

IN THE NATIONAL COMPANY LAW TRIBUNAL  
MUMBAI BENCH

CSP NO. 196 OF 2017  
AND  
CSP NO. 197 OF 2017

Under Sections 230 to 233 of the Companies  
Act, 2013

In the matter of the Scheme of Arrangement  
between Grant Investrade Limited (Demerged  
Company) and IndusInd Media &  
Communications Limited (Resulting Company)  
and their respective Shareholders and  
Creditors.

GRANT INVESTRADE LIMITED

.....Petitioner/ Demerged Company

AND

INDUSIND MEDIA & COMMUNICATIONS LIMITED

.....Petitioner/ Resulting Company

Judgement/order delivered on August 10, 2017

Coram:

Hon'ble B.S.V. Prakash Kumar, Hon'ble Member (J)

Hon'ble V. Nallasenapathy, Hon'ble Member (T)

For the Petitioner(s): Mr. Kunal Mehta i/b M/s Crawford Bayley & Co, Advocate for  
Petitioner Companies

Per: Hon'ble B.S.V. Prakash Kumar, Member (J)

**ORDER:**

1. Heard learned counsel for parties. No objector has come before this Tribunal to oppose the Scheme and nor has any party controverted any averments made in the Petitions to the Scheme of Arrangement between Grant Investrade Limited



(Demerged Company) and IndusInd Media & Communications Limited (Resulting Company).

2. The sanction of this Tribunal is sought under Sections 230 to 233 read with Sections 52 and 66 of the Companies Act, 2013 to a Scheme of Arrangement ("Scheme") between Grant Investrade Limited (Demerged Company) and IndusInd Media & Communications Limited (Resulting Company) and their respective shareholders and creditors.
3. The Petitioner Companies have approved the said Scheme of Arrangement by passing the Board Resolutions which is annexed to the respective Company Scheme Petitions.
4. The learned Advocate for the Petitioner Companies states that the Demerged Company engaged in the business of transmission and retransmission of Broadcaster Programming services and Broadcasting services in an encrypted form through digital addressable systems to the consumers which consist of local cable operators, independent multi system operators, large commercial organisations, institutions and housing complexes through its Headend In The Sky (HITS) technology Platform. The Resulting Company is currently engaged in the business of providing transmission and retransmission of Broadcaster programming services to the subscribers in an encrypted form through Digital Addressable Systems in the areas notified by the government and provides analog signals for other areas.
5. The benefits of the proposed Demerger is as follows:
  - a) The Demerger will enable focused strategies, management, investment and leadership for the Demerged Undertaking and the Remaining Undertaking, respectively. The restructuring through the Demerger will enable management of both the companies to concentrate on their respective businesses and strengthen competencies and provide independent opportunities to increase scale of operations organically, either by way of any collaboration with a third party or expansion or inorganically.
  - b) The Demerger will also streamline the process for fund raising and technology procurement for the Demerged Undertaking and the Remaining



Undertaking, respectively. Also, the last mile connectivity of HITS Business is via the cable of the LCO, which forms the strength of the business undertaken by the Resulting Company with its already existing multitude LCO arrangements. The Demerger would therefore strengthen the business carried on by the Resulting Company benefiting the Demerged Company as well as the Resulting Company.

- c) Additionally, the Demerger will allow the shareholders of the Demerged Company to achieve their desire of divestment and encashing the value to the extent it relates to the Demerged Undertaking.
  - d) Therefore, the Demerger will create long term value for the shareholders of the Demerged Company and the Resulting Company by unlocking respective values of the Demerged Undertaking and the Remaining Undertaking.
6. The Learned Advocate appearing on behalf of the Petitioner Companies state that the Petitions have been filed in consonance with the Order passed in their Company Summons for Directions no. 861 of 2016 and 862 of 2016 of the High Court of Judicature at Bombay.
7. The learned Advocate for the Petitioner Companies states that the Petitioner Companies have complied with all the directions passed by the Hon'ble High Court of Judicature at Bombay by an Order dated November 18, 2016 in each of the Company Summons for Direction and that the Company Scheme Petitions have been filed in consonance with the orders passed in respective Company Summons for Direction. The Learned Advocate for the Petitioner Companies states that the Petitioner Companies have also complied with the directions of this Hon'ble Tribunal by an Order dated June 08, 2017 admitting the Petitions. The learned Advocate appearing on behalf of the Petitioner Companies has stated that they have complied with all the requirements as per directions of this Tribunal and they have filed necessary Affidavits of compliance in the Tribunal. Moreover, Petitioner Companies undertake to comply with all statutory requirements, if any, as required under the Companies Act, 1956/2013 and the Rules made thereunder whichever is applicable. The said undertaking is accepted.



