NXTDIGITAL LIMITED
(Formerly known as Hinduja Ventures Limited)

NXTDIGITAL Limited (our "**Company**" or "**Issuer**") was originally incorporated as "*Mitesh Mercantile & Financing Limited*", as a public limited company under the Companies Act, 1956, in the state of Maharashtra, pursuant to certificate of incorporation dated July 18, 1985, issued by the Registrar of Companies, Maharashtra, Mumbai ("**RoC**"). Our Company received its certificate of commencement of business on August 6, 1985, issued by the RoC. The name of our Company was changed to "*Hinduja Finance Corporation Limited*" pursuant to fresh certificate of incorporation consequent on change of name dated March 31, 1995, issued by the RoC. The name of our Company was further changed to "*Hinduja TMT Limited*" pursuant to fresh certificate of incorporation consequent on change of name dated June 8, 2001, issued by the RoC. The name of our Company was further changed to "*Hinduja Ventures Limited*" pursuant to fresh certificate of incorporation consequent upon change of name dated October 23, 2007, issued by the RoC. The name of our Company was further changed to its present name "*NXTDIGITAL Limited*" pursuant to a certificate of incorporation pursuant to change of name dated October 25, 2019, issued by the RoC. For details of change of our name and address of registered office, see "*General Information*" on page 41.

Registered and Corporate Office: IN CENTRE, 49/50 MIDC, 12th Road, Andheri (East), Mumbai – 400 093, Maharashtra, India.
Telephone: +91 22 2820 8585
Contact Person: Mr. Ashish Pandey, Company Secretary and Compliance Officer
Email: investorgrievances@nxtdigital.in; **Website**: www.nxtdigital.co.in
Corporate Identity Number: L51900MH1985PLC036896

OUR PROMOTERS: MR. ASHOK PARMANAND HINDUJA, MRS. HARSHA ASHOK HINDUJA AND HINDUJA GROUP LIMITED

FOR PRIVATE CIRCULATION TO THE ELIGIBLE EQUITY SHAREHOLDERS OF NXTDIGITAL LIMITED ONLY

ISSUE OF UP TO 96,20,463 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("RIGHTS EQUITY SHARES") OF THE COMPANY FOR CASH AT A PRICE OF ₹ 300 EACH INCLUDING A SECURITIES PREMIUM OF ₹ 290 PER RIGHTS EQUITY SHARE ("ISSUE PRICE") AGGREGATING UPTO ₹ 28,861.39 LAKHS ON A RIGHTS BASIS TO THE ELIGIBLE EQUITY SHAREHOLDERS OF OUR COMPANY IN THE RATIO OF 2 (TWO) RIGHTS EQUITY SHARES FOR EVERY 5 (FIVE) EQUITY SHARES HELD BY THE ELIGIBLE EQUITY SHAREHOLDERS ON THE RECORD DATE, THAT IS ON [●] (THE "ISSUE"). FOR FURTHER DETAILS, SEE "*TERMS OF THE ISSUE*" ON PAGE 212.

WILFUL DEFAULTERS

Neither our Company, our Promoters nor our Directors are categorised as wilful defaulters by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.

GENERAL RISK

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk with such investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks involved. The Rights Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**") nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Letter of Offer. Specific attention of investors is invited to the statement of "*Risk Factors*" on page 19.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Letter of Offer contains all information with regard to our Company and the Issue, which is material in the context of the Issue, and that the information contained in this Draft Letter of Offer is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Draft Letter of Offer as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The existing Equity Shares are listed on BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**", and together with BSE "**Stock Exchanges**"). Our Company has received 'in-principle' approvals from the BSE and NSE for listing the Rights Equity Shares to be allotted pursuant to this Issue *vide* their letters dated [●] and [●], respectively. Our Company will also make applications to the Stock Exchanges to obtain trading approvals for the Rights Entitlements as required under the SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020. For the purpose of this Issue, the Designated Stock Exchange is BSE.

LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
Vivro Financial Services Private Limited 607/608 Marathon Icon, Opp. Peninsula Corporate Park, Off. Ganpatrao Kadam Marg, Veer Santaji Lane, Lower Parel, Mumbai – 400013 Maharashtra, India. **Telephone:** +91 22 6666 8040 **Email:** nxtdigital.rights@vivro.net **Website:** www.vivro.net **Investor Grievance Email:** investors@vivro.net **Contact Person:** Mr.Yogesh Malpani / Mr. Bhargav Parekh **SEBI Registration Number:** INM000010122	**KFin Technologies Private Limited** Selenium Tower – B, Plot 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 Telangana, India. **Tel**: +91 40 6716 2222 **Email**: nxtdigital.rights@kfintech.com **Investor Grievance Email**: einward.ris@kfintech.com **Website**: www.kfintech.com **Contact Person**: M. Murali Krishna **SEBI Registration Number**: INR000000221

ISSUE PROGRAMME

ISSUE OPENS ON	LAST DATE FOR ON MARKET RENUNCIATION*	ISSUE CLOSES ON**
[●]	[●]	[●]

**Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*
***Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

CONTENTS

SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Letter of Offer uses certain definitions and abbreviations set forth below, which you should consider while reading the information contained herein. The following list of certain capitalized terms used in this Draft Letter of Offer is intended for the convenience of the reader/prospective investor only and is not exhaustive.

Unless otherwise specified, the capitalized terms used in this Draft Letter of Offer shall have the meaning as defined hereunder. References to any legislations, acts, regulation, rules, guidelines, circulars, notifications, policies or clarifications shall be deemed to include all amendments, supplements or re-enactments and modifications thereto notified from time to time and any reference to a statutory provision shall include any subordinate legislation made from time to time under such provision.

Provided that terms used in the sections/ chapters titled "Industry Overview", "Summary of this Draft Letter of Offer", "Financial Information", "Statement of Possible Special Tax Benefits", "Outstanding Litigation Defaults" and "Issue Related Information" on pages 60, 16, 91, 57, 197 and 212 respectively, shall, unless indicated otherwise, have the meanings ascribed to such terms in the respective sections/ chapters.

General terms

Term	Description
"NXTDIGITAL Limited" or "NDL" or "Our Company" or "the Company" or "the Issuer"	NXTDIGITAL Limited *(formerly known as Hinduja Ventures Limited)* incorporated under the Companies Act, 1956, having its registered and corporate office at IN CENTRE, 49/50 MIDC, 12th Road, Andheri (East), Mumbai – 400 093, Maharashtra, India.
"We", "us" or "our"	Unless the context otherwise indicates or implies or unless otherwise specified, our Company together with our Subsidiaries, on a consolidated basis.

Company related terms

Term	Description
Articles / Articles of Association / AoA	The Articles of Association of our Company, as amended from time to time.
Auditor / Statutory Auditor	Our current statutory auditor, being M/s Haribhakti & Co. LLP, Chartered Accountants.
Audited Consolidated Financial Statements	The audited consolidated financial statements of our Company and its Subsidiaries for the year ended March 31, 2021 (along with comparatives for the year ended March 31, 2020) prepared in accordance with IND AS which comprises the consolidated balance sheet as at March 31, 2021 and March 31, 2020, the consolidated statement of profit and loss, including other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the year ended March 31, 2021 and March 31, 2020, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information read along with the report thereon.
Board / Board of Directors	Board of Directors of our Company, including any committees thereof.
Chairman and Non-Executive Director	Mr. Ashok Parmanand Hinduja
Director(s)	The director(s) on the Board of our Company, unless otherwise specified.
Equity Share(s)	The equity shares of our Company of face value of ₹10 each, unless otherwise specified in the context thereof.
Equity Shareholders	The equity shareholders of our Company, from time to time.
Independent Director(s)	Independent directors of our Company as defined in the Companies Act and the SEBI Listing Regulations
Key Management	Key management/ managerial personnel of our Company in accordance with

Term	Description
Personnel / KMP	Regulation 2(1) (bb) of the SEBI ICDR Regulations and as described in "*Our Management and Organisational Structure – Key Management Personnel*" on page 86.
Materiality Threshold	Materiality threshold adopted by our Company in relation to the disclosure of civil and tax proceedings involving our Company and/or Subsidiaries, solely for the purpose of the Issue, i.e., ₹ 1,008.45 lakhs or above
Memorandum / Memorandum of Association / MoA	Memorandum of association of our Company, as amended from time to time.
Promoter(s)	The Promoters of our Company, namely Mr. Ashok Parmanand Hinduja, Mrs. Harsha Ashok Hinduja and Hinduja Group Limited.
Promoter Group	The persons and entities forming part of the promoter group of the Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations and which are disclosed by the Company to the Stock Exchanges from time to time.
Registered and Corporate Office	IN CENTRE, 49/50 MIDC, 12th Road, Andheri (East), Mumbai – 400 093, Maharashtra, India.
Registrar of Companies/ RoC	The Registrar of Companies, Maharashtra, at Mumbai.
Rights Issue Committee	The committee of our Board constituted through the Board resolution dated May 13, 2021.
Subsidiaries	Companies or body corporates constituting the subsidiaries of our Company as determined in terms of Section 2(87) of the Companies Act, in our case the subsidiaries and step-down subsidiaries of our Company being: ***a. Subsidiaries*** 1. OneOTT Intertainment Limited; and 2. IndusInd Media and Communications Limited ***b. Step-down Subsidiaries*** 1. IN Entertainment (India) Limited; 2. OneMahanet Intertainment Private Limited; 3. Gold Star Noida Networks Private Limited; 4. Bhima Riddhi Infotainment Private Limited; 5. Apna In Cable Broadband Services Private Limited; 6. United Mysore Network Private Limited; 7. USN Network Private Limited; 8. Sangli Media Services Private Limited; 9. Sainath In Entertainment Private Limited; 10. Goldstar Infortainment Private Limited; 11. Ajanta Sky Darshan Private Limited; 12. Sunny Infotainment Private Limited; 13. RBL Digital Cable Network Private Limited; 14. Darpita Trading Company Private Limited; 15. Vistaar Telecommunications & Infrastructure Private Limited; and 16. Vinsat Digital Private Limited.

Issue related terms

Term	Description
Abridged Letter of Offer / ALOF	The abridged letter of offer to be sent to the Eligible Equity Shareholders of our Company with respect to this Issue in accordance with the SEBI ICDR Regulations and the Companies Act.

Term	Description
Additional Rights Equity Shares	The Rights Equity Shares applied or allotted under this Issue in addition to the Rights Entitlements.
Allot / Allotted / Allotment	Unless the context otherwise requires, the allotment of Rights Equity Shares pursuant to the Issue.
Allotment Accounts	The accounts opened with the Bankers to this Issue, into which the Application Money lying credit to the Escrow Account and the Application amounts blocked by Application Supported by BlockedAmount in the ASBA Account, with respect to successful Applicants will be transferred on the Transfer Date in accordance with Section 40(3) of the Companies Act.
Allotment Advice	Note, advice or intimation of Allotment sent to each successful Applicant who has been or is to be Allotted the Rights Equity Shares pursuant to the Issue.
Allotment Date	Date on which the Allotment is made pursuant to the Issue.
Allottee(s)	Persons to whom the Rights Equity Shares are Allotted pursuant to the Issue.
Applicant(s) / Investor(s)	Eligible Equity Shareholder(s) and/or Renouncees who are entitled to make an application for the Rights Equity Shares in terms of the Letter of Offer.
Application	Application made through (i) submission of the Application Form or plain paper Application to the Designated Branch(es) of the SCSBs or online/ electronic application through the website of the SCSBs (if made available by such SCSBs) under the ASBA process, or (ii) filing the online Application Form available on R-WAP, to subscribe to the Rights Equity Shares at the Issue Price.
Application Form	Unless the context otherwise requires, an application form (including online application form available for submission of application through R-WAP facility or through the website of the SCSBs (if made available by such SCSBs) under the ASBA process) used by an Applicant to make an application for the Allotment of Rights Equity Shares in this Issue.
Application Money	Aggregate amount payable in respect of the Rights Equity Shares applied for in the Issue at the Issue Price.
Application Supported by Blocked Amount / ASBA	The application (whether physical or electronic) used by an Applicant(s) to make an application authorizing the SCSB to block the amount payable on application in their ASBA Account maintained with such SCSB.
ASBA Account	An account maintained with an SCSB and as specified in the Application Form or plain paper Application, as the case may be, by the Applicant for blocking the amount mentioned in the Application Form or in the plain paper.
Banker to the Issue	Collectively, the Escrow Collection Bank and the Refund Account Bank to the Issue, in this case being [●].
Banker to the Issue Agreement	Agreement dated [●] entered into by and among our Company, the Registrar to the Issue, the Lead Manager and the Banker to the Issue for collection of the Application Money from Applicants/Investors making an application through the R-WAP facility, transfer of funds to the Allotment Account from the Escrow Account and SCSBs, release of funds from Allotment Account to our Company and other persons and where applicable, refunds of the amounts collected from Applicants/ Investors and providing such other facilities and services as specified in the agreement.
Basis of Allotment	The basis on which the Rights Equity Shares will be Allotted to successful applicants in consultation with the Designated Stock Exchange in the Issue and which is described in "*Terms of the Issue*" on page 212.
Controlling Branches / Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the Lead Manager, the Registrar to the Issue and the Stock Exchanges, a list of which is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes updated from time to time or at such other website(s) as may be prescribed by the SEBI from time to time.
Demographic Details	Details of Investors including the Investor's address, name of the Investor's father/ husband, investor status, occupation and bank account details, where applicable.
Designated Branches	Such branch/branches of the SCSBs which shall collect the Application Form or the plainpaper Application, as the case may be, used by the Investors and a list of which

Term	Description
	is available on http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes, updated from time to time or such other website(s) as may be prescribed by the SEBI, from time to time.
Designated Stock Exchange	BSE Limited
Depository(ies)	NSDL and CDSL or any other depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time read with the Depositories Act, 1996.
Draft Letter of Offer/ DLoF	This draft letter of offer dated July 30, 2021 filed with SEBI, in accordance with the SEBI ICDR Regulations, for its observations
Equity Shareholder(s)/ Shareholder(s)	The holders of Equity Shares of our Company.
Eligible Equity Shareholder(s)	Holder(s) of the Equity Shares of our Company as on the Record Date.
Escrow Account	One or more no-lien and non-interest bearing accounts with the Escrow Collection Bank for the purposes of collecting the Application Money from resident Investors making an Application through the R-WAP facility.
Escrow Collection Bank	Bank(s) which are clearing members and registered with SEBI as banker to an issue and with whom the Escrow Account will be opened, in this case being, [●]
Issue / Rights Issue	Issue of up to 96,20,463 Rights Equity Shares for cash at a price of ₹ 300 per Rights Equity Share, including a security premium of ₹ 290 per Rights Equity Share for an aggregate amount upto ₹ 28,861.39 lakhs on a rights basis by our Company to the Eligible Equity Shareholders in the ratio of 2 (two) Rights Equity Shares for every 5 (five) Equity Shares held by the Eligible Equity Shareholders on the Record Date.
Issue Agreement	Issue agreement dated July 27, 2021, between our Company and the Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Closing Date	[●]
Issue Opening Date	[●]
Issue Period	The period between the Issue Opening Date and the Issue Closing Date, inclusive of both days, during which Applicants/Investors can submit their Applications, in accordance with the SEBI ICDR Regulations.
Issue Price	₹ 300 per Rights Equity Share, including a security premium of ₹290 per Rights Equity Share.
Issue Proceeds	The gross proceeds raised through the Issue.
Issue Size	The issue of up to 96,20,463 Rights Equity Shares aggregating up to ₹ 28,861.39 lakhs*. **Assuming full subscription.*
Lead Manager to the Issue/ Lead Manager	Vivro Financial Services Private Limited
Letter of Offer / LOF	The final letter of offer to be filed with the Stock Exchanges after incorporating observations received from SEBI on this Draft Letter of Offer, including any addenda or corrigenda thereto.
Monitoring Agency	[●]
Monitoring Agency Agreement	Agreement dated [●] entered into between our Company and the Monitoring Agency in relation to monitoring of Issue Proceeds
Multiple Application Forms	Multiple application forms submitted by an Eligible Equity Shareholder/ Renouncee in respect of the Rights Entitlements available in their demat account. However, supplementary applications in relation to further Equity Shares with/ without using additional Rights Entitlements will not be treated as multiple application.
Net Proceeds	Issue Proceeds less the Issue-related expenses. For details, see "*Objects of the Issue*" on page 50.
Off Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by transferring them through off market transfer through a depository participant in accordance with

Term	Description
	the SEBI – Rights Issue Circulars, circulars issued by the Depositories from time to time and other applicable laws.
On Market Renunciation	The renouncement of Rights Entitlements undertaken by the Investor by trading them over the secondary market platform of the Stock Exchange through a registered stock broker in accordance with the SEBI – Rights Issue Circulars, circulars issued by the Stock Exchange from time to time and other applicable laws, on or before [●].
QIBs / Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations.
Record Date	Designated date for the purpose of determining the Equity Shareholders eligible to apply for the Rights Equity Shares in the Issue, being [●].
Refund Bank	The Banker to the Issue with whom the refund account will be opened, in this case being, [●].
Registrar / Registrar to the Issue	KFin Technologies Private Limited
Registrar Agreement	Agreement dated July 26, 2021 entered into between our Company and the Registrar in relation to the responsibilities and obligations of the Registrar to the Issue pertaining to this Issue, including in relation to the R-WAP facility.
Renouncee(s)	Person(s) who has/have acquired Rights Entitlements from the Eligible Equity Shareholders on renunciation either through On Market Renunciation or through Off Market Renunciation in accordance with the SEBI ICDR Regulations, the SEBI – Rights Issue Circulars, the Companies Act and any other applicable law.
Renunciation Period	The period during which the Investors can renounce or transfer their Rights Entitlements which shall commence from the Issue Opening Date. Such period shall close on [●], in case of On Market Renunciation. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such manner that the Rights Entitlements are credited to the demat account of the Renouncee on or prior to the Issue Closing Date.
Retail Individual Investor / RII	An individual Investor who has applied for Rights Equity Shares for an amount not more than ₹ 200,000 (including an HUF applying through karta) in the Issue as defined under Regulation 2(1)(vv) of the SEBI ICDR Regulations.
Rights Entitlements / REs	The number of Rights Equity Shares that an Eligible Equity Shareholder is entitled to in proportion to his / her shareholding in our Company as on the Record Date, being 2 (two) Rights Equity Shares for every 5 (five) fully paid-up Equity Shares held by the Eligible Equity Shareholder on the Record Date. Pursuant to the provisions of the SEBI ICDR Regulations and the SEBI – Rights Issue Circulars, the Rights Entitlements shall be credited in dematerialised form in respective demat accounts of the Eligible Equity Shareholders before the Issue Opening Date.
Rights Entitlement Letter / Entitlement Letter	Letter including details of Rights Entitlements of the Eligible Equity Shareholders. The Rights Entitlements are also accessible through the R-WAP facility and the link of which is available on the website of our Company.
Rights Equity Shares / Rights Shares	Equity Shares of our Company to be Allotted pursuant to the Issue.
R-WAP	Registrar's web based application platform accessible at https://rights.kfintech.com, instituted as an optional mechanism in accordance with the R-WAP Circulars. This platform is instituted only for resident Investors, in the event such Investors are not able to utilize the ASBA facility for making an Application despite their best efforts.
R-WAP Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021

Term	Description
	for accessing/ submitting online Application Forms by resident Investors
Self-Certified Syndicate Banks / SCSBs	Self-certified syndicate bank registered with SEBI, which acts as a banker to the Issue and which offers the facility of ASBA. A list of all SCSBs is available at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes
SEBI Rights Issue Circulars	SEBI circular bearing reference number SEBI/HO/CFD/DIL2/CIR/P/2020/13 dated January 22, 2020 and the R-WAP Circulars
Stock Exchanges	BSE and NSE where the Equity Shares are presently listed.
Transfer Date	The date on which Application Money held in the Escrow Account and the Application Money blocked in the ASBA Account will be transferred to the Allotment Account in respect of successful Applications, upon finalization of the Basis of Allotment, in consultation with the Designated Stock Exchange.
Wilful Defaulter	An entity or person categorised as a wilful defaulter by any bank or financial institution or consortium thereof, in terms of Regulation 2(1)(lll) of the SEBI ICDR Regulations.
Working Day	All days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to Issue Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Issue Closing Date and the listing of the Rights Equity Shares on the Stock Exchange, “Working Day” shall mean all trading days of the Stock Exchange, excluding Sundays and bank holidays.

Business and Industry Related Terms

Terms	Description
Ad	Advertisement
ARPU	Average revenue per user
ATP	Average Ticket Price
B2B2C	Business to business to consumer
BSNL	Bharat Sanchar Nigam Limited
C&S	Cable & Satellite
CAGR	Compounded annual growth rate
CDMA	Code Division Multiple Access
COPE	Cable Operators Premises Equipment
DSL	Digital Subscriber Loop/ Line
DoT	Department of Telecommunication
DTH	Direct to home
EDGE	Enhanced Data for Global Evolution
FTA	Free to Air
FTTC	Fibre to the Curb
FTTH	Fibre to the Home
GDP	Gross Domestic Product
GEC	General Entertainment Channels
GPRS	General Packet Radio Service
HITS	Headend In the Sky
HSPA	High Speed Packet Access
IMF	International Monetary Fund
IPLC	International Private Leased Circuit
IRD	Intergrated Receivers and Decoders
ISO	International Organization of Standardization
ISP	Internet Services Provider
IPTV	Internet Protocol Television

Terms	Description
LCN	Logical Channel Number
LCOs	Local Cable Operators
LTE	LongTerm Evolution
M&E	Media & Entertainment
Mbps	Megabits per second
MIB	Ministry of Information and Broadcasting
MPC	Monetary Policy Committee
MRP	Maximum Retail Price
MSOs	Multi System Operators
MTNL	MahanagarTelephone Nigam Limited
NCF	Network Capacity Fees
NTO	New Tariff Order
OFC	Optical Fiber Communication
OIL	OneOTT Intertainment Limited
OTT	Over The Top
PC	Personal Comuters
STB	Set Top Boxes
TV	Television
TRAI	Telecom Regulatory Authority of India
UWB	Ultra Wide Band
VOD	Video on Demand
VSAT	Very Small Aperture Terminal
VSNL	Videsh Sanchar Nigam Limited
WEO	World Economic Outlook
Wi-fi	Wireless Fidelity
Wi-Max	Worldwide Interoperability for Microwave Access
WPI	Wholesale Price Index

Conventional, General Terms and Abbreviations

Term	Description
₹/ Rs./ Rupees/ INR	Indian Rupees
A/c	Account
AGM	Annual General Meeting
AIF	Alternative investment fund, as defined and registered with SEBI under the Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012.
ASBA Circulars	Collectively, SEBI circular SEBI/CFD/DIL/ASBA/1/2009/30/12 dated December 30, 2009 and SEBI circular CIR/CFD/DIL/1/2011 dated April 29, 2011.
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIN	Corporate Identity Number
Companies Act	Companies Act, 2013 and the rules made thereunder
Consolidated FDI Policy	The consolidated FDI Policy, effective from October 15, 2020, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, and any modifications thereto or substitutions thereof, issued from time to time
COVID-19	A public health emergency of international concern as declared by World Health Organization on January 30, 2020 and a pandemic on March 11, 2020.
CSR	Corporate Social Responsibility
Depositories Act	The Depositories Act, 1996
Depository Participant /	A participant as defined under the Depositories Act

Term	Description
DP	
DIN	Director Identification Number
DP ID	Depository Participant's Identification Number
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EGM	Extraordinary general meeting
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999 read with rules and regulations made thereunder
FEMA Rule	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year / Fiscal	Period of 12 (twelve) months beginning April 1 and ending March 31 of that particular year, unless otherwise stated
Foreign Portfolio Investor / FPI	Foreign portfolio investor as defined under the SEBI FPI Regulations
Fugitive Economic Offender	An individual who is declared a fugitive economic offender under Section 12 of the Fugitive Economic Offenders Act, 2018
FVCI	Foreign Venture Capital Investors registered under the FVCI Regulations
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
Government / Government of India / GoI	Government of India
GST	Goods and Services Tax
HUF	Hindu Undivided Family
Ind AS	Indian Accounting Standards prescribed under Section 133 of the Companies Act, as notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015
ISIN	International Securities Identification Number allotted by the depository
IT	Information Technology
I.T. Act / IT Act	Income Tax Act, 1961
I.T. Rules	Income Tax Rules, 1962
Listing Agreements	The listing agreements entered into by our Company with the Stock Exchanges
LLP	Limited Liability Partnership
MCA	Ministry of Corporate Affairs, Government of India
MICR	Magnetic ink character recognition
Mutual Fund	Mutual fund registered with SEBI under the SEBI Mutual Fund Regulations.
NA / N.A.	Not Applicable
NACH	National Automated Clearing House which is a consolidated system of ECS
NEFT	National Electronic Fund Transfer
Net Worth	The aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and debit or credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure and miscellaneous expenditure not written off, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and amalgamation
NI Act	Negotiable Instrument Act, 1881
NRE	Non Resident External Account
NRI	Non Resident Indian
NRO Account	Non-resident ordinary account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB / Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which

Term	Description
	was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to general permission granted to OCBs under FEMA
p.a.	Per Annum
PAN	Permanent Account Number
RBI	Reserve Bank of India
RBI Act	Reserve Bank of India Act, 1934
Regulation S	Regulation S under the Securities Act
RTGS	Real Time Gross Settlement
SCORES	SEBI Complaints Redress System
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended
SEBI Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended
Securities Act	United States Securities Act of 1933
STT	Securities Transaction Tax
US/ USA/ United States	United States of America
USD	United States Dollar
VCF	A venture capital fund (as defined and registered with SEBI under the erstwhile Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996)

NOTICE TO INVESTORS

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other issue material (collectively, "**Issue Materials**") and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and in accordance with the SEBI ICDR Regulations, our Company will send / dispatch the Issue Materials only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

Further, the Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, the Stock Exchanges and on R-WAP.

Our Company shall also endeavour to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer was filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of this Draft Letter of Offer nor any sale/ offer of the Rights Equity Shares and/ or the Rights Entitlements hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "**UNITED STATES**" OR "**U.S.**"), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE US SECURITIES ACT ("**REGULATION S**") TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS DRAFT LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Rights Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Draft Letter of Offer, the Letter of Offer. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or Rights Entitlements in respect of any such Application Form.

Our Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

NOTICE TO THE INVESTOR

THIS DOCUMENT IS SOLELY FOR THE USE OF THE PERSON WHO RECEIVED IT FROM OUR COMPANY OR FROM THE REGISTRAR. THIS DOCUMENT IS NOT TO BE REPRODUCED OR DISTRIBUTED TO ANY OTHER PERSON.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Certain Conventions

Unless otherwise stated, references to "we", "us", or "our" and similar terms are to NXTDIGITAL Limited on a consolidated basis and references to "the Company" and "our Company" are to NXTDIGITAL Limited on a standalone basis, and references to "you" are to the equity shareholders and/ or to prospective investors in the Equity Shares.

All references to "India" contained in this Draft Letter of Offer are to Republic of India and its territories and possessions and all references herein to the "Government", "India Government", "GoI", "Central Government" or the "State Government" are to the Government of India, central or state, as applicable.

Unless otherwise specified or the context otherwise requires, all references in this Draft Letter of Offer to the "US" or "U.S." or the "United States" are to the United States of America and its territories and possessions.

A reference to the singular also refers to the plural and one gender also refers to any other gender, wherever applicable.

Unless stated otherwise, all references to page numbers in this Draft Letter of Offer are to page numbers of this Draft Letter of Offer.

Financial Data

Unless stated or the context requires otherwise, our financial data as at and for the year ended March 31, 2021 included in this Draft Letter of Offer is derived from the Audited Consolidated Financial Statements. We have prepared our Audited Consolidated Financial Statements in accordance with Ind AS as prescribed under the Section 133 of the Companies Act 2013 read with Rule 3 of the Companies (India Accounting Standards) Rules, 2015 and relevant amendment rules thereunder. For further information, see "*Financial Information*" on page 91.

Our Company's Financial Year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year. Accordingly, all references to a particular Financial Year or Fiscal or FY, unless stated otherwise, are to the 12 months period ending on March 31 of that particular calendar year.

There are significant differences between Ind AS and IFRS. Our Company does not provide reconciliation of its financial information to IFRS. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Letter of Offer and it is urged that you should consult your own advisors regarding such differences and their impact on our Company's financial data. For details in connection with risks involving differences between Ind AS and IFRS see "*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessments of our financial condition*." on page 34. Accordingly, the degree to which the financial information included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

Currency and Units of Presentation

All references to 'INR', '₹', 'Rs.', 'Indian Rupees' and 'Rupees' are to the legal currency of India.

Our Company has presented certain numerical information in this Draft Letter of Offer in 'lakh' units. One lakh represents 1,00,000 and one crore represents 1,00,00,000.

Exchange Rates

These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Indian Rupee and the respective foreign currencies:

Currency	Exchange rate as on	
	March 31, 2021	March 31, 2020
1 US$	73.50	75.39

(Source: www.fbil.org.in)

Wherever the exchange rate was not available on account of March 31st being a holiday, the exchange rate as of the immediately preceding working day has been provided.

Industry and Market Data

Unless stated otherwise, market and industry data used in this Draft Letter of Offer has been obtained or derived the report titled "**Media and Entertainment Annual Review 2021**" and "**Telecom Data Services 2021**" prepared by CRISIL ("**CRISIL Reports**") and from publicly available information, industry publications and sources. Industry publications generally state that the information that they contain has been obtained from sources believed to be reliable but that the accuracy, adequacy, completeness, reliability or underlying assumption are not guaranteed. Similarly, industry forecasts, market research and industry and market data used in this Draft Letter of Offer, while believed to be reliable, have not been independently verified by our Company, the Lead Manager or its affiliates and neither our Company, the Lead Manager, nor its respective affiliates make any representation as to the accuracy of such information. Accordingly, Investors should not place undue reliance on this information.

Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in "***Risk Factors – Industry information included in this Draft Letter of Offer has been derived from an industry report on 'Media and Entertainment – Annual Review 2021' and 'Telecom Data Services – 2021' issued by CRISIL. There can be no assurance that such third party statistical, financial and other industry data in this Draft Letter of Offer may be complete or reliable.***" on page 32. Accordingly, investment decisions should not be based solely on such information.

The extent to which market and industry data used in this Draft Letter of Offer is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which our business is conducted, and methodologies and assumptions may vary widely among different industry sources. Following is the disclaimer of CRISIL Limited in relation to the CRISIL Reports:

"*CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. NXTDIGITAL Limited will be responsible for ensuring compliances and consequences of non-complainces for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL's Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL's Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval*"

FORWARD LOOKING STATEMENTS

Certain statements contained in this Draft Letter of Offer that are not statements of historical fact constitute 'forward-looking statements'. Investors can generally identify forward-looking statements by terminology including 'anticipate', 'believe', 'continue', 'can', 'could', 'estimate', 'expect', 'future', 'forecast', 'intend', 'may', 'objective', 'plan', 'potential', 'project', 'pursue', 'shall', 'should', 'target', 'will', 'would' or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements. All statements regarding our Company's expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements may include planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Draft Letter of Offer that are not historical facts.

These forward-looking statements contained in this Draft Letter of Offer (whether made by our Company or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, performance or achievements of our Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. All forward-looking statements are subject to risks, uncertainties and assumptions about our Company that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause our actual results, performances and achievements to differ materially from any of the forward-looking statements include, among others:

- our ability to maintain and attract subscribers;
- our ability to successfully execute our expansion strategy of strengthening our network, in a timely manner;
- any fall in our brand's reputation;
- our ability to maintain relationships with third parties such as transponders, broadcasters, LCOs, fiber leasee etc;
- our ability to maintain our market position and to compete effectively against existing or potential competitors; and
- our ability to manage our operations at our current size or to manage any future growth effectively.

For further discussion of factors that could cause the actual results to differ from the expectations, see the sections "*Risk Factors*", "*Our Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on pages 19, 77 and 184, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual gains or losses could materially differ from those that have been estimated.

Forward-looking statements reflect the current views of our Company as at the date of this Draft Letter of Offer and are not a guarantee or assurance of future performance. These statements are based on our management's beliefs and assumptions, which in turn are based on currently available information. Although we believe the assumptions upon which these forward-looking statements are based are reasonable, any of these assumptions could prove to be inaccurate, and the forward-looking statements based on these assumptions could be incorrect. Accordingly, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct and given the uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements. If any of these risks and uncertainties materialise, or if any of our Company's underlying assumptions prove to be incorrect, the actual results of operations or financial condition of our Company could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to our Company are expressly qualified in their entirety by reference to these cautionary statements. None of our Company, our Directors, the Lead Manager nor any of their respective affiliates has any obligation to update or otherwise revise any statements reflecting circumstances arising after the date of this Draft Letter of Offer or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition.

In accordance with the SEBI ICDR Regulations, our Company and the Lead Manager will ensure that investors are informed of material developments from the date of this Draft Letter of Offer until the time of receipt of the listing and trading permissions from the Stock Exchanges.

SUMMARY OF THIS DRAFT LETTER OF OFFER

The following is a general summary of certain disclosures included in this Draft Letter of Offer and is neither exhaustive, nor does it purport to contain a summary of all the disclosures in this Draft Letter of Offer or all details relevant to prospective investors. This summary should be read in conjunction with and is qualified by, the more detailed information appearing in this Draft Letter of Offer, including the sections titled "*Risk Factors*", "*Objects of the Issue*", "*Our Business*" and "*Outstanding Litigations and Defaults*" on pages 19, 50, 77 and 197, respectively.

Summary of our Business

We are an established digital content distribution company in India engaged in delivering digital contents *via* cable network as well as through our Headend In the Sky ("**HITS**") platform through a network of Local Cable Operators ("**LCO(s)**"). We provide digital content to our subscribers either directly or through our affiliated LCOs.

Our business model is fundamentally a B2B2C model wherein, we generally structure our relationships with LCOs such that these LCOs continue to be the principal contact with our subscribers in the relevant local area. We enter into business arrangements with LCOs through Interconnect Agreements executed by them on a principal-to-principal basis with us. Our primary source of revenue for digital content services is subscription income received from subscribers either directly or through LCOs, placement income received from broadcasters for placing their channels in preferred logical channel number line up on our platforms, incentives received from broadcasters for deeper penetration of their channels in our customer base, and carriage income from carriage fees payable by broadcasters for carrying their channels.

Objects of the Issue

Our Company intends to utilize the Net Proceeds raised through the Issue towards the following objects:

(₹ in lakhs)

S. No.	Particulars	Amount
1.	Repayment and /or prepayment, of all or a portion of certain outstanding borrowings including interest availed by our Company	26,000.00
2.	General corporate purposes*	[●]
	Total Net Proceeds**	**[●]**

**The aggregate amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.*
***Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.*

For further details, see "*Objects of the Issue*" on page 50.

Intention and extent of participation by our Promoters and Promoter Group

Pursuant to letter dated July 29, 2021, Mr Ashok Parmanand Hinduja ("**Subscription Letter**"), has confirmed that he along with other Promoters and certain members of Promoter Group of our Company, intend to subscribe, jointly and / or severally, to the full extent of their Rights Entitlements (including through subscription of any Rights Entitlements renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company). Further, our Promoters and certain members of the Promoter Group also reserve the right to subscribe to Additional Rights Equity Shares, over and above their Rights Entitlements for ensuring minimum subscription in the Issue as required under the SEBI ICDR Regulations and subscribe to unsubscribed portion of the Issue, if any subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Additional Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their Rights Entitlements, if any, shall not result in a change of control of the management of our Company and shall be in accordance with provisions of the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

Summary of Outstanding Litigations

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Draft Letter of Offer is set forth in the table below:

Nature of Cases	Number of Cases	Amount Involved, to the extent quantifiable/ determinable (₹ lakhs)
Litigations involving our Company		
Proceedings involving moral turpitude or criminal liability on our Company	Nil	Nil
Proceedings involving material violations of statutory regulation by our Company	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	5*	24,669.01

**Amount involved in the arbitration petition filed by Thaicom Public Company Limited is in USD i.e. US$15,578,249.16.*

Nature of Cases	Number of Cases	Amount Involved, to the extent quantifiable/ determinable (₹ lakhs)
Litigations involving our Subsidiaries		
Proceedings involving moral turpitude or criminal liability on our Subsidiaries	33	820.01
Proceedings involving material violations of statutory regulation by our Subsidiaries	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Subsidiaries	Nil	Nil
Other proceedings involving our Subsidiaries which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	5	17,721.30

For further details, see "*Outstanding Litigations and Defaults*" beginning on page 197.

Risk Factors

For details of the risks applicable to us, including to our business, the industry in which we operate and our Equity Shares, see "*Risk Factors*" on page 19.

Contingent Liabilities

For details regarding our contingent liabilities, see "*Financial Statements*" on page 91.

Related Party Transactions

For details of our related party transactions as per Ind AS 24, see "*Financial Statements*" on page 91.

Issue of Equity Shares for consideration other than cash

Except as disclosed below, our Company has not made any issuances of Equity Shares for consideration other than cash in the last one year immediately preceding the date of filing of this Draft Letter of Offer.

Date of allotment	No. of Equity Shares allotted	Face value per Equity Share	Reason for allotment
August 28, 2020	34,95,655	10	Pursuant to Scheme of Arrangement between IndusInd Media and Communications Limited and our Company

SECTION II – RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider each of the following risk factors and all the information disclosed in this Draft Letter of Offer, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are those that we consider to be most significant to our business, cash flows, results of operations and financial conditions as of the date of this Draft Letter of Offer. However, they are not the only risks relevant to us or the Equity Shares or the industry in which we currently operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may also impair our business prospects, cash flows, results of operations and financial condition. In order to obtain a complete understanding about us, investors should read this section in conjunction with "Our Business" and "Financial Statements", on pages 77 and 91 respectively, as well as the other financial information included in this Draft Letter of Offer. If any of the risks described below, or other risks that are not currently known or are currently deemed immaterial actually occur, our business prospects, cash flows, results of operations and financial condition could be adversely affected, the trading price of the Equity Shares could decline, and you may lose all or part of the value of your investment.

This Draft Letter of Offer also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Letter of Offer. For further information, see "Forward Looking Statements" on page 15.

Our financial year ends on March 31 of each year, and references to a 'Fiscal' are to the twelve months ended March 31 of that year. Unless otherwise indicated or the context requires otherwise, the financial information included herein is derived from our Audited Consolidated Financial Statements, included in this Draft Letter of Offer. For further information, see "Financial Statements" on page 91.

In this section, unless the context otherwise requires, a reference to "our Company" is a reference to NXTDIGITAL Limited on a standalone basis, while any reference to "we", "us", is a reference to NXTDIGITAL Limited on a consolidated basis.

1. We are dependent on LCOs who reach out to our cable television subscribers, to collect subscription fees from them, to increase our subscriber base and to maintain our service quality standards. We may be exposed to liability arising from activities by LCOs that are beyond our control or incur, losses due to the termination of LCOs arrangements.

As we rely on LCOs to connect us to end subscribers, we provide training and support to LCOs to ensure that they deliver quality customer service to our subscribers. However, LCOs who typically have direct contact with subscribers in respect of sales, billing, technical support and general customer service, may not deliver our services in a manner consistent with our standards and requirements or may not hire and train qualified personnel in accordance with our standards. Any negative publicity regarding our brand or services resulting from such circumstances could materially and adversely affect our business and results of operations.

We execute interconnection agreements with LCOs for the provision of cable television services to our subscribers. The main responsibilities of the LCOs are to provide uninterrupted cable television services by seeding and activating STBs at subscribers' premises for delivery of digital signals of various channels, collect monthly subscription charges and deposit our share of the subscription charges with us. The interconnection agreements typically do not contain any long-term obligations for the LCOs to remain affiliated with us and are typically valid for a period of one year to any period unless terminated earlier. However, under some of the affiliation agreements entered into by us, a LCO may terminate the agreement on 30 days' notice provided that all the accounts are fully settled between us and the LCO. In the event that we are not able to compete effectively with other MSOs, LCOs may choose to switch to other MSOs, which may have an adverse effect on our subscriber base and our cable television subscription revenues. Further, we do not have any control over the quality of cable infrastructure that LCOs use to provide services to the end subscriber. Further, our subscription revenue is dependent on the LCOs' ability to generate and maintain subscription revenue. Therefore, any failure by LCOs to collect adequate subscription fees from end subscribers may materially and adversely affect our business.

2. ***Our business is subject to extensive governmental regulations, which could have a material adverse effect on our business.***

Our business is subject to extensive regulation by the Telecom Regulatory Authority of India ("**TRAI**"), the Ministry of Information and Broadcasting ("**MIB**"), Department of Telecommunications ("**DoT**") and other government bodies. Increased regulations or changes in existing regulation may require us to change our business policies and practices and may increase the costs of providing services to customers, which could have a material adverse effect on our financial condition and results of operations. The introduction of additional government control or newly implemented laws and regulations, depending on the nature and extent thereof and our ability to make corresponding adjustments, may adversely affect our business, results of operations and financial condition. In particular, decisions taken by regulators concerning economic policies or goals that are inconsistent with our interests could adversely affect our results of operations. These laws and regulations and the way in which they are implemented and enforced may change from time to time and there can be no assurance that future legislative or regulatory changes will not have an adverse effect on our business, financial condition, cash flows and results of operations.

We cannot assure you that we will not be subjected to any adverse regulatory action in the future. Further, these regulations are subject to frequent amendments and depend upon the Government policy. Our present model of business may not be geared to meet all regulatory amendments. If we are unable to adapt to any regulatory changes, our business and results of operations may be materially and adversely affected. Additionally, we rely on LCOs to provide the last mile connection to our end subscribers. In the event the LCOs which we have engaged are subjected to any adverse regulatory action, it may have a material and adverse effect on our business and results of operations. Further, our obligation to comply with applicable laws and regulations under which we operate may result in delays in providing our services cause us to incur increased costs to comply with such regulations.

3. ***Broadcasters may discontinue providing content to us which may result in loss of revenue as well as potential litigation.***

Broadcasters enter into subscription agreements with us which sets forth the commercial and technical terms and conditions for the supply of TV channels signals by broadcasters to us. The broadcasters may choose not to renew, or to terminate, their agreement with us and/or discontinue airing the television channels to us either at will or due to a default on our part in complying with the terms of the agreement. At present our Company has such arrangements with all broadcasters under under the relevant regulations and these subscription agreements were valid till January 31, 2020. Due to petitions pending before various Courts, including but not limited to Supreme Court, challenging the amendment dated January 1, 2020 by the Telecom Regulatory Authority of India to the The Telecommunication (Broadcasting and Cable) Services Interconnection (Addressable Systems) Regulations, 2017, The Telecommunication (Broadcasting and Cable) Services (Eighth) (Addressable Systems) Tariff Order, 2017 and The Telecommunication (Broadcasting and Cable) Services Standards of Quality of Service and Consumer Protection (Addressable Systems) Regulations, 2017, the broadcasters have been providing extension of such subscription agreements on a periodic basis. In case we are not able to enter into a fresh agreement or receive further extension, we may not be able to continue with our operation. Any such disconnection would prevent us from providing such channels to LCOs and our subscribers and could decrease our subscription revenues and/or require us to refund subscription fees that have accrued or have already been paid. An inability to provide the LCOs with such channels or programs may also result in LCOs terminating their arrangements with us and entering into arrangements with competing MSOs. Any such event could have material adverse effect on our business, financial condition, cash flows and results of operations.

4. ***Failure to provide the service quality or performance of our digital cable television service, including value added services and broadband internet services could result in a decrease in the number of our subscribers and revenues.***

Any failure (such as systems failures caused by fire, earthquakes, severe storms, power loss, telecommunications failures, network software flaws, acts of terrorism and other catastrophic events) or shortcomings with the quality of our services may lead to a lack of consumer confidence and harm our ability to successfully market our service offerings. Most commonly, we face problems of cable wire disconnection which leads to temporary stoppage of our services in such areas where we provide connectivity through cable network. Such deficiencies in services adversely affect our reputation and could lead to litigation. Further, in areas where such disruptions take place on a frequent basis, we may not be able to collect subscription fees or may be required to refund fees for the period of disconnection. If we are unable to provide high quality digital cable, value-added services and broadband services, our credibility and market acceptance of our service offerings could be adversely affected. In addition, we may need to incur substantial costs in order to address any quality issues. Any such event could adversely affect our business, financial condition, cash flows and results of operations.

5. ***Our business is capital intensive and we may not be able to realise the benefits we expect from our investments in our networks and technologies.***

Our business is capital intensive in nature. In order to continue to provide competitive services and technologies to our subscribers, we are continually required to make significant capital investment. We expect that a significant amount of our future capital expenditure will be to expand our network capacity. However, because future network expansion will be dependent in part on the future demand for our services, it is difficult for us to predict with certainty our future capital expenditure requirements. In the event that we have underestimated our future capital requirement needs or overestimated future cash flows, we may require additional financing in order to meet our projected capital and other expenditure requirements. In such an event, no assurance can be given that financing will be available or, if available, that such financing will be obtained on terms favourable to us or that any additional financing will not be dilutive to our shareholders. Further, the success of our high speed cable broadband service depends on the completion of upgrading our network. If we are unable to complete this upgrade due to regulatory, technical or other difficulties, we may not be able to offer new products and services over all of our network on a timely basis.

6. ***We have contingent liabilities and other commitments and our financial condition could be adversely affected if any of these contingent liabilities materializes.***

As of March 31, 2021, contingent liabilities and other commitments disclosed in the notes to our Audited Consolidated Financial Statements aggregated ₹ 82,364.49 lakhs. Set forth below are our contingent liabilities that had not been provided for as of March 31, 2021:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2021
I.	**CONTINGENT LIABILITIES**	
a.	**Guarantee/ counter guarantee**	
	- Bank Guarantees given to various authorities	433.24
	- Guarantees/ counter guarantees given to custom authorities	347.00
b.	**Claims against the Group not acknowledged as debt**	
	- Entertainment Tax	2,482.00
	- Sales Tax and VAT	2,045.38
	- Cable Television Related Cases	234.16
	- Service Tax	12,794.00
	- License Fee (Department of Telecommunication)	54,152.00
	- Income tax matters against which the Group has filed appeals/ objections	6,001.85
	- Demands of Custom Duty in a subsidiary company against which it has filed appeal	1,476.30
	- Local body tax	73.42
	- Goods and service tax	48.99
II	**OTHER COMMITMENTS**	
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	17.06
b.	Letter of Credit ('LC') issued by bankers for import of equipments	1,650.09
c.	Co-borrower with customer for loan availed from Hinduja Leyland Finance Limited	200.00
d.	Provident fund	409.00
e.	The Company has given an undertaking to three banks (i.e. Yes Bank Limited, Axis Bank Limited and RBL Bank Limited) to retain shareholding to the extent of 51% in the subsidiary viz. IndusInd Media & Communications Limited	

Sr. No.	Particulars	As at March 31, 2021
	(IMCL) until all the amounts outstanding under various facility agreements entered into by IMCL with the said banks are repaid in full by IMCL. As at the balance sheet date there are no outstanding amounts payable to RBL Bank Limited.	

In the event that any of these contingent liabilities materialize, our financial condition may be adversely affected.

7. ***There are outstanding litigations involving our Company and our Subsidiaries, which if determined adversely, could affect our business and results of operations.***

As on the date of this Draft Letter of Offer, we are involved in certain civil, tax, regulatory and criminal proceedings which are pending at different levels of adjudication before various courts, tribunals, forums and appellate authorities. We cannot assure you that these legal proceedings will be decided in our favour. Decisions in proceedings adverse to our interests may have a significant adverse effect on our business, management, financial condition, results of operations and cash flows. In relation to tax proceedings, in the event of any adverse outcome, we may be required to pay the disputed amounts along with applicable interest and penalty and may also incur additional tax incidence going forward.

A summary of outstanding legal proceedings involving our Company and our Subsidiaries as on the date of this Draft Letter of Offer is set forth in the table below:

Nature of Cases	Number of Cases	Amount Involved, to the extent quantifiable/ determinable (₹ lakhs)
Litigations involving our Company		
Proceedings involving moral turpitude or criminal liability on our Company	Nil	Nil
Proceedings involving material violations of statutory regulation by our Company	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Company	Nil	Nil
Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company	5*	24,669.01

**Amount involved in the arbitration petition filed by Thaicom Public Company Limited is in USD i.e. US$15,578,249.16.*

Nature of Cases	Number of Cases	Amount Involved, to the extent quantifiable/ determinable (₹ lakhs)
Litigations involving our Subsidiaries		
Proceedings involving moral turpitude or criminal liability on our Subsidiaries	33	820.01
Proceedings involving material violations of statutory regulation by our Subsidiaries	Nil	Nil
Matters involving economic offences where proceedings have been initiated against our Subsidiaries	Nil	Nil
Other proceedings involving our Subsidiaries which involve an amount exceeding the Materiality Threshold and other pending matters which, if they	5	17,721.30

Nature of Cases	Number of Cases	Amount Involved, to the extent quantifiable/ determinable (₹ lakhs)
result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company		

We cannot assure you that in matters where orders have been passed in our favour, there will be no appeal from the other parties involved or whether we can ascertain the liabilities involved in such matters at this stage unless we are impleaded in such proceedings. If any new developments arise, such as a change in Indian law or rulings against us by appellate courts or tribunals, we may need to make provisions in our financial statements that could increase our expenses and current or long term liabilities. For further details, see section "*Outstanding Litigation and Defaults*" on page 197.

8. The success of our broadband internet services business depends on the acceptance of the internet in India, which may be slowed or halted by high costs and other obstacles such as competition from wireless internet or fixed broadband offerings in India.

Bandwidth, the measurement of the volume of data capable of being transported in a communications system in a given amount of time, remains expensive in India. We lease all the bandwidth that we use to provide broadband services for average period of one year. Although prices for bandwidth in India have substantially declined recently, they are relatively high compared to other countries.

The market penetration rates of personal computers and online access in India is low. Alternate methods of obtaining access to the Internet, such as through set-top boxes for televisions, are currently not popular in India. There can be no assurance that the number or penetration rate of personal computers in India will increase rapidly or at all or that alternate means of accessing the internet, which we can service through our existing broadband technology, will develop and become widely available in India. Customers will have to bear significant costs for obtaining the hardware and software necessary to connect to the internet in India. If such costs do not become affordable, our broadband services subscriber base will be curtailed, which may adversely affect our business and results of operations.

Further, our internet services business faces significant competition from well-established companies, including Bharti Airtel, Reliance Jio, Bharat Sanchar Nigam Limited and Mahanagar Telephone Nigam Limited. A significant number of competitors have entered India's liberalized internet service provider industry. We also compete with providers that use newer technologies such as high speed data cards. In the future, we may also have to contend with the development of new technologies within the industry and new types of services offered by other providers based on such technologies, including 4G and 5G. New entrants into the national internet service provider market in India, especially the government owned telecommunication companies, may enjoy significant competitive advantages over us, including greater financial resources, which could allow them to charge prices that are lower than ours in order to attract subscribers. In the past, these factors have resulted in periods of significant reductions in actual average selling prices for consumer broadband internet service provider services.

We expect the market for internet access and other connectivity services to remain extremely price competitive. Increased competition may result in operating losses and loss of market share, as well as pricing, service or marketing decision that may entail substantial costs or losses. Additionally, we believe that our ability to compete depends in part on factors outside our control, the price at which our competitors offer comparable services, and the extent of our competitors' responsiveness to their subscribers' needs. Existing and new competitors could begin to operate in our geographic markets or surpass us in identifying and acquiring desirable Internet service providers and subscribers. We may not be able to successfully compete against current and future competitors.

9. We have incurred losses in the past, which may adversely impact our business and financial conditions.

We have incurred losses amounting to ₹ 1,390.17 lakhs and ₹13,408.97 lakhs, as per Audited Consolidated Financial Statements for Fiscal 2021 and Fiscal 2020 respectively. Our losses during the Fiscal 2021 was on account of decrease in the revenue due to COVID-19 induced lockdown and the overall slowdown of the economy during the pandemic while for the Fiscal 2020 was on account of discontinuation of Treasury and Investments business by liquidating treasury assets and recognising the resultant loss. On account of the losses suffered by our Company, our Company has taken various initiatives to improve our revenue and optimise costs to improve profitability in the forthcoming years. Our ability to operate profitably depends upon a number of factors, some of which are beyond our direct control. These factors include, but are not limited to, competition, customer preferences. If we continue to incur losses, our business and the financial conditions could be adversely affected.

Further, our ability to pay dividends in the future will depend upon various factors. There can be no assurance that we will, or have the ability to, declare and pay any dividends on the Equity Shares in the near future if we continue to incur losses. The declaration, payment and amount of any future dividends are subject to the discretion of the Board and will depend upon a number of factors, including our Company's results of operations, future earnings, profitability, capital requirements for future expansions and available surplus, general financial conditions, contractual restrictions, applicable Indian law restrictions and other factors considered relevant by our Board. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business.

10. ***The growth of our business may require us to obtain substantial financing, which we may not be able to obtain on reasonable terms or at all. We may need to raise additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure on acceptable terms or at all.***

The growth of our business may require us to obtain additional financing, either through equity or through debt, which we may not be able to obtain. The factors that would require us to raise additional capital include business growth beyond what our current balance sheet can sustain; additional capital requirements imposed due to changes in the regulatory regime or new guidelines; or significant depletion in our existing capital base due to unusual operating losses. Further, we expect to incur substantial future expenditure on account of upgrading and expanding our network systems, purchasing equipment and intend to acquire majority interests in additional MSOs and LCOs.

If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase and we may be subject to additional restrictive covenants, which could further limit our ability to access cash flows from our operations and limit our ability to enter into certain business transactions and restrict our management's ability to conduct our business. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be materially and adversely affected if we delay or are unable to implement our expansion strategy.

11. ***We depend on third parties to grant us distribution rights to certain content and our ability to offer such content may be adversely affected if we are unable to obtain sufficient content at a favourable price or on acceptable terms.***

As a part of our cable television services, we provide channels which cater to local preferences. The channels primarily consist of movies, local news and music on demand. Our ability to offer such content on the local channels depends upon our ability to acquire distribution rights for such contents. We may not be able to acquire such rights on terms and conditions favourable to us. Any inability to provide adequate local content may affect our ability to compete effectively with other MSOs with more popular local content. This may reduce our subscriber base and thereby adversely affect our financial condition and results of operations.

12. ***Our business requires us to obtain and renew certain registrations, licenses and permits from of the Ministry of Information and Broadcasting, Government of India (the "MIB") and other regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations.***

Our operations are regulated and subject to detailed supervision by TRAI, MIB, DoT and other government bodies and we are required to obtain and maintain a number of statutory and regulatory permits, approvals and consents under central, state and local government rules in India, generally for carrying out our business and for each of our segments. Majority of these approvals and permissions are still in the name of '*IndusInd Media and Communication Limited*', one of the Subsidiaries of our Company from which we have acquired the Media and Communication Undertaking along with all the approvals, permissions and licenses required for the same (*as defined under the scheme*) pursuant to a scheme of arrangement sanctioned by NCLT, Mumbai Bench *vide* its order dated August 21, 2020. We have either made necessary applications to the appropriate authorities for transfer of these approvals and permissions in the name of our Company or have applied for such approval(s) or permission(s) a fresh which are at various stages before the respective authorities. Further, certain approvals may expire over the period of time and we will have to make necessary applications to the appropriate authorities for obtaining such approval or its renewal. Failure or delay in obtaining approvals or failure by us in obtaining, maintaining, or renewing the required permits or approvals within the validity period of such approvals or permits, may result in interruption of our operations.

Further, the approvals required by us are subject to numerous conditions and we cannot assure you that these would not be suspended or revoked in the event of non-compliance or alleged noncompliance with any terms or conditions thereof, or pursuant to any regulatory action. If there is any failure by us to comply with the applicable regulations or if the regulations governing our business are amended, we may incur increased costs, be subject to penalties, have our approvals and permits revoked or suffer a disruption in our operations, any of which could adversely affect our business. In case we fail to comply with these requirements, or a regulator alleges we have not complied with these requirements, we may be subject to penalties and compounding proceedings.

13. ***Any failure in the operation of our information technology systems may have an adverse effect on our business, financial condition and results of operations.***

Our success depends, in part, on the continued and uninterrupted performance of our information technology and network systems. Our systems are vulnerable to damage from a variety of sources, including telecommunications failures, power loss, malicious human acts and natural disasters. Moreover, despite security measures, our servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautions we have taken, unanticipated problems affecting our systems could cause failures in our information technology systems or disruption in the transmission of signals. Sustained or repeated system failures that interrupt our ability to provide service to our customers or otherwise meet our business obligations in a timely manner would adversely affect subscriber satisfaction.

If our information technology systems are subject to a flood, fire or other natural disaster, terrorism, a computer virus, a power loss, other catastrophe or unauthorized access, our operations and customer relations could be adversely affected. Any failure in the operation of our information technology systems could result in business interruption, which may adversely affect our reputation, weaken our competitive position and have an adverse effect on our business, financial condition and results of operations.

14. ***We depend on our management team and key personnel and the loss of any key team member may adversely affect our business performance.***

Our business and the success of our strategy depend upon our core management team which oversees the day-to-day operations, strategy and growth of our business. If one or more members of our key management team are unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, prospects, financial condition and results of operations could be adversely affected.

In addition, our success in expanding our business will also depend, in part, on our ability to attract, retain and motivate appropriately qualified personnel. We may be unable to successfully manage our personnel needs which could materially and adversely affect our business and results of operations. These risks could be heightened to the extent we invest in businesses or geographical regions in which we have limited experience. If we are not able to address these risks, our business, prospects, financial condition and results of operations could be adversely affected.

15. ***We have witnessed negative cash flows from operating activities in the past. Sustained negative cash flows could impact our growth and business.***

We have witnessed negative cash flows from operating activities in Fiscal 2020, the details of which as per the Audited Consolidated Financial Statements are summarized below:

(₹ in lakhs)

Particulars	Fiscal 2021	Fiscal 2020
Cash flow from operating activities	14,831.78	(13,800.62)

Cash flow of a company is a key indicator to show the extent of cash generated from operations to meet capital expenditure, pay dividends, repay loans and make new investments without raising finance from external resources. If we are not able to generate sufficient cash flows in future, it may adversely affect our business and financial operations

16. ***Intellectual property rights are important to our business and we may be unable to protect them from being infringed by others which may adversely affect our business value, financial condition and results of operations.***

As on the date of this Draft Letter of Offer, we have 41 trademarks registered under the provisions of the Trade Marks Act, 1999. We cannot assure that third parties will not infringe on our intellectual property, thereby causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property.

17. ***Wage pressures and increases in operating costs in India may prevent us from sustaining our competitive advantage and may reduce our profit margins.***

Wage costs as well, as operating costs, in India have historically been significantly lower than wage costs and operating costs in the other developed economies; and these reduced costs have been one of the sources of our competitive strengths. However, wage and operating expense increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the developed economies, which could result in increased employee benefit expenses. We may need to continue to increase the levels of our employee compensation to remain competitive and manage attrition. Further, The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The provisions of this code will be brought into force on a date to be notified by the Central Government. This may impact our wage structure and may lead to increased wage payments to employees. Additionally, the cost of operating expenses is also increasing as India continues to grow. Compensation increases manifest a hike in operational costs which may result in a material adverse effect on our business and financial condition and result of operations.

18. ***Some of our corporate filings are not traceable. These corporate records may not be available in future and we may be subject to penalty imposed by the competent regulatory authority in this respect.***

We are unable to trace copies of certain corporate filings made by our Company in the past. In particular, we have been unable to trace the filings with the RoC in relation to change in the address of registered office of our Company. For details of the relevant documents relied upon to trace the change in the address of the registered office of our Company since incorporation, we have relied on the minutes of the meeting of that relevant year. For details with respect the changes in the registered office of our Company, see "*General Information*" on page 41. Though our Company has made efforts to retrieve such records however, there is no certainity that these forms or records will be available in the future. Since copies of these regulatory filings are unavailable with us, we cannot assure you that these regulatory filings were duly filed on a timely basis, or at all.

19. We import a significant portion of the STBs used in our business. We depend on vendores and suppliers for provision of equipments such as COPE, Fiber laying used in our business and any failure to deliver on the part of such third parties may have an adverse effect on our business, financial condition and results of operations.

