Unaudited Consolidated Financial Results** ***(Continued)***

Indusind Media & Communications Limited

h. RBL Digital Cable network Private Limited,

i. Vistaar Telecom & Infrastructure Private Limited,

j. Bhima Riddhi Infotainment Private Limited,

k. Sangli Media Services Private Limited,

l. Sainath Inentertainment Private Limited,

m. Darpita Trading Company Private Limited,

n. Vinsat Digital Private Limited and

o. OneOTT Intertainment Limited with effect from (from 12 August 2019).

6. Based on our review conducted as above, and based on the consideration of reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with applicable Ind AS prescribed under Section 133 of the Act read with relevant Rules issued thereunder and other recognised accounting practices and policies, contains any material misstatement.

7. **Other Matters**

a) We did not review the financial results of six subsidiaries included in the Statement, whose financial results reflect total revenues of Rs 7,778 lakhs and Rs 17,203 lakhs, total net (loss)/profit after tax of Rs (61 lakhs) and Rs 581 lakhs and total comprehensive income of Rs (29) lakhs and Rs 648 lakhs, for the quarter ended 31 December 2019 and for the period 1 April 2019 to 31 December 2019 respectively as considered in the Statement. These financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our conclusion on the Statement is not modified in respect of the above matter.

b) We did not review the financial results of nine subsidiaries included in the Statement, whose financial results reflect total revenues of Rs Nil and Rs 2 lakhs, total net loss after tax of Rs 19 lakhs and Rs 49 lakhs and total comprehensive income of Rs (19 lakhs) and Rs (49 lakhs), for the quarter ended 31 December 2019 and for the period 1 April 2019 to 31 December 2019 respectively.

Our conclusion on the Statement is not modified with respect to our reliance on the financial results certified by Management.

## Independent Auditor's Limited Report on Review of Unaudited Consolidated Financial Results *(Continued)*

# Indusind Media & Communications Limited

**8. Restriction of use**

This report is intended solely for the information and use of the Company and should not be used for any other purposes without our prior written content.

For **B S R & Co. LLP**
*Chartered Accountants*
Firm's Registration No: 101248W/W-100022

**Jaclyn Desouza**
*Partner*
Membership No: 124629
UDIN: 20124629AAAAAD2042

Mumbai
25 January 2020

## INDUSIND MEDIA & COMMUNICATIONS LIMITED

Statement of Consolidated Unaudited Financial Results for the quarter and nine months ended 31 December 2019

(Rupees in lacs)

| | Particulars | Quarter ended 31 December 2019 | Quarter ended 30 September 2019 | Corresponding Quarter ended 31 December 2018 | Year to date period ended 31 December 2019 | Year to date period ended 31 December 2018 | Year ended 31 March 2019 |
|---|---|---|---|---|---|---|---|
| | (Refer Notes Below) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | Revenue from operations | | | | | | |
| | (a) Revenue from operations | 29,611 | 25,195 | 15,295 | 76,064 | 45,167 | 62,776 |
| | (b) Other operating income | 89 | 87 | 46 | 230 | 174 | 310 |
| | Total revenue from operations (net) | 29,700 | 25,282 | 15,341 | 76,294 | 45,341 | 63,086 |
| 2 | Expenses | | | | | | |
| | (a) Operational expenses | 11,878 | 11,868 | 14,236 | 34,728 | 42,703 | 53,239 |
| | (b) Cost of material consumed | 382 | 338 | 353 | 1,103 | 727 | 1,050 |
| | (c) Purchase of stock in trade | 1,008 | 2,138 | - | 3,146 | - | - |
| | (d) Changes in inventories of network cables and equipments | 260 | 44 | 55 | 246 | 190 | 188 |
| | (e) Employee benefits expense | 2,213 | 1,514 | 1,396 | 5,045 | 3,373 | 4,739 |
| | (f) Depreciation and amortisation expense | 5,591 | 5,117 | 3,711 | 15,130 | 11,167 | 14,943 |
| | (g) Other expenses | 6,294 | 5,226 | 3,923 | 16,350 | 11,504 | 17,597 |
| | Total expenses | 27,626 | 26,245 | 23,674 | 75,748 | 69,664 | 91,756 |
| 3 | Profit/(Loss) from operations before other income and finance costs (1-2) | 2,074 | (963) | (8,333) | 546 | (24,323) | (28,670) |
| 4 | Other income | 2,589 | 777 | 1,191 | 3,406 | 2,406 | 2,244 |
| 5 | Profit/(Loss) from ordinary activities before finance costs (3+4) | 4,663 | (186) | (7,142) | 3,952 | (21,917) | (26,426) |
| 6 | Finance costs | 2,586 | 2,203 | 2,199 | 6,727 | 7,242 | 9,001 |
| 7 | Profit/(Loss) from ordinary activities after finance costs (5-6) | 2,077 | (2,389) | (9,341) | (2,775) | (29,159) | (35,427) |
| 8 | Exceptional items (Net) | - | - | - | - | - | 3,583 |
| 9 | Profit/(Loss) before tax (7+8) | 2,077 | (2,389) | (9,341) | (2,775) | (29,159) | (31,844) |
| 10 | Tax expense | | | | | | |
| | - Current tax | - | - | 1 | - | 1 | 20 |
| | - Deferred tax | 54 | (4,161) | (4) | (8,086) | (12) | (17) |
| 11 | Net Profit/ (Loss) after tax (9 - 10) | 2,023 | 1,772 | (9,338) | 5,311 | (29,148) | (31,847) |
| 12 | Other comprehensive income/(loss) | 134 | (67) | (60) | 483 | (950) | (1,396) |
| 13 | Total comprehensive income/(loss) (11+12) | 2,157 | 1,705 | (9,398) | 5,794 | (30,098) | (33,243) |
| | Attributable to: | | | | | | |
| | Equity holders of the parent | 2,107 | 1,552 | (9,335) | 5,431 | (30,037) | (33,117) |
| | Non-Controlling Interest | 50 | 153 | (63) | 363 | (61) | (126) |
| 12 | Paid-up equity share capital (face value Rs. 10/- each) | 19463 | 19,463 | 17,030 | 19,463 | 17,030 | 18,247 |
| 14 | Earnings per share (of Rs. 10/- each) (not annualised): | | | | | | |
| | (a) Basic (in Rupees) | 1.04 | 0.94 | (5.87) | 2.78 | (17.53) | (16.12) |
| | (b) Diluted (in Rupees) | 1.04 | 0.94 | (5.87) | 2.78 | (17.53) | (16.12) |

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

Indusind Media & Communications Ltd. Mumbai

Notes:

1 The Consolidated Unaudited Financial Results comprises of the financial results of Indusind Media & Communication Limited ('the Company' or 'IMCL') and its Fifteen Subsidiaries (collectively refered to as 'Group' for the quarter and nine months ended 31 December 2019.

2 The above results have been reviewed by the Audit Committee and approved by the Board of Directors of Indusind Media & Communications Limited ("the Company"/"IMCL") at their meeting held on 25 January 2020.

3 These results have been prepared in accordance with the Indian Accounting Standards ('Ind AS') prescribed under Section 133 of the Companies Act, 2013 ('the Act') and other recognised accounting practices and policies to the extent applicable.

4 The statutory auditors have carried out a limited review of the Consolidated Unaudited Financial Results of the Company for the quarter and nine months ended 31 December 2019. Attention is drawn to the fact that the consolidated figures for the corresponding quarter and nine months ended 31 December 2018 , as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.

5 The Company held 26,700,000, 9% Redeemable Preference Shares in ONEOTT Intertainment Limted (OIL), aggregating to INR 267 crores and 500,000, 9% Redeemable Preference Shares in ONEOTT Intertainment Limted (OIL), aggregating to INR 5 crores.

The Board of Directors of both OIL and the Company agreed to a variation in the terms of these Redeemable Preference Shares, to convert them to Compulsorily Convertible Preference Shares.

Subsequently, these shares were converted into Equity shares at a value arrived at based on a valuation carried out by an independent third party valuation firm. Based on this valuation, these shares were converted into 2,02,21,169 Equity shares of Rs 10 each at a premium of INR 124.51 per share. The converted shares were allotted to the Company on 12 August 2019.

By virtue of such conversion, OIL has with effect from 12 August 2019 become a subsidiary of the Company. The Consolidated financial statements of the Company for the nine months ended 31 December 2019 include the results of operations of OIL for the period 12 August 2019 to 31 December 2019.

The Company is in the process of performing a Purchase Price Allocation and has ascribed provisional value to OIL's commercial and business rights of INR 15,000 lakhs and accounted for resulting goodwill of INR 9,606 lakhs in the Consolidated Unaudited Interim Financial Information.

Purchase price has been allocated on a provisional basis as set out below, to the assets acquired and liabilities assumed in the business combination.

| Component | Rupees in Lacs |
|---|---|
| Property Plant & Equipment | 9,365 |
| Cash & Cash Equivalents | 145 |
| Trade & Other Receivables | 2,127 |
| Other Assets | 11,974 |
| Other Liabilities | (21,243) |
| Intangible Assets – Other than Brand/Business Rights | 15,000 |
| Deferred Tax Liability | (43) |
| **Fair Value of Net Assets as on the Date of Acquisition** | **17,326** |
| IMCL Share in Fair Value of Net Assets as on the Date of Acquisition (71.65%) | 19,927 |
| Purchase Consideration | 27,200 |
| **Goodwill** | **9,606** |

Based on discussions with the ultimate parent HGL and an evaluation by an independent legal firm, it is concluded that above transaction is not a common control transaction as defined under Appendix C to Ind AS 103. Accordingly, the transaction has been accounted for under the purchase acquisition method.

6 The Group operates in a single business segment namely "Media and Communications" and as such there are no reportable business segments. The Group caters only to the domestic market where there are no differing risks and returns and thus there is no reportable geographical segment. The financial results are reflective of the information required by Ind AS 108.

7 The Company received notices during the financial year 2017-2018 from the Department of Telecommunication (DOT) towards alleged revenue loss due to license fees payable on Internet Service Provider (ISP) business along with interest and penalty thereon, for the period 2010-2011 to 2014-2015, aggregating to INR 50,775.24 lakhs, under the License No. 820-5/2002-LR dated 16 May 2002 (hereinafter referred to as ISP License) and Unified License bearing No. 821-52/2013-DS for ISP Category A for PAN India. DoT demand on the Company was stayed by TDSAT vide order dated 20 December 2017 and the said stay has not been vacated as on date.

On 14 November 2019, OneOTT Intertainment Limited ('OIL', subsidiary company) received demand notices from DoT for the financial years 2015-16 till 2018-19 amounting to INR 2,430.92 lakhs towards license fees on AGR.

During the current quarter, in a similar matter, TDSAT vide its order dated 18 Oct 2019 has set aside the impugned demands and directed DoT to issue directives for maintaining level playing field for all operators. Further, in matters of certain telecom companies relating to 'AGR', the Hon'ble Supreme Court vide its order dated 24 Oct 2019 upheld DoT's appeal thereby determining what constitutes AGR for the purposes of license fee calculation.

On 5 December 2019, in light of the Hon'ble Supreme Court's judgement, DoT decided to re-examine all demand orders raised and asked all license holders to submit comprehensive representations of the issues involved. IMCL and OIL have filed representations at appropriate authorities denying the alleged liabilities.

Based on an independent legal expert opinion, IMCL and OIL continue to believe that the demands will not be upheld and therefore disclose these as Contingent Liabilities.

B S R & Co. LLP
5th Floor, Lodha Excelus, Apollo Mills Compound, N. M. Joshi Marg, Mahalaxmi, Mumbai-400011. India
Chartered Accountants

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8a The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application 1 April 2019. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. This has resulted in recognising a right-of-use asset of INR 5,325 lakhs and a corresponding lease liability of INR 5,832 lakhs by adjusting retained earnings as at 1 April 2019. In the profit and loss account for the current period, the nature of expenses in respect of leases has changed from transponder charges in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

8b Thaicom Public Company Limited (Thaicom), satellite transponder service provider reported a technical incident in its satellite during the quarter and advised the Company on 20 December 2019 to migrate to another satellite immediately. Based on legal opinion, due to breach of services by Thaicom the contract is deemed to be terminated on 20 December 2019. The Company is confident of the waiver of charges by Thaicom for use of services from 21 December 2019 till migration of satellite transponders, hence no provision is made for the same.
As per Ind AS 116, the lease liability and right of use of assets is derecognised on 20 December 2019, resulting in recognition of net gain of INR 668 Lakhs in the Statement of profit and loss.

9 The parent has reassessed the carrying value of goodwill pertaining to its two subsidiary viz., Gold Star Noida Network Ltd and Ajanta Sky Darshan Private Limited. This reassessment has been carried out based on the changed business strategy of the company arising out of the proposed demerger of its Cable TV business with its parent NXTDIGITAL Limited (Formerly known as Hinduja Ventures Limited) Based on this reassessment the company has provided for diminution in value of goodwill by INR 44 Lakhs.

10 The Company recognizes revenue from installation fees over the period from which the Company is expected to realize the economic benefits from such installation. The Company was in the process of stabilization under New Tariff Order (NTO) effective from 1 February 2019. The customer churn period has undergone a change, accordingly the Company has amended the expected pattern of economic benefit from four years to three years. The effect of this change has resulted in recognition of installation revenue amounting to INR 5,296 lakhs during the current quarter.

11 The Boards of Directors of the Company and its parent NXTDIGITAL Limited (formerly known as Hinduja Ventires Limited) at their respective meetings held on 27 August 2019, have proposed a de-merger of the Cable TV (CATV) and Head End In the Sky (HITS) business undertaking of the Company including its investments in OneOTT Intertainment Limited into NXTDIGITAL Limited (formerly known as Hinduja Ventires Limited) through a scheme of de-merger (Scheme) subject to necessary shareholders, statutory and other approvals. The Scheme was filed with National Company Law Tribunal (NCLT) on 21 January 2020 and is pending approval.

12 The Taxation Laws (Amendment) Ordinance, 2019 has inserted a new section 115 BAA in the Income Tax Act. The section gives an option to a domestic Company of a reduced tax rate of 22%. Provisions of section 115JB have also been amended by inserting a new sub clause in the section to provide that section 115JB shall not be applicable to a company which has exercised the option to pay tax under the new section 115BAA, by virtue of which such company will not liable to pay minimum alternate tax (MAT) u/s. 115JB. The option to pay tax under the new section should be exercised before filing of the Return of Income for the financial year 2019-20 i.e. on or before 30 September 2020.
The Company is evaluating options. Accordingly, no adjustment has been made in the results for the period ended 31 December 2019.

13 The Company incurred losses during nine months period April 2019 to December 2019 and previous years and significant amounts of debts are due for repayment in the year ended 31 March 2020. However, the financial results have been prepared on a going concern basis based on the continuing financial support extended by Hinduja group evidenced by infusion of funds to make good shortfall if any.