8. The Regional Director has filed his Report dated August 09, 2017 before this Tribunal on August 10, 2017, *inter alia*, stating therein that save and except as stated in para IV a) and b) of the said Report, it appears that the Scheme is not prejudicial to the interest of shareholders and public. Para IV of the said Report reads as under :

- a) *As existing practice, the Petitioner Companies are required to serve Notice for Scheme of Arrangements to the Income Tax Department for their comments. It appears that the Company vide letter dated 15<sup>th</sup> June, 2017 has served a copy of Company Scheme Application No. 196 & 197 of 2017 along with relevant orders et., further the Regional Director has also issued a reminder on 2<sup>nd</sup> August, 2017*
- b) *The Tax implication if any arising out of the scheme is subject to final decision of Income Tax Authorities. The approval of the scheme by this Hon'ble Tribunal may not deter the Income Tax Authority to scrutinize the tax returns filed by the transferee company after giving effect to the scheme. The decision of the Income Tax Authority is binding on the Petitioner Company.*

9. As far as the objection of the Regional Director in Para IV a) and b) of his Report is concerned, the Learned Advocate for the Petitioner Companies undertakes to comply with the applicable provisions of the Income Tax Act and tax issues arising out of the Scheme of Arrangement will be met and answered in accordance with law.

10. The observations made by the Regional Director have been explained by the Petitioner Companies in Para 9 above. The clarifications and undertakings given by the Petitioner Companies are accepted by the Tribunal.

11. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.

12. Since all the requisite statutory compliances have been fulfilled, the Company Scheme Petition No. 196 of 2017 filed by the Demerged Company is made absolute in terms of prayer clauses (a) and (b) and Company Scheme Petition No.197 of 2017 filed by the Resulting Company is made absolute in terms of prayer clauses (a) to (c).



13. The Petitioner Companies are directed to lodge a copy of this Order along with the amended Scheme of Arrangement with the concerned Registrar of Companies electronically along with E-Form INC-28, in addition to physical copy, as per the relevant provisions of the Companies Act, 1956/2013.
14. The Petitioner Companies to lodge a copy of this Order along with a copy of the Scheme of Arrangement duly authenticated by the Deputy Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of this order, if any.
15. The Petitioner Companies to pay costs of Rs.25,000/- each to the Regional Director, Western Region, Mumbai. Costs to be paid within four weeks from the date of the receipt of the Order.
16. All concerned regulatory authorities to act on a copy of this Order along with the amended Scheme duly authenticated by the Deputy Registrar, National Company Law Tribunal, Mumbai.

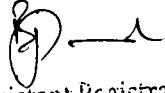
Sd/-

V. Nallasenapathy, Member (T)

Sd/-

B.S.V. Prakash Kumar, Member (J)

**Certified True Copy**  
Copy Issued "free of cost"  
On 18.8.17



Assistant Registrar  
National Company Law Tribunal Mumbai Bench



**SCHEME OF ARRANGEMENT**

**UNDER SECTIONS 391 TO 394 AND THE CORRESPONDING SECTIONS 230 TO 232 READ WITH SECTIONS 100 TO 104 OF THE COMPANIES ACT, 1956 AND SECTION 52 AND 56 OF THE COMPANIES ACT, 2013**

**BETWEEN**

**GRANT INVESTRADE LIMITED**

**AND**

**INDUSIND MEDIA AND COMMUNICATIONS LIMITED**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**I. INTRODUCTION:**

- (A) Grant Investrade Limited (hereinafter referred to as "GIL" or the "Demerged Company") was incorporated as a public limited company under the Companies Act, 1956 on 16<sup>th</sup> March, 1997 in the State of Maharashtra. The Registered office of the Demerged Company is situated at Hinduja House, 171 Dr. Annie Besant Road, Worli, Mumbai - 400018.
- (B) Indusind Media and Communications Limited (hereinafter referred to as "IMCL" or the "Resulting Company") was incorporated as a public limited company under the Companies Act, 1956 on 22<sup>nd</sup> February, 1995 in the State of Maharashtra. The Registered office of the Demerged Company is situated at In Centre, 49/50, MIDC, 12<sup>th</sup> Road, Andheri (East) Mumbai-400093.
- (C) This Scheme of Arrangement between Grant Investrade Limited and Indusind Media and Communications Limited and their respective shareholders and creditors ("the Scheme") for demerger and capital reduction is presented under the provisions of 391 - 394 read with sections 100 - 104 of the Companies Act, 1956 and section 52 of the Companies Act, 2013 and other applicable provisions of the Act for:
- Demerger of the Demerged Undertaking which consists of HITS Business Undertaking (as defined below) of the Demerged Company and vesting of the same in the Resulting Company
  - Reduction of capital reserve and securities premium account (if required) of the Resulting Company and Demerged Company)

**II. RATIONALE OF THE SCHEME:**

*Demerger*

- (A) The Demerged Company was incorporated with a vision of becoming a competitive force in digital cable television services segment. The Demerged Company is engaged in the business of transmission and retransmission of Broadcaster Programming services and Broadcasting services in an encrypted form through digital addressable systems to the consumers which consist of local cable operators.



independent multi system operators, large commercial organisations, institutions and housing complexes through its Headend In The Sky (HITS) technology Platform.