We import a significant portion of the digital set-top boxes for our cable services used in our business. We depend significantly on a number of third party suppliers and vendors to supply the hardware and software necessary to deliver our cable services, including digital set-top boxes, cable and fibre-optic cables. In addition, we also lease a large portion of our fiber network from leading telecom service providers in India. This equipment, software platforms and fiber have historically been available from a number of independent suppliers, although we cannot assure you that this will continue to be the case. Pricing volatility for equipment and change in applicable customs duty could result in increased costs and may adversely affect our business, results of operations and financial condition. Our ability to provide cable service, to a large extent, depends on the STBs, quality of the networks maintained by other operators, and their continued availability, neither of which is under our control. If a third party service provider fails to provide the STBs in a timely manner, the cable television services transmitted may remain disrupted for an extended period of time and our Company may not be able to generate more subscribers.

Further, while we typically enter into agreements including placing of purchase orders with our vendors for the supply of STBs, there can be no assurance that we will be able to economically and in a timely manner source the delivery of these components from third parties, if at all. Our failure to source some of these components, software could materially and adversely affect our ability to retain and attract subscribers, and have a material negative impact on our operations, business and financial condition.

20. If we are unable to compete effectively for the leisure and entertainment time of consumers, our business and financial condition would be adversely affected.

Our business is subject to risks relating to increasing competition for the leisure and entertainment time of consumers. Our business competes with all other sources of entertainment and information delivery, including broadcast television, films, live events, home video products, video and computer games, print media, social media and the Internet. Technological advancements, such as new video formats, and the delivery of video content through streaming and downloading services on the internet, have increased the number of entertainment and information delivery choices available to consumers and intensified the challenges posed by audience fragmentation. Due to the lock-down, the public has become increasingly dependent on these services for their entertainment. The use of the alternative content has further increased due to the COVID-2019 pandemic. The increasing number of choices available to audiences could adversely affect demand for our products and services.

Consumers may choose to consume digital media through other platforms, such as computers, mobile phones, tablet computers and other devices capable of being used to view media content. If we do not respond appropriately to advances in technology and increased availability of leisure and entertainment choices, our competitive position could deteriorate and our financial results could suffer.

21. We require continuous and uninterrupted services of satellite transponders for disbtribution of digital contents through HITS platform. Any interruption in services of satellite transponders will result in disruption of our services to subscribers and our business, financial condition and results of operations may be adversely affected.

Satellite transponder is a critical element in the distribution of signals through the HITS platform. The signals are uplinked by us from the broadcast centre to the satellite transponders from where these are downlinked by the LCOs. Typically satellite transponders are leased out by satellite service providers. We have a long term contract with satellite service provider for using their transponders on lease. As on May 31, 2021, we have taken 5 transponders on lease with an option to take another transponder, if required.

Any interruption in working of satellite on account of power lose or technical failure or any force majeure events could lead to disruptions in our services to our customers which could result in dissatisfied customers. Further, in case of termination or non-renewal of lease by the satellite service providers, we will be required to enter into fresh agreement with other service provider which may not be on terms and conditions favourable to us. In case we are not able to enter into a fresh agreement in a timely manner, we may not be able to continue with our operation through the HITS platform. Any of these would prevent us from providing continuous and uninterrupted services to our subscribers, could decrease our subscription revenues and could have material adverse effect on our business, financial condition, cash flows and results of operations.

22. If the broadcasters who provide us with signal input for the provision of their programming encounter any technical failures, our business, financial condition and results of operations may be adversely affected.

In order to successfully operate our business, we depend on third-party broadcasters for the input of their signals to provide us with programming. If such broadcasters encounter technical failures in the provision of their input, we may be unable to provide uninterrupted programming offerings to our subscribers or the audio-visual quality of such programming may be reduced. If we are unable to provide our programming as a result of such technical failures, our business, financial condition and results of operations may be adversely affected.

23. Our networks may be vulnerable to security breaches, piracy and hacking.

Our networks may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our services to our customers. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our services, which could result in lost revenue and dissatisfied customers.

Breaches of our networks, including through piracy or hacking may result in unauthorised access to our content. Such breaches of our network may have a material adverse effect on our earnings and financial condition and may also require us to incur further expenditure to put in place more advanced security systems to prevent any unauthorised access to our networks.

24. Significant challenges or delays in our Company's innovation and development of new technologies and indications could have an adverse impact on the Company's long-term success.

Our Company's continued growth and success depends on its ability to innovate and develop new and differentiated technology and services that address the evolving media and entertainment industry. Technological developments within the cable distribution services include changes that may result in improved utilization of network infrastructure, better consumer experience with more robust content recording features and new interactive content. In particular, digital migration brings the need for change in consumers' behaviour to consume content as well as consumer's perception of value. Any change in market demand as a result of technological change and improvements may require us to adopt emerging technologies and innovate with new products and services. As new technologies are developed, the products and services we offer may become obsolete or less competitive. If we are unable to adopt and digitize our services at the rate of our competitors and are unable to compete for the leisure and entertainment time of our subscribers, our ability to effectively compete in the market place will be affected.

Consumers may choose to consume digital media through other platforms, such as computers, mobile phones, tablet computers and other devices capable of being used to view media content. Additionally, our business competes with other sources of entertainment and information delivery, such as India focused OTT platforms, broadcast television, films, live events, radio broadcasts, home video products, console games and the internet, including video-sharing websites. Such changes and variety of options have increased the number of entertainment and information delivery choices available to consumers and intensified the challenges posed by audience fragmentation, particularly with respect to television series and movies. In addition, content broadcasted exclusively by us is at risk of being illegally shown, copied and/or made available for download from video-sharing websites. If we do not respond appropriately to advances in technology and increased availability of leisure and entertainment choices, our competitive position could deteriorate and our financial results could suffer.

In all of these contexts, developing or adopting new technology, requires significant investment of resources over many years. New technology or enhancements to existing technology may not be accepted quickly or significantly in the marketplace. We may not have sufficient financial resources to fund new technology or access new resources, and therefore we may not be able to develop and implement new technologies in a timely manner and on a cost effective basis or at all. This may delay the implementation of services, reduce the quality and functionality of our services, increase our operational costs, reduce our market share and impact our revenue streams, adversely affecting our business, results of operations and financial condition.

25. If we are unable to successfully execute our growth strategies, our business, prospects and results of operations could be materially and adversely affected.

We propose to expand our business by adopting a series of strategies. For further details, see "*Our Business – Our Strategy*" on page 77. Our growth depends on our ability to expand our market share and our inability to do so may adversely affect our growth prospects. Our growth strategies could place significant demand on our management and our administrative, operational and financial infrastructure. We could also encounter difficulties and delays in executing our growth strategies due to a number of factors, including, without limitation, delays in implementation, lack of appropriate infrastructure, unavailability of human and capital resources, or any other risks that we may or may not have foreseen. Our management may also change its view on the desirability of current strategies, and any resultant change in our strategies could put significant strain on our resources. Further, we may be unable to achieve any synergies or successfully integrate any acquired business into our portfolio. Any business that we acquire may subject us to additional liabilities, including unknown or contingent liabilities, liabilities for failure to comply with laws and regulations, and we may become liable for the past activities of such businesses.

26. The cable television distribution industry is highly competitive, which affects our ability to attract and retain subscribers.

The cable television distribution industry is highly competitive and often subject to rapid and significant changes in the market place, technology, regulatory and legislative environments. We believe that competitive factors in our market include: pricing, location, portfolio of product/service offerings, quality and reputation of services, product differentiation, technology advancement and early movers in certain markets or technologies. We primarily compete with other cable television service providers in markets in which we operate, as well as with DTH satellite television service providers. Existing and new competitors, and in particular competitors with substantially more resources than us, could begin to operate in the markets that we operate in or identify and acquiring targets being pursued by us. Moreover, the cable television industry is largely unorganised and fragmented and based on local preferences. We may not be able to adjust the programs and bouquets we offer to cater to the local preferences of our end subscribers.

Increasing competition may require us to expend significant resources on advanced equipment, enhanced programme offerings and more sophisticated marketing initiatives, which may increase subscriber acquisition and retention expenses. Alternatively, we may be required to accept lower subscriber acquisitions and higher turnover of subscribers in the form of subscriber service cancellations, or churn. We cannot assure you that we will be able to compete successfully, which could adversely affect our business, results of operations and financial condition.

27. We have in the past entered into related party transactions and may continue to do so in the future. There can be no assurance that we could not have achieved more favourable terms if such transactions had been entered into with third parties.

We have entered into transactions with related parties. While we believe that all such transactions have been conducted on an arms-length basis and in the normal course of business, there can be no assurance that we would not have achieved more favourable commercial terms with other parties. Furthermore, we may enter into related party transactions in the future, and such transactions may potentially involve conflicts of interest. For further information on our related party transactions, see "*Financial Information*" on page 91. In terms of the Companies Act and the SEBI Listing Regulations, we are required to adhere to various compliance requirements such as obtaining prior approvals from our Audit Committee, Board of Directors and Shareholders for certain related party transactions, there can be no assurance that such transactions, individually or in the aggregate, will receive the necessary approvals in future. There can be no assurance that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, financial condition and cash flows. In the event any conflict of interest arises between us, or to the extent that competing products offered by any of our related parties erode our market share, we may not be able to effectively manage any such conflict or competitive pressures and, consequently, our business, results of operation and financial condition may be adversely affected.

28. Our Statutory Auditors have included certain matters of emphasis in our Audited Consolidated Financial Statements and audited standalone financial statements. In addition, the annexure to our Statutory Auditors' report issued under the Companies (Auditor's Report) Order, 2016 ("CARO"), on our audited standalone financial statements contain statement on certain matters.

Our Statutory Auditors have included certain matters of emphasis in relation to our Company in our Audited Consolidated Financial Statements and audited standalone financial statements. In addition, the annexure to our Statutory Auditors' report issued under the Companies (Auditor's Report) Order, 2016, on our audited standalone financial statements for Fiscal 2021 contain statements on certain matters. For further information, see "*Management's Discussion and Analysis on the Financial Conditions and Results of Operations*" page 184.

There can be no assurance that any similar matters of emphasis or remarks will not form part of our financial statements for the future fiscal periods, or that such remarks will not affect our financial results in future fiscal periods. Investors should consider the remarks and observations in evaluating our financial condition, results of operations and cash flows. Any such remarks or matters of emphasis in the auditors' report and/ or CARO report on our financial statements in the future may also adversely affect the trading price of the Equity Shares.

29. Our Company's ability to pay dividends in the future will depend on our Company's earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our Company's financing arrangements.

Our Board has recommended a dividend of ₹4 per Equity Share to our shareholders for the Fiscal 2021, which is subject to approval by shareholders in the ensuing Annual General Meeting of our Company. The form, frequency and amount of future dividends declared by our Company will depend on a number of internal and external factors, including, but not limited to, restrictive covenants contained in agreements entered into with lenders, the extent of realized profits out of the profits, cash flows, overall financial position, taxation and regulatory concerns, future expansion plans of our Company which could entail cash conservation, past performance and working capital management of our Company, and such other factors that the Board may deem relevant in its discretion, subject to the approval of our Shareholders. Dividend payments will also depend on macroeconomic conditions such as the state of the economy and of the media and entertainment industry, and other factors deemed appropriate by our Directors. Our ability to distribute dividends in the future will depend on our capital requirements and financing arrangements in respect of our business, financial condition and results of operations.

30. Certain of our Promoters, Directors and Key Management Personnel have interests in us other than reimbursement of expenses incurred and normal remuneration benefits.

Certain of our Promoters, Directors and Key Management Personnel may be regarded as having an interest in us other than reimbursement of expenses incurred and normal remuneration or benefits to the extent of a) Equity Shares held by them or their immediate relatives, directly or indirectly, in our Company and Subsidiaries, dividend or bonus entitlement thereon, b) business transactions entered into or proposed to be entered into by us with any firm, LLP, company or body corporate with which they are associated as promoter, director, partner or member, c) unsecured loans extended by any of them to our Company and any outstanding interest thereon.

31. Our funding requirements and proposed deployment of the Net Proceeds are based on management estimates and have not been independently appraised and may be subject to change based on various factors, some of which are beyond our control.

Our funding requirements and deployment of the Net Proceeds are based on internal management estimates based on current market conditions, and have not been appraised by any bank or financial institution or other independent agency. Further, in the absence of such independent appraisal, our funding requirements may be subject to change based on various factors which are beyond our control. For details, see "*Objects of the Issue*" on page 50.

32. ***Our marketing and advertising campaigns may not be successful in increasing the popularity of our brand. If our marketing initiatives are not effective, this may adversely affect our business.***

The marketing of our brand, channels and services we offer is a key focus area for us. We undertake marketing and promotional activities for our brand and our services. We rely to a large extent on our senior management's experience in defining our marketing and advertising programmes. We also rely on the expertise of a third party PR agency, which provides us public relations and media support services. If our senior management or service provider leads us to adopt unsuccessful marketing and advertising campaigns, we may fail to attract new customers and retain existing customers. If our marketing and advertising programmes are unsuccessful, our results of operations could be materially adversely affected.

The support of our employees is also critical for the success of our marketing programmes, such as local marketing and any new strategic initiatives we seek to undertake. The failure of our employees to support our marketing programmes and strategic initiatives could adversely affect our ability to implement our business strategy and harm our business, financial condition, results of operations and prospects. In addition, increased spending by our competitors on advertising and promotion or an increase in the cost of print or electronic advertising, could adversely affect our results of operations and financial condition. Moreover, a material decrease in our funds earmarked for advertising or an ineffective advertising campaign relative to that of our competitors, could also adversely affect our business.

33. ***The borrowings availed by our Company and our Subsidiaries can be recalled by the lenders at any time.***

Our Company and Subsidiaries, have, in the ordinary course of business and for operational needs, availed secured and unsecured fund-based borrowings from time to time, the outstanding balance of which as on May 31, 2021 was ₹ 1,18,916.85 lakhs. Some of these borrowings are repayable on demand. In case such borrowings are recalled by the lenders, we may be required to repay in entirety such borrowings together with accrued interest and other outstanding amounts. We may not be able to generate sufficient funds at short notice to be able to repay such borrowings and may need to resort to refinance such borrowing at a higher rate of interest and on terms not favourable to us. Although, during the preceding Fiscal we have not witnessed any instances where the lenders have recalled the borrowings availed by our Company or we were unable to repay or refinance borrowings availed by us, any failure to repay the borrowings in a timely manner or refinancing of the same at a higher interest rate may adversely affect our business, cash flows and financial condition.

34. ***Deterioration in the performance of our material Subsidiary may result in diminishing value of our investments in such Subsidiary thereby adversely affecting our financial conditions and results of operations.***

We currently conduct a part of our operations through our Subsidiary, OneOTT Intertainment Limited. We have made and may continue to make capital commitments to OneOTT Intertainment Limited and if the business or operations of such Subsidiary deteriorates, the value of our investments may decline substantially. The ability of OneOTT Intertainment Limited to make dividend payments to us depends largely on their financial condition and ability to generate profits as well as regulatory conditions. In addition, because our Subsidiaries are separate and distinct legal entities, they will have no obligation to pay any dividends and may be restricted from doing so by contract, including other financing arrangements, charter provisions, other shareholders or the applicable laws and regulations. We cannot assure you that our material Subsidiary will generate sufficient profits and cash flows.

35. ***We are subject to certain restrictive covenants under our financing arrangements. An inability to comply with repayment and other covenants in our financing agreements could adversely affect our business, financial condition, cash flows and credit rating.***

Certain of our financing agreements impose limits on us or require us to obtain lender consents before, among other things, undertaking any merger or consolidation, effecting a material change in management, and incurring further indebtedness. In addition, these restrictive covenants may also affect some of the rights of our shareholders and our ability to pay dividends if we are in breach of our obligations under the applicable financing agreement. We cannot assure prospective investors that such covenants will not hinder our business development and growth in the future. In the event that we breach any of these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately. Defaults under one or more of our Company's financing agreements may limit our flexibility in operating our business, which could have an adverse effect on our cash flows, business, results of operations and financial condition. Such restrictive covenants may restrict our flexibility in managing our business and could, in turn, adversely affect our business and prospects.

Compliance with the various terms of such financing arrangements, however, is subject to interpretation and there can be no assurance that we have requested or received all relevant consents from our lenders as contemplated under our financing arrangements. It may be possible for a lender to assert that we have not complied with all applicable terms under our existing financing documents. Any failure to comply with the requirement to obtain a consent, or other condition or covenant under our financing agreements that is not waived by our lenders or is not otherwise cured by us, may lead to a termination of our credit facilities, could render all amounts outstanding due and payable resulting in the acceleration of amounts due under such facilities, and may materially and adversely affect our ability to conduct our business and operations or implement our business plans. Further we cannot assure that we will have adequate funds at all times to repay these credit facilities and may also be subject to demands for the payment of penal interest.

36. Our insurance coverage may not be adequate to cover all losses or liabilities that we may incur in our business and operations

While our Company has covered itself against certain risks, our insurance coverage is limited. Our significant insurance policies consist of coverage for risks related to burglary, fire and perils. While our Company has obtained coverage for its offices and its other assets may not be covered in full or at all. We maintain insurance policies customary for our industry to cover certain risks, including standard fire and special perils, burglary, marine insurance policy, group health insurance policy and officers liability insurance policy.

Notwithstanding the insurance coverage that we carry, the occurrence of an event that causes losses in excess of the limits specified in our policies, or losses arising from events not covered by insurance policies, could harm our financial condition, business and future results of operations. We cannot provide any assurance that our insurance will be sufficient or effective under all circumstances and against all risks to which we may be subject. However, in some cases, we may not have obtained the required insurance coverage or such insurance policies may have lapsed. For instance, we currently do not maintain any insurance against cyber-crime. In addition, our insurance policies may not continue to be available on reasonable terms, at economically acceptable premiums, or at all. There can be no assurance that any claims filed will be honoured fully or timely under our insurance policies. Also, our financial condition may be affected to the extent we suffer any loss or damage that is not covered by insurance or which exceeds our insurance coverage.

37. We are exposed to foreign currency exchange rate fluctuations.

Our Company is exposed to foreign currency exchange rate risks primarily in relation to the imports of STBs. Accordingly, any adverse movements in foreign exchange rates may adversely impact our financial performance with respect to procurement costs and payables. Although we have been entering into forward contracts and swaps to hedge against our foreign exchange risks, we cannot assure that we will continue to enter into forward contracts or swaps in the future and any such lack of hedging may expose us to foreign exchange currencies fluctuation, which may have an adverse impact on our business, results of operations and financial conditions.

38. Industry information included in this Draft Letter of Offer has been derived from an industry report on 'Media and Entertainment – Annual Review 2021' and 'Telecom Data Services – 2021' issued by CRISIL. There can be no assurance that such third party statistical, financial and other industry data in this Draft Letter of Offer may be complete or reliable.

Statistical and industry data used throughout this Draft Letter of Offer has been obtained from an industry report on 'Media and Entertainment – Annual Review 2021' and 'Telecom Data Services – 2021' issued by CRISIL. This report is subject to various limitations and based upon certain assumptions that are subjective in nature. We have not independently verified third party statistical, financial and other industry information from this industry report. Further, some of the industry data and information may be dated. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the Lead Manager or any of our or their affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Draft Letter of Offer.

EXTERNAL RISKS

Risks Relating to India

39. Our business is affected by prevailing economic, political and other prevailing conditions in India and the markets we currently service.

Our results of operations and financial condition depend significantly on prevailing economic conditions in India and our results of operations are affected by factors influencing the Indian economy. Various factors may lead to a slowdown in the Indian, which in turn may adversely impact our business, prospects, financial performance and operations. In the past, the Indian economy has been affected by global economic uncertainties, liquidity crisis, domestic policies, global political environment, volatility in interest rates, currency exchange rates, commodity and electricity prices, volatility in inflation rates and various other factors. Accordingly, high rates of inflation in India could increase our employee costs and decrease our operating margins, which could have an adverse effect on our results of operations. Any slowdown in the economy of the markets in which we operate may adversely affect our business and financial performance of our business and operation.

40. A third party could be prevented from acquiring control of us because of the anti-takeover provisions under Indian law.

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company. Under the takeover regulations, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or would otherwise be beneficial to our Shareholders, such a takeover may not be attempted or consummated because of the takeover regulations.

41. The occurrence of natural or man-made disasters could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, pandemic disease and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

42. *Significant differences exist between Ind AS and other accounting principles, such as IFRS and U.S. GAAP, which may be material to investors' assessment of our financial condition.*

Ind AS differs from other accounting principles with which prospective investors may be familiar, such as IFRS and U.S. GAAP. We have not attempted to quantify the impact of U.S. GAAP or IFRS on the financial data included in this Draft Letter of Offer, nor do we provide a reconciliation of our financial statements to those of U.S. GAAP or IFRS. U.S. GAAP and IFRS differ in significant respects from Ind AS. Accordingly, the degree to which the Ind AS financial statements, which are included in this Draft Letter of Offer will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Letter of Offer should accordingly be limited.

43. *Rights of shareholders under Indian laws may differ from the laws of other jurisdictions.*

Our articles of association and Indian law govern our corporate affairs. Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and shareholders' rights may differ from those that would apply to a company in another jurisdiction. Shareholders' rights including in relation to class actions, under Indian law may not be as extensive as shareholders' rights under the laws of other countries or jurisdictions.

44. *Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.*

Our Equity Shares are quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time that it takes to undertake such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating outside India the proceeds from a sale of Equity Shares, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. The exchange rate between the Rupee and other currencies (such as the U.S. dollar) has changed substantially in the past and could fluctuate substantially in the future, which may have an adverse effect on the value of our Equity Shares and returns from the Equity Shares in foreign currency terms, independent of our results of operations.

45. *A decline in India's foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect us.*

A decline or future material decline in India's foreign exchange reserves could impact the valuation of the Rupee and could result in reduced liquidity and higher interest rates which could adversely affect our business, results of operations and financial condition.

46. *Any downgrading of India's debt rating by an international rating agency could adversely affect our business.*

India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. In the past, rating agencies have downgraded India's sovereign rating. Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on our business and financial performance, ability to obtain financing for capital expenditures and the price of the Equity Shares.

47. *Companies operating in India are subject to a variety of central and state government taxes and surcharges.*

Tax and other levies imposed by the central and state governments in India that affect our tax liability include central and state taxes and other levies, income tax, value added tax, turnover tax, service tax, stamp duty and other special taxes and surcharges which are introduced on a temporary or permanent basis from time to time. Moreover, the central and state tax scheme in India is extensive and subject to change from time to time. The central or state government may in the future further increase the corporate income tax it imposes. Any such future increases or amendments may affect the overall tax efficiency of companies operating in India and may result in significant additional taxes becoming payable. Additional tax exposure could adversely affect our business and results of operations.

48. Investors may have difficulty enforcing judgments against us or our management.

Our Company is incorporated under the laws of India. All of our Directors are residents of India and a substantial portion of our assets and the assets of our Directors are located in India. As a result, investors may find it difficult to (i) effect service of process upon us or these directors and executive officers in jurisdictions outside of India, (ii) enforce court judgments obtained outside of India, (iii) enforce, in an Indian court, court judgments obtained outside of India, and (iv) obtain expeditious adjudication of an original action in an Indian court to enforce liabilities.

Recognition and enforcement of foreign judgments is provided for under Section 13 and Section 44A of the Civil Procedure Code, on a statutory basis. Section 13 of the Civil Procedure Code provides that a foreign judgment shall be conclusive regarding any matter directly adjudicated upon between the same parties or parties litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. However, Section 44A of the Civil Procedure Code provides that a foreign judgment rendered by a superior court (within the meaning of that section) in any jurisdiction outside India which the Government has by notification declared to be a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a competent court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalties and does not include arbitration awards.

Amongst other jurisdictions, the United Kingdom of Great Britain and Northern Ireland, Republic of Singapore, Hong Kong and United Arab Emirates, have been declared by the Government to be reciprocating territories for the purposes of Section 44A of the Civil Procedure Code, but the USA has not been so declared. A judgment of a court in a jurisdiction which is not a reciprocating territory may be enforced only by a fresh suit upon the judgment and not by proceedings in execution. The suit must be brought in India within three years from the date of the foreign judgment in the same manner as any other suit filed to enforce a civil liability in India. It is unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it is unlikely that an Indian court would enforce foreign judgments if it viewed that the amount of damages awarded as excessive or inconsistent with public policy of India. Further, any judgment or award in a foreign currency would be converted into Rupees on the date of such judgment or award and not on the date of payment. A party seeking to enforce a foreign judgment in India is required to obtain approval from the RBI to repatriate outside India any amount recovered, and any such amount may be subject to income tax in accordance with applicable laws.

Risks relating to our Equity Shares and this Issue including the Rights Equity Shares

49. A significant portion of the Net Proceeds is proposed to be utilized for repaying outstanding borrowings to Hinduja Group Limited and Hinduja Realty Ventures Limited who are part of our Promoters and Promoter Group.

The Net Proceeds of the Issue are proposed to be utilised for repayment or prepayment of all or a portion of certain outstanding borrowings availed by our Company to the extent of ₹26,000.00 lakhs of which a significant portion is proposed to be repaid to Hinduja Group Limited, one of our Promoters and to Hinduja Realty Ventures Limited, a member of our Promoter Group. For further details, see "*Objects of the Issue*" on page 50.

50. Failure to exercise or sell the Rights Entitlements will cause the Rights Entitlements to lapse without compensation and result in a dilution of shareholding.

The Rights Entitlements that are not exercised prior to the end of the Issue Closing Date will expire and become null and void, and Eligible Equity Shareholders will not receive any consideration for them. The proportionate ownership and voting interest in our Company of Eligible Equity Shareholders who fail (or are not able) to exercise their Rights Entitlements will be diluted. Even if you elect to sell your unexercised Rights Entitlements, the consideration you receive for them may not be sufficient to fully compensate you for the dilution of your percentage ownership of the equity share capital of our Company that may be caused as a result of the Issue. Renouncee(s) may not be able to apply in case of failure in completion of renunciation through off-market transfer in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) prior to the Issue Closing Date. Further, in case, the Rights Entitlements do not get credited in time, in case of On Market Renunciation, such Renouncee will not be able to apply in this Issue with respect to such Rights Entitlements.

51. The Rights Entitlement of Eligible Equity Shareholders holding Equity Shares in physical form ("Physical Shareholders") may lapse in case they fail to furnish the details of their demat account to the Registrar.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only and the Physical Shareholders will not have the option of getting the allotment of Rights Equity Shares in physical form. Accordingly, the Rights Entitlements of the Physical Shareholders shall be credited in a suspense escrow demat account opened by our Company during the Issue Period. The Physical Shareholders are requested to furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date to enable the credit of their Rights Entitlements in their demat accounts at least one day before the Issue Closing Date. The Rights Entitlements of the Physical Shareholders who do not furnish the details of their demat account to the Registrar not later than two Working Days prior to the Issue Closing Date, shall lapse.

Further, pursuant to a press release dated December 3, 2018 issued by the SEBI, with effect from April 1, 2019, a transfer of listed Equity Shares cannot be processed unless the Equity Shares are held in dematerialized form (except in case of transmission or transposition of Equity Shares).

52. Our Company will not distribute the Issue Materials to certain overseas Shareholders who have not provided an address in India for service of documents.

We will dispatch the Letter of Offer, Abridged Letter of Offer, Application Form and Rights Entitlement Letter (the "**Issue Materials**") to the shareholders who have provided an address in India for service of documents. The Issue Materials will not be distributed to addresses outside India on account of restrictions that apply to circulation of such materials in overseas jurisdictions. However, the Companies Act requires companies to serve documents at any address, which may be provided by the members as well as through e-mail.

While we have requested all the shareholders to provide an address in India for the purposes of distribution of Issue Materials, we cannot assure you that the regulator or authorities would not adopt a different view with respect to compliance with the Companies Act and may subject us to fines or penalties.

53. Applicants to the Issue are not allowed to withdraw their Applications after the Issue Closing Date.

In terms of the SEBI ICDR Regulations, Applicants in this Issue are not allowed to withdraw their Applications after the Issue Closing Date. The Allotment in this Issue and the credit of such Equity Shares to the Applicant's demat account with its depository participant shall be completed within such period as prescribed under the applicable laws. There is no assurance, however, that material adverse changes in the international or national monetary, financial, political or economic conditions or other events in the nature of force majeure, material adverse changes in our business, results of operation or financial condition, or other events affecting the Applicant's decision to invest in the Rights Equity Shares, would not arise between the Issue Closing Date and the date of Allotment in this Issue. Occurrence of any such events after the Issue Closing Date could also impact the market price of our Equity Shares. The Applicants shall not have the right to withdraw their applications in the event of any such occurrence. We cannot assure you that the market price of the Equity Shares will not decline below the Issue Price. To the extent the market price for the Equity Shares declines below the Issue Price after the Issue Closing Date, the shareholder will be required to purchase Rights Equity Shares at a price that will be higher than the actual market price for the Equity Shares at that time. Should that occur, the shareholder will suffer an immediate unrealized loss as a result. We may complete the Allotment even if such events may limit the Applicants' ability to sell our Equity Shares after this Issue or cause the trading price of our Equity Shares to decline.

54. SEBI has recently streamlined the process of rights issues. You should follow the instructions carefully, as stated in relevant SEBI circulars, and in this Draft Letter of Offer.

The concept of crediting Rights Entitlements into the demat accounts of the Eligible Equity Shareholders has recently been introduced by the SEBI. Accordingly, the process for such Rights Entitlements has been recently devised by capital market intermediaries. Eligible Equity Shareholders are encouraged to exercise caution, carefully follow the requirements as stated in the SEBI Rights Issue Circulars, and ensure completion of all necessary steps in relation to providing/updating their demat account details in a timely manner. For details, see "*Terms of the Issue*" on page 212.

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or suspended for debit/credit or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings.

55. The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.

In accordance with the R-WAP Circulars, a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.kfintech.com), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. On R-WAP, the resident Investors can access and fill the Application Form in electronic mode and make online payment using the internet banking or UPI facility from their own bank account thereat. For details, see "*Terms of the Issue – Procedure for Application through R-WAP*" on page 223. Such payment gateways and mechanisms are faced with risks such as:

- keeping information technology systems aligned and up to date with the rapidly evolving technology;
- payment services industries;
- scaling up technology infrastructure to meet requirements of growing volumes;
- applying risk management policy effectively to such payment mechanisms;
- keeping users' data safe and free from security breaches; and
- effectively managing payment solutions logistics and technology infrastructure.

Investors should also note that only certain banks provide a net banking facility by way of which payments can be made on the R-WAP platform. In the event that your bank does not provide such facility, you will have to use an UPI ID to make a payment. Further, R-WAP is a new facility which has been instituted due to challenges arising out of COVID-19 pandemic. We cannot assure you that R-WAP facility will not suffer from any unanticipated system failure or breakdown or delay, including failure on the part of the payment gateway, and therefore, your Application may not be completed or rejected. These risks are indicative and any failure to manage them effectively can impair the efficacy and functioning of the payment mechanism for this Issue. Since Application process through R-WAP is different from the ASBA process, there can be no assurance that investors will not find difficulties in accessing and using the RWAP facility.

56. *Any future issuance of the Equity Shares, or convertible securities by our Company may dilute your future shareholding and sales of the Equity Shares by our Promoters or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.*

Any future issuance of the Equity Shares, or convertible securities by our Company, including through exercise of employee stock options or restricted stock units may lead to dilution of your shareholding in our Company, adversely affect the trading price of the Equity Shares and our ability to raise capital through an issue of our securities. Further, any future sales of the Equity Shares by the Promoters and members of our Promoter Group, or other major shareholders of our Company may adversely affect the trading price of the Equity Shares.

57. *Investors may be subject to Indian taxes arising out of capital gains on the sale of our Equity Shares and Rights Entitlements.*

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares of an Indian company are generally taxable in India. As per Finance Act, 2018, long term capital gains exceeding ₹1 Lakh arising from sale of equity shares on or after April 1, 2018 is taxable. Accordingly, you may be subject to payment of long-term capital gains tax in India, in addition to payment of STT, on the sale of any Equity Shares held for more than 12 months. STT will be levied on and collected by a domestic stock exchange on which the Equity Shares are sold.

Further, any gain realized on the sale of listed equity shares held for a period of 12 months or less will be subject to short-term capital gains tax in India. Capital gains arising from the sale of the Equity Shares may be partially or completely exempt from taxation in India in cases where such exemption is provided under a treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India's ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdiction on gains made upon the sale of the Equity Shares.

58. *You may not receive the Equity Shares that you subscribe in the Issue until approximately fifteen days after the date on which this Issue closes, which will subject you to market risk.*

The Equity Shares that you subscribe in the Issue may not be credited to your demat account with the depository participants until approximately 15 days from the Issue Closing Date. You can start trading such Equity Shares only after receipt of the listing and trading approval in respect thereof. There can be no assurance that the Equity Shares allocated to you will be credited to your demat account, or that trading in the Equity Shares will commence within the specified time period, subjecting you to market risk for such period.

59. *There is no guarantee that our Equity Shares will be listed or continue to be listed, on the Indian Stock Exhcanges or that the Rights Equity Shares will be listed thereon in a timely manner or at all, and prospective investor will not be able to immediately sell their Equity Shares on a Stock Exchange.*

In accordance with Indian law and practice, final approval for listing and trading of the Rights Equity Shares will not be granted by the Stock Exchange until after those Rights Equity Shares have been issued and allotted. Approval will require all relevant documents authorizing the issuing of Equity Shares to be submitted. There could be a failure or delay in listing the Rights Equity Shares on Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to dispose of your Equity Shares.

60. *Any trading closures at the Stock Exchanges may adversely affect the trading prices of our Equity Shares.*

Secondary market trading in our Equity Shares may be halted by a stock exchange because of market conditions or other reasons. Additionally, an exchange or market may also close or issue trading halts on specific securities, or the ability to buy or sell certain securities or financial instruments may be restricted, which may adversely impact the ability of our shareholders to sell the Equity Shares or the price at which shareholders may be able to sell their Equity Shares at a particular point in time.

61. Holders of Equity Shares could be restricted in their ability to exercise pre-emptive rights under Indian law and could thereby suffer future dilution of their ownership position.

Under the Companies Act, any company incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of shares to maintain their existing ownership percentages prior to the issuance of any new equity shares, unless the pre-emptive rights have been waived by the adoption of a special resolution by holders of three-fourths of the shares voted on such resolution, unless our Company has obtained government approval to issue without such rights. However, if the law of the jurisdiction that you are in does not permit the exercise of such pre-emptive rights without us filing an offering document or registration statement with the applicable authority in such jurisdiction, you will be unable to exercise such pre-emptive rights unless we make such a filing. We may elect not to file a registration statement in relation to pre-emptive rights otherwise available by Indian law to you. To the extent that you are unable to exercise pre-emptive rights granted in respect of the Equity Shares, your proportional interests in us would be reduced.

62. There may be less information available in the Indian securities markets than in more developed securities markets in other countries.

There is a difference between the level of regulation and monitoring of the Indian securities markets and that of the activities of investors, brokers and other participants in securities markets in more developed economies. SEBI is responsible for monitoring disclosure and other regulatory standards for the Indian securities market. SEBI has issued regulations and guidelines on disclosure requirements, insider trading and other matters. There may be less publicly available information about Indian companies than is regularly made available by public companies in more developed countries pursuant to such disclosure requirements, which could adversely affect the market for our Equity Shares. As a result, investors may have access to less information about our business, financial condition, cash flows and results of operation, on an ongoing basis, than investors in companies subject to the reporting requirements of other more developed countries.

63. There may not be an active or liquid market for our Equity Shares, which may cause the price of the Equity Shares to fall and may limit your ability to sell the Equity Shares.

The price at which the Equity Shares will trade after this Issue will be determined by the marketplace and may be influenced by many factors, including:

- our financial results and the financial results of the companies in the businesses we operate in;
- the history of, and the prospects for, our business and the sectors in which we compete;
- the valuation of publicly traded companies that are engaged in business activities similar to us; and
- significant developments in India’s economic liberalization and deregulation policies.

In addition, the Indian equity share markets have from time to time experienced significant price and volume fluctuations that have affected the market prices for the securities of Indian companies. As a result, investors in the Equity Shares may experience a decrease in the value of the Equity Shares regardless of our operating performance or prospects.

SECTION III – INTRODUCTION

THE ISSUE

This Issue has been authorised through a resolution passed by our Board at its meeting held on May 13, 2021, pursuant to Section 62(1)(a) of the Companies Act, 2013.

The following is a summary of this Issue, and should be read in conjunction with and is qualified entirely by, the information detailed in "*Terms of the Issue*" on page 212.

Rights Equity Shares proposed to be issued	Up to 96,20,463 Rights Equity Shares.
Rights Entitlements*	2 (two) Rights Equity Shares for every 5 (five) Equity Shares held on the Record Date.
Record Date	[●]
Face value per Equity Share	₹ 10
Issue Price per Rights Equity Share	₹ 300 per Rights Equity Share (including premium of ₹ 290 per Rights Equity Share).
Issue Size	Up to ₹ 28,861.39 lakhs* **Assuming full subscription.*
Equity Shares issued, subscribed and paid-up prior to the Issue	2,40,51,158 Equity Shares of ₹10 each
Equity Shares subscribed and paid-up after the Issue (assuming full subscription for and allotment of the Rights Equity Shares)	3,36,71,621 Equity Shares of ₹ 10 each
Security Codes	**ISIN:** INE353A01023 **BSE:** 500189 **NSE:** NXTDIGITAL **ISIN for Rights Entitlements:** [●]
Use of Issue Proceeds	For details, see "*Objects of the Issue*" on page 50.
Terms of the Issue	For details, see "*Terms of the Issue*" on page 212.
Terms of Payment	The full amount of the Issue Price being ₹ 300 will be payable on application.

**For Rights Equity Shares being offered on a rights basis under this Issue, if the shareholding of any of the Eligible Equity Shareholders is less than 5 (five) Equity Shares or is not in multiples of 5 (five), the fractional entitlement of such Eligible Equity Shareholders shall be ignored for computation of the Rights Entitlements. However, Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preference in the Allotment of one additional Rights Equity Share each, if such Eligible Equity Shareholders have applied for additional Rights Equity Shares over and above their Rights Entitlements.*

GENERAL INFORMATION

Our Company was originally incorporated as "*Mitesh Mercantile & Financing Limited*", as a public limited company under the Companies Act, 1956, in the state of Maharashtra, pursuant to certificate of incorporation dated July 18, 1985, issued by the RoC. Our Company received its certificate of commencement of business on August 6, 1985, issued by the RoC. The name of our Company was changed to "*Hinduja Finance Corporation Limited*" pursuant to fresh certificate of incorporation consequent on change of name dated March 31, 1995, issued by the RoC. The name of our Company was further changed to "*Hinduja TMT Limited*" pursuant to fresh certificate of incorporation consequent on change of name dated June 8, 2001, issued by the RoC. The name of our Company was further changed to "*Hinduja Ventures Limited*" pursuant to fresh certificate of incorporation consequent up on change of name dated October 23, 2007, issued by the RoC. The name of our Company was further changed to its present name "*NXTDIGITAL Limited*" pursuant to a certificate of incorporation pursuant to change of name dated October 25, 2019, issued by the RoC.

Registered and Corporate Office

IN CENTRE, 49/50 MIDC,
12th Road, Andheri (East),
Mumbai – 400 093, Maharashtra, India

Except as below, there has been no change in the address of Registered Office of the Company since incorporation:

Effective Date	Details of change in the address of the Registered Office	Reason for change in the Registered Office
October 5, 1994	From 310, Chruchgate Chambers, 5, New Marine Lines, Bombay – 400 020 to 3-C, Maker Bhavan No. 2, 18, New Marine Lines, Bombay – 400 020	Administrative convenience
December 28, 1994	From 3-C, Maker Bhavan No. 2, 18, New Marine Lines, Bombay – 400 020 to Hinduja House, Dr. Annie Besant Road, Worli, Bombay – 400 018	Administrative convenience
December 1, 2005	Hinduja House, Dr. Annie Besant Road, Worli, Bombay – 400 018 to IN CENTRE, 49/50 MIDC, 12th Road, Andheri (East), Mumbai – 400 093	Administrative convenience

Corporate Identity Number: L51900MH1985PLC036896

Registration Number: 036896

Address of the Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra, at Mumbai, which is situated at the following address:

Registrar of Companies
100, Everest,
Marine Drive,
Mumbai 400 002,
Maharashtra, India

Company Secretary and Compliance Officer

Mr. Ashish Pandey is our Company Secretary and Compliance Officer of the Company. His contact details are as follows:

Ashish Pandey
IN CENTRE, 49/50 MIDC,
12th Road,
Andheri (East), Mumbai – 400 093,
Maharashtra, India
Telephone: +91 22 2820 8585
E-mail: investorgrivences@nxtdigital.in

Lead Manager to the Issue

Vivro Financial Services Private Limited
607/608 Marathon Icon,
Opp. Peninsula Corporate Park,
Off. Ganpatrao Kadam Marg,
Veer Santaji Lane, Lower Parel,
Mumbai – 400013 Maharashtra, India.
Telephone: +91 22 6666 8040;
Email: nxtdigital.rights@vivro.net
Website: www.vivro.net
Investor Grievance Email: investors@vivro.net
Contact Person: Mr. Yogesh Malpani / Mr. Bhargav Parekh
SEBI Registration Number: INM000010122

Legal Advisor to the Issue as to Indian Law

M/s. Crawford Bayley & Co.
4th Floor, State Bank Building
N.G.N Vaidya Marg, Fort
Mumbai – 400 023
Maharashtra, India
Telephone: +91 22 2266 3353
E-mail: sanjay.asher@crawfordbayley.com

Registrar to the Issue

KFin Technologies Private Limited
Selenium Tower – B, Plot 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad 500 032
Telangana, India.
Tel: +91 40 6716 2222
Email: nxtdigital.rights@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration Number: INR000000221

Investors may contact Company Secretary and Compliance Officer for any pre-Issue or post-Issue related matters. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), E-mail address of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process) or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form or the plain paper application, as the case may be, was submitted by the Investors along with a photocopy of the acknowledgment slip (in case of ASBA process) and copy of the e-ackonwledgment (in case of R-WAP process). For details on the ASBA process and R-WAP process, see "*Terms of the Issue*" on page 212.

Statutory Auditors of our Company

Haribhakti & Co. LLP
Chartered Accountants
705, Leela Business Park
Andheri Kurla Road,
Andheri (E), Mumbai – 400 059
Tel: +91 22 6672 9999
Peer review number: 010030
Firm Registration Number: 103523W/W100048
Membership No.: 048539
Email: snehal.shah1@haribhakti.co.in
Contact Person: Snehal Shah

Expert

Our Company has received a written consent from our Statutory Auditors, Haribhakti & Co. LLP, Chartered Accountants, to include their name in this Draft Letter of Offer and other issue related documents as an "expert", as defined under Section 2(38) of the Companies Act 2013, to the extent and in their capacity as statutory auditors of our Company and in respect of the inclusion of their report on the Audited Consolidated Financial Statements, and the statement of tax benefits dated July 30, 2021, included in this Draft Letter of Offer, and such consent has not been withdrawn as of the date of this Draft Letter of Offer. However, the term "expert" shall not be construed to mean an "expert" as defined under the Securities Act, 1933.

Banker(s) to the Company

Yes Bank Limited
Yes Bank House, Off Western Express Highway, Santacruz (East), Mumbai – 400 055
Contact Person: Ritesh Jain (Group Executive Vice President)
Telephone: +91 2233479695
E-mail: ritesh.jain2@yesbank.in
Website: www.yesbank.in
CIN: L65190MH2003PLC143249

Axis Bank Limited
Corporate Banking Branch Mumbai, 12A Mittal Tower, 1st Floor, Nariman Point, Mumbai – 400 021
Contact Person: CBBMumbai Branch Head
Telephone: +91 22 22895266
E-mail: cbbmumbai.branchhead@axisbank.com
Website: www.axisbank.com
CIN: L65110GJ1993PLC020769

Banker(s) to the Issue/ Refund Bank

[●]

Self-Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes and updated from time to time. For a list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries and updated from time to time, please refer to the above-mentioned link.

Issue Schedule

The subscription will open upon the commencement of the banking hours and will close upon the close of banking hours on the dates mentioned below:

Last Date for credit of Rights Entitlements	[●]
Issue Opening Date	[●]
Last Date for On Market Renunciation of Rights Entitlements#	[●]
Issue Closing Date*	[●]

Finalization of Basis of Allotment (on or about)	[●]
Date of Allotment (on or about)	[●]
Date of credit (on or about)	[●]
Date of listing (on or about)	[●]

[#]*Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncee(s) on or prior to the Issue Closing Date.*
[*]*Our Board or a duly authorized committee thereof will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.*

The above schedule is indicative and does not constitute any obligation on our Company or the Lead Manager.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, i.e., [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date, i.e., [●].

Investors are advised to ensure that the Applications are submitted on or before the Issue Closing Date. Our Company, the Lead Manager or the Registrar to the Issue will not be liable for any loss on account of non-submission of Applications on or before the Issue Closing Date. Further, it is also encouraged that the applications are submitted well in advance before Issue Closing Date, due to prevailing COVID-19 related conditions. For details on submitting Application Forms, see "*Terms of the Issue*" beginning on page 212.

Please note that if no Application is made by the Eligible Equity Shareholders of Rights Entitlements on or before Issue Closing Date, such Rights Entitlements shall get lapsed and shall be extinguished after the Issue Closing Date. No Equity Shares for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and purchaser will lose the amount paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Equity Shares offered under Rights Issue for subscribing to the Equity Shares offered under Issue.

The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar at https://rights.kfintech.com after keying in their respective details along with other security control measures implemented there at. For further details, see "*Terms of the Issue*" on page 212.

Statement of Responsibilities

Vivro Financial Services Private Limited is the sole Lead Manager to the Issue, and shall be responsible for all the following activities relating to co-ordination and other activities in relation to the Issue:

Sr. No.	Activity
1.	Capital structuring with the relative components and formalities such type of instrument, number of instruments to be issued, etc.
2.	Coordination for drafting and design of the Draft Letter of Offer and Letter of Offer as per the SEBI ICDR Regulations, SEBI Listing Regulations and other stipulated requirements and completion of prescribed formalities with the Stock Exchanges and SEBI
3.	Assist in drafting, design of the Abridged Letter of Offer, Application Form, Rights Entitlement Letter etc.
4.	Selection of various agencies connected with Issue, such as Registrar to the Issue, printers, advertising agencies, Monitoring Agency, etc., as may be applicable and co-ordination for finalisation and execution of the respective agreements
5.	Liasoning with the Stock Exchanges for obtaining in-principle approval and completion of prescribed formalities with the Stock Exchanges and SEBI.

Sr. No.	Activity
6.	Assist in drafting and approval of all statutory advertisements
7.	Drafting and approval of all publicity material including corporate advertisement, brochure, corporate films, etc.
8.	Co-ordination with Stock Exchange and formalities for use of online software, bidding terminal, mock trading, etc. including submission of 1% deposit
9.	Formulation and coordination of marketing strategy, including, inter alia, distribution of publicity and Issue-related materials including application form, brochure and Letter of Offer and coordination for queries related to retail investors.
10.	Post-issue activities, which shall involve essential follow-up steps including follow-up with bankers to the issue and Self Certified Syndicate Banks to get quick estimates of collection and advising the Company about the closure of the issue, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, demat credit and refunds and coordination with various agencies connected with the post-issue activity such as registrar to the issue, bankers to the issue, Self-Certified Syndicate Banks, etc. and coordination of underwriting arrangement, if any

Credit Rating

As the proposed Issue is of Rights Equity Shares, the appointment of a credit rating agency is not required.

Debenture Trustee

As the proposed Issue is of Rights Equity Shares, the appointment of debenture trustee is not required.

Monitoring Agency

Our Company has appointed [●] as the Monitoring Agency for the Issue, in accordance with Regulation 82 of the SEBI ICDR Regulations. The details of the Monitoring Agency are as follows:

[●]

Appraising Entity

None of the purposes for which the Net Proceeds are proposed to be utilized have been appraised by any banks or financial institution or any other independent agency.

Underwriting

This Issue is not underwritten and our Company has not entered into any underwriting arrangement.

Filing

This Draft Letter of Offer has been filed with SEBI for its observations at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India for its observations and through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011dated January 19, 2018) issued by the SEBI, and with the Stock Exchanges. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Draft Letter of Offer to the email address: cfddil@sebi.gov.in.

After SEBI gives its observations, the final Letter of Offer will be filed with SEBI and the Stock Exchanges as per the provisions of the SEBI ICDR Regulations.

Minimum Subscription

In accordance with Regulation 86 of SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws. The above is subject to the terms mentioned under "*Terms of the Issue*" on page 212.

CAPITAL STRUCTURE

The share capital of our Company as on the date of this Draft Letter of Offer (before and after the Issue) is set forth below:

(Amount in ₹ Lakhs)

Particulars	Aggregate value at nominal value	Aggregate value at issue price
AUTHORISED SHARE CAPITAL		
8,70,00,000 Equity Shares of ₹10 each	8,700.00	–
30,00,000 Preference Shares of ₹10 each	300.00	–
1,000 Preference Shares of ₹100 each	1.00	–
Total	**9,001.00**	–
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE		
2,40,51,158 Equity Shares of ₹10 each	2,405.12	–
Total	**2,405.12**	–
PRESENT ISSUE IN TERMS OF THIS DRAFT LETTER OF OFFER(1)		
Up to 96,20,463 Rights Equity Shares of face value of ₹ 10 each for cash at a price of ₹ 300 per Rights Equity Share (including a securities premium of ₹ 290 per Rights Equity Share)	962.05	28,861.39
ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE(2)		
3,36,71,621 Equity Shares of ₹10 each	3,367.16	
Total	**3,367.16**	
SECURITIES PREMIUM		
Before the Issue *(₹ in lakhs)*		670.58
After the Issue *(₹ in lakhs)*		28,569.92*

(1) The Issue has been authorised by our Board of Directors vide a resolution passed at its meeting held on May 13, 2021.

(2) Assuming full subscription to the Rights Entitlements and Allotment of the Rights Equity Shares.

** Subject to finalisation of Basis of Allotment, Allotment and deduction of Issue expenses.*

NOTES TO CAPITAL STRUCTURE:

1. **Details of outstanding instruments as on the date of this Draft Letter of Offer:**

   There are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Draft Letter of Offer. Further, Our Company does not have any employee stock option scheme or employee stock purchase scheme

2. Except as disclosed under the heading titled "*Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on June 30, 2021*" in this chapter, no Equity Shares held by our Promoters or Promoter Group have been locked-in, pledged or encumbered as of the date of this Draft Letter of Offer.

3. Except as mentioned below, our Promoters and Promoter Group have not acquired any Equity Shares in the last one year immediately preceding the date of filing of this Draft Letter of Offer.

Sr. No.	Name of shareholder	No. of Equity Shares acquired	Mode of Acquisition	Date of Acquisition
1.	Hinduja Group Limited	1,00,000	Open Market (Inter-se transfer)	June 07, 2021
2.	Amas Mauritius Limited	4,09,103	Pursuant to scheme of arrangement	August 28, 2020
3.	Hinduja Group Limited	10,00,000	Open Market (Inter-se transfer)	August 27, 2020

4. **Intention and extent of participation by our Promoters and Promoter Group**

Pursuant to letter dated July 29, 2021, Mr Ashok Parmanand Hinduja ("**Subscription Letter**"), has confirmed that he along with other Promoters and certain members of Promoter Group of our Company, intend to subscribe, jointly and / or severally, to the full extent of their Rights Entitlements (including through subscription of any Rights Entitlements renounced in their favour by any other Promoter or member(s) of the Promoter Group of our Company). Further, our Promoters and certain members of the Promoter Group also reserve the right to subscribe to Additional Rights Equity Shares, over and above their Rights Entitlements for ensuring minimum subscription in the Issue as required under the SEBI ICDR Regulations and subscribe to unsubscribed portion of the Issue, if any subject to compliance with the minimum public shareholding requirements, as prescribed under the SCRR and the SEBI Listing Regulations.

The acquisition of Additional Rights Equity Shares by our Promoters and members of our Promoter Group, over and above their Rights Entitlements, if any, shall not result in a change of control of the management of our Company and shall be in accordance with provisions of the SEBI SAST Regulations. Our Company is in compliance with Regulation 38 of the SEBI Listing Regulations and will continue to comply with the minimum public shareholding requirements under applicable law, pursuant to this Issue.

5. The ex-rights price of the Equity Shares as per Regulation 10(4)(b) of the SEBI SAST Regulations is ₹ 443.90.

6. At any given time, there shall be only one denomination of the Equity Shares of the Company.

7. All Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Draft Letter of Offer. Further, the Rights Equity Shares allotted pursuant to the Issue, shall be fully paid up.

8. **Shareholding pattern of our Company as per the last quarterly filing with the Stock Exchange in compliance with the SEBI Listing Regulations:**

   a) The shareholding pattern of our Company as on June 30, 2021, can be accessed on the website of the BSE at https://www.bseindia.com/stock-share-price/nxtdigital-ltd/nxtdigital/500189/shareholding-pattern/ and NSE at https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company&param=NXTDIGITAL.

   b) Statement showing holding of Equity Shares of the Promoters and Promoter Group including details of lock-in, pledge of and encumbrance thereon, as on June 30, 2021 can be accessed on the website of the BSE at: https://www.bseindia.com/corporates/shpPromoterNGroup.aspx?scripcd=500189&qtrid=109.00&QtrName=June%202021 and NSE at https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company&param=NXTDIGITAL.

   c) Statement showing holding of Equity Shares of persons belonging to the category "Public" including shareholders holding more than 1% of the total number of Equity Shares as on June 30, 2021 can be accessed on the website of the BSE at https://www.bseindia.com/corporates/shpPublicShareholder.aspx?scripcd=500189&qtrid=109.00&QtrName=June%202021 and NSE at https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company&param=NXTDIGITAL.

9. Details of Shareholders holding more than 1% of the issued, subscribed and paid-up Equity Share capital.

The details of shareholders of our Company holding more than 1% of the issued, subscribed and paid -up Equity Share capital of our Company, as on June 30, 2021 are available at https://www.bseindia.com/stock-share-price/nxtdigital-ltd/nxtdigital/500189/shareholding-pattern/ and https://www1.nseindia.com/corporates/corporateHome.html?id=spatterns&radio_btn=company&param=NXTDIGITAL.

OBJECTS OF THE ISSUE

Our Company intends to utilize the proceeds raised through the Issue, after deducting Issue related expenses ("**Net Proceeds**") towards the following objects:

a. Repayment and /or prepayment, of all or a portion of certain outstanding borrowings including interest availed by our Company; and

b. General corporate purposes.

(Collectively, referred to herein as the "**Objects**").

The main objects and objects incidental and ancillary to the main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing business activities.

Issue Proceeds and Net Proceeds

The details of the Issue Proceeds are set out below:

(in ₹ lakhs)

Particulars	Estimated amount
Gross proceeds of the Issue*	Up to 28,861.39
Less: Estimated issue related expenses**	[●]
Net Proceeds	[●]

* *Assuming full subscription in the Issue and subject to finalization of the Basis of Allotment.*
***See "- Estimated Issue Related Expenses" on page 54 below.*

Requirement of funds and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details set out below:

(in ₹ lakhs)

Particulars	Amount
Repayment and /or prepayment, of all or a portion of certain outstanding borrowings including interest availed by our Company	26,000.00
General corporate purposes*	[●]
Net Proceeds	[●]

* *The amount utilized for general corporate purposes shall not exceed 25% of the Gross proceeds.*

Proposed Schedule of implementation and deployment of Net Proceeds

We propose to deploy the Net Proceeds towards the Objects in accordance with the proposed schedule of implementation and deployment of funds set out below:

(in ₹ lakhs)

Particulars	Amount to be funded from the Net Proceeds	Estimated schedule of deployment of Net Proceeds in Fiscal 2022	Estimated schedule of deployment of Net Proceeds in Fiscal 2023
Repayment and /or prepayment, of all or a portion of certain outstanding borrowings including interest availed by our Company	26,000.00	21,000.00	5,000.00
General corporate purposes	[●]	[●]	[●]
Net Proceeds	[●]	[●]	[●]

The above stated fund requirements are based on our current business plan, management estimates and have not been appraised by any bank or financial institution. In view of the competitive environment of the industry in which we operate, we may have to revise our business plan from time to time and consequently, our funding requirements may also change. Our historical funding requirements may not be reflective of our future funding plans. We may have to revise our funding requirements, and deployment from time to time on account of various factors such as economic and business conditions, increased competition and other external factors which may not be within our control. This may entail rescheduling the proposed utilisation of the Net Proceeds and changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. Further, in case the Net Proceeds are not completely utilised in a scheduled Fiscal Year due to any reason, the same would be utilised (in part or full) in the next Fiscal Year/ subsequent period as may be determined by our Company, in accordance with applicable law.

Means of Finance

The fund requirements set out above are proposed to be entirely funded from the Net Proceeds. Accordingly, we confirm that there are no requirements to make firm arrangements of finance under Regulation 62(1)(c) of the SEBI ICDR Regulations through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised from the Issue.

Details of utilisation of Net Proceeds

a. Repayment and /or prepayment, of all or a portion of certain outstanding borrowings including interest availed by our Company

Our Company has certain outstanding borrowings, both secured and unsecured (collectively referred to as "**Borrowings**") and part of the unsecured Borrowings are currently held by Hinduja Group Limited, our Promoters and Hinduja Realty Ventures Limited, a member of our Promoter Group. For details of the total Borrowings, see "*Financial Statements*" beginning on page 91. Our Company proposes to utilize an estimated amount of ₹ 26,000.00 lakhs from the Net Proceeds towards repayment of principal and interest amount of such Borrowings availed by our Company.

The prepayment or repayment will help reduce our outstanding indebtedness and debt-servicing costs, assist us in maintaining a favourable debt to equity ratio and enable utilisation of our internal accruals for further investment in business growth and expansion. In addition, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to preserve liquidity to sustain our capital requirements due to the disruption of our operations caused by Covid-19 pandemic in near team and also fund potential business development opportunities and plans to grow and expand our business in long term.

The following table provides details of Borrowings which are outstanding as on May 31, 2021 and proposed to be repaid and/or pre-paid and/or adjusted and/or settled, in full or in part. Our Company intends to repay the principal and interest amount of the Borrowings from the Net Proceeds amounting to ₹ 26,000.00 lakhs.

Name of the Lender	Nature of Borrowing	Total Principal amount sanctioned as on May 31, 2021 (Rs. In lakhs)	Total amount outstanding as on May 31, 2021 (including interest) (Rs. In lakhs)	Interest rate (% per annum)	Purpose of availing loan	Repayment schedule	Prepayment penalty/conditions
Loans from Bank							
YES Bank	Working Capital Demand Loan	2,000.00	2,018.68	11.00%	For Working Capital	13-09-2021	None
Yes Bank	Import Letter of Credit	900.00	877.09	2.33%	For Software License	30.06.21	None
Yes Bank	Term Loan	44,610.00	10,206.40	10.35%	For Hits Project	Unequal Quarterly Instalments (Rs. in lakhs): 01. FY 2021-22 - Rs. 2826.28 (2) FY 2022-23 - Rs.5181.52 (3) FY 2023-24 - Rs.2.106.26	None
Yes Bank	Term Loan		7,955.91	8.55%	For Optical Fibre	Unequal Quarterly Instalments (Rs. in lakhs): 01. FY 2021-22 - Rs.750.00 (2) FY 2022-23 - Rs.1,150.00 (3) FY 2023-24 - Rs.1,900. (4) FY 2024-25 - Rs.2,850 (5) FY 2025-26 - Rs.1,248.55	None
Yes Bank	Term Loan		4,985.52	8.45%	For Optical Fibre	Unequal Quarterly Instalments (Rs. in lakhs): 01. FY 2021-22 - Rs.600.00 (2) FY 2022-23 - Rs.780.00 (3) FY 2023-24 - Rs.1,500.00 (4) FY 2024-25 - Rs.1,920.00 (5) FY 2025-26 - Rs.150.00	None
Yes Bank	Term Loan		5,136.82	8.50%	For Optical Fibre	Unequal Quarterly Instalments (Rs. in lakhs): 01. FY 2021-22 - Rs.450.00 (2) FY 2022-23 - Rs.735.00 (3) FY 2023-24 - Rs.1,320.00 (4) FY 2024-25 - Rs.1,815.00 (5) FY 2025-26 - Rs.780.00	None
Loan from related party							
Hinduja	Inter Corporate	N.A	34,736.91	10.00%	For General	On demand	None

Name of the Lender	Nature of Borrowing	Total Principal amount sanctioned as on May 31, 2021 (Rs. In lakhs)	Total amount outstanding as on May 31, 2021 (including interest) (Rs. In lakhs)	Interest rate (% per annum)	Purpose of availing loan	Repayment schedule	Prepayment penalty/conditions
Group Limited	Deposit				Corporate Purpose		
Hinduja Realty Ventures Limited	Inter Corporate Deposit	N.A	10,038.11	11.00%	For General Corporate Purpose	On demand	None
Hinduja Group Limited	Inter Corporate Deposit	N.A	1,509.59	10.00%	For Operational & Cashflow Mismatch	On demand	None
Total			**77,465.03**				

Our Company shall adjust the Borrowings held by Hinduja Group Limited, one of our Promoters and Hinduja Realty Ventures Limited, a member of our Promoter Group against the application money payable by Hinduja Group Limited and Hinduja Realty Ventures Limited, to the extent of their subscription and allotment of the Rights Equity Shares to them under the Issue, whether pursuant to their Rights Entitlement or subscription to additional Rights Equity Shares (as the case may be). Consequently, no fresh issue proceeds would be received by our Company to that extent. Further, our Company will ensure that the repayment/prepayment of Borrowings held by Hinduja Group Limited, one of our Promoter and Hinduja Realty Ventures Limited, a member of our Promoter Group shall not be made through proceeds of the Rights Issue except, that the Borrowings from such entities are adjusted only against share application money payable to the extent of their subscription and allotment of the Rights Equity Shares under the Issue.

b. General corporate purposes

The Net Proceeds will first be utilized for the Objects as set out above. Subject to this, our Company intends to deploy balance left out of the Net Proceeds, aggregating to ₹ [●] lakhs, towards general corporate purposes and the business requirements of our Company, as approved by our management, from time to time, subject to such utilization for general corporate purposes not exceeding 25% of the Gross proceeds from the Issue, in compliance with Regulation 62(2) of the SEBI ICDR Regulations. Such general corporate purposes may include, but are not restricted to, (i) strategic initiatives; (ii) funding growth opportunities; (iii) strengthening marketing capabilities and brand building exercises; (iv) meeting ongoing general corporate contingencies; (v) expenses incurred in ordinary course of business; and (vi) any other purpose, as may be approved by our Board or a duly constituted committee thereof, subject to compliance with applicable law, including provisions of the Companies Act.