14 Figures for the previous periods/year are re-classified/re-arranged/re-grouped, wherever necessary so as to be in conformity with the classification and presentation of the quarter and nine months ended 31 December 2019.

For and on behalf of Board of Directors

**SIGNED FOR IDENTIFICATION BY**

Chairman

Chief Executive Officer

**For B S R & CO. LLP**

Place : Mumbai

Date: 25th January, 2020

Executive Director & CFO

Company Secretary

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INDUSIND MEDIA & COMMUNICATIONS LIMITED

Consolidated Unaudited Condensed Balance Sheet As At 31 December 2019

(Rupees in lacs)

| | Particulars | As at 31 December 2019 (Unaudited) | As at 31 March 2019 (Audited) |
|---|---|---|---|
| I | ASSETS | | |
| | **Non-current assets** | | |
| a | Property, plant and equipment | 60,074 | 64,506 |
| b | Capital work-in-progress | 2,505 | 2,460 |
| c | Right of use assets | 6,089 | - |
| d | Other intangible assets | 31,280 | 6,646 |
| e | Goodwill | 11,504 | 1,527 |
| f | Financial assets | | |
| | (i) Investments | 733 | 27,342 |
| | (ii) Derivatives | 88 | 712 |
| | (iii) Loans recievables | 613 | 599 |
| | (iv) Other financial assets | 14 | 55 |
| g | Income tax assets (net) | 4,389 | 3,072 |
| h | Deferred tax assets (net) | 8,190 | 34 |
| i | Other non-current assets | 3,827 | 3,393 |
| | **Total non-current assets** | **1,29,306** | **1,10,346** |
| 2 | **Current assets** | | |
| a | Inventories | 425 | 103 |
| b | Financial assets | | |
| | (i) Investments | 868 | - |
| | (ii) Derivatives | 920 | 1 |
| | (iii) Trade receivables | 9,335 | 9,260 |
| | (iv) Unbilled receivables (31 March 2018: Unbilled revenue) | 1,924 | 710 |
| | (v) Cash and cash equivalent | 3,503 | 2,678 |
| | (vi) Bank balances other than (v) above | 9,836 | 7,760 |
| | (vi) Loans reclevables | 6,753 | 165 |
| | (vii) Other financial assets | 1,652 | 942 |
| c | Other current assets | 11,079 | 9,410 |
| | **Total current assets** | **46,295** | **31,029** |
| | Total assets | 1,75,601 | 1,41,375 |

| | | | |
|---|---|---|---|
| II | **EQUITY AND LIABILITIES** | | |
| A | **Equity** | | |
| a | Equity share capital | 19,463 | 18,247 |
| b | Other equity | 7,576 | 325 |
| | (iii)Asset held for sale | - | |
| c | Non- controlling interest | 10,923 | 342 |
| | **Total equity** | **37,962** | **18,914** |
| B | **Liabilities** | | |
| 1 | **Non-current liabilities** | | |
| a | Financial liabilities | | |
| | (i) Borrowings | 13,019 | 33,547 |
| | (ii) Derivatives | 12 | 128 |
| | (iii) Other Financial Liabilites | 4,013 | - |
| b | Deferred income | 6,228 | 9,140 |
| c | Provisions | 604 | 434 |
| d | Deferred tax liabilities (net) | 141 | 72 |
| e | Other non-current liabilities | 65 | - |
| | **Total non-current liabilities** | **24,082** | **43,321** |
| | (a) Current investments | - | - |
| 2 | **Current liabilities** | | |
| a | Financial liabilities | | |
| | (i) Borrowings | 37,712 | 11,111 |
| | (ii) Trade payables | | |
| | - total outstanding dues of micro enterprises and small enterprises | 40 | 166 |
| | - total outstanding dues of creditors other than micro enterprises and small enterprises | 29,997 | 24,079 |
| | (iii) Derivatives | 168 | 936 |
| | (iv) Other financial liabilities | 37,094 | 27,653 |
| b | Deferred income | 5,468 | 13,190 |
| c | Provisions | 115 | 96 |
| d | Income tax liabilities (net) | 35 | 17 |
| e | Other current liabilities | 2,928 | 1,892 |
| | **Total current liabilities** | **1,13,557** | **79,140** |
| | **Total liabilities** | **1,37,639** | **1,22,461** |
| | **Total equity and liabilities** | **1,75,601** | **1,41,375** |

For and on Behalf of Board of Directors

Chairman

Chief Executive Officer

Place : Mumbai

Date: 25th January, 2020

Executive Director & CFO

Company Secretary

INDUSIND MEDIA & COMMUNICATIONS LTD. ★ MUMBAI

INDUSIND MEDIA & COMMUNICATIONS LIMITED

Consolidated Unaudited Condensed Cashflow Statement From April 1, 2019 To December 31, 2019

| | | Year-to-date figures For April 1, 2019 to December 31, 2019 | Year-to-date figures For April 1, 2018 to March 31, 2019 |
|---|---|---|---|
| | | Unaudited | Audited |
| | | (Rupees in lacs) | (Rupees in lacs) |
| A | Cash flow from operating activities | 548 | (13,274) |
| B | Cash flow from investing activities | (629) | (6,802) |
| C | Cash flow from financing activities | 979 | 18,930 |
| | Net (Decrease) in Cash & Cash Equivalents (A+B+C) | 898 | (1,146) |
| | Cash and cash equivalents at beginning of period | 2,460 | 3,606 |
| | Add : Cash and bank balance incorporated on Acqusition of subsidiary | 145 | - |
| | Cash and cash equivalents at end of period | 3,503 | 2,460 |
| | Notes: | | |
| | (1)Cash & Cash Equivalents Reconciliation | | |
| | Cash on hand and balance with banks | | |
| | Cash on hand | 83 | 135 |
| | Cheques on hand | 473 | 1,465 |
| | Temporary overdrawn book balances | - | (218) |
| | Debit balance of cash credit facility | 555 | - |
| | Balances with scheduled banks in : | | |
| | - Current account | 2,392 | 1,078 |
| | Cash & Cash Equivalents | 3,503 | 2,460 |

For and on Behalf of Board of Directors

Chairman

Chief Executive Officer

Place : Mumbai

Date: 25th January, 2020

Executive Director & CFO

Company Secretary

INDUSIND MEDIA & COMMUNICATIONS LTD. MUMBAI

## Notes to the Consolidated Unaudited Condensed Financial Statements for the period from April 1, 2019 to December 31, 2019

1 Accounting policies applied in the preparation of the Standalone Unaudited Condensed Financial Statements are identical to those applied in the preparation of the Annual Financial Statements for the year ended 31 March 2019.

2 Contingent liabilities :

| Particulars | December 31, 2019 | March 31, 2019 |
|---|---|---|
| **Claims against the Company not acknowledged as debts relating to:** | | |
| Entertainment tax (ET) (also see Note (i) below) | 2,481 | 2,481 |
| Other Cable Television related cases (to the extent ascertained) | 191 | 191 |
| Service Tax (also see Note (ii) below) | 12,794 | 12,794 |
| Income Tax | 722 | 722 |
| Sales Tax & VAT (also see Note (iii) below) | 1,769 | 1,659 |
| Local Body Tax (LBT) | 45 | 45 |
| Custom Duty (also see Note (v) below) | 1,670 | 1,177 |
| License fee (Department of Telecommunication) (also see Note (iv) below) | 53,744 | 50,775 |
| **Guarantees/counter guarantees given by the Company to** | | |
| Custom Authorities | 347 | 347 |
| Bank guarantees given to various authorities | 198 | 321 |
| **Other commitments** | | |
| Contracts remaining to be executed on capital account and not provided for | 4,142 | 3,932 |
| Letter of Credit issued by bankers and outstanding as on reporting date for | 857 | 1,176 |
| Facility as co-borrower with customer for loan from Hinduja Leyland Finance | 200 | 200 |
| PF liability on account of Supreme court judgement | 409 | 409 |

**In respect of items mentioned above, till the matters are finally decided, the**

**Notes :-**

**(i) Entertainment Tax ('ET') on LCO Points (Maharashtra)**

**(Rupees in Lacs)**

| City / Period | Notice Issued by | Demand Raised (September 2018) | Demand Raised (March 2019) |
|---|---|---|---|
| Mumbai / April 2013 – September 2013 | District Collector/ Tahsildar | 507 | 507 |
| Nagpur / April 2013 – June 2013 | Office of District Collector, Nagpur | 181 | 181 |
| Nashik / April 2013 - July 2013 | Office of District Collector, Nashik | 41 | 41 |
| Nagpur / July 2013 – October 2014 | Office of District Collector, Nagpur | 1,080 | 1,080 |
| | | **1,809** | **1,809** |

In response to the demand notice issued by the ET authorities in Nagpur, Company has filed a writ petition with Hon'ble High Court of Bombay (Nagpur Bench) challenging the order of Collector and the validity of GR. The matter shifted to Bombay Bench for Consolidation with writ's filed by other MSO's and local cable operator ('LCO') associations in Mumbai and Nashik for similar demand order issued. In the interim, for writ filed by the Company before Nagpur Bench, the Hon'ble High Court of Bombay has stayed any recovery proceeding against the Company and in all writ petitions, Hon'ble High Court of Bombay has directed the LCOs to deposit the ET directly to the Entertainment tax authorities or through the Hon'ble High Court of Bombay. Based on the Orders of the court, collectors in Mumbai have started to collect the Entertainment tax from the LCO's.

**(ii) SCN from Service Tax Authorities for Reversal of CENVAT Credit on CVD paid on import of Set Top Box**

Effective November 2012, Digital Access System (DAS) was introduced in the broadcasting industry in India, in a phased manner, pursuant to which the Company had paid CVD on imported STB's. The Company issues STBs to end subscribers through LCOs (in some cases directly to subscribers) on payment of activation charges. These STBs are not sold to customers and continue to be asset of the Company. STB's are used for providing output service i.e. Cable operator service. The Company has claimed input credit of CVD paid on import against the output liability on Cable operator services under Rule 3 of CENVAT Credit Rules, 2004. The Service Tax Authorities had issued two SCN for the period April 2010 to December 2014 and January 2015 to June 2017,

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**(ii) SCN from Service Tax Authorities for Reversal of CENVAT Credit on CVD paid on import of Set Top Box**

Effective November 2012, Digital Access System (DAS) was introduced in the broadcasting industry in India, in a phased manner, pursuant to which the Company had paid CVD on imported STB's. The Company issues STBs to end subscribers through LCOs (in some cases directly to subscribers) on payment of activation charges. These STBs are not sold to customers and continue to be asset of the Company. STB's are used for providing output service i.e. Cable operator service. The Company has claimed input credit of CVD paid on import against the output liability on Cable operator services under Rule 3 of CENVAT Credit Rules, 2004. The Service Tax Authorities had issued two SCN for the period April 2010 to December 2014 and January 2015 to June 2017,

(iii) VAT material disputes are given below :

Effective November 2012, Digital Access System (DAS) was introduced in the broadcasting industry in India, in a phased manner, pursuant to which the Company had paid CVD on imported STB's. The Company issues STBs to end subscribers through LCOs (in some cases directly to subscribers) on payment of activation charges. These STBs are not sold to customers and continue to be asset of the Company. The activation being a service, the Company paid service tax on the activation fees. The VAT authorities in the state of Telangana, Uttar Pradesh and Andhra Pradesh passed orders respectively treating the transaction as transfer of Right to use/ Deemed sale and levied VAT. The Company has filed appeal with respective Appeallate authorities. As at 31 March 2019, an amount of Rs 1,054 lakhs (31 March 2018: Rs 444 lakhs) has been deposited under protest in respect of said demands of VAT relating to transfer of Set top boxes, the matter is lying in appeal proceedings before appellate authorities. Based on the above facts, the Company is of the opinion that it still remains the owner of STBs. Though physical control of STB is passed on to the end subscriber effective control remains with the Company hence the transaction is not required to be taxed as transfer of Right to use/ Deemed sale. Accordingly the Company is of the opinion that it doesnot require to make any provisions in the books for the said demand.

**(iv) License fee demand notice from Department of Telecommunication :**

During the previous year, the Company received a demand notice from Department of Telecommunications ('DoT') towards alleged revenue loss to DOT towards license fees payable by the Company, along with interest and penalty thereon, totaling to a sum of Rs 50,775 lakhs for the periods commencing from financial years 2010-2011 till 2014-2015. During the said period, the ISP business was with IMCL and this got transferred to ONEOTT Intertainment Limited on 1 April 2015. During the current year, ISP licence was transferred to One OTT Intertainment Limited. The Company appealed before TDSAT agsinst the demand in the previous year and has secured a stay against the order. Based on legal inputs available, the management believes that the said demand will not be sustainable and hence disclosed the same under contingent liabilities

**(v) Custom Duty on Activation Fess paid the Nagra Vision SA (CAS Vendor) :**

During the previous year, HITS Division of Grant Investrade Limited (now merged with the Company) had received SCN from the Directorate of Revenue Intelligence (DRI), Mumbai for evasion of Custom Duty on payment of activation fees to Nagra Vision SA and inadvertent claim of Exemption for payment of Special Additional Duty pursuant to Notification No. 21/2012 dated 17 March 2012. The DRI has alleged that the activation fees payable to Nagra Vision is a "License Fees" and is paid or payable at the rate of USD 0.535 per Set Top Box. The payment of License fees is a condition to sale the STB and is liable to be added in the declared trasaction value of the STBs under Rule 10(1)(c) of the Customs Valuation (Determination of Value of Imported Goods) Rules, 2007. The Additional Director General DRI (Adjudication) vide its order dated 28 February 2018 rejected the submission made by the Company and passed the order confirming a demand of Rs 927 Lakhs (including penalty and redemption fine). The Company has filed an Appeal before the CESTAT, Mumbai in June 2018.

3 The Company operates in a single business segment namely "Media and Communications" and as such there are no reportable business segments. The Company caters only to the domestic market where there are no differing risks and returns and thus there is no reportable geographical segment. The financial results are reflective of the information required by Ind AS 108.

Earnings per share (EPS) is calculated by dividing the profit attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period as under:

| Particulars | Quarter ended | Quarter ended | Corresponding Quarter | Year to date period ended | Year to date period | Year ended |
|---|---|---|---|---|---|---|
| (Loss) after Tax (Rs. In Lacs) | 2,023 | 1,772 | (9,338) | 5,311 | (29,148) | (31,847) |
| Nominal value of ordinary shares | Rs.10 | Rs.10 | Rs.10 | Rs.10 | Rs.10 | Rs.10 |
| Weighted average number of ordinary shares for Basic EPS | 1946,30,623 | 1887,48,928 | 1590,62,934 | 1907,23,804 | 1662,55,143 | 1975,71,917 |
| Weighted average number of ordinary shares for Diluted EPS | 1946,30,623 | 1887,48,928 | 1590,62,934 | 1907,23,804 | 1662,55,143 | 1975,71,917 |
| Basic earnings per ordinary shares (Not annualised) | 1.04 | 0.94 | (5.87) | 2.78 | (17.53) | (16.12) |
| Diluted earnings per ordinary shares (Not annualised) | 1.04 | 0.94 | (5.87) | 2.78 | (17.53) | (16.12) |

5

The Company held 2,67,00,000, 9% Redeemable Preference Shares in ONEOTT Intertainment Limted (OIL), aggregating to Rs 267 crores and 5,00,000, 9% Redeemable Preference Shares in ONEOTT Intertainment Limted (OIL), aggregating to Rs 5 crores. The Boards of Director of both OIL and the Company agreed to a variation in the terms of these Redeemable Preference Shares, to convert them to Compulsarily Convertible Preference Shares.