- (B) The Demerged Company intends to demerge the Demerged Undertaking (as defined below) to the Resulting Company, pursuant to this Scheme.
- (C) The Demerged Company will continue to retain the Remaining Undertaking (as defined below).

*Rationale and benefits of Demerger*

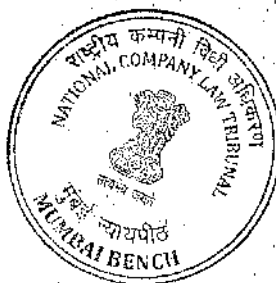
The rationale and benefits of the Demerger are set out below:

- (A) The Demerged Undertaking i.e. HITS business undertaking which forms part of the Demerged Company's business has been started as a new venture. Although in the same domain of cable distribution as that of IMCL, it offers a new technology of distribution.
- (B) While the Demerged Undertaking has the potential for significant growth in the future, substantial investments will be required in the Demerged Undertaking (especially in developing the requisite technology and intellectual property) in order to realize its full potential. The Demerged Company proposes to demerge the Demerged Undertaking in the favour of Resulting Company thereby enabling the Resulting Company to utilize its reserves for the purpose of making an investment and carrying out the business of Demerged Undertaking.
- (C) Given their distinct business propositions, investment requirements and growth potentials, the potential risks and returns of the Demerged Undertaking and the Remaining Undertaking (respectively) are divergent.
- (D) In view of the same, the Demerger is contemplated, which will enable focused strategies, management, investment and leadership for the Demerged Undertaking and the Remaining Undertaking (respectively). The restructuring through the Demerger will enable management of both the companies to concentrate on their respective businesses and strengthen competencies and provide independent opportunities to increase scale of operations organically, either by way of any collaboration with a third party or expansion or inorganically.
- (E) The Demerger will also streamline the process for fund raising and technology procurement for the Demerged Undertaking and the Remaining Undertaking, respectively. Also, the last mile connectivity of HITS Business is via the cable of the LCO, which forms the strength of the business undertaken by IMCL with its already existing multitude LCO arrangements. The Demerger would therefore strengthen the business carried on by IMCL benefiting the Demerged Company as well as the Resulting Company.
- (F) Additionally, the Demerger will allow the shareholders of the Demerged Company to achieve their desire of divestment and encashing the value to the extent it relates to the Demerged Undertaking.
- (G) Therefore, the Demerger will create long term value for the shareholders of the Demerged Company and the Resulting Company by unlocking respective values of the Demerged Undertaking and the Remaining Undertaking.

III. The Scheme is divided into following parts:

- Part A: deals with introduction and definitions;
- Part B: deals with the mechanics of Demerger;
- Part C: deals with the Accounting treatment; and
- Part D: deals with the general clauses terms and conditions.

IV. This Scheme also provides for various other matters consequential or otherwise integrally connected herewith.



## PART A - INTRODUCTION AND DEFINITIONS

### 1 Definitions

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

- 1.1 "Act" or "the Act" means the Companies Act, 1956 and Companies Act, 2013 and shall include any statutory modifications, re-enactment or amendments thereof for the time being in force.
- 1.2 "Appointed Date" means the 1<sup>st</sup> October, 2016 or such other date as may be fixed or approved by the Competent Authority in relation to demerger of HITS Business Undertaking of the Demerged Company.
- 1.3 "Board of Directors" in relation to the Demerged Company and 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 "Competent Authority" means the High Court of Judicature at Bombay under the Companies Act, 1956 or such other Tribunal (i.e.) the National Company Law Tribunal ("NCLT") & the National Company Law Appellate Tribunal ("NCLAT") as constituted and authorized as per the provisions of the Companies Act, 2013 for approving any scheme of amalgamation and arrangement under the relevant provisions of the Act.
- 1.5 "Effective Date" means the date on which the certified copies of the Order of Competent Authority sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra.
- 1.6 "GIL" or "Demerged Company" means Grant Investrade Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Hinduja House, 171 Dr. Annie Besant Road, Worli, Mumbai - 400018.
- 1.7 "Demerged Undertaking" means the HITS business undertaking of GIL and it consists of:

- 1.7.1 All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent), and liabilities pertaining thereto.