The allocation or quantum of utilization of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of our Board, shall have the flexibility in utilising surplus amounts, if any.

Estimated Issue Related Expenses

The total Issue related expenses are estimated to be approximately ₹ [●] lakhs. The Issue related expenses include fees payable to the Lead Manager and legal counsel, amounts payable to regulators including the SEBI, the stock exchanges, Registrar's fees, printing and distribution of issue stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

The break-down of the estimated Issue expenses is disclosed below.

Activity	**Estimates expenses (in ₹ lakhs)**	**As a % of total estimated Issue related expenses**	**As a % of Issue size**
Fees payable to the Lead Manager	[●]	[●]	[●]
Fees payable to Registrar to the Issue	[●]	[●]	[●]
Fees payable to legal advisors and other intermediaries	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Fees payable to regulators including the SEBI and Stock Exchanges	[●]	[●]	[●]
Printing and distribution of issue stationery expenses	[●]	[●]	[●]
Other expenses (miscellaneous expenses)	[●]	[●]	[●]
Total estimated Issue expenses	[●]	[●]	[●]

** Subject to finalisation of Basis of Allotment and actual Allotment. In case of any difference between the estimated Issue related expenses and actual expenses incurred, the shortfall or excess shall be adjusted with the amount allocated towards general corporate purposes.*

Bridge Financing Facilities

Our Company has not availed any bridge loans from any banks or financial institutions as on the date of this Draft Letter of Offer, which are proposed to be repaid from the Net Proceeds.

Interim use of Net Proceeds

Our Company, in accordance with the policies formulated by our Board from time to time, will have flexibility to deploy the Net Proceeds. Pending utilization of the Net Proceeds for the purposes described above, our Company will temporarily keep the Net Proceeds in deposits in one or more scheduled commercial banks (as included in the second schedule to the Reserve Bank of India Act, 1934) or in any such other manner as permitted under the SEBI ICDR Regulations. We confirm that pending utilization of the Net Proceeds for the Objects of the Issue, our Company shall not utilize the Net Proceeds for any investment in the equity markets, real estate or related products.

Monitoring of Utilization of Funds

In terms of the SEBI ICDR Regulations, our Company has appointed [●] as the Monitoring Agency to monitor the utilization of the Net Proceeds, Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilization of the Net Proceeds under a separate head in our balance sheet along with the relevant details, for all such amounts that have not been utilized. Our Company will indicate investments, if any, of unutilized Net Proceeds in the balance sheet of our Company for the relevant Fiscals subsequent to receipt of listing and trading approvals from the Stock Exchanges.

Pursuant to Regulation 18(3) and 32(3) of SEBI Listing Regulations, our Company shall, on a quarterly basis, disclose to the Audit Committee, the uses and applications of the Net Proceeds. The report submitted by the Monitoring Agency will be placed before the Audit Committee of our Company, so as to enable the Audit Committee to make appropriate recommendations to our Board. Pursuant to Regulation 32(5) of the SEBI Listing Regulations, our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Letter of Offer and place it before the Audit Committee and make other disclosures as may be required until such time as the Net Proceeds remain unutilised. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company.

Further, in accordance with Regulation 32(1) of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, on a quarterly basis, a statement indicating (i) deviations, if any, in the actual utilization of the proceeds of the Issue from the objects of the Issue as stated in this chapter; and (ii) details of category wise variations, if any, in the proposed utilization of the proceeds of the Issue from the objects of the Issue as stated above. Furthermore, our Company shall furnish to the Stock Exchange any comments or report received from the Monitoring Agency, in accordance with Regulation 32(6) of the SEBI Listing Regulations, and such report of the Monitoring Agency shall be placed before the Audit Committee promptly upon its receipt, in accordance with Regulation 32(7) of the SEBI Listing Regulations.

Appraising Agency

None of the Objects for which the Net Proceeds will be utilised has been appraised by any agency.

Strategic or Financial Partners

There are no strategic or financial partners to the Objects of the Issue.

Key Industry Regulations for the Objects of the Issue

No additional provisions of any acts, regulations, rules and other laws are or will be applicable to the Company for the proposed Objects of the Issue.

Other Confirmations

Except repayment of certain outstanding Borrowings currently held by our Promoter and a member of our Promoter Group as disclosed above, there are no existing or anticipated transactions in relation to utilization of Net Proceeds with our Promoters, Promoter Group Entities, Directors, Key Managerial Personnel or Associate Companies (as defined under Companies Act, 2013). Further except as mentioned above, none of our Promoters, members of Promoter Group or Directors are interested in the Objects of the Issue.

Our Company does not require any material government and regulatory approvals in relation to the Objects of the Issue.

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

The Board of Directors
NXTDigital Limited
In Centre, 49/50 MIDC,
12th Road Marol, Andheri (East),
Mumbai – 400 093, Maharashtra, India

Independent Auditor's Report in relation to statement of possible special tax benefits available to NXTDigital Limited ("the Company"), its shareholders and its material subsidiary under the Indian tax laws for the Proposed Rights Issue of equity shares of face value of Rs. 10 each ("Equity Shares") (herein referred to as the "Issue") pursuant to Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ("SEBI Regulations").

In connection with the Issue by the Company we report that the enclosed **Annexure**, prepared by the Company states the possible special tax benefits available to the Company, its shareholders and material subsidiary namely ONEOTT Intertainment Limited under direct tax laws including the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2021 (hereinafter referred to as "**Income Tax Laws**"), i.e. applicable for Financial Year 2021-2022 relevant to the Assessment year 2022-2023 presently in force in India, available to the Company, its shareholders and the material subsidiary of the Company. In the Annexure, the tax benefits relating to shareholders of ONEOTT Intertainment Limited are not included since ONEOTT Intertainment Limited is not issuing any shares to its shareholders. Several of these benefits are dependent on the Company, its shareholders or material subsidiary as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company, its shareholders or material subsidiary to derive the possible special direct tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company, its shareholders and its material subsidiary faces in the future, the Company, its shareholders and its material subsidiary may or may not choose to fulfill.

The benefits discussed in the enclosed **Annexure** cover only special direct tax benefits available to the Company, to the shareholders of the Company and its material subsidiary and are not exhaustive and also do not cover any general tax benefits available to the Company or its shareholders or its material subsidiary. The preparation of the contents stated in the Annexure is the responsibility of the Company's Management. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific direct tax implications arising out of their participation in the Issue, particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. Neither are we suggesting nor advising the investor to invest in the Issue based on this Annexure.

The benefits discussed in the **Annexure** are only intended to provide the direct tax benefits to the Company, its shareholders and its material subsidiary in a general and summary manner and does not purports to be complete analysis or listing of all the provision or possible tax consequences of the subscription, purchase, ownership or disposal, etc. of the shares. The tax benefits listed herein are only the possible special tax benefits which may be available under the current direct tax laws presently in force in India. Further, any benefits available under any other laws within or outside India have not been examined and covered by this Annexure.

We do not express any opinion or provide any assurance as to whether:

(i) the Company or its shareholders or its material subsidiary will continue to obtain these benefits in future;
(ii) the conditions prescribed for availing the benefits have been/would be met with; and
(iii) the revenue authorities / courts will concur with the views express herein.

The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and its material subsidiary.

We also consent to the references to us as "Experts" as defined under Section 2(38) of the Companies Act, 2013, read with Section 26(5) of the Companies Act, 2013 to the extent of the certification provided hereunder and included in the Draft Letter of Offer and the Letter of Offer "(**Offer Documents**") of the Company or in any other documents in connection with the Issue.

We confirm that while providing this certificate, we have complied with the Code of Ethics issued by the Institute of Chartered Accountants of India. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, 'Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,' issued by the ICAI.

This certificate is issued at specific request of the Company and is provided to enable the Board of Directors of the Company to include this report in the Offer Documents in connection with the Issue, to be filed by the Company with the Securities and Exchange Board of India and the concerned stock exchanges. This report is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this certificate for events and circumstances occurring after the date of this certificate.

We hereby give consent to include this statement of possible special tax benefits available to the Company, its shareholders and its material subsidiary in the Offer Documents and in any other material used in connection with the Issue.

Yours faithfully,

For Haribhakti & Co. LLP
Chartered Accountants
Firm Registration Number: 103523W/W100048

Name: Snehal Shah
Partner
ICAI Membership Number: 048539
UDIN: 21048539AAAADV1044
Date: July 30, 2021
Place: Mumbai

Encl: Annexure

ANNEXURE

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO NXTDIGITAL LIMITED (THE "COMPANY"), ITS SHAREHOLDERS AND ITS MATERIAL SUBSIDIARY UNDER THE INCOME TAX LAWS

Outlined below are the possible special tax benefits available to NXTDigital Limited ("the Company"),its Shareholders and its material subsidiary under the Income-tax Act, 1961 and Income tax Rules, 1962 including amendments made by Finance Act 2021 (hereinafter referred to as "**Income Tax Laws**"), i.e. applicable for Financial Year 2021-2022 relevant to the Assessment year 2022-2023 presently in force in India.

1. **Special tax benefits available to the Company**

   There are no special tax benefits available to the Company.

2. **Special tax benefits available to the shareholders of the Company**

   There are no possible special tax benefits available to the Shareholders of the Company for investing in the shares of the Company under the Income Tax Laws.

3. **Special tax benefits available to the material subsidiary i.e. ONEOTT Intertainment Limited**

   There are no special tax benefits available to the material subsidiary of the Company.

Notes:

a. The above Statement sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of shares.

b. The above statement covers only certain relevant direct tax law benefits and does not cover any benefit under any other law.

c. The above statement of possible special tax benefits is as per the current direct tax laws relevant for the assessment year 2022-23.

d. This statement is intended only to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investment in the shares of the Company.

e. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

f. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes.

SECTION IV – ABOUT OUR COMPANY

INDUSTRY OVERVIEW

*The industry related information in this chapter is derived from the reports titled "Media and Entertainment Annual Review –2021" and "Telecom Data Services – 2021" (referred as "**CRISIL Reports**") prepared by CRISIL Limited ("**CRISIL**"), except for other publicly available information as cited in this chapter. Neither we nor any other person connected with the Issue has verified the information in the CRISIL Reports or other publicly available information cited in this chapter. Further, the CRISIL Reports was prepared on the basis of information as of specific dates which may no longer be current or reflect current trends. Opinions in the CRISIL Reports may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Prospective investors are advised not to unduly rely on the CRISIL Reports.*

Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured and accordingly, investment decisions should not be based on such information.

Global Macroeconomic Overview

High uncertainty surrounds the global economic outlook, primarily related to the path of the pandemic. The contraction of activity in 2020 was unprecedented. After an estimated contraction of –3.3 percent in 2020, the global economy is projected to grow at 6 percent in 2021, moderating to 4.4 percent in 2022. The contraction for 2020 is smaller than projected in the October 2020 World Economic Outlook (WEO), reflecting the higher-than-expected growth outturns in the second half of the year for most regions after lockdowns were eased and as economies adapted to new ways of working. Global growth is expected to moderate to 3.3 percent over the medium term—reflecting projected damage to supply potential and forces that predate the pandemic, including aging-related slower labour force growth in advanced economies and some emerging market economies. However, emerging market economies and low-income developing countries have been hit harder and are expected to suffer more significant medium-term losses.

Overview of the World Economic Outlook Projections

In advanced economies, the United States is projected to return to end-of-2019 activity levels in the first half of 2021 and Japan in the second half. In the euro area and the United Kingdom, activity is expected to remain below end-of-2019 levels into 2022. The advanced economies are projected to grow at 5.1% in 2021, led by euro zone, United Kingdom and United States and 3.6% in 2022. For the Emerging and Developing Asia regional group, projections for 2021 have been revised upwards, reflecting a stronger recovery than initially expected after lockdowns were eased in some large countries (for example, India). However, still high COVID-19 caseloads in some large countries in 2020:Q1 (such as Indonesia and Malaysia) put a lid on growth prospects.

		Projections	
	2020	2021	2022
World Output	–3.3	6.0	4.4
Advanced Economies	–4.7	5.1	3.6
United States	–3.5	6.4	3.5
Euro Area	–6.6	4.4	3.8
Germany	–4.9	3.6	3.4
France	–8.2	5.8	4.2
Italy	–8.9	4.2	3.6
Spain	–11.0	6.4	4.7
Japan	–4.8	3.3	2.5
United Kingdom	–9.9	5.3	5.1
Canada	–5.4	5.0	4.7
Other Advanced Economies[2]	–2.1	4.4	3.4
Emerging Market and Developing Economies	–2.2	6.7	5.0
Emerging and Developing Asia	–1.0	8.6	6.0
China	2.3	8.4	5.6
India[3]	–8.0	12.5	6.9
ASEAN-5[4]	–3.4	4.9	6.1
Emerging and Developing Europe	–2.0	4.4	3.9
Russia	–3.1	3.8	3.8
Latin America and the Caribbean	–7.0	4.6	3.1
Brazil	–4.1	3.7	2.6
Mexico	–8.2	5.0	3.0
Middle East and Central Asia	–2.9	3.7	3.8
Saudi Arabia	–4.1	2.9	4.0
Sub-Saharan Africa	–1.9	3.4	4.0
Nigeria	–1.8	2.5	2.3
South Africa	–7.0	3.1	2.0

Source: IMF World Economic Outlook, April 2021

Macroeconomic Overview of India

India's real GDP which contracted by 8% in 2019-20. As per the IMF World Economic Outlook, April 2021, India is set to grow at 12.5% in 2021. India's real GDP at current prices stood at Rs. 195.86 lakh crore (US$ 2.71 trillion) in FY21, as per the second advance estimates (SAE) for 2020-21 *(Source: IBEF)*. However, with the onset / reoccurrence of COVID-19 pandemic, its intensity, spread and duration will now majorly determine whether India is able to realize its projected GDP growth.

After registering a growth of 1.6 per cent in December 2020, industrial production moved into the negative territory by contracting 0.9 per cent in January 2021 and 3.6 per cent in February 2021. The sequential deterioration in February 2021 relative to January 2021 was broad-based across sectors with YoY contraction in manufacturing and mining at 3.7 per cent and 5.5 per cent respectively. The eight core sector output rose to a 32-month high of 6.8 per cent in March 2021 chiefly on account of a negative base of - 8.5 per cent in March 2020 due to the onset of the pandemic. For FY 2020-21, the core sector contracted by 7 per cent compared with a subdued pace of 0.4 per cent in FY 2019-20. The adverse impact of reoccurrence of COVID-19 has started to severely halt the growth momentum. *(Source: Monthly Economic Review, Department of Economic Affairs, April 2021)*

The average CPI inflation in FY 2020-21 recorded an uptick to 6.2 per cent from 4.8 per cent in FY 2019-20, mainly on account of increase in food inflation, overshooting the Monetary Policy Committee's (MPC's) medium-term target band of 2-6 per cent. The average WPI inflation eased to 1.2 per cent in FY 2020-21 from 1.7 per cent in FY 2019-20. During the month of March 2021, WPI inflation increased to a 103 month high of 7.39 per cent as compared to 4.17 per cent in February 2021 on account of increase in inflation of all major groups, viz, Primary articles, Fuel & power and Manufactured products. *(Source: Monthly Economic Review, Department of Economic Affairs, April 2021)*

The Budget Estimate of fiscal deficit for 2021-22 has been set at 6.8% of GDP down from the revised estimate of 9.5% in 2020-21 *(Source: https://prsindia.org/)*.

Future Outlook

According to the IMF, in the next two years, India is expected to emerge as the fastest-growing economy. India is expected to be the third largest consumer economy as its consumption may triple to US$ 4 trillion by 2025, owing to shift in consumer behaviour and expenditure pattern. It is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by 2040 *(Source: IBEF)*.

Overview of Media and Entertainment Industry

After registering an estimated growth of 7% in fiscal 2020 to reach ~Rs. 1436 billion, the sector is likely to see a revenue fall of 21-23% in fiscal 2021 to reach ~Rs 1110 billion as corporate across sectors are likely to cut down their Ad spends amidst the downturn due to the outbreak of Covid-19. Baring digital, all the other media segments will see a double-digit fall in ad revenues. The subscription revenues, majority of which comes from television segment has shown some resilience but downtrading in channel packs by customer will affect ARPUs for the players. In fiscal 2022, revenues are expected to rebound by 20-25% on-year to cross ~Rs 1363 billion driven mainly by rebound in ad revenues across segments while the subscription revenues will grow slowly. Digital will continue to grow in double digits.

Sector to bounce-back in fiscal 2022, but still at FY19 levels

India's media and entertainment (M&E) industry steadily expanded at a compounded annual growth rate (CAGR) of 8-9% over the past 5 fiscals. Increasing demand, continuous expansion in reach of its various segments, Increase in ATP for multiplex players and digitalisation have served the industry well. However, in fiscal 2021, industry is expected to sharply de-grow by 15-17% on-year as corporate across sectors are likely to cut down their Ad spends amidst the downturn due to the outbreak of Covid-19. Baring digital, all the other media segments will see a double-digit fall in ad revenues. In fiscal 2022, TV ad revenues are expected to bounce back by 20-25% to reach ~Rs 300 billion due to increase in ad spends across various segments on account of improvement in economy.

M&E industry revenue

Rs bn	FY15	FY19	FY20	FY21P	FY22P	FY25P
TV	512	650	718	675	743	915
Print	265	308	299	186	242	263
Film	126	185	194	33	99	219
Digital	38	117	140	162	203	380
Outdoor	27	33	32	15	24	37
Radio	18	28	25	13	20	30
Music	9	24	28	26	33	62
Total	994	1345	1436	1111	1363	1907

E: Estimated; P: Projected
Source: CRISIL Research

Ad spends to recovery in fiscal 2022 on account of demand revival across major sectors

The total advertising revenue in the M&E industry grew at ~8% on-year CAGR between fiscal 2015 and 2020 years to reach ~Rs 700 billion in fiscal 2020. The expansion was driven growth across all the segments like continued increase in ad spends on television (largely preferred by advertisers) and newspapers (as circulation and reach expand, particularly for non-English newspapers).

In fiscal 2021, ad revenue for media and entertainment industry to drop by more than 20-25% on-year to reach ~Rs 547 bn due to curtailment of spends across sectors with digital spends only expected to rise by more than 15-17% during the period. In FY22, with revival in ad spends we expect ad spends to rebound at 20-25% on-year to reach ~Rs 709 billion.

Overall, ad revenue is expected to grow at ~6% CAGR between fiscals 2020 and 2025 to reach ~Rs 919 billion mostly driven by revival in macro-environment leading to higher ad spends, growth in newer avenues of advertising like digital.

M&E subscription revenue to pick up at lower pace in fiscal 2022 after a sharp fall in fiscal 2021

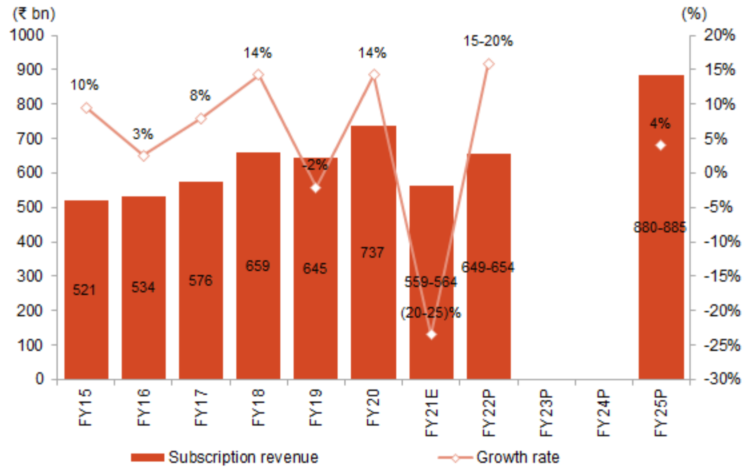
Subscription (non-advertising) revenue is expected to de-grow by ~23% on-year to reach ~Rs 564 bn in fiscal 2021 on account of sharp fall in print and film subscription revenues. In fiscal 2022, the subscription revenues are expected to grow 15-20% on-year to reach ~Rs 654 billion on account of restricted revival in print and films subscription revenues. Over medium term, subscription revenues are expected to reach ~Rs 885 trillion by fiscal 2025, growing at a ~4% CAGR between fiscals 2020 and 2025, due to following factors

- Continuing growth in theatrical collections of movies, owing to the rising number of multiplexes in tier 2 and tier 3 cities and moderate rise in ticket prices, along with rising revenue from ancillary streams such as cable, satellite and digital rights

- The shift towards over-the-top (OTT) platforms will widen the digital television subscriber base. Increased availability of regional and original content on digital platforms coupled with shift to subscription based model by players will drive the segments growth.

- Growth in the music industry aided by increase in digital revenues driven by push from bundling by telcos as well asgrowing number of standalone-streaming applications.

Subscription revenue to recover a moderate pace in fiscal 2022 after a sharp decline in fiscal 2021



E: Estimated; P: Projected

Source: CRISIL Research

Television Industry

The television value chain comprises content providers, broadcasters, distributors and subscribers.

- **Content providers**

They supply content either on a commissioned or sponsored basis (explained under 'types of television content'). As their importance is associated with content exclusivity and reputation, some of these providers produce some/all content themselves.

- **Broadcasters**

Broadcasters uplink content supplied by providers to a satellite for broadcasting into TV homes. There is intense competition amongst them as entry barriers are low and viewers have plenty of options. Their share in the TV subscription revenue is about 15%, expected to increase once the full benefits of digitisation kick in.

- **Distributors**

The distributor links broadcasters with end consumers. There are around 1,740 registered MSOs with MIB and 60,000 local cable operators (LCOs) in the Indian market. This is a highly fragmented and unorganised chain. LCOs tend to under-report subscribers particularly in smaller towns, given the lack of addressable systems. MSOs, in turn, control a number of LCOs and act as a link between the LCOs and broadcasters. DTH operators are also classified as distributors.

- **Subscribers**

There are over 160 million C&S subscribers in the country who pay charges of Rs 100-400 per month, depending on their location. These subscribers often do not have a choice in terms of subscription, as LCOs enjoy monopoly in their respective areas. However, this situation is gradually changing with an increasing acceptance of digital viewing platforms (digital cable and DTH) and a shift to digital cable in large cities, with the digitisation deadline mandated by the information and broadcasting ministry.

TV broadcasting

The Indian broadcasting industry can be segmented into terrestrial and satellite:

- Terrestrial broadcasting: Here, broadcasting is done through transmitters and received through antennas. The government-owned Prasar Bharti Corporation is the only terrestrial TV broadcaster in India, which operates channels inHindi, English and several regional languages under the umbrella brand 'Doordarshan', free of cost.

- Satellite broadcasting: This refers to broadcast through a satellite transponder. Equipment required for reception of TV signals include dish antennae, amplifiers, modulators and decoders. C&S channels can be further categorised into: general entertainment (GEC), regional, movie, news, sports, educational and spiritual. C&S channels are either free-to-air (FTA) or pay channels.

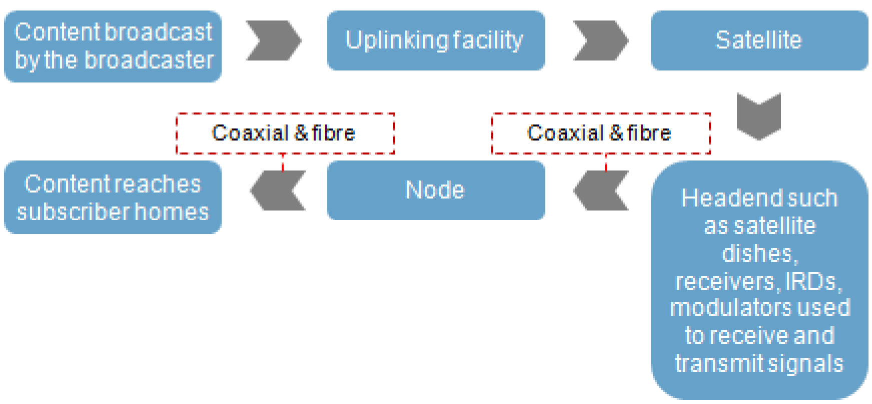
TV distribution

The TV distribution value chain comprises:

- Broadcasters, who uplink content provided by content providers to the satellite.

- MSOs or their franchisees, who downlink satellite signals and feed them into receivers, in case of an FTA channel or integrated receivers and decoders (IRDs), in case of a pay channel. In case of DTH, the DTH operator plays a role similar to an MSO, though the content is then beamed directly to the customer's premises).

- LCOs, who control the hybrid fibre coaxial cables that transmit television signals, modulate the output from the receivers or IRDs and bring the signals to the customer's premises. Television delivery mechanism



Source: CRISIL Research

Television overall:

In fiscal 2020, Overall TV industry revenue jumped ~11% on-year to reach ~720 billion in spite of fall in ad revenues owing to weak macro environment. This is due to healthy growth of subscription revenues by~23% on-year driven by improved realisations across Television value chain post implementation of New Tariff order 1.0.

In fiscal 2021, we expect the Television industry revenue to fall by 6-8% to reach Rs.675 billion with ad revenues falling by nearly 15-17% on account of demand pressure prompting the corporate to cut back their ad spends. We expect subscription revenues to stay flat owing to downtrading of channel packs by subscriber along with reduced churn in Television subscriptions during the lockdown period, hence offering some support to Television industry revenues.

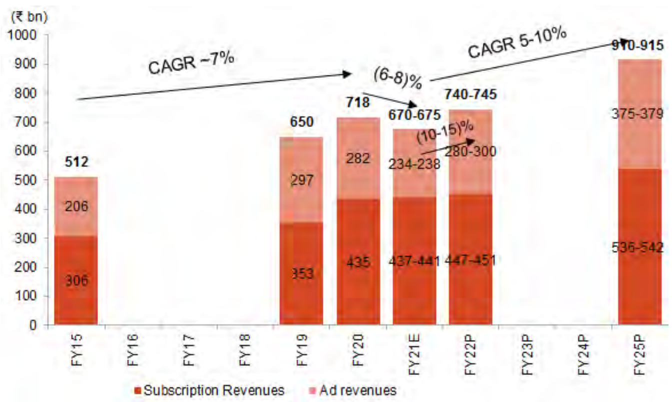
In fiscal 2022, we expect TV industry to bounce back and grow at 9-14% on-year to reach ~Rs 743 billion driven by strong 20-25% on-year growth in ad revenues with subscription revenue growth expected to remain low at ~3% on-year due to pressure maintained post NTO 2.0 implementation.

The TV industry's revenue is expected to clock a slower growth rate of 5-10% CAGR between fiscals 2021 and 2025 to ~Rs.915 billion, mainly due to the following reasons:

- Although, the industry revenue is likely to recover in fiscal 2021 after the impact of Covid-19, the industry revenue would still be near the levels seen in fiscal 2018

- The New tariff order 2.0 amendments is likely to be deferred owing to the pandemic, however, the implementation of the same is expected from fiscal 2022 which is likely to maintain pressure on overall subscription revenues

- Overall, advertising spends is likely to shift from Television to Digital platforms, given the rise in internet subscribers in India.



E: Estimated, P: Projected
Source: CRISIL Research

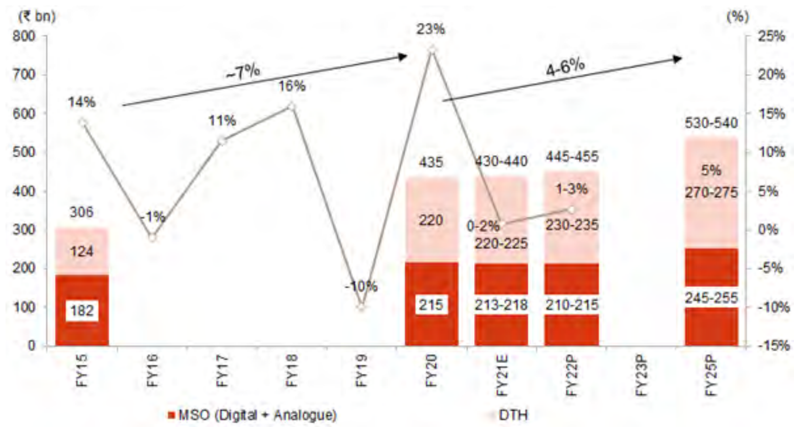
Television: Subscription revenue

Television subscription segment is likely to be resilient during Covid-19 pandemic. Post implementation of NTO 1.0, the subscription revenues of the Television industry jumped by ~24% on-year to reach Rs. 470 billion in fiscal 2020 driven by improved realisations across television value chain.

In fiscal 2021, unlike other sectors which are likely to see a revenue de-growth, the TV subscription revenues is estimated to remain almost flat as our interactions indicate a rise in Television subscriptions amidst the lockdown even though downtrading of channel packs was drag on higher growth.

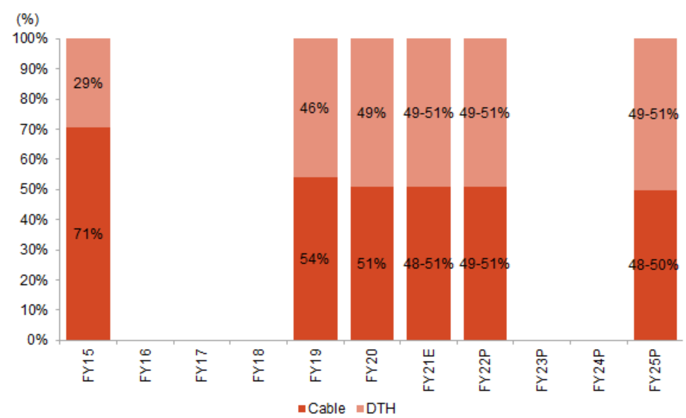
The amendments to New Tariff order which was to be implemented from March 1st 2020. However, the broadcasters are yet to implement the changes as they are contesting this order. However, we estimate this to be implemented in early 2021. The order is likely to impact big broadcasters and will arrest further growth of revenues in fiscal 2022. The issue is still under sub-judice and the outcome of the same remains a key monitorable.

Revenue growth for TV distribution to grow marginally in fiscal 2022 due to NTO 2.0



E: Estimated; P: Projected
Source: Company reports, CRISIL Research

Share of subscribers equally distributed between DTH and Cable post NTO implementation



E: Estimated, P: Projected
Source: CRISIL Research

NTO 2.0 implementation to put brakes on subscription revenue growth in fiscal 2022

The earlier tariff order was successful in bringing transparency in channel pricing and reducing ambiguity among stakeholders. However, the major objective, i.e., of customers choosing to pay for what they watch instead of broadcasters or distributors pushing unwanted channels, remained unfulfilled. Large broadcasters offered huge discounts on bouquets and priced their popular channels disproportionately higher to encourage subscribers to choose bouquets instead of individual channels. This enabled broadcasters to push their less popular channels along with driver channels in their bouquets. As a result, penetration of a la carte channels was less than 10% even after implementation of the tariff order. Big broadcasters benefited and saw a surge in subscription revenue, while smaller broadcasters with single channels lost out on subscribers.

In order to protect the interest of smaller subscribers and also to improve penetration of a la carte channels, the Telecom Regulatory Authority of India passed amendments to the NTO. In a nutshell, the order capped the broadcasters discount at 33% and also put conditions that restrict broadcasters from offering too many bouquets.

The amendments are expected to encourage customers to choose for individual channels instead of bouquets, resulting in lower customer pay-outs and loss of subscription revenue for big broadcasters, while there will be a marginal impact on TV distributors as they still have their fixed Network capacity Fees, which forms majority of their revenue. Thus leading to a marginal growth of 1-3% on-year in fiscal 2022.

Television: MSO profitability

Operating margins to expand 10-20 bps in fiscal 2022 owing to rise in revenues

The implementation hurdles of the New Tariff Order impacted MSOs the most as they lost their cost advantage over DTH (direct-to-home) players -- a factor that traditionally ensured customer stickiness for MSOs. Our industry interactions indicate that with customer pay-outs for DTH and MSO players reaching an inflection point in fiscal 2020 under the new order, customers are increasingly preferring DTH players.

In fiscal 2020, average revenue per user (ARPU) of major MSOs increased anywhere between 25% and 40% resulting in loss of over three million subscribers in the first three quarters suggesting a rise in MSO customer pay-outs.

The total MSO subscriber base growth remained flat on-year as of September 2020. In fiscal 2021, we expect the ARPU of major MSOs to remain under pressure due to flat growth in the subscriber base. Despite pressure on Arpu, margins are expected to expand 100-130 bps on-year in fiscal 2021 on account of robust cost control measures. Benefits are expected to be realised in content & placement cost and other expenses (includes publicity, promotion, rent, electricity and water etc.)

In fiscal 2022, in line with pick up with marginal pick up in revenues on account of marginal subscriber addition, we expect margins to expand 10-20 bps on-year to touch 25-26%. Further, some benefits of cost rationalisations are expected to benefit in fiscal 2022 as well.

MSOs' operating margins to expand ~800-850 bps due to higher realisations after New Tariff Order

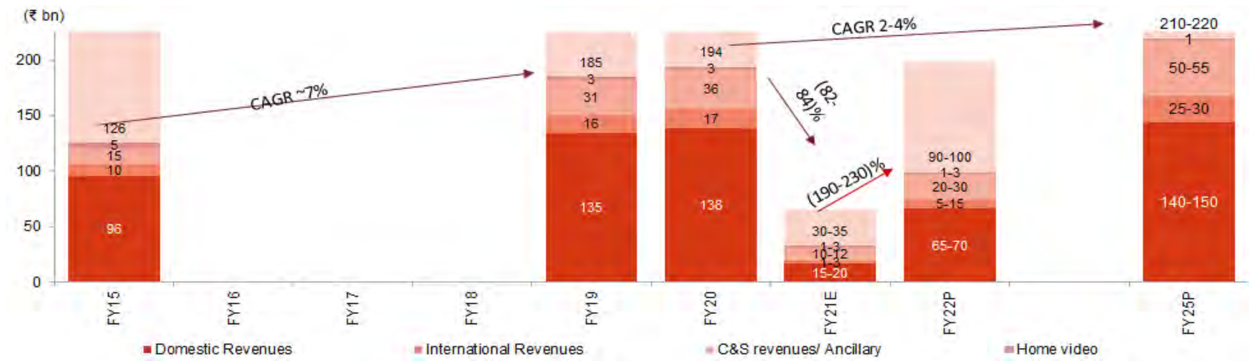
Films: Revenues

In fiscal 2021, film industry revenues is expected to nosedive by 82-84% on-year to reach ~Rs 31 bn. This is on account of similar drop in multiplex revenues (constitues ~55% of total domestic theatrical revenues) due to lower occupancy due to shutdowns and occupancy restrictions coupled limited release of movies. Cable & satellite revenues is expected to decrease as new film release remains muted with only some films released on OTT resulting in de-growth of 60-65% to reach ~Rs 11 bn. About 53% of film industry revenues will comprise domestic theatrical revenue, with international markets, cable and satellite and home video segments making the rest.

In fiscal 2022, we expect pickup in revenues by 190-230% on-year to reach Rs 90-100 bn on account of low revenue base of fiscal 2021 and healthy content pipeline. As macro economic environment stabilizes, we expect footfalls and occupancy to improve on-year though remain below precovid levels. Cable & satellite revenues is expected to grow 90-100% on-year to reach Rs 20-30 bn on account of availability of new content. Despite the growth, the segment will continue to face competition from OTT which will push its full recovery beyond fiscal 2022. Further, an increase in no of case and second of lockdown could mirror industry's fiscal 2021 crash.

Over the medium term, with proper implementation of the vaccination programme and healthy macro economic environment we expect the box office collections to touch Rs 210-220 bn by fiscal 2025.

Film industry to get some relief in fiscal 2022 after nosediving in fiscal 2021



1) E: Estimated P: Projected 2) Cable and satellite (C&S) includes revenue from over-the-top, or OTT, players; *Source: CRISIL Research, Industry*

Cable and satellite (C&S) revenue to face competition from OTT

In fiscal 2021, we expect C&S revenues to de-grow by 60-65% on-year as a result of muted film releases with some release to OTT players especially small and mid-buget ones to support further decline. With major OTT players like Amazon Prime, Netflix, Disney Hotstar and Zee5 buying out digital rights for direct release on OTT platform opens a window for many small and mid-budget movies to follow similar routes in fiscal 2022 as well. Such a trend is expected to help lift C&S revenues for the industry but cable and satellite rights are expected to be negatively impacted as content would be always available on OTT platform, thereby impacting C&S from satellite and cable deals thus capping their full recovery in fiscal 2022.

Also for only General entertainment channels and movies account for majority of TV viewership in India. The price for purchasing broadcasting rights of new films shot up a few years ago, driven by improved revenue from digitisation. Satellite rights for the movie War is estimated to have been bought for over Rs 150 crore.

Rights purchased by the broadcasters, however, show fluctuation in growth rates based on the content. Many channels took a pre-release risk and invested heavily in acquiring movie rights. However, many films tanked at the box office and did not translate into high returns even in the C&S segment. While the demand for big-budget/star-cast films has not contracted significantly, the broadcasters are now considering a film's performance before purchasing the rights for low-budget movies.

Besides, the digital rights for films are also getting expensive with more OTT players entering the market and consumers showing interest in watching movies on these platforms. This brings in competitiveness among the OTT players for purchasing content rights.

Discussions with industry stakeholders indicate that multiplex operators, in order to protect their revenue, are pushing for an exclusive eight-week window period before a movie is released on OTT or C&S platforms. The tussle between multiplex and OTT/C&S platform owners is already reflected in film rights getting expensive and production of original content by OTT players. CRISIL Research expects C&S revenue to increase at 5-7% CAGR in the next five fiscals.

Over-the-top Video (OTT Video): Overview

The launch of Hotstar in 2015 heralded the advent of over-the-top (OTT) services in India. Soon after, international players Netflix and Amazon Prime entered the country. Broadcasters and production houses followed suit (Zee5, ErosNow and ALTBalaji) to leverage their content for generating ancillary revenue. The latest entrant in the foray is Watcho, launched by Dish TV in April 2019 exclusively to its direct-to-home (DTH) subscribers for free as of now. Currently, there are over ~250 million active OTT viewers in India. In the past couple of years, availability of high-speed 4G internet at a low cost has enabled more video consumption over this platform.

OTT growth drivers

Video-on-demand (VOD) services are evolving rapidly ever since the rollout of 4G services, and improvement in data speed and quality coupled with low pricing. Reliance Jios entry into the telecom space led to an increase in the number of internet subscribers. There has been a surge in the demand for VOD services, as more consumers are gradually drifting from television to online viewing. As per the industry, videos account for more than two-thirds of the total mobile data traffic in India. The share of video streaming is expected to continue to increase driven by availability of OTT apps. In addition, the availability of regional content on these apps and cheaper data tariffs are likely to lead to higher data usage for watching videos.

Convenience of OTT apps shifting viewing habits

OTT services offer the flexibility to watch content irrespective of place and time. This has led to a shift in consumer viewing habits, as they can watch content at their discretion instead of what is being telecast on television. Curated and short-period content is promoting binge watching among commuters and youth in urban areas. Cheaper data tariffs have led to increased viewership of content in non-urban areas as well, resulting in increased reach of the OTT apps.

OTT players riding on the back of telcos

The year 2018 saw partnerships between OTT players and content distributors reach new heights. With only three major players in the telecom industry, OTT players through these partnerships have got access to an expansive subscriber base of telecom companies (telcos). The partnerships proved successful as the users became increasingly video obsessed with video becoming the largest data consumption source. TV manufacturers followed suit as they provided pre-loaded apps driving to more video-based data usage.

However, in the existing revenue models for telco partnerships, OTT players offer a discounted rate per subscriber vis-a-vis their standalone subscription rates, thus, realisations per subscriber are lower. However, they manage to save on customer acquisition costs which will partly offset lower realisations. Nonetheless, subscriber acquisition via telco partnership is quick and sticky, as some of the telcos bundle OTT services for their premium/post-paid customer base.

Availability of regional content to drive consumption

In the past, OTT players content libraries were almost similar - having genres ranging from general entertainment content, drama/fiction to Bollywood movies and some channels for kids, etc. To differentiate themselves, they are now focusing on producing original content (mostly regional), which will be the key for acquiring traffic and driving engagement. Players such as SunNxt (Tamil, Telugu, Kannada and Malayalam) and Hoichoi (Bengali) are exclusively focused on specific regional content, whereas players such as Zee5, AltBalaji, Viu and YuppTV cater to languages across all regions in India.

Impact analysis: New regulatory framework for broadcasting and cable services

The Telecom Regulatory Authority of India (TRAI) has released an amended tariff order on the television broadcasting and distribution sector.

In a bid to address the issue of huge broadcaster discounting on bouquets, the new tariff order prescribes the following conditions:

1. The sum of the *a la carte* rates of pay channels (maximum retail price or MRP) forming part of a bouquet should in no case exceed one-and-a-half times the rate of the bouquet of which such pay channels are a part. Thus, the maximum permissible discount on broadcaster bouquets has been capped at 33%.

2. The *a la carte* rates of each pay channel (MRP) forming part of a bouquet should in no case exceed three times theaverage rate of a pay channel of the bouquet of which such pay channel is a part.

3. Only those channels with MRP of Rs 12 or less will be permitted to be part of the bouquet offered by broadcasters.

To address issues related to network capacity fees, TRAI has mandated distribution platform operators not charge more thanRs 160 per month for 200 channels. The earlier order mandated Rs 130 per month (excluding taxes) for 100 channels.

CRISIL's view

A la carte channels to gain traction, big broadcasters to be impacted the most

The earlier tariff order was successful in bringing transparency in channel pricing and reducing ambiguity among stakeholders.

However, a major objective, i.e. of customers choosing to pay for what they watch instead of broadcasters or distributors pushing unwanted channels, remained unfulfilled. Large broadcasters offered huge discounts on bouquets and priced their popular channels disproportionately higher to encourage subscribers to choose bouquets instead of individual channels. This enabled the broadcasters to push their less popular channels along with driver channels in their bouquets.

As a result, the penetration of *a la carte* channels was less than 10% even after the implementation of the tariff order. Big broadcasters benefitted and saw a surge in subscription revenues, while smaller broadcasters with single channels lost out on subscribers.

These issues are set to be addressed with the amendment, and will likely have a negative impact on the revenue of large broadcasters.

According to the amendment, the maximum retail price of a channel to be included in a broadcasters bouquet is Rs 12, while most popular channels are currently priced in the range of Rs. 15-19.

Our analysis indicates the broadcasters may either slash the prices of the popular channels or choose to exclude them from the bouquet. However, choosing the latter is likely to make the bouquets less attractive resulting in lesser popular channels losing their viewership. This is likely to impact their advertisement revenues adding further stress during the current economic slowdown. Also, capping the broadcaster bouquet discounts at 33% would impact the broadcasters bundling strategy.

Television distributors likely to see only marginal impact

After the New Tariff order implementation, TV distributors like Multi-Service operators (MSO)/ Local cable operators (LCO) and DTH players saw their content risk delineated in their business. This is because the content costs which was majorly a fixed cost earlier has now become a pass-through item with distributors getting 20-25% of the channel subscriptions, however, they have fixed source of revenue in the form of Network capacity fees (NCF) at Rs.130 per subscriber which is not shared with broadcasters. Although, the new amendment has increased mandated number of free channels under NCF from 100 to 200, its likely to have minimal impact as most of the distributors are already offering more than 100 Free-to-air channels under the NCF.

Emergence of new delivery platforms shifts balance of power

CRISIL Research believes the increasing adoption of addressable distribution platforms like DTH and digital cable will result in a shift in the balance of power in the distribution space. Currently, the LCOs wield enormous clout by virtue of their control over the last mile and the monopoly enjoyed by them.

The spread of digitisation is expected to reduce the bargaining power of the LCOs. CRISIL Research expects MSOs, and consequently the LCOs, to digitise their network over time, ultimately leading to a more organised distribution market and a greater share of subscription revenue for broadcasters.

OTT emerging as an important media consumption platform

Over-the-top (OTT) has emerged as an important media consumption platform in the last few years and players across the TV value chain have looked to establish their presence on this platform.

Advertisement spend in digital is likely to grow due to the medium's ability to reach the target audience. Boundaries between different layers of digital video value chain are blurring as players are looking to build end to end competencies to reach the consumers. Traditional TV content producers like Balaji Telefilms (Balaji ALT), Star TV (Hotstar) are launching their own platforms. Hotstar (Star TV) and VOOT (Viacom 18) are amongst the leading OTT video platforms in India after YouTube. In 2016, two large international Video-on-Demand (VoD) namely; Netflix and Amazon Prime Video launched their services in India

However, threat from OTT to television is minimal as TV still remains an extremely affordable medium of entertainment in the country.

Television: Key regulatory issues

Government policy and regulations on the Indian television (TV) industry, mainly dictated by the Telecom Regulatory Authority of India (TRAI) and the Information and Broadcasting Ministry, have far reaching and often varied impact on the diverse set of players it comprises. CRISIL Research recapitulates some of the important policy directives in recent times that have impacted various actors in the industry - down to the viewers - for good or for bad:

Impact of new tariff order on Television Industry

On March 3, 2018, the Telecom Regulatory Authority of India (TRAI) issued the new tariff order (NTO) and the interconnection order to:

(1) regulate the maximum retail price (MRP), excluding taxes, payable by a subscriber for -la-carte pay channels or a bouquet of pay channels; and

(2) provide framework on commercial and technical arrangements among service providers, i.e., distribution platforms (LCO, DTH, MSO, HITS or IPTV operators) and broadcasters for broadcasting services related to television provided through addressable systems.

Although the initial deadline for implementation of the order was set on December 31st 2018, it got repeatedly delayed as the players in the Television value chain were struggling to implement the changes. After multiple delays the order was finally implemented on February 1st 2019.

MSO's were most hit as they witnessed a subscriber churn of over 5 million in the last quarter of fiscal 2019. Some of those subscribers chose to discontinue their subscription and wait for further clarity on the new regime, while few others opted for DTH subscriptions.

The new tariff order is expected to be positive for DTH players as the customer pay-outs which was traditionally costlier for DTH compared to MSO's reached the inflection point under the new order. Additionally with customers now able to choose the channels, content cost has now become a pass-thru item for DTH players under the new regime, This would lead to expansion in operating margins of DTH players.

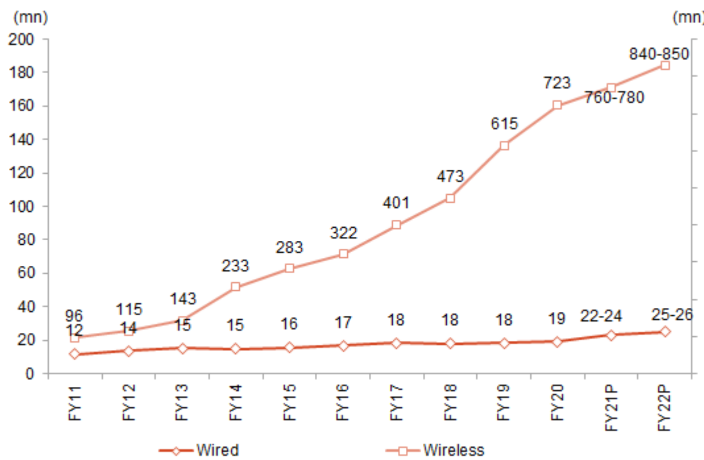
The Broadcasters witnessed their ad revenue get impacted as the corporates withheld or slowed down their ad spending during the implementation of the new tariff order. Broadcast Audience research council which publishes weekly viewership data stopped publishing the data during the transition to new regime. The data is a key metric for corporates to decide on their advertising strategy and thus non-availability of this data also prompted corporates hold back their ad spends. We believe the corporates to revive their ad spending from first quarter of fiscal 2020.

Overview: Evolution of Internet

Videsh Sanchar Nigam Ltd (now Tata Communications) launched internet services in India in August 1995. VSNL was the sole Internet provider in the country until the government opened the market in November 1998 to private Internet providers. One effect of the monopoly was that growth in the internet subscriber base was slow, with around 140,000 Internet subscribers at the end of March 1998. Other factors included the high cost of internet access devices and services. The cost of personal computers (PCs) and internet services, in relation to the average consumer incomes, affected internet penetration.

Post liberalisation, the government issued around 700 licences under various categories. The global technology boom, widespread optimism about the adoption of Internet services and liberal licensing conditions encouraged companies to apply for Internet service provider (ISP) licences. After growing rapidly post liberalisation, growth in the Internet subscriber base slowed down dramatically in 2001-02 and 2002-03 as the dot-com bubble burst.

Internet subscriber base



Source: TRAI, CRISIL Research

Internet subscriber base rose 2005 onward

Real growth in the internet services sector came post 1998, when the entry of private players resulted in open competition, lower tariffs and a surge in the subscriber base. Between 1998-99 and 2000-01, the subscriber base grew manifold and stood at 3 million subscribers as of March 2001.

However, the dot.com bubble burst in 2001 brought in a dramatic change in consumers' outlook towards technology and Internet services. Highly-rated technology stocks came crashing down. ISPs saw a drop in public interest, and consequently cut down on expansion activities, which pulled down the subscriber base.

In 2001-02 and 2002-03, an average of 0.3 million subscribers were added each year. Growth picked up again in 2003-04 and 2004-05 with the addition of 0.91 million and 1.18 million subscribers, respectively. The Internet subscriber base grew 13% CAGR between 2014 and 2016. The recovery was driven by the launch of wireless internet services, which increased accessibility and was also significantly cheaper, while the wired broadband market remained stagnant. In 2020, there were an estimated 720 million wireless internet subscribers in India and around 19 million wired internet subscribers.

Wireless Internet drove the internet penetration, wired broadband sees interest amidst the pandemic

Demand for wireless internet services has been rising led by lower data tariffs, proliferation of low-cost data handsets (that boost data adoption) telecom operators' initiatives to promote mobile data and a rise in network coverage of high-speed data services. The 'wireless effect' on internet penetration is reflected in the fact that the wireless internet subscribers grew from ~280 million in fiscal 2015 to ~750 million in fiscal 2020. During the same time , total wired subscribers was stagnant at around ~19 million.

Amidst the Covid-19 pandemic, wired broadband subscriber addition has seen significant uptake after being shadowed by wireless internet for last three fiscals. In the 10 month period Mar-20 to Jan-21, the segment has added ~3.5 million subscribers which is more than subscribers added during four preceding years. The sudden uptake of subscribers is mainly owing to Pandemic induced needs in the form of Work and stay-at-home which has resulted in high-speed internet being a necessity. Also, Average mobile speeds in India is still lower at 5-10 Mbps, compared to a wired/home broadband connection which offers speeds around 30 Mbps subscribers. Thus, going forward, we expect wired internet subscriber market to see growth after being stagnant for last three years. However, despite the uptake, wireless subscribers will continue to account for over 96% of total wireless subscribers in India.

Industry Classification - An overview

Segment		FY20 Market Size	CAGR (FY15-FY20)	CAGR (FY20-FY25)	Key players
Internet subscribers					
- Wired subscribers	(in mn)	22	3%	7-8%	BSNL, MTNL, Airtel, Reliance Jio
- Wireless subscribers	(in mn)	671	21%	7-8%	Airtel, Vodafone, Idea, Reliance Jio
Enterprise data services					
-Virtual private network	(in Rs.bn)	46	13%	4-6%	Bharti Airtel, Reliance Communications, Tata Communications
- Leased lines (DLC+IPLC)	(in Rs.bn)	97	6%	3-5%	Bharti Airtel, Reliance Communications, Tata Communications, BSNL
- VSAT	(in Rs.bn)	15	1-2%	4-5%	Hughes, Airtel & Tatanet (Nelco)

Note: DLC - domestic leased circuit; IPLC - international private leased circuit, VSAT - very small aperture terminal
Source: CRISIL Research

India's internet penetration likely to reach 75% by fiscal 2025 led by 4G, FTTH services

India has witnessed a drastic surge in internet users over the past few years with internet penetration as a percentage of total population crossing 50% as of fiscal 2020 compared to less than 20% in fiscal 2015. CRISIL Research expects the total number of internet subscribers in the country to reach 1000 million by fiscal 2025 resulting in ~75% internet penetration. By 2025, we expect complete transition of 2G and 3G data services to 4G. This can be attributed to increased demand for data, competitive pricing of 4G services and availability of affordable handsets. Consequently, narrowband is expected to be on the decline as better speeds are available to users at lower price points.

Growth in the wired/wireline segment is expected to be at a CAGR of 7-8% over fiscals 2020 to 2025 against 3% over previous five fiscals as telcos and ISP's focus more on this under penetrated segment.

Internet demand: Overview

4G adoptions to continue driving internet subscriber additions

India has seen exponential growth in the number of internet subscribers, which has more than doubled to ~740 million in fiscal 2020 from ~300 million in fiscal 2015 as internet penetration as a percentage of population increased to ~54% from ~23%. The growth was led by explosion in the number of wireless internet subscribers triggered by accelerated adoption of 4G services due to cheap tariffs and increased availability of affordable smartphones.

Of the total internet subscribers, wireless subscribers account for ~720 million, with rest being wired subscribers. The dominance of wireless internet subscribers in India is unlike other developed markets such as the United States and European countries, which have a judicious mix of wireless and wired broadband users. In fact, wired broadband subscriber penetration as a percentage of households in developed markets averages 30-40% compared to a mere 6% in India as mobile data tariffs have been relatively cheaper in India. The subdued growth in wired internet demand in the past was on account of services being concentrated in large cities and major urban areas. Additionally, 4G mobile broadband prices have been much lower than those of wired broadband. Hence, most of the internet consumption is taking place via mobile phones and hotspots.

However, over last 15 months, we have seen the price parity between both mediums converging as wired broadband tariffs have been dropping, while the wireless tariff steeply increased. Also, pandemic-led lockdowns created a need for reliable and higher bandwidth internet connections, which has led to sudden interest in the wired broadband space.

In lieu of this, CRISIL research, in fiscal 21, estimates wired broadband subscriptions to increase by 12% on-year to reach 23 million, while total wireless subscribers is estimated to have grown at a slower 8% on a higher base as smartphone buying has slowed down due to the pandemic with the first quarter of fiscal 2020 having seen 50% fall in smartphone shipments.

In fiscal 22, the wired broadband momentum is likely to continue as its expected to grow by 10% to reach ~25 million. Wireless/Mobile broadband subscribers is also likely to see a upsurge post slower growth in fiscal 21, as its expected to grow by 12-13% to reach ~860 million. Growth in mobile broadband will be supported by uptake in 4G subscriber growth as competitive intensity is expected to build-up post the March-21 Auctions

Also, in the medium to long term, wireless 4G subscriber additions will drive internet subscriber growth as companies try to hasten the upgradation of non-4G users to 4G network. Accrodingly, CRISIL Research expects the internet subscriber base to expand at 7-8% compound annual growth rate between fiscals 2020 and 2025. This will translate into ~1000 million Indian subscribers online by fiscal 2025

Broadband Industry

Overview: Technology - broadband

Wireline broadband solutions may be grouped into DSL (Digital Subscriber Loop/Line) -based cable and cable modem solutions. Fibre-optics based models such as fibre-to-the-home (FTTH) and fibre-to-the-curb (FTTC) have the advantage of being future proof (frequent expansions are not necessary), given the immense bandwidth capacity of fibre. However, they necessitate significant upfront investments.

Wireless broadband technologies include point-to-multipoint technologies such as GPRS, EDGE, Code Division MultipleAccess (CDMA), wideband CDMA, wireless fidelity (Wi-Fi), worldwide interoperability for microwave access (Wi-Max), ultra wide band (UWB), High Speed Packet Access (HSPA) and Long Term Evolution (LTE). Other technologies used for providing broadband services include satellite based technologies.

Most narrowband subscribers to migrate to broadband

CRISIL Research believes narrowband internet access will continue to decline over the next five years. As data demands and file sizes increase, better internet speeds will be required and private operators will maintain limited presence in the narrowband space. Hence, narrowband subscribers are increasingly expected to migrate to broadband connections, which offer higher speeds and lower price points.

(Mn)	FY15	FY16	FY17	FY18	FY19	FY20	FY21E	FY21P	FY25P
Wired narrowband	3.6	3.5	3.3	3.3	3.3	3.1	1.5	1.7	0.2
Wired broadband	15.5	17.0	18.2	18.0	18.9	19.1	23.0	25.2	30.6
Total Wired internet subscribers	**19.1**	**20.4**	**21.6**	**21.2**	**22.1**	**22.2**	**24.5**	**27.0**	**30.8**
Wireless narrowband	198.5	176.6	137.6	73.9	51.6	25.0	20.0	2.7	0.2
Wireless broadband	84.8	145.4	263.0	399.1	563.4	715.1	760.0	857.1	1050.0
Total wireless internet subscribers	**283.3**	**322.0**	**400.6**	**473.0**	**615.0**	**720.0**	**780.0**	**859.8**	**1050.2**

Notes: 1) Narrowband comprises subscribers surfing the internet at speeds lower than the minimum broadband limit stipulated by the Telecom Regulatory Authority of India (TRAI)(512 kbps)
2) In case of wireless, 2G internet subscribers have been considered under narrowband, while 3G and 4G internet subscribers would fall under broadband

3) E: Estimated; P: Projected
Source: TRAI, CRISIL Research

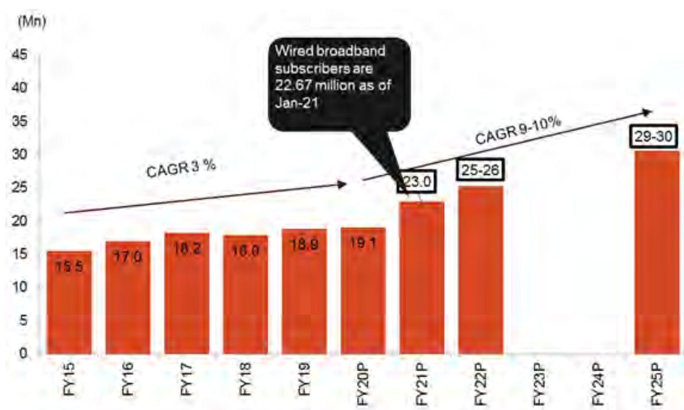
Work from home amidst lockdowns drive wired broadband uptake

Globally, work from home has become the new norm due to the Covid-19 pandemic. In India, lockdowns have led to more people working from home, leading to a 25-30% rise in data traffic during the lockdown months. As most activities like virtual meetings and online classes are now conducted at home, there is a greater need for high speed reliable internet connections. This has driven wired broadband subscriptions which has reached ~22.67 million in January-21, a rise of ~3.6 million from March-20, and higher that the absolute additions witnessed for last three years. Internet service providers and telcos have been acquiring new bandwidths and improving last mile infra in a bid to cater to this surge in broadband subscriptions. Also, players like Reliance Jio and Bharti Airtel have lowered the entry-level broadband plans to Rs.399 and 499, respectively. These developments are likely to improve fixed broadband penetration as we expect wired internet subscriber base (narrowband and broadband) to increase to~23 million and ~25 million by fiscal 21 and fiscal 22 respectively.