Consequently these shares were converted into Equity shares at a value arrived at based on a valuation carried out by an independent third party valuation firm. Based on this valuation these shares were converted into 2,02,21,169 Equity shares of Rs 10 each at a premium of Rs 124.51 per share. The converted shares were allotted to the Company on 12th August 2019.

By virtue of such conversion, OIL has with effect from 12th August 2019 become a subsidiary of the Company. The Consolidated financial statements of the Company for the half year ended September 30, 2019 include the results of operations of OIL for the period 12th August 2019 to September 30, 2019.

6 The Company received notices during the financial year 2017-2018 from the Department of Telecommunication (DOT) towards alleged revenue loss due to license fees payable on Internet Service Provider (ISP) business along with interest and penalty thereon, for the period 2010-2011 to 2014-2015, aggregating to INR 50,775.24 lakhs, under the License No. 820-5/2002-LR dated 16 May 2002 (hereinafter referred to as ISP License) and Unified License bearing No. 821-52/2013-DS for ISP Category A for PAN India. DoT demand on the Company was stayed by TDSAT vide order dated 20 December 2017 and the said stay has not been vacated as on date.

On 14 November 2019, OneOTT Intertainment Limited ('OIL', subsidiary company) received demand notices from DoT for the financial years 2015-16 till 2018-19 amounting to INR 2,430.92 lakhs towards license fees on AGR.

During the current quarter, in a similar matter, TDSAT vide its order dated 18 Oct 2019 has set aside the impugned demands and directed DoT to issue directives for maintaining level playing field for all operators. Further, in matters of certain telecom companies relating to 'AGR', the Hon'ble Supreme Court vide its order dated 24 Oct 2019 upheld DoT's appeal thereby determining what constitutes AGR for the purposes of license fee calculation.

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7a The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application 1 April 2019. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019. This has resulted in recognising a right-of-use asset of INR 5,325 lakhs and a corresponding lease liability of INR 5,832 lakhs by adjusting retained earnings as at 1 April 2019. In the profit and loss account for the current period, the nature of expenses in respect of leases has changed from transponder charges in previous periods to depreciation cost for the right-to-use asset and finance cost for interest accrued on lease liability.

7b Thaicom Public Company Limited (Thaicom), satellite transponder service provider reported a technical incident in its satellite during the quarter and advised the Company on 20 December 2019 to migrate to another satellite immediately. Based on legal opinion, due to breach of services by Thaicom the contract is deemed to be terminated on 20 December 2019. The Company is confident of the waiver of charges by Thaicom for use of services from 21 December 2019 till migration of satellite transponders, hence no provision is made for the same.

8 The Boards of Directors of the Company and its parent NXTDIGITAL Limited (formerly known as Hinduja Ventires Limited) at their respective meetings held on 27 August 2019, have proposed a de-merger of the Cable TV (CATV) and Head End In the Sky (HITS) business undertaking of the Company including its investments in OneOTT Intertainment Limited into NXTDIGITAL Limited (formerly known as Hinduja Ventires Limited) through a scheme of de-merger (Scheme) subject to necessary shareholders, statutory and other approvals. The Scheme was filed with National Company Law Tribunal (NCLT) on 21 January 2020 and is pending approval.

9 The Taxation Laws (Amendment) Ordinance, 2019 has inserted a new section 115 BAA in the Income Tax Act. The section gives an option to a domestic Company of a reduced tax rate of 22%. Provisions of section 115JB have also been amended by inserting a new sub clause in the section to provide that section 115JB shall not be applicable to a company which has exercised the option to pay tax under the new section 115BAA, by virtue of which such company will not liable to pay minimum alternate tax (MAT) u/s. 115JB. The option to pay tax under the new section should be exercised before filing of the Return of Income for the financial year 2019-20 i.e. on or before 30 September 2020.

10 The Company incurred losses during nine months period April 2019 to December 2019 and previous years and significant amounts of debts are due for repayment in the year ended 31 March 2020. However, the financial results have been prepared on a going concern basis based on the continuing financial support extended by Hinduja group evidenced by infusion of funds to make good shortfall if any.

11 Figures for the previous periods/year are re-classified/re-arranged/re-grouped, wherever necessary so as to be in conformity with the classification and presentation of the quarter and nine months ended 31 December 2019.

For and on Behalf of Board of Directors

Chairman

Chief Executive Officer

Executive Director & CFO

Company Secretary

Place : Mumbai

Date: 25th January, 2020

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**NXTDIGITAL LIMITED (FORMERLY KNOWN AS HINDUJA VENTURES LIMITED)**

**Regd. Office :** IN Centre, 49/50 MIDC 12th Road, Andheri (E) Mumbai- 400093
**Corporate Identity Number**: L51900MH1985PLC036896
**Tel:** (+91 22) 6691 0945; **Website**: www.nxtdigital.co.in; **Email**: investorgrievances@nxtdigital.in

**STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2019**

**NXTDIGI[illegible] LIMITED (FORMERLY KNOWN AS HINDUJA VENTURES LIMITED)**
**Regd. Of[illegible] InCentre, 49/50, MIDC, 12th Road, Andheri (E), Mumbai 400 093**
**CIN: L51900MH1985PLC036896, Website: www.nxtdigital.co.in, Email ID: investorgrievances@nxtdigital.in**

**STATEMENT OF UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER, 2019**

(Rs. in Lakh unless otherwise indicated)

| S. No. | Particulars | Standalone | | | | | | Consolidated | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Quarter ended 31st December, 2019 | Quarter ended 30th September, 2019 | Quarter ended 31st December, 2018 | Nine months ended 31st December, 2019 | Nine months ended 31st December, 2018 | Year ended 31st March, 2019 | Quarter ended 31st December, 2019 | Quarter ended 30th September, 2019 | Quarter ended 31st December, 2018 | Nine months ended 31st December, 2019 | Nine months ended 31st December, 2018 | Year ended 31st March, 2019 |
| | | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | **Income from operations** | | | | | | | | | | | | |
| | (a) Revenue from operations | 854.10 | 854.10 | 958.67 | 2,562.31 | 2,571.60 | 3,425.69 | 29,610.64 | 25,194.42 | 15,337.58 | 76,064.29 | 45,217.01 | 62,784.99 |
| | (b) Other operating income | 423.11 | 477.65 | 57.32 | 930.20 | 1,116.30 | 1,117.87 | 650.85 | 1,128.40 | 1,217.93 | 2,780.43 | 3,725.35 | 6,263.48 |
| | (c) Other income | 0.50 | 0.55 | - | 2.12 | 0.51 | 155.13 | 1,983.28 | 12,409.23 | 1,521.35 | 15,022.86 | 3,793.25 | 2,009.78 |
| | **Total Income from operations (net)** | **1,277.71** | **1,332.30** | **1,015.99** | **3,494.63** | **3,688.41** | **4,698.69** | **32,244.77** | **38,732.05** | **18,076.86** | **93,867.58** | **52,735.61** | **71,058.25** |
| 2 | **Expenses** | | | | | | | | | | | | |
| | (a) Cost of material consumed | - | - | - | - | - | - | 382.30 | 337.55 | 352.56 | 1,102.98 | 727.06 | 1,049.77 |
| | (b) Purchase of Stock-in-trade | - | - | - | - | - | - | 1,007.57 | 2,138.42 | - | 3,145.99 | - | - |
| | (c) Change in inventories of network cable and equipment | - | - | - | - | - | - | 260.48 | 43.29 | 54.70 | 246.10 | 189.65 | 187.45 |
| | (d) Operational expenses | - | - | - | - | - | - | 11,878.20 | 11,868.21 | 14,235.80 | 34,727.56 | 42,702.50 | 53,239.97 |
| | (e) Net (Profit) / Loss on fair valuation of financial instruments at fair value through profit or loss | (2,774.23) | 672.11 | 2,525.57 | 7,620.37 | 4,942.38 | 159.63 | (3,180.66) | 1,024.57 | 1,873.63 | 7,566.40 | 3,765.37 | 157.00 |
| | (f) Net (Profit) / Loss on sale of financial instruments at fair value through profit or loss | - | - | 1,510.38 | - | 2,199.37 | 2,371.90 | - | - | 1,510.38 | - | 2,199.37 | 2,371.90 |
| | (g) Employee benefits expense | 61.89 | 79.88 | 99.78 | 221.14 | 280.67 | 362.18 | 2,274.64 | 1,593.57 | 1,534.83 | 5,265.82 | 3,693.08 | 5,100.64 |
| | (h) Finance costs | 1,792.12 | 1,733.79 | 1,557.14 | 5,168.63 | 4,882.49 | 6,539.92 | 4,000.18 | 3,806.35 | 3,712.14 | 11,383.70 | 11,581.74 | 14,895.97 |
| | (i) Depreciation and amortisation expense | 369.39 | 369.37 | 351.69 | 1,104.01 | 1,051.54 | 1,395.56 | 4,997.47 | 4,838.01 | 3,800.68 | 14,359.26 | 11,432.92 | 15,291.70 |
| | (j) Other expenses (net) | 319.17 | 225.92 | 206.83 | 723.48 | 553.15 | 1,033.81 | 6,753.12 | 5,119.23 | 4,928.26 | 17,218.44 | 13,865.64 | 18,734.67 |
| | **Total expenses** | **(231.66)** | **3,081.07** | **6,251.39** | **14,837.63** | **13,909.60** | **11,863.00** | **28,373.30** | **30,769.20** | **32,002.98** | **95,016.25** | **90,157.33** | **1,11,029.07** |
| 3 | **Profit /(Loss) before exceptional items and tax (1-2)** | **1,509.37** | **(1,748.77)** | **(5,235.40)** | **(11,343.00)** | **(10,221.19)** | **(7,164.31)** | **3,871.47** | **7,962.85** | **(13,926.12)** | **(1,148.67)** | **(37,421.72)** | **(39,970.82)** |
| 4 | Exceptional items - Gain on loss of control | - | - | - | - | - | - | - | - | - | - | - | **3,583.00** |
| 5 | **Profit /(Loss) before tax (3-4)** | **1,509.37** | **(1,748.77)** | **(5,235.40)** | **(11,343.00)** | **(10,221.19)** | **(7,164.31)** | **3,871.47** | **7,962.85** | **(13,926.12)** | **(1,148.67)** | **(37,421.72)** | **(36,387.82)** |
| 6 | **Tax expenses (net)** | | | | | | | | | | | | |
| | (a) Current tax | - | - | 3,134.49 | - | 8,193.33 | 8,283.64 | 13.43 | 19.24 | 3,135.47 | 32.67 | 8,194.31 | 8,303.55 |
| | (b) Deferred tax / (reversal) | 379.42 | (371.13) | (4,864.74) | (4,337.87) | (11,474.95) | (10,728.17) | 495.52 | (4,473.91) | (4,777.38) | (11,191.41) | (11,212.12) | (10,379.58) |
| | **Total Tax expenses** | **379.42** | **(371.13)** | **(1,730.25)** | **(4,337.87)** | **(3,281.62)** | **(2,444.53)** | **508.95** | **(4,454.67)** | **(1,641.91)** | **(11,158.74)** | **(3,017.81)** | **(2,076.03)** |
| 7 | **Net Profit / (Loss) after tax for the period (5-6)** | **1,129.95** | **(1,377.64)** | **(3,505.15)** | **(7,005.13)** | **(6,939.57)** | **(4,719.78)** | **3,362.52** | **12,417.52** | **(12,284.21)** | **10,010.07** | **(34,403.91)** | **(34,311.79)** |
| 8 | **Other comprehensive income** | | | | | | | | | | | | |
| | **A. Items that will not be reclassified to profit or loss:** | | | | | | | | | | | | |
| | (a) Net Profit / (Loss) on fair valuation of equity instruments through other comprehensive income | 1,948.48 | (455.48) | (1,417.95) | (5,624.28) | (3,757.31) | 1,416.34 | 1,948.48 | (455.48) | (1,417.95) | (5,624.28) | (3,757.31) | 1,413.70 |
| | (b) Net Profit / (Loss) on sale of equity instruments through other comprehensive income | 150.11 | (111.23) | 356.00 | 38.88 | 356.00 | 657.52 | 150.11 | (111.23) | 356.00 | 38.88 | 356.00 | 657.52 |
| | (c) Re-measurement of defined benefit plans | (1.38) | 3.26 | 1.65 | 1.36 | (1.25) | (3.60) | (1.85) | (17.11) | 0.72 | (19.48) | 21.87 | (97.56) |
| | (d) Tax impact | - | 191.27 | 2,185.55 | 126.58 | 2,574.04 | 332.35 | 32.25 | 226.42 | 2,185.55 | 193.98 | 2,574.04 | 332.35 |
| | **B. Items that will be reclassified to profit or loss:** | | | | | | | | | | | | |
| | (a) Effective portion of gain / (loss) on hedging instrument in cash flow hedges | - | - | - | - | - | - | 102.49 | (82.35) | (64.63) | 436.10 | (972.90) | (1,301.78) |
| | **Total other comprehensive income** | **2,097.21** | **(372.18)** | **1,125.25** | **(5,457.46)** | **(828.52)** | **2,402.61** | **2,231.48** | **(439.75)** | **1,059.69** | **(4,974.80)** | **(1,778.30)** | **1,004.23** |
| 9 | **Total comprehensive income / (loss) (7+8)** | **3,227.16** | **(1,749.82)** | **(2,379.90)** | **(12,462.59)** | **(7,768.09)** | **(2,317.17)** | **5,594.00** | **11,977.77** | **(11,224.52)** | **5,035.27** | **(36,182.21)** | **(33,307.56)** |
| 10 | **Profit / (Loss) attributable to:** | | | | | | | | | | | | |
| | - Owners | **1,129.95** | **(1,377.64)** | **(3,505.15)** | **(7,005.13)** | **(6,939.57)** | **(4,719.78)** | **2,884.67** | **9,242.61** | **(10,021.24)** | **5,813.78** | **(27,159.80)** | **(26,607.70)** |
| | - Non-controlling interests | - | - | - | - | - | - | **477.85** | **3,174.91** | **(2,262.97)** | **4,196.29** | **(7,244.11)** | **(7,704.09)** |
| 11 | **Other comprehensive income attributable to:** | | | | | | | | | | | | |
| | - Owners | **2,097.21** | **(372.18)** | **1,125.25** | **(5,457.46)** | **(828.52)** | **2,402.61** | **2,186.78** | **(424.57)** | **1,072.08** | **(5,100.08)** | **(1,535.53)** | **1,355.36** |
| | - Non-controlling interests | - | - | - | - | - | - | **44.70** | **(15.18)** | **(12.39)** | **125.28** | **(242.77)** | **(351.13)** |
| 12 | **Total comprehensive income attributable to:** | | | | | | | | | | | | |
| | - Owners | **3,227.16** | **(1,749.82)** | **(2,379.90)** | **(12,462.59)** | **(7,768.09)** | **(2,317.17)** | **5,071.45** | **8,818.04** | **(8,949.16)** | **713.70** | **(28,695.33)** | **(25,252.34)** |
| | - Non-controlling interests | - | - | - | - | - | - | **522.55** | **3,159.73** | **(2,275.36)** | **4,321.57** | **(7,486.88)** | **(8,055.22)** |
| 13 | Paid-up equity share capital (face value Rs. 10/-) | **2,055.55** | **2,055.55** | **2,055.55** | **2,055.55** | **2,055.55** | **2,055.55** | **2,055.55** | **2,055.55** | **2,055.55** | **2,055.55** | **2,055.55** | **2,055.55** |
| 14 | Earnings per share (EPS) (face value of Rs. 10/- per equity share) | | | | | | | | | | | | |
| | (a) Basic (in Rs.) (not annualised) | 5.50 | (6.70) | (17.05) | (34.08) | (33.76) | (22.96) | 16.36 | 60.41 | (59.76) | 48.70 | (167.37) | (166.92) |
| | (b) Diluted (in Rs.) (not annualised) | 5.50 | (6.70) | (17.05) | (34.08) | (33.76) | (22.96) | 16.36 | 60.41 | (59.76) | 48.70 | (167.37) | (166.92) |