Without prejudice to the generality of the provisions of sub-Clause 1.7.1 above, the Demerged Undertaking shall include in particular:

- 1.7.2 All property of and required for the above business wherever situated, including all immovable property, current assets, investments, funds, capital work in progress, furniture, fixtures, office equipment, appliances, accessories, plant and machinery, computers (software as well as hardware);
- 1.7.3 All permits, rights, entitlements, industrial and other licenses, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, intellectual property, patents, licenses, registrations, subsidies, concessions, exemptions, remissions, tax deferrals, tenancies in relation to office, bank accounts, lease rights, licenses, including approvals from the Government of India in relation to the license of Head-end In The Sky, Satellite Rights, Transponder rights, brought forward tax losses, 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 Demerged Undertaking;
- 1.7.4 All deposits and balances with government, semi government, local and other authorities and bodies, customers and other persons, earnest monies and/or security deposits paid or





received by the Demerged Company directly or indirectly in connection with or relating to Demerged Undertaking;

1.7.5 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 Demerged Undertaking;

1.7.6 Debts, duties, obligations, and liabilities (including contingent liabilities) relating to Demerged Undertaking.

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking include:

- (a) The liabilities, which arise out of the activities or operations of the Demerged Undertaking.
- (b) Specific loans and borrowings raised, incurred, and utilised solely for the activities or operation of the Demerged Undertaking.
- (c) Liabilities other than those referred to in sub-clause (a) and sub-clause (b) above, being the amounts of general or multipurpose borrowings of GIL, allocated to the Demerged 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 GIL immediately before giving effect to this Scheme.

1.7.7 All permanent employees of the Demerged Undertaking, as identified by the Board of Directors of GIL, as on the Effective Date.

1.7.8 Any question that may arise as to whether a specific asset or liability pertains or does not pertain to the Demerged Undertaking or whether it arises out of the activities or operations of the Demerged Undertaking shall be decided by mutual agreement between the Board of Directors of GIL and IMCL.

1.8 "IMCL" or "Resulting Company" means IndusInd Media and Communications Limited, a company incorporated under the Companies Act, 1956 and having its registered office at In Centre, 49/50, MIDC, 12th Road, Andheri (East) Mumbai-400093.

1.9 "Remaining Undertaking" means all the undertakings, business activities, activities and operations (including all investments) of the Demerged Company other than those comprised in the Demerged Undertaking being demerged pursuant to the Scheme and shall include the business of marketing of the content business.

1.10 "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form as submitted to the Competent Authority or this Scheme with such modification(s), if any made, as per Clause 10 of the Scheme.

1.11 Any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date.

1.12 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.



2 DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the Competent Authority or made as per Clause 10 of the Scheme, shall be effective from the respective Appointed Dates but shall be operative from the Effective Date.

3 SHARE CAPITAL

3.1 The share capital of GIL as at 31<sup>st</sup> March, 2015 is as under:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
70,00,000 Equity Shares of Rs. 10/- each	7,00,00,000
30,00,000 Preference Shares of Rs. 10/- each	3,00,00,000
<b>Total</b>	<b>10,00,00,000</b>
<b>Issued, Subscribed and Paid-up</b>	
61,54,902 Equity Shares of Rs. 10/- each	6,15,49,020
10,00,000 Preference Shares of Rs. 10/- each	1,00,00,000
<b>Total</b>	<b>7,15,49,020</b>

There has been a change in the share capital of GIL post 31<sup>st</sup> March, 2016. The share capital as on August 10, 2016 is as under:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
70,00,000 Equity Shares of Rs. 10/- each	7,00,00,000
30,00,000 Preference Shares of Rs. 10/- each	3,00,00,000
<b>Total</b>	<b>10,00,00,000</b>
<b>Issued, Subscribed and Paid-up</b>	
67,89,420 Equity Shares of Rs. 10/- each	6,78,94,200
<b>Total</b>	<b>6,78,94,200</b>

3.2 The share capital of IMCL as at 31<sup>st</sup> March, 2016 is as under:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
8,00,00,000 Equity Shares of Rs. 10/- each	80,00,00,000
25,00,00,000 Preference Shares of Rs. 10/- each	250,00,00,000
<b>Total</b>	<b>330,00,00,000</b>
<b>Issued, Subscribed and Paid-up</b>	
73,906,876 Equity Shares of Rs. 10/- each	73,90,68,760
240,360,000 Preference Shares of Rs. 10/- each	240,36,00,000
<b>Total</b>	<b>314,26,68,760</b>

There has been a change in the share capital of IMCL post 31<sup>st</sup> March, 2016. The share capital as on August 10, 2016 is as under:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
8,00,00,000 Equity Shares of Rs. 10/- each	80,00,00,000
31,00,00,000 Preference Shares of Rs. 10/- each	310,00,00,000
<b>Total</b>	<b>390,00,00,000</b>



<b>Issued, Subscribed and Paid-up</b>	
73,906,876 Equity Shares of Rs. 10/- each	73,90,68,760
270,360,000 Preference Shares of Rs. 10/- each	270,36,00,000
<b>Total</b>	<b>344,26,68,760</b>

There has been a change in the authorized share capital of IMCL post January 01, 2017. The share capital as on March 31, 2017 is as under:

<b>Particulars</b>	<b>Amount in Rs.</b>
<b>Authorised Share Capital</b>	
14,00,00,000 equity shares of Rs. 10/- each	140,00,00,000
31,00,00,000 preference shares of Rs. 10/- each	310,00,00,000
<b>TOTAL</b>	<b>450,00,00,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
110,860,314 equity shares of Rs. 10/- each	110,86,03,140
<b>TOTAL</b>	<b>110,86,03,140</b>

#### PART B - DEMERGER

#### 4 TRANSFER AND VESTING OF DEMERGED UNDERTAKING OF GIL

With effect from the Appointed Date, the Demerged Undertaking shall stand transferred to and vested in or deemed to be transferred to and vested in IMCL, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:

##### *Transfer of assets and liabilities:*

- 4.1 The Demerged Undertaking shall, under the provisions of Sections 391 to 394 and the corresponding 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 IMCL, so as to vest in IMCL all the rights, title and interest pertaining to the Demerged Undertaking.
- 4.2 All such intellectual property rights including trademarks, patents and copyrights relating to the Demerged Undertaking shall, without any further act or deed be and shall stand transferred to IMCL so as to vest in IMCL all the rights, title and interest pertaining to such intellectual property rights.
- 4.3 The liabilities relating to the Demerged Undertaking shall, without any further act or deed be and shall stand transferred to IMCL so as to become as from the Appointed Date, the liabilities of IMCL 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 liabilities have arisen in order to give effect to the provisions of this sub-clause.
- 4.4 Any statutory licenses, permissions or approvals or consents including the approval from the Government of India in relation to the license of Head-end In The Sky held by GIL required to carry on operations of the Demerged Undertaking shall stand vested in or transferred to IMCL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in



favour of IMCL. 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 IMCL pursuant to the Scheme. In so far as the various incentives, 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 GIL relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to IMCL on the same terms and conditions.

- 4.5 With effect from the Appointed Date all the tax losses pertaining to the Demerged Undertaking shall stand vested in or transferred to IMCL 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.
- 4.6 All assets acquired by the Demerged Company after the Appointed Date and prior to the Effective Date for or in relation to the operation of the Demerged Undertaking shall be deemed to have been acquired in trust for and on behalf of the Resulting Company, and shall also stand transferred to and vested in the Resulting Company upon the coming into effect of this Scheme.
- 4.7 The transfer and vesting of Demerged 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 relating to Demerged Undertaking.
- 4.8 In so far as the assets of the Demerged Undertaking are concerned, the security, existing charges, mortgages and encumbrances in respect of any of the assets or any part thereof in relation to any loans or borrowings of Remaining Undertaking shall without any further act, instrument or deed be released and stand discharged from the same and shall no longer be available as security to those liabilities of the Demerged Company which are not transferred to the Resulting Company.
- 4.9 In so far as the assets of the Remaining Undertaking are concerned, the security, over such assets to the extent they relate to the Demerged Undertaking shall, without any further act, instrument or deed be released from such security that relate to the Demerged Undertaking. Without prejudice to the foregoing and with effect from the Effective Date, the Demerged Company and the Resulting Company shall execute such instruments and documents and do all acts and deeds as may be required, including filing of the necessary particulars of charges/modification of charges with the Registrar of Companies, Mumbai to give formal effect to these provisions if required.
- 4.10 Where any of the loans, liabilities and obligations attributed to the Demerged Undertaking have been discharged by the Demerged Company after the Appointed Date but before the Effective Date, such discharge shall be deemed to have been done by the Demerged Company for and on behalf of the Resulting Company and all loans raised and used and all liabilities and obligations incurred by the Demerged Company in relation to the Demerged Undertaking after the Appointed Date but before the Effective Date, shall be deemed to have been raised, used or incurred for and on behalf of the Resulting Company and shall become liabilities and obligations of the Resulting Company.
- 4.11 This Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2 (19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income-Tax Act, 1961 such modification to not affect other parts of the Scheme.



**Transfer of employees:**

- 4.12 On the Scheme becoming effective all the permanent employees of the Demerged Undertaking (as identified by the Board of Directors of the Demerged Company on the Effective Date) become the employees of IMCL, without any break or interruption in their services, on same terms and conditions on which they are engaged as on the Effective Date. IMCL further agrees that for the purpose of payment of any retirement benefit / compensation, such immediate uninterrupted past services with the Demerged Undertaking, shall also be taken into account. IMCL undertakes to continue to abide by the terms of agreement / settlement entered into by GIL with employees of the Demerged Undertaking.
- 4.13 The accounts / funds of the employees whose services are transferred under Clause 4.12 above, relating to superannuation, provident fund and gratuity fund shall be identified, determined and transferred to the respective Trusts / Funds of IMCL and such employees shall be deemed to have become members of such Trusts / Funds of IMCL.