In the long term, we expect the wired broadband subscriber base momentum to sustain even after the pandemic is contained as private players continue to expand home-passes given the increase in last mile fiber connectivity investments undertaken amidst the pandemic. Also, Private Telcos like Bharti Airtel and Reliance Jio are likely to focus on this under-penetrated segment in order to reduce congestion in wireless networks as currently over 90% of data capacity is handled by wireless networks. Thus, we expect the overall wired broadband subscriber base to reach ~30 million by fiscal 2025.

Wired broadband will comprise the bulk of the wired internet subscriber base because of the continued shift of retail subscribers to higher bandwidth, amid the growing popularity of social networking and greater availability of video content.Also, the price difference between broadband and narrowband has declined over the past few years.

Renewed competition in the wired broadband segment with entry of RJio to spur growth over the next few years



E: Estimated; P: Projected Note: TRAI revised the definition of narrowband in fiscal 2014 as connections having speeds less than 512 kbps, compared with 256 kbps earlier.
Source: Telecom Regulatory Authority of India (TRAI), CRISIL Research

With a mere seven connections per hundred households, Indias wired broadband market is highly under-penetrated. In comparison, developed nations such as the US, the UK, France and Japan have 30-50% penetration levels.

In contrast, India has high television penetration of ~65%, with approximately 190 million households owning cable or direct-to home (DTH) connections. Of this, ~167 million households are without wired broadband connections (assuming a household with wired broadband also owns a television). These households could have been a ready target market had broadband services been bundled with TV subscription at competitive rates. Players like Bharti Airtel and BSNL has been experimenting tie-ups with LCO's on an experimental basis. Infact Bharti Airtel has expanded its LCO tie-ups in about 48 cities as of Dec-2020.

While Wired broadband has found a definite uptake amidst the pandemic, we can see from the above market share data that BSNL, which is a market leader is losing ground with erosion of ~1600 bps market share (from 50% to 34%) in two years. This is mainly because of private players push in wired broadband segment especially after the entry of Reliance JIo offering higher speeds and data limits at lower prices. While BSNL did match prices with private operators, the PSU also struggles to expand given its stressed financial condition hampering its investments.The decline is market share for BSNL is likely to continue despite the Government package of Rs.690 billion, as much of the it will be focussed on launching 4G services.

OUR BUSINESS

Some of the information in this chapter including information with respect to our plans, strategies, contain forward-looking statements that involve risks and uncertainties. Before deciding to invest in Equity Shares, Shareholders should read this entire Draft Letter of Offer. An investment in the Equity Shares involves a high degree of risk. For a discussion of certain risks in connection with investment in the Equity Shares, you should read "Risk Factors" on page 19, for a discussion of the risk and uncertainties related to those statements, as well as "Financial Statements" and "Management Discussion and Analysis of Financial Condition and Results of Operations" on page 91 and 184, respectively, for a discussion of certain factors that may affect our business financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements. Unless otherwise stated, the financial information use in this section is derived from our Audited Consolidated Financial Statements.

OVERVIEW

We are an established digital content distribution company in India engaged in delivering digital contents *via* cable network as well as through our Headend In the Sky ("**HITS**") platform through a network of Local Cable Operators ("**LCO(s)**"). We provide digital content to our subscribers either directly or through our affiliated LCOs.

Our business model is fundamentally a B2B2C model wherein, we generally structure our relationships with LCOs such that these LCOs continue to be the principal contact with our subscribers in the relevant local area. We enter into business arrangements with LCOs through Interconnect Agreements executed by them on a principal-to-principal basis with us. Our primary source of revenue for digital content services is subscription income received from subscribers either directly or through LCOs, placement income received from broadcasters for placing their channels in preferred logical channel number line up on our platforms, incentives received from broadcasters for deeper penetration of their channels in our customer base, and carriage income from carriage fees payable by broadcasters for carrying their channels.

As on May 31, 2021, we operate our business on pan India basis through more than 10,000 LCOs located across India. As of May 31, 2021, we have connected STBs to over 56 lakhs subscribers to whom we offer over 600 channels on our cable platform and over 700 channels on our HITS platform in India and these consists of both standard definition and high definition channels.

In addition to providing digital content, we provide broadband internet services though our subsidiary, ONEOTT Intertianment Limited ("**OIL**"). As of May 31, 2021, we had over 6 lakhs broadband subscribers. Our broadband network includes an optical fibre network and internet nodes to enable seamless connectivity, higher broadband speeds with the ability to support multiple services including video on demand and OTT. We believe that our corporate structure provides us an opportunity to expand our relationship with our cable television subscribers by providing our broadband services to them and thus enabling us to expand our revenues while optimising costs.

Over the past years, we have grown both organically, through the expansion of our services, and inorganically, by entering into Right to Use Agreements with other smaller regional Multiple System Operators ('MSO(s)') and LCOs. We have an experienced professional management team under the overall stewardship of Mr. Ashok P. Hinduja, the Chairman and Non-Executive Director of our Company. Our management team is led by our Managing Director and Chief Executive Officer, Mr. Vynsley Fernandes who has several years of experience in media and entertainment industry. As of May 31, 2021, we had 1,121 full-time employees.

Financial Performance

The summary financial performance of our Company for the Fiscal 2021 and Fiscal 2020 based on our Audited Consolidated Financial Statements is as follows:

(₹ in lakhs)

Particulars	Fiscal 2021	Fiscal 2020
Income from operations	97,488.15	99,998.35
EBITDA*	23,525.24	1,375.21
Profit/ (loss) for the year*	(1,390.17)	(13,408.97)

**including discontinued operations*

KEY STRENGTHS

Our competitive key strengths are as follows:

Established digital content provider in India

We are an established digital content distributor company in India offering digital content through cable network and our HITS platform. As of May 31, 2021, our digital cable network services have pan India reach, including towns which are normally inaccessible through cables, by using our HITS platform. We believe that our extensive presence across the country is a result of us being the only HITS service provider in India, early entry into new regions, our strong relationships with LCOs that we have developed and consolidated over the years, our continuous investment in technology development and our niche and exclusive local content offerings that appeal to subscribers in the regions we operate in.

Long standing relationship with LCOs with a successful track record of identifying, associating and integrating LCOs

Being an established distributor of digital content *via* cable network and our HITS platform, we believe that we have, over the years, successfully built strong relationships with LCOs. We believe that our understanding of the digital content distribution industry has enabled us to identify and successfully associate with LCOs. In our business operations, LCOs form an integral part of the digital content distribution business where we have a practice of constantly identifying LCOs and build relationships with them through our various regional offices and regional sales teams. Our association with new LCOs is driven by our sales teams across the country who are able to showcase our technology and the quality of service offered by us to be able to onboard LCOs. Further, we recognise that the LCOs often have established relationships with subscribers. Hence, we generally structure our relationship with LCOs such that the LCO continues to act as the principal contact with our subscribers in the relevant local area. As part of our engagement with LCOs we provide incentive plans to reward LCOs for their performance which acts as a motivator in developing and sustaining long term relationships with them.

Established infrastructure in both fibre and satellite resulting in lower customer acquisition cost

Our HITS platform includes invested infrastructure for downlinking and uplinking facilities as well as certain satellite transponders which have been taken on lease. Satellite signals have a footprint across the country and in order to onboard a LCOs only a Cable Operators Premises Equipment (COPE) is required to be set up on the premises of the LCO to downlink the signals. This infrastructure enables us to cater to large number of subscribers with a considerably reduced incremental cost. Similarly, in the distribution of digital content through cable network, we have owned and leased underground and overhead fibre on trunk routes from where the LCOs who are onboarded can draw signals. Accordingly, there would be minimal incremental cost to be incurred by us to onboard new LCOs and inturn new subscribers.

The association with new LCOs is driven by our sales teams across the country through our various regional offices who are able to showcase our technology and quality of service offered by us to be able to onboard LCOs. Being the only HITS operator in the country, we have a distinct advantage in customer acquisition.

Experienced management team

Our management team includes well-qualified professionals, most of whom have been with the Company for several years with an extensive experience in cable television distribution, media operations, finance, engineering and distribution. Our management team is led by our Managing Director and Chief Executive Officer, Mr. Vynsley Fernandes who has several years of experience in the media and entertainment industry. Our management team has also been instrumental and responsible in executing our expansion and acquisition strategy with success. We believe that our management team's experience and business acumen have helped us drive our growth and operating performance and we believe will continue to do so in the future.

Collections through prepaid mechanism

We collect almost all our subscription on a prepaid basis which we believe is a major competitive strength. We collect payment in advance for the applicable service period and on expiry of the validity period or allowed usage limit (whichever occurs first) the customer can extend the service period through recharge. We provide various payment options to our subscribers. Unlike the DTH industry which went prepaid right at the beginning, the cable TV industry is still migrating to a prepaid collection mode. We believe, we are one of the few players who have taken prompt steps in collecting subscription amount in advance resulting in having almost all our collections on a prepaid basis.

HITS Infrastructure sharing

The Ministry of Information and Broadcasting had issued a notification in November 2020, wherein it has allowed HITS operators to share infrastructure with other registered MSOs. Considering that we are the only HITS operator in India, we believe, this is a very significant competitive strength of our Company which allows us to share our existing infrastructure and thereby generate additional revenue. Considering there are minimal incremental costs to be incurred by our Company for providing these services the additional revenue will add to our growth and profitability in the future.

KEY STRATEGIES

Our competitive key strategies are as follows:

Growing subscriber base in our existing markets and enter into new geographies

Over the years we have successfully grown both organically and inorganically by entering into Interconnect Agreements with regional LCOs. As of May 31, 2021, we provide our digital services across pan India including, among others, cities/ regions such as Mumbai Metropolitan Region, Delhi NCR Region, Hyderabad and Bangalore. As of May 31, 2021, we have connected STBs to over 56 lakhs subscribers and have a broadband subscriber base of over 6 lakhs. We intend to further expand our subscriber base in our existing markets and enter into new geographies to further penetrate our offerings in those areas.

We believe, that we have a long track record of integrating LCOs into our network, which has enabled us to expand our network. We believe that our understanding of the cable television distribution industry and acquisition experience has enabled us to successfully identify and associate with LCOs. We continue to evaluate various approaches to increase our subscriber base. To enter into new geographies, we aim to penetrate markets where we believe the market opportunity is high, the competition is low and where we can target LCOs suitable for associating with us. We believe that the growth in the TV signals distribution business is recorded mainly in the smaller towns and the semi-urban and rural areas of the country. The traditional cable based business where fibre needs to be drawn to these locations is an expensive proposition considering the cost of laying and maintaining fibre. Our HITS platform has a distinct advantage since the satellite footprint is available across the country irrespective of the terrain of the region. Therefore, we intend to enter into new markets which is entirely based on our HITS platform which provides superior quality of signals to subscribers compared to traditional cable route.

Continue to deliver superior customer service

We believe that providing superior customer service helps in building subscriber loyalty and promotes subscriber retention. Customer service is a key consideration for subscribers when they select a cable television or broadband service. Our customer service offerings include a 24-hour call centre for both our video and our broadband subscribers. We intend to continue to explore new initiatives to increase the quality of customer service we offer.

Deployment of new technology

Given our size, position and subscriber base in key markets, we believe that we are in a healthy position to launch and monetize multiple service offerings and new technology which will drive our growth. We constantly endeavour to develop and / or adopt technology which result in better service to our customers. For example, we have provided hybrid STBs to our customers whereby they are able to view cable TV and also watch Over The Top (OTT) channels provided by various content providers. We endevour to upgrade our customers to move to High Definition signals from the Standard Definition signals on a continuing basis.

Increase broadband subscriber base by leveraging our presence, infrastructure and range of service offerings

In addition to providing digital content, we provide broadband internet services through our subsidiary ONEOTT Intertainment Limited. As of May 31, 2021, we had over 6 lakhs broadband subscribers. Our broadband network includes an optical fiber network and internet nodes which enable seamless connectivity, higher broadband speeds which can support multiple services including video on demand and OTT. Due to current pandemic COVID 19 and lockdowns imposed by the Government, broadband internet services saw an increase in data and consumption across all sectors including online education, segments such as digital social media, gaming, etc.

We intend to increase our broadband subscriber base through a multi-pronged strategy in order to satisfy the requirements of work from home, online education etc. including increasing our geographic footprint services to new markets such as tier-2 and tier-3 cities. We also intend to expand the packages we offer to include cost-effective high-speed plans which we believe will be attractive to our customers. Finally, we intend to increase our broadband subscriber base byproviding services to our cable television subscribers at reasonable terms.

DESCRIPTION OF OUR BUSINESS

Services provided by our Company

Our Company is primarily engaged in providing following services:

i. distribution of digital contents *via* cables as well as through HITS technology; and
ii. broadband internet services through our subsidiary, ONEOTT Intertainment Limited.

Brief details of the aforementioned services provided by our Company are as follows:

Distribution of Digital content via cables and HITS:

Our business model is primarily a B2B2C model wherein, we receive TV signals from various broadcasters, design customer-centric packages, and then transmit these packages (content) *via* fibre and satellite through our HITS platform to LCOs, who in turn, transmit the signals to the consumers. The conventional fibre technology is largely adopted for the metro cities whereas our HITS technology is used for the vast rural, semi-rural and small towns across India.

- *Distribution through cables*

With respect to distribution of digital content through cable network, we use both owned and leased fibre. Fibre is leased from other telecom and infrastructure service providers. We have set up various points of distribution across India. These points of distribution receive TV signals from head ends which have been set up across India and from these points of distribution the LCOs take the signals for further distribution to consumers. As on May 31, 2021, we have 15 head ends across India for video distribution through cable network.

- *Distribution through HITS technology*

With respect to distribution of signals through the HITS technology, we have designed a robust delivery model known as COPE (Cable Operator Premises Equipment) to enable LCOs to go digital anywhere in India within a short span of time. Among its distinctive features is the receipt of signals directly from satellite irrespective of the location of the LCO. We have taken on lease, satellite transponders where various channels are uplinked from our broadcast centre and the LCOs can downlink these signals directly from the satellite transponders.

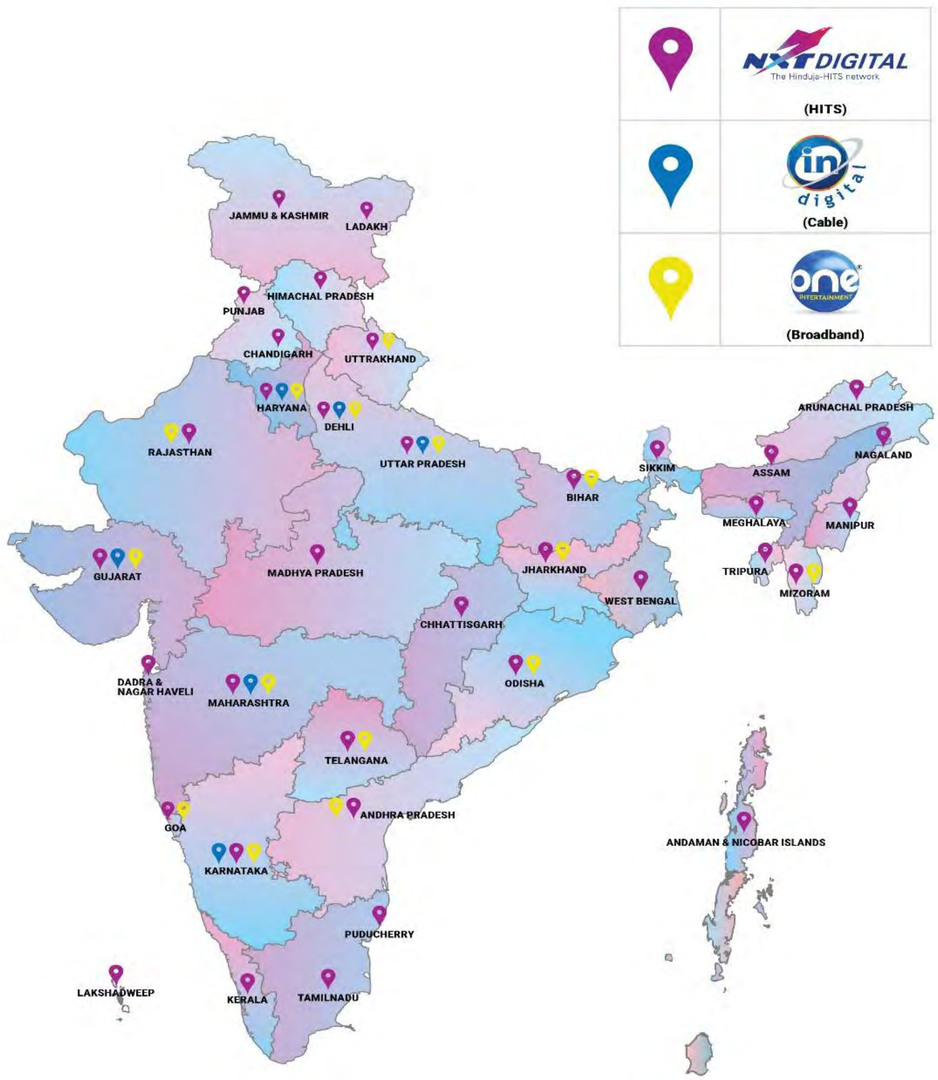
Broadband internet services

ONEOTT Intertainment Limited is an established Internet Service Providers ("**ISP(s)**") in the India. We are among the top 10 ISPs in India with more than 6 lakhs subscribers. OIL under the brand “ONE Broadband” provide converged services of Video, Data and Voice to consumers by delivering high-speed internet and services across multiple cities in India. We cater to both retail and enterprise customers.

OIL provides these services both directly and through several LCOs across India. OIL has successfully put in place a business model wherein smaller ISPs partner with OIL in a “Strategic Alliance Partner” structure. By partnering with OIL, the ISP partner is able to get the benefits of scale of operations while their customers get better technology and quality of service.

Realising the potential of Fibre to the Home (FTTH) distribution model, OIL has been progressively investing in establishing an infrastructure for provision of broadband services through the FTTH route.

Below is a map of India showing some of the key towns in which we provided our services as of May 31, 2021:



Note: The above map is not to scale and not intended to mean political map of the India.

Customers

We deliver television channels on our cable distribution network directly and through our network of LCOs, who provide a cable link to our subscribers. In cases where we deliver services through our own cable link directly to subscribers, we classify that subscriber as a primary subscriber, while a subscriber who receives services through the cable link of LCOs is classified as a secondary subscriber.

Broadcasters

We, as on May 31, 2021, offer over 600 channels on our cable network and over 700 channels on our HITS platform. The number of channels viewed by customers from the offered channels is dependent on the location and subscriber demographics in the market. To meet the diverse needs of the large, culturally diverse and multi-lingual Indian market, we offer a broad range of content. Over the years we have developed strong relationships with broadcasters and content providers, across various genres.

We procure and distribute content of broadcasters. As per Indian interconnection regulations all broadcasters are required to offer their content to all registered platform operators. Accordingly, we enter into subscription agreements with broadcasters and pay them licensing or subscription fees as per the terms stipulated under the agreements. Presently, we procure and distribute content of all the major broadcasters in India.

Relationships with LCOs

We distribute digital content to our subscribers either directly or through our affiliated LCOs. We have nurtured strong relationships with LCOs, and also constantly look to add new LCOs to our network. By being part of our network through Interconnect Agreements, LCOs get the advantage of our relationships with broadcasters, robust infrastructure and financial and technical support. To maintain these relationships, we:

- gather feedback from LCOs, through our field officers, that enable us to make decisions crucial to our business;
- focus on transparency in package cost and pricing as well as STB cost and pricing;
- provide additional revenue opportunity to our LCOs through our broadband services; and
- from time to time we evolve incentive plans in order to reward LCOs for their performance.

Service and Call Centres

In order to provide subscribers with better services, we focus on the quality of our services through both service personnel and call centres. The current structure of the Indian digital content distribution industry results in the LCOs having direct contact with our subscribers in respect of sales, billing, technical support and general assistance. However, since it is important to us that our subscribers receive superior service, our training teams provide training to our LCOs on how to handle service requests which are of a technical nature and how to respond to the customer grievances. In the event of a major service interruption, service is provided by our technical engineers.

We use a Subscriber Management System, designed to manage and track our subscribers in an efficient manner. In order to ensure efficient and quality service, we have also outsourced the call centre service to an organisation which has the expertise in handling call centre operations. As a part of our service to LCOs/ MSOs, the call centre provides backend call centre support with trained staff who can support both, end subscribers and LCOs/ MSOs with problems relating to the service, billing, technical issues etc.

If subscribers have grievances that need to be addressed, then the subscriber may contact our Customer Care Centre through our website, email, telephone, post or by walking into any of our regional offices. We endeavour to address subscriber grievances within a prescribed timeframe, as per applicable regulations. If a subscriber is not satisfied by our response, we provide access to higher level support officers in each state to intervene and an appellate authority to resolve the grievance, if necessary.

Billing and Collection

In order to bill and collect from our subscribers, we follow the below described processes:

Billing:

For all packages provided by us, we have specified a rate which shall be payable by the LCO. We completely operate on prepaid basis. The process of provision of service and the billing for the same is summarised as follows:

- We provide LCOs with a portal and adequate IT controls to ensure that the LCOs are able to access details of only their customers.
- All the subscribers other than primary subscribers are on our Subscriber Management System which are mapped to the respective LCOs
- The LCOs select the packages subscribed by the customers on the portal and on payment of amount due from the LCO from a particular customer for a particular package, the subscriber gets activated on our systems and they are able to watch the respective channels.
- All bills for services watched and paid for by the LCOs are raised at the end of the month and provided to the LCOs
- These bills are provided in soft copy to the LCOs for their records
- Any adjustments in bills due to disconnections by subscribers mid way during a billing cycle are settled through credit notes.

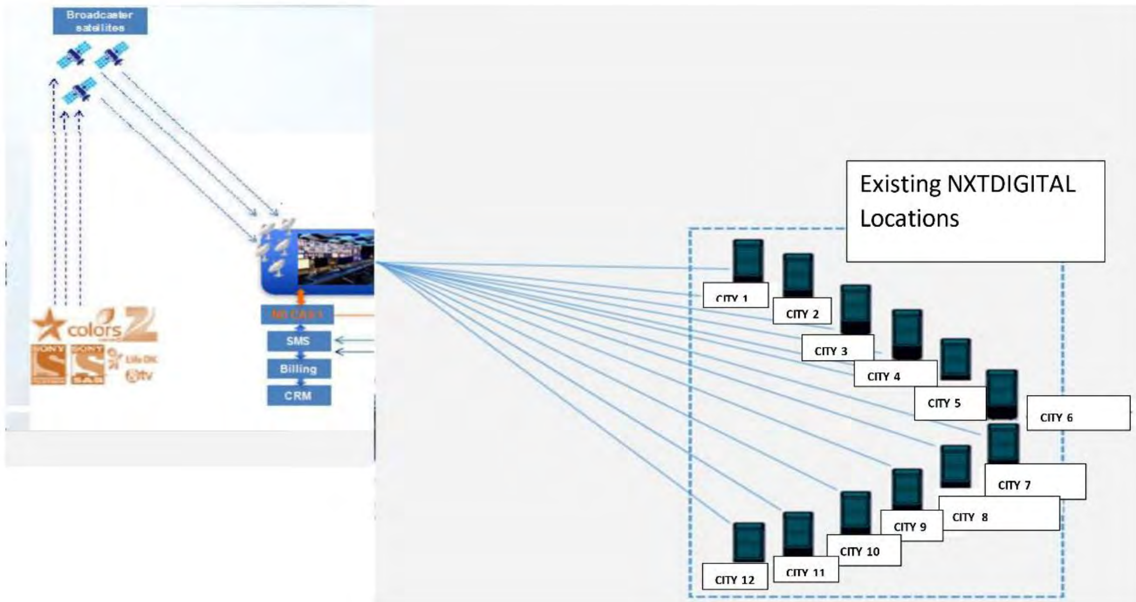
Collection

- All collections by us are on a prepaid basis from the LCOs.
- We have tied up with some of the leading payment gateways in the India to enable LCOs to make payments.
- LCOs can also use the payment gateways to top up the amounts on an adhoc basis in a wallet.
- When the LCOs activate customers packages from their respective portals, the amount lying to their credit is automatically reduced by this amount and the balance available to them for re-charging other customers packages.
- If a LCO fails to make a payment, our Subscriber Management System automatically de-activates the customer.

Network Architecture and Infrastructure

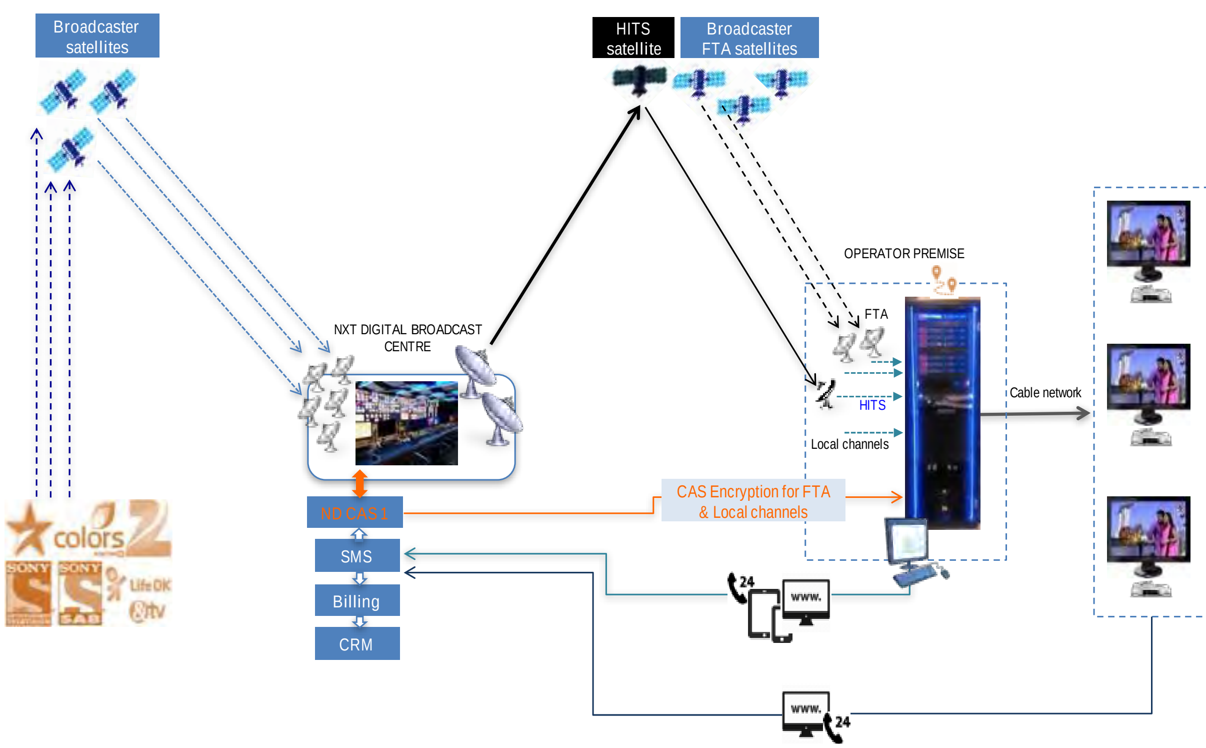
Distribution of digital contents through cable network

In distribution of digital content through cable network, the broadcaster signals are received at the headends of our Company at various locations. These signals are then encrypted and transmitted through underground and overhead fibre to points of distribution. From the points of distribution these are carried on the network of the LCOs to the customers and are de-crypted on the STBs at the customer location and displayed on the TV. The Conditional Access System installed at the headends ensures that the customers watch only those channels which they have subscribed for. The following is a diagrammatic representation of the distribution of digital contents through cable network:



Distribution of digital contents through HITS platform

In distribution of digital content through the HITS platform, the broadcaster signals are received at the broadcast centre of our Company at Noida. These signals are then encrypted and uplinked to satellite transponders taken on lease by us. From the satellite transponders these signals are downlinked by the LCOs by installing a Cable Operators Premises Equipment (COPE) from where they are transmitted on the cable network of the LCOs to the customers and are de-crypted on the STBs at the customer location and displayed on their TV. The Conditional Access System installed at the broadcast centre ensures that the customers watch only those channels which they have subscribed for. The following is the diagrammatic representation of the distribution of digital contents through HITS platform:



Set Top Boxes ("STB(s)")

STBs are a critical component in the transmission of digital signals. Each STBs is distinctly identifiable and mapped to named customers. We transmit encrypted signals on both the cable and the HITS platform. For a customer to watch the programmes the signals need to be decrypted at the customer location to enable the customers to watch the content. The function of a STB is to decrypt encrypted signals which are transmitted both through the cable and the HITS platforms. We source STBs from vendors based in India and China. We source STBs as and when required from the vendors by raising necessary purchase orders.

Satellite transponders

Satellite transponder is a critical element in the distribution of signals through the HITS platform. The signals are uplinked by us from the broadcast centre to the satellite transponders from where these are downlinked by the LCOs. Typically satellite transponders are leased out by satellite service providers. We have a long term contract with satellite service provider for using their transponders on lease. As on May 31, 2021, we have taken 5 transponders on lease with an option to take another transponder, if required.

REAL ESTATE

Our real estate activities include acquisition of real estate assets (land) for the purpose of future development. Our Company has acquired approximately 47 acres of land in Devanahalli Bengaluru and 5 acres of land in Ranga Reddy District, Hyderabad, for this purpose.

SALES, MARKETING AND DISTRIBUTION

We conduct our sales operation through our regional sales structure across the country. We have divided the market into six regions. Each region is headed by regional managers who have a sales team and a customer retention team under them. These teams offer deals to LCO to associate with our Company and thereby acquire a subscriber base upon a successful association and integration of the LCO with our network. As part of customer acquisition strategy, we bundle broadband services to provide value added services to our customers.

We conduct our marketing and advertising campaigns on both local and regional basis, and selectively utilise our cable television services and channels to promote our digital network.

QUALITY MANAGEMENT

We have defined parameters for key processes affecting our business, quality and monitoring systems with key performance indicators for each process. The quality management department carries out regular audits, which include a detailed analysis to understand the current level of compliance and gaps in the systems.

Our Subsidiary, OIL have been accredited with ISO 9001:2015 certification for providing services of internet services and broadband services, fibre to home services, internet leased line services, public wi-fi, network planning and deployment, inbuilding network creation, laying of OFC, operation and maintenance of OFC network and network operation centre.

COMPETITION

Our digital content distribution business faces competition from other local, regional and national cable television distributors and providers of television services through different transmission platforms. We believe that our primary competitors are national level MSOs such as DEN Networks, Digicable, InCable and providers of DTH satellite television such as TataSky, DishTV and Bharti Airtel. We also compete with providers of broadband services including BSNL, MTNL, Bharti Airtel and Reliance Jio.

OUR MANAGEMENT AND ORGANISATIONAL STRUCTURE

Our Board of Directors

As per the Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors, unless otherwise determined by our Company through a special resolution. As on the date of this Draft Letter of Offer, our Board comprises of 8 (eight) Directors, of which 2 (two) Directors are Executive Directors 2 (two) Directors are Non-Executive Directors and 4 (four) Directors are Independent Directors including 1 (one) women Director. Our Company is in compliance with the corporate governance norms prescribed under the SEBI Listing Regulations and the Companies Act, 2013, in relation to the composition of our Board of Director.

The following table sets forth the details regarding our Board of Directors as on the date of this Draft Letter of Offer:

Sr. No.	Name, Designation, Current Term, Period of Directorship, Occupation, Date of Birth, DIN and Address	Age (in years)	Other Directorships
1.	**Mr. Ashok Parmanand Hinduja** **Designation**: Chairman and Non-Executive Director **Current Term**: Permanent Director as per AoA **Period of Directorship**: Director since October 1, 2010 **Occupation**: Business **Date of Birth**: July 15, 1950 **DIN**: 00123180 **Address**: Param Jamuna, Dr. J. R. Mhatre Marg, Ruia Park, Juhu, Mumbai – 400 049, Maharashtra, India.	71	1. Hinduja National Power Corporation Limited; 2. Hinduja Group Limited; 3. Hinduja Energy (India) Limited; 4. Hinduja Finance Limited; 5. Hinduja Realty Ventures Limited; 6. Aasia Imports & Exports Private Limited; 7. The British Metal Corporation (India) Private Limited; 8. Indusind International Federation; 9. Indusind International Holdings Limited, Mauritius; 10. Indusind Limited (Mauritius); and 11. Indusind Finance Limited (Mauritius).
2.	**Mr. Anil Harish** **Designation**: Independent Director **Current Term**: 5 (five) years with effect from September 22, 2019 to September 21, 2024 **Period of Directorship**: Director since November 8, 1995 **Occupation**: Business **Date of Birth**: March 19, 1954 **DIN**: 00001685 **Address**: 13 CCI Chambers, Dinshaw Wacha Road, Churchgate, Mumbai - 400 020, Maharashtra, India.	67	1. Blue Star Limited; 2. Hinduja Global Solutions Limited; 3. Freight Connection India Private Limited; and 4. Vihur Apps Private Limited.

Sr. No.	Name, Designation, Current Term, Period of Directorship, Occupation, Date of Birth, DIN and Address	Age (in years)	Other Directorships
3.	**Mr. Prashant Khatau Asher** **Designation**: Independent Director **Term**: 5 (five) years with effect from September 23, 2019 to September 22, 2024 **Period of Directorship**: Director since September 23, 2014 **Occupation**: Advocate **Date of Birth**: December 17, 1965 **DIN**: 00274409 **Address**: 32/34, Mody Street, 4th Floor, Khatau Building, Fort, Mumbai - 400 001, Maharashtra, India.	55	1. Sharp India Limited; 2. Hinduja Group Limited; 3. Hinduja Realty Ventures Limited; 4. IndusInd Media and Communications Limited; 5. Hinduja Energy (India) Limited; 6. Hinduja National Power Corporation Limited; 7. Keltech Energies Limited; 8. OneOTT Intertainment Limited; 9. Hinduja Healthcare Limited; 10. Seenol Finance and Investments Private Limited; and 11. Hind Filters Private Limited.
4.	**Ms. Bhumika Batra** **Designation**: Independent Director **Current Term**: 5 (five) years with effect from March 11, 2020 to March 10, 2025 **Period of Directorship**: Director since March 11, 2015 **Occupation**: Advocate **Date of Birth**: August 11, 1981 **DIN**: 03502004 **Address**: 32, Mody Street, 3rd Floor, Fort, Mumbai - 400 001, Maharashtra, India.	39	1. Sharp India Limited; 2. Repro India Limited; 3. Hinduja Tech Limited; 4. Hinduja Housing Finance Limited; 5. Jyothy Labs Limited; 6. Finolex Industries Limited; 7. Hinduja Global Solutions Limited; 8. Axis Securities Limited; 9. Hinduja Leyland Finance Limited; 10. Philadelphia Mixing Solutions Asia Private Limited; 11. Oerlikon Textile India Private Limited; and 12. Behr Bircher Cellpack BBC India Private Limited.
5.	**Mr. Sudhanshu Kumar Tripathi** **Designation**: Non-Executive Director **Current Term**: Liable to retire by rotation **Period of Directorship**: Director since August 4, 2015 **Occupation**: Service **Date of Birth**: June 7, 1959 **DIN**: 06431686 **Address**: 703, Casa Grande 7th Floor, S B	62	1. Hinduja Leyland Finance Limited; 2. IDL Explosives Limited; 3. GOCL Corporation Limited; and 4. Hinduja Global Solutions Limited.

Sr. No.	Name, Designation, Current Term, Period of Directorship, Occupation, Date of Birth, DIN and Address	Age (in years)	Other Directorships
	Marg, Lower Parel West, Mumbai 400 013, Maharashtra, India.		
6.	**Mr. Munesh Khanna** **Designation**: Additional (Independent) Director* **Term**: 5 (five) years with effect from May 13, 2021 to May 12, 2026* **Period of Directorship**: Director since May 13, 2021 **Occupation**: Service **Date of Birth**: May 12, 1962 **DIN**: 00202521 **Address**: Beachwood House, Ground Floor, JussawalaWadi, Juhu, Mumbai – 400 049, Maharashtra, India.	59	1. Gulf Oil Lubricant India Limited; 2. JM Financial Capital Limited; 3. Backbay Investment Managers Private Limited; 4. W. P. Organisation (Mumbai Chapter); 5. Caption Advisors Private Limited; and 6. JSW Energy Limited.
7.	**Mr. Vynsley Fernandes** **Designation**: Managing (Additional) Director and Chief Executive Officer* **Current Term**: 3 (three) years with effect from February 26, 2021 to February 25, 2024 and liable to retire by rotation* **Period of Directorship**: Director since February 26, 2021 **Occupation**: Service **Date of Birth**: January 30, 1969 **DIN**: 02987818 **Address**: 101, Sunamora, V-17, Dr. Peter Dias Road, Bandra (West), Mumbai – 400 050, Maharashtra, India.	52	1. OneOTT Intertainment Limited; 2. In Entertainment (India) Limited; and 3. IndusInd Media and Communications Limited.
8.	**Mr. Amar Chintopanth** **Designation**: Whole Time Director and Chief Financial Officer **Term**: 3 (three) years with effect from September 4, 2020 to September 3, 2023 and liable to retire by rotation **Period of Directorship**: Director since	62	1. IN Entertainment (India) Limited; 2. One OTT Intertainment Limited; 3. P & C (Bangalore) Consulting Private Limited; 4. Lucent Business Solutions Private Limited; and 5. IndusInd Media And Communications Limited.

Sr. No.	Name, Designation, Current Term, Period of Directorship, Occupation, Date of Birth, DIN and Address	Age (in years)	Other Directorships
	September 4, 2020 **Occupation**: Service **Date of Birth**: May 12, 1959 **DIN**: 00048789 **Address**: 1403, Tower 4, Raheja Tipco Heights, Rani Sati Marg, Malad (East), Mumbai – 400 097, Maharashtra, India.		

**The appointments of Mr. Vynsley Fernandes and Mr. Munesh Khanna are subject to approval of members of the Company at ensuing Annual General Meeting.*

Confirmations

None of our Directors is, or was a director of any listed company during the last five years preceding the date of filing of this Draft Letter of Offer, whose shares have been, or were suspended from being traded on any of the stock exchanges during the term of their directorship in such company.

Except as state below, none of our Directors is or was a director of any listed company which has been, or was delisted from any stock exchange during the term of their directorship in such company, in the last 10 (ten) years immediately preceding the date of filing of this Draft Letter of Offer:

Sr. No.	Particulars	Details
1.	**Name of the Company**	Hinduja Foundries Limited
2.	**Currently listed on**	Not Applicable
3.	**Delisted from**	BSE and NSE
4.	**Date of delisting on the stock exchange**	January 8, 2018
5.	**Compulsory or Voluntary delisting**	By operation of law
6.	**Reasons for delisting**	Pursuant to Scheme of Amalgamation
7.	**Whether relisted**	No
8.	**Term of director(s)**	a. Ms. Bhumika Batra – November 3, 2015 till the date of delisting. b. Mr. Sudhanshu Kumar Tripathi – August 13, 2015 till the date of delisting.

Our Key Management Personnel and Senior Management Personnel

The details of our other Key Management Personnel are as follows:

Sr. No.	Name of Key Management Personnel	Designation	Associated with Company since
1.	Mr. Vynsley Fernandes	Managing (Additional) Director and Chief Executive Officer	August 1, 2020*
2.	Mr. Amar Chintopanth	Whole Time Director and Chief Financial Officer	August 12 2014**
3.	Mr. Ashish Pandey	Company Secretary and Compliance Officer	October 1, 2020***

** Mr. Vynsley Fernandes was appointed as Managing Director with effect from February 26, 2021.*
*** Mr. Amar Chintopanth was appointed as Whole Time Director with effect from September 4, 2020.*
****Mr. Ashish Pandey was appointed as Company Secretary and Compliance Officer with effect from January 28,*

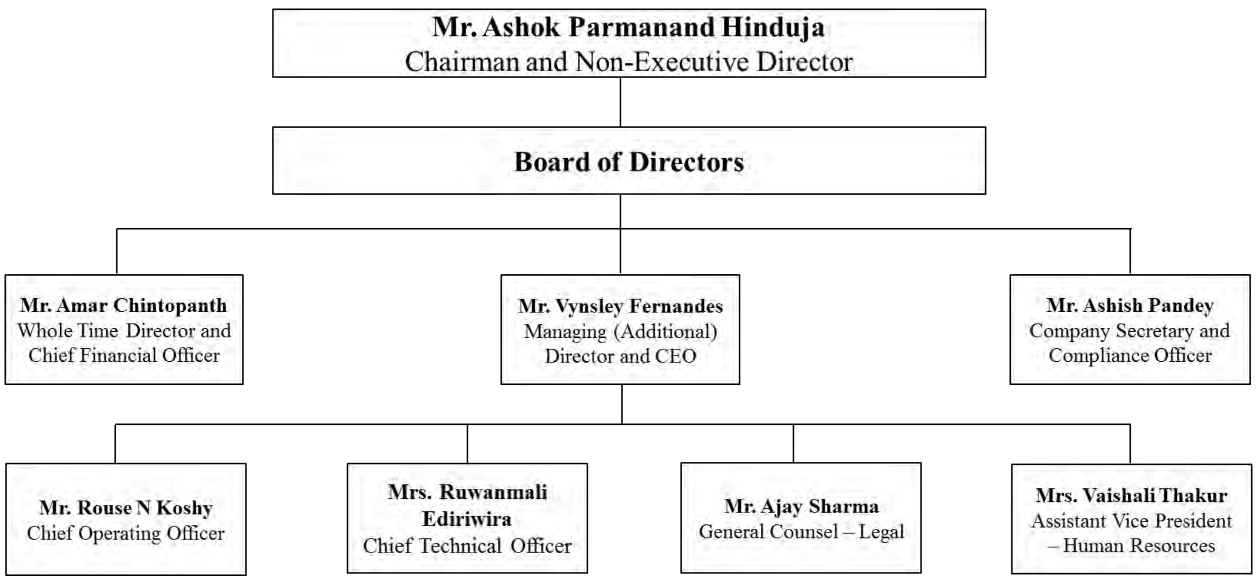
2021.

All our Key Management Personnel are permanent employees of our Company.

Apart from the Key Managerial Personnel mentioned above, the Company employs following Senior Management Personnel who are responsible for handling strategic corporate functions:

Sr. No.	Name of Senior Management Personnel	Designation	Date of appointment
1.	Mr. Rouse N Koshy	Chief Operating Officer	October 1, 2020
2.	Mrs. Ruwanmali Ediriwira	Chief Technical Officer	October 1, 2020
3.	Mr. Ajay Sharma	General Counsel – Legal	October 1, 2020
4.	Mr. Vaishali Thakur	Assistant Vice President – Human Resources	October 1, 2020

Management Organisation Structure:



SECTION V – FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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HARIBHAKTI & CO. LLP
Chartered Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of NxtDigital Limited (Formerly known as Hinduja Ventures Limited)

Report on the Audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **NxtDigital Limited (Formerly known as Hinduja Ventures Limited)** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the consolidated Ind AS financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate Ind AS financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the consolidated state of affairs of the Group as at March 31, 2021, their consolidated loss (including other comprehensive income), their consolidated changes in equity and their consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the consolidated Ind AS financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current year. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

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Registered offices: 705, Leela Business Park, Andheri-Kurla Road, Andheri (E), Mumbai - 400 059, India. Tel:+91 22 6672 9999 Fax:+91 22 6672 9777
Other offices: Ahmedabad, Bengaluru, Chennai, Coimbatore, Hyderabad, Kolkata, New Delhi, Pune.

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Sr. No.	Key audit matter	How our audit addressed the key audit matter
1.	<u>Revenue recognition on subscription, installation charges, carriage and channel placement fees</u> The Group is in the business of Media and Communication which is primarily into distribution of TV signals both through Cable and Satellite. The various streams of revenue recognition are revenue from subscription, installation charges, and carriage and channel placement fees. Revenue recognition is done basis the subscription plans and tariffs, agreements entered with the concerned Multi State Operators and Local Cable Operators. Carriage and channel placement fees are recognised based on the agreements entered with the TV broadcasters. The Group has a huge country wide presence and its operations span across many locations, hence there are many peculiarities with respect to contractual terms entered with operator and broadcasters. Also, significant judgment is involved in assessing the timing and extent of revenue recognition for installation, carriage and channel placement fees. Based on the above factors, we have identified revenue recognition as a key audit matter.	**Our audit procedure included:** a) Design and Implementation of internal financial controls - We have by way of a walkthrough procedure understood and tested the control design and implementation as established by the Management over revenue recognition. b) Validation of Accounting Policy - We have assessed the appropriateness of the Group accounting policy on revenue recognition by comparing with applicable accounting standards. c) Control testing - Based on the thorough understanding of the process related to each of the revenue stream, and the controls in place in respect of each of the activity involved in the processes, we have tested the design and operating effectiveness of the key controls adopted by the Company. d) Test of details - We have verified the revenue invoices raised in respect of each the streams of revenue on a sample basis along with relevant supporting We have verified the revenue recognised with the underlying agreement/contractual terms entered into with operators and broadcasters on a sample basis. We have verified and assessed the revenue recognition working with the requirements of Ind AS 115 We have verified the judgment and estimates made by the management in revenue recognition.

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Emphasis of Matter

We draw attention to Note 61 to the consolidated Ind AS financial statements which explains the uncertainties and the Management's evaluation of the financial impact on the Group due to lockdown and other restrictions imposed by the local government(s) on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period. Our opinion is not modified in respect of this matter.

Other Information

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Holding Company's Directors' Report, Management Discussion & Analysis Report etc.,, but does not include the standalone Ind AS financial statements, consolidated Ind AS financial statements and our auditor's report thereon. The Directors' Report, Management Discussion & Analysis Report etc., is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the Directors' Report, Management Discussion & Analysis Report etc.,, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated Ind AS financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including Ind AS prescribed under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free

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from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company and its subsidiary companies, which are companies incorporated in India, have adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the Ind AS financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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Other Matters

(a) We did not audit the Ind AS financial statements of two subsidiaries (including sixteen step down subsidiaries), whose Ind AS financial statements reflects total assets of Rs. 76,442 lakhs and net assets of Rs. 46,853 lakhs as at March 31, 2021, total revenues of Rs. 35,497 lakhs and net cash outflow amounting to Rs. 545 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. These Ind AS financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of section 143(3) of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.

(b) The audit of consolidated Ind AS financial statements for the year ended March 31, 2021, was carried out and reported by Deloitte Haskins & Sells LLP, Chartered Accountants, vide their unmodified audit report dated September 06, 2020, whose report has been furnished to us by the management and which has been relied upon by us for the purpose of our audit of the consolidated Ind AS financial statements.

Our opinion on the consolidated Ind AS financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate Ind AS financial statements and the other financial information of subsidiaries, as noted in the Other Matters section above we report, to the extent applicable, that:

a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;

d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of the written representations received from the directors of the Holding Company as on March 31, 2021 and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, none of the directors of

HARIBHAKTI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI the Group companies, incorporated in India, is disqualified as on March 31, 2021 from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate report in "Annexure";

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act:

In our opinion and to the best of our information and according to the explanations given to us by the Holding Company and the reports of the statutory auditors of its subsidiary companies, incorporated in India, the remuneration paid/ provided to their directors during the year by the Holding Company and subsidiary companies incorporated in India is in accordance with the provisions of section 197 of the Act;

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group - Refer Note 40 to the consolidated Ind AS financial statements;

(ii) The Group did not have any material foreseeable losses on long term contracts including derivative contracts; and

(iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies incorporated in India.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Snehal Shah

Partner

Membership No.048539

UDIN: 21048539AAAABL4039

Place: Mumbai

Date: May 13, 2021

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section in our Independent Auditor's Report of even date to the members of **NxtDigital Limited (Formerly known as Hinduja Ventures Limited)** on the consolidated Ind AS financial statements for the year ended March 31, 2021]

Report on the Internal Financial Controls with reference to Financial Statements under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of **NxtDigital Limited (Formerly known as Hinduja Ventures Limited)** ("Holding Company") as of and for the year ended March 31, 2021, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of Holding Company and its subsidiary companies.

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Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of reporting of other auditors as mentioned in Other Matters paragraph below, the Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2021, based on the internal control with reference to financial statements criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

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Other Matters

Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to two subsidiary companies (including sixteen step down subsidiaries) which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **Haribhakti & Co. LLP**

Chartered Accountants

ICAI Firm Registration No.103523W / W100048

Snehal Shah

Partner

Membership No. 048539

UDIN: 21048539AAAABL4039

Place: Mumbai

Date: May 13, 2021

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Consolidated Balance Sheet as at March 31, 2021

(Rs. in Lakh)

	Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
	ASSETS			
1)	**Non-current Assets**			
a)	Property, plant and equipment	2	56,590.28	61,284.62
b)	Capital work-in-progress	3	999.39	1,218.65
c)	Right to use assets	4	16,191.88	10,898.00
d)	Other intangible assets	5	29,140.36	30,818.57
e)	Goodwill	6	13,232.03	13,232.03
f)	Financial assets			
	i) Investments	7A	601.71	497.48
	ii) Derivatives	10A	-	45.00
	iii) Loans	13A	349.64	-
	iv) Other financial assets	14A	433.35	425.61
g)	Income tax assets (net)		6,014.77	5,926.77
h)	Deferred tax assets (net)		22,903.03	13,685.55
i)	Other non-current assets	16A	2,897.00	2,138.78
	Total Non-current Assets		**1,49,353.44**	**1,40,171.06**
2)	**Current Assets**			
a)	Inventories	8	4,599.86	4,650.02
b)	Financial assets			
	i) Investments	7B	655.39	274.95
	ii) Trade receivables	9	7,117.97	7,678.27
	iii) Derivatives	10B	8.29	2,086.69
	iv) Cash and cash equivalents	11	1,306.52	2,693.64
	v) Bank balances other than (iv) above	12	9,499.12	9,812.04
	vi) Loans	13B	5,999.17	6,745.30
	vii) Other financial assets	14B	450.24	526.60
	viii) Financials assets classified as held for sale	15	543.07	9,819.27
	xi) Unbilled receivables		1,360.78	534.00
c)	Other current assets	16B	6,912.92	11,410.66
	Total Current Assets		**38,453.33**	**56,231.44**
	Total Assets		**1,87,806.77**	**1,96,402.50**
	EQUITY AND LIABILITIES			
	Equity			
a)	Equity share capital	17	2,405.12	2,055.55
b)	Instruments entirely equity in nature			349.57
c)	Other equity	18	5,864.69	9,932.94
	Equity attributable to the equity holders of the company		**8,269.81**	**12,338.06**
d)	Non-controlling interest	19	13,807.64	12,439.85
	Total Equity		**22,077.45**	**24,777.91**
	Liabilities			
1)	**Non-current Liabilities**			
a)	Financial liabilities			
	i) Borrowings	20A	23,658.05	28,652.40
	ii) Lease liability		13,510.60	8,596.85
	iii) Other Financial Liabilites		390.00	390.00
b)	Provisions	24A	928.53	770.49
c)	Deferred income	26A	377.88	1,747.69
d)	Deferred tax liabilities (net)	18	35.51	681.46
	Total Non-current Liabilities		**38,900.57**	**40,838.89**
2)	**Current Liabilities**			
a)	Financial liabilities			
	i) Borrowings	20B	66,097.67	41,710.25
	ii) Trade payables	21		
	a) Total outstanding dues of micro enterprises and small enterprises		81.00	21.00
	b) Total outstanding dues of creditors other than micro enterprises and small enterprises		24,781.10	29,756.04
	iii) Derivative	22	-	44.89
	iv) Lease Liabilities		3,651.80	2,785.08
	v) Other financial liabilities	23B	24,370.30	45,486.89
b)	Provisions	24B	162.81	225.06
c)	Current tax liabilities (net)	25	138.81	177.95
d)	Deferred income	26B	5,558.56	8,722.15
e)	Other current liabilities	27	1,986.70	1,856.39
	Total Current Liabilities		**1,26,828.75**	**1,30,785.70**
	Total Liabilities		**1,65,729.32**	**1,71,624.59**
	Total Equity and Liabilities		**1,87,806.77**	**1,96,402.50**

Significant accounting policies 1B

See accompanying notes to the standalone financial statements 2 - 67

In terms of our report attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No. 103523W / W100048

HARIBHAKTI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 13, 2021

For and on behalf of the Board of Directors of NXTDIGITAL LIMITED
CIN : L51900MH1985PLC036896

Anil Harish

Vynsley Fernandes
Managing Director & Chief Executive Officer
DIN 02987818

Anil Harish
Director
DIN 00001685

Amar Chintopanth
Whole Time Director & Chief Financial Officer
DIN 00048789

Ashish Pandey
Company Secretary
FCS No. 6078

Place : Mumbai
Date : May 13, 2021

NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Consolidated Statement of profit and loss for the year ended March 31, 2021

(Rs. in Lakh)

	Particulars	Note No.	For the year ended March 31, 2021	For the year ended March 31, 2020
1	Revenue from operations	28	97,488.15	99,998.35
2	Other income	29	3,356.92	16,211.61
3	**Total Income (1+2)**		**1,00,845.07**	**1,16,209.96**
4	**Expenses**			
i)	Purchase of network equipments		3,801.87	5,379.05
ii)	Changes in inventories of network cable and equipments	30	50.16	(256.46)
iii)	Operational expenses	31	45,200.41	44,198.39
iv)	Employee benefits expense	32	8,008.64	7,091.21
v)	Finance costs	33	14,265.83	11,979.49
vi)	Depreciation and amortisation expense	34	20,398.09	19,748.15
vii)	Other expenses	35	20,575.92	25,623.50
	Total Expenses (4)		**1,12,300.92**	**1,13,763.33**
5	**Profit/(Loss) before tax from continuing operations (3 - 4)**		(11,455.85)	2,446.63
6	**Tax Expense:**	36		
i)	Current tax		255.98	190.38
ii)	Deferred tax / (reversal)		(10,074.78)	(8,711.47)
iii)	Provision / (write back) for tax for earlier years		(0.98)	-
	Total Tax Expenses (6)		**(9,819.78)**	**(8,521.09)**
7	**Profit /(Loss) after tax from continuing operations (5 - 6)**		**(1,636.07)**	**10,967.72**
8	**Gain /(Loss)from discontinued operations**	49	317.17	(32,799.06)
9	**Tax Expense of discontinued operations**		71.27	(8,422.37)
10	**Gain/(Loss) after tax from discontinued operations (8 - 9)**		**245.90**	**(24,376.69)**
11	**Loss for the year (7 + 10)**		**(1,390.17)**	**(13,408.97)**
12	**Other Comprehensive Income**			
A.	**Items that will not be reclassified to profit or loss (Discontinued)**			
a)	Net Profit / (Loss) on fair valuation of equity instruments through other comprehensive income		53.62	(3,791.85)
b)	Net Profit / (Loss) on sale of equity instruments through other comprehensive income		-	(24,477.97)
c)	Tax impact		(4.61)	3,769.86
	Total of items that will not be reclassified to profit or loss (Discontinued)		**49.01**	**(24,499.96)**
B.	**Items that will not be reclassified to profit or loss (Continuing)**			
a)	Re-measurement of defined benefit plans		(162.36)	-
b)	Net Profit / (Loss) on fair valuation of equity instruments through other comprehensive income		114.35	(152.52)
c)	Tax impact		(10.66)	(0.72)
	Total of items that will not be reclassified to profit or loss (Continuing)		**(58.67)**	**(153.24)**
C.	**Items that will be subsequently reclassified to the Statement of profit or loss**			
	Effective portion of gain / (loss) on hedging instrument in cash flow hedges		69.37	508.64
	Tax impact		(17.46)	-
	Total of items that will be subsequently reclassified to the Statement of profit or loss		**51.91**	**508.64**
	Total Other Comprehensive Income for the year		**42.25**	**(24,144.56)**
13	**Total Comprehensive Income for the year (11 + 12)**		**(1,347.92)**	**(37,553.53)**
	Profit/(Loss) for the year attributable to:			
	Equity holders of the parent		(2,914.98)	(16,841.82)
	Non-Controlling Interest		1,524.81	3,432.85
	Total		**(1,390.17)**	**(13,408.97)**
	Other comprehensive income for the year attributable to:			
	Equity holders of the parent		49.27	(24,167.73)
	Non-Controlling Interest		(7.02)	23.17
	Total		**42.25**	**(24,144.56)**
	Total comprehensive income/ (loss) for the year attributable to:			
	Equity holders of the parent		(2,865.71)	(41,009.55)
	Non-Controlling Interest		1,517.79	3,456.02
	Total		**(1,347.92)**	**(37,553.53)**
14	**Earnings per equity share (for continuing operation):** **(Face value of equity share of Rs. 10 each)**	37		
	Basic (in Rs.)		(12.12)	(81.93)
	Diluted (in Rs.)		(12.12)	(81.93)
15	**Earnings per equity share (for discontinued operation):** **(Face value of equity share of Rs. 10 each)**			
	Basic (in Rs.)		0.20	(117.57)
	Diluted (in Rs.)		0.20	(117.57)
16	**Earnings per equity share (for total operations):** **(Face value of equity share of Rs. 10 each)**			
	Basic (in Rs.)		(11.92)	(199.50)
	Diluted (in Rs.)		(11.92)	(199.50)
	Significant accounting policies	1B		
	See accompanying notes to the standalone financial statements	2 - 67		

In terms of our report attached
For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No. 103523W / W100048

HARIBHAKTI & CO. LLP ★ MUMBAI ★ CHARTERED ACCOUNTANTS

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 13, 2021

For and on behalf of the Board of Directors of
NXTDIGITAL LIMITED
CIN : L51900MH1985PLC036896

Vynsley Fernandes
Managing Director & Chief Executive Officer
DIN 02987818

Anil Harish

Anil Harish
Director
DIN 00001685

Amar Chintopanth
Whole Time Director & Chief Financial Officer
DIN 00048789

Ashish Pandey
Company Secretary
FCS No. 6078

Place : Mumbai
Date : May 13, 2021

NXTDIGITAL LIMITED ★ MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)
Consolidated Cashflow statement as at 31 March, 2021

(Rs. in Lakh)

	Particulars		For the year ended March 31, 2021		For the year ended March 31, 2020
A	**Cash flow from operating activities**				
	Profit/(Loss) before tax from continuing operations		(11,455.85)		2446.63
	Profit/(Loss) before tax from discontinuing operations		317.17		(32,799.06)
	Adjustments for:				
	Interest income	(1,434.54)		(650.15)	
	Dividend income	(3.54)		(9.77)	
	Gain on fair valuation of investments measured at fair value through profit or loss	(668.98)		(11,759.77)	
	Provision for doubtful debts no longer required written back	(34.83)		-	
	Bad debts recovery	(301.34)		(323.99)	
	Fair value gain on Lease (Ind AS 116)	-		(721.01)	
	Interest on income tax refund	(88.61)		(153.45)	
	Sundry credit balances no longer required written back	(357.94)		(1,426.78)	
	Unwinding of security deposit	(18.05)		(9.71)	
	Foreign currency fluctuation (gain) / loss	346.59		1,273.56	
	Provision for dimunition in value of investments	11.18			
	Amortisation of security deposit	15.88		9.76	
	Finance costs	12,450.29		11,979.49	
	Depreciation and amortisation expense	20,398.09		19,748.15	
	Loss of fair valuation of derivatives measured at fair value through profit or loss	-		-	
	Impairment of goodwill	-		44.30	
	(Gain) / Loss on sale of property, plant and equipment	(43.99)		-	
	Provision for doubtful debts / advances	255.58		164.72	
	Bad debts / advance written off	794.82		6,452.94	
			31,320.61		24,618.29
	Operating (Loss) before working capital changes		20,181.94		(5,734.14)
	Changes in operating assets and liabilities				
	(Increase) in derivative financial instruments	2,182.71		(3,203.30)	
	(Increase) in trade receivables	(5,548.94)		(1,449.38)	
	Decrease / (Increase) in other financial assets	86.68		822.64	
	(Increase) / Decrease in Inventories	50.16		(253.06)	
	Decrease /(Increase) in non-financials assets	3,739.52		3,668.16	
	Increase/(Decrease) in trade payables	(4,903.59)		4,692.99	
	Increase/(Decrease) in other financial liabilities	(834.27)		4,235.22	
	Increase/ (Decrease) in provisions	(66.57)		36.42	
	(Decrease) in other non-financial liabilities	130.31		(15,215.63)	
			(5,163.98)		(6,665.94)
	Cash generated / (used in) operations		**15,017.95**		**(12,400.09)**
	Taxes paid (net of refunds)		(186.17)		(1,400.54)
	Net Cash generated / (used in) operating activities (A)		**14,831.78**		**(13,800.63)**
B	**Cash flow from investing activities**				
	Interest income received	1,434.54		801.81	
	Dividend income received	3.54		9.77	
	Fixed deposits (placed) / redeemed and other bank balances	317.23		(1,412.37)	
	Purchase of property, plant and equipment / other intangible asset	(10,785.10)		(7,154.92)	
	Sale of property, plant and equipment / other intangible assets	283.57		19.23	
	Right to use assets			29,796.64	
	Sale of investments	9,613.00		40,813.49	
			866.78		62,873.65
	Net Cash from investing activities (B)		**866.78**		**62,873.65**
C	**Cash flow from financing activities**				
	Receipt of (loans taken) / loans given (net)	396.47		(1,218.58)	
	Movement in other equity and Non controlling interest	-		407.35	
	Repayment of lease liabilities	(2,774.17)		(1,880.26)	
	Repayment of borrowings taken (net of repayment)	(905.13)		(29,506.53)	
	Interest paid	(12,450.29)		(12,905.05)	
	Dividend paid	(1,352.55)		(3,837.16)	
	Dividend distribution tax	-		(739.42)	
	Net cash used in financing activities (C)		**(17,085.67)**		**(49,679.65)**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)		**(1,387.11)**		**(606.62)**
	Cash and cash equivalents at the beginning of the year		2,693.64		3,155.18
	Cash and cash equivalent acquired on scheme of arrangement		-		145.08
	Cash and cash equivalents at the end of the year		**1,306.53**		**2,693.64**
	Cash and cash equivalents comprises of:		-		-
	Cash on hand		128.05		63.00
	Balance with banks:				
	- Current accounts		635.11		2,463.55
	- Deposit accounts with original maturity of less than three months		211.12		4.06
	- Deposit accounts with original maturity of more than 12 months				-
	- Debit balance of cash credit facility		202.53		-
	Cheques on hand		129.70		163.03
	Total		**1,306.52**		**2,693.64**

Notes:
1. The above cash flow statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on Statement of Cash Flows.
2. Previous year's figures have been regrouped / rearranged wherever necessary, to conform to figures of the current year.