**Notes :**

1. The standalone and consolidated unaudited financial results for the quarter and nine months ended 3[illegible] [illegible]ember, 2019 have been reviewed by the Audit Committee and then approved by the Board of Direct[illegible] the Company at their respective meetings held on 3rd February, 2020 and subjected to a limited review by the statutory auditors.

2. Effective 1st April, 2019, the Company is required to publish quarterly consolidated financial results as required under the amended Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Accordingly, the Parent Company presents consolidated financials results commencing from the quarter ended 30th June, 2019. Attention is drawn to the fact that the consolidated figures for the corresponding quarter and nine months ended 31st December, 2018 of the previous financial year, as reported in these consolidated unaudited financial results have been approved by the Parent's Board of Directors. but have not been subjected to limited review by the statutory auditors.

3. The Group has adopted Ind AS 116, effective annual reporting period beginning 1st April, 2019 and applied the standard to its leases, using modified retrospective method, with the cumulative effect of initially applying the Standard, recognised on the date of initial application 1st April, 2019. Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1st April, 2019. This has resulted in recognising a right-of-use asset of Rs. 5,433.12 lakh and a corresponding lease liability of Rs. 5,947.16 lakh by adjusting retained earnings as at 1st April, 2019. In the results for the current quarter and nine months ended 31st December, 2019, the nature of expenses in respect of leases has changed from other expenses in previous periods to depreciation cost for the right-to-use asset and finance costs for interest accrued on lease liability. The net impact in statement of unaudited financial results is not material.

4. The Board of Directors of Hinduja Ventures Limited ("HVL") (now known as NXTDIGITAL LIMITED) in terms of a resolution passed at their meeting held on 27th August, 2019, approved the scheme of arrangement between IndusInd Media and Communications Limited ("Demerged Company") and Hinduja Ventures Limited ("Resulting Company") (now known as NXTDIGITAL LIMITED) and their respective shareholders for the demerger of the Media and Communications undertaking of the demerged Company and vesting of the same into the resulting Company pursuant to the provisions of sections 230 to 232 read with sections 52 and 66 of the Companies Act, 2013 ("the Act"). The said scheme having the appointed date of 1st October, 2019, will be given effect to in the books of account on receipt of various regulatory approvals.

5. On 20th December 2019, consequent to a technical incident reported by Thaicom Public Company Limited (Thaicom) a satellite transponder service provider, Thaicom advised the Company's subsidiary IndusInd Media and Communications Limited ("IMCL") to migrate to another satellite service provider immediately. Based on an independent expert legal opinion, the contract is deemed to be terminated on the said date due to the breach of services by Thaicom. IMCL has made no provision towards the satellite transponder service charges in its books as it is confident of the waiver of the service charges by Thaicom till migration of satellite transponders.

   Accordingly, the balance as on 20th December 2019, in the lease liability and right of use of assets recognized as per Ind AS 116, is now derecognised, with a net gain of Rs. 668.00 lakh credited to the Statement of profit and loss.

6. The Company's subsidiary IndusInd Media and Communications Limited ("IMCL") of the group received notices during the financial year 2017-2018 from the Department of Telecommunication (DoT) towards alleged revenue loss due to license fees payable on Internet Service Provider (ISP) business along with interest and penalty thereon, for the period 2010-2011 to 2014-2015, aggregating to INR 50,775.24 lakh, under the License No. 820-5/2002-LR dated 16 May 2002 (hereinafter referred to as ISP License) and Unified License bearing No. 821-52/2013-DS for ISP Category A for PAN India. DoT demand on IMCL was stayed by TDSAT vide order dated 20th December, 2017 and the said stay has not been vacated as on date.

   During the current quarter, ONEOTT Intertainment Limited ('OIL', a company subsidiary) received demand notices dated 14th November, 2019 from DoT for the financial years 2015-16 till 2018-19 amounting to INR 2,430.92 lakh towards license fees on Adjusted Gross Revenues ('AGR').

   During the current quarter, in a similar matter, TDSAT vide its order dated 18th October, 2019 has set aside the impugned demands and directed DoT to issue directives for maintaining level playing field for all operators. Further, in matters of certain telecom companies relating to 'AGR', the Hon'ble Supreme Court vide its order dated 24th October, 2019 upheld DoT's appeal thereby determining what constitutes AGR for the purposes of license fee calculation.

   On 5th December 2019, in light of the Hon'ble Supreme Court's judgement, DoT decided to re-examine all demand orders raised and asked all license holders to submit comprehensive representations of the issues involved. IMCL and OIL have filed representations with appropriate authorities denying the alleged liabilities.

   Based on an independent legal expert opinion, IMCL and OIL continue to believe that the demands will not be upheld and therefore consider these as contingent liabilities.

7. The group recognizes revenue from installation fees over the period from which the group is expected to realize the economic benefits from such installation. The group was in the process of stabilization following the New Tariff Order (NTO) effective from 1st February, 2019. The customer churn period has undergone a change, accordingly the group has amended the expected pattern of economic benefit from four years to three years. The effect of this change has resulted in recognition of installation revenue amounting to INR 5,296.00 lakh during the current quarter and nine months ended 31st December, 2019.

8. a) IMCL previously held 2,67,00,000, 9% Redeemable Preference Shares ("RPS") in OIL, aggregating Rs. 267.00 crores and 5,00,000, 9% RPS in OIL, aggregating Rs. 5.00 crores. The Board of Directors of OIL and IMCL at their respective meetings held on 6th August, 2019 and 7th August, 2019 respectively agreed to vary the terms of these Redeemable Preference Shares by converting them into Compulsorily Convertible Preference Shares which were simultaneously converted into Equity shares of OIL at a value determined by an independent external valuer. Accordingly 2,02,21,169 Equity Shares of OIL of Rs 10 each at a premium of Rs. 124.51 per share were allotted to IMCL on 12th August, 2019. Subsequent to this allotment IMCL held 71.65% of the paid up share capital of OIL.

   b) Consequent to the above conversion, Rs. 12,137.62 lakh, being the net balance of the previously recognised fair valuation loss on the redeemable preference shares, has been credited to Other Income in the previous quarter ended 30th September, 2019.

   c) Effective 12th August, 2019 OIL (including subsidiaries of OIL) became subsidiaries of IMCL on account of which the consolidated financial results of the group for the quarter and nine months ended 31st December, 2019 includes the results of consolidated operations of OIL for the period 12th August 2019 to 31st December, 2019 and hence not strictly comparable with the previous periods.

   d) The Group has recorded assets, liabilities and intangibles at their respective provisional fair values at 12th August, 2019, as set out in the table below. The resultant goodwill of Rs. 9,605.67 lakh has also been provisionally recognised at 31st December, 2019, out of which Rs. 7,272.75 lakh Goodwill has been recognised for the period 30th September, 2019. The group is in the process of finalising the Purchase Price Allocation, and further adjustments, including the remeasurement of fair value, and the creation of further intangibles may arise within the measurement period i.e. upto August 2020. Intangible assets are expected to be amortised over the management estimated useful life of 10 years.

(Rs. in Lakh)

| Component | Amount |
|---|---|
| **Fair Value of Net Assets as on the Date of Acquisition:** | |
| Property, Plant & Equipment | 9,365.03 |
| Cash & Cash Equivalents | 145.08 |
| Trade & Other Receivables | 2,126.81 |
| Other Assets | 11,974.30 |
| Other Liabilities | (21,242.76) |
| Intangible Assets – Movie Rights | 7,230.14 |
| Intangible Assets – Customer / Business Rights | 15,000.00 |
| Deferred Tax Liability | (42.67) |
| **Total Net Assets** | **24,555.93** |
| IMCL Share in Fair Value of Net Assets as on the Date of Acquisition (71.65%) (A) | 17,594.33 |
| Purchase Consideration (B) | 27,200.00 |
| **Goodwill (A-B)** | **9,605.67** |

9. The Taxation Laws (Amendment) Ordinance, 2019 has inserted a new section 115 BAA in the Income Tax Act, 1961 ("Act") which gives an option to a Domestic Company to consider a reduced tax rate of 22%. Further, the Company which has exercised the option to pay tax under the new section 115BAA will not be liable to pay minimum alternate tax (MAT) u/s 115JB and also forego the accumulated MAT Credit.
   The Companies within the Group are evaluating the option and are yet to decide in this regard. Accordingly, the current tax charge and deferred tax asset / (liability) for the quarter and nine months ended 31st December 2019, has been computed based on the previously applicable rates under the Act.

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

NXTDIGITAL LIMITED MUMBAI

10. **Segment results**

The Company's operating segments are established on the basis of those components of the Company re evaluated regularly by the Board of Directors (the 'Chief Operating Decision Maker as defined in In .08 - 'Operating Segments'), in deciding how to allocate resources and in assessing performance. These have been identified taking into account nature of services, the differing risks and returns and the Internal business reporting systems.

**(Rs. in Lakh unless otherwise indicated)**

| S. No. | Particulars | Standalone | | | | | | Consolidated | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Quarter ended 31st December, 2019 | Quarter ended 30th September, 2019 | Quarter ended 31st December, 2018 | Nine months ended 31st December, 2019 | Nine months ended 31st December, 2018 | Year ended 31st March, 2019 | Quarter ended 31st December, 2019 | Quarter ended 30th September, 2019 | Quarter ended 31st December, 2018 | Nine months ended 31st December, 2019 | Nine months ended 31st December, 2018 | Year ended 31st March, 2019 |
| | | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) |
| | | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Unaudited) | (Audited) |
| 1 | **Segment revenue** | | | | | | | | | | | | |
| | (a) Media and Communication | 854.10 | 854.10 | 1.001.01 | 2.562.31 | 3.090.90 | 3.944.73 | 31.821.16 | 38.253.85 | 18.539.21 | 92.935.26 | 52.138.10 | 70.304.29 |
| | (b) Real Estate | - | - | - | - | - | - | - | - | - | - | - | - |
| | (c) Investments and Treasury | 423.11 | 477.65 | 14.98 | 930.20 | 597.00 | 598.83 | 423.11 | 477.65 | (462.35) | 930.20 | 597.00 | 598.83 |
| | (d) Unallocated | 0.50 | 0.55 | - | 2.12 | 0.51 | 155.13 | 0.50 | 0.55 | - | 2.12 | 0.51 | 155.13 |
| | **Income from operations** | **1.277.71** | **1.332.30** | **1.015.99** | **3.494.63** | **3.688.41** | **4.698.69** | **32.244.77** | **38.732.05** | **18.076.86** | **93.867.58** | **52.735.61** | **71.058.25** |
| 2 | **Segment results** | | | | | | | | | | | | |
| | (a) Media and Communication | 457.78 | 400.22 | 611.32 | 1.341.09 | 1.912.60 | 2.398.65 | 5.027.94 | 11.097.81 | (5.924.39) | 17.750.49 | (18.588.66) | (19.897.70) |
| | (b) Real Estate | (29.65) | (45.16) | (36.06) | (108.51) | (120.08) | (166.81) | (29.65) | (45.16) | (36.06) | (108.51) | (120.08) | (166.81) |
| | (c) Investments and Treasury | 1.772.83 | (1.540.73) | (5.213.26) | (10.707.59) | (10.322.43) | (7.307.13) | 1.766.55 | (1.501.52) | (5.213.30) | (10.672.16) | (10.322.47) | (7.307.13) |
| | (d) Unallocated | (75.18) | (37.80) | (67.98) | (191.68) | (151.78) | (15.53) | (75.18) | (38.30) | (67.97) | (191.68) | (151.77) | (15.53) |
| | Total | 2.125.78 | (1.223.47) | (4.705.98) | (9.666.69) | (8.681.69) | (5.090.82) | 6.689.66 | 9.512.83 | (11.241.72) | 6.778.14 | (29.182.98) | (27.387.17) |
| | (i) Less: Interest expense | 616.41 | 525.30 | 529.42 | 1.676.31 | 1.539.50 | 2.073.49 | 2.818.19 | 1.549.98 | 2.684.40 | 7.926.81 | 8.238.74 | 9.000.65 |
| | **Profit / (Loss) before tax** | **1.509.37** | **(1.748.77)** | **(5.235.40)** | **(11.343.00)** | **(10.221.19)** | **(7.164.31)** | **3.871.47** | **7.962.85** | **(13.926.12)** | **(1.148.67)** | **(37.421.72)** | **(36.387.82)** |
| 3 | **Segment assets** | | | | | | | | | | | | |
| | (a) Media and Communication | 1.63.257.55 | 1.63.740.08 | 1.58.406.00 | 1.63.257.55 | 1.58.406.00 | 1.62.071.76 | 1.79.162.65 | 1.80.000.69 | 1.35.338.93 | 1.79.162.65 | 1.35.338.93 | 1.36.798.11 |
| | (b) Real Estate | 3.719.50 | 3.719.50 | 3.719.50 | 3.719.50 | 3.719.50 | 3.719.50 | 3.719.50 | 3.719.50 | 3.719.50 | 3.719.50 | 3.719.50 | 3.719.50 |
| | (c) Investments and Treasury | 83.426.96 | 84.757.00 | 1.04.227.53 | 83.426.96 | 1.04.227.53 | 1.07.521.62 | 83.417.60 | 84.756.94 | 1.04.227.53 | 83.417.60 | 1.04.227.53 | 1.07.649.01 |
| | (d) Unallocated | 1.525.78 | 1.641.96 | 1.223.78 | 1.525.78 | 1.223.78 | 992.05 | 1.525.78 | 1.641.96 | 988.26 | 1.525.78 | 988.26 | 992.05 |
| | **Total** | **2.51.929.79** | **2.53.858.54** | **2.67.576.81** | **2.51.929.79** | **2.67.576.81** | **2.74.304.93** | **2.67.825.53** | **2.70.119.09** | **2.44.274.22** | **2.67.825.53** | **2.44.274.22** | **2.49.158.67** |
| 4 | **Segment liabilities** | | | | | | | | | | | | |
| | (a) Media and Communication | 19.844.61 | 19.977.74 | 20.690.02 | 19.844.61 | 20.690.02 | 20.520.77 | 1.50.364.03 | 1.53.649.32 | 1.42.823.34 | 1.50.364.03 | 1.42.823.34 | 1.42.832.86 |
| | (b) Real Estate | 10.49 | 10.14 | 15.71 | 10.49 | 15.71 | 17.61 | 10.49 | 10.14 | 15.71 | 10.49 | 15.71 | 17.61 |
| | (c) Investments and Treasury | 42.174.65 | 47.102.33 | 42.203.07 | 42.174.65 | 42.203.07 | 35.810.54 | 40.544.65 | 42.127.18 | 42.203.07 | 40.544.65 | 42.203.07 | 35.810.30 |
| | (d) Unallocated | 10.099.31 | 9.941.60 | 13.478.51 | 10.099.31 | 13.478.51 | 21.097.81 | 10.099.31 | 15.169.62 | 6.792.01 | 10.099.31 | 6.792.01 | 14.879.68 |
| | **Total** | **72.129.06** | **77.031.81** | **76.387.31** | **72.129.06** | **76.387.31** | **77.446.73** | **2.01.018.48** | **2.10.956.26** | **1.91.834.13** | **2.01.018.48** | **1.91.834.13** | **1.93.540.45** |
| 5 | **Capital employed (segment assets - segment liabilities)** | | | | | | | | | | | | |
| | (a) Media and Communication | 1.43.412.94 | 1.43.762.34 | 1.37.715.98 | 1.43.412.94 | 1.37.715.98 | 1.41.550.99 | 28.798.62 | 26.351.37 | (7.484.41) | 28.798.62 | (7.484.41) | (6.034.75) |
| | (b) Real Estate | 3.709.01 | 3.709.36 | 3.703.79 | 3.709.01 | 3.703.79 | 3.701.89 | 3.709.01 | 3.709.36 | 3.703.79 | 3.709.01 | 3.703.79 | 3.701.89 |
| | (c) Investments and Treasury | 41.252.31 | 37.654.67 | 62.024.46 | 41.252.31 | 62.024.46 | 71.711.08 | 42.872.95 | 42.629.76 | 62.024.46 | 42.872.95 | 62.024.46 | 71.838.71 |
| | (d) Unallocated | (8.573.53) | (8.299.64) | (12.254.73) | (8.573.53) | (12.254.73) | (20.105.76) | (8.573.53) | (13.527.66) | (5.803.75) | (8.573.53) | (5.803.75) | (13.887.63) |
| | **Total** | **1.79.800.73** | **1.76.826.73** | **1.91.189.50** | **1.79.800.73** | **1.91.189.50** | **1.96.858.20** | **66.807.05** | **59.162.83** | **52.440.09** | **66.807.05** | **52.440.09** | **55.618.22** |