**Transfer of legal proceedings:**

- 4.14 If any suit, appeal or other proceeding of whatever nature by or against the Demerged Company is pending and/or arising before the Effective Date and relating to the Demerged Undertaking, 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 IMCL, 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 Demerged Company as if this Scheme had not been made.
- 4.15 After the Effective Date, in case of any litigation, suits, recovery proceedings which are to be initiated or may be initiated against the Demerged Company in relation to the Demerged Undertaking, IMCL shall be made party thereto, and any payment and expenses made thereto shall be the liability of IMCL. IMCL undertakes, to the extent permissible and possible to have all legal or other proceedings initiated by or against GIL in relation to the Demerged Undertaking, transferred into its name and to have the same continued, prosecuted and enforced by or against the IMCL as the case may be, to the exclusion of GIL.

**Transfer of contracts, deeds, etc.**

- 4.16 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, insurance, Letters of Intent, undertaking, arrangements, policies, agreements of whatever nature but not limited to shareholders agreements, share subscription agreements or any right devolving pursuant to such agreements (either entered into or vested in terms of any legal process) or holding of investments to appoint directors, etc. any agreement for commission, management fees, and other instruments, if any, of whatsoever nature pertaining to the Demerged Undertaking of GIL, to which GIL is a party and subsisting or having effect on the Effective Date, shall be in full force and effect against or in favour of IMCL, as the case may be, and may be enforced by or against IMCL as fully and effectually as if, instead of GIL, IMCL had been a party thereto.
- 4.17 IMCL shall enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which GIL will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or becomes necessary. IMCL shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of GIL and to implement or carry out all formalities required on the part of the Demerged Company in relation to Demerged Undertaking to give effect to the provisions of this Scheme.



5 **CONSIDERATION**

5.1 Upon this Scheme becoming effective and upon demerger and vesting of the Demerged Undertaking into IMCL in terms of this Scheme, IMCL shall, without any application or deed, issue and allot equity shares, credited as fully paid up, to the extent indicated below, to the members of GIL whose names appear in the register of members of GIL, or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the Board of Directors of GIL in the following proportion:

*"338 (Three Hundred Thirty Eight only) equity shares of the face value of Rs. 10/- each of IMCL shall be issued and allotted as fully paid up for every 100 (Hundred) equity shares of the face value of Rs. 10/- each fully paid up held in GIL"*

5.2 The equity shares to be issued pursuant to Clause 5.1 above shall rank paripassu with the existing equity shares in all respects including dividend.

5.3 IMCL shall, if and to the extent required, apply for and obtain any approvals from concerned regulatory authorities for the issue and allotment of equity shares to the members of GIL under the Scheme. On the approval of the Scheme by the members of the Resulting Company pursuant to Section 391 of the 1956 Act and Section 230 of the 2013 Act, if applicable it shall be deemed that the members of the Resulting Company have also accorded their consent under Sections 42, 55 and 62 of the 2013 Act and/or other provisions of the Act as may be applicable for the aforesaid issuance of equity shares of the Resulting Company as the case may be, to the shareholders of the Demerged Company, and all actions taken in relation to the allotment of equity shares shall be deemed to be in full compliance of Sections 42, 55 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under Sections 42, 55 and 62 of the 2013 Act and/or any other applicable provisions of the Act, including, inter alia, issuance of a letter of offer by the Resulting Company shall be required to be passed or undertaken.

5.4 Under and pursuant to the Scheme, no fractional shares shall be issued by IMCL in respect of the fractional entitlements, if any, of the shareholders of GIL and such fractional entitlement, if any, shall be ignored.

5.5 Approval of this Scheme by the shareholders of IMCL shall be deemed to be the due compliance with the provisions of section 42 & 62 (1) (c) of the Companies Act, 2013 and other relevant and applicable provisions of the Act for the issue and allotment of equity shares by IMCL, as provided in this Scheme.

**PART C: ACCOUNTING TREATMENT**

6 **General Terms and Conditions**

6.1 **Accounting treatment in the books of IMCL**

- a) IMCL shall, upon the Scheme becoming effective, record the assets and liabilities of the Demerged Undertaking of GIL vested in it pursuant to this Scheme, at the respective book values, ignoring revaluations, if any, as appearing in the books of GIL as at the Appointed Date.
- b) IMCL shall credit to the Share Capital Account in its books of account, the aggregate face value of the equity shares issued and allotted by it to the members of GIL (as per Clause 5.1 above).