Significant accounting policies 1B
See accompanying notes to the standalone financial statements 2 - 67

In terms of our report attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No. 103523W / W100048

HARIBHAKTI & CO. LLP ★ CHARTERED ACCOUNTANTS MUMBAI

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 13, 2021

For and on behalf of the Board of Directors of
NXTDIGITAL LIMITED
CIN : L51900MH1985PLC036896

Anil Harish

Vynsley Fernandes
Managing Director & Chief Executive Officer
DIN 02987818

Anil Harish
Director
DIN 00001685

Amar Chintopanth
Whole Time Director & Chief Financial Officer
DIN 00048789

Ashish Pandey
Company Secretary
FCS No. 6078

Place : Mumbai
Date : May 13, 2021

NXTDIGITAL LIMITED ★ MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Consolidated statement of changes in equity for the year ended March 31, 2021

A) Equity share capital

(Rs. in Lakh)

Particulars	Amount
Balance as at March 31, 2019	**2,055.55**
Changes in equity share capital during the year	-
Balance as at March 31, 2020	**2,055.55**
Changes in equity share capital during the year	349.57
Balance as at March 31, 2021	**2,405.12**

Instruments entirely equity in nature

Obligation to issue fixed number of shares	
At April 1, 2019	**349.57**
Changes during the year	-
At March 31, 2020	**349.57**
Changes during the year	(349.57)
At March 31, 2021	-

B) Other equity

(Rs. in Lakh)

Particulars	Reserve and surplus				Reserve for equity instrument through other comprehensive income	Effective portion of cash flow hedges	Total - Attributable to owners of the parent (a)	Non-controlling interests (b)	Total (a) + (b)
	Capital reserve	Securities premium	General reserve	Retained earnings					
Balance as at March 31, 2019	**11,180.97**	**670.58**	**9,034.25**	**(34,627.33)**	**65,974.18**	**(494.76)**	**51,737.89**	**1,824.78**	**53,562.66**
Loss for the year	-	-	-	(16,841.82)			(16,841.82)	3,432.85	(13,408.97)
Other comprehensive (loss) / income for the year, net of income tax	-	-	-		(24,561.68)	393.95	(24,167.73)	23.17	(24,144.56)
Dividend paid (including dividend distribution tax)	-	-	-	(4,522.71)	-	-	(4,522.71)	(53.87)	(4,576.58)
Dividend paid (including taxes) (IMCL - Subsidiary)	-	-	-		-	-	-		-
Transition effect of Ind AS-116- "Leases" including deferred tax (Refer note no.50)	-	-	-	(393.08)	-	-	(393.08)	(113.79)	(506.87)
Deferral of installation revenue	-	-	-	283.67	-	-	283.67	82.12	365.79
Reserves assumed on merger	4,009.66					(55.27)	3,954.39		3,954.39
Adjustment to non controlling interest pursuant to merger	-	-	-	-	-	-	-	(4,303.96)	(4,303.96)
Change in stake in a subsidiary on account of business combination	-	-	-	364.12	-	-	364.12		364.12
Fair value of preference shares on account of business combination (Refer note no. 59)	-	-	-	105.90	-	-	105.90	30.66	136.56
Non controlling interest share on account of rights subscribed by Parent in subsidiary	-	-	-	(632.37)	-	-	(632.37)	632.37	-
Other Adjustments	(11.94)	-	-	56.62	-	-	44.68	123.86	168.53
On Account of acquiring controlling stake	-	-	-	-	-	-	-	10,761.66	10,761.66
Adjustments pertaining to merger	-	-	-	-	-	-	-		-
Balance as at March 31, 2020	**15,178.69**	**670.58**	**9,034.25**	**(56,206.99)**	**41,412.50**	**(156.08)**	**9,932.94**	**12,439.85**	**22,372.79**
Loss for the year	-	-	-	(2,914.98)	-	-	(2,914.98)	1,524.81	(1,390.17)
Less: Final dividend paid	-	-	-	(1,202.55)	-	-	(1,202.55)	(150.00)	(1,352.55)
OCI transferred to retained earnings*	-	-	-	40,602.28	(40,602.28)	-	-	-	-
Re-measurement of defined benefit plans	-	-	-	(162.36)	-	-	(162.36)	-	(162.36)
Net fair value gain / loss on investment in equity instruments	-	-	-	-	174.99	-	174.99	(7.02)	167.97
Effective portion of gain / (loss) on hedging instrument in cash flow hedges	-	-	-	-	-	69.37	69.37	-	69.37
Tax impact	-	-	-	-	(15.27)	(17.46)	(32.73)	-	(32.73)
Balance as at March 31, 2021	**15,178.69**	**670.58**	**9,034.25**	**(19,884.60)**	**969.94**	**(104.17)**	**5,864.69**	**13,807.64**	**19,672.33**

*The realized gains / losses arising out of financial instruments, earlier classified as Fair Value Through Other Comprehensive Income (FVTOCI), has been transferred to Retained Earnings.

Significant Accounting Policies 1B
See accompanying notes to the Consolidated Financial 2 - 67

In terms of our report attached

For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No. 103523W / W100048

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

Snehal Shah
Partner
Membership No. 048539

Place : Mumbai
Date : May 13, 2021

For and on behalf of the Board of Directors of
NXTDIGITAL LIMITED
CIN : L51900MH1985PLC036896

Anil Harish

Vynsley Fernandes
Managing Director & Chief Executive Officer
DIN 02987818

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Director
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Amar Chintopanth
Whole Time Director & Chief Financial Officer
DIN 00048789

Ashish Pandey
Company Secretary
FCS No. 6078

Place : Mumbai
Date : May 13, 2021

NXTDIGITAL LIMITED MUMBAI

1. Significant Accounting Policies

1A. General information

Group Background

NXTDIGITAL LIMITED (formerly Hinduja Ventures Limited) ("the Company") is a public limited company incorporated and domiciled in India and governed by the Companies Act, 2013 ("Act"). The Company's registered office is situated at In Centre, 49/50, MIDC, Andheri East, Mumbai – 400 093, Maharashtra, India.

The main activities of the Company span over three segments namely Media and Communication, Real Estate and Investments and Treasury. The Company's principal business investments are in Media and Communication with primary activity, through its subsidiary, being operation and distribution of television channels through the medium of Cable TV distribution through both the traditional cable platform and the Headend-in-the-Sky ("HITS") platform including leasing of optic fibre cable, internet connectivity services

The management of the company has decided during the year ended March 2020, to discontinue its Treasury and Investment segment operations. Accordingly, the related revenue of interest income, dividend income from treasury and investment operations for previous year has been reclassified from 'Other Operating Revenue' to 'Discontinuing operations'. The related Investments in the balance sheet is reclassified from 'Non-Current financial assets' to 'Assets Held for Sale'. The figures for this discontinued business have been disclosed as a separate segment as "Treasury and Investment Operation (Discontinued)" in the segment information.

The financial statements of the group for the previous year ended March 31, 2020 were earlier reviewed by audit committee and approved by the Board of Directors at their meeting held on July 31, 2020 and reported upon by the statutory auditors vide their report dated July 31, 2020. The said accounts did not include the effect of the scheme of arrangement for merger of Media and Communication undertaking of IndusInd Media and Communications Limited (subsidiary company) into the Company, which were then pending for approval of the Honorable National Company Law Tribunal, Mumbai Bench ('NCLT'), which the Company has since received on August 21, 2020. As a result, the Scheme has become effective on October 1, 2020. The Board of Directors then have decided to update the accounts of the group for the year ended March 31, 2020 to incorporate the effect of the Scheme and accordingly these financial statements have been updated for giving consequential effect to the Scheme.

Based on the accounting prescribed in the NCLT Scheme which is in accordance with the accounting prescribed in Appendix C to Ind AS 103, the Group has used the pooling of interest method to account for the merger. Based on the requirements of Appendix C to Ind AS 103, the Company has restated the financial information appearing in these financial statements in respect of prior periods as if the merger had occurred from the beginning of the preceding period. Hence, while preparing restated consolidated Ind AS Financial Statement for the year ended March 31, 2020 merger of Media and Communication undertaking of IndusInd Media & Communications Limited is restated from the beginning of the comparative period, viz., April 1, 2018.

1B. Significant Accounting Policies

1B.1 Basis of Preparation and Presentation

Compliance with Indian Accounting Standards (Ind AS)

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (IND AS) notified under sec. 133 of Companies Act 2013 and guidelines issued by the Securities and Exchange Board of India ("SEBI"). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/ or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The consolidated financial statements are presented in Indian Rupees (`) which is the functional currency of the Group and all values are rounded to the nearest lakhs, except where otherwise indicated.

Basis of consolidation

The consolidated financial statements of the Group incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities which are controlled by the Company. Control is achieved when the Parent Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

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NXTDIGITAL LIMITED MUMBAI

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Parent Company.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e., reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

The significant accounting policies are detailed below.

1B.2 Revenue recognition

The Group has adopted Ind AS 115 "Revenue from Contracts with Customers". The new revenue standard sets forth a single comprehensive model for recognising and reporting revenues. The Company has applied Ind AS 115 using cumulative effect method. The cumulative effect method requires the Company to apply the provisions of Ind AS 115 to those contracts which were not completed as of April 01, 2018 and record

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

an adjustment to the opening balance of retained earnings as of April 01, 2018. Therefore, the comparative information has not been restated and continues to be reported under Ind AS 18 and Ind AS 11.

Revenue is recognized upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services.

To recognise revenues, we apply the following five step approach:
(1) identify the contract with a customer,
(2) identify the performance obligations in the contract,
(3) determine the transaction price,
(4) allocate the transaction price to the performance obligations in the contract and
(5) recognise revenues when a performance obligation is satisfied.

Performance obligations

A performance obligation is a promise in a contract to transfer a distinct good or service to the client and is the unit of accounting in Ind AS 115. The performance obligations of the Company are satisfied over time as services are rendered.

Determination of transaction price

Revenue is measured based on transaction price which includes variable consideration only to the extent it is probable that a significant reversal of revenues recognized will not occur when the uncertainty associated with the variable consideration is resolved. Revenues also exclude taxes collected from customers.

Allocation of transaction price

A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied. For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation based on the relative standalone selling price. The primary method used to estimate standalone selling price is the adjusted market assessment approach, under which the Company evaluates the price in that market that a customer is willing to pay for those services. While determining relative standalone selling price and identifying separate performance obligations require judgment, generally relative standalone selling prices and the separate performance obligations are readily identifiable as we sell those performance obligations unaccompanied by other performance obligations.

Sale of products

The Group recognises revenue on the sale of set top boxes, net of discounts, sales incentives and rebates granted when control of the goods is transferred to the customer. The control of goods is transferred to the customer depending upon the terms agreed with customer. Control is considered to be transferred to customer when customer has ability to direct the use of such goods and obtain substantially all the benefits from it such as following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on-selling the goods and bears the risks of obsolescence and loss in relation to the goods.

Installation and subscription income

The Group earns its revenue primarily from installation and subscription and related services as an MSO. The subscription income is recognized over the subscription period and the installation revenue is recognized over the period when the Group is expected to realise economic benefits from such installation.

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NXTDIGITAL LIMITED MUMBAI

The carriage income is recognized on a straight-line basis.

Other operating revenues are recognized on satisfaction of performance obligation by transferring services (control of asset) to the customer.

Interest Income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Dividend Income

Dividend income from investments is recognized when the Group's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Lease Income - Optic Fibre Cable

The policy for recognition of revenue from operating leases is described in **1B.10** below

Other Income

Other income comprises of income from ancillary activities incidental to the operations of the Group and is recognized when the right to receive the income is established as per the terms of the contract.

Contract balances

A contract asset is right to consideration in exchange of services that the Group has rendered to a customer when that right is conditioned on something other than passage of time. Contract assets are recognized when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled receivables (only act of invoicing is pending) when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

A contract liability is the obligation to render services to a customer for which the company has received consideration from the customer. If a customer pays consideration before the company renders services to the customer, a contract liability is recognized when the payment is made. Contract liabilities are recognized as revenue when the Group renders services as per the contract.

1B.3 Foreign currency transactions

In preparing the consolidated financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the closing exchange rates prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.
Exchange differences on monetary items are recognized in statement of profit or loss in the period in which they arise. Any income or expense on account of exchange difference either on settlement or translation of monetary items is recognized in the Statement of profit and loss.

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NXTDIGITAL LIMITED MUMBAI *

1B.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets is substantially ready for their intended use or sale.

All other borrowing costs are recognized in statement of profit or loss in the period in which they are incurred. Upfront processing fees and other borrowing cost incurred on loans is amortised over the tenure of the loans.

1B.5 Leases

Effective April 1, 2019, the Company adopted Ind AS 116 "Leases", effective annual reporting period beginning April 1, 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognized on the date of initial application (April 1, 2019). (Refer Note no. 44)

As Lessor

The Company's lease asset classes primarily consist of leases for Plant and Machinery – Optic Fibre Cable. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate.

Assets leased out under operating leases are capitalised. Rental income from operating lease is recognized on a straight-line basis over the lease term. Rental income, based on agreement, is recognized based on product of number of pairs of dark fibre assets leased out and length of dark fibre assets leased out (in kilometres) and the rate at which lease rent is charged per pair per kilometre of dark fibre assets including minimum guarantee lease rental.

Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Company's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease. In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease.

As Lessee

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

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NXTDIGITAL LIMITED MUMBAI

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases. Lease liabilities are remeasured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

1B.6 Employee benefits

Defined contribution plan

Payments to defined contribution plans i.e., Group's contribution to Government administered provident fund, superannuation fund and State plans namely Employees State Insurance and Employees' Pension Scheme other funds are determined under the relevant schemes and/ or statute and charged to the Statement of Profit and Loss in the period when the services are rendered by the employees entitling them to the contributions and the Group has no further obligation beyond making its contribution.

Defined benefit plan

For defined benefit plans i.e., Group's liability towards gratuity (funded and unfunded), other retirement/ terminations benefits and compensated absences, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan are based on the market yields on Government securities as at the Balance sheet date.

Defined benefit costs are comprised of:
- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements).
- net interest expense or income; and
- re-measurement.

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

Re-measurement of net defined benefit liability/ asset pertaining to gratuity comprise of actuarial gains/ losses (i.e., changes in the present value resulting from experience adjustments and effects of changes in actuarial assumptions) and is reflected immediately in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to statement of profit or loss. Past service cost is recognized in statement of profit or loss in the period of a plan amendment.

The funded portion of gratuity is funded through a Gratuity Fund administered by trustees and managed by the Life Insurance Corporation of India.

Other long-term employee benefits

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by

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NXTDIGITAL LIMITED MUMBAI

employees up to the reporting date. Provision in respect of such long-term benefits has been made based on actuarial valuation carried out by an independent actuary at the Balance sheet date using Projected Unit Credit method.

Short term employee benefits

A liability is recognized for benefits accruing to employees in respect of salaries, performance incentives, annual leave, medical benefits and other short-term benefits in the period the related service is rendered, at the undiscounted amount of the benefits expected to be paid in exchange for that service.

1B.6 Income Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred tax for the year is recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Current tax

Current tax is determined on taxable profits for the year chargeable to tax in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 including other applicable tax laws that have been enacted or substantively enacted.

Current tax assets and liabilities are offset only if, the Company:

a) has a legally enforceable right to set off the recognized amounts; and
b) Intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.
The Company's tax jurisdiction is India. Judgments are involved in determining the provision for income taxes, including the amount expected to be paid or recovered for uncertain tax positions.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences.
Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax asset is recognized for the carry forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.
Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.
The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously.

Minimum Alternate Tax

MAT credit entitlement is recognized as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. In the year in which MAT credit becomes eligible to be recognized as an asset, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. This is reviewed at each balance sheet date and the carrying amount of MAT credit entitlement is written down to the extent it is not reasonably certain that normal income tax will be paid during the specified period.

1B.7 Property, plant and equipment

Cost

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are stated in the balance sheet at cost (net of duty/ tax credit availed) less accumulated depreciation and accumulated impairment losses. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.
'Set Top Boxes ('STBs') issued to customers are capitalized at moving average price on issuance / installation.

'Spares which can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalised and depreciated over the useful life of the principal item of the relevant assets. Stores and Spares which meet the definition of property, plant and equipment and satisfy the recognition criteria of Ind AS 16 are capitalized as property, plant and equipment.

Depreciation / amortisation

Depreciation is recognized so as to write off the cost of assets less their residual values over their useful lives of the assets specified in Schedule II of the Companies Act, 2013, using the straight-line method except for Set Top Boxes, in which case the useful life has been assessed as eight years based on a technical evaluation, taking into account the nature, of the asset, its estimated usage, the operating conditions, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Particulars	Estimated Useful life
Plant and machinery	18 years
Office Equipment	5 years

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Computers	3 years
Furniture and fixtures	10 years
Vehicles	8 years

Leasehold land is amortised over the balance period of lease in equal annual instalments. Leasehold improvements are amortised over the primary period of lease.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of Property, Plant and Equipment.

Capital work-in-progress

The Set Top Boxes which are not issued to customers are recorded at moving average price till issued, under Capital work-in-progress.
Certain encoders and other plant and machinery not installed at the consumer premises are categorised under Capital work-in-progress until installed.

Subsequent expenditure

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is possible that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to the statement of profit or loss during the reporting period in which they are incurred.

De-recognition

An item of property, plant and equipment is de-recognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

1B.8 Goodwill and other Intangible assets

Goodwill

Goodwill represents the cost of acquired business as established at the date of acquisition of the business in excess of the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities less accumulated impairment losses, if any. Goodwill is tested for impairment annually or when events or circumstances indicate that the implied fair value of goodwill is less than its carrying amount.

Other intangible assets

Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately is capitalised and carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

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Useful lives of intangible asset

Estimated useful lives of the intangible asset, based on technical assessment carried out by the management, is as follows:

Classes of Intangible Asset	Useful life
Computer Software (Acquired)	2-6 years
Network rights & License fee	10 years

De-recognition of intangible assets

An intangible asset is de-recognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss when the asset is derecognized.

1B.9 Impairment of tangible and intangible assets

At the end of each reporting period, the Group determines whether there is any indication that its assets have suffered an impairment loss with reference to their carrying amounts. If any indication of impairment exists, the recoverable amount (i.e., higher of the fair value less costs of disposal and value in use) of such assets is estimated and impairment is recognized, if the carrying amount exceeds the recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

1B.10 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in the arrangement.
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance Lease

Group as Lessor

Assets given under finance leases are recognized as a receivable at an amount equal to the net investment in the lease. Finance income is allocated over the lease term on a systematic and rational basis. This income allocation is based on a pattern reflecting a constant periodic return on the net investment in the finance lease.

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NXTDIGITAL LIMITED MUMBAI

Group as Lessee

Minimum lease payments, for assets taken under finance lease, are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Operating lease

Group as Lessor

Assets leased out under operating leases are capitalised. Rental income from operating lease is recognized on a straight-line basis over the lease term. Rental income, based on agreement, is recognized based on product of number of pairs of dark fibre assets leased out and length of dark fibre assets leased out (in kilometres) and the rate at which lease rent is charged per pair per kilometre of dark fibre assets including minimum guarantee lease rental.

Where the rentals are structured solely to increase in line with expected general inflation to compensate for the Group's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

Group as Lessee

Rental expense from operating leases is generally recognized on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognized in the year in which such benefits accrue.

1B.11 Inventories

Real Estate (Land) inventories and other inventories such as cables, head-end equipment and other network items like modems, etc. are stated at lower of cost and net realisable value. Cost includes cost of land, registration charges, stamp duty, brokerage costs and incidental expenses. Net realisable value represents the estimated selling price for inventories less all estimated costs necessary to make the sale.

1B.12 Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, it carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursements will be received, and the amount of the receivable can be measured reliably.

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NXTDIGITAL LIMITED MUMBAI

1B.13 Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interests method. Other business combinations, involving entities or businesses are accounted for using acquisition method.

1B. 14 Non-current assets held for sale (Discontinued operation)

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations. The results of discontinued operations are presented separately in the statement of profit and loss.

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset and its sale is highly probable. The Management must be committed to the sale, which should be expected to qualify for recognition as completed sale within one year from the date of classification as held for sale, and actions required to complete the plan of sale should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Upon classification, non-current assets held for sale are measured at the lower of carrying amount and fair value less costs to sell and are presented separately from the other assets under 'Current Assets' in the balance sheet. Liabilities associated if any, with non-current assets classified as held for sale, are disclosed under 'Current liabilities' in the Balance Sheet.

1B.15 Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

After initial recognition

(i) Financial assets (other than investments and derivative instruments) are subsequently measured at amortised cost using the effective interest method.

Effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly

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NXTDIGITAL LIMITED MUMBAI

discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Investments in debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments on principal and interest on the principal amount outstanding.

Interest Income on such debt instruments is recognized in profit or loss and is included in the "Revenue from Operations".

Currently, the Group has not designated any debt instruments as fair value through other comprehensive income.

(ii) Financial assets (i.e. derivative instruments and investments in instruments other than equity of subsidiaries and associates) are subsequently measured at fair value.

Such financial assets are measured at fair value at the end of each reporting period, with any gains (e.g. any dividend or interest earned on the financial asset) or losses arising on re-measurement recognized in profit or loss and included in the "Revenue from Operations".

All equity investments (other than investments in subsidiary) in scope of Ind AS 109 are measured at fair value. The Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income (FVTOCI) pertaining to investment in equity instruments. These elected investments are subsequently measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments. However, the Group reclassify the cumulative gain or loss from Reserve for equity instruments through other comprehensive income to retained earnings on disposal of the investments.

The Group has designated certain investment in equity shares as at FVTOCI an irrevocable option for investments on the basis of facts and circumstances that existed at the transition date.

Investments in equity instruments

Investments in equity instruments acquired principally for the purpose of selling it in the near term are considered as equity instruments held for trading and are subsequently measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognized in profit and loss.

Impairment of financial assets

A financial asset is regarded as credit impaired when one or more events that may have a detrimental effect on estimated future cash flows of the asset have occurred. The Group applies the expected credit loss model for recognizing impairment loss (i.e. the shortfall between the contractual cash flows that are due and all the cash flows (discounted) that the Group expects to receive, discounted at the original effective interest rate) and credit risk exposure on the following financial assets;

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

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NXTDIGITAL LIMITED MUMBAI

b) Trade receivables - The application of simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime expected credit losses at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows

De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in the Statement of profit and loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by the Group are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognized at the proceeds received, net of direct issue costs.
Repurchase of the Group's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities

All financial liabilities (other than derivative instruments) are subsequently measured at amortised cost using the effective interest method. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the "Finance Costs".

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability

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NXTDIGITAL LIMITED MUMBAI

(whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivative financial instruments

Derivatives and hedging activities

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Forward contracts arc used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognized in other comprehensive income in cash flow hedging reserve within equity. In some cases, the entity may designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains and losses relating to the effective portion of the change in fair value of the entire forward contract arc recognized in the cash flow hedging reserve within equity.

Where the hedged item is a time-period related item (such as a currency swap contract hedging foreign currency interest payments) both the deferred hedging gains and losses and the aligned time value are reclassified to profit or loss as the hedged item affects earnings.

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.
The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

1B.15 Cash and cash equivalents

Cash comprises of cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

1B.16 Cash Flow Statement

Cash Flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals of accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Group are segregated.

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NXTDIGITAL LIMITED MUMBAI

1B.17 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

1C.2 Changes in Accounting Standards and other recent accounting pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

1D. Critical accounting judgments and key sources of estimation uncertainty

The preparation of financial statements in conformity with Ind AS requires the Group's Management to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities recognized in the financial statements that are not readily apparent from other sources. The judgements, estimates and associated assumptions are based on historical experience and other factors including estimation of effects of uncertain future events that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates (accounted on a prospective basis) and recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods of the revision affects both current and future periods.

The following are the critical judgements and estimations that have been made by the Management in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements and/or key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Property, plant and equipment depreciation / amortisation

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Useful lives are generally based on the life prescribed in Schedule II of the Act. In cases where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance support . Assumptions also need to be made, when the Group assesses, whether an asset may be capitalised and which components of the cost of the asset may be capitalised.

(ii) Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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NXTDIGITAL LIMITED * MUMBAI

(iii) Operating lease commitments - Group as lessor

The Group has entered into lease agreement for certain plant and machinery. The Company has determined based on an evaluation of the terms and conditions of the arrangements, such as the lease term not constituting a major part of the economic life of the asset and the fair value of the asset, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(iv) Taxation

Tax expense is calculated using applicable tax rate and laws that have been enacted or substantially enacted. In arriving at taxable profit and all tax bases of assets and liabilities, the Group determines the taxability based on tax enactments, relevant judicial pronouncements and tax expert opinions, and makes appropriate provisions which includes an estimation of the likely outcome of any open tax assessments / litigations. Any difference is recognized on closure of assessment or in the period in which they are agreed.

Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, unabsorbed depreciation and unused tax credits could be utilised.

(v) Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The Management determines the appropriate valuation techniques and inputs for the fair value measurements. In estimating the fair value of an asset or a liability, the Group used market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engaged third party qualified valuers to perform the valuations in order to determine the fair values based on the appropriate valuation techniques and inputs to fair value measurements such as Discounted Cash Flow model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(vi) Estimation of defined benefit plans

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligation.

(vii) Provisions, Contingent liabilities and contingent assets

A provision is recognized when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes. They are assessed continually to determine whether an outflow of resources embodying economic benefits has become probable. If it becomes probable that an outflow of future economic benefits will be required for an item previously dealt with as a contingent liability, a provision is recognized in the financial statements of the period in which the change in probability occurs.

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NXTDIGITAL LIMITED MUMBAI *

Contingent assets are not recognized in the financial statements but disclosed where inflow of economic benefits is probable. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

(viii) Revenue

The Group's contracts with customers could include promises to transfer multiple services to a customer. The Group assesses the services promised in a contract and identifies distinct performance obligations in the contract. Identification of distinct performance obligation involves judgement to determine the deliverables and the ability of the customer to benefit independently from such deliverables.

The Group uses judgement to determine an appropriate standalone selling price for a performance obligation for bundled contracts. The Company allocates the transaction price to each performance obligation on the basis of the relative stand-alone selling price of each distinct service promised in the contract.

The Group exercises judgement in determining whether the performance obligation is satisfied at a point in time or over a period of time. The Company considers indicators such as how customer consumes benefits as services are rendered or who controls the asset as it is being created or existence of enforceable right to payment for performance to date and alternate use of such service, transfer of significant risks and rewards to the customer, acceptance of delivery by the customer, etc.

1E. Changes in Accounting Standards and other recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") vide notification dated March 24, 2021 amended the Schedule III of the Companies Act, 2013. The amendments related to Division I, II and III of Schedule III and are applicable starting April 01, 2021. Key amendments relating to Division II which related to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

1. Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.

2. Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.

3. Specified format for disclosure of shareholding of promoters. Specified format for ageing schedule of trade receivables, trade payables, capital work-in progress and intangible asset under development

4. If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.

5. Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

Notes to the standalone financial statements for the year ended March 31, 2021

Statement of profit and loss:

1. Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The said amendments will be given effect by the Company for period starting April 01, 2021.

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NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rupee Lakhs)

2 Property, plant and equipment

Particulars	Leasehold land	Leasehold improvements	Buildings and flats (Refer Note No. 1 Below)	Plant and equipments (Refer Note No. 2 below)	Settop boxes	Furniture and fixtures	Vehicles	Office equipments	Computer & data processing units	Total tangible assets
I. Gross carrying amount										
Balance as at April 01, 2019	**1.54**	**338.77**	**3,098.00**	**27,869.39**	**67,696.47**	**135.76**	**251.29**	**395.00**	**910.04**	**1,00,696.26**
Acquisition of assets on acquisition of subsidiary (Refer Note No. 60)	-	172.29	-	1,759.15	193.07	13.98	0.79	8.31	38.04	2,185.63
Additions	-	-	83.90	1,280.07	4,209.67	12.25	11.96	73.36	146.75	5,817.96
On disposals / written off	-	0.31	-	6.21	1,154.68	1.03	7.16	5.67	83.44	1,258.50
Balance as at March 31, 2020	**1.54**	**510.75**	**3,181.90**	**30,902.40**	**70,944.53**	**160.96**	**256.88**	**471.00**	**1,011.39**	**1,07,441.35**
Acquisition of asssets on acquisition of subsidiary (Refer Note No. 60)	-									-
Additions	-	-	-	5,264.72	3,107.28	0.36	-	92.09	519.42	8,983.87
On disposals / written off	-	335.55	-	211.69	22,887.96	30.64	0.45	93.95	287.50	23,847.74
Balance as at March 31, 2021	**1.54**	**175.20**	**3,181.90**	**35,955.43**	**51,163.85**	**130.68**	**256.43**	**469.14**	**1,243.31**	**92,577.48**
						-				
II. Accumulated amortisation and impairment										
Balance as at April 01, 2019	**0.03**	**277.22**	**235.08**	**5,932.86**	**25,701.26**	**57.53**	**124.12**	**299.66**	**566.76**	**33,194.52**
Depreciation charge during the year	-	73.72	76.93	2,644.97	11,117.87	19.67	35.04	83.58	163.06	14,214.84
On disposals / written off	-	0.31	-	3.54	1,154.67	1.01	4.64	5.23	83.23	1,252.63
Balance as at March 31, 2020	**0.03**	**350.63**	**312.01**	**8,574.29**	**35,664.46**	**76.19**	**154.52**	**378.01**	**646.59**	**46,156.73**
Depreciation charge during the year	-	20.60	96.92	3,233.68	9,693.89	17.22	33.45	87.26	211.62	13,394.65
On disposals / written off	-	335.55	-	27.21	22,787.29	30.64	0.45	89.16	293.88	23,564.18
Balance as at March 31, 2021	**0.03**	**35.68**	**408.93**	**11,780.76**	**22,571.06**	**62.77**	**187.52**	**376.11**	**564.33**	**35,987.20**
III. Net carrying amount (I-II)										
Net carrying amount as on March 31, 2021	**1.51**	**139.52**	**2,772.97**	**24,174.67**	**28,592.79**	**67.90**	**68.91**	**93.03**	**678.98**	**56,590.28**
Net carrying amount as on March 31, 2020	**1.51**	**160.12**	**2,869.89**	**22,328.11**	**35,280.07**	**84.77**	**102.36**	**92.99**	**364.80**	**61,284.62**

* Certain plant and equipment are given on operating leases where the Company is lessor.

Notes:
1. Building indudes shares in a co-operative society.
2. Details of property, plant and equipment hypothecated: First charges over all movable and immovable assets secured for borrowings (Refer note 56)

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rupee Lakhs)

3 Capital work-in-progess

Particulars	Amount
Add:- Additions during the year *	4,083.24
Less:- Charged to consumption	(786.00)
Less:- Capitalised during the year	(2,078.59)
Balance as at March 31, 2020 ^	**1,218.65**
Add:- Additions during the year *	2,669.74
Less:- Charged to consumption	(129.00)
Less:- Capitalised during the year	(2,760.00)
Balance as at March 31, 2021 ^	**999.39**

Note:
* includes assets acquired on business combination of Rs.219.67 lakh (Refer note 60)
^ Includes assets in transit of Rs. NIL lakh (31 March 2019 : Rs 515 lakhs)

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rupee Lakhs)

4 Right to use asset

Particulars	Total
Gross carrying value	
Balance as at April 1, 2019	-
Additions	16,578.20
Disposals/ discarded/ written off	5,324.95
Balance as at March 31, 2020	**11,253.25**
Additions	8,560.21
Disposals/ discarded/ written off	1,143.30
Balance as at March 31, 2021	**18,670.16**
Accumulated amortisation	
Balance as at April 1, 2019	-
Charge for the year	2,158.25
Disposals	1,803.00
Balance as at March 31, 2020	**355.25**
Charge for the year	3,260.76
Disposals	1,137.73
Balance as at March 31, 2021	**2,478.28**
Net carrying value	
Balance as at March 31, 2021	**16,191.88**
Balance as at March 31, 2020	**10,898.00**

Note :

1. The Company's leases comprise of lease of transponder for providing services to its customers.
2. During the previous year, The Group recorded gain of Rs 669 lakhs on account of termination of lease with Thaicom Public Company Limited (Thaicom) who provided satellite tranponder service. (Refer note 65)

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

5 Other intangible assets

Particulars	Network rights	Computer software	License fee	Movie rights#	Customer relationships	Trade name	Marketing Collateral	Total
I. Gross carrying amount								
Balance as at April 01, 2019	**3,876.96**	**5,750.45**	**1,021.41**	**-**	**-**	**-**	**-**	**10,648.82**
Acquisition of assets on acquisition of subsidiary (Refer note 60)	-	38.75	-	10,447.38	10,680.00	3,820.00	-	24,986.13
Additions	1,351.13	1,121.67	2.30	92.00	-	-	-	2,567.10
On disposals / written off	14.18	28.05	-	-	-	-	-	42.23
Balance as at March 31, 2020	**5,213.91**	**6,882.82**	**1,023.71**	**10,539.38**	**10,680.00**	**3,820.00**	**-**	**38,159.82**
Acquisition of asssets on acquisition of subsidiary (Refer note 60)								-
Additions	1,452.83	597.50	-	-	-	-	14.14	2,064.47
On disposals / written off	1,563.05	512.08	-	-	-	-	-	2,075.13
Balance as at March 31, 2021	**5,103.69**	**6,968.24**	**1,023.71**	**10,539.38**	**10,680.00**	**3,820.00**	**14.14**	**38,149.16**
II. Accumulated amortisation and impairment								
Balance as at April 01, 2019	**1,549.09**	**2,076.13**	**376.07**	**-**	**-**	**-**	**-**	**4,001.29**
Amortisation charge during the year	585.30	1,078.52	102.20	585.00	754.26	269.78	-	3,375.06
On disposals / written off	14.18	20.92	-	-	-	-	-	35.10
Balance as at March 31, 2020	**2,120.21**	**3,133.73**	**478.27**	**585.00**	**754.26**	**269.78**	**-**	**7,341.25**
Amortisation charge during the year	828.06	995.41	102.37	246.95	1,186.67	382.00	1.22	3,742.68
On disposals / written off	1,563.05	512.08	-	-	-	-	-	2,075.13
Balance as at March 31, 2021	**1,385.22**	**3,617.06**	**580.64**	**831.95**	**1,940.93**	**651.78**	**1.22**	**9,008.80**
III. Net carrying amount (I-II)								
Net carrying amount as on March 31, 2021	**3,718.47**	**3,351.18**	**443.07**	**9,707.43**	**8,739.07**	**3,168.22**	**12.92**	**29,140.36**
Net carrying amount as on March 31, 2020	**3,093.70**	**3,749.09**	**545.44**	**9,954.38**	**9,925.74**	**3,550.22**	**-**	**30,818.57**

#Refer note 59 (b)

The estimated amortisation of material intangibles for the years subsequent to March 31, 2021 is as follows :

Year ending 31 March	Amounts in lakhs
2022	2,170.62
2023	2,170.62
2024	2,170.62
2025	2,110.62
After 2025	2,274.62

Notes:

Details of intangibles hypothecated:

First charge over all intangible assets secured for borrowing (Refer note 56)

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rupee Lakhs)

Particulars	As at March 31, 2021	As at March 31, 2020
6 Goodwill		
Balance at the beginning of the year	13,232.03	2,602.86
Add: Addition on business combination (Refer note 60)	-	10,673.47
Less: written off on sale of investment in subsidiaries	-	-
Less: written off pertaining to investment in subsidiaries	-	(44.30)
	13,232.03	**13,232.03**

The Group assessed the recoverable amount of goodwill allocated to cable television and broadband business as per the requirement of Ind As 36 - Impairment of asset based of value in use, determined by an independent valuer. The estimated value in use of this CGU is based on the future cash flows using a 3% and 5% terminal growth rate , respectively and discount rate from 14% to 18% . an analysis of the sensitivity of the computation to the change in key assumptions , based on a reasonably probable assumptions, did not identify any probable scenario in which the recoverable amount of goodwill (net) of the CGU would decrease below its carrying amount.

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rupee Lakhs)

7A Investments

Particulars	Face value per share in Rs.	As at March 31, 2021		As at March 31, 2020	
		Number of shares	Amount	Number of shares	Amount
A. Unquoted - Investment in Equity shares					
(at fair value through OCI)					
Uactive Technology Private Limited	10	1,769	20.00	1,769	20.00
Alkymia	Euro 1	340	337.40	340	337.40
Hinduja Leyland Finance Limited		-	-	80,78,155	9,613.00
Others			0.88		0.88
Less: Reclassified as held for sale (Refer note 15)			-		(9,613.00)
B. Unquoted- Investment in Preference shares					
(at fair value through OCI)					
Elemental Labs Private Limited	100	242	38.39	242	38.39
Less: Adjustment towards diminuition in value of Investment			(38.39)		-
Total (a)			**358.28**		**396.67**
C. Unquoted - Investment in Government securities					
(measured at Cost)					
National Savings Certificate (at face value) (Lodged with Entertainment Department as security deposit)		-	-		11.18
National Saving Certificate VIII Series Under lien with the Sales Tax Department		-	0.05		0.05
Total (b)			**0.05**		**11.23**
Total (c)= (a) + (b)			**358.33**		**407.90**
D. Quoted Investments in equity instruments at fair value through other comprehensive income:					
GOCL Corporation Limited	2.00	1,916	4.17	13,166	2.43
Gulf Oil Lubricants India Limited	2.00	1,916	13.98	13,166	9.86
IndusInd Bank Limited @	10.00	33,400	318.90	24,007	117.33
VCK Capital Market Services Limited	10.00	24,007	1.46	33,400	1.46
Less: Reclassified as held for sale (Refer note 15)			(95.13)		(41.50)
Total (d)			**243.38**		**89.58**
Total non-current investments (e) = (c) + (d)			**601.71**		**497.48**
7B Other investments (current)					
Investments in equity instruments at fair value through profit and loss:					
A. Quoted equity shares (fully paid up)					
IndusInd Bank Limited #	10.00	1,04,402	996.75	1,04,402	367.26
GOCL Corporation Limited	2.00	11,250	24.48	11,250	14.38
Gulf Oil Lubricants India Limited	2.00	11,250	82.10	11,250	58.08
Less: Reclassified as held for sale (Refer note 15)			(447.94)		(164.77)
Total current investments			**655.39**		**274.95**
(a) Aggregate market value of quoted investments			898.77		364.53
(b) Aggregate carrying amount of unquoted investments			358.33		407.90
Investment carried at amortised cost			**0.05**		**11.23**
Investment carried at fair value through profit and loss			**655.39**		**274.95**
Investment carried at other comprehensive income			**601.66**		**486.25**

@ NIL equity shares pledged for TDS certificates [March 31, 2020 : 700 equity shares pledged against loan availed]
# NIL equity shares pledged for TDS certificates [March 31, 2020 : 16,782 equity shares pledged against loan availed]

(All amounts are in Rupee Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
8	**Inventories**		
	(at lower of cost and net realisable value)		
	Land (Refer note 39)	3,719.32	3,719.32
	Stock of network cable and equipments	695.78	472.05
	Media Inventory	184.76	458.65
		4,599.86	**4,650.02**
	Note: Inventories of the component company is secured against borrowings (Refer note 20A)		
9	**Trade receivables (Current)**		
	Trade receivables from related party (Refer note 47)	24.55	9.83
	Unsecured considered good	7,093.42	7,668.44
	Credit impaired	756.36	500.78
	Total	**7,874.33**	**8,179.05**
	Less: Allowance for expected credit loss	(756.36)	(500.78)
		7,117.97	**7,678.27**

The average credit period of receiving the trade receivables is 90 days. No interest is charged on outstanding balance of trade receivables.No trade receivables are due from directors or other officers of the Company or any of them either severally or jointly with any other person. Nor any trade or other receivables are due from firms including limited liability partnerships (LLPs) or private companies respectively in which any director is a partner or a director or a member.

Note: Trade receivables of the component company is secured against borrowings (Refer note 20A)

10A	**Derivatives (Non current)**		
	(Unsecured, considered good - measured at fair value through profit and loss)		
	Interest rate swap used for hedging	-	45.00
		-	**45.00**
10B	**Derivatives (Current)**		
	(Unsecured, considered good - measured at fair value through profit and loss)		
	Interest rate swap used for hedging	8.29	2,048.44
	Forward exchange contracts used for hedging	-	38.25
		8.29	**2,086.69**
11	**Cash and cash equivalents**		
	Balances with banks		
	- current accounts	635.11	2,463.55
	- deposit accounts with original maturity of less than three months	211.12	4.06
	- debit balance of cash credit facility	202.53	-
	Cheques on hand	129.70	163.03
	Cash on hand	128.05	63.00
	Cash and cash equivalent in Balance Sheet	**1,306.52**	**2,693.64**

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

(All amounts are in Rupee Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
12	**Other bank balances other than 11 above**		
	Balances with banks		
	- in deposit accounts *	1,038.00	1,829.23
	- balances with banks in deposit accounts with original maturity within twelve	449.71	-
	- in unpaid dividend accounts	61.41	32.81
	in Escrow account **	7,950.00	7,950.00
		9,499.12	**9,812.04**

Fixed deposits and other balances with banks earns interest at fixed rate or floating rates based on daily bank deposit rates.
*under lien with banks and other parties for availment of buyers' credit and other loans
** towards payable to foreign vendor, pending approval of Ministry of Information and Broadcasting, Department of Governement of India.

	Particulars	As at March 31, 2021	As at March 31, 2020
13A	**Loans (Non current)**		
	Others	349.64	-
		349.64	**-**

	Particulars	As at March 31, 2021	As at March 31, 2020
13B	**Loans (Current)**		
	Unsecured considered good		
	Inter corporate deposits	5,915.09	6,674.98
	Others loans	61.63	70.32
	Advance to related parties - credit impaired	-	216.49
	Less: Allowance for credit impairment	-	(216.49)
	Loans and advances to employees	22.45	-
		5,999.17	**6,745.30**

No loans are due by directors or other officers of the company or any of them either severally or jointly with any other person or amounts due by firms or private companies respectively in which any director is a partner or a director or a member.

	Particulars	As at March 31, 2021	As at March 31, 2020
14A			
	Unsecured considered good		
	Security deposits		
	- to related parties (Refer note 47)	-	46.15
	- other deposits	297.83	240.03
	Advance to related parties	-	8.45
	Other deposits	0.37	10.06
	Balances with banks in deposit accounts with original maturity of more than twelve months	135.15	120.92
		433.35	**425.61**

	Particulars	As at March 31, 2021	As at March 31, 2020
14B	**Other financial assets (Current)**		
	(Unsecured, considered good - at amortised cost)		
	Other receivables	250.70	362.99
	Security deposits	199.54	109.17
	Interest accrued on inter-corporate deposits	-	3.42
	Other deposits	-	51.02
		450.24	**526.60**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rupee Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
16A	**Other non-current assets**		
	Unsecured, considered good unless stated otherwise		
	Deposits with government authorities	2,700.66	1,756.69
	Capital advances		
	-Other advances to suppliers	77.99	200.35
	Prepaid expense	84.95	166.06
	Other loans and advance	33.40	15.68
		2,897.00	**2,138.78**
16B	**Other current assets**		
	Unsecured, considered good unless stated otherwise		
	Advance to vendors considered good - unsecured	629.38	2,255.86
	Recoverable from statutory authorities	5,032.97	8,205.07
	Prepaid expenses	743.16	689.78
	Others *	507.71	259.95
		6,913.22	**11,410.66**

*(Includes Rs 169.91 lakh (March 31, 2020 : Nil) of exceess contribution to gratuity fund)

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rupee Lakhs)

15 Financials Assets classified as held for sale

Particulars	Face value per share in	As at March 31, 2021		As at March 31, 2020	
		Number of shares	Amount (Rs. in Lakh)	Number of shares	Amount (Rs. in Lakh)
Investments in equity instruments at fair value through other comprehensive income:					
A. Quoted equity shares (fully paid up)					
GOCL Corporation Limited	2.00	1,916	4.17	1,916	2.43
Gulf Oil Lubricants India Limited	2.00	1,916	13.98	1,916	9.86
IndusInd Bank Limited @	10.00	7,900	75.52	7,900	27.75
VCK Capital Market Services Limited	10.00	24,007	1.46	24,007	1.46
Total I			**95.13**		**41.50**
B. Unquoted equity shares (fully paid up)					
Hinduja Leyland Finance Limited	10.00	-	-	80,78,155	9,613.00
Total II			-		**9,613.00**
Investments in equity instruments at fair value through profit and loss:					
A. Quoted equity shares (fully paid up)					
IndusInd Bank Limited #	10.00	46,902.00	447.94	46,902.00	164.77
Total III			**447.94**		**164.77**
Total Investments - Held for Sale			**543.07**		**9,819.27**
Liabilities associated with Financial Assets classified as held for sale			-		-
Net assets classified as held for sale			**543.07**		**9,819.27**

'@ NIL equity shares pledged for TDS certificates [March 31, 2020 : 700 equity shares pledged against loan availed]
'# NIL equity shares pledged for TDS certificates [March 31, 2020 : 16,782 equity shares pledged against loan availed]

Notes:
During the year, 99% of Company's holding in IndusInd Bank Limited (IBL) pledged shares were sold to settle the related borrowings. Further, the company sold nearly 50% of its investment in Hinduja Leyland Finance Limited (HLFL) shares. The sale of the Company's substantial investment (both fair valued through profit and loss account and fair valued through other comprehensive income) resulted in the decision to discontinue the Investment and Treasury segment operations.

Accordingly,
- The quoted pledged equity shares were offloaded through stock exchanges during the year. The balance of quoted equity shares, would be sold by the company on the stock exchange. Pledged shares have been released subsequent to the previous year end.

- After deliberations and approvals by the Board, 81,92,089 number of equity shares of Hinduja Leyland Finance Limited (HLFL) was sold vide a Share Purchase Agreement dated March 18, 2020, at a price of Rs. 119 per share, being the fair value of the shares. The buyer has also committed to purchase the balance 80,78,155 equity shares of HLFL.The Group has sold its entire stake of 8,078,155 equity shares in Hinduja Leyland Financial Limited, which was hitherto classified as assets held for sale, at the rate of Rs 119 per share during the current year.

- The company has settled all the liabilities towards financial institutions relating to the Treasury and Investment Business Segment. The loans outstanding relating to this segment are NIL as on March 31, 2021 (March 31, 2020 : Nil).

- The loss on sale of both quoted and unquoted equity shares of Rs. 29,251.29 lakh and Rs. 28,221.43 lakh including the fair value changes for the outstanding shares as on March 31, 2020 has been recognised in profit or loss and other comprehensive income respectively for the year and classified under discontinued operations. (Refer note no. 40 to the financial statements)

- The Company has reclassified all the balance related investments fair valued through profit and loss account and fair valued through other comprehensive income as Financial Assets held for sale as on March 31, 2020 and March 31, 2021.

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

17 Equity share capital

i) Share Capital

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (Rs. in Lakh)	Number of shares	Amount (Rs. in Lakh)
Authorised				
Equity shares of Rs. 10 each	8,70,00,000	8,700	8,70,00,000	8,700.00
Preference Shares of Rs. 10 each	30,00,000	300	30,00,000	300.00
9.50% Preference Shares of Rs. 100 each	1,000	1	1,000	1.00
Total	**9,00,01,000**	**9,001**	**9,00,01,000**	**9,001**
Issued, subscribed and paid up				
Equity shares of Rs.10 each fully paid	2,40,51,158	2,405.12	2,05,55,503	2,055.55
Total	**2,40,51,158**	**2,405.12**	**2,05,55,503**	**2,055.55**

Pursuant to the Scheme of Arrangement (the 'scheme'), duly sanctioned by the National Company Law Tribunal vide Order dated 21 August 2020 with effect from the Appointed Date i.e., October 1, 2019, the Media and Communication undertaking of Indusind Media & Communications Limited (subsidiary company), stands transferred to the Company. In accordance with the scheme, the Company shall issue 10 fully paid up equity shares for every 125 shares held by the other shareholders of the subsidiary company. The Company's obligation to issue further shares amounting to Rs 349.57 lacs to other shareholders of subsidiary company is disclosed under "Shares pending issuance" under Equity.

Rights, Preferences and Restrictions attached to equity shares including restrictions on the distribution of dividends and the repayment of capital:

i) Right to receive dividend as may be approved by the Board of Directors / Shareholders at the Annual General Meeting.

ii) The equity shares are not repayable except in the case of a buy back, reduction of capital or winding up in terms of the provisions of the Companies Act, 2013.

iii) Every member of the Company holding equity shares has a right to attend the General Meeting of the Company and has a right to speak or e-vote and on a show of hands, has one vote if he is present and on a poll shall have the right to vote in proportion to his share of the paid-up capital of the Company.

ii) Reconciliation of number of shares outstanding at the beginning and at the end of the year:

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares	Amount (Rs. in Lakh)	Number of shares	Amount (Rs. in Lakh)
Shares outstanding at the beginning of the year	2,05,55,503	2,055.55	2,05,55,503	2,055.55
Shares issued during the year (Refer note above)	34,95,655	349.57	-	-
Shares outstanding at the end of the year	**2,40,51,158**	**2,405.12**	**2,05,55,503**	**2,055.55**

iii) Shares in the Company held by each shareholder holding more than 5% shares:

Name of the shareholder	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	% of holding	Number of shares held	% of holding
Hinduja Group Limited*	78,90,572	32.81%	85,50,572	41.60%
Amas Mauritius Limited	31,70,530	13.18%	27,61,427	13.43%
Indusind International Holdings Limited	15,66,654	6.51%	-	-
Aasia Corporation LLP	14,00,879	5.82%	14,00,879	6.82%

* including shares held jointly with Hinduja Realty Ventures Limited

HARIBHAKTI & CO. LLP MUMBAI CHARTERED ACCOUNTANTS

NXTDIGITAL LIMITED MUMBAI

(All amounts are in Rupee Lakhs)

18 Other equity

Particulars	Reserve and surplus				Reserve for equity instrument through other comprehensive income	Effective portion of cash flow hedges	Total
	Capital reserve	Securities premium	General reserve	Retained earnings			
Balance as at April 01, 2019	11,180.97	670.58	9,034.25	(34,627.33)	65,974.18	(494.76)	51,737.89
Loss for the year ended March 31, 2020	-	-	-	(16,841.82)	-		(16,841.82)
Other comprehensive (loss) / income for the year, net of income tax	-	-	-	-	(24,561.68)	393.95	(24,167.73)
Dividend paid (including dividend distribution tax)	-	-	-	(4,522.71)	-	-	(4,522.71)
Transition effect of Ind AS-116- "Leases" including deferred tax (Refer note 44)		-	-	(393.08)	-	-	(393.08)
Reserves assumed on merger (refer note 1)	4,009.66	-	-		-	(55.27)	3,954.39
Deferral of installation revenue	-	-	-	283.67	-		283.67
Change in stake in a subsidiary on account of business combination	-	-	-	364.12	-	-	364.12
Fair value of preference shares on account of business combination (Refer note no. 60)	-	-	-	105.90	-	-	105.90
Non controlling interest share on account of rights subscribed by Parent in subsidiary	-	-	-	(632.37)	-	-	(632.37)
Other Adjustments	-	-	-	56.62	-	-	56.62
Adjustments pertaining to merger	(11.94)	-	-	-	-	-	(11.94)
Balance as at March 31, 2020	15,178.69	670.58	9,034.25	(56,206.99)	41,412.50	(156.08)	9,932.94
Loss for the year ended March 31, 2021	-	-	-	(2,914.98)	-	-	(2,914.98)
Less: Final dividend paid	-	-	-	(1,202.55)	-	-	(1,202.55)
OCI transferred to retained earnings*	-	-	-	40,602.28	(40,602.28)	-	-
Re-measurement of defined benefit plans	-	-	-	(162.36)	-	-	(162.36)
Net fair value gain / loss on investment in equity instruments	-	-	-	-	174.99		174.99
Effective portion of gain / (loss) on hedging instrument in cash flow hedges	-	-	-	-	-	69.37	69.37
Tax impact	-	-	-	-	(15.27)	(17.46)	(32.73)
Balance as at March 31, 2021	15,178.69	670.58	9,034.25	(19,884.60)	969.94	(104.17)	5,864.69

*The realized gains / losses arising out of financial instruments, earlier classified as Fair Value Through Other Comprehensive Income (FVTOCI), has been transferred to Retained Earnings.

Description of nature and purpose of reserves:

(i) Capital reserve:
Excess of Net assets acquired over consideration paid / payable and equity component of preference share issued by the Company.

(ii) Securities premium:
This reserve represent the premium on issue of shares and can be utilised in accordance with the provision of the Companies Act, 2013.

(iii) Retained earnings:
This reserve represents the surplus / (deficit) of the statement of profit and loss. The amount can be distributed by the company as dividends to its equity shareholders and is determined based on the financial statements of the Company and also considering the requirements of the Companies Act, 2013.

(iv) Reserve for equity instruments measured at fair value through other comprehensive income (FVTOCI):
The Company has elected to recognise changes in the fair value of certain investments in equity securities in other comprehensive income. These changes are accumulated within the FVTOCI equity investments reserve within equity. The Company transfers amounts from this reserve to retained earnings when the relevant equity securities are derecognised.

(v) Remeasurement gain / (loss) on defined benefit obligations:
The company has recognised remeasurement loss on defined benefit plans in other comprehensive income (OCI). These changes are accumulated within the OCI reserve within Other equity. The company transfers amounts from this reserve to retained earnings when the relevant obligations are derecognised.

19 Non-controlling interests

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance	12,439.85	1,824.78
Loss for the year	1,524.81	3,432.85
Other comprehensive income for the year, net of tax	-	23.17
Other adjustments	-	123.86
Additional capital issued	-	10,761.66
Net fair value gain / loss on investment in equity instruments	(7.02)	-
Adjustment to non-controlling interest pursuant to merger (refer note 1)	-	(4,303.96)
Dividend paid	(150.00)	(53.87)
Effect of Ind As 116	-	(113.79)
Deferral of installation revenue	-	82.12
Difference in value of preference shares	-	30.66
Change in stake in a subsidiary	-	632.37
Total	13,807.64	12,439.85

NXTDIGITAL LIMITED MUMBAI

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rupee Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
20A	**Borrowings (Non-current)**		
	Secured - at amortised cost		
	Term loans		
	- From banks and financial institutions *	23,180.34	27,255.30
	Other loan	477.71	733.00
	Buyer's credit from banks	-	645.13
	Unsecured - at amortised cost		
	- From other parties	-	18.97
		23,658.05	**28,652.40**
	*For nature of security and terms of repayment of borrowings, refer note 56.		
20B	**Borrowings (Current)**		
	Secured *- at amortised cost		
	Loans repayable on demand from banks		
	- Cash credit facility	-	1,342.34
	- Working capital demand loan	2,000.00	1,000.00
	Other loans from banks	51.15	128.81
	Unsecured - at amortised cost		
	Loans from related parties	63,194.00	24,239.10
	Loans from other parties	852.52	15,000.00
		66,097.67	**41,710.25**
	*For nature of security and terms of repayment of borrowings, refer note 56.		
21	**Trade Payables (Current)**		
	a) Total outstanding dues of micro enterprises and small enterprises (refer note no. 53)	81.00	21.00
	b) Total outstanding dues of creditors		
	- Other than micro enterprises and small enterprises	24,483.68	29,529.40
	- Related parties (Refer note 47)	297.43	226.64
		24,862.10	**29,777.04**
22	**Derivatives liabilities (Current)**		
	Interest rate swap used for hedging	-	44.89
		-	**44.89**
23A	**Other financial liabilities (Non current)**		
	Security deposits	390.00	390.00
		390.00	**390.00**
23B	**Other financial liabilities (Current)**		
	Current maturities of long-term debts (Refer note 56)		
	- term loans from bank *	5,821.56	4,775.70
	- other loans	261.42	247.00
	- buyers credit from banks*	628.74	21,987.23
	Interest accrued but not due on borrowings	294.60	132.81
	Payable on purchase of property, plant and equipments	1,960.99	3,988.84
	Unclaimed dividends #	61.41	32.81
	Book overdraft	13,327.74	12,896.54
	Salary payable	1,616.14	1,028.65
	Security deposits	397.70	397.31
		24,370.30	**45,486.89**

*For nature of security and terms of repayment of borrowings, refer note 56.
#There are no amounts due and outstanding to be credited to investor education and protection fund.