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

NXTDIGITAL LIMITED MUMBAI

**For NXTDIGITAL LIMITED**
**(Formerly known as Hinduja Ventures Limited)**

**Ashok Mansukhani**
**Managing Director**

Place : Mumbai
Date : 3rd February, 2020

**Deloitte**
**Haskins & Sells LLP**

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4001

## INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE FINANCIAL RESULTS

**TO THE BOARD OF DIRECTORS OF**
**NXTDIGITAL LIMITED (Formerly known as HINDUJA VENTURES LIMITED)**

1. We have reviewed the standalone financial results for the quarter as set out in Column A and nine months ended 31 December, 2019 as set out in Column D of the accompanying Statement of Standalone Unaudited Financial Results ("the Statement") of **NXTDIGITAL LIMITED (Formerly known as HINDUJA VENTURES LIMITED)** ("the Company"), which also includes the relevant comparatives set out in column B, C, E and F, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as stated in paragraph 3 above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

For **DELOITTE HASKINS & SELLS LLP**
**Chartered Accountants**
(Firm's Registration No. 117366W/W-100018)

Anjum A. Qazi
Partner
(Membership No. 104968)
(UDIN: 20104968AAAAAI6119)

Place: MUMBAI
Date: February 3, 2020

**Deloitte**
**Haskins & Sells LLP**

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4001

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED FINANCIAL RESULTS**

**TO THE BOARD OF DIRECTORS OF**
**NXTDIGITAL LIMITED (Formerly known as HINDUJA VENTURES LIMITED)**

1. We have reviewed the consolidated financial results for the quarter ended 31 December, 2019 as set out in Column G and nine months ended 31 December, 2019 as set out in Column J of the accompanying Statement of Consolidated Unaudited Financial Results of **NXTDIGITAL LIMITED (Formerly known as HINDUJA VENTURES LIMITED)** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and nine months ended 31 December, 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India (ICAI). A review of interim financial information consists of making inquiries, primarily of Parent's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

   We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

   Attention is drawn to Note 2 to the Statement which states that the consolidated figures for the corresponding quarter and nine months ended December 31, 2018, as set out in columns I and K of the Statement, as reported in the accompanying Statement have been approved by the Parent's Board of Directors, but have not been subjected to review by us.

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**Deloitte**
**Haskins & Sells LLP**

4. The Statement includes the results of the following entities:

**I. Subsidiaries**

**A) Direct Subsidiary –**

1. IndusInd Media Communications Limited

**B) Indirect Subsidiaries**

1. Sangli Media Services Private Limited
2. Bhima Riddhi Infotainment Private Limited
3. Darpita Trading Company Private Limited
4. Vinsat Digital Private Limited
5. Sainath In Entertainment Private Limited
6. OneOTT Intertainment Limited (Previously known as Planet E-Shop Holdings India Limited) (with effect from 12 August, 2019)
7. IN Entertainment (India) Limited (with effect from 12 August, 2019)
8. OneMahaNet Intertainment Private Limited (Previously known as Chemring Aasia Services Private Limited) (with effect from 12 August, 2019)
9. USN Networks Private Limited
10. Gold Star Noida Network Private Limited
11. United Mysore Network Private Limited
12. Apna Incable Broadband Services Private Limited
13. Goldstar Infotainment Private Limited
14. Ajanta Sky Darshan Private Limited
15. Sunny Infotainment Private Limited
16. RBL Digital Cable Network Private Limited
17. Vistaar Telecommunication and Infrastructure Private Limited

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 6 below, and the unaudited financial information certified by Parent's management as set out in para 7 below, nothing has come to our attention that causes us to believe that the consolidated unaudited financial results, included in column G and J of the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We did not review the interim financial results of 1 direct subsidiary, and 8 indirect subsidiaries, included in the consolidated unaudited financial results, whose interim financial results reflect total assets of Rs. 209,216.34 lakh as at 31 December, 2019 and total revenues of Rs. 33,578.01 lakh and Rs. 82,455.42 lakh for the quarter and nine months ended 31 December, 2019 respectively, total net profit after tax of Rs. 1,657.19 lakh and Rs. 5,117.41 lakh for the quarter and nine months ended 31 December, 2019 respectively and total comprehensive income of Rs. 1,688.97 lakh and Rs. 5,600.07 lakh for the quarter and nine months ended

DELOITTE HASKINS & SELLS LLP CHARTERED ACCOUNTANTS

31 December, 2019, respectively as considered in the Statement. These interim financial results have been reviewed by other auditors whose reports have been furnished to us by the Parent's management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above.

7. The consolidated unaudited financial information includes the financial information of 9 indirect subsidiaries which have been certified by the Management of the Parent not been reviewed by their auditors, whose financial information reflect total assets of Rs. 468.97 lakh as at 31 December, 2019 and total revenues of Rs. Nil and Rs. 1.81 lakh for the quarter and nine months ended 31 December, 2019 respectively, total net loss after tax of Rs. 17.08 lakh and Rs. 47.93 lakh for the quarter and nine months ended 31 December, 2019 respectively, and total comprehensive loss of Rs. 17.08 lakh and Rs. 47.93 lakh for the quarter and nine months ended 31 December, 2019, respectively, as considered in the Statement. According to the information and explanations given to us by the management of the Parent, this interim financial information is not material to the Group.

Our conclusion on the Statement is not modified in respect of our reliance on reports of the other auditors as stated in para 6 above and the financial information certified by the Parent's management as stated in para 7 above.

For **DELOITTE HASKINS & SELLS LLP**
**Chartered Accountants**
(Firm's Registration No. 117366W/W-100018)

Anjum A. Qazi
Partner
(Membership No. 104968)
(UDIN: 20104968AAAAAJ5169)

Place: MUMBAI
Date: February 3, 2020

**Shareholding pattern of the IndusInd Media & Communications Limited ("IMCL" or "Demerged Company") as on January 31, 2020 prior to the Scheme of Arrangement**

**Equity shares of Rs. 10 each**

| Sr. No. | Shareholders name | Pre scheme No. of Equity Shares | % Holding Pre Scheme |
|---|---|---|---|
| **(A)** | **Promoter & Promoter Group** | | |
| 1 | NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited) along with joint holdings with individuals | 15,09,34,930 | 77.55 |
| **(B)** | **Public** | | |
| 2 | Amas Mauritius Limited | 51,13,793 | 2.63 |
| 3 | IndusInd Communications Limited | 74,40,000 | 3.82 |
| 4 | IndusInd Channel Limited | 19,95,500 | 1.02 |
| 5 | IndusInd Bank Limited | 37,50,000 | 1.93 |
| 6 | Kudelski S.A. Switzerland | 15,34,400 | 0.79 |
| 7 | IndusInd International Holdings Limited | 1,95,83,178 | 10.06 |
| 8 | Mr. Dilip Lakhi | 42,78,822 | 2.20 |
| | **Total** | **19,46,30,623** | **100.00** |

**Shareholding pattern of the IndusInd Media & Communications Limited ("IMCL" or "Demerged Company") post scheme of arrangement:**

**Equity shares of Rs. 2.50 each**

| Sr. No. | Shareholders name | Post scheme No. of Equity Shares | % Holding Post Scheme |
|---|---|---|---|
| **(A)** | **Promoter & Promoter Group** | | |
| 1 | NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited) along with joint holdings with individuals | 15,09,34,930 | 77.55 |
| **(B)** | **Public** | | |
| 2 | Amas Mauritius Limited | 51,13,793 | 2.63 |
| 3 | IndusInd Communications Limited | 74,40,000 | 3.82 |
| 4 | IndusInd Channel Limited | 19,95,500 | 1.02 |
| 5 | IndusInd Bank Limited | 37,50,000 | 1.93 |
| 6 | Kudelski S.A. Switzerland | 15,34,400 | 0.79 |
| 7 | IndusInd International Holdings Limited | 1,95,83,178 | 10.06 |
| 8 | Mr. Dilip Lakhi | 42,78,822 | 2.20 |
| | **Total** | **19,46,30,623** | **100.00** |

**Shareholding pattern of the NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited) ("NXTDIGITAL" or "Resulting Company") as on January 31, 2020 prior to the Scheme of Arrangement:**

**Equity shares of Rs. 10 each.**

| **Sr. No.** | **Shareholders name** | **Pre scheme**<br>**No. of Equity Shares** | **% Holding**<br>**Pre Scheme** |
|---|---|---|---|
| **(A)** | **Promoters Individual / HUF** | | |
| 1 | Mr. Ashok Parmanand Hinduja, Karta Of S.P. Hinduja (HUF BIGGER) | **532483** | 2.59 |
| 2 | Ms. Harsha Ashok Hinduja (16695 shares) and Harsha Ashok Hinduja Jointly with Ashok Parmanand Hinduja (472498 shares) | 489193 | 2.38 |
| 3 | Ms. Ambika Ashok Hinduja | 177242 | 0.86 |
| 4 | Mr. Shom Ashok Hinduja | 140007 | 0.68 |
| 5 | Mr. Ashok P Hinduja (31600 shares) and Ashok P Hinduja Jointly with Harsha Ashok Hinduja (45313 shares) | 76913 | 0.37 |
| 6 | Ms. Vinoo Srichand Hinduja | 61065 | 0.30 |
| 7 | Mr. A P Hinduja, Karta of A.P Hinduja (HUF) | 54327 | 0.26 |
| 8 | Ms. Shanoo S. Mukhi | 955 | 0.00 |
| | **TOTAL (A)** | 1532185 | 7.45 |
| **(B)** | **Promoters Bodies Corporate** | | |
| **1** | Hinduja Group Limited | 5637449 | 27.43 |
| **2** | Hinduja Group Limited jointly with Hinduja Realty Ventures Limited (as the demat account holder and partner of Aasia Exports) | 2913123 | 14.17 |
| **3** | AASIA Corporation LLP | 1400879 | 6.82 |
| 4 | Hinduja Properties Limited | 212843 | 1.04 |
| 5 | Hinduja Finance Limited | 100000 | 0.49 |
| 6 | Amas Mauritius Limited | 2761427 | 13.43 |
| | **TOTAL (B)** | 10264294 | 49.93 |
| (C) | **Non-Promoter Shareholding** | | |
| | **Public Shareholding** | 5997597 | 29.18 |
| | **Total (C)** | **20555503** | **100.00** |

**Shareholding pattern of the NXTDIGITAL LIMITED (formerly known as Hinduja Ventures Limited) ("NXTDIGITAL" or "Resulting Company") post demerger:**