- c) The difference between the book value of net assets of Demerged Undertaking and the face value of equity shares issued and allotted pursuant to Clause 5.1 of the Scheme shall be adjusted in the Capital Reserve Account or Goodwill, as the case may be.
- d) The debit balance in the Profit & Loss Account of IMCL as on the Appointed Date shall be adjusted against the Capital Reserve Account or Goodwill, as the case may be, (including the amount adjusted in the Capital Reserve Account or Goodwill, as the case may be as per Clause 6.1(c) above), to the extent available and thereafter shall be adjusted against the Securities Premium Account, to the extent available.
- e) The reduction as aforesaid in Clause 6.1(d) above, if any, shall be effected as a part of the Scheme only and in accordance with Section 52 of the Companies Act, 2013 read with Sections 101 to 104 of the Companies Act, 1956 or Section 66 of Companies Act, 2013 as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the Competent Authority sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act or Section 66 of the Companies Act, 2013 confirming the reduction.
- f) Notwithstanding the reduction as mentioned above, IMCL shall not be required to add "and reduced" as a suffix to its name and shall continue in its existing name.

6.2 Accounting treatment in the books of GIL

- a) Upon the Scheme becoming effective, GIL shall reduce the book value of assets and liabilities pertaining to Demerged Undertaking of GIL.
- b) The difference, being the excess of the book value of assets transferred over the book value of respective liabilities of GIL transferred, or vice versa, as the case may be, shall be adjusted in the Profit and Loss account of GIL.
- c) The debit balance in the Profit & Loss Account of GIL as on the Appointed Date (post recording the effect of the transfer as per Clause 6.2(b) above) shall be adjusted against the Securities Premium Account, to the extent available.
- d) The reduction as aforesaid in Clause 6.2(c) above, if any, shall be effected as a part of the Scheme only and in accordance with Section 52 of the Companies Act, 2013 read with Sections 101 to 104 of the Companies Act, 1956 or Section 66 of Companies Act, 2013 as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the Competent Authority sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act or Section 66 of Companies Act, 2013 confirming the reduction.
- e) Notwithstanding the reduction as mentioned above, GIL shall not be required to add "and reduced" as a suffix to its name and shall continue in its existing name.

- 6.3 All taxes (including income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking before the Appointed Date, shall be on account of the Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, sales tax, excise duty, custom duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by the Demerged Company in respect of the profits or activities or operation of the Demerged Undertaking on or after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company and shall, in all proceedings, be dealt with accordingly.



**PART D - GENERAL TERMS AND CONDITIONS**

**7 CONDUCT OF BUSINESS**

a) With effect from the Appointed Date and upto and including the Effective Date

7.1 The Demerged Company shall carry on and be deemed to have been carrying on all the business and activities of the Demerged Undertaking and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the contracts, liabilities or property or assets or the benefit or obligations thereof or thereunder pertaining to the Demerged Undertaking for and on behalf of and in trust for the Resulting Company. The Demerged Company hereby undertakes to hold its said assets with utmost prudence until the Effective Date.

7.2 With effect from the date of acceptance of this Scheme by the Board of Directors of the Demerged Company and the Resulting Company and up to and including the Effective Date, GIL shall carry on its business and activities with reasonable diligence, business prudence and shall not, except in the ordinary course of business or without prior written consent of IMCL, alienate, charge, mortgage, encumber or otherwise deal with or dispose of the business or part thereof of the Demerged Undertaking.

7.3 All the profits or income accruing or arising to the Demerged Undertaking or expenditure or losses arising or incurred or suffered by the Demerged Undertaking of GIL shall for all purposes be treated and be deemed to be and accrue as the income or profits or losses or expenditure as the case may be of IMCL.

7.4 GIL shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior consent of IMCL or pursuant to any pre-existing obligation undertaken by GIL as the case may be, prior to the Appointed Date.

7.5 IMCL 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 IMCL, may require pursuant to this Scheme.

b) Conduct of the business of Remaining Undertaking by the Demerged Company

7.6 The Remaining Undertaking and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

7.7 All legal, taxation or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Undertaking (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Undertaking's Business) shall be continued and enforced by or against the Demerged Company after the Appointed Date. The Resulting Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceedings against the Demerged Company, which relates to the Remaining Undertaking.

7.8 If proceedings are taken against the Resulting Company in respect of the matters referred to in sub-Clause 7.7 above, it shall defend the same at the cost of the Demerged Company and the latter shall reimburse and indemnify the Resulting Company against all liabilities and obligations incurred by the Resulting Company in respect thereof.





7.9 With effect from the Appointed Date:

- (i) the Demerged Company shall carry on and be deemed to have been carrying on all business and activities relating to the Remaining Undertaking for and on its own behalf;
  - (ii) all profits or losses arising or incurred by the Demerged Company including the effect of taxes, if any, thereon) relating the Demerged Undertaking shall, for all purposes, be treated as the profits or losses, of the Resulting Company;
  - (iii) all assets and properties acquired by the Demerged Company in relation to the Remaining Undertaking on and after the Appointed Date shall belong to and continue to remain vested in the Demerged Company; and
  - (iv) all assets acquired and all liabilities incurred by the Demerged Company after the Appointed Date for operation of and in relation to the Demerged Undertaking shall also without any further act, instrument or deed stand transferred to and vested in or to be deemed to have been transferred to or vested in the Resulting Company up on the coming into effect of the Scheme, subject to the provisions of this Scheme in relation to encumbrances in favour of lenders, banks and/or financial institutions.
- c) With effect from the Effective Date, IMCL would carry on the business of Demerged Undertaking without any restriction or hindrance and is entitled to sell or transfer the business as per its own requirements.