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rupee Lakhs)

	Particulars	As at March 31, 2021	As at March 31, 2020
24A	**Provisions (Non current)**		
	Provision for employee benefits (Refer note 48)		
	Compensated absences	835.58	697.27
	Garutity	92.95	73.22
		928.53	**770.49**
24B	**Short-term provisions**		
	Provision for employee benefits (Refer note 48)		
	Compensated absences	101.55	102.01
	Gratuity	61.26	123.05
		162.81	**225.06**
25	**Current tax liabilities (net) (Current)**		
	Provision for tax (net of Advance tax)	138.81	177.95
	Total	**138.81**	**177.95**
26A	**Deferred income - Non current**		
	Income received in advance	377.88	1,747.69
		377.88	**1,747.69**
26B	**Deferred income - Current**		
	Income received in advance	4,516.04	7,660.82
	Advance from customers	1,042.52	1,061.33
		5,558.56	**8,722.15**
27	**Other current liabilities**		
	Statutory dues payable *	1,499.41	1,376.50
	Others	487.29	479.89
		1,986.70	**1,856.39**

* Includes Goods and Service Tax (GST), Provident fund, Tax deducted at source (TDS), Entertainment tax, ESIC and Professional tax

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

(All amounts are in Rupee Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
28	**Revenue from operations**		
	Sale of products		
	- Traded Goods	3,344.38	3,824.19
	- Sale of set top boxes (net)	2,196.60	3.79
	Sale of services		
	- Subscription - direct / cable operators	55,257.82	60,109.54
	- Installation charges	6,137.99	16,400.72
	- Internet Service	14,397.82	6,649.71
	- Channel placement fees	7,556.01	6,283.46
	- LCN Incentive	3,983.37	4,206.02
	- Lease income - optic fibre cable	-	1,241.50
	- Network Operations	907.31	446.16
	- Sale of Film Rights	551.96	209.35
	- Infrastructure charges	129.09	78.65
	Other operating revenues		
	- Technical advisory fees	42.51	56.79
	- Commission income	95.46	45.33
	- Assignment of movie rights	1,200.00	-
	- Advertisement income	524.19	342.69
	- Other lease income	1,163.64	100.45
	Total	**97,488.15**	**99,998.35**

While the Group believes strongly that it has a rich portfolio of services, the impact on future revenue streams could come from resource constraints or their services no-longer being availed by their customers due to pro-longed lock-down situations and the customers postponing their discretionary spends due to change in priorities.
The Group has considered such impact to the extent known and available currently. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
29	**Other income**		
	Lease income	445.96	205.46
	Interest income on:		
	- income tax refund	88.61	153.45
	- deposits with banks	126.17	228.01
	- other deposits	1,308.36	422.14
	- Sales tax	20.23	-
	Dividend income:		
	- from subsidiaries	3.54	9.77
	Fair value gains on :		
	- net gain on financial instruments at fair value through profit or loss	351.81	12,372.41
	- fair value gain on on termination of lease	-	53.00
	Fair value gain on lease (Ind AS 116) (Refer note 65)	-	668.01
	Unwinding of security deposits	18.05	9.71
	Net gain on sale of Property, plant and equipment	43.99	-
	Income from marketing & promotional activities	99.68	159.00
	Sundry credit balances no longer required written back	357.94	1,426.78
	Bad debts recovered	301.34	323.99
	Provision for doubtful debts no longer required written back (net)	34.83	-
	Miscellaneous income	156.41	179.88
	Total	**3,356.92**	**16,211.61**

HARIBHAKTI & CO. LLP
MUMBAI
CHARTERED ACCOUNTANTS

NXTDIGITAL LIMITED
MUMBAI

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rupee Lakhs)

	Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
30	**Changes in inventories**		
	At the beginning of the year		
	Land (real estate)	3,719.32	3,719.32
	Network equipment and traded goods*	472.05	674.24
	Media inventory	458.65	-
		4,650.02	**4,393.56**
	At the end of the year		
	Land (real estate)	(3,719.32)	(3,719.32)
	Network equipment and traded goods*	(695.78)	(472.05)
	Media inventory	(184.76)	(458.65)
		(4,599.86)	**(4,650.02)**
	Total	**50.16**	**(256.46)**

* Includes inventory acquired on business combination of Rs. 406 lakh in previous year (Refer note 60)

31	**Operational expenses**		
	Subscription - pay channels	39,054.33	39,298.75
	Lease rental - duct*	357.62	1,952.84
	Bandwidth charges*	3,161.07	1,611.66
	Link charges*	170.39	126.00
	Installation expenses	109.60	44.32
	Maintenance Charges	389.65	120.73
	Distribution and operation charges	360.00	320.00
	Fiber charges/ infrastructure fees	1,597.74	724.09
	Total	**45,200.41**	**44,198.39**

*includes expenses recovered Rs 342.80 lakhs (March 31, 2020 : Rs 1,076 lakhs)

32	**Employee benefits expense**		
	Salary, wages and bonus	7,279.68	6,414.94
	Contribution to provident and other funds (refer note 48)	355.54	399.13
	Gratuity expense (Refer note no. 48)	209.54	70.82
	Staff welfare expenses	163.88	206.32
	Total	**8,008.64**	**7,091.21**
33	**Finance costs**		
	Interest expense on :		
	- term loans	3,193.58	4,574.40
	- other loans	1,691.74	2,413.31
	- intercorporate deposit	7,564.97	3,413.22
	- lease laibility (Refer note 44)	1,418.80	857.44
	- delayed payment of taxes and others	25.07	110.44
	Other borrowing costs :		
	- amortisation of loan processing fees	349.06	569.88
	- financial Liabilities carried at FVTPL	-	11.95
	- other cost	22.61	28.85
	Total	**14,265.83**	**11,979.49**
34	**Depreciation and amortisation expense**		
	- Property, plant and equipment (Refer note 2)	13,394.65	14,214.84
	- Right to use assets (Refer note 4)	3,260.76	2,158.25
	- Other intangible assets (Refer note 5)	3,742.68	3,375.06
	Total	**20,398.09**	**19,748.15**

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021
(All amounts are in Rupee Lakhs)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
35 Other expenses		
Contract - services	4,791.51	2,840.45
Commission	5,806.28	5,168.35
Repairs :		
- machinery	943.83	883.13
- building and others	352.87	421.84
Rent (Refer note 44)	572.47	914.74
Power and fuel	942.99	1,009.86
Legal and professional fees	999.12	1,321.54
Royalty	671.61	715.07
Travelling and conveyance	368.72	523.60
Call centre charges	292.17	421.48
Communication	353.57	288.51
Bank charges	719.01	606.35
Business promotion	345.14	352.63
Security charges	181.79	152.30
Software charges	315.60	209.64
Insurance	197.20	150.70
Rates and taxes	358.87	117.65
Foreign currency fluctuations (net)	346.59	1,273.56
Payment to auditor:		
- Statutory auditor *	91.32	204.04
- Cost auditor	0.58	0.58
Freight and transportation charges (net)	42.51	47.72
Director's fees	221.15	122.25
Amortisation of security deposit	15.88	9.76
Advances and deposits written-off	416.25	840.60
Bad debts / advance written-off	378.57	5,612.34
Provision for doubtful advances	-	21.84
Provision for doubtful debts	255.58	142.88
Fair value loss on financial asset measured through profit & loss	-	612.64
Corporate social responsibility (Refer note 38)	-	116.39
Impairment of goodwill on consolidation (Refer note 6)	-	44.30
Miscellaneous expenses	594.74	476.76
Total	**20,575.92**	**25,623.50**

*** Statutory Auditor**		
As auditor		
Audit and limited review fee	91.32	36.20
(Including Rs. Nil (March 31, 2020 : Rs. 6.00 lakh) for earlier years)		
In other capacity		
Other services	-	39.50
Reimbursement of expenses	-	1.82
Total	**91.32**	**77.52**

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

36 Tax expense

(Rs. in Lakh)

(a) Amounts recognised in profit and loss

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Continuing operation:		
Current income tax	255.98	155.73
Deferred tax charge / (credit)	(10,074.78)	(8,711.47)
Short provision for tax relating to prior years	(0.98)	34.65
Discontinuing operation:		
Current income tax	-	-
Deferred tax charge / (credit)	71.27	(8,458.18)
Short provision for tax relating to prior years	-	35.81
Tax expense / (credit) for the year	**(9,748.51)**	**(16,943.46)**

(b) Income tax recognised in other comprehensive income (OCI)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Continuing operation:		
Current income tax (OCI)	-	-
Deferred Tax	28.12	0.72
Discontinuing operation:		
Current income tax (OCI)	-	-
Deferred Tax	4.61	(3,769.86)
Tax expense / (credit) for the year	**32.73**	**(3,769.14)**

(c) Reconciliation of effective tax rate

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Loss before tax	(11,138.69)	(30,352.43)
Tax using the Company's domestic tax rate (Current year and Previous year : 25.168%)	(2,803.38)	(7,639.10)
Tax effect of:		
Expenses disallowed for tax purpose	-	(4,455.99)
Deffered Tax on OCI Transfer to P & L	(545.73)	-
Deferred tax assets not cretated	(128.45)	5,168.00
Deferred tax assets cretated on losses	(6,172.38)	(9,426.00)
LTCG (OCI) adjusted against CYBL	573.98	2,125.66
Impact of tax rate difference	-	(2,721.45)
Others	73.06	(65.03)
Effect of unused tax losses/ MAT Credit utilised during the year	(745.61)	-
Short provision for earlier years	-	70.46
Income tax expense	**(9,748.51)**	**(16,943.46)**

(d) The major components of deferred tax (liabilities) / assets arising on account of temporary differences are as follows:

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(1) Deffered Tax Liabilities (Net)		
Deferred tax assets:		
Property, plant and equipment	34.45	-
Liabilities to be deducted for tax purposes when paid	5.58	-
Leases - Ind AS 116	2.19	
Deferment of installation revenue & straightlining of subscription expenses	7.94	-
Total	**50.16**	**-**
Deferred tax (liabilities):		
Property, plant and equipment	8.90	681.46
Gain / (Loss) on equity instrument designated as FVTPL	42.88	-
Gain / (Loss) on equity instrument designated as FVOCI	33.90	-
	85.68	**681.46**
Deffered Tax Liabilities (Net)	**(35.51)**	**(681.46)**
(2) Deffered Tax Assets (Net)		
Deferred tax assets:		
Property, plant and equipment	735.63	1,596.48
Liabilities to be deducted for tax purposes when paid	237.96	224.85
Derivative assets	-	11.33
Deferment of installation revenue & straightlining of subscription expenses	998.33	2,086.93
Gain / (Loss) on equity instrument designated as FVTPL	117.36	113.34
Mat Credit Entitlement	-	131.89
Business losses as per Income Tax	20,245.75	10,623.55
Amalgamation expenses	46.35	-
IND AS 116 - Leases	442.91	124.28
Provision for foreseeable losses	204.29	68.00
	23,028.57	**14,980.65**
Deferred tax liabilities:		
Property, plant and equipment	-	-
Derivative Liability	2.09	536.08
Cash Flow Hedge reserve	17.46	
Gain / (Loss) on equity instrument designated as FVOCI	4.61	578.74
Unamortised borrowing cost	101.38	180.28
	125.54	**1,295.10**
Deffered Tax Assets (Net)	**22,903.03**	**13,685.55**

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

36 Tax expense (Continued)

(e) Movement in deferred tax asset / (liabilities) **(Rs. in Lakh)**

Particulars	As at April 01, 2020	During the year 2020-21			As at March 31, 2021
		Recognised in Retained Earning	Recognised in profit or loss	Recognised in OCI	
Deferred tax asset/ (Liabilities) - Net					
Property, plant and equipment	915.02	-	(153.84)	-	761.18
Liabilities to be deducted for tax purposes when paid	224.85	-	29.34	(10.66)	243.54
Derivative Liability	(524.75)	-	522.66	-	(2.09)
Deferment of installation revenue & straightlining of subscription expenses	2,086.93	-	(1,088.60)	-	998.33
Business losses/ Depreciation as per Income Tax	10,623.55	-	9,622.20	-	20,245.75
Lease ind AS 116	124.28	-	320.82	-	445.10
Mat credit entitlemet	131.89	-	(131.89)	-	-
Provision for foreseeable losses	68.00	-	144.24	-	212.24
Gain / (Loss) on equity instrument designated as FVTPL	113.34	-	(38.86)	-	74.48
Gain / (Loss) on equity instrument designated as FVTOCI	(578.74)	-	544.84	(4.61)	(38.51)
Unamortised borrowing cost	(180.28)	-	78.90		(101.38)
Amalgamation expenses	-	-	46.35		46.35
Cash Flow hedge Reserves	-	-	-	(17.46)	(17.46)
Total	**13,004.09**	**-**	**9,896.16**	**(32.73)**	**22,867.52**
MAT credit entitlement of subsidiary	**-**	**-**	**107.35**	**-**	
Net deferred tax asset / (liabilities)	**13,004.09**	**-**	**10,003.51**	**(32.73)**	**22,867.52**

(f) Movement in deferred tax asset / (liabilities)

Particulars	As at April 01, 2019	During the year 2019-20			As at March 31, 2020
		Recognised in Retained Earning	Recognised in profit or loss	Recognised in OCI	
Deferred tax asset/ (Liabilities) - Net					
Property, plant and equipment	307.33	-	607.69	-	915.02
Liabilities to be deducted for tax purposes when paid	38.62	-	185.51	0.72	224.85
Derivative Liability	(222.14)	-	(302.61)	-	(524.75)
Deferment of installation revenue & straightlining of subscription expenses	5,120.82	-	(3,033.89)	-	2,086.93
Business losses/ Depreciation as per Income Tax	-	-	10,623.55	-	10,623.55
Leases Ind AS 116	-	(2.09)	126.37	-	124.28
Mat credit entitlemet	-	-	131.89	-	131.89
Provision for foreseeable losses	-	-	68.00	-	68.00
Gain / (Loss) on equity instrument designated as FVTPL	(8,390.75)	-	8,504.09	-	113.34
Gain / (Loss) on equity instrument designated as FVTOCI	(4,348.60)	-	-	3,769.86	(578.74)
Unamortised borrowing cost	(398.07)	-	217.79	-	(180.28)
Total	**(7,892.79)**	**(2.09)**	**17,128.38**	**3,770.58**	**13,004.09**
Elimination on Acquisition/ (Divestment) of Subsidiary	**-**	**-**	**41.27**	**-**	**-**
Net deferred tax asset / (liabilities)	**(7,892.79)**	**(2.09)**	**17,169.65**	**3,770.58**	**13,004.09**

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

37 Earnings per share ('EPS')

Basic and Diluted earning per share amount are calculated by dividing the loss for the year from continuing and discontinuing operations respectively by the weighted average number of equity shares outstanding during the year. For the total operations, Basic and Diluted earning per share amount are calculated by dividing the total loss for the year from total operations by the weighted average number of equity shares outstanding during the year.

Particulars	Year Ended March 31, 2021	Year Ended March 31, 2020
Attibutable to Equity holders of the parent Profit / (Loss) after tax from continuing operations (Rs. in Lakh)	(3,160.88)	7,534.87
Loss after tax from discontinued operations (Rs. in Lakh)	245.90	(24,376.69)
Loss after tax from continuing and discontinued operations (Rs. in Lakh)	(2,914.98)	(16,841.82)
Weighted average number of shares outstanding during the year for basic EPS (Nos.)	2,40,51,158	2,05,55,503
Weighted average number of shares outstanding during the year for diluted EPS (Nos.)	2,40,51,158	2,40,51,158
Earnings per equity share (for continuing operation):		
Basic (Rs.)	(12.12)	(81.93)
Diluted (Rs.)	(12.12)	(81.93)
Earnings per equity share (for discontinued operation):		
Basic (Rs.)	0.20	(117.57)
Diluted (Rs.)	0.20	(117.57)
Earnings per equity share (for total operations):		
Basic (Rs.)	(11.92)	(199.50)
Diluted (Rs.)	(11.92)	(199.50)

38 Corporate Social Responsibility (CSR)

(Rs. in Lakh)

Particulars		Year Ended March 31, 2021	Year Ended March 31, 2020
Gross amount required to be spent by the Company during the year for CSR		-	116.39
Total		-	**116.39**
Amount spent during the year ended March 31, 2021	**In Cash**	**Yet to be paid in cash**	**Total**
a. Construction / acquisition of any asset	-	-	-
b. On purposes other than (a) above	-	-	-
Total	-	-	-
Amount spent during the year ended March 31, 2020	**In Cash**	**Yet to be paid in cash**	**Total**
a. Construction / acquisition of any asset	-	-	-
b. On purposes other than (a) above	116.39	-	116.39
Total	**116.39**	-	**116.39**

As per section 135(1) of the Companies Act, 2013 every Company is required to spend specified amount based on percentage of profits of previous years for the purpose of Corporate social activities. However, the Company has not earned profits since last three years and is not requried to spend the amount on Corporate social activities.

39 Litigations and claims

As a part of its real estate activity, the Company had acquired approximately 47 acres of land in Devanahalli Bengaluru from a party in terms of Agreement of Sale Deed dated 28.07.1995. However, as the said party, though in receipt of sale consideration did not fulfil its legal obligation to transfer the title in the name of the Company, the Company filed a suit for specific performance in the Civil Court in 2011. An order granting temporary injunction was passed on 11.03.2013 restraining the said party from alienating or in any way encumbering the land in Devanahalli. A criminal complaint was also filed at the Devanahalli Court on 10.11.2014 and subsequently, the Hon'ble High Court of Karnataka vide order dated 19.07.2019 has quashed the criminal complaint filed before the Court at Devanahalli and the proceedings is disposed of as such. The suit for Specific Performance in the Civil Court is pending. 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.

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

40 Contingent Liabilities and Other Commitments (to the extent not provided for)

(I) Contingent Liabilities

(Rs. in Lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
a.	**Guarantees / counter guarantees**		
	- Bank Guarantees given to various authorities	433.24	433.24
	- Guarantees / counter guarantees given to custom authorities	347.00	347.00
b.	**Claims against the Group not acknowledged as debt**	-	
	- Entertainment Tax (Refer note no. 4 below)	2,482.00	2,481.96
	- Sales Tax and VAT (Refer note no. 6 below)	2,045.38	1,815.33
	- Cable Television Related Cases	234.16	234.00
	- Service Tax (Refer note no. 5 below)	12,794.00	12,794.00
	- License Fee (Department of Telecommunication) (Refer note no. 7 below)	54,152.00	53,829.00
	- Income tax matters against which the Group has filed appeals/ objections. (Refer note no. 2 ,3 & 10 below)	6,001.85	5,954.34
	- Demands of Custom Duty in a Subsidiary Company against which it has filed appeal. (Refer Note no. 8 below)	1,476.30	1,177.00
	- Local body tax	73.42	45.00
	- Goods and service tax	48.99	101.99

(II) Other Commitments

(Rs. in Lakh)

Sr. No.	Particulars	As at March 31, 2021	As at March 31, 2020
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	17.06	3,706.91
b.	Letters of Credit issued by bankers: - for Import of Equipments	1,650.09	1,112.91
c.	Co-borrower with Customer for Loan availed from Hinduja Leyland Finance Limited	200.00	200.00
d.	Provident fund (Refer note no.9 below)	409.00	409.00
e.	The Company has given an undertaking to three banks (i.e. Yes Bank Ltd., Axis Bank Ltd. and RBL Bank Ltd.) to retain shareholding to the extent of 51% in the subsidiary viz. IndusInd Media & Communications Limited (IMCL) until all the amounts outstanding under various Facility Agreements entered into by IMCL with the said banks are repaid in full by IMCL. As at the balance sheet date there are no outstanding amounts payable to RBL Bank Limited.		

Notes:

1. In respect of items mentioned above, till the matters are finally decided, the financial effect cannot be ascertained. The Group does not expect any outflow of cash / resources.

2. During the year, One Ott Intertainment Limited (subsidiary company) received a demand order from Income Tax for Rs.185.44 lacs pertaining to AY 2016-17. In the said year, the subsidiary company had acquired Broadband division of IMCL through a court approved Scheme of Arrangement for Slump sale. Based on the scheme and the order passed by the Hon'ble Bombay High Court dated 4th March, 2016, subsidiary company has booked intangible assets in form of Business and Commercial Rights amounting to Rs. 26700 lakhs and claimed depreciation on the same. The Assessing Officer, based on certain secondary documents, has wrongly considered the transfer of business from Holding Company to the subsidiary company as demerger u/s. 2(19)(aa) instead of Slump Sale u/s. 2(42C) of the Income Tax Act, 1961, as approved by the Bombay High Court. Considering the transaction as demerger, the Assessing officer has disallowed the claim of Depreciation of Rs. 6600 lakhs u/s. 32(5) of the Income Tax Act, 1961. subsidiary company has already preferred an appeal before the Hon'ble CIT (A) – 17, Mumbai and also filed necessary applications before the jurisdictional income tax authorities. In view of the foregoing, the subsidiary company has treated the said demand as contingent liability.

3. In addition to above, the Company has received income tax demand pertaining to IT/ITES business aggregating Rs. 7,144.66 Lakh in respect of period prior to October 1, 2006 which is reimbursable to the Company by Hinduja Global Solutions Limited pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ITES business from the Company sanctioned by High Court of Judicature of Bombay and made effective on March 7, 2007. In this regard, the Company had received Rs. 5,550.00 Lakh from Hinduja Global Solutions Limited to discharge part payment of disputed income tax dues pertaining to IT/ITES business. Out of this amount, the Company has received refund of Rs. Nil including interest of Rs. Nil (March 31, 2020 - Nil including interest of Rs. Nil) during the year and the net outstanding amount as at March 31, 2021 of Rs.1,868.99 lakh (March 31, 2020 of Rs. 1,868.99 Lakh). Company has already received a Favourable order from the Hon'ble Bombay High Court. In view of Management and based on the legal advice obtained, the Company has a strong case to succeed.

The honourable Supreme Court of India has admitted a special leave petition (SLP) against section 10A matter under Income Tax Act, 1961 and the contingent liability as disclosed above for the financial year ended March 31, 2020 is recomputed considering all the open assessment years. Future cash outflow in respect of above, if any, is determinable only on receipt of judgements / decisions pending with relevant authorities.

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

4. Entertainment tax ('ET') material disputes

Entertainment tax on LCO Points (Maharashtra)

The Government of Maharashtra issued Resolution No. - ENT2013/PK59/T-1 ('GR') dated March 7, 2013 for payment of ET on franchisee points by Multi System Operator (MSO). Accordingly, the ET authorities issued demand notices of Rs. 1,809.49 lakh relating to Mumbai, Nagpur and Nashik as under:

(Rs. in Lakh)

City	Period	Notice issued by	Demand raised by March 31, 2021	Demand raised by March 31, 2020
Mumbai	April, 2013 – September, 2013	District Collector/ Tahsildar	507.08	507.08
Nagpur	April, 2013 – June, 2013	Office of District Collector, Nagpur	181.14	181.14
Nashik	April, 2013 - July, 2013	Office of District Collector, Nashik	41.35	41.35
Nagpur	July, 2013 – October, 2014	Office of District Collector, Nagpur	1,079.92	1,079.92
Total			**1,809.49**	**1,809.49**

In response to the demand notice issued by the ET authorities in Nagpur, the Group Subsidiary Company ("IMCL") 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 IMCL before Nagpur Bench, the Hon'ble High Court of Bombay has stayed any recovery proceeding against IMCL 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.

The Government of Maharashtra has vide an Ordinance dated February 10, 2014 amended the Maharashtra Entertainment Duty Act, 1923 and the said ordinance was replaced with an Act and amendments passed by the ordinance became part of the Maharashtra Entertainment Duty Act, 1923 vide amendment dated July 25, 2014. The constitutional validity of the Ordinance and the Amendments has been challenged by another MSO and a LCO federation in Maharashtra before the Hon'ble High Court of Bombay. IMCL has amended its writ petitions filed before Hon'ble High Court of Bombay.

Based on the above facts, IMCL is of the opinion that liability for payment of ET on LCO points for the period April 2013 to June 2017 is not required to be provided in its books as the amount of entertainment tax payable is not ascertainable by IMCL at this stage.

5. Order from Service tax authorities for reversal of Cenvat Credit on Counter-vailing duty ('CVD') paid on import of Set-top box ('STB')

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 show cause notice for the period April 2010 to December 2014 and January 2015 to June 2017, denying the claim of the Company for providing Cable operator services for LCO Points, contending STBs are not necessary for providing said services, thus CVD paid on such STBs cannot be availed as input credit under Cenvat Credit Rules, 2004. The matter was heard by Commissioner of the Service Tax during the current year and an Order was passed confirming the demand in both the show cause notices along with penalty amounting to Rs 12,653 lakhs. In response to the Order, the Company has filed an appeal with the Central Excise and Appellate Tribunal (CESTAT) in April 2019.

Based on the above facts, the Group is of the opinion that it still remains the owner of STBs and such STBs have direct nexus with providing of Cable operator services and is thus eligible for input credit and accordingly does not require to make any provisions in the books.

6. Value Added Tax (VAT) material disputes

The Group had paid service tax on the activation fees of set top boxes (STB). The VAT authorities in the state of Telangana, Uttar Pradesh, Andhra Pradesh, Karnataka and Chattisgarh passed orders respectively treating the transaction as transfer of Right to use/ Deemed sale and levied VAT. The Group has filed appeal with respective Appeallate authorities.

The Group 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 Group hence the transaction is not required to be taxed as transfer of Right to use/ Deemed sale. Accordingly the Group is of the opinion that it does not require to make any provisions in the books for the said demand.

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

7. License fee demand notice from Department of Telecommunication

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 along with interest and penalty thereon, for the period 2010-2011 to 2014-2015, aggregating to Rs. 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. During the said period i.e from 2010-15, the ISP license was in the name of IndusInd Media and Communications Limited (IMCL) which was subsequently transferred to ONEOTT Intertainment Limited (OIL) with effect from April 1, 2015. DOT demand on the Company was stayed by TDSAT vide its order dated December 20, 2017 and the said stay has not been vacated as on the date of balance sheet.

Although the above referred license has been transferred by IMCL to OIL, the amounts mentioned above have been reported under contingent liability in view of the counter indemnity given by IMCL in favour of OIL, against the indemnity given by OIL to DOT to service any past liability in connection with the said license.

In the previous year, 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. The Company have filed representations at appropriate authorities denying the alleged liabilities.

During the current year, TDSAT vide its order dated June 12, 2020 has set aside the impugned demands and directed DoT to issue directives for maintaining level playing field for all operators.

On November 14, 2019, ONEOTT Intertainment Limited ("OIL", direct subsidiary company of the Company) received demand notices from DOT for the financial years 2015-16 till 2018-19 amounting to Rs. 2,430.91 lakh including interest and penalty of Rs. 1078.24 lakh towards license fees on AGR. Accordingly, the total unacknowledged liability of OIL would be Rs 3,530 lakh (excluding interest, penalty and interest on penalty).

During the previous year, 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 '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.

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. IMCL and OIL have filed representations at appropriate authorities denying the alleged liabilities.

Relying on an independent legal expert's opinion, the Group continues to believe that the demands will not be upheld and therefore has disclosed these as Contingent Liabilities.

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

8. Custom Duty on Activation Fees paid the Nagra Vision SA

The Company had received Show cause notice 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 Additional Director General DRI (Adjudication) vide its order dated 28 February 2018 rejected the submissions 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.

Based on the contention that the amount paid to Nagra Vision SA is towards activation fees and not licence fees, the Company expects that the outcome of the matter will be favorable to the Company on the basis of the Appeal and hence has included the demand as above under contingent liabilities.

In addition to above order, during the Previous Year, Company had received a new Show Cause Notice on similar issue for Cable and HITS Division. The reply has already been filed by the Company and the matter got heared before the Adudicating Authority in the Current Year. Company has received a lettter dated 26th March, 2021, intimating that the adjudicatiion proceeding to be kept pending under the relevant provisiosns of the Customs Act, 1962. The decision to keep the procedings on hold is on account of the Hon'ble Supreme Court Judgment dated 09/03/2021 in the case of M/s. Canon India Private Limited V/s. Commissioner of Customs.

9. Provident Fund

In February 2019, the Hon'ble Supreme Court of India vide its judgment and subsequent review petition of August 2019 has ruled in respect of compensation for the purpose of Provident Fund contribution under the Employee's Provident Fund Act. The Group has assessed possible outcomes of the judgment on determination of provident fund contributions and based on the Company's current evaluation of the judgment, it is not probable that certain allowances paid by the Company will be subject to payment of provident fund. The Group will continue to monitor and evaluate its position based on future events and developments.

10. The Group has proceedings pending with the Income tax, Service tax authorities, Customs tax authorities, Sales tax authorities and Local body tax authorities. The Group has reviewed all its pending proceedings and has adequately provided where provisions are required and disclosed as contingent liabilities where applicable and quantifiable, in these consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on these consolidated financial statements.

In addition to above, the Company has received income tax demand pertaining to IT/ITES business aggregating Rs. 7,144.66 Lakh in respect of period prior to October 1, 2006 which is reimbursable to the Company by Hinduja Global Solutions Limited pursuant to the Scheme of Arrangement and Reconstruction for demerger of IT/ITES business from the Company sanctioned by High Court of Judicature of Bombay and made effective on March 7, 2007. In this regard, the Company had received Rs. 5,550.00 Lakh from Hinduja Global Solutions Limited to discharge part payment of disputed income tax dues pertaining to IT/ITES business. Out of this amount, the Company has received refund of Rs. Nil including interest of Rs. Nil (March 31, 2020 - Nil including interest of Rs. Nil) during the year and the net outstanding amount as at March 31, 2021 of Rs.1,868.99 lakh (March 31, 2020 of Rs. 1,868.99 Lakh). Company has already received a Favourable order from the Hon'ble Bombay High Court. In view of Management and based on the legal advice obtained, the Company has a strong case to succeed.

The honourable Supreme Court of India has admitted a special leave petition (SLP) against section 10A matter under Income Tax Act, 1961 and the contingent liability as disclosed above for the financial year ended March 31, 2020 is recomputed considering all the open assessment years.

Future cash outflow in respect of above, if any, is determinable only on receipt of judgements / decisions pending with relevant authorities.

41 Renewal of licenses

Under the provisions of the Cable Television Networks (Regulations) Act, 1995, the Group Subsidiary Company ("IMCL") as a Multi System Operator ('MSO') is registered with the Information and Broadcasting Ministry under Rule 11C of the Cable Television Network Rules, 1994. Apart from the said registration, IMCL is also required to take registration as a cable operator under Rule 5 of the Cable Television Networks Rules, 1994 from the Registering Authority i.e. Post Office year on year basis. IMCL is in the process of renewing the licenses that have lapsed during the year / previous years at some of the locations.

42 Foreseeable losses

The Group has a process whereby periodically all long term contracts are assessed for material foreseeable losses. At the year-end, the Group has reviewed all such contracts and confirmed that no provision is required to bbe created under any law / accounting standard towards any foreseeable loss.

43 Details of traded goods under broad heads

(Rs. in Lakh)

Traded goods	Opening stock (A)	Purchases (B)	Consumed (C)	Closing stock (D)
Stock of network cable and equipments	489.94 (674.24)	417.02	211.18 (202.19)	695.78 (472.05)
Media inventory	118.00 -	66.76 (458.65)	 -	184.76 (458.65)
Land	3,719.32 (3,719.32)	- -	- -	3,719.32 (3,719.32)

Note: Figures in brackets are in relation to previous year.

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

44 Leases

As Lessee

Outstanding lease liabilities are disclosed as below :

(Rs. in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current	13,510.60	8,596.85
Current	3,651.80	2,785.08
Total	**17,162.40**	**11,381.94**

(i) Movement in Lease Liabilities:

(Rs. in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Opening Balance	11,381.94	-
Add: Addition made during the year	8,560.21	16,474.88
Add: Unrealised forex exchange	-	732.97
Add: Finance cost accrued during the year	1,418.80	489.36
Less: Payment of Lease Liabilities	3,834.07	2,170.09
Less: Restatement of Lease Liabilities	291.99	-
Less: Lease termination	72.49	4,145.18
Closing Balance	**17,162.40**	**11,381.94**

(ii) The contractual maturities of Lease liabilities are as under on undiscounted basis:

(Rs. in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Payable within one year	3,651.80	1,036.17
Payable later than one year and not later than five years	9,833.16	9,062.00
Payable after five years	3,677.44	1,283.77

(iii)	Lease payments recognised for short term leases in Statement of Profit and Loss during the year	572.47	914.74

The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

45 The direct and indirect subsidiaries (all incorporated in India) considered in the consolidated financial statements with the Company's share in voting power in these companies are as follows:

Sr. No.	Name of the Company	Held by	Parent's Shareholding and Voting Power (%)		Company's Effective Stake (%)	
			As at		As at	
			March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
I	**DIRECT SUBSIDIARIES**					
1	IndusInd Media & Communications Limited (IMCL)	NDL	77.55	77.55	77.55	77.55
2	ONEOTT Intertainment Limited (Previously known as Planet E-Shop Holdings India Limited) (effective from August 12, 2019) (OIL)	NDL	71.65	71.65	71.65	71.65
II	**INDIRECT SUBSIDIARIES**					
1	USN Networks Private Limited	IMCL	100.00	100.00	77.55	77.55
2	United Mysore Network Private Limited	IMCL	99.45	99.45	77.12	77.12
3	Bhima Riddhi Infotainment Private Limited	IMCL	51.00	51.00	39.55	39.55
4	Gold Star Noida Network Private Limited	IMCL	100.00	100.00	77.55	77.55
5	Apna Incable Broadband Services Private Limited	IMCL	100.00	100.00	77.55	77.55
6	Sangli Media Services Private Limited	IMCL	51.00	51.00	39.55	39.55
7	Sainath In Entertainment Private Limited	IMCL	51.00	51.00	39.55	39.55
8	Sunny Infotainment Private Limited	IMCL	51.00	51.00	39.55	39.55
9	Goldstar Infotainment Private Limited	IMCL	98.92	98.92	76.71	76.71
10	Ajanta Sky Darshan Private Limited	IMCL	51.00	51.00	39.55	39.55
11	Darpita Trading Company Private Limited	IMCL	51.00	51.00	39.55	39.55
12	RBL Digital Cable Network Private Limited	IMCL	51.00	51.00	39.55	39.55
13	Vistaar Telecommunication and Infrastructure Private Limited	IMCL	51.00	51.00	39.55	39.55
14	Vinsat Digital Private Limited	IMCL	61.00	61.00	47.31	47.31
15	One Mahanet Intertainment Private Limited	OIL	100.00	100.00	71.65	71.65
16	In Entertainment (India) Ltd	OIL	100.00	100.00	71.65	71.65

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

46 Segmental reporting

Primary segment Information
Business segment
The Group's primary business segments are reflected based on principal business activities carried on by the Group. The Group's primary businesses are as under:

i) Treasury & Investment activities include trading of shares which the Company carries out on its own account, advancing of inter corporate loans and advances and sub-broking activities for shares.

ii) Media & Entertainment activities include the commercial exploitation of Dark Fibre owned by the Company as a licensee under the Telecom regulations and also its strategic investments in a subsidiary in the Cable TV Industry.

iii) Real estate activities include real estate assets (Land) acquired for the purpose of development in future.

These segments are determined based on the internal organisation and management structure of the Company and its system of internal financial reporting and the nature of its risks and its returns. The Board of Directors of the company has been identified as Chief Operating Decision Maker (CODM). CODM evaluates the Company's performance, allocate resources based on analysis of various performance indicators of the Group as disclosed for the above three segments.

Secondary segment Information
Geographical segment
The Group's operations are based in India and therefore the Group has only one geographical segment - India.

Segment accounting policies
Segment accounting policies are in line with accounting policies of the Group. In addition, the following specific accounting policies have been followed for segment reporting

i) Segment revenue includes income directly identifiable with the segments.

ii) Expenses that are directly identifiable with the segments are considered for determining the segment result. Expenses which relate to the Group as a whole and not allocable to segments and expenses which relate to the operating activities of the segment but are impracticable to allocate to the segment, are included under "Unallocable corporate expenses".

iii) Income which relates to the Group as a whole and not allocable to segments is included in Unallocable Income and netted off from Unallocable corporate expenses.

iv) Segment assets and liabilities include those directly identifiable with the respective segments. Unallocable corporate assets and liabilities represent the assets and liabilites that relate to the Group as a whole and not allocable to any segment.

Sr no	Particulars	As at March 31, 2021	As at March 31, 2020
1	**Segment Revenue**		
	(a) Media and Communication	1,00,845.07	1,16,207.81
	(b) Others	-	-
	(d) Unallocated	-	2.15
	Income from Continue operations	**1,00,845.07**	**1,16,209.96**
	(c) Investments and Treasury (Discontinued)	317.17	373.91
	Income from operations	**1,01,162.24**	**1,16,583.87**
2	**Segment Results**		
	(a) Media and Communication	2,874.65	16,106.60
	(b) Others	(64.67)	(136.69)
	(d) Unallocated	-	(1,543.79)
	Total	2,809.98	14,426.12
	(i) Less: Interest Expense	14,265.83	11,979.49
	Profit / (Loss) before exceptional items and tax (Continue)	**(11,455.85)**	**2,446.63**
	(c) Investments and Treasury (Discontinued)	317.17	(32,799.06)
	Total	(11,138.68)	(30,352.43)
3	**Segment Assets**		
	(a) Media and Communication	1,53,488.56	1,61,617.54
	(b) Others	3,719.32	3,719.50
	(c) Investments and Treasury (Discontinued)	543.07	9,819.27
	(d) Unallocated	30,055.82	21,246.19
	Total	**1,87,806.77**	**1,96,402.50**
4	**Segment Liabilities**		
	(a) Media and Communication	1,65,667.91	1,42,515.96
	(b) Others	-	9.56
	(c) Investments and Treasury (Discontinued)	-	-
	(d) Unallocated	61.41	29,099.08
	Total	**1,65,729.32**	**1,71,624.60**
5	**Capital Employed (Segment Assets - Segment Liabilities)**		
	(a) Media and Communication	(12,179.35)	38,713.90
	(b) Others	3,719.32	3,709.94
	(c) Investments and Treasury (Discontinued)	543.07	9,819.27
	(d) Unallocated	29,994.41	(27,465.20)
	Total	**22,077.45**	**24,777.91**

HARIBHAKTI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

NXTDIGITAL LIMITED MUMBAI ★

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

47 Related Party and their relationships

I. Individual having control:
1. Mr. Ashok P. Hinduja, Non-Executive Chairman
2. Mrs. Harsha A. Hinduja

II. Relatives of Individuals identified in (I) above:
1. Ms. Ambika A. Hinduja
2. Ms. Satya A. Hinduja
3. Mr. Shom A. Hinduja
4. Mr. Srichand P. Hinduja
5. Mr. Gopichand P. Hinduja
6. Mr. Prakash P. Hinduja

III. Key Management Personnel
1. Mr. Ashok Mansukhani, Managing Director (till September 30, 2020)
2. Mr. Vynsley Fernandes, Managing Director (w.e.f. February 26, 2021), Chief Executive Officer (w.e.f. August 1, 2020) and Manager (w.e.f. September 30, 2020 till February 26, 2021))
3. Mr. Amar Chintopanth, Chief Financial Officer and Whole Time Director (w.e.f. September 4, 2020)
4. Mr. Hasmukh Shah, Company Secretary and Compliance Officer (till January 18, 2021)
5. Mr. Ashish Pandey, Company Secretary (w.e.f. January 28, 2021) and Compliance Officer (w.e.f January 18, 2021)

Non-Executive Directors:
1. Mr. Anil Harish : Independent Director
2. Mr. Rajendra P. Chitale : Independent Director (retired from September 21, 2019)
3. Mr. Prashant Asher : Independent Director of NXTDIGITAL LIMITED and IndusInd Media & Communications
4. Ms. Bhumika Batra : Independent Director
5. Mr. Sudhanshu Tripathi : Non-Executive Director

IV. Enterprises where common control exists
1. Hinduja Group Limited
2. Hinduja Global Solutions Limited
3. Siddharth Textiles Private Limited
4. Aasia Advisory Services Limited
5. Aasia Business Venture Private Limited (under process of striking off)
6. The British Metal Corporation India Private Limited
7. Hinduja Realty Ventures Limited
8. Skyways Properties Private Limited (under process of striking off)
9. Aasia Corporation LLP
10. Hinduja Estate Developers
11. APDL Estates Limited
12. Hinduja Properties Limited
13. Hinduja E-ways Private Limited
14. Hinduja Healthcare Limited
15. Hinduja Estate Private Limited
16. Ashok Plywood Trading Company LLP
17. Aasia Exports
18. HGS International, Mauritius
19. HGS International Services Private Limited
20. Hinduja Global Solutions Inc., U S A
21. HGS Canada Inc., Canada
22. C-Cubed B.V, Netherlands
23. C-Cubed B.V, Curacao
24. Customer Contact Centre Inc., Philippines
25. Hinduja Global Solutions Europe Limited, U K
26. Hinduja Global Solutions UK Limited, U K
27. HGS France, S.A.R.L
28. HGS (USA), LLC
29. HGS Healthcare (previously RMT LLC., U S A)
30. Affina Company, Canada
31. HGA St. Lucia Ltd., Saint Lucia
32. Team HGS Limited, Jamaica
33. HGS Properties LLC, U S A
34. HGS Canada Holdings LLC, U S A
35. HGS Italy, S.A.R.L
36. HGS EBOS LLC, U S A
37. HGS Mena FZ LLC, U S A
38. HGS Colibrium Inc
39. HGS Extensya Holdings Limited
40. Extensya Investment Holdings Limited
41. HGS Extensya Cayman Limited
42. Aasia Imports and Exports Private Limited
43. Indusind Information Technology Limited
44. Juhu Beach Resorts Limited
45. Hinduja Finance Limited
46. Aasia Enterprises LLP
47. Tabula Rasa Music LLP
48. Cyqure India Pvt Ltd (100% owned by Aasia Enterprises LLP)
49. Ashok Leyland Defence Systems Ltd (being the subsidiary of Aasia Enterprises LLP)
50. Impeccable Imagination LLP (Previously known as Impeccable Imagination Private Limited)
51. ONEOTT Intertainment India Limited (Previously known as Planet E-Shop Holdings India Limited) (upto August 11,
52. IN Entertainment (India) Limited (upto August 11, 2019)
53. One Mahanet Intertainment Private Limited (upto August 11, 2019)
54. Cyqurex Systems Private Limited

V. Firm/Company in which Director/Chief Executive Officer is a partner/shareholder
1. D M Harish & Co. (Firm in which Mr. Anil Harish is a Partner)
2. Crawford Bayley & Co. (Firm in which Ms. Bhumika Batra and Mr. Prashant Asher are partners)
3. Castle Media Private Limited (Company in which Mr. Vynsley Fernandes is a shareholder)
4. Spyke Technologies Private Limited (Company in which Mr. Vynsley Fernandes is a shareholder)

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. in Lakh)

Nature of Transaction	Parties referred to in I & II above	Parties referred to in III & V above	Parties referred to in IV above	Total
Subscription Income				
Hinduja Group Limited	- (-)	- (-)	- (10.69)	- (10.69)
Hinduja Global Solutions Limited	- (-)	- (-)	4.37 (0.60)	4.37 (0.60)
Hinduja Healthcare Limited	- (-)	- (-)	12.63 (2.04)	12.63 (2.04)
Total	- (-)	- (-)	**17.00** (13.33)	**17.00** (13.33)
Link Charges				
ONEOTT Intertainment Limited	- (-)	- (-)	- (113.72)	- (113.72)
Total	- (-)	- (-)	- (113.72)	- (113.72)
Interest Income				
Cyqurex Systems Private Limited	- (-)	- (-)	5.75 (-)	5.75 (-)
Hinduja Group Limited	- (-)	- (-)	63.11 (1.68)	63.11 (1.68)
Hinduja Finance Limited	- (-)	- (-)	840.13 (24.57)	840.13 (-)
Hinduja Realty Ventures Limited	- (-)	- (-)	- (66.29)	- (66.29)
Total	- (-)	- (-)	**903.24** (92.54)	**903.24** (92.54)
Lease Rental Income				
ONEOTT Intertainment Limited	- (-)	- (-)	- (1,270.90)	- (1,270.90)
Total	- (-)	- (-)	- 1,270.90	- 1,270.90
Miscellanous Income				
ONEOTT Intertainment Limited	- (-)	- (-)	- (0.04)	- (0.04)
Spyke Technologies Private Limited	- (-)	12.90 (9.05)	- (-)	12.90 (9.05)
Total	- (-)	**12.90** (9.05)	- (0.04)	**12.90** (9.09)
Reimbursement of Expenses from Other Companies				
Hinduja Group Limited	- (-)	- (-)	- (0.31)	- (0.31)
Hinduja Global Solutions Limited	- (-)	- (-)	9.00 (46.10)	9.00 (46.10)
IN Entertainment (India) Limited	- (-)	- (-)	- (8.20)	- (8.20)
ONEOTT Intertainment Limited	- (-)	- (-)	- (355.36)	- (355.36)
Total	- (-)	- (-)	**9.00** (409.97)	**9.00** (409.97)

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. in Lakh)

Nature of Transaction	Parties referred to in I & II above	Parties referred to in III & V above	Parties referred to in IV above	Total
Reimbursement of Expenses to Other Companies				
Hinduja Group Limited	- (-)	- (-)	- (-)	- (-)
Hinduja Realty Ventures Limited	- (-)	- (-)	9.00 (9.00)	9.00 (9.00)
Hinduja Global Solutions Limited	- (-)	- (-)	- (1.88)	- (1.88)
IN Entertainment (India) Limited	- (-)	- (-)	- (2.99)	- (2.99)
ONEOTT Intertainment India Limited	- (-)	- (-)	(1,365.31)	- (1,365.31)
Spyke Technologies Private Limited	- (-)	43.60 (106.23)	- (-)	43.60 (106.23)
Prakash Shah	- (-)	1.39 (2.16)	- (-)	1.39 (2.16)
Total	**-** (-)	**44.99** (108.39)	**9.00** (1,379.18)	**53.99** (1,487.57)
Internet Expenses				
ONEOTT Intertainment Limited	- (-)	- (-)	- (351.84)	- (351.84)
Total	**-** (-)	**-** (-)	**-** (351.84)	**-** (351.84)
Service charges recovered				
Hinduja Global Solutions Limited	- (-)	- (-)	0.01 (-)	**0.01** (-)
Freight inwards				
Spyke Technologies Private Limited	- (-)	0.27 (1.20)	(-)	**0.27** **(1.20)**
Freight outwards				
Spyke Technologies Private Limited	- (-)	2.13 (19.26)	- (-)	**2.13** **(19.26)**
Insurance expense				
Spyke Technologies Private Limited	- (-)	0.19 (0.24)	- (-)	**0.19** **(0.24)**
Sales (Net of Returns)/Service Charges				
Hinduja Global Solutions Limited	- (-)	- (-)	114.08 (42.85)	114.08 (42.85)
Hinduja Group Limited	- (-)	- (-)	1.47 (0.31)	1.47 (0.31)
Total	**-** (-)	**-** (-)	**115.55** (43.16)	**115.55** (43.16)

HARIBHAKTI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

NXTDIGITAL LIMITED MUMBAI ★

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. in Lakh)

Nature of Transaction	Parties referred to in I & II above	Parties referred to in III & V above	Parties referred to in IV above	Total
Professional / Technical Fees				
Crawford Bayley & Co.	-	18.00	-	18.00
	(-)	(4.00)	(-)	(4.00)
D M Harish & Co.	-	-	-	-
	(-)	(7.00)	(-)	(7.00)
Hinduja Group Limited	-	-	519.13	519.13
	(-)	(-)	(356.33)	(356.33)
Hinduja Global Solutions Limited	-	46.16	-	46.16
	(-)	(-)	(-)	(-)
Hinduja Finance Limited	-	-	-	-
	(-)	(-)	(79.10)	(79.10)
Castle Media Private Limited	-	945.84	-	945.84
	(-)	(1,111.61)	(-)	(1,111.61)
Total	**-**	**1,010.01**	**519.13**	**1,529.14**
	(-)	(1,122.61)	(435.43)	(1,558.04)
Rent (Refer note no. 44)				
Hinduja Group Limited	-	-	83.04	83.04
	(-)	(-)	(72.66)	(72.66)
Aasia Corporation LLP	-	-	38.88	38.88
	(-)	(-)	(22.72)	(22.72)
Total	**-**	**-**	**121.92**	**121.92**
	(-)	(-)	(95.38)	(95.38)
Director Sitting Fees				
Mr. Ashok P. Hinduja	4.00	-	-	4.00
	(5.00)	(-)	(-)	(5.00)
Mr. Anil Harish	-	19.00	-	19.00
	(-)	(11.50)	(-)	(11.50)
Mr. Rajendra P. Chitale	-	-	-	-
	(-)	(6.50)	(-)	(6.50)
Mr. Prashant Asher	-	14.00	-	14.00
	(-)	(14.50)	(-)	(14.50)
Ms. Bhumika Batra	-	18.00	-	18.00
	(-)	(13.25)	(-)	(13.25)
Mr. Sudhanshu Tripathi	-	19.00	-	19.00
	(-)	(11.00)	(-)	(11.00)
Mr. Prakash Shah	-	-	-	-
	(-)	(27.47)	(-)	(27.47)
Ms. Kanchan Chitale	-	-	-	-
	(-)	(15.30)	(-)	(15.30)
Total	**4.00**	**70.00**	**-**	**74.00**
	(5.00)	(99.52)	(-)	(104.52)
Commission Expense				
ONEOTT Intertainment Limited	-	-	-	-
	(-)	(-)	(-)	(-)
In Entertainment (India) Limited	-	-	-	-
	(-)	(-)	(0.67)	(0.67)
Total	**-**	**-**	**-**	**-**
	(-)	(-)	(0.67)	(0.67)

HARIBHAKTI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

NXTDIGITAL LIMITED MUMBAI ★

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. in Lakh)

Nature of Transaction	Parties referred to in I & II above	Parties referred to in III & V above	Parties referred to in IV above	Total
Interest Expense				
Hinduja Realty Ventures Limited	- (-)	- (-)	145.48 (53.31)	145.48 (53.31)
Hinduja Global Solutions Limited	- (-)	- (-)	17.34 (-)	17.34 -
Hinduja Group Limited	- (-)	- (-)	2,746.50 (1,105.25)	2,746.50 (1,105.25)
Hinduja Properties Limited	- (-)	- (-)	13.75 (8.76)	13.75 (8.76)
IN Entertainment (India) Limited	- (-)	- (-)	(21.51)	- (21.51)
ONEOTT Intertainment Limited	- (-)	- (-)	(3.51)	- (3.51)
The British Metal Corporation India Private Limited	- (-)	- (-)	78.47 (46.34)	78.47 (46.34)
Total	- (-)	- (-)	**3,001.54** (1,238.68)	**3,001.54** (1,238.68)
Miscellaneous Expenses				
IN Entertainment (India) Limited	- (-)	- (-)	(0.01)	- (0.01)
Total	- (-)	- (-)	- (0.01)	- (0.01)
Purchase of Fixed Assets				
IN Entertainment (India) Limited	- (-)	- (-)	(12.12)	- (12.12)
Spyke Technologies Private Limited	- (-)	- (66.08)	- (-)	- (66.08)
One OTT Intertainment India Limited	- (-)	- (-)	(28.02)	- (28.02)
Total	- (-)	- (66.08)	- (40.14)	- (106.22)

HARIBHAKTI & CO. LLP ★ CHARTERED ACCOUNTANTS ★ MUMBAI

NXTDIGITAL LIMITED ★ MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. in Lakh)

Nature of Transaction	Parties referred to in I & II above	Parties referred to in III & V above	Parties referred to in IV above	Total
Inventory				
Spyke Technologies Private Limited	- (-)	181.91 (43.28)	- (-)	181.91 (43.28)
Total	**-** (-)	**181.91** (43.28)	**-** (-)	**181.91** (43.28)
Managerial Remuneration				
Mr. Ashok Mansukhani	- (-)	180.56 (138.13)	- (-)	180.56 (138.13)
Mr. Amar Chintopanth	- (-)	177.13 (111.67)	- (-)	177.13 (111.67)
Mr. Vynsley Fernandes	- (-)	440.42 (333.32)	- (-)	440.42 (333.32)
Mr. Yugal Kishore Sharma	- (-)	- (139.00)	- (-)	- (139.00)
Mr. Ashish Pandey	- (-)	6.54 (-)	- (-)	6.54 (-)
Mr. Hasmukh Shah	- (-)	35.24 27.27	- (-)	35.24 27.27
Total	**-** (-)	**839.89** (694.85)	**-** (-)	**839.89** (694.85)
Dividend Paid				
Mr. Ashok P. Hinduja	33.19 (116.15)	- (-)	- (-)	33.19 (116.15)
Mrs. Harsha A. Hinduja	24.46 (85.61)	- (-)	- (-)	24.46 (85.61)
Ms. Ambika A. Hinduja	8.86 (31.02)	- (-)	- (-)	8.86 (31.02)
Mr. Shom A. Hinduja	7.00 (24.50)	- (-)	- (-)	7.00 (24.50)
Mr. Ashok Mansukhani	- (-)	0.03 (0.09)	- (-)	0.03 (0.09)
Mr. Prashant Asher	- (-)	(0.02)	- (-)	- (0.02)
Aasia Corporation LLP	(-)	- (-)	70.04 (245.15)	70.04 (245.15)
Hinduja Group Limited	- (-)	- (-)	427.53 (1,496.35)	427.53 (1,505.98)
Hinduja Properties Limited	- (-)	- (-)	10.64 (37.25)	10.64 (37.25)
Hinduja Finance Limited	- (-)	- (-)	5.00 (17.50)	5.00 (17.50)
Total	**73.51** (257.28)	**0.03** (0.11)	**513.21** (1,796.25)	**586.75** (2,053.64)
Inter-Corporate Deposits Given				
Aasia Corporation LLP	- (-)	- (-)	- (-)	- (-)
Hinduja Group Limited	- (-)	- (-)	5,254.03 (757.00)	5,254.03 (757.00)
Hinduja Finance Limited	- (-)	- (-)	4,320.00 (6,400.00)	4,320.00 (-)
Hinduja Realty Ventures Limited	- (-)	- (-)	- (8,100.00)	- (8,100.00)
Total	- (-)	- (-)	**9,574.03** (15,257.00)	**9,574.03** (15,257.00)

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. in Lakh)

Nature of Transaction	Parties referred to in I & II above	Parties referred to in III & V above	Parties referred to in IV above	Total
Inter-Corporate Deposits Received Back				
Aasia Corporation LLP	- (-)	- (-)	- -	- -
Hinduja Group Limited	- (-)	- (-)	5,311.03 (10,100.00)	5,311.03 (10,100.00)
Hinduja Realty Ventures Limited	- (-)	- (-)	(3,700.00)	- (3,700.00)
Hinduja Finance Limited	- (-)	- (-)	5,260.00 (-)	5,260.00 (-)
Hinduja Properties Limited	(-)	(-)	(125.00)	- (125.00)
Total	- (-)	- (-)	**5,311.03** (13,925.00)	**10,571.03** (13,925.00)
Inter-Corporate Deposits Taken				
Hinduja Realty Ventures Limited	- (-)	- (-)	5,580.00 (4,434.00)	5,580.00 (4,434.00)
Hinduja Group Limited	- (-)	- (-)	55,676.00 (49,043.00)	55,676.00 (49,043.00)
Hinduja Global Solutions Limited	- (-)	- (-)	9,950.00 (-)	9,950.00 -
IN Entertainment (India) Limited	- (-)	- (-)	(885.00)	- (885.00)
ONEOTT Intertainment Limited	- (-)	- (-)	(1,155.00)	- (1,155.00)
The British Metal Corporation India Private Limited	- (-)	- (-)	70.00 (30.00)	70.00 (30.00)
Total	- (-)	- (-)	**61,326.00** (55,547.00)	**71,276.00** (55,547.00)
Inter-Corporate Deposits Repaid				
Hinduja Group Limited	- (-)	- (-)	19,751.00 (28,700.00)	19,751.00 (28,700.00)
Hinduja Realty Ventures Limited	- (-)	- (-)	600.00 (10,934.00)	600.00 (10,934.00)
IN Entertainment (India) Limited	- (-)	- (-)	(878.00)	- (878.00)
The British Metal Corporation India Private Limited	- (-)	- (-)	30.00 (-)	30.00 (-)
ONEOTT Intertainment Limited	- (-)	- (-)	- (1,155.00)	- (1,155.00)
Total	- (-)	- (-)	**20,351.00** (41,667.00)	**20,351.00** (41,667.00)
Outstanding Security Deposit				
Hinduja Realty Ventures Limited	- (-)	- (-)	- (46.15)	- (46.15)
Total	- (-)	- (-)	- (46.15)	- (46.15)

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. in Lakh)

Nature of Transaction	Parties referred to in I & II above	Parties referred to in III & V above	Parties referred to in IV above	Total
Inter Corporate Deposits Receivable including interest accrued as at the Year-end				
Hinduja Group Limited	- (-)	- (-)	- (-)	- (-)
Hinduja Finance Limited	- (-)	- (-)	5,460.02 (6,400.00)	5,460.02 (6,400.00)
Cyqurex Systems Private Limited	- (-)	- (-)	250.00 (-)	250.00 -
Hinduja Realty Ventures Limited	- (-)	- (-)	- (-)	- (-)
IN Entertainment (India) Limited	- (-)	- (-)	- (-)	- (-)
Total	- (-)	- (-)	**5,710.02** (6,400.00)	**5,710.02** (6,400.00)
Inter-Corporate Deposits payable including Interest Payable as at the Year-end				
The British Metal Corporation India Private Limited	- (-)	- (-)	825.33 (779.25)	825.33 (779.25)
Hinduja Properties Ltd.	- (-)	- (-)	137.72 (137.38)	137.72 (137.38)
Hinduja Global Solutions Limited	- (-)	- (-)	9,966.04 (-)	9,966.04 (-)
Hinduja Group Limited	- (-)	- (-)	46,616.93 (10,419.27)	46,616.93 (10,419.27)
Hinduja Realty Ventures Limited	- (-)	- (-)	5,652.00 (585.02)	5,652.00 (585.02)
Total	- (-)	- (-)	**63,198.02** (11,920.92)	**63,198.02** (11,920.92)
Loans and Advances				
Hinduja Finance Limited	- (-)	- (-)	5,460.02 (-)	5,460.02 (-)
Hinduja Group Limited	- (-)	- (-)	- (-)	- (-)
Total	- (-)	- (-)	**5,460.02** (-)	**5,460.02** (-)
Investments as at the Year-end				
IN Entertainment (India) Limited	- (-)	- (-)	- (-)	- (-)
ONEOTT Intertainment Limited	- (-)	- (-)	- (-)	- (-)
Total	- (-)	- (-)	- (-)	- (-)
Trade Receivables				
Hinduja Group Limited	- (-)	- (-)	3.30 (31.29)	3.30 (31.29)
Hinduja Global Solutions Limited	- (-)	- (-)	1.57 (-)	1.57 (-)
Hinduja Healthcare Limited	- (-)	- (-)	12.37 (-)	12.37 (-)
Spyke Technologies Private Limited	- (-)	24.55 (9.83)	- (-)	24.55 (9.83)
Total	- (-)	**24.55** (9.83)	**3.30** (31.29)	**27.85** (41.12)

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI *

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

The following details pertain to transactions carried out with the related parties in the ordinary course of business and the balances outstanding at the year-end:

(Rs. in Lakh)

Nature of Transaction	Parties referred to in I & II above	Parties referred to in III & V above	Parties referred to in IV above	Total
Other Receivables				
Hinduja Group Limited	- (-)	- (-)	(31.29)	- (31.29)
Hinduja Global Solutions Limited	- (-)	- (-)	(2.43)	- (2.43)
Hinduja Healthcare Limited	- (-)	- (-)	(5.77)	- (5.77)
Total	- (-)	- (-)	- (39.49)	- (39.49)
Interest Receivable				
Hinduja Realty Ventures Limited	- (-)	- (-)	(3.42)	- (3.42)
Total	- (-)	- (-)	- (3.42)	- (3.42)
Trade / Balance Payables				
Aasia Corporation LLP	- (-)	- (-)	(8.76)	- (-)
Ashok Mansukhani	- (-)	(1.35)	- (-)	- (-)
Cyqurex Systems Private Limited	- (-)	- (-)	7.74	7.74 -
Hinduja Group Limited	- (-)	(-)	151.98 (-)	151.98 (-)
Hinduja Finance Limited	- (-)	- (-)	- (-)	- (-)
Hinduja Global Solutions Limited	- (-)	- (-)	13.72 (6.75)	13.72 (6.75)
Castle Media Private Limited	- (-)	75.87 (147.11)	- (-)	75.87 (147.11)
Spyke Technologies Private Limited	- (-)	47.45 (62.67)	- (-)	47.45 (62.67)
D M Harish & Co.	- (-)	(-)	0.68 (-)	0.68 (-)
Total	- (-)	**123.32** (211.13)	**174.11** (15.51)	**297.43** (226.64)
Employees Benefit Payable				
Mr. Vynsley Fernandes	- (-)	237.82 (33.50)	- (-)	237.82 (33.50)
Mr. Amar Chintopanth	- (-)	80.92 (153.33)	- (-)	80.92 (153.33)
Mr. Ashish Pandey	- (-)	9.43 (-)	- (-)	9.43 (-)
Total	- (-)	**328.17** (186.83)	- (-)	**328.17** (186.83)

Notes:

1. Figures in brackets () represent transactions in respect of previous year 2019-2020 and balances are as on March 31, 2020 respectively.

48 Employee benefits expense
The Group contributes to the following post-employment defined contribution and defined benefit plans in India.

I. Defined contribution plan
All eligible employees of the Group are entitled to receive benefits under the provident fund, a defined contribution plan in which both the employee and employer (at a determined rate) contribute monthly.The group does not have any obligations other than to make the specified contribution under this plan.

a) Provident fund
b) State defined contribution plans
i. Employer's contribution to Employees' State Insurance
ii. Employer's contribution to Employees' Pension Scheme, 1995

During the year, the Group has recognised the following amounts in the Statement of Profit and Loss:

(Rs in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
- Employer's contribution to provident fund [Includes EDLI charges and employers' contribution to Employees' Pension Scheme 1995]* and Employer's contribution to employees' state insurance *	355.54	399.13

*included in contribution to employees provident and other funds - Refer note 32 of the Financial statements

II. Defined benefit plan

a. Contribution to Gratuity fund
The Group provides the eligible employees with a gratuity scheme where a lump sum amount gets vested to the employees at the time of retirement, death while in employment or on termination of employment. The same is determined based on the salary payable for each completed year of service. Vesting of such gratuity plan occurs upon completion of five continuous years of service. The scheme is funded with an insurance company in the form of qualifying insurance policy.