**Equity shares of Rs. 10 each.**

| Sr. No. | Shareholders name | Post scheme<br>No. of Equity Shares | % Holding<br>Post Scheme |
|---|---|---|---|
| **(A)** | **Promoters Individual / HUF** | | |
| 1 | Mr. Ashok Parmanand Hinduja, Karta of S.P. Hinduja (HUF BIGGER) | 532483 | 2.21 |
| 2 | Ms. Harsha Ashok Hinduja (16695 shares) and Harsha Ashok Hinduja Jointly with Ashok Parmanand Hinduja (472498 shares) | 489193 | 2.03 |
| 3 | Ms. Ambika Ashok Hinduja | 177242 | 0.74 |
| 4 | Mr. Shom Ashok Hinduja | 140007 | 0.58 |
| 5 | Mr. Ashok P Hinduja (31600 shares) and Ashok P Hinduja Jointly with Harsha Ashok Hinduja (45313 shares) | 76913 | 0.25 |
| 6 | Ms. Vinoo Srichand Hinduja | 61065 | 0.30 |
| 7 | Mr. A P Hinduja, Karta of A.P Hinduja (HUF) | 54327 | 0.26 |
| 8 | Ms. Shanoo S. Mukhi | 955 | 0.00 |
| | **TOTAL (A)** | 1532185 | 6.37 |
| **(B)** | **Promoters Bodies Corporate** | | |
| **1** | Hinduja Group Limited | 5637449 | 23.44 |
| **2** | Hinduja Group Limited jointly with Hinduja Realty Ventures Limited (as the demat account holder and partner of Aasia Exports) | 2913123 | 12.11 |
| **3** | AASIA Corporation LLP | 1400879 | 5.82 |
| 4 | Hinduja Properties Limited | 212843 | 0.88 |
| 5 | Hinduja Finance Limited | 100000 | 0.42 |
| 6 | Amas Mauritius Limited | 31,70,530 | 13.18 |
| | **TOTAL (B)** | 13434824 | 55.86 |
| (C) | **Non-Promoter Shareholding** | | |
| | **Public Shareholding** | 90,84,149 | 37.77 |
| | **Total C** | 90,84,149 | 37.77 |
| | **Total A+B+C** | **2,40,51,158** | **100.00** |

**ANNEXURE H - SUMMARY OF VALUATION REPORT ALONG WITH BASIS OF SUCH VALUATION**

1. IndusInd Media & Communications Limited **("IMCL" or "Demerged Company")** and Hinduja Ventures Limited (now known as NXTDIGITAL LIMITED) **"NXTDIGITAL" or "Resulting Company")** engaged PKF Sridhar & Santhanam LLP, Chartered Accountants, as independent valuer to recommend Share Entitlement Ratio in connection with the Scheme of Arrangement between IMCL and NXTDIGITAL and their respective shareholders under sections 230-232 and other applicable provisions of the Companies Act, 2013 for the demerger of Media and Communication undertaking of IMCL into NXTDIGITAL. The valuer has submitted valuation reports dated August 22, 2019 and September 24, 2019 **("Valuation Report")** to the Board of Directors of NXTDIGITAL.

2. NXTDIGITAL appointed Saffron Capital Advisors Private Limited as the Merchant Banker to provide an independent opinion to the Board of Directors of NXTDIGITAL as to the fairness of the Share Entitlement Ratio recommended by the valuer.

3. Saffron Capital Advisors Private Limited reviewed the valuation reports dated August 22, 2019 and September 24, 2019 and the Scheme of Arrangement and carried out such independent analysis as is customary for issuance of fairness opinions. In its report dated August 23, 2019 and September 25, 2019 **("Fairness Opinion"),** Saffron Capital Advisors Private Limited concluded that the following Share Exchange Ratio recommended by PKF Sridhar & Santhanam LLP, Chartered Accountants, Independent Valuer is fair:

   ***"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"***

   Based on the Valuation reports and the fairness opinion reports the above Share Entitlement Ratio was approved by the respective Board of Directors of IMCL and NXTDIGITAL.

**ANNEXURE I**

SAFFRON
energising ideas

**Saffron Capital Advisors Private Limited**
605, Sixth Floor, Centre Point, Andheri Kurla Road,
J. B. Nagar, Andheri (East), Mumbai - 400 059.
Tel.: +91 4082 0912 / Fax: +91 4082 0999
Email : info@saffronadvisor.com
Website: www.saffronadvisor.com
CIN No. U67120MH2007PTC166711

**February 13, 2020**

To,
**The Board of Directors**
**Indusind Media and Communications Limited**
In Centre, 49/50, MIDC, 12th Road,
Andheri (East), Mumbai – 400093

To,
**The Board of Directors**
**NXTDIGITAL Limited**
In Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai – 400093

**Reg: Proposed Scheme of Arrangement between Indusind Media and Communications Limited ("IMCL") and NXTDIGITAL Limited (NXTDIGITAL) and their respective shareholders under section 230 to 232 of the Companies Act, 2013.**

Dear Sir (s),

- We have been appointed by NXTDIGITAL Limited to certify the accuracy and adequacy of the disclosures made by Indusind Media and Communications Limited in its Abridged Prospectus dated February 13, 2020 pursuant to SEBI Circular number CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("**SEBI Circular**") in accordance with SEBI (ICDR) Regulations, 2018 for the proposed Scheme of Arrangement.

- We have examined various documents of IMCL *interalia* relating to financial information (Annual Results), secretarial filing, ROC documents, and other material documents in connection with the information mentioned in the Abridged Prospectus;

- We have also availed undertakings/representations/affirmations from IMCL and its directors for various disclosures made in the Abridged Prospectus;

- Based on the copy of executed Abridged Prospectus, copy of board resolution dated February 13, 2020 approving the Abridged Prospectus, examination of various documents, affirmations, undertakings and representations given by IMCL and its directors in regard to the disclosures made in the Abridged Prospectus and the discussions held with IMCL, its directors and its employees, we hereby, certify that the disclosures made by IMCL in the Abridged Prospectus are adequate and accurate to the best of our knowledge.

- The above conformation is based upon the information furnished and explanations provided to us by the management of the IMCL assuming the same is complete and accurate in all aspects on an as in basis. We have relied upon the financials, informations and representations furnished to us on an as is basis and have not carried out an audit of

SAFFRON CAPITAL ADVISORS PRIVATE LIMITED ★ MUMBAI such information. Our scope of work does not constitute an audit of financial information and accordingly we are unable to and do not express an opinion on the fairness of any financial information referred in the Abridged Prospectus. This certificate is a specific purpose certificate issued in terms of SEBI Circular and hence it should not be used for any other purpose or transaction.

**Yours truly,**
**For Saffron Capital Advisors Private Limited**

13/02/2020

SAFFRON CAPITAL ADVISORS PRIVATE LIMITED MUMBAI

**Amit Wagle**
**Senior Vice President**
**Equity Capital Markets**

**IN THE NATURE OF ABRIDGED PROSPECTUS – MEMORANDUM CONTAINING SALIENT FEATURES IN RESPECT OF DEMERGER OF MEDIA AND COMMUNICATION UNDERTAKING OF INDUSIND MEDIA AND COMMUNICATIONS LIMITED INTO NXTDIGITAL LIMITED ("NXTDIGITAL"), PURSUANT TO A SCHEME OF ARRANGEMENT ("SCHEME") UNDER SECTIONS 230-232 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 ("ACT").**

This is an abridged prospectus prepared to comply with the requirements of regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"). You are also encouraged to read the greater details available in the Scheme.

This is an Abridged Prospectus containing information pertaining to the unlisted company, IndusInd Media and Communications Limited, which is a party to the Scheme of Arrangement proposed to be made between IndusInd Media and Communications Limited ("**Demerged Company**") and NXTDIGITAL Limited (*formerly known as Hinduja Ventures Limited*) ("**Resulting Company**") and their respective shareholders, pursuant to Sections 230 to 232 read with section 52 and 66 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as the "**Scheme**").

This document is prepared pursuant to paragraph I.A.3 (a) of Annexure of the Securities and Exchange Board of India ("**SEBI**") circular bearing number CFD/DIL3/CIR/2017/21 dated March 10, 2017 (as amended) ("**SEBI Circular**") and Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the said SEBI Circular and contains the applicable information in the format for abridged prospectus as provided in Part E of Schedule VI of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018. You are also encouraged to read the Scheme and other documents available on the website of the Resulting Company (http://www.nxtdigital.co.in).

**THIS ABRIDGED PROSPECTUS CONTAINS 18 (EIGHTEEN) PAGES. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

The Demerged Company is an unlisted public company. The equity shares of the Resulting Company are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**") (hereinafter collectively referred as "**Stock Exchanges**").

Pursuant to the Scheme, it is proposed to demerge the Media and Communications Undertaking of the Demerged Company into the Resulting Company, in consideration for which fully paid-up equity shares are to be issued by the Resulting Company to the shareholders of the Demerged Company as of the Record Date as specified in the Scheme (other than the Resulting Company and its nominees) in proportion to their respective shareholding in the Demerged Company, which will be listed and admitted to trading on the Stock Exchanges under Regulation 19 of Securities Contract(Regulations)Rules, 1957. As there is no issue of equity shares to the public at large, except to the existing shareholders of the Demerged Company, the requirements with respect to GID (General Information Document) are not applicable and this abridged prospectus should be read accordingly.

You may also download the Abridged Prospectus, along with the Scheme as approved by the Board of Directors of the Demerged Company and the Resulting



INDUSIND MEDIA & COMMUNICATIONS LTD. MUMBAI

Company at their respective meetings held on August 27, 2019, the report of Audit Committee of the Resulting Company dated August 27, 2019, the copy of the valuation report issued by PKF Sridhar & Santhanam, LLP, Chartered Accountants dated August 22, 2019 and September 24, 2019 and the Fairness Opinion issued by Saffron Capital Advisors Private Limited ("**Merchant Banker**") dated August 23, 2019 and September 25, 2019 including letter of undertaking dated October 04, 2019 from the websites of the BSE at www.bseindia.com and the NSE at www.nseindia.com, where the equity shares of the Resulting Company are listed or from the website of the Resulting Company (http://www.nxtdigital.co.in). A copy of the Abridged Prospectus shall be submitted to the Securities and Exchange Board of India ("SEBI").

## INDUSIND MEDIA AND COMMUNICATIONS LIMITED

**Registered Office and Corporate Office:** In Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai – 400093;

**Corporate Identity Number:** U92132MH1995PLC085835

**Contact Person:** Mr. Ashish Pandey, Company Secretary

**Email:** secretarial@nxtdigital.in

**Phone No.:** 022 – 2820 8585 (ext. 436).

**Website:** www.indigital.co.in

## PROMOTERS OF INDUSIND MEDIA AND COMMUNICATIONS LIMITED

NXTDIGITAL Limited (formerly known as Hinduja Ventures Limited).

## SCHEME DETAILS, LISTING AND PROCEDURE

IndusInd Media and Communications Limited (Demerged Company) and NXTDIGITAL Limited (Resulting Company) forms part of the Hinduja Group of Companies. Resulting Company is presently Holding Company of IndusInd Media and Communications Limited by virtue of holding 77.55% of the paid-up equity share capital of the Company whereas the remaining equity holding are held by the Public shareholders.

The Scheme between the Demerged Company and the Resulting Company and their respective Shareholders for demerger is presented under the provisions of Section 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 of the Demerged Company and vesting of the same in the Resulting Company on a going concern basis.

Upon the Scheme becoming effective, all the Assets, Liabilities, interests and obligations, as applicable of the Media and Communications Undertaking of the Demerged Company, be transferred to and vested in the Resulting Company on a going concern basis without requirement of any further act, instrument or deed so as to become as and from the Appointed Date i.e. October 1, 2019, the Assets, Liabilities, interests and obligations, as applicable, of the Transferee Company. 10



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(Ten) fully paid up Equity Shares of Rs. 10 each of Resulting Company shall be issued and allotted by the Resulting Company for every 125 (One hundred and twenty five) Equity Shares of Rs. 10 each held in Demerged Company to the shareholders of the Demerged Company (other than itself).

Such equity shares (issued by the Resulting Company to the relevant equity shareholders of the Demerged Company) will be listed and admitted to trading on the Stock Exchanges.

Additionally, the Scheme also provides for various other matters consequential or otherwise integrated connected herewith including reduction of face value of the equity shares of the Demerged Company from Rs. 10 to Rs. 2.50 per equity share. Further, terms used but not defined in this Abridged Prospectus shall have the same meaning as defined in the Scheme.

**DETAILS ABOUT THE BASIS FOR THE SWAP RATIO IN ACCORDANCE WITH THE SCHEMEM AND SHARE ENTITLEMENT RATIO AND REPORT ON FAIRNESS OPINION WILL BE AVAILABLE ON THE WEBSITE OF THE RESULTING COMPANY AND THE STOCK EXCHANGES**

The details in respect of meeting of the shareholders (including Postal Ballot and e-Voting) of the Resulting Company as conveyed in accordance with Sections 230 – 232 of the Companies Act and e-Voting required as per SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and regulation 44 of the Listing Regulations where the Scheme would be placed before the shareholders will be published in two newspapers as per the directions of the National Company Law Tribunal, Mumbai Bench, Maharashtra ("NCLT").

**PROCEDURE**

The procedure with respect to public issue/ offer would not be applicable as this issue is only to the shareholders of the Demerged Company, pursuant to the Scheme without any cash consideration. Hence, the procedure with respect to GID may be applicable only to the limited extent as specifically provided.

**ISSUE DETAILS, LISTING AND PROCEDURE**

Not applicable

**ELIGIBILITY FOR THE ISSUE**

In compliance with the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 and in accordance with the Abridged Prospectus as provided in Part E of Schedule VI of the Securities Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 to the extent applicable;

The equity shares sought to be listed are proposed to be allotted by the Resulting Company to the shareholders of a Demerged Company excluding Resulting Company itself, pursuant to a Scheme to be sanctioned by NCLT under sections 230-232 of the Companies Act and other applicable provisions of the Companies Act.



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The percentage of shareholding, the public shareholders and Qualified Institutional Buyers ("**QIB**") of the unlisted entity, in the post scheme shareholding pattern of the "**merged**" company on a fully diluted basis shall not be less than 25%.

## INDICATIVE TIMELINE

The Abridged Prospectus is issued pursuant to the Scheme and is not an offer to public at large. The time frame cannot be established with absolute certainty, as the Scheme is subject to approvals from relevant regulatory authorities.

## GENERAL RISKS

Investment in Equity and Equity related securities involved a degree of risk and investors should not invest any funds in this issue unless they can afford to take the risk of losing their investment. Investors are advised to read the Risk factors carefully before taking an investment decision in relation to this Scheme for taking an investment decision, Investors must rely on their own examination of the Resulting Company and the issue, including the risk involved.

The Equity shares in this Issue have not been recommended or approved by Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of the Scheme - Not Applicable as the offer is not for public at large.

Specific attention of the readers is invited to the sections titled 'Risk Factors' on pages 15-16 of this Abridged Prospectus.