8 SAVING OF CONCLUDED TRANSACTIONS

The transfer of assets and liabilities under Clause 4 above and the continuance of proceedings by or against GIL under Clause 4 above shall not affect any transaction or proceedings already concluded by GIL on and after the Appointed Date till the Effective Date, to the end and intent that IMCL accepts and adopts all acts, deeds and things done and executed by GIL in respect thereto as done and executed on behalf of IMCL.

9 APPLICATION TO COMPETENT AUTHORITY

IMCL and GIL shall with all reasonable dispatch make all necessary applications under the Act and other applicable provisions of the Act to the Competent Authority for seeking approval of the Scheme

10 MODIFICATION OR AMENDMENTS TO THE SCHEME

Subject to approval of the Competent Authority, IMCL and GIL by their respective Boards of Directors ('the Board', which term shall include Committee thereof), may assent to / make and / or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the Competent Authority and / or any other Authority under law may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate as a result of subsequent events or otherwise by them (i.e. the Board). IMCL and GIL by their respective Board are authorised to take all such steps as may be necessary desirable or proper to resolve any doubts, difficulties or questions whatsoever for carrying the Scheme into effect, whether by reason of any directive or Orders of any other authorities or otherwise howsoever, arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.



11. **CONDITIONALITY OF THE SCHEME**

This Scheme is and shall be conditional upon and subject to:

- 11.1 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of GIL and IMCL as may be directed by the Competent Authority.
- 11.2 The sanction of the Competent Authority under the provisions of the Act in favour of GIL and IMCL under the said provisions and to the necessary Order under the provisions of the Act being obtained.
- 11.3 Certified or authenticated copy of the Order of the Competent Authority sanctioning the Scheme being filed with the Registrar of Companies at Maharashtra by GIL and IMCL, respectively as may be applicable.
- 11.4 The requisite(s), consent(s), approval(s) or permission(s) of statutory or regulatory authorities, if any, which by law may be necessary for the implementation of this Scheme, being obtained including in particular the approval from the Ministry of Information and Broadcasting, Government of India for transfer and vesting of the HITS License held by GIL in favour of IMCL in accordance with the Scheme.
- 11.5 GIL and / or IMCL shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to them.

12. **EFFECT OF NON-RECEIPT OF APPROVALS**

In the event of any of the said sanctions and approvals referred to in the preceding Clause not being obtained and/ or the Scheme not being sanctioned by the Competent Authority and / or the Order not being passed as aforesaid before December 31, 2017 or within such further period or periods as may be agreed upon between the Demerged Company and Resulting Company by their Board of Directors (and which the Board of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation) failing which this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

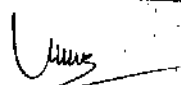
Notwithstanding the non-receipt of approvals and the consequences laid under Clause 11 above, the same shall not prevent or restrain GIL and IMCL to invoke and implement any other mode for transfer of Demerged Undertaking envisaged under this Scheme, and the Board of Directors of GIL and IMCL shall mutually decide on the mode and the terms as they may deem fit and expedient for the said purpose.

13. **COSTS, CHARGES & EXPENSES**

- (i) The Resulting Company shall bear respective costs, charges taxes, levies and other expenses until the date of sanction of this Scheme by NCLT, Mumbai Bench.
- (ii) Upon the sanction of this Scheme by the Tribunal, all costs (including but not limited to stamp duty, registration charges, etc.) in relation to the Demerger shall be borne by the Resulting Company. Income tax liabilities, if any, in relation to the Demerger shall be borne by the Resulting Company.

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13.

  
Deputy Director  
National Company Law Tribunal, Mumbai Bench



**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL**

**BENCH AT MUMBAI**

**COMPANY SCHEME PETITION NO. 196 OF 2017**

**CONNECTED WITH**

**COMPANY SUMMONS FOR DIRECTION NO. 861 OF 2016**



In the matter of Companies Act, 2013

**And**

In the matter of Sections 230 to 233  
read with Section 52 and 66 of the  
Companies Act, 2013

**And**

In the matter of Grant Investrade  
Limited

**And**

In the matter of Scheme of  
Arrangement.

**Between**

Grant Investrade Limited (Demerged  
Company/Petitioner Company)

**And**

IndusInd Media & Communications  
Limited (Resulting Company)

**And**

Their Respective Shareholders and  
Creditors

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**CERTIFIED TRUE COPY OF THE  
ORDER DATED AUGUST 10, 2017  
AND SCHEME OF ARRANGEMENT**

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Dated this 21<sup>st</sup> day of August, 2017

**Crawford Bayley & Co.**

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