"Pursuant to the Scheme of Arrangement between the Company, Indusind Media and Communications Limited and their respective shareholders for demerger of Media and Communication undertaking of Indusind Media and Communications Limited (subsidiary company) and merger of the same into the Company pursuant to the approval of the Honourable National Company Law Tribunal, Mumbai Bench ('NCLT'), received on August 21, 2020, certain employees have been transferred from IMCL to the Company and vice versa.

As on March 31, 2021, the actuarial valuation has taken year end employee strength as base while arriving at employee benefit liabilities. Accordingly, in line with the said report, the Company has reflected the closing liability and have adjusted the difference amounting to Rs. 111.66 (credit/debit) in statement of Profit and Loss Account. Hence to the extent of opening balance adjustments there will be mismatch of the amounts reflected in the Statement of Profit and Loss and the actuarial valuation disclosures"

The following table shows a reconciliation from the opening balance to the closing balance for the net defined benefit (assets) / liabilities and its components and the assumptions used to determine the same.

Description	March 31, 2021		March 31, 2020	
	Funded	Unfunded	Funded	Unfunded
Changes in the present value of defined benefit obligation				
Balance at the beginning of the year	736.95	104.56	437.51	122.05
Balance transferred on account of acquisitions / (demerger)	-	-	121.35	-
Interest cost	53.27	3.82	38.89	8.87
Current service cost	58.64	7.02	49.83	8.77
Liability transferred In/ Acquisitions	(666.91)	-	-	-
Actuarial (gains) / losses recognized in other comprehensive income ('OCI')	-	-	-	-
- change in demographic assumption	(15.32)	0.33	5.31	9.52
- change in financial assumption changes	(61.65)	(3.70)	49.77	5.19
- experience adjustment	207.76	(0.01)	95.89	(11.36)
Benefits paid	(121.22)	-	(61.60)	(38.48)
Benefit obligation at the end of the year	**191.52**	**112.02**	**736.95**	**104.56**
Changes in the fair value of plan assets				
Balance at beginning of the year	643.12	-	394.57	-
Interest income	44.19	-	35.54	-
Contributions paid to the fund	329.35	-	167.08	-
Balance transferred on account of acquisitions / (demerger)	(576.12)	-	112.37	-
Benefits paid	(89.72)	-	(61.60)	-
Return on plan assets excluding amounts included in interest income recognised in other comprehensive income	(31.57)	-	(4.84)	-
Fair value of plan assets at the end of the year	**319.25**	**-**	**643.12**	**-**
Assets and liabilities recognised in the Consolidated balance sheet				
Present value of the defined benefit obligation at the end of the year	191.52	112.02	736.95	104.56
Less: Fair value of plan assets at the end of the year	(319.25)	-	(643.12)	-
Net liability /(asset) recognised	**(127.73)**	**112.02**	**93.83**	**104.56**
Net interest cost for current period				
Present value of benefit obligation at the beginning of the year	736.95	104.56	437.51	122.05
(Fair value of plan assets at the beginning of the year)	(643.12)	-	(394.57)	-
Net liability / (asset) at the beginning	**93.83**	**104.56**	**42.94**	**122.05**
Interest cost	53.27	3.82	38.89	8.87
(Interest income)	(44.19)	-	(35.54)	-
Net interest cost for current year	**9.08**	**3.82**	**3.35**	**8.87**
Expenses recognised in the consolidated statement of profit and loss				
Current service cost	58.64	7.02	49.83	8.77
Net interest (income) / expense	9.08	3.82	3.35	8.87
Net gratuity cost recognised in the current year (Refer note above)	**67.72**	**10.84**	**53.18**	**17.64**

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

48 Employee benefits expense (Continued) **(Rs in Lakh)**

ii. Defined benefit plan (Continued)

Description	March 31, 2021		March 31, 2020	
	Funded	Unfunded	Funded	Unfunded
Expenses recognised in the Consolidated Statement of Other comprehensive Income ('OCI')				
Remeasurements of the net defined benefit liability / (asset)				
Actuarial (gains) / losses on obligation for the Period	130.79	(3.38)	150.97	3.35
Loss on plan assets exculding amount inculded in the net interest on the net defined liability	31.57	-	4.84	-
	162.36	**(3.38)**	**155.81**	**3.35**
Reconciliation of Net asset / (liability) recognised:				
Net asset / (liability) recognised at the beginning of the year	93.83	104.56	42.94	122.05
Company contributions	(329.35)	-	(167.08)	-
Net Liability /(Asset) transferred on account of acquisitions/(demerger)	(90.79)	-	(112.37)	-
Expenses / (Income) recognised in other comprehensive income	162.36	(3.38)	155.81	3.35
Expenses recognised in the Statement of Profit and Loss	67.72	10.84	53.18	17.64
Benefits Paid	(121.22)	-	-	38.48
Net (asset) / liability recognised at the end of the year	**(217.45)**	**112.02**	**(27.52)**	**181.52**

Actuarial assumptions	March 31, 2021	March 31, 2020
Mortality rate	Indian Assured Lives	Indian Assured Lives
Discount rate (per annum)	6.80%	6.87% - 7.76%
Expected rate of return on plan assets	6.80%	6.87% - 7.76%
Future salary growth	5.00%	5.00% - 6.00%
Rate of employee turnover (Attrition rate)	2.00%	2.00%

Notes:

a. Assumptions regarding future mortality are based on published statistics by the Life Insurance Corporation of India.

b. The Company assesses above assumptions with its projected long-term growth plans and prevalent industry standards. The discount rate is based on the government securities yield.

Senstivity Analysis:

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present value of obligation ('PVO') and aids in understanding the uncertainty of reported amounts. Sensitivity analysis done by varying one parameter at a time and studying its impact.

	March 31, 2021		March 31, 2020	
	Funded	Unfunded	Funded	Unfunded
Projected Benefit Obligation on Current assumptions	191.52	112.02	736.95	104.56
Delta Effect of +1% Change in Rate of Discounting	(70.31)	(71.38)	(65.90)	(3.16)
Delta Effect of -1% Change in Rate of Discounting	81.31	71.67	76.37	3.56
Delta Effect of +1% Change in Rate of Salary Increase	81.13	72.23	75.49	3.56
Delta Effect of -1% Change in Rate of Salary Increase	(71.29)	(63.67)	(66.24)	(3.22)
Delta Effect of +1% Change in Rate of Employee Turnover	9.51	8.02	9.90	0.02
Delta Effect of -1% Change in Rate of Employee Turnover	(10.87)	(9.13)	(11.26)	(0.04)

Note:

Sensitivity for significant actuarial assumption is computed by varying one actuarial assumption used for the valuation of defined benefit obligation by one percentage, keeping all other assumptions constant. The methods and types of assumptions used in preparing the sensitivity analysis has not changed as compared to previous year.

Projected Benefits Payable in Future Years From the Date of Reporting:

Year	March 31, 2021		March 31, 2020	
	Funded	Unfunded	Funded	Unfunded
2021	40.39	4.54	36.00	65.23
2022	33.90	5.45	21.00	1.42
2023	43.68	4.81	20.00	1.62
2024	34.53	4.83	26.00	2.36
2025	48.65	4.99	28.00	1.88
2026 and thereafter	1,316.54	97.35	874.00	156.28

b. Compensated absences

Provision in respect of Compensated absences / leave encashment benefits has been made based on actuarial valuation carried out by an independent actuary at the Balance sheet date using Projected Unit Credit method. The liability for leave encashment and compensated absences as at March 31, 2021 aggregates Rs. 937.13 lakh [March 31, 2020 - Rs. 799.28 lakh].

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

49 Discontinued operations:

a. Financial performance:

(Rs. in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from operations	-	373.91
Other income	317.17	-
Total Income	**317.17**	**373.91**
Expenses		
Net (Profit) / Loss on fair valuation of financial instruments at fair value through profit or loss	-	671.07
Net (Profit) / Loss on sale of financial instruments at fair value through profit or loss	-	28,580.22
Employee benefits expense	-	123.77
Finance costs	-	3,386.22
Other expenses	-	411.69
Total Expenses	**-**	**33,172.97**
Loss before tax	**317.17**	**(32,799.06)**
Current tax	-	-
Deferred tax / (reversal)	71.27	(8,458.18)
Short provision for tax relating to prior years	-	35.81
Loss after tax from discontinued operations	**245.90**	**(24,376.69)**
Other comprehensive income		
Net Profit / (Loss) on fair valuation of equity instruments through other comprehensive income	53.62	(3,791.85)
Net Profit / (Loss) on sale of equity instruments through other comprehensive income	-	(24,477.97)
Current tax	-	-
Deferred tax / (reversal)	(4.61)	3,769.86
Other comprehensive income	**49.01**	**(24,499.96)**
Total comprehensive income	**294.92**	**(48,876.65)**

b. Cash flows

(Rs. in Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
a. Cash flows from operating activities	-	(1,475.88)
b. Cash flows from investing activities	9,613.00	40,515.07
c. Cash flows from financing activities	-	(39,136.54)

c. Analysis of assets and liabilities over which control was lost:

Particulars	As at March 31, 2021	As at March 31, 2020
Current Assets		
Financials Assets classified as held for sale	543.07	9,819.27
Total Current Assets	543.07	9,819.27
Total Assets	**543.07**	**9,819.27**

(Refer note 15 to the conolidated financial statements)

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

50 Categories of financial instruments and fair value hierarchy

Details as at March 31, 2021 are as follows: **(Rs. in Lakh)**

Particulars	Amortised cost*	Fair value - hedging instruments	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Hierarchy
Financial Assets						
Cash and cash equivalents	1,306.52	-	-	-	1,306.52	-
Other bank balances	9,499.12	-	-	-	9,499.12	-
Derivative financial instruments	-	8.29	-	-	8.29	Level 2
Trade receivables	7,117.97	-	-	-	7,117.97	-
Loans	6,348.81	-	-	-	6,348.81	-
Investments in equity shares (Quoted shares)	-	-	338.51	1,103.33	1,441.84	Level 1
Investments in equity shares (Unquoted shares)	-	-	358.28	-	358.28	Level 3
Investments in other securities (Unquoted shares)	0.05	-	-	-	0.05	-
Unbilled receivables	1,360.78	-	-	-	1,360.78	-
Other financial assets	883.59	-	-	-	883.59	-
Total	**26,516.84**	**8.29**	**735.18**	**1,103.33**	**28,363.64**	
Financial Liabilities						
Derivative financial instruments	-	-	-	-	-	-
Trade payables	24,862.10	-	-	-	24,862.10	-
Borrowings (other than debt securities)	89,755.72	-	-	-	89,755.72	-
Leases liabilities	17,162.40	-	-	-	17,162.40	-
Other financial liabilities	24,760.30	-	-	-	24,760.30	-
Total	**1,56,540.52**	**-**	**-**	**-**	**1,56,540.52**	

* The Group considers that the carrying amounts of these financial instruments recognised in the financial statements approximates its fair values.
#Investment fully provided for in current year

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

50 Categories of financial instruments and fair value hierarchy (Continued)

Details as at March 31, 2020 are as follows: **(Rs. in Lakh)**

Particulars	Amortised cost*	Fair value - hedging instruments	Fair value through other comprehensive income	Fair value through profit or loss	Total carrying value	Hierarchy
Financial Assets						
Cash and cash equivalents	2,693.64	-	-	-	2,693.64	-
Other bank balances	9,812.04	-	-	-	9,812.04	-
Derivative financial instruments	-	2,131.69	-	-	2,131.69	Level 2
Trade receivables	7,678.27	-	-	-	7,678.27	-
Loans	6,784.15	-	-	-	6,784.15	-
Investments in equity shares (Quoted shares)	-	-	131.08	439.72	570.80	Level 1
Investments in equity shares (Unquoted shares)	-	-	9,971.28	-	9,971.28	Level 3
Investments in preference shares (Unquoted shares)	-	-	38.39	-	38.39	Level 3
Investments in other securities (Unquoted shares)	11.23	-	-	-	11.23	-
Unbilled receivables	534.00	-	-	-	534.00	-
Other financial assets	913.86	-	-	-	913.86	-
Total	**28,427.19**	**2,131.69**	**10,140.75**	**439.72**	**41,139.35**	
Financial Liabilities						
Derivative financial instruments	-	44.89	-	-	44.89	Level 2
Trade payables	29,777.04	-	-	-	29,777.04	
Borrowings (other than debt securities)	70,362.65	-	-	-	70,362.65	-
Lease liabilites	11,381.94	-	-	-	11,381.94	-
Other financial liabilities	45,876.88	-	-	-	45,876.88	-
Total	**1,57,398.51**	**44.89**	**-**	**-**	**1,57,443.40**	

* The Group considers that the carrying amounts of these financial instruments recognised in the financial statements approximates its fair values.

50 Categories of financial instruments and fair value hierarchy (Continued)

Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values for financial instruments measured at fair value in the statement of financial position as well as the significant unobservable inputs used.

Type	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement	Valuation process
Derivative and hedge instruments	Discounted cash flow approach	Discount rate determined as per market rate	Increase/decrease of 5% or so in the discount rate would result in decrease/increase in the fair value *	The valuation model considers the present value of expected payments discounted using appropriate discounting rates.
Investments	Discounted cash flow approach	Discount rate determined as per market rate	Increase/decrease of 5% or so in the discount rate would result in decrease/increase in the fair value *	Group has referred the fair valuation report of external valuation consultants for certain equity instruments measured at FVTOCI and FVTPL.

* holding all other variables constant

During the periods mentioned above, there have been no transfers amongst the levels of hierarchy.

Changes in level 3 items - Investments

(Rs. in Lakh)

Particulars	Investment in equity shares
As at April 01, 2019	26,653.91
Additions	205.77
Disposals	(9,748.59)
Gain / (loss) recognised in other comprehensive income	(7,101.42)
As at March 31, 2020	**10,009.67**
Additions	-
Disposals	(9,613.00)
Investments provided for	(38.39)
Gain / (loss) recognised in other comprehensive income	-
As at March 31, 2021	**358.28**

51 Financial risk management

The Group's focus is to foresee the unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance. The Group's principal financial liabilities comprises of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the operations of the Group. The Group's principal financial assets include trade and other receivables, investments and cash and cash equivalents that derive directly from its operations.

The Group is exposed to credit risk, currency risk, liquidity risk and market risk. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

I. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business. The carrying amounts of financial assets represent the maximum credit exposure.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the customer, including the default risk of the industry and country in which the customer operates, also has an influence on credit risk assessment. Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Group grants credit terms in the normal course of business.

Expected credit loss assessment for Trade and other receivables from customers

The Group has a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward - looking information. The expected credit loss rates are based on actual credit loss experience over the past three years.

Allowance percentage are calculated separately for exposures in different streams of revenue based on common credit risk characteristics for a set of customers, age of customer relationship and type of service rendered.

The following table provides information about the exposure to credit risk and expected credit loss allowance (including specific allowance) for trade and other receivables:

(Rs. in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Gross carrying amount (trade and other receivables)	8,729.45	8,575.26
Weighed average loss rate - range	8.66%	5.84%
Loss allowance	756.36	500.78

Loss rates are based on actual credit loss experience over the past three years. The movement in the allowance for impairment in respect of trade and other receivables is as follows :

(Rs. in Lakh)

Particulars	March 31, 2021	March 31, 2020
Balance as at April 1	500.78	4,385.29
Movement during the year	255.58	(3,884.51)
Balance as at March 31	756.36	500.78

The Trade Receivables includes amount due from disconnected / inactive customers / LCOs with whom no interconnect documents have been executed and outstanding in excess of one year. The Group is taking adequate steps for recovery of overdue debts and advances and wherever necessary, write off/adequate provisions as per expected credit loss model have been made.

Cash and cash equivalents and other bank balances

The Group held cash and cash equivalents and other bank balances of Rs. 10,940.78 lakh as at March 31, 2021 (March 31, 2020: Rs. 12,626.60 lakh). The credit worthiness of banks and financial institutions is evaluated by management on an ongoing basis and is considered to be good.

Investments

The Group limits its exposure to credit risk by generally investing in liquid securities and only with counterparties that have a good credit rating. The Group does not expect any losses from non-performance by these counter-parties, and does not have any significant concentration of exposures to specific industry sectors or specific country risks.

Loans

Loan is given to related parties for which credit risk is managed by monitoring the recoveries of such amounts on regular basis. The Group does not perceive any credit risk related to such loans given to group companies since these will have an additional financial support from promoters as and when necessary.

Other financial assets

Other financial assets measured at amortised cost includes deposits, loans to employees, etc. Credit risk related to these financial assets are managed by monitoring the recoveries of such amounts on regular basis and the Group does not perceive any credit risk related to these financial assets.

Other than trade and other receivables, the Group has no other financial assets that are past due but not impaired.

II. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting its financial obligations associated with its financial liabilities that are settled by delivering cash or another financial asset as they become due. The Group manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its financial liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

For the Group, liquidity risk arises from obligations on account of financial liabilities – borrowings (other than debt securities), trade payables and other financial liabilities.

Liquidity risk management

The Group's corporate treasury department is responsible for liquidity and funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Group ensures that it has sufficient cash on demand to meet expected operational expenses for a month, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

HARIBHAKTI & CO. LLP * MUMBAI * CHARTERED ACCOUNTANTS

NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

51 Financial risk management (continued)

Exposure to liquidity risk
The following are the remaining contractual maturities of non-derivative financial liabilities at the reporting date. The amounts are gross and undiscounted, and include interest payments and exclude the impact of netting agreements.

(Rs. in Lakh)

Particulars	Carrying amount	Contractual cash flows				
		Less than 12 months	1-2 years	2-5 years	More than 5 years	Total
March 31, 2021						
Non-derivative financial liabilities						
Borrowings (other than debt securities) (excluding unamortised borrowing costs) & (including interest accrued but not due)	96,467.45	69,147.71	10,199.08	17,111.15	9.51	96,467.45
Lease liabilities	17,162.40	3,651.80	3,797.10	6,036.06	3,677.44	17,162.40
Trade payables	24,862.10	24,862.10	-	-	-	24,862.10
Other financial liabilities	18,048.57	17,658.57	390.00	-	-	18,048.57
Derivative financial liabilities (net settled)						
Interest rate swaps used for hedging	-	-	-	-	-	-
March 31, 2020						
Non-derivative financial liabilities						
Borrowings (other than debt securities) (excluding unamortised borrowing costs) & (including interest accrued but not due)	97,372.58	63,160.23	14,046.36	16,895.99	3,270.00	97,372.58
Lease liabilities	11,381.94	1,036.17	4,408.28	4,591.76	1,345.73	11,381.93
Trade payables	29,777.04	29,777.04	-	-	-	29,777.04
Other financial liabilities	18,866.97	18,476.97	390.00	-	-	18,866.97
Derivative financial liabilities (net settled)						-
Interest rate swaps used for hedging	44.87	44.87	-	-	-	44.87

As disclosed in note no. 56, the Group has secured bank loans that contain loan covenants. A future breach of such covenants may require the Group to repay the loan earlier than indicated in above. Under the agreement, the covenants are monitored on a regular basis by the management to ensure compliance.

The interest payments on variable interest rate borrowings as stated above, reflect market interest rates at the reporting date and these amounts may change as market interest rates change.

Equity share capital and other equity are considered for the purpose of Group's capital management. The Group manages its capital so as to safeguard its ability to continue as a going concern and to optimise returns to shareholders. The capital structure of the Group is based on management's judgment of its strategic and day-to-day needs with a focus on total equity so as to maintain investor, creditors and market confidence. The management and the Board of Directors monitors the return on capital to shareholders. The Group, if necessary, may take appropriate steps in order to maintain or adjust its capital structure.

iii. Market risk
Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt. The Group is exposed to market risk primarily related to foreign exchange rate risk. Thus, the Group's exposure to market risk is a function of revenue generating and operating activities in foreign currency. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return, in foreign currency revenues and costs.

Currency risk
The Group is exposed to currency risk mainly on account of its purchase of set top box. The Group has a policy to hedge the foreign currency risks through forwards and swaps in order to mitigate risks due to adverse currency fluctuations.

The exchange rate between the domestic and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations are affected as the domestic currency appreciates/depreciates against these foreign currencies.

Exposure to currency risk
The following table analyzes the foreign currency risk from financial instruments:

(Rs. in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Liabilities:		
Trade payables		
- USD	(143.58)	(183.00)
- INR	(10,553.67)	(13,789.00)
Net assets / (liabilities)		
- USD	(143.58)	(183.00)
- INR	(10,553.67)	(13,789.00)

The following significant exchange rates have been applied during the year:

Particulars	As at March 31, 2021	As at March 31, 2020
Average rate (USD 1 = Rs.)	74.20	71.57
Year-end spot rate (USD 1 = Rs.)	73.51	75.66

NXTDIGITAL LIMITED MUMBAI

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

Notes to the consolidated financial statements for the year ended March 31, 2021

Sensitivity analysis

A reasonably possible strengthening (weakening) of the Indian Rupee against US dollar at balance sheet date would have affected the measurement of financial instruments denominated in US dollar and affected equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecast sales and purchases.

(Rs. in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Effect in INR		
Profit or loss (1% movement)		
Strengthening	78.98	103.19
Weakening	(78.98)	(103.19)
Equity (1% movement)		
Strengthening	78.98	103.19
Weakening	(78.98)	(103.19)

51 Financial risk management (continued)

iii. Market risk (Continued)

Hedge accounting

The Group holds 28 instruments to hedge exposures to changes in foreign currency and interest rates. The counterparty for these contracts is a bank. Of the all instruments, majority instruments are valued at fair value through hedging and the balance are forward contracts which are valued at fair value through profit and loss.

The following table gives details in respect of outstanding hedge contracts:

Particulars	As at March 31, 2021		As at March 31, 2020	
	USD	INR	USD	INR
Interest rate swaps (fair valuation through cash flow reserve)	8.71	626.91	295.48	22,274.66
Forward contracts (fair valuation through profit and loss)	146.30	10,783.77	176.00	13,011.80
Total	**155.01**	**11,410.68**	**471.48**	**35,286.46**

The below table analyses the hedging instruments into relevant maturity Group's based on the remaining period as of the reporting date.

Particulars	March 31, 2021	March 31, 2020
Interest rate swaps		
Not later than one month	626.91	3,035.22
One to six months	-	15,889.99
Six months to one year	-	2,692.87
More than one year	-	656.57
Total	**626.91**	**22,274.65**
Forward contracts		
Not later than one month	10,783.77	13,283.01
One to six months	-	-
Six months to one year	-	-
More than one year	-	-
Total	**10,783.77**	**13,283.01**

Interest rate risk

Interest rate risk can be either fair value interest rate risk or cash flow interest rate risk. Fair value interest rate risk is the risk of changes in fair values of fixed interest bearing investments because of fluctuations in the interest rates. Cash flow interest rate risk is the risk that the future cash flows of floating interest bearing investments will fluctuate because of fluctuations in the interest rates.

Exposure to interest rate risk

The Group's exposure to interest rate risks relates primarily to the Group's interest obligations on its borrowings. Borrowings issued at variable rates are exposed to fair value interest rate risk. To mitigate this risk the Group's enters into derivative financial instruments like interest rate swaps. The interest rate profile of the Group's interest-bearing financial instruments as reported by the management of the Group is as follows.

(Rs. in Lakh)

Particulars	As at March 31, 2021	As at March 31, 2020
Variable rate borrowings	96,467.45	97,372.58
Total	**96,467.45**	**97,372.58**

Fair value sensitivity analysis for fixed-rate instruments

The Group accounts for fixed-rate borrowings at amortised cost. Therefore, it would not affect profit or loss.

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NXTDIGITAL LIMITED MUMBAI

51 Financial risk management (continued)

Interest rate sensitivity analysis - variable rate borrowings
The below table mentions the impact of increase or decrease in the interest rates of variable rate borrowings on statement of profit and loss.

(Rs. in Lakh)

Particulars	Impact on Statement of Profit and Loss	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest Rate increase by 100bps*	721.89	728.66
Interest Rate decrease by 100bps*	(721.89)	(728.66)

* holding all other variables constant

The Group has also considered the effect of changes, if any, in effectiveness and measuring hedge ineffectiveness. The Group continues to believe that there is no impact on effectiveness of its hedges due to COVID -19.

Utilisation of proceeds from issue of shares / borrowings:
The Group has taken term loans, buyer's credit, LC discounting and intercorporate deposits from banks, financial institutions and related parties for the purpose of normal business operations. The Group has utilised the funds for the purpose for which they were taken.

Price risk
The Group's exposure to equity securities price risk arises from investments held by the Group and classifed in the Consolidated balance sheet either at fair value through profit and loss (FVTPL).

The majority of the Group's equity investments are unquoted. The financial assets are carried at fair value as at March 31, 2021 after considering the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19.

Capital Management
The Group establishes its capital structure considering the key objective of maximising the shareholder's return.
The Group's objectives when managing capital are to:
• safeguard their ability to continue as a going concern, so that they can continue to maintain investor, creditor and market confidence, better credit rating and to sustain future development of the business, and
• maintain an optimal capital structure (optimum mix of debt to equity) to reduce the cost of capital
thus leading to achieving the Group's objective of maximising shareholder's return.
The Group sets the amount of capital required on the basis of its long term business plans – operations and new businesses.

The capital structure of the Group consists of net debt and total equity of the Group. The Group manages its capital to ensure that the Group will be able to continue as going concern while maximising the return to stakeholders through an optimum mix of debt and equity within the overall capital structure. The Group Management reviews the capital structure of the Group considering the cost of capital and the risks associated with each class of capital.

The Group monitors its capital by using gearing ratio, which is net debt divided to total equity. Net debt includes borrowings net of cash and bank balances and total equity comprises of equity share capital, securities premium, other comprehensive income and retained earnings.

The capital composition is as follows:

Particulars	As at March 31, 2021	As at March 31, 2020
Gross debt	96,467.45	97,372.58
Less: Cash and bank	10,940.79	12,626.60
Net debt (A)	85,526.66	84,745.98
Equity (B)	19,672.33	22,372.79
Gearing ratio (A / B)	4.35	3.79

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

52 Details of material non-controlling interests

Company	Year ended March 31, 2021	Year ended March 31, 2020
IndusInd Media & Communications Limited (IMCL) including its subsidiaries		
Principal activity	Multi system operator in operation and distribution of television channels through medium of analogue, digital and terrestrial satellite cable transmission and distribution network	
Place of incorporation and principal place of business	India	
Proportion of ownership of interests and voting rights held by non-controlling interest	22.45	22.45
Profit /(Loss) allocated to non-controlling interests	1,160.14	3,294.06
OneOTT Intertainment Limited including its subsidiaries		
Principal activity	It provides high speed internet connectivity over a Fiber optic GPON last mile to the customers through their flagship brand, ONE GigaFiber	
Place of incorporation and principal place of business	India	
Proportion of ownership of interests and voting rights held by non-controlling	28.35	28.35
Profit /(Loss) allocated to non-controlling interests	357.67	161.95
Accumulated non-controlling interests	13,807.64	12,439.85

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

(Rs. in Lakh)

IMCL and its subsidiaries	As at March 31, 2021	As at March 31, 2020
Financial assets	5,185.58	4,014.36
Non-financial assets	8,193.57	7,333.77
Financial liabilities	5,350.35	4,480.95
Non-financial liabilities	670.96	921.88
Equity attributable to owners of the Company	6,304.72	5,458.43
Non-controlling interests	1,039.06	487.22

(Rs. in Lakh)

IMCL and its subsidiaries	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	13,688.90	10,724.79
Expenses	12,441.28	14,995.72
Loss for the year	**1,247.62**	**(4,270.93)**
Tax Expense	(504.52)	(7,927.64)
Profit / (Loss) for the year after tax	**1,752.14**	**3,656.71**
Other comprehensive income for the year	**(204.73)**	**348.89**
Total comprehensive income for the year	**1,547.41**	**4,005.60**
Loss attributable to owners of the Company	1,051.42	3,315.70
Profit / (Loss) attributable to the non-controlling interests	701.72	341.19
Loss for the year after tax	**1,753.14**	**3,656.89**
Other comprehensive income attributable to owners of the Company	(204.73)	338.97
Other comprehensive income attributable to thenon-controlling interests		9.92
Other comprehensive income for the year	**(204.73)**	**348.89**
Total comprehensive income attributable to owners of the Company	846.69	3,655.07
Total comprehensive income attributable to thenon-controlling interests	701.72	350.71
Total comprehensive income for the year	**1,548.41**	**4,005.78**
Dividends paid to non-controlling interests	149.88	240.00
Net cash inflow / (outflow) from operating activities	312.12	7,729.31
Net cash inflow / (outflow) from investing activities	(316.07)	(8,035.76)
Net cash inflow / (outflow) from financing activities	69.73	(1,669.46)
Net cash inflow / (outflow)	**65.78**	**(1,975.90)**

HARIBHAKTI & CO. LLP * CHARTERED ACCOUNTANTS * MUMBAI

NXTDIGITAL LIMITED MUMBAI

53 Dues to Micro, Small and Medium enterprises (Parent company)

Micro, Small and Medium enterprises have been identified on the basis of the information to the extent provided by the suppliers. Total outstanding dues of Micro, Small and Medium enterprises as on March 31, 2021 which are outstanding for more than the stipulated period are given below.

(Rs. in Lakh)

Particulars	March 31, 2021	March 31, 2020
Dues remaining unpaid as at March 31		
- Principal	74.23	14.26
- Interest	6.77	6.74
I. Interest paid in terms of Section 16 of the Act	-	-
II. Amount of Interest due and payable for the period of delay on payments made beyond	-	-
III. Amount of interest accrued and remaining unpaid as at March 31	6.77	6.74
IV. Further interest due and payable even in succeeding years, until such date when the interest due as above are actually paid to the small enterprises.	-	-

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

54 Additional information pursuant to paragraph 2 of Division II - Schedule III to the Companies Act 2013 - " Part II - General Instructions for the preparation of the consolidated financial statements"

Name of the entities in the Group	Net Assets, i.e. Total Assets minus total liabilities		Share in Profit or loss		Share in Other comprehensive income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated Profit or Loss	Amount	As % of Consolidated Other comprehensive income	Amount	As % of Total comprehensive income	Amount
March 31, 2021								
Parent								
NxtDigital Limited	106%	23,319.45	378%	(5,250.15)	346%	146.01	379%	(5,104.14)
Subsidiary								
Indian								
Indusind Media & Communications Limited	33%	7,343.78	-98%	1,358.63	-376%	(158.77)	-89%	1,199.86
OneOTT Intertainment Limited	184%	40,550.64	-206%	2,859.79	171%	72.35	-218%	2,932.14
Consolidation adjustment	-285%	(62,944.06)	329%	(4,576.86)	163%	69.09	334%	(4,507.78)
Non controlling interest in all subsidiaries	63%	13,807.64	-303%	4,218.42	-205%	(86.42)	-307%	4,132.00
Total	1.00	22,077.45	100%	(1,390.17)	100%	42.25	100%	(1,347.92)
March 31, 2020								
Parent								
NXTDIGITAL LIMITED	-36%	(8,987.77)	105%	(14,064.81)	101%	(24,448.26)	103%	(38,513.07)
Subsidiary								
Indian								
Indusind Media & Communications Limited	30%	7,458.70	-13%	1,729.49	-1%	314.40	-5%	2,043.89
OneOTT Intertainment Limited	147%	36,458.34	1%	(90.04)	0%	(112.43)	1%	(202.47)
Non controlling interest in all subsidiaries	-41%	(10,151.36)	7%	(983.61)	0%	101.73	2%	(881.88)
Total	100%	24,777.91	100%	(13,408.97)	100%	(24,144.56)	100%	(37,553.53)

HARIBHAKTI & CO. LLP CHARTERED ACCOUNTANTS MUMBAI

NXTDIGITAL LIMITED MUMBAI

55 Disaggregate Revenue

The Company has disaggregated the revenue from contracts with customers on the basis of nature of services. The Company believes that the disaggregation of revenue on the basis of nature of services has no impact on the nature, amount, timing and uncertainty of revenue and cash flows.

The following table provides a reconciliation of the revenue recognised in the statement of profit and loss with the contract price:

(Rs. In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Subscription revenue		
Contracted price	55,487.82	60,283.36
Add: Allocation of transaction price from bundled contracts	-	-
Add: Deferred and unbilled revenue adjustments	294.68	155.00
Discounts to LCO's / Incentive / refund	(524.68)	(327.82)
Revenues recognised as per the statement of profit and loss	**55,257.82**	**60,110.54**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Installation revenue		
Contracted price	1,851.75	2,762.36
Less: Allocation of transaction price to subscription revenue for bundled contracts	-	-
Add: Adjustment for deferral for installation revenue	4,286.25	13,638.36
Revenues recognised as per the statement of profit and loss	**6,137.99**	**16,400.72**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Channel placement fees		
Contracted price	7,623.39	6,201.46
Add: Adjustment for deferral for channel placement revenue revenue	(67.38)	82.00
Revenues recognised as per the statement of profit and loss	**7,556.01**	**6,283.46**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Subscription - Internet service		
Contracted price	15,967.66	8,129.69
Add: Allocation of transaction price from bundled contracts	-	-
Less / Add: Deferred and unbilled revenue adjustments	(1,569.84)	(1,479.98)
Discounts to LCO's	-	-
Revenues recognised as per the statement of profit and loss	**14,397.82**	**6,649.71**

Contract balances

The following table provides information about receivables, contract assets and contract liabilities from contracts with customers:

Particulars	As at March 31, 2021	As at March 31, 2020
Contract Asset		
Opening balance	534.00	710.00
Addition on business combination (Refer note 60)		
Less: Invoices issued in the current year that was included in contract assets in the beginning of the year	(534.00)	(710.00)
Add: Revenue recognised in the current year for which no invoice is raised in the current year	1,360.78	534.00
Closing balance	**1,360.78**	**534.00**
Contract Liabilities (Advance billing)		
Opening balance	9,408.51	21,774.00
Addition on business combination (Refer note 60)	-	1,713.00
Less: revenue recognised that was included in the contract liabilities at the beginning of the year	(7,712.17)	(18,963.49)
Add: invoices raised for which no revenue is recognised during the year	3,198.08	4,885.00
Closing balance	**4,894.42**	**9,408.51**
Contract Liabilities (Advance from customer)		
Opening balance	1061.33	555.87
Addition on business combination (Refer note 60)	-	835.88
Less: revenue recognised that was included in the contract liabilities at the beginning of the year	(1,061.33)	(1,012.50)
Add: invoices raised for which no revenue is recognised during the year	1,042.52	682.08
Closing balance	**1,042.52**	**1061.33**

The Group receives payments from customers based upon contractual billing schedules.

Reconciliation of revenue recognised in the statement of profit and loss with the contracted price

(Rs. In Lakh)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers	83,349.64	89,444.43
Add: Discounts, rebates, refunds, credits, price concessions	524.68	327.82
Less / Add: Deferred and unbilled revenue adjustments	(2,943.70)	(12,395.38)
Contracted price with the customers	**80,930.62**	**77,376.87**

The services of the Company are categorised into essential services. There may be delays in new installation in pro-longed COVID -19 situation, however existing revenue is not expected to be much impacted.

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NXTDIGITAL LIMITED MUMBAI

56 Details of the outstanding principal (including unamortised borrowing cost), interest rate, security and repayment terms:

(Rs. in Lakh)

Secured Loans	As at March 31, 2021				As at March 31, 2020			
Particulars	Non-current	Current	Interest Rate p.a.	Particulars of redemption / repayment	Non-current	Current	Interest Rate p.a.	Particulars of redemption / repayment
From Banks								
TL – 1	15,933.16	2,134.40	8.45 to 9.90%	Repayable Between April 2018 to July 2025 (Refer note 1 & 4)	9,200.15	3,666.30	(Refer note 1 & 4)	Repayable Between April 2018 to September 2025 (Refer note 1 &4)
TL – 2	7,247.18	3,687.16	10.75% to 11.75%	Repayable between April 2021 to April 2023 (Refer note 2)	18,055.15	1,109.40	11.75%	Repayable between April 2020 to October 2022 (Refer note 2)
TL – 3	-	-	-		-	1,342.34	-	Cash Credit facility
TL – 4	-	2,000.00	9.82% to 11.00%	Working capital demand loans repayable in September 2021	-	1,000.00	-	Working capital demand loans
Buyer's Credit		628.74	10.35%	Repayable in April 2021	645.13	21,987.23	-	Repayable between May 2020 to June 2021
From Non-Banking Financial Institutions								
TL – 5	458.74	261.42	-	Repayable quarterly up to January 2028 (Refer note 3)	733.00	247.00	-	Repayable quarterly up to January 2028
TL – 6	18.97	51.15	-	-	18.97	128.81	-	-
Total	**23,658.05**	**8,762.87**			**28,652.40**	**29,481.08**		
Unsecured Loans								
Inter Corporate Deposit	-	64,046.52	7.95% to 12.00%	Repayable on demand	-	39,239.10	10.55% - 12.00%	Repayable on demand
Total	-	**64,046.52**			-	**39,239.10**		

* Put / call Option at every 365 days interval from initial disbursement date.

Notes:

1. TL-1- The Loan is repayable in 7 years in 28 quarterly instalments, for each tranche of disbursement. First repayment will commence from 4th month of the date of each tranche of disbursement. Interest rate 6 months MCLR and Yes Bank Limited shall reset the 6 months MCLR on 1st day of the month falling after six calendar months including the month in which drawdown has been made. First Charge on all current and movable assets (both present and future) and Escrow Account for collection of proceeds of lease rentals to be created in favour of Vistra ITCL India Ltd.

2. TL -2 - Repayable in 24 Quarterly unequal instalments starting from January 2017 after an initial moratorium of 2 years. Interest rate 6 months MCLR plus spread of 2.35%. Interest ranging from 10.75 % to 11.75% between April - 2020 to March 2021 with an exclusive charge on all Hits related Fixed assets.

3. TL-5 - Pertains to sales and lease back transaction conducted in the year ended 31st Mar 2020 which is payable in 32 unequal installments starting from April 2020, as per the operating lease agreement entered.

4. BC-1 and TL-4 are secured by pari passu hypothecation on all current assets, movable fixed assets (present and future) and immovable properties.

5. In line with the RBI Directive dated March 27, 2020 for moratarium of loan; the management has exercised option to defer the loan installments for a period of three months from the date it became due. Also, as per further RBI Directive dated May 22, 2020; the management has exercised option to defer the loan installments for a period of further three months from 1st moratorium.

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NXTDIGITAL LIMITED MUMBAI

57 Loans (current)

A Details of loans given and repaid against loans taken during the year in the form of Inter Corporate Deposits and the purpose for which the loan is proposed to be utilised by the recipient of the loan as required under Section 186 (4) of the Companies Act, 2013 are as under:

(Rs. in Lakh)

Name of the Company	Loans given during the year 2020-2021	Loans given during the year 2019-2020	Loans repaid during the year 2020-2021	Loans repaid during the year 2019-2020	Terms and conditions	Purpose / utilisation by the borrower
AJ Media	-	170.00	-	-	Loan is repayable on demand and the interest rate is 18.00% p.a.	To meet working capital requirement
Hinduja Energy India Limited	-	5,000.00	-	5,000.00	Loan is repayable on demand and the interest rate is 11.25% p.a.	To meet working capital requirement
Hinduja Finance Limited	-	6,400.00	-		Loan is repayable on demand and the interest rate is 11.25% p.a.	To meet working capital requirement
IN Entertainment (India) Limited	-	3,590.00	-	-	Loan is repayable on demand and the interest rate is 11.00% p.a. (Previous Year 10.00% p.a)	To meet working capital requirement
Ashok Leyand Limited	-	-	20,000.00	-	Loan is repayable on demand and the interest rate is 9.8% to 10.55% p.a.	To meet working capital requirement
Bothra Shipping Services Private Limited	-	-	1,000.00	-	Loan is repayable on demand and the interest rate is 10.00% p.a.	To meet working capital requirement
Abhiyan Dealcomm Private Limited	-	-	2,000.00	-	Loan is repayable on demand and the interest rate is 12.00% p.a.	To meet working capital requirement
Imperial Agro Private Limited	-	-	3,000.00	-	Loan is repayable on demand and the interest rate is 12.00% p.a.	To meet working capital requirement
Gulf Oil Lubricants India Private Limited	-	-	13,800.00	-	Loan is repayable on demand and the interest rate is 10.50% p.a.	To meet working capital requirement
Hinduja Realty Ventures Limited	-	8,100.00	-	8,100.00	Loan is repayable on demand and interest rate is 12.10% p.a.	To meet working capital requirement
Hinduja Group Limited	-	757.00	7,900.00	700.00	Loan is repayable on demand and interest rate is 10 % (Previous Year 12.10% p.a)	To meet working capital requirement

58 Impairment of Investment in Group subsidiary companies IndusInd Media and Communiation Limited ("IMCL")

The Group subsidiary company ("IMCL") management was in process of corporate restructuring of its Subsidiary Companies Gold Star Noida Network Limited ("Goldstar") and Ajanta Sky Darshan Private Limited ("Ajanta"). However, subsequent to proposed scheme of arrangement for demerger of Company's Cable TV business between IndusInd Media and Communications Limited ("Demerged Company") and Hinduja Ventures Limited ("Resulting Company") (now known as NXTDIGITAL LIMITED), which was completed on 1 October 2019, the management believes that IMCL may not have any viable business opportunity for Goldstar and Ajanta. Thus, IMCL has decided to write off the Goodwill of these companies amounting to Rs. 15.00 lakh and 29.00 lakh respectively.

59 Change in estimate

a) The Group recognises revenue from installation fees over the period from which the Group is expected to realise the economic benefits from such installation. The Group's business was in the process of stabilization under New Tariff Order (NTO) notified by the Telecom Regulatory Authority of India (TRAI) effective from February 1, 2019. The customer churn period has undergone a change, accordingly Group has amended the expected pattern of economic benefit from three years to two year in current year (March 31, 2020 : from four years to three years).The effect of this change has resulted in recognition of additional installation revenue amounting to Rs 1,487.56 (March 31, 2020 Rs. 5,212.00) lakh during the year.

b) Based on empirical data available and on the basis of valuation report from an independent valuer the Group has reassessed and arrived at the economic useful life of a Intangible Asset viz., Movie Rights to be 50 years from the beginning of the financial year. This change in estimate has resulted in lower depreciation charge by Rs. 662.14 lakhs on the consolidated financial results for the year ended March 31, 2021.

60 Acquisition of shares in ONEOTT Intertainment Limited (OIL)

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 August 6, 2019 and August 7, 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 August 12, 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 current year ended March 31, 2020.

c) Effective August 12, 2019 OIL (including subsidiaries of OIL) became subsidiaries of the Company on account of which the consolidated financial statements of the group for the previous year ended March 31, 2020 includes the profit or loss of consolidated operations of OIL for the period August 12, 2019 to March 31, 2020 and hence not strictly comparable with the previous periods.

d) The transaction has been accounted for under the acquisition method as per Ind AS 103 – Business Combination. Purchase consideration transferred in the acquisition and the identifiable assets acquired and liabilities assumed are recognised at fair values on their acquisition date. The Company has identified intangible assets acquired under business combination separate from goodwill. The purchase price was allocated based on the valuation.

Purchase price has been allocated as set out below, to the assets acquired and liabilities assumed in the business combination:

(Rs. in Lakh)

Component		Amount
Property plant & equipment		2,185.00
Capital work-in-progress		219.67
Right of use assets		7,179.00
Other intangible assets		39.00
Movie rights		10,447.00
Cash & cash equivalents		145.00
Trade & other receivables		2,127.00
Inventory		406.00
Intercorporate deposits		5,405.00
Other assets		5,527.00
Other liabilities		(10,985.12)
Lease liabilities		(7,708.00)
Income received in advance		(1,713.00)
Advance from customer		(835.88)
Deferred tax liability		(43.00)
Identified under Business combination		
Customer relationship		10,680.00
Trade name		3,820.00
Fair value of net assets as on the date of acquisition	**(A)**	26,894.67
Total fair vale of ONEOTT group as on August 12, 2019	(B)	37,960.00
Goodwill	**(C=B-A)**	**11,065.33**
Purchase consideration	(D)	27,200.00
IMCL share in fair value of net assets as on the date of acquisition	(E=A*71.65%)	19,270.03
Fair value of Non-controlling interests as on date of acquisition	(F=B*28.35%)	10,761.66

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NXTDIGITAL LIMITED MUMBAI

NXTDIGITAL LIMITED (Formerly known as Hinduja Ventures Limited)

Notes to the consolidated financial statements for the year ended March 31, 2021

61 In the last quarter of the financial year, COVID-19 was declared a global pandemic and the Government of India announced a country wide lockdown which still continues across large swathes of the country with some variations. In this nation-wide lock-down, the company has continued to operate and provide its services to its customers, which has been declared as an essential service, without much disruption. The Group has evaluated the carrying value of the assets, recoverability of trade receivable and liquidity position and have concluded that no material adjustments required at this stage in the financial result.

62 **Dividend remitted in foreign currency**

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Amount remitted (Rs. in Lakh)	220.89	486.55
Dividend related to financial year	2019-20	2018-19
Number of non-resident shareholders	17	13
Number of shares	56,33,661	27,80,312

63 Government of India, Ministry of Corporate Affairs, office of registrar of Companies, Maharashtra has issued fresh certificate of incorporation dated 25th October, 2019 consequent upon change of name of the Company from "HINDUJA VENTURES LIMITED" to "NXTDIGITAL LIMITED".

64 The Code on Social Security, 2020 ('Code') received the Indian Parliament approval and Presidential Asset in September 2020. The Code once made effective would impact the employee benefits during employment as well as post employment benefits. The implementation of the Code has been deferred by the Central Government on March 30, 2021 and the date from which the code will be effective is yet to be notified. The impact assessment of the Code will be done by the Group once the same is made is effective.

65 Consequent to a technical incident reported on 20th December 2019, by Thaicom Public Company Limited (Thaicom) a satellite transponder service provider, based on an independent expert legal opinion, the contract was deemed to be terminated on the said date and accordingly, the media business of the Group derecognised the balance in the lease liability and right of use of assets, recognized as per Ind AS 116, with a net gain of Rs. 668.00 lakh credited to the Statement of profit and loss.The Group has not made provision towards the satellite transponder service charges from the date of incident reported till the date of migration to new service provider amounting to Rs. 253.80 Lakhs as it is confident of the waiver of the same by Thaicom.

The Group has entered into an agreement on 27th January 2020 with a new service provider, Intelsat Global Sales & Marketing Limited for transponder service. The same has been accounted for in the previous year as per Ind AS 116 and accordingly recognised right to use of asset amounting to Rs. 10,885 lakhs. The related depreciation and finance cost was charged to Statement of Profit and Loss.

66 The Board of Directors at its meeting held on 13th May, 2021 have recommended a dividend of Rs. 4 /- per share (on par value of Rs. 10.00/- each per equity share) for the year ended March 31, 2021, to be approved by the Shareholders in the ensuing Annual General Meeting of the Company.

67 Previous years figures are re-grouped, re-classified and re-arranged, wherever considered necessary to confirm to current year's presentation

For Haribhakti & Co. LLP
Chartered Accountants
Firm's Registration No. 117366W/W-100018

Snehal Shah
Partner
Membership No. 104968

Place : Mumbai
Date : May 13, 2021

For and on behalf of the Board of Directors of
NXTDIGITAL LIMITED
CIN : L51900MH1985PLC036896

Vynsley Fernandes
Managing Director & Chief Executive Officer
DIN 02987818

Anil Harish
Director
DIN 00001685

Amar Chintopanth
Whole Time Director & Chief Financial Officer
DIN 00048789

Ashish Pandey
Company Secretary
FCS No. 6078

Place : Mumbai
Date : May 13, 2021

MATERIAL DEVELOPMENTS

Except as disclosed in this DLOF, there have been no circumstances that have arisen since last balance sheet i.e. from March 31, 2021, which materially or adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

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ACCOUNTING RATIOS

Unless context requires otherwise, the following tables present certain accounting and other ratios derived from the relevant Audited Consolidated Financial Statements, as applicable. For details see "*Financial Statements*" on page 91.

Accouting Ratios

	Based on Audited Consolidated Financial Statements	Based on Audited Consolidated Financial Statements
Particulars	**As at and for the year ended March 31, 2021**	**As at and for the year ended March 31, 2020**
Basic earnings per share (₹) (for continued operations)	(12.12)	(81.93)
Diluted earnings per share (₹) (for continued operations)	(12.12)	(81.93)
Basic earnings per share (₹) (for discontinued operations)	0.20	(117.57)
Diluted earnings per share (₹) (for discontinued operations)	0.20	(117.57)
Return on Net Worth (%)	(34.81%)	(134.80%)
Net Asset Value per Equity Share (₹)	34.82	60.78
EBITDA (₹ in lakhs)	23,525.24	1,375.21

The formula used in the computation of the above ratios are as follows:

Basic earnings per share (from continued operations)	Net Profit after Tax as per Consolidated Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from continued operations, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share (from continued operations)	Net Profit after Tax as per consolidated Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from continued operations, as applicable/ Weighted Average number of Equity Shares (including convertible securities).
Basic earnings per share (from discontinued operations)	Net Profit after Tax as per Consolidated Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from discontinued operations, as applicable / Weighted Average number of Equity Shares.
Diluted earnings per share (from discontinued operations)	Net Profit after Tax as per consolidated Statement of Profit and Loss attributable to Equity Shareholders (after adjusting non-controlling interest) from discontinued operations, as applicable/ Weighted Average number of Equity Shares (including convertible securities).
Return on net worth (in %)	Profit for the Year as per Consolidated Statement of Profit and Loss attributable to Equity Shareholders from continued operations and discontinued operations attributable to Equity Holders of the Parent (prior to other comprehensive income)/ Net worth at the end of the year on consolidated basis.
Net asset value per Equity Share	Net Worth on consolidated basis divided by the number of Equity Shares outstanding for the year .
EBITDA	Profit for the year before finance costs, tax, depreciation, amortisation and exceptional items (if any) from continued operations and discontinued operations as presented in the consolidated statement of profit and loss.

Calculation of Return of Net Worth

(In ₹ lakhs, unless otherwise specified)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit after Tax from continued operations and discontinued operations attributable to Equity Holders of the Parent (before OCI) (A)	(2,914.98)	(16,841.82)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Worth (B)	8,373.98	12,494.14
Return of Net Worth (A/B) (%)	(34.81%)	(134.80%)

Calculation of Net asset value per Equity Share

(In ₹ lakhs, unless otherwise specified)

Particulars	As at March 31, 2021	As at March 31, 2020
Net Worth (A) (₹ in lakhs)	8,373.98	12,494.14
No. of Shares (B) (in numbers)	2,40,51,158	2,05,55,503
Net Assets Value [(A x 100,000) / B]	34.82	60.78

Calculation of EBITDA

(In ₹ lakhs, unless otherwise specified)

Particulars	For the year ended March 31, 2021	For the year ended March 31, 2020
Net Profit / (Loss) after Tax	(1,390.17)	(13,408.97)
Add: Taxes	(9,748.51)	(16,943.46)
Add: Interest	14,265.83	11,979.49
Add: Depreciation	20,398.09	19,748.15
EBITDA	**23,525.24**	**1,375.21**

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion of our financial condition and results of operations together with our audited consolidated financial statements as of and for the Fiscal 2021 and Fiscal 2020 included in this Draft Letter of Offer. Our audited consolidated financial statements for Fiscal 2021 and Fiscal 2020 are prepared in accordance with Ind AS. Unless otherwise stated, the financial information used in this chapter is derived from the Audited Consolidated Financial Statement of our Company.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward looking statements as a result of certain factors such as those set forth in the sections titled "Risk Factors" and "Forward-Looking Statements" on pages 19 and 15, respectively.

Our financial year ends on March 31 of each year, so all references to a particular "financial year" and "Fiscal" are to the twelve (12) month period ended March 31 of that year. References to the "Company", "we", "us" and "our" in this chapter refer to NXTDIGITAL Limited on a consolidated basis, as applicable in the relevant period, unless otherwise stated.

OVERVIEW OF OUR BUSINESS

We are an established digital content distribution company in India engaged in delivering digital contents *via* cable network as well as through our Headend In the Sky ("**HITS**") platform through a network of Local Cable Operators ("**LCO(s)**"). We provide digital content to our subscribers either directly or through our affiliated LCOs.

Our business model is fundamentally a B2B2C model wherein, we generally structure our relationships with LCOs such that these LCOs continue to be the principal contact with our subscribers in the relevant local area. We enter into business arrangements with LCOs through Interconnect Agreements executed by them on a principal-to-principal basis with us. Our primary source of revenue for digital content services is subscription income received from subscribers either directly or through LCOs, placement income received from broadcasters for placing their channels in preferred logical channel number line up on our platforms, incentives received from broadcasters for deeper penetration of their channels in our customer base, and carriage income from carriage fees payable by broadcasters for carrying their channels.

As on May 31, 2021, we operate our business on pan India basis through more than 10,000 LCOs located across India. As of May 31, 2021, we have connected STBs to over 56 lakhs subscribers to whom we offer over 600 channels on our cable platform and over 700 channels on our HITS platform in India and these consists of both standard definition and high definition channels.

In addition to providing digital content, we provide broadband internet services though our subsidiary, ONEOTT Intertianment Limited ("**OIL**"). As of May 31, 2021, we had over 6 lakhs broadband subscribers. Our broadband network includes an optical fibre network and internet nodes to enable seamless connectivity, higher broadband speeds with the ability to support multiple services including video on demand and OTT. We believe that our corporate structure provides us an opportunity to expand our relationship with our cable television subscribers by providing our broadband services to them and thus enabling us to expand our revenues while optimising costs.

Over the past years, we have grown both organically, through the expansion of our services, and inorganically, by entering into Right to Use Agreements with other smaller regional Multiple System Operators ('MSO(s)') and LCOs. We have an experienced professional management team under the overall stewardship of Mr. Ashok P. Hinduja, the Chairman and Non-Executive Director of our Company. Our management team is led by our Managing Director and Chief Executive Officer, Mr. Vynsley Fernandes who has several years of experience in media and entertainment industry. As of May 31, 2021, we had 1,121 full-time employees.

SIGNIFICANT FACTORS AFFECTING OUR BUSINESS, FINANCIAL CONDITION AND RESULT OF OPERATIONS

Our financial condition and results of operations are affected by numerous factors and uncertainties, including those discussed in the section titled "*Risk Factors*" on page 19. The following are certain factors that had, and we expect will continue to have, a significant effect on our financial condition and results of operations:

The impact of COVID-19 pandemic

Due to the emergence of the coronavirus disease 2019 ("**COVID-19**"), declared a pandemic by the World Health Organization, the Government of India ("**GoI**") had introduced stringent measures to prevent the spread of the disease. As on the date hereof, certain restrictions are imposed by the GoI and relevant state governments, such as on maintenance of social distancing which have not been completely lifted. As the pandemic has not yet fully subsided, there is little comprehension on the full impact of the pandemic induced lockdown on the Indian or the global economy.

Our Company's operations being under the Telecom Sector have been declared as "Essential Services" by the GoI and therefore have continued to operate and provide services to the customers, without much disruption during the lockdown. Further, our Company/group has also evaluated the carrying value of the assets, recoverability of trade receivable and liquidity position and have concluded that no material impact has been there to these.

However, the outbreak, or threatened outbreak, of any severe communicable disease (particularly COVID-19) could materially adversely affect overall business sentiment and environment, particularly if such outbreak is not adequately controlled. The extent to which the COVID-19 further impacts our results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken globally to contain the coronavirus or treat its impact, among others. We are still assessing our business operations and system supports and the impact COVID-19 may have on our results and financial condition, but there can be no assurance that this analysis will enable us to avoid part or all of any impact from the spread of COVID-19 or its consequences, including downturns in business sentiment generally or in our sector in particular.

Number and mix of cable television and broadband subscribers

Our revenues are significantly impacted by our ability to increase the number of our cable television subscribers and broadband subscribers and improve the mix of our subscribers by increasing the number of digital cable subscribers as a part of our digitization strategy. As on May 31, 2021, we have over 56 lakhs cable television subscribers and over 6 lakhs broadband subscriber base in India.

The number of subscribers that we can reach is significantly affected by the following factors, among others:

(a) Economic conditions in India as all of our revenue and expenses are generated domestically. As a result, our financial condition and results of operations have been, and are expected to continue to be, affected by instability, if any in the Indian economy.

(b) Geographic reach: Our subscriber base is located across India and not specifically concentrated to any region. While this is an advantage, our ability to maintain and expand our market share and expand into small towns and cities which are serviced by small players, and increase our revenues from, them will have a significant impact on our results of operations.

(c) Competition: Our cable television distribution business faces competition from other local, regional and national cable television distributors and providers of television services through different transmission platforms, such as DTH satellite television and IPTV, as well as from India's traditional terrestrial broadcasting service. Our broadband cable internet services also compete with fixed broadband carriers and wireless service providers. Greater competition, especially from large pan-Indian cable television providers and telecom providers, could impact our market share and profitability. Our ability to compete successfully depends, in significant part, on our ability to differentiate and effectively market our digital cable television and broadband services, increase our subscriber base, elimination of redundancies and lowering costs. If we are unable to compete successfully, our market share may decline, which may have a material adverse effect on our results of operations and financial condition.

(d) Our relationships with local cable operators: We deliver television channels on our cable distribution network through local cable operators. To maintain our secondary subscriber base, it is critical for us to maintain good relationships with our local cable operators. For our digital cable television services, local cable operators are required to collect subscription fees from subscribers and remit an agreed subscription fee to us based on the number of active STBs and packages subscribed for, after retaining their share. Since we are on a prepaid collection mechanism from the local cable operators any inefficiency in the collection process by the local cable operators from their customers may impact our revenues as the local cable operators will then not be able to pay us for the uncollected amounts.

Associating and integration of local cable operators

As of May 31, 2021, we had assocation with over 10,000 local cable operators. We believe that our understanding of the cable television distribution industry and our acquisition experience has enabled us to identify and successfully associate with local cable operators. We continue to evaluate acquisition and partnership approaches to further increase our subscriber base. While we have been successful in the past in associating local cable operators, no assurance can be made that we will be able to continue to make such associations or enter into joint ventures or that we will be able to do with the same frequency and success as in the past.

Capital expenditure

We have incurred, and expect to incur, capital expenditure (i) to expand our digital cable network in the existing and new areas of operations; (ii) to purchase STBs as a part of our digitization strategy; and (iii) improve our broadband service infrastructure. Historically, we have met this expenditure using a combination of cash flow from our operations, loans from banks and financial institutions and our Promoters. Availability of funds for capital expenditure and at the right cost and terms is a significant factor affecting our results of operations. We have incurred, and expect to continue to incur, significant depreciation expenses for our digital equipment (particularly STBs) and broadband equipment, and this may have a material adverse effect on our results of operations.

Regulation of cable television and broadband industries

Our operations are regulated and subject to detailed supervision by the TRAI, MIB, DoT and other government bodies. Accordingly, we are subject to changes in Indian law, as well as to changes in regulation and government policies relevant to the cable television and broadband industries. Any changes in the laws, rules, regulations, guidelines or norms applicable to the cable television and broadband industries, whether favourable or unfavourable to us, could materially impact our business, results of operations and financial condition.

SIGNIFICANT ACCOUNTING POLICIES

For details about our key significant accounting policies, see section titled "*Financial Information*" on page 91.

CHANGE IN ACCOUNTING POLICIES

Except as mentioned in chapter "*Financial Information*" on page 91, there has been no change in accounting policies during the Fiscal 2021.

PRINCIPAL COMPONENTS OF OUR STATEMENT OF PROFIT AND LOSS

Revenue

Our revenue comprises of:

Revenue from operations

Revenue from operations is due to (i) sale of products which includes traded goods i.e. white goods through our tele-shopping channel and gift vouchers and sale of set top boxes; (ii) sale of services which includes subscriptions directly or through cable operators, installation charges, internet services, channel placement fees, LCN incentive, lease income, network operations, sale of film rights and infrastructure charges; and (iii) other operating revenues which include technical advisory fees, commission income, assignment of movie rights, advertisement income and other lease income.

Other Income

Other income primarily comprises of lease income interest income, dividend income, fair value gains on financial instruments/ termination of lease, unwinding of security deposit, net gain on sale of property, income marketing and promoting activity, sundry credit balance written back, bad debts recovered, provision of doubtful debts written back and miscellaneous income.

Expenses

Our expenses primarily comprise of:

Purchase of network equipment

The purchase of network equipment and traded goods comprises of purchase of digital network equipments, spares, consumption of set top boxes for repairs and replacements.

Changes in inventories of network cable and equipment

Changes in inventories of network cable and equipment comprises of difference in closing balance vis-à-vis opening balance of stock in trade.

Operational expenses

Operational expenses consists of subscription for pay channel, lease rental, bandwidth charges, link charges, installation expenses, maintenance charges, distribution and operation charges, fiber charges/ infrastructure charges.

Employee benefit expenses

Employee benefit expense consists of salaries, wages and bonus, contribution to provident and other funds, gratuity expenses and staff welfare expenses.

Other expenses

Other expenses, *inter alia*, comprises of contract services, commission, repairs of machinery, building and others, rent, power and fuel, legal and professional fees, royalty, travelling and conveyance, call centre charges, communication, bank charges, business promotion, security charges, insurance, rates and tax, foreign currency fluctuations, fair valuation of derivatives, bad debts / advance written off, provisions for doubtful advances and debts, impairment of goodwill on consolidation and miscellaneous expenses.

Finance cost

Finance cost comprises (i) interest expenses on term loans, other loans, intercorporate deposits, lease liability, delayed payment of taxes and others; and (ii) other borrowing costs such as amortisation of loan processing fees, financial liabilities carried at FVTPL and other costs.

Depreciation and Amortization Expense

Depreciation and amortization expense comprises of depreciation and amortisation of property, plant and equipments, set up boxes, furniture and fixtures, computers, office equipments, vehicle, rights to use assets and other intangible assets such as network rights, computer software, license fee, movie rights, customer relationships, tradename.

Tax expenses

Tax expense comprises of current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with applicable tax rates and the provisions of applicable tax laws.

Deferred tax liability or asset is recognized based on the difference between taxable profit and book profit due to the effect of timing differences. Our deferred tax is measured based on the applicable tax rates and tax laws that have been enacted or substantively enacted by the relevant balance sheet date.

RESULTS OF OUR OPERATIONS

The following table sets forth certain information with respect to our results of operations for the period indicated:

(₹ in lakhs)

Particulars	Fiscal 2021		Fiscal 2020	
	Amount	% of Total Revenue	Amount	% of Total Revenue
Income from of operations				
Revenue from operations	97,488.15	96.67	99,998.35	86.05
Other income	3,356.92	3.33	16,211.61	13.95
Total income	**1,00,845.07**	**100.00**	**1,16,209.96**	**100.00**
Expenses				
Purchase of network equipment and traded goods	3,801.87	3.77	5,379.05	4.63
Change in inventories of network cable and equipment	50.16	0.05	(256.46)	(0.22)
Operational Expenses	45,200.41	44.82	44,198.39	38.03
Employee benefit expenses	8,008.64	7.94	7,091.21	6.10
Finance costs	14,265.83	14.15	11,979.49	10.31
Depreciation and amortisation expenses	20,398.09	20.23	19,748.15	16.99
Other expenses	20,575.92	20.40	25.623.50	22.05
Total expenses	**1,12,300.92**	**111.36**	**1,13,763.33**	**97.89**
Profit/ (Loss) before tax from continuing operations	**(11,455.85)**	**(11.36)**	**2,446.63**	**2.11**
Tax expenses				
Current tax (including tax adjustment of earlier year)	255.00	0.25	190.38	0.16
Deferred tax / (reversal)	(10,074.78)	(9.99)	(8,711.47)	(7.50)
Total tax expenses	**(9,819.78)**	**(9.74)**	**(8,521.09)**	**(7.33)**
Profit/ (loss) after tax from continuing operations	**(1,636.07)**	**(1.62)**	**10,967.72**	**9.44**
Gain / (loss) from discontinued operations	317.17	0.31	(32,799.06)	(28.22)
Tax expenses of discontinued operations	71.27	0.07	(8,422.37)	(7.25)
Gain/ (loss) after tax from discontinued operations	**245.90**	**0.24**	**(24,376.69)**	**(20.98)**
Loss for the year	**(1,390.17)**	**(1.38)**	**(13,408.97)**	**(11.54)**

Fiscal 2021 compared to Fiscal 2020

Total income from operations

Our total income from operations for the Fiscal 2021 was ₹ 1,00,845.07 lakhs as compared to ₹ 1,16,209.96 lakhs for the Fiscal 2020, representing a decrease of 13.22%. Total revenue comprises of:

Income from operations

Our income from operations for the Fiscal 2021 was ₹ 97,488.15 lakhs as compared to ₹ 99,998.35 lakhs for the Fiscal 2020, representing a decrease of 2.51%. This was primarily due decrease in direct subscription services as well as subscription services by cable operators, installation charges, LCN incentives, lease income from optic fibre cable.

Other income

Other income for the Fiscal 2021 was ₹ 3,356.92 lakhs as compared to ₹ 16,211.61 lakhs for the Fiscal 2020, representing a decrease of 79.29%.The decrease in other income was primarily due to decrease in fair value gains on financial instruments, fair value gain on termination of lease, sundry credit balances which are no longer required to be written back.

Expenses

Our total expenses for the Fiscal 2021 was ₹ 1,12,300.92 lakhs as compared to ₹ 1,13,763.33 lakhs for the Fiscal 2020, representing a decrease of 1.29%. Total expenses comprises of:

Purchase of network equipment

The purchase of network equipment for the Fiscal 2021 was ₹ 3,801.87 lakhs as compared to ₹ 5,379.05 lakhs for the Fiscal 2020, representing a decrease of 29.32%. This decrease was due to a significant decrease in consumption of STBs for repairs and replacements during the Fiscal 2021.

Changes in inventories of network cable and equipment

The changes in inventories of network cable and equipment for the Fiscal 2021 were ₹ 50.16 lakhs as compared to (₹ 256.46) lakhs for the Fiscal 2020. The change was due to a lower level of inventory held by our Company as on March 31, 2021 compared to inventory held as on March 31 2020.

Operating Expenses

The operating expenses for the Fiscal 2021 was ₹ 45,200.41 lakhs as compared to ₹ 44,198.39 lakhs for the Fiscal 2020, representing an increase of 2.27%. This was due to an increase in bandwidth charges, link charges, installation expenses, maintenance charges and fiber charges and infrastructure fees.

Employee benefit expenses

Employee benefit expense for the Fiscal 2021 was ₹ 8,008.64 lakhs as compared to ₹ 7,091.21 for the Fiscal 2020, representing an increase of 12.94%. This was due to increase in the cost incurred by the Company towards digital initiatives for building a team of experienced professionals and costs incurred by the Company to motivate the employees who are on the field during the COVID-19 times to ensure uninterrupted services. Further, this was also increased due to the increments and incentives provided to our employees.

Finance cost

Finance cost for the Fiscal 2021 was ₹ 14,265.83 lakhs as compared to ₹ 11,979.49 lakhs for the Fiscal 2020, representing an increase of 19.09%. The increase in finance cost was due to increase in interest expenses on intercorporate deposit and lease liabilities.

Depreciation and Amortization Expense

Depreciation and amortization expense for the Fiscal 2021 was ₹ 20,398.09 lakhs as compared to ₹ 19,748.15 lakhs for the Fiscal 2020, representing an increase of 3.29%. The increase was due to increase plant & equipments, right to use assets and network rights resulting in higher deprecation during the Fiscal 2021.

Other expenses

Other expenses for the Fiscal 2021 were ₹ 20,575.92 lakhs as compared to ₹ 25,623.50 lakhs for the Fiscal 2020, representing a decrease of 19.70%. The decrease in other expenses was primarily due to decrease in foreign currency fluctuation and bad debts / advance written off.

Profit/ (Loss) before tax from continuing operations

The profit/(loss) before tax from continuing operation for the Fiscal 2021 was (₹ 11,455.85) lakhs as compared to ₹ 2,446.63 lakhs for the Fiscal 2020. The decrease was primarily on account of decrease in the one time revenue in Fiscal 2020 of Rs 12,137.00 lakhs, being the fair value adjustment arising out of the conversion of the redeemable preference shares held in the subsidiary company ONEOTT Intertainment Limited into equity shares in August 2019.

Tax expenses

Total tax expense for the Fiscal 2021 was (₹ 9,819.78) lakhs as compared to (₹ 8,521.09) lakhs for the Fiscal

2020. The decrease in taxation was due to increase in deferred tax assets (reversal) of the Company.

Net profit/ (loss) after tax from continuing operations

As a result of the aforesaid, our Company's net profit from continuing operations for Fiscal 2021 was (₹ 1,636.07) lakhs as compared to profit of ₹ 10,967.72 lakhs for the Fiscal 2020. This decrease was due to reason mentioned as above.

Gain/(Loss) from discontinuing operations

The gain/(loss) from discontinuing operation for the Fiscal 2021 was ₹ 317.17 lakhs as compared to ₹ (32,799.06) lakhs for the Fiscal 2020. During the Fiscal 2020, the Company discontinued its Treasury & Investments business segment by liquidating its treasury assets and recognising the resultant loss in the previous year in the Profit & Loss Statement. Since it was one off activity during the Fiscal 2020, the Company did not had incurred loss from discontinuing operations during the Fiscal 2021.

Tax expenses of discontinued operations

Total tax expense of discontinued operations for the Fiscal 2021 was ₹ 71.27 lakhs as compared to (₹ 8,422.37) lakhs for the Fiscal 2020. The increase in taxation was due to increase in profitability of the Company from discontinued operations.

Profit/ loss for the period from discontinuing operations

Our Company's net profit from discontinuing operations for Fiscal 2021 is ₹ 245.90 lakhs as compared to profit of (₹ 24,376.69) lakhs for the Fiscal 2020. This increase was due to reason mentioned as above

Loss for the year

As a result of the aforesaid, our Company's incurred a loss for Fiscal 2021 amounting to (₹ 1,390.17) lakhs as compared to loss of (₹ 13,408.97) lakhs for the Fiscal 2020. This decrease was due to above mentioned reason.

The table below summarizes our cash flow for Fiscal 2021 and Fiscal 2020:

LIQUIDITY AND CAPITAL RESOURCES

The table below summarises our cash flows derived from our Audited Consolidated Financial Information of cash flows for the Fiscals 2021 and 2020:

(₹ in lakhs)

Particulars	Fiscal 2021	Fiscal 2020
Net cash generated/ (used) in operating activities	14,831.78	(13,800.63)
Net cash from investing activities	866.78	62,873.65
Net cash (used in) financing activities	(17,085.65)	(49,679.65)
Net increase/ (decrease) in cash and cash equivalent	(1,387.11)	(606.62)
Cash and cash equivalents at the beginning of the year	2,693.64	3,155.18
Cash and cash equivalents at the end of the period	1,306.52	2,693.64

Cash Flow from Operating Activities

Fiscal 2021

In the Fiscal 2021, net cash flow generated in operating activities was ₹ 14,831.78 lakhs and the operating cash flows before working capital changes was ₹ 20,181.94 lakhs. The changes in working capital was primarily due to increase in trade receivables of (₹ 5,548.94) lakhs, decrease in derivative financial instruments of ₹ 2,182.71 lakhs, decrease in other financial assets of ₹ 86.68 lakhs, decrease in inventory of ₹ 50.16 lakhs, decrease in non-financial assets of ₹ 3,739.52 lakhs, decrease in trade payables of (₹ 4,903.59) lakhs, decrease in provisions of (₹ 66.57) lakhs, decrease in other financial liabilities of (₹ 834.27) lakhs and increase in other non-financial liabilities of ₹ 130.31 lakhs. Direct taxes paid was ₹ 186.17 lakhs in the Fiscal 2021.

Fiscal 2020

In the Fiscal 2020, net cash flow generated in operating activities was (₹ 13,800.63) lakhs and the operating cash flows before working capital changes was (₹ 5,734.14) lakhs. The changes in working capital was primarily due to increase in trade receivables of (₹ 1,449.38) lakhs, increase in derivative financial instruments of (₹ 3,203.30) lakhs, decrease in other financial assets of ₹822.64 lakhs, increase in inventory of (₹ 253.06) lakhs, decrease in non-financial assets of ₹ 3,668.16 lakhs, increase in trade payables of ₹ 4,692.99 lakhs, increase in provisions of ₹ 36.42 lakhs, increase in other financial liabilities of ₹ 4,235.22 lakhs and decrease in other non-financial liabilities of ₹ 15,215.63) lakhs. Direct taxes paid was (₹ 1,400.54) lakhs in the Fiscal 2020.

Cash Flow from Investing Activities

Fiscal 2021

Net cash from investing activities was ₹ 866.78 lakhs in the Fiscal 2021, primarily on account of interest income received of ₹ 1,434.54 lakhs, dividend income received of ₹ 3.54 lakhs, fixed deposits (placed)/ redeemed and other bank balances of ₹ 317.23 lakhs, payment for purchase of property, plant and equipment and intangible of (₹ 10,785.10) lakhs, proceeds from sale of property, plant and equipment and intangible of ₹ 283.57 lakhs, sale of investments of ₹ 9,613.00 lakhs.

Fiscal 2020

Net cash from investing activities was ₹ 62,873.65 lakhs in the Fiscal 2020, primarily on account of interest income received of ₹ 801.81 lakhs, dividend income received of ₹ 9.77 lakhs, fixed deposits (placed)/ redeemed and other bank balances of ₹ (1,412.37) lakhs, payment for purchase of property, plant and equipment and intangible of (₹ 7,154.92) lakhs, proceeds from sale of property, plant and equipment and intangible of ₹ 19.23 lakhs, rights to use assets of ₹ 29,796.64 lakhs and sale of investments of ₹ 40,813.49 lakhs.

Cash Flow from Financing Activities

Fiscal 2021

Net cash used in investing activities was (₹ 17,085.67) lakhs in the Fiscal 2021, primarily on account of receipt of loans taken of ₹ 396.47 lakhs, repayment of borrowings taken (net of repayment) of (₹ 905.13) lakhs, repayment of lease liabilities of (₹ 2,774.17) lakhs, interest paid of (₹ 12,450.29) lakhs and dividend paid of (₹ 1,352.55) lakhs.

Fiscal 2020

Net cash used in investing activities was (₹ 49,679.65) lakhs in the Fiscal 2020, primarily on account of receipt of loans given of (₹ 1,218.58) lakhs, repayment of borrowings taken (net of repayment) of (₹ 29,506.53) lakhs, repayment of lease liabilities of (₹ 1,880.26) lakhs, interest paid of (₹ 12,905.05) lakhs, dividend paid of (₹ 3,837.16) lakhs, dividend distribution tax of (₹ 739.42) lakhs and changes in other equity of ₹ 407.35 lakhs.

Total Borrowings

As on March 31, 2021, our total borrowings aggregated to ₹ 96,762.04 lakhs, which comprises of non-current borrowings of ₹ 23,658.05 lakhs, current borrowings of ₹ 66,097.67 lakhs, current maturity of long term borrowing of ₹ 6,711.72 lakhs and interest accrued but not due on borrowings of ₹ 294.60 lakhs.

Material Frauds

There are no material frauds committed against our Company, in the last two financial years.

Reservations, Qualification, Adverse Remarks and Emphasis of Matter

There are no reservations, qualifications and adverse remarks by our Statutory Auditors in the audited standalone and consolidated financial statements for Fiscal 2021.

The Statutory Auditors of our Company have included emphasis of matters in the standalone and consolidated financial statement for Fiscal 2021, in their report of our Company. Further, In addition, the annexure to our Statutory Auditors' report issued under the Companies (Auditor's Report) Order, 2016 ("**CARO**"), on our audited standalone financial statements contain statement on certain matters. The details of the same are set out in the below table:

Sr. No.	**Type of financial statements**	**Reservations/ qualifications/ adverse remarks and emphasis of matter/ observations in CARO**
1.	Consolidated	**Emphasis of matter:** Our Statutory Auditor have drawn attention to Note 61 to the Audited Consolidated Financial Statement which explains the uncertainties and the Management's evaluation of the financial impact on the Group due to lockdown and other restrictions imposed by the local government(s) on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period. There opinion is not modified in respect of this matter.
2.	Standalone	**Emphasis of matter:** Our Stautory Auditor have draw attention to Note 49 to the standalone Ind AS financial statements which explains the uncertainties and the management's evaluation of the financial impact on the Company due to lockdown and other restrictions imposed by the local governments on account of COVID-19 pandemic situation, for which a definitive assessment of the impact is highly dependent upon circumstances as they evolve in the subsequent period. There opinion is not modified in respect of this matter.
3.	Standalone	**Other observations in CARO:** Our Stautory Auditor have reported following observations in the Annexure 1 to Audit Report on the standalone financial statement for the year ended on 31st March, 2021: 1. (a) The Company has maintained proper records showing full particulars, including quantities details and situation of the fixed assets except in case of distribution equipment lice Cable and Optical Fibre network and Set Top Boxes installed at various subscriber's locations. As informed by the management it is impartible to maintained detailed records of such assets given the nature of such assets and the Company's business (b) The Company has a program of physical verification of fixed assets to cover all the items, except set top boxes installed at subscriber's location, in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixes assets except for leasehold improvements, set top boxes, cables and all intangible assets were verified by the management during the year and no material discrepancies were noticed on such verification. With Respect to the set top boxes installed various subscriber's location, due to the nature and location of such assets, it is not possible for the management to physically verify the set top boxes 2. The inventory lying in the books of the account consist of Land (Real Estate Inventory), media inventory and stock of network cable and equipment. In respect of Land, physical verification of title deeds and regular site visits were done by the management and no material discrepancies were noticed on such verification. In respect other media inventory, it cannot be subject to the physical verification as it is in the nature of free commercial time. In respect of stock of network cable equipment, physical verification was conducted by the Management at regular intervals and no material discrepancies were notices on such verification 3. (a) The Company is regular in depositing with appropriate authorities, undisputed statutory dues including provident funds, employees' state insurance, income tax, goods and service tax (GST), custom duty, cess and other material statutory dues applicable to it, except that there have been slight delay in few cases.

Sr. No.	Type of financial statements	Reservations/ qualifications/ adverse remarks and emphasis of matter/ observations in CARO

No undisputed amounts payable in respect of provident fund, employees' state insurance, income tax ,GST, custom duty, cess and any other material statutory dues applicable to it, were outstanding, at the year end, for a period of more than six months from the date they became payable

(b) There are no dues with respect to GST and excise duty with have not deposited on account of any dispute. Details of dues outstanding with respect to income tax, state tax, service tax, value added tax, custom duty and other material statutory dues on account of any dispute are as follows:

Name of the Statute	Nature of Dues	Amount (₹ in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	14.18	AY 1999-2000	High Court
Income Tax Act, 1961	Income Tax	101.65	AY 2000-2001	High Court
Income Tax Act, 1961	Income Tax	0.35	AY 2001-2002	High Court
Income Tax Act, 1961	Income Tax	184.42	AY 2002-2003	Assessing Officer
Income Tax Act,, 1961	Income Tax	9.34	AY 2011-2012	Assessing Officer
Income Tax Act, 1961	Income Tax	2,365.89	AY 2014-2015	Assessing Officer/ CIT (Appeal)
Income Tax Act, 1961	Income Tax	312.20	AY 2015-2016	CIT (Appeal)
Income Tax Act, 1961	Income Tax	1,152.56	AY 2016-2017	CIT (Appeal)
Income Tax Act, 1961	Income Tax	151.02	AY 2017-2018	CIT (Appeal)
Income Tax Act, 1961	Income Tax	222.15	AY 2018-2019	CIT (Appeal)
The Maharashtra Entertainment Duty Act, 1923	Entertainment Tax	56.00	May 2008 to July 2010	Office of Tahsildar, Borivali.
The Maharashtra Entertainment Duty Act, 1923	Entertainment Tax	507.09	April 2013 to June 2013	Office of Tahsildar, Borivali, Andheri, Kurla & Office of Collector, Mumbai City.
The Maharashtra Entertainment Duty Act, 1923	Entertainment Tax	1,261.06	April 2013 to October 2014	Office of Collector, Nagpur/ Bombay High Court.
The Maharashtra Entertainment Duty Act, 1923	Entertainment Tax	41.35	April 2013 to July 2013	Office of Collector, Nashik
The Maharashtra Entertainment Duty	Entertainment Tax	19.77	April 2009 to June	Office of Collector,

Sr. No.	Type of financial statements	Reservations/ qualifications/ adverse remarks and emphasis of matter/ observations in CARO				
		Act, 1923			2015	Mumbai Suburban District.
		The AP Entertainment Duty Act, 1939	Entertainment Tax	193.00	April 2010 to March 2014	Commercial Tax Officer, Hyderabad
		The UP Entertainment & Betting Tax Act, 1979	Entertainment Tax	107.69	April 2013 to June 2017	District Magistrate, Noida
		Service Tax	Service Tax Delhi	41.45	October 2006 to March 2007	CESTAT
		Service Tax	Service Tax Delhi	45.63	April 2003 to December 2007	CESTAT
		Service Tax	Service Tax Delhi	2.00	January 2008 to September 2008	CESTAT
		Service Tax	Service Tax Delhi	3.24	October 2008 to June 2009	CESTAT
		Service Tax	Service Tax Delhi	3.38	January 2009 to December 2009	CESTAT
		Service Tax	Service Tax Delhi	3.51	January 2010 to December 2010	CESTAT
		Service Tax	Service Tax Mumbai	9,196.49	April 2010 to December 2014	Commission of Service Tax – V, Mumbai.
		Service Tax	Service Tax Mumbai	2,981.56	January 2015 to June 2017	Commission of Service Tax – V, Mumbai.
		Customs Act, 1962	Custom Duty	599.00	December 2015 to December 2016	CESTAT, Mumbai
		Customs Act, 1962	Custom Duty	410.91	December 2015 to December 2016	CESTAT, Mumbai
		Department of Telecommunications	License Fees	51,559.24	FY 2010-11 to FY 2014-15	TDSAT
		West Bengal Value Added Tax Act	VAT – West Bengal	44.00	April 2012 to March 2013	Deputy Commissioner
		Karnataka Value Added Tax Act	VAT	43.25	FY 2011-2012	Karnataka High Court

Sr. No.	Type of financial statements	Reservations/ qualifications/ adverse remarks and emphasis of matter/ observations in CARO				
		Karnataka Value Added Tax Act	VAT	62.82	FY 2012-2013	Karnataka High Court
		Karnataka Value Added Tax Act	VAT	21.14	FY 2015-2016	CTO, Belgavi
		Karnataka Value Added Tax Act	VAT	76.74	FY 2013-2014	CTO, Belgavi
		Karnataka Value Added Tax Act	VAT	66.39	FY 2016-2017	CTO, Belgavi
		UP Value Added Tax Act, 2008	VAT	23.65	FY 2016-2017	CTO, Noida
		Gujarat Value Added Tax Act, 2003	VAT	6.01	FY 2015-2016	VAT Authorities, Gujarat
		Chhattisgarh Value Added Tax Act, 2005	VAT	54.57	FY 2015-2016 FY 2016-2017	Deputy Commissioner Appeal, Raipur
		Telangana State Value Added Tax Act, 2005	VAT	358.19	November 2015 to June 2017	Deputy Commissioner Appeal
		Telangana State Value Added Tax Act, 2005	VAT	104.47	November 2015 to June 2017	Deputy Commissioner Appeal
		Andhra Pradesh State Value Added Tax Act, 2005	VAT	297.58	November 2015 to June 2017	Deputy Commissioner Appeal
		Andhra Pradesh State Value Added Tax Act, 2005	VAT – Vijaywada Penalty	74.40	November 2015 to June 2017	Deputy Commissioner Appeal

Details of Default, if any, Including Therein the Amount Involved, Duration of Default and Present Status, in Repayment of Statutory Dues or Repayment of Debentures or Repayment of Deposits or Repayment of Loans from any Bank or Financial Institution

We have not defaulted in repayment of loans or borrowing to a financial institution, bank or government, repayment of statutory dues or dues to debenture holders.

Contingent Liabilities

A summary of our contingent liabilities not provided for on consolidated basis, as at March 31, 2021 are presented below:

(₹ in lakhs)

Sr. No.	Particulars	As at March 31, 2021
I.	**CONTINGENT LIABILITIES**	
a.	**Guarantee/ counter guarantee**	
	- Bank Guarantees given to various authorities	433.24
	- Guarantees/ counter guarantees given to custom authorities	347.00
b.	**Claims against the Group not acknowledged as debt**	
	- Entertainment Tax	2,482.00
	- Sales Tax and VAT	2,045.38
	- Cable Television Related Cases	234.16
	- Service Tax	12,794.00
	- License Fee (Department of Telecommunication)	54,152.00

Sr. No.	Particulars	As at March 31, 2021
	- Income tax matters against which the Group has filed appeals/ objections	6,001.85
	- Demands of Custom Duty in a subsidiary company against which it has filed appeal	1,476.30
	- Local body tax	73.42
	- Goods and service tax	48.99
II	**OTHER COMMITMENTS**	
a.	Estimated amount of contracts remaining to be executed on capital account and not provided for	17.06
b.	Letter of Credit ('LC') issued by bankers for import of equipments	1,650.09
c.	Co-borrower with customer for loan availed from Hinduja Leyland Finance Limited	200.00
d.	Provident fund	409.00
e.	The Company has given an undertaking to three banks (i.e. Yes Bank Limited, Axis Bank Limited and RBL Bank Limited) to retain shareholding to the extent of 51% in the subsidiary viz. IndusInd Media & Communications Limited (IMCL) until all the amounts outstanding under various facility agreements entered into by IMCL with the said banks are repaid in full by IMCL. As at the balance sheet date there are no outstanding amounts payable to RBL Bank Limited.	

Related party transactions

For details regarding our related party transactions for Fiscal 2021, in accordance with Ind AS 24, see "*Financial Statements*" on page 91.

Off-Balance Sheet Items

There are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors

Significant developments after March 31, 2021 that may affect our future results of operations

Other than as disclosed in this Draft Letter of Offer, there have been no significant developments after March 31, 2021, the date of the latest balance sheet included in this Draft Letter of Offer that may affect our future results of operations. For further information, see "*Material Developments*" on page 181.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND DEFAULTS

Our Company and its Subsidiaries are involved in certain legal proceedings from time to time, primarily in the nature of tax disputes, criminal complaints, civil suits, and petitions, which are pending before various authorities.

Except as disclosed below, there are no outstanding litigation with respect to (i) issues of moral turpitude or criminal liability on the part of our Company and/or our Subsidiaries; (ii) material violations of statutory regulations by our Company and/or our Subsidiaries; (iii) economic offences where proceedings have been initiated against our Company and/or our Subsidiaries; (iv) any pending matters, which if they result in an adverse outcome, would materially and adversely affect our operations or our financial position.

*For the purpose of the Issue, the following outstanding civil litigations have been considered as material and accordingly, have been disclosed in this chapter: any outstanding civil litigation, including tax litigation, involving our Company and/or our Subsidiaries, where the amount involved is ₹ 1,008.45 lakhs (being 1% of the consolidated total income of our Company, in terms of the Audited Consolidated Financial Statements as of March 31, 2021) ("**Materiality Threshold**") or above.*

Pre-litigation notices received by our Company and/or our Subsidiaries from third-parties (excluding notices pertaining to any offence involving issues of moral turpitude, criminal liability, material violations of statutory regulations or proceedings related to economic offences) has not be evaluated for materiality until such time our Company and/or our Subsidiaries are impleaded as defendants in litigation proceedings before any judicial forum.

Litigations involving our Company

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Company, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability on part of our Company

NIL

B. Matter involving material violations of statutory regulations by our Company

NIL

C. Economic offences where proceedings have been initiated against our Company

NIL

D. Other proceedings involving our Company which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

1. Thaicom Public Company Limited ("**TPCL**") has filed an arbitration petition SIAC ARB 1052/20/JZH ("**Petition**") against our Company (successor in business to IndusInd Media and Communications Limited ("**IMCL**") and Grant Investrade Limited ("**GIL**")) at Singapore in accordance with Singapore International Arbitration Centre Rules, 2016 ("**Arbitration Centre**"). This matter arises out of (i) the Transponder Services Agreement No. TC15-130 SA-FC/85007-2015-1 dated July 15, 2015; (ii) the Amendment to the Service Agreement No. TC16-092 A1-SA-FC/85007-2015-1 dated May 23, 2016 and (iii) the 2nd Amendment to the Transponder Service Agreement No. TC18-248 A2-SA-FC/85007-2015-1 dated November 2, 2018. Under the said Petition, the TPCL has demanded, an aggregate sum of US$15,578,249.16 (i.e. US$13,589,359.11 being the unpaid invoices for the period between October 15, 2016 and February 25, 2020 ("**Service Period**") and US$1,988,890.05 being the differential amount) and the Late Payment Charges accruing thereon during the Service Period. Subsequently, TPCL, our Company and IMCL has entered into a settlement agreement on May 30, 2021 ("**Settlement Agreement**") to amicably settle the disputes between them. TPCL, our Company and IMCL are presently acting as per the settlement terms as mentioned in the Settlement Agreement to close the matter and the matter is pending before the Arbitration Centre.

2. Our Company has filed a suit O.S. No. 567/2011 ("**Suit**") against Bharat J. Patel ("**Defendant**") before the Court of Civil Judge, Senior Division, Devanahalli ("**Court**"). This Suit arises out of the Agreement of Sale dated July 28, 1995 entered in to between our Company and the Defendant for acquiring approximately 47 acreas of land in Devanahalli Bengaluru ("**Land**"). Under the said Suit, our Company has alleged that, though the Defendant was in receipt of the sale consideration it did not fulfil ts legal obligations to transfer the title in the name of our Company. A temporary injuction was granted by the Court *vide* it order dated March 11, 2013 restraining the said Land from allenating or in any way encumbering the Land in Devanahalli. The matter is presently pending before the Court.

E. Tax Proceeding

1. The Income Tax Department issued an assessment order dated December 29, 2018 under section 143(3) of the IT Act, 1961 disallowing ₹ 3,340.56 lakhs for the assessment year 2016-2017 under section 14A read with rule 8D of the IT Act, 1961, and pursuant to a demand notice dated December 29, 2018, directed our Company to make a payment of ₹ 1,152.55 lakhs. Our Company filed an appeal under section 246A of the IT Act, 1961 against the assessment order dated December 29, 2018, before the Commissioner of Income-tax (Appeals), Mumbai ("**CIT**") and also filed a rectification application under section 154 of the IT Act, 1961 before the Assessing Officer. The amount involved in the proceeding is ₹ 3,340.56 lakhs and tax demand is ₹1,152.55 lakhs. The matter is currently pending before the CIT.

2. The Income Tax Department issued assessment orders dated December 11, 2009 under section 143(3) read with section 147 of the IT Act, 1961 disallowing ₹ 3,032.96 lakhs for the assessment year 2002-03, ₹ 4,656.18 lakhs for assessment year 2003-04, ₹ 5,073.86 lakhs for the assessment year 2004-05, and issued assessment order dated December 29, 2018 under section 143(3) of IT Act, 1961, disallowing a sum of ₹ 6,668.68 lakhs for assessment year 2005-06. The disallowance made by the assessing officer is on account of denial of exemption claimed by the Information Technology division ("**IT Division**") of our Company under section 10A of the IT Act, 1961. Subsequently, an appeal was filed before the Commissioner of Income Tax (Appeals) 17, Mumbai ("**CIT Appeals**"), wherein CIT Appeals dismissed the appeal *vide* its order dated February 21, 2011 ("**Appeal Order**"). Thereafter, being aggrieved by the Appeal Order our Company had filed an income tax appeal before the High Court of Bombay ("**High Court**") wherein the High Court *vide* its order dated July 26, 2017, allowed the appeal and quashed and set aside the Appeal Order. Thereafter, a Special Leave Petition under Article 136 of the Constitution of India was filed before the Supreme Court of India by the Commissioner of Income Tax, Mumbai ("**CIT**") against the final judgment and order dated July 26, 2017, passed by the High Court of Bombay, dismissing the appeal filed by the CIT, against the order of the Income Tax Appellate Tribunal setting aside the order passed by CIT Appeals. The amount of disallowance involved in the proceeding is ₹ 3,032.96 lakhs for the assessment year 2002-03, ₹ 4,656.18 lakhs for the assessment year 2003-04, ₹ 5,073.86 lakhs for the assessment year 2004-05, and ₹ 6,668.68 lakhs for the assessment year 2005-06 and aggregate tax demand is ₹7,309.47 lakhs. Further, the IT Division of our Company got demerged into Hinduja Global Solutions Limited ("**HGSL**") with effect from October 1, 2016 and any liability respect to above orders/ appeals will be reimbursed by HGSL to our Company. The matter is presently pending before the Supreme Court of India.

3. The Income Tax Department issued an assessment order under section 143(3) of IT Act, 1961 dated February 1, 2011, disallowing a sum of ₹1,896.77 lakhs towards transfer pricing adjustment, disallowance of certain expenditure claimed as revenue under section 37 of the IT Act, 1961 and under section 14A of the IT Act, 1961, for assessment year 2007-08 ("**Assessment Order**"). Further, pursuant to a demand notice dated February 7, 2011, directed our Company to make payment of ₹ 1,188.45 lakhs. Our Company filed an appeal before the Commissioner of Income Tax (Appeals) ("**CIT Appeals**") under section 246 of the IT Act, 1961, against the Assessment Order. The CIT Appeals *vide* its order dated April 12, 2012 ("**CIT Order**") passed an order partly in favour of our Company. Aggrieved by the CIT Order our Company *vide* its letter dated July 2, 2012 filed an appeal before Income Tax Appellate Tribunal ("**ITAT**"). ITAT *vide* its order dated July 14, 2017 ("**ITAT Order**"), passed the order in favour of our Company remanding back the matter to the file of assessing officer. Subsequently, aggrieved by the ITAT Order, Commissioner of Income Tax, Mumbai ("**CIT**") filed an appeal against the ITAT Order before the High Court of Bombay. The amount disallowed in the matter is ₹ 1,896.77 lakhs and tax demand is ₹1,188.45 lakhs. The matter is presently pending before the High Court of Bombay.

Litigations involving our Subsidiaries

There are no issues of moral turpitude or criminal liability, material violations of statutory regulations or economic offences or material pending matters involving our Subsidiaries, except as follows:

A. Proceedings involving issues of moral turpitude or criminal liability on part of our Subsidiaries

1. A criminal compliant bearing no. 810/S/2002 has been filed by Anil Gulabari Gidwani ("**Complainant**") against IndusInd Media and Communications Limited ("**IMCL or Accused 1**"), Balchandra Khare ("**Accused 2**"), Dinesh Khandelwal ("**Accused 3**") and Radhika ("**Accused 4**") before the Court of Additional Chief Metropolitan Magistrate, 9th Court at Bandra, Mumba ("**Court**") under section 447 read with section 34 of the India Penal Code, 1860. IMCL had provided cable network services on the properties of the Complainant, which was illegally occupied by Accused 2, 3 and 4. The Complainant has alleged that IMCL and the Accused 2, 3 and 4, have committed an illegal act of forcibly and without legal authority against the property of the Complainant. The matter is presently pending before the Court.

2. A criminal complaint bearing no. CC 198/SW/2008 ("**Complaint**") has been filed by Rajiv Suri ("**Complainant**") against the employees, directors and company secretary of IndusInd Media and Communications Limited ("**IMCL**") *viz*, Kamlesh Thakur and Ashok Singh both being employees of IMCL, Ram Thakurdas Higorani - Additional Director and Chief Executive Officer of IMCL, Abinkumar N. Das - Director and Chairman of IMCL, Ashok Hiranand Mansukhani and Kuthoore N. Venkatasubramanian both being Directors of IMCL, Jeet Prakash Chugani - Company Secretary and Additional Director of IMCL and Dinesh Jagjivan Danji – Company Secretary of IMCL (together hereinafter referred to as "**Accused**") before the Court of the Additional Metropolitan Magistrates 9th Court at Bandra, Mumbai ("**Court**") under section 51 read with rule 63 of Indian Copyrights Act. The Complainant has duly alleged that, the Accused had telecasted the movie "Pawarna" which is a copyright content and belongs to the Complainant. Further, the Complainant also alleged that the Accused has infringed the copyright of the movie and had not acquired any copyrights for telecasting the same. The matter is presently pending before the Court.

3. A criminal complaint bearing no. 13975/19 has been filed by Dalip Malik ("**Complainant**") against IndusInd Media and Communications Limited ("**IMCL**") before the Court of C.M.M. (West), Tis Hazardi Delhi ("**Court**") under section 156(3) of The Code of Criminal Procedure, 1973. The Complainant has duly alleged that, IMCL is broadcasting the songs of S.M.G Records which is the copyright content and belongs to the Complainant. The matter is presently pending before the Court.

4. A criminal complaint bearing no. 39/SW/2010 have been initiated by our Subsidiary, IndusInd Media and Communications Limited ("**IMCL**") against Nrupoor Communications Private Limited ("**Accused 1**"), Shankar Pawar ("**Accused 2**") and Bimrao Bhosale ("**Accused 3**" together with Accused 1 and Accused 2 referred to as **"Accuseds"**) before the Metropolitan Magistrate Court Bombay, at Andheri ("**Court**"). This matter arises out of the Memorandum of Understanding dated December 7, 2007 ("**MoU**") entered into between IMCL and the Accused 1 for transferring the business of cable television network in Pimpri Chinchwad Corporation Region ("**PCMC Region**") to IMCL. As per the terms of MoU the revenue and profits of the Accused 1 shall become the profits of IMCL. The Accuseds had not paid the revenues to IMCL as per the terms of MoU and had not handed over the business to IMCL. Accordingly, a criminal complaint has been filed before the Court by IMCL, wherein IMCL has duly alleged that the Accuseds had malafide common intentions of cheating and committing fraud. The matter is presently pending before the Court.

5. A criminal complaint bearing no. 271/SW/2013 has been initiated by our Subsidiary, IndusInd Media Communications Limited ("**IMCL**") against In Cable Communication ("**Accused 1**"), Suresh Thakur ("**Accused 2**"), Jitendra Dattatray Ghadigaonkar ("**Accused 3**"), Manpreet Kaur Dadyal ("**Accused 4**"), Amarjeet Singh Matta ("**Accused 5**") and Punjab and Maharashtra Co-operative Bank Limited ("**Accused 6**" together with Accused 1, Accused 2, Accused 3, Accused 4 and Accused 5 referred to as **"Accuseds"**) before the 22nd Metropolitan Magistrate Court at Mumbai ("**Court**") under section 191, 192, 193, 196, 197, 198, 199, 200, 203, 418, 420, 463 and 464 read with section 34 of Indian Penal Code, 1860. This matter arises out of the post dated cheque bearing no. 843267 dated April 1, 2008 ("**Cheque**") issued by Accused 2 and 3 for an amount of ₹ 1,60,00,000 drawn on Accused 6 in favour of IMCL towards the part payment of the amount due and payable to IMCL. IMCL had deposited the said Cheque with its banker for encashment in the month of September and the said Cheque was dishonoured by the accused. Under the present complaint IMCL has alleged that Accused 4 and 5 under instigation of Accused 1, 2 and 3 had issued a false statement the the Cheque is dated September 1, 2008, whereas the actual date is April 1, 2008. Further, it has also

alleged the accused have committed offence of cheating with knowing that wrongful loss may ensue to IMCL. The matter is presently pending before the Court.

6. 28 criminal complaints under Section 138 of the Negotiable Instruments Act, 1881, have been initiated by our Subsidiaries against various parties for cheques that bounced on the presentation and the aggregate amount involved in these matters is ₹ 820.01 lakhs. The matters are pending at different stages of adjudication before various courts.

B. Matter involving material violations of statutory regulations by our Subsidiaries

NIL

C. Economic offences where proceedings have been initiated against our Subsidiaries

NIL

D. Other proceedings involving our Subsidiaries which involve an amount exceeding the Materiality Threshold and other pending matters which, if they result in an adverse outcome would materially and adversely affect the operations or the financial position of our Company

1. IndusInd Media and Communications Limited ("**IMCL**") has filed a petition no. 664(C) of 2015 ("**Petition**") against Zee Entertainment Enterprises Limited ("**Respondent**") before the Telecom Disputes Settlement and Appellate Tribunal, New Delhi ("**Tribunal**") under section 14A(1) read with section 14 and other applicable provision of the Telecom Regulatory Authority of India Act, 1997. This matter arises of the agreement entered into by and between IMCL and Respondent for re-distribution of the channels of Respondent on digital addressable system of IMCL. IMCL has alleged that the Respondent has defaulted in making payment of ₹ 1,430.56 lakhs ("**Outstanding Dues**") to IMCL as per the agreement and the invoices raised against them. Subsequently, IMCL has filed this present Petition before the Tribunal for recovery of Outstanding Dues that are payable by the Respondent. The matter is presently pending before the Tribunal.

2. IndusInd Media and Communications Limited ("**IMCL**") and Planet E Shop Holdings India Limited ("**PESHIL**") filed petition 136 of 2017 against Department of Telecommunications ("**DOT**") before the Telecom Dispute Settlement and Appellate Tribunal, New Delhi ("**TDSAT**") for setting aside the demand notices received from DOT. On September 19, 2017, IMCL received five (5) demand notices for financial years 2010-11 to 2014-15 towards alleged revenue loss due to license fees payable along with interest and penalty thereon aggregating to ₹ 50,775.24 lakhs under the Unified License with ISP (IT) Authorisation – ISP, Category 'A' License bearing No. 821-52/2013 – DS dated May 27, 2014 granted by the Union of India under Section 4 of the Indian Telegraph Act, 1885 ("**UL-ISP License**") and IP 1 Registration dated April 19, 2002 ("**IP—I Certificate**"). Pursuant to Scheme of Arrangement approved on March 4, 2016, IMCL transferred the UL- ISP License to PESHIL (later name changed to ONEOTT Intertainment Limited ("**OIL**")) with effect from April 1, 2015. DOT demand was stayed by TDSAT *vide* its order dated December 20, 2017. Further, in November, 2019, OIL received 4 demand notices from DOT for financial years 2015-16 till 2018-19 amounting to ₹ 2,430.91 lakhs including interest and penalty towards license fees on Adjusted Gross Revenue ("**AGR**"). As mentioned in the demand notices, OIL has submitted representations to DOT *vide* letter dated December 12, 2019 and awaits further communication from DOT in this regard. Further, in a connected matter, TDSAT *vide* its judgment dated June 12, 2020, has upheld the non-level playing field between old ISP licensees and UL-ISP License category licensees. The matter is pending.

E. Tax Proceeding

1. IndusInd Media and Communications Limited ("**IMCL**") has filed a writ petition no. 3713 of 2013 ("**Writ Petition**") against the State of Maharashtra ("**Respondent 1**"), the Collector, Nagpur ("**Respondent 2**"), the Additional Collector, Nagpur ("**Respondent 3**") and the Additional Tahsildar, Nagpur ("**Respondent 4**" together referred to as ("**Respondents**")) before the Bench at Nagpur of the High Court of Judicature at Bombay. This matter arises out of the Resolution No. – ENT2013/PK59/T-1 dated March 7, 2013 ("**GR**") issued by the Government of Maharashtra for payment of entertainment tax on franchisee points by MSO. Pursuant to the GR, demand notice was issued of ₹ 181.14 lakhs *vide* dated July 10, 2013 relating to Nagpur. Under the said Writ Petition, IMCL has challenged the GR and prayed to set aside the impugned order dated June 7, 2013, the impugned notice dated June 10, 2013 issued by Respondent 3 and impugned notice dated

July 10, 2013. The Writ Petition was later on shifted to Mumbai bench and renumbered as 9429 of 2014, for consolidation with writs filed by MSO's and local cable operator association in Mumbai and Nashik for similar demand order. Thereafter, the Government of Maharashtra has *vide* an ordinance dated February 10, 2014 ("**Ordinance**") amended the Maharashtra Entertainment Duty Act, 1923 ("**Act**") and the said Ordinance was replaced with an Act and amendments passed by the Ordinance became part of Maharashtra Entertainment Duty Act, 1923. In order to challenge the constitutional validity of the Ordinance and amendments to the Act, IMCL had amended the writ petition filed before the High Court, at Bombay. Subsequently, an additional demand notice dated November 24, 2014 for an amount of ₹ 1,088.34 lakhs was issued by the Additional Collector, Nagpur. The matter is presently pending before the High Court at Bombay.

2. The Income Tax Department issued an assessment order dated March 23, 2015 under section 143(3) of the IT Act 1961 disallowing ₹ 6,446.61 lakhs for assessment year 2012-13 against IndusInd Media and Communication Limited ("**IMCL**"). The amount disallowed are mainly on account of rejection of claim of set off of unabsorbed depreciation of earlier years, under section 14A and 37 of the IT Act, 1961. An appeal has been filed by IMCL before Commissioner of Income Tax (Appeals), Mumbai ("**CIT (Appeals)**") under section 246A (i) of the IT Act, against the assessment order dated March 23, 2015 passed by the Assistant Commissioner of Income Tax, Mumbai. The amount of disallowance is ₹ 6,446.16 lakhs and the tax liability is ₹ 1,730.87 lakhs. The matter is pending for hearing with the CIT (Appeals).

3. IndusInd Media and Communications Limited ("**IMCL**") has filed an appeal Service Tax / 86710/ 2019 before the Central Excise and Service Tax Appellate Tribunal ("**CESTAT**") against the order passed by the Commissioner of GST and Central Excise Mumbai East, Commissionerate ("**CGCE**") on January 28, 2019 ("**CGCE Order**"). This matter arises out of the show cause notice dated October 15, 2015 bearing reference number COMMR/ST-V/48/2015-16 issued by the Office of the Commissioner of Services Tax – V, Mumbai ("**SCN 1**") and show cause notice dated October 24, 2018 bearing reference number ME/Commr/IMCL/62/2018-19 issued by Office of the Deputy Commissioner of CGST & Central Excise, DN. X, Mumbai ("**SCN 2**" together with SCN 1 "**SCNs**"). Under the SCNs it was alleged that, IMCL had imported set top boxes ("**STB(s)**") on payment of Countervailing Duty ("**CVD**") and had availed cenvat credit on the STBs imported by IMCL and supplied to the subscribers. The STBs are capital goods and IMCL had claimed input credit of CVD paid on capital goods i.e. STB as the same are directly used to provide output services. Further, in the SCNs it was denied stating that the services provided by the Multi System Operator is not directly related to the end customers and hence IMCL is not eligible for cenvat credit. CGCE *vide* CGCE Order raised a tax demand of ₹ 4,777.39 lakhs with respect to SCN 1 and a tax demand of ₹ 1,548.85 lakhs with respect to SCN 2. Aggrieved by the CGCE Order, IMCL has filed an appeal before CESTAT. The matter is presently pending before CESTAT.

GOVERNMENT AND OTHER APPROVALS

Our Company requires various licenses, registrations, permits and approvals issued by relevant central and state authorities under various rules and regulations ("**Approvals**") for carrying on its present business activities. The requirement for the Approvals may vary based on factors such as the legal requirements in the jurisdiction, in which the manufacturing facility is located. Further, our obligation to obtain and renew such approvals arises periodically and applications for such approvals are made at the appropriate stage.

Material pending government and regulatory approvals pertaining to the Objects of the Issue

Since, our Company intends to utilize the proceeds of the Issue, after deducting Issue related expenses towards repayment and /or prepayment, of all or a portion of certain outstanding borrowings including interest availed by our Company and for general corporate purposes, no government and regulatory approval pertaining to the Objects of the Issue will be required.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Issue has been authorised by a resolution of the Board passed at its meeting held on May 13, 2021, pursuant to Section 62 (1) (a) and other applicable provisions of the Companies Act, 2013.

Our Board in its meeting held on May 13, 2021 has resolved to issue Rights Equity Shares to the Eligible Equity Shareholders, at an issue price of ₹ 300 per Rights Equity Share (including a premium of ₹ 290 per Rights Equity Share), in the ratio of 2 (two) Rights Equity Shares for every 5 (five) Equity Shares, as held on the Record Date. The Issue Price of ₹ 300 per Rights Equity Share has been arrived at, in consultation with the Lead Manager, prior to determination of the Record Date.

This Draft Letter of Offer has been approved by our Rights Issue Committee, at its meeting held on July 30, 2021.

Our Company has received in-principle approvals from BSE and NSE in accordance with Regulation 28(1) of the SEBI Listing Regulations for listing of the Rights Equity Shares to be Allotted in this Issue pursuant to their letters dated [●] and [●], respectively. Our Company will also make applications to BSE and NSE to obtain their trading approvals for the Rights Entitlements as required under the SEBI Rights Issue Circulars.

Our Company has been allotted the ISIN [●] for the Rights Entitlements to be credited to the respective demat accounts of the Eligible Equity Shareholders of our Company. For details, see "*Terms of the Issue*" on page 212.

Prohibition by the SEBI

Our Company, our Promoters, the members of the Promoter Group or our Directors have not been and are not prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court, except as under:

SEBI had *vide* its order dated January 11, 2003 ("**Order**"), debarred Hinduja TMT Limited (presently known as NXTDIGITAL Limited) ("**our Company**") from dealing in the securities as an intermediary in any manner whatsoever for a period of two years. Aggrieved by the Order, our Company had filed an appeal against the same before the Securities Appellate Tribunal ("**SAT**"). Pursuant to order dated July 22, 2004 ("**SAT Order**"), SAT found that there was no error in the Order and had dismissed the appeal filed by our Company. Subsequently, SAT had *vide* its order dated August 23, 2004, had admitted the review petition and had reduced the period of ban from two years to one year and seven months. Furhter, SAT had also disposed off the review petition with modification to the SAT Order.

Further, our Promoters and the Directors are not promoter(s) or director(s) of any other company which is debarred from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI.

Neither our Promoters nor any of the Directors have been declared as a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

Association of our Directors with the securities market

Except, Ms. Bhumika Batra who is associated with Axis Securities Limited, none of our Directors are associated with the securities market in any manner. As on the date of this Draft Letter of Offer, there is no outstanding action initiated by SEBI against Axis Securities Limited.

Prohibition by RBI

Neither our Company, nor any of our Promoters nor any of our Directors have been or are identified as Wilful Defaulters.

Confirmation under the Companies (Significant Beneficial Ownership) Rules, 2018

As on the date of this Draft Letter of Offer, our Company, our Promoters and members of our Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, as amended ("**SBO Rules**"), to the extent applicable.

Eligibility for the Issue

Our Company is a listed company and has been incorporated under the Companies Act, 1956. Our Equity Shares are presently listed on the Stock Exchanges. Our Company is eligible to offer Rights Equity Shares pursuant to this Issue in terms of Chapter III and other applicable provisions of the SEBI ICDR Regulations. Further, our Company is undertaking this Issue in compliance with Part B of Schedule VI of the SEBI ICDR Regulations.

Compliance with Regulation 61 and 62 of the SEBI ICDR Regulations

Our Company is in compliance with the conditions specified in Regulations 61 and 62 of the SEBI ICDR Regulations, to the extent applicable. Further, in relation to compliance with Regulation 62(1)(a) of the SEBI ICDR Regulations, our Company undertakes to make an application for listing of the Rights Equity Shares to be Allotted pursuant to the Issue. BSE Limited is the Designated Stock Exchange for the purpose of the Issue.

Compliance with Clause (1) of Part B of Schedule VI of the SEBI ICDR Regulations

Our Company is in compliance with the provisions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations as explained below:

1. Our Company has been filing periodic reports, statements and information in compliance with the SEBI Listing Regulations, as applicable for the last one year immediately preceding the date of filing of this Draft Letter of Offer with SEBI;

2. The reports, statements and information referred to above are available on the website of BSE and NSE; and

3. Our Company has an investor grievance-handling mechanism which includes meeting of the Stakeholders' Relationship Committee at frequent intervals, appropriate delegation of power by our Board as regards share transfer and clearly laid down systems and procedures for timely and satisfactory redressal of investor grievances.

As our Company satisfies the conditions specified in Clause (1) of Part B of Schedule VI of SEBI ICDR Regulations, and given that the conditions specified in Clause (3) of Part B of Schedule VI of SEBI ICDR Regulations are not applicable to our Company, the disclosures in this Draft Letter of Offer are in terms of Clause (4) of Part B of Schedule VI of the SEBI ICDR Regulations.

DISCLAIMER CLAUSE OF SEBI

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS DRAFT LETTER OF OFFER TO SEBI SHOULD NOT, IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE, OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT LETTER OF OFFER ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018 IN FORCE FOR THE TIME BEING. THIS REQUIREMENTIS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE OUR COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE LEAD MANAGER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT OUR COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MANAGER, VIVRO FINANCIAL SERVICES PRIVATE LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JULY 30, 2021, WHICH READS AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION, INCLUDING COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL WHILE FINALISING THE DRAFT LETTER OF OFFER OF THE SUBJECT ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION, CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER, WE CONFIRM THAT:

   a. THE DRAFT LETTER OF OFFER FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS WHICH ARE MATERIAL TO THE ISSUE;

   b. ALL MATERIAL LEGAL REQUIREMENTS RELATING TO THE ISSUE AS SPECIFIED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   c. THE MATERIAL DISCLOSURES MADE IN THE DRAFT LETTER OF OFFER ARE TRUE AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 2013, THE SEBI ICDR REGULATIONS AND OTHER APPLICABLE LEGAL REQUIREMENTS.

3. BESIDES OURSELVES, ALL INTERMEDIARIES NAMED IN THE DRAFT LETTER OF OFFER ARE REGISTERED WITH SEBI AND THAT TILL DATE, SUCH REGISTRATION IS VALID. - <u>COMPLIED WITH</u>

4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. – <u>NOT APPLICABLE</u>

5. WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED OR SOLD OR TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING DRAFT LETTER OF OFFER WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT LETTER OF OFFER. – <u>NOT APPLICABLE</u>

6. ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, WHICH RELATE TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAVE BEEN AND SHALL BE DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION(S) HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER. – <u>NOT APPLICABLE</u>

7. ALL APPLICABLE PROVISIONS OF THE SEBI ICDR REGULATIONS, WHICH RELATE TO RECEIPT OF PROMOTERS' CONTRIBUTION PRIOR TO OPENING OF THE ISSUE, SHALL BE COMPLIED WITH. ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE AND THAT THE AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE ISSUE. - <u>NOT APPLICABLE</u>

8. NECESSARY ARRANGEMENTS SHALL BE MADE TO ENSURE THAT THE MONIES

RECEIVED PURSUANT TO THE ISSUE ARE CREDITED OR TRANSFERRED TO IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013 AND THAT SUCH MONIES SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES, AND THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – <u>NOTED FOR COMPLIANCE TO THE EXTENT APPLICABLE</u>

9. **THE EXISTING BUSINESS AS WELL AS ANY NEW BUSINESS OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED FALL WITHIN THE 'MAIN OBJECTS' IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED IN THE LAST TEN YEARS ARE VALID IN TERMS OF THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION. – <u>COMPLIED WITH TO THE EXTENT APPLICABLE</u>**

10. **FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT LETTER OF OFFER:**

    a. **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER, EXCLUDING SUPERIOR RIGHTS EQUITY SHARES, WHERE AN ISSUER HAS OUTSTANDING SUPERIOR RIGHTS EQUITY SHARES - <u>COMPLIED WITH (THE COMPANY HAS NOT ISSUED ANY SUPERIOR RIGHTS EQUITY SHARES);</u> AND**

    b. **AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH ALL DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI. – <u>COMPLIED WITH</u>**

11. **WE SHALL COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018. - <u>NOTED FOR COMPLIANCE INCLUDING WITH THE SEBI CIRCULAR SEBI/HO/CFD/DIL2/CIR/P/2020/78 DATED MAY 6, 2020, READ WITH SEBI CIRCULAR SEBI/HO/CFD/DIL1/CIR/P/2020/136 DATED JULY 24, 2020, SEBI CIRCULAR SEBI/HO/CFD/DIL1/CIR/P/2021/13 DATED JANUARY 19, 2021 AND SEBI CIRCULAR SEBI/HO/CFD/DIL2/CIR/P/2021/552 DATED APRIL 22, 2021.</u>**

12. **IF APPLICABLE, THE COMPANY IS ELIGIBLE TO LIST ON THE INNOVATORS GROWTH PLATFORM IN TERMS OF THE PROVISIONS OF CHAPTER X OF THE SEBI ICDR REGULATIONS, 2018. <u>– NOT APPLICABLE</u>**

THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ISSUER FROM ANY LIABILITIES UNDER THE COMPANIES ACT OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE LEAD MANAGER ANY IRREGULARITIES OR LAPSES IN THE DRAFT LETTER OF OFFER.

Disclaimer from our Company and the Lead Manager

Our Company and the Lead Manager accept no responsibility for statements made other than in this Draft Letter of Offer or in any advertisement or other material issued by our Company or by any other persons at the instance of our Company and anyone placing reliance on any other source of information would be doing so at their own risk.

Investors who invest in this Issue will be deemed to have represented to our Company, the Lead Manager and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable law, rules, regulations, guidelines and approvals to acquire the Rights Equity Shares, and are relying on independent advice/ evaluation as to their ability and quantum of investment in the Issue. Our Company, the Lead Manager and their directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Applicant on whether such Applicant is eligible to acquire any Rights Equity Shares.

Cautions

Our Company and the Lead Manager shall make all relevant information available to the Eligible Equity Shareholders in accordance with the SEBI ICDR Regulations and no selective or additional information would be available for a section of the Eligible Equity Shareholders in any manner whatsoever, including at presentations, in research or sales reports, etc., after filing this Draft Letter of Offer.

No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this Draft Letter of Offer. You must not rely on any unauthorized information or representations. This Draft Letter of Offer is an offer to sell only the Rights Equity Shares and the Rights Entitlements, but only under circumstances and in the applicable jurisdictions. Unless otherwise specified, the information contained in this Draft Letter of Offer is current only as at its date.

Disclaimer with respect to jurisdiction

This Draft Letter of Offer has been prepared under the provisions of Indian law and the applicable rules and regulations thereunder. Any disputes arising out of the Issue will be subject to the jurisdiction of the appropriate court(s) in Mumbai, India only.

Designated Stock Exchange

The Designated Stock Exchange for the purpose of the Issue is BSE Limited.

Disclaimer Clause of BSE

As required, a copy of this Draft Letter of Offer has been submitted to BSE. The Disclaimer Clause as intimated by BSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Disclaimer Clause of NSE

As required, a copy of this Draft Letter of Offer has been submitted to NSE. The Disclaimer Clause as intimated by NSE to us, post scrutiny of this Draft Letter of Offer, shall be included in the Letter of Offer prior to filing with the Stock Exchanges.

Selling Restrictions

The distribution of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Application Form, the Rights Entitlement Letter, any other issue material (collectively, "**Issue Materials**") and the issue of Rights Entitlements and the Rights Equity Shares on a rights basis to persons in certain jurisdictions outside India is restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession the Issue Materials may come, are required to inform themselves about and observe such restrictions.

Our Company is making this Issue on a rights basis to the Eligible Equity Shareholders of our Company and in accordance with the SEBI ICDR Regulations, our Company will send / dispatch the Issue Materials only to the Eligible Equity Shareholders who have provided Indian address and who are located in jurisdictions where the offer and sale of the Rights Entitlements and the Rights Equity Shares are permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. Those overseas shareholders who do not update our records with their Indian address or the address of their duly authorized representative in India, prior to the date on which we propose to dispatch the Issue Materials, shall not be sent any Issue Materials.

Further, the Letter of Offer will be provided to those who have provided their Indian addresses to our Company and who makes a request in this regard. Investors can also access the Letter of Offer, the Abridged Letter of Offer and the Application Form from the websites of the Registrar, our Company, the Lead Manager, the Stock Exchanges and on R-WAP.

Our Company shall also endeavour to dispatch physical copies of the Issue Materials to Eligible Equity Shareholders who have provided an Indian address to our Company. Our Company, the Lead Manager, and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials.

No action has been or will be taken to permit the Issue in any jurisdiction where action would be required for that purpose, except that this Draft Letter of Offer was filed with SEBI and the Stock Exchanges. Accordingly, the Rights Entitlements or Rights Equity Shares may not be offered or sold, directly or indirectly, and the Issue Materials may not be distributed in any jurisdiction, except in accordance with legal requirements applicable in such jurisdiction. Receipt of the Issue Materials will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, under those circumstances, the Issue Materials must be treated as sent for information only and should not be copied, redistributed or acted upon for subscription to Rights Equity Shares or the purchase of Rights Entitlements. Accordingly, persons receiving a copy of the Issue Materials should not, in connection with the issue of the Rights Entitlements or Rights Equity Shares, distribute or send such document in, into the United States or any other jurisdiction where to do so would, or might contravene local securities laws or regulations or would subject the Company, Lead Manager or their respective affiliates to any filing or registration requirement (other than in India). If Issue Materials is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Rights Entitlement or Rights Equity Shares referred to in Issue Materials. Envelopes containing an Application Form should not be dispatched from any jurisdiction where it would be illegal to make an offer, and all persons subscribing for the Rights Equity Shares in this Issue must provide an Indian address.

Any person who makes an application to acquire Rights