## PRICE INFORMATION OF LEAD MANAGER

**Not Applicable** since the proposed issue is not to public shareholders but to the shareholders of the Demerged Company pursuant to the Scheme.

| | |
|---|---|
| **Merchant Banker:**<br>**Saffron Capital Advisors Private Limited**<br>**Address:** 605, 6th Floor, Centre Point, Andheri Kurla Road, J B Nagar, Andheri (East), Mumbai – 400059.<br>**Contact person:** Mr. Amit Wagle / Mr. Gaurav Khandelwal<br>**Telephone:** 022-4082 0914/915<br>**Email ID:** amit@saffronadvisor.com | **Statutory Auditors of IndusInd Media and Communications Limited**<br>**BSR & Co. LLP, Chartered Accountants,**<br>**Address:** 5th Floor, Lodha Excelus, Appollo Mills Compound, N M Joshi Marg, Mahalaxmi, Mumbai 400011<br>**Contact Person:** Mr. Rajesh Mehra<br>**Telephone:** 022-4345 5300<br>**Email ID:** rajeshmehra@bsraffiliates.com<br>**Registration:** 101248W/W-100022 |



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| | |
|---|---|
| **Syndicate Members:** Not applicable<br><br>**Credit Rating Agencies and rating/grading obtained, if any:**<br>Acuite Ratings and Research Limited,<br>102, Sumer Plaza, Marol Maroshi Road, Marol, Andheri east – 400059<br>(Rating – ACUITE A for Long Term Instruments and ACUITE A1 for Short term Instruments)<br><br>**Debenture Trustee:** Not applicable<br>**Self-Certified Syndicated Banks:** Not applicable | **Registrar:**<br>**Kfin Technologies Private Limited**<br>Selenium Tower B, Plot Nos. 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad - 500032 India<br><br>**Non-Syndicate Registered Brokers:** Not applicable<br><br>Details regarding website address(es)/ link(s) from which the investor can obtain a list of RTAs, CDPs and Stock Brokers who can accept applications from Investors, as applicable: Not Applicable |

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## PROMOTERS OF INDUSIND MEDIA AND COMMUNICATIONS LIMITED (IMCL)

**NXTDIGITAL Limited (formerly known as Hinduja Ventures Limited),** is a public limited company incorporated on July 18, 1985 with the Registrar of Companies, Mumbai under the provisions of the Companies Act, 1956. Its registered office is situated at In Centre, 49/50, MIDC, 12th Road, Andheri (East) Mumbai-400093 and its Corporate Identification Number (CIN) is L51900MH1985PLC036896. The equity shares of the Resulting Company are listed on the BSE Limited and National Stock Exchange of India Limited. The Resulting Company is engaged in the following business:

- Real Estate (Resulting Company has entered into a Joint Development Agreement for development of Bangalore property and also owns property at Hyderabad)
- Investments & Treasury and;
- Media & Communications (including investments in IndusInd Media and Communications Ltd. and fiber assets).

## BUSINESS MODEL / BUSINESS OVERVIEW AND STRATEGY

The Demerged Company (IndusInd Media and Communications Limited) is an unlisted public limited company incorporated on February 23, 1995 with the Registrar of Companies, Mumbai under the provisions of the Companies Act, 1956. The registered office of the Demerged Company is situated at In Centre, 49/50, MIDC, 12th Road, Andheri (East), Mumbai - 400093, The CIN of the Demerged Company is U92132MH1995PLC085835, Presently, the authorized share capital of the Demerged Company is divided into equity shares and preference shares of Rs. 10 each.

The Demerged Company is engaged in the following business

- Media and Communications business consisting of Cable TV, HITS platform
- Technical services business (including investment in JVs); and
- Passive infrastructure business

### BUSINESS STRATEGY

IMCL is a leading Multi System Operator in the country. It is the only digital delivery platform which operates through both terrestrial fiber route and the satellite route through Headend in the Sky (HITS).

The business strategy of the company is briefly as follows:

- Cater to the metro towns and cities through the traditional terrestrial fiber route.
- Grow in the small towns and villages through the HITS route since cost of expansions is very minimal.
- Provide value added services on its network to increase ARPU.
- Offer integrated internet services to its cable customers.
- Have a network of distributors across the country to expand operations.
- To ensure ease of customer experience provide flexible payment options.



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**BOARD OF DIRECTORS OF IMCL (Demerged Company)**

| Sr. No. | Name | Designation (Independent/ Whole Time/ Executive/ Nominee) | Experience including current/ past position held in other firms |
|---|---|---|---|
| 1. | Mrs. Kanchan Chitale | Independent Director | Mrs. Kanchan Chitale, aged 67 years is the Independent Director of our Company. She has completed B. Com from Mumbai University, she has also completed her Executive Management Programme at Indian Institute of Management – Ahmedabad (IIM-A). She is also fellow member of the Institute of Chartered Accountants of India (ICAI). She had worked with SICOM as Senior Finance Officer for 8 years. Presently she is practicing as a Chartered Accountant and running her own firm under name of "Kanchan Chitale and Associates". She is in practice since last 35 years. She is also director in GOCL Corporation Ltd., Gulf Oil Lubricants India Ltd., Finolex Industries Ltd., IDL Explosives Ltd., Hinduja Finance Ltd., Hinduja National Power Corporation Ltd., Hinduja Energy Ltd., Harkan Management Consultancy Services Pvt. Ltd. |
| 2 | Mr. Prakash Shah | Independent Director | Mr. Prakash Shah, aged 81 years is the Independent Director of our Company. He has completed B.A. (Hons.) and Law Graduate. He is an Indian diplomat. He has been Permanent Representative of India to the United Nations. He has served as India's Petroleum Advisor for Gulf countries with Head Quarters in Tehran, Iran and has worked as Director in the Ministries of Petroleum, Department of Economic Affairs in New Delhi. He has served as Joint Secretary to Prime Minister of India; Late Morarji Desai, Late Charan Singh and Late Indira Gandhi. |
| 3 | Mr. Abin Kumar Das | Chairman-Non-Executive Director | Mr. Abin Kumar Das, aged 80 years is the Chairman-Non-Executive Director of our Company. He has completed his B.A. (Honours) from University of Calcutta. He Worked with British Airways in various capacities in Flight |

| | | | |
|---|---|---|---|
| | | | Operations, Traffic, Sales & Marketing, and General Management. He joined Hinduja group in 1976 as Managing Director of JASCO, one of the group companies of the Hinduja Group in Iran. Since the year 1985, he is handling senior responsibilities in Hinduja Group of Companies in India. |
| 4 | Mr. Ashok Mansukhani | Vice-Chairman-Non-Executive Director | Mr. Ashok Mansukhani, aged 69 years is the Vice-Chairman- Non-Executive Director of our Company. He has completed LLB from Bombay University and also completed his Masters in English Literature from Delhi University. He had distinguished career in Central Government as an Indian Revenue Service Officer for 25 years. He joined the Hinduja Group in 1996 and since then he has been handling various senior responsibilities in the Group, in media and Corporate sphere. |
| 5 | Mr. Prashant Asher | Independent Director | Mr. Prashant Asher, aged 54 years is the Independent Director of our Company. He has completed LLB from Bombay University. He has been admitted as a partner of M/s. Crawford Bayley & Co. in the year 2000, one of the oldest and amongst the leading law firm in Mumbai, India. He was invited as a speaker at the India Shipping Summit, 2009 and at the 3rd Asian Maritime Law Conference 2010, Singapore. Further, he was also been a speaker at the 10th Ship Arrested conference, 2013 in Morocco. |
| 6 | Mr. Amar Chintopanth | Executive Director & CFO | Mr. Amar Chintopanth, aged 61 years is the Executive Director & CFO of our Company. He is a Chartered Accountant with approximately 35 years of work experience. He has held leadership roles in large organizations like ITC Classic Finance Ltd., Polaris Software Limited, 3i Infotech Limited, among others. His experience encompasses areas of Finance & Accounting (domestic & international) Business strategy, Mergers & Amalgamations - domestic and international, Risk management, compliances and related areas. |



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## OBJECTS PURSUANT TO THE SCHEME

The rationale for, and the benefits of, the Demerger of Media and Communications Undertaking from Demerged Company into Resulting Company are, inter alia, as follows:

- **Long term financial returns, increased competitive strength, cost reduction etc.** Pursuant to this scheme, the media business of the group will be consolidated into single group which will assist in achieving flexibility, scale and financial strength. Upon segregation of identified business undertaking, Resulting 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 its respective business.

- **Consolidation and growth of Media and Communications undertaking:** The demerger will enable NXTDIGITAL Limited to consolidate similar businesses into a single company. This will enable NXTDIGITAL Limited (*formerly known as Hinduja Ventures Limited*) with an opportunity to provide services in a seamless manner to its customers. Further, this will also help NXTDIGITAL Limited to demonstrate its capability and provide competitive advantages *vis-à-vis* its competitors.

- **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 operational synergies;

- **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. NXTDIGITAL Limited (*formerly known as Hinduja Ventures Limited*);

- **Efficiency in Fund raising for harnessing future growth**: Housing of Media and Communications business in NXTDIGITAL Limited (*formerly known as Hinduja Ventures Limited*) directly shall facilitate and provide adequate opportunities to mobilize the financial resources of NXTDIGITAL Limited for the growth of the Media and Communications undertaking and also streamline the process for fund raising;

The Scheme is in the interest of the both companies and their respective shareholders.

**Details of Means of Finance:** Not applicable

**Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues/rights issues, if any, of the Company in the preceding 10 years:** Not applicable

**Name of Monitoring Agency, if any:** Since there is no issue of equity shares to the public at large except to the existing shareholders of the Demerged Company, pursuant to the Scheme, the appointment of a monitoring agency is not required.

**Terms of issuance of convertible securities, if any:** Not applicable.



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**Shareholding pattern of the Demerged Company as on December 31, 2019 prior to the scheme of arrangement**

**Equity Shares of face value of Rs. 10 each**

| Sr. No. | Shareholders Name | Pre scheme No. of Equity Shares | % Holding Pre Scheme |
|---|---|---|---|
| (A) | **Promoter & Promoter Group** | | |
| 1 | NXTDIGITAL Limited (*formerly known as Hinduja Ventures Ltd*) along with joint holdings with individuals | 15,09,34,930 | 77.55 |
| (B) | **Public** | | |
| 2 | Amas Mauritius limited | 51,13,793 | 2.63 |
| 3 | IndusInd Communications Ltd. | 74,40,000 | 3.82 |
| 4 | IndusInd Channel Ltd. | 19,95,500 | 1.02 |
| 5 | IndusInd Bank Limited | 37,50,000 | 1.93 |
| 6 | Kudelski S.A. Switzerland | 15,34,400 | 0.79 |
| 7 | IndusInd International Holdings Ltd. | 1,95,83,178 | 10.06 |
| 8 | Mr. Dilip Lakhi | 42,78,822 | 2.20 |
| | **Total** | **19,46,30,623** | **100.00** |

**Shareholding pattern of the Demerged Company post scheme:**

**Equity shares of face value of Rs. 2.50 each**

| Sr. No. | Shareholders Name | Post scheme No. of Equity Shares | % Holding Post Scheme |
|---|---|---|---|
| (A) | **Promoter & Promoter Group** | | |
| 1 | NXTDIGITAL Limited (formerly known as Hinduja Ventures Ltd) along with joint holdings with individuals | 15,09,34,930 | 77.55 |
| (B) | **Public** | | |
| 2 | Amas Mauritius limited | 51,13,793 | 2.63 |
| 3 | IndusInd Communications Ltd. | 74,40,000 | 3.82 |
| 4 | IndusInd Channel Ltd. | 19,95,500 | 1.02 |
| 5 | IndusInd Bank Limited | 37,50,000 | 1.93 |
| 6 | Kudelski S.A. Switzerland | 15,34,400 | 0.79 |
| 7 | IndusInd International Holdings Ltd. | 1,95,83,178 | 10.06 |
| 8 | Mr. Dilip Lakhi | 42,78,822 | 2.20 |
| | **Total** | **19,46,30,623** | **100.00** |

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**Shareholding pattern of the Resulting Company (Based on shareholding pattern as on December 31, 2019) prior to the demerger**

**Equity shares of face value of Rs. 10 each**

| Sr. No. | Shareholders Name | Pre scheme No. of Equity Shares | % Holding Pre Scheme |
|---|---|---|---|
| **(A)** | **Promoters Individual / HUF** | | |
| 1 | Mr. Ashok Parmanand Hinduja, Karta of S.P. Hinduja (HUF Bigger) | 5,32,483 | 2.59 |
| 2 | Ms. Harsha Ashok Hinduja (16,695 Shares) and Ms. Harsha Ashok Hinduja Jointly with Mr. Ashok Parmanand Hinduja (4,72,498 Shares) | 4,89,193 | 2.38 |
| 3 | Ms. Ambika Ashok Hinduja | 1,77,242 | 0.86 |
| 4 | Mr. Shom Ashok Hinduja | 1,40,007 | 0.68 |
| 5 | Mr. Ashok P Hinduja (31,600 Shares) and Mr. Ashok P Hinduja Jointly with Ms. Harsha Ashok Hinduja (45,313 Shares) | 76,913 | 0.37 |
| 6 | Mr. Vinoo Srichand Hinduja | 61,065 | 0.30 |
| 7 | Mr. A P Hinduja, Karta of A.P Hinduja (HUF) | 54,327 | 0.26 |
| 8 | Mr. Shanoo S. Mukhi | 955 | 0.00 |
| | **Total (A)** | **15,32,185** | **7.45** |
| **(B)** | **Promoters Bodies Corporate** | | |
| 1 | Hinduja Group Limited | 56,37,449 | 27.43 |
| 2 | Hinduja Group Limited Jointly with Hinduja Realty Ventures Limited (as the Demat Account Holder and Partner of Aasia Exports) | 29,13,123 | 14.17 |
| 3 | Aasia Corporation LLP | 14,00,879 | 6.82 |
| 4 | Hinduja Properties Limited | 2,12,843 | 1.04 |
| 5 | Hinduja Finance Limited | 1,00,000 | 0.49 |
| 6 | Amas Mauritius Limited | 27,61,427 | 13.43 |
| | **Total (B)** | **1,02,64,294** | **49.93** |
| **(C)** | **Non-Promoter Shareholding** | | |
| | Public Shareholding | 59,97,597 | 29.18 |
| | **Total (C)** | **59,97,597** | **29.18** |
| | **Grand Total** | **2,05,55,503** | **100.00** |



IndusInd Media & Communications Ltd. Mumbai

**Shareholding pattern of the Resulting Company post demerger**

**Equity shares of face value of Rs. 10 each.**

| Sr. No. | Shareholders Name | Post scheme No. of Equity Shares | % Holding Post Scheme |
|---|---|---|---|
| **(A)** | **Promoters Individual / HUF** | | |
| 1 | Mr. Ashok Parmanand Hinduja, Karta of S.P. Hinduja (HUF) | 5,32,483 | 2.21 |
| 2 | Ms. Harsha Ashok Hinduja (16,695 Shares) and Ms. Harsha Ashok Hinduja Jointly with Mr. Ashok Parmanand Hinduja (4,72,498 Shares) | 4,89,193 | 2.03 |
| 3 | Ms. Ambika Ashok Hinduja | 1,77,242 | 0.74 |
| 4 | Mr. Shom Ashok Hinduja | 1,40,007 | 0.58 |
| 5 | Mr. Ashok P Hinduja (31,600 Shares) and Mr. Ashok P Hinduja Jointly with Ms. Harsha Ashok Hinduja (45,313 Shares) | 76,913 | 0.25 |
| 6 | Mr. Vinoo Srichand Hinduja | 61,065 | 0.30 |
| 7 | Mr. A P Hinduja, Karta of A.P Hinduja (HUF) | 54,327 | 0.26 |
| 8 | Mr. Shanoo S. Mukhi | 955 | 0.00 |
| | **Total (A)** | **15,32,185** | **6.37** |
| **(B)** | **Promoters Bodies Corporate** | | |
| 1 | Hinduja Group Limited | 56,37,449 | 23.44 |
| 2 | Hinduja Group Limited Jointly with Hinduja Realty Ventures Limited (as the Demat Account Holder and Partner of Aasia Exports) | 29,13,123 | 12.11 |
| 3 | Aasia Corporation LLP | 14,00,879 | 5.82 |
| 4 | Hinduja Properties Limited | 2,12,843 | 0.88 |
| 5 | Hinduja Finance Limited | 1,00,000 | 0.42 |
| 6 | Amas Mauritius Limited | 31,70,530 | 13.18 |
| | **Total (B)** | **1,34,34,824** | **55.86** |
| (C) | **Non-Promoter Shareholding** | | |
| | **Public Shareholding** | 90,84,149 | 37.77 |
| | **Total C** | **90,84,149** | **37.77** |
| | **Grand Total** | **2,40,51,158** | **100.00** |

**Number/ amount of equity shares proposed to be sold by selling shareholders - if any**

Not Applicable

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## FINANCIALS OF INDUSIND MEDIA AND COMMUNICATIONS LIMITED

### STANDALONE

(Rs. In Lakhs)

| Particulars | For the Nine months ended Dec 31,2019 | FY 18-19 | FY 17-18 | FY 16-17 | FY 15-16 | FY 14-15 |
|---|---|---|---|---|---|---|
| | (Un-audited) | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) |
| Total income from operations (net) | 62,195 | 56,684 | 50,951 | 41,504 | 43,441 | 45,527 |
| Net Profit/ (Loss) before tax and exceptional items | (3,612) | (35,332) | (40,860) | (32,987) | (15,344) | (20,643) |
| Net Profit/(Loss) after tax and exceptional items | 4,544 | (35,332) | (21,941) | (31,828) | (11,277) | (23,919) |
| Equity Share Capital | 19,463 | 18,247 | 13,381 | 11,086 | 7,391 | 7,391 |
| Reserves & Surplus | 10,084 | 3,806 | (8,426) | 12,715 | (17,620) | (8,456) |
| Net Worth | 22,570 | 15,492 | (3,004) | 16,642 | (13,122) | (1,845.31) |
| Basic Earnings Per Share (In Rs.) | 2.38 | (17.88) | (17.66) | (34.84) | (22.1) | (36.14) |
| Diluted Earnings Per Share (In Rs.) | 2.38 | (17.88) | (17.66) | (34.84) | (22.1) | (36.14) |
| Return on Net-worth (%) | 20.13 | (228.07) | 730.39 | (191.25) | 85.94 | 1296.20 |
| Net Asset Value per share (Rs.) | 15.18 | 12.09 | 3.70 | 23.54 | 18.68 | 25.62 |

**Note: From the year 16-17, the financials are as per IndAS.**

**CONSOLIDATED**

**(Rs. In Lakhs)**

| Particulars | For the Nine months ended Dec 31,2019 | FY 18-19 | FY 17-18 | FY 16-17 | FY 15-16 | FY 14-15 |
|---|---|---|---|---|---|---|
| | (Un-audited) | (Audited) | (Audited) | (Audited) | (Audited) | (Audited) |
| Total income from operations (net) | 76,294 | 63,086 | 59,132 | 48,267 | 49,255 | 51,570 |
| Net Profit/ (Loss) before tax and exceptional items | (2,775) | (35,427) | (40,686) | 35,158 | (18,117) | (21,397) |
| Net Profit/(Loss) after tax and exceptional items | 5,311 | (31,847) | (21,983) | 33,993 | (14,360) | (24,631) |
| Equity Share Capital | 19,463 | 18,247 | 13,381 | 11,086 | 7,391 | 7,391 |
| Reserves & Surplus | 7,576 | 326 | (14,564) | 6,708 | (22,589) | (11,241) |
| Net Worth | 20,012 | 12,011 | (9,141) | 10,674 | (18,091) | (4,630) |
| Basic Earnings Per Share (In Rs.) | 2.78 | (16.12) | 17.69 | 37.21 | (25.06) | (36.47) |
| Diluted Earnings Per Share (In Rs.) | 2.78 | (16.12) | 17.69 | 37.21 | (25.06) | (36.47) |
| Return on Net-worth (%) | 26.54 | (265.15) | 240.49 | 318.47 | 79.38 | 531.99 |
| Net Asset Value per share (Rs) | 19.50 | 10.37 | (0.94) | 17.92 | 14.80 | 23.73 |

**Note: From the year 16-17, the financials are as per IndAS.**

## INTERNAL RISK FACTORS

**The below mentioned are the top 8 risk factors:**

1. In the business of the Company, the pricing to the customers is driven largely by market practices and not necessarily based on a cost-plus mark-up mechanism. The risk of irrational pricing leading to losses is a risk the Company faces.



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2. The Company faces the risk of loss of customers arising out of the practice in the industry to swap set top boxes of MSOs by the cable operators.

3. The fiber network and satellite transmission forms the back bone of the business of the Company as TV signals are transmitted through this network. Downtime in this network will impact the Company's business adversely.

4. The Company imports set top boxes. This exposes the Company to foreign exchange risks.

5. The Company carries the risk of pilferage of assets/loss of assets due to fire, burglary etc.

6. Legal risk is the risk in which the company is exposed to legal action. IMCL is governed by various laws and has legal risk exposure.

7. The Company has significant investments in subsidiaries and runs the risk of its investments depleting in value if the subsidiaries do not perform as per business plan.

8. IMCL strongly believes that technological obsolescence is a practical reality. Technological obsolescence is evaluated on a continual basis.

## SUMMARY OF OUTSTANDING LITIGATIONS, CLAIMS AND REGULATORY ACTION

**INDUSIND MEDIA AND COMMUNICATIONS LIMITED:**

**A. Total number of outstanding litigations against the Demerged Company and amount involved:**

There are 39 outstanding litigation against the Demerged Company for an amount involving of Rs. 2467.27 Lacs.

**B. Brief details of top 5 material outstanding litigations against the Company and amount involved:**

| Sr. No | Particulars | Litigation filed by | Current status | Amount Involved (Rs. in Lacs) |
|---|---|---|---|---|
| 1. | Petition No. 433 of 2013 | United Cable Services | Petition has been filed for recovery of Rs. 174.20 Lacs alongwith interest till realization. IMCL is Respondent No. 3. For Cross-examination of both the sides is over. Matter is pending before Telecom Disputes Settlement and Appellate Tribunal (TDSAT) | 174.20 |
| 2. | Petition No.173 | Media Pro | Media Pro has filed | 442.23 |

| | | | | |
|---|---|---|---|---|
| | (C) 2016 & 174(C) of 2016 | Enterprise Pvt. Ltd. | petition against IMCL and its JV partners for recovery of outstanding subscription fees of Rs. 442.23 Lacs with interest from due date till date of payment and also pending lite interest. Matter is pending before Telecom Disputes Settlement and Appellate Tribunal (TDSAT) | |
| 3. | Petition No. 391 - 2018 | GTPL | GTPL has filed the Petition against IMCL for swapping their STBs. Matter is pending before Telecom Disputes Settlement and Appellate Tribunal (TDSAT) | 401.91 |
| 4. | Petition No. 294 - 2018 | Sony | Sony has filed a petition against AMBC wherein IMCL has been impleaded as Respondent No. for the outstanding Subscription Dues. Matter is pending before Telecom Disputes Settlement and Appellate Tribunal (TDSAT) | 383.01 |
| 5. | Petition No. 435 - 2018 | ZEEL | ZEE has filed a petition against AMBC wherein IMCL has been impleaded as Respondent No. for the outstanding Subscription. Matter is pending before Telecom Disputes Settlement and Appellate Tribunal (TDSAT) | 211.25 |
| | **Total** | | | **1612.61** |

**C. Regulatory Action, if any - disciplinary action taken by SEBI or stock exchanges against the Promoters in last 5 financial years including outstanding action, if any;**

NIL

**D. Brief details of outstanding criminal proceedings against Promoters:**

NIL



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| ANY OTHER IMPORTANT INFORMATION AS PER THE MERHCANT BANKER/INDUSIND MEDIA AND COMMUNICATIONS LIMITED |
|---|
| The Company received notices during the financial year 2017-2018 from the Department of Telecommunication (DOT) towards alleged revenue loss due to license fees payable on Internet Service Provider (ISP) business along with interest and penalty thereon, for the period 2010-2011 to 2014-2015, aggregating to INR 50,775.24 lakhs, under the License No. 820-5/2002-LR dated May 16, 2002 (hereinafter referred to as ISP License) and Unified License bearing No. 821-52/2013-DS for ISP Category A for PAN India. DoT demand on the Company was stayed by Telecom Disputes Settlement and Appellate Tribunal (TDSAT) vide order dated December 20, 2017 and the said stay has not been vacated as on date.<br><br>During the current quarter, in a similar matter, TDSAT vide its order dated October 18, 2019 has set aside the impugned demands and directed DoT to issue directives for maintaining level playing field for all operators. Further, in matters of certain telecom Companies relating to Adjusted Gross Revenue ('AGR'), the Hon'ble Supreme Court vide its order dated October 24, 2019 upheld DoT's appeal thereby determining what constitutes AGR for the purposes of license fee calculation.<br><br>On December 5, 2019, in light of the Hon'ble Supreme Court's judgement, DoT decided to re-examine all demand orders raised and asked all license holders to submit comprehensive representations of the issues involved. Company have filed representations at appropriate authorities denying the alleged liabilities. |

| DECLARATION BY INDUSIND MEDIA AND COMMUNICATIONS LIMITED |
|---|
| We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines /regulations issued by the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act,1992, as the case may be, have been complied with and no statement made in the Abridged Prospectus is contrary to the provisions of the Companies Act 1956, Companies Act, 2013, the Securities and Exchange Board of India Act 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in the Abridged Prospectus are true and correct. |

**For and on behalf of Board of Directors of IndusInd Media and Communications Limited**

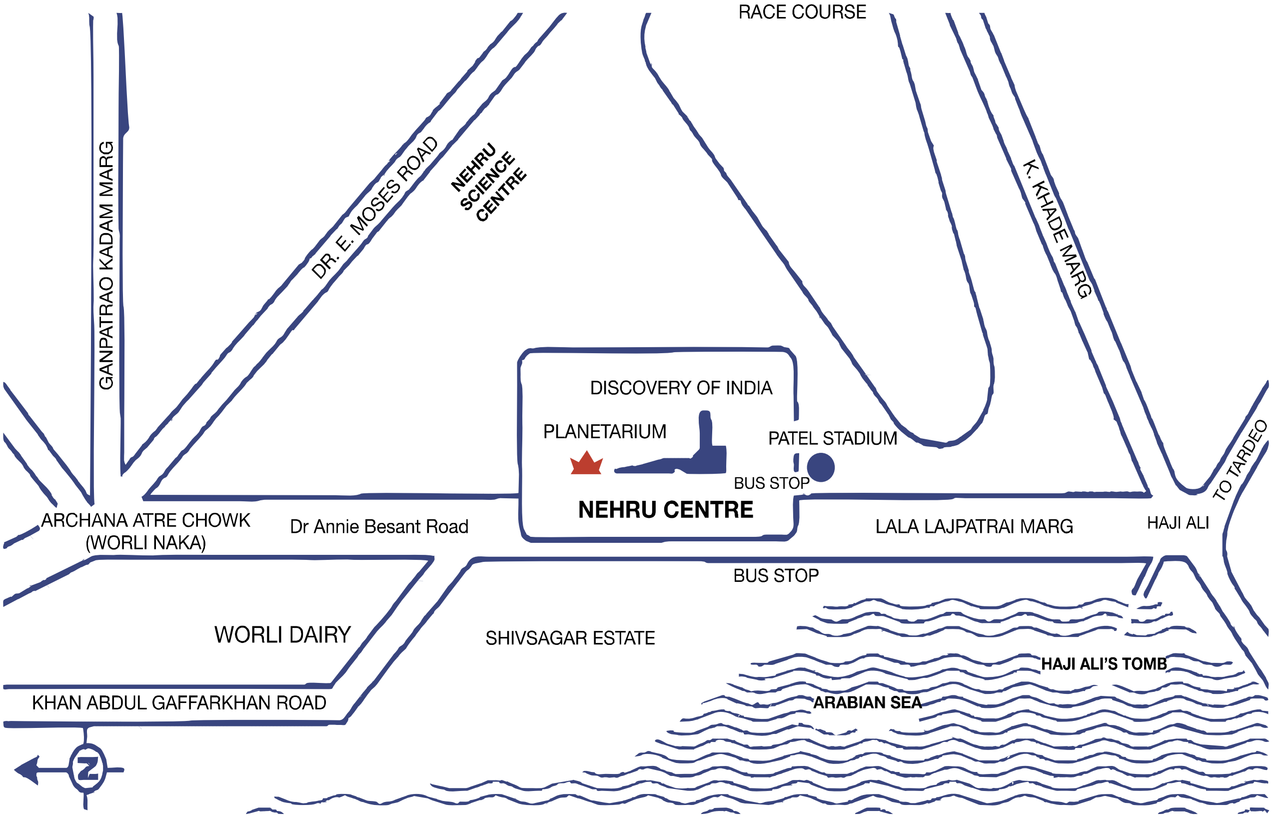
**Name: Amar Chintopanth**

**Designation: Executive Director & CFO**

**Date: February 13, 2020**

**Place: Mumbai**

**ROUTE MAP SHOWING LOCATION OF THE VENUE OF THE HON'BLE NCLT CONVEYED MEETING:**




Prominent Landmark: Near Atria Mall and Next to Nehru Planetarium.

**Venue:**
Hall of Harmony
Nehru Centre, Dr. Annie Besant Road,
Worli Mumbai - 400 018
Tel: 91 22 2496 4676/80

**Best Buses:**
A1, A2, A4, 28, 33, 37, 38, 57, 80,
81, 83, 84, 85, 86, 87, 88, 89, 91, 92,
93, 125, 151, 153, 154, 166, 385, 305,
357 & 521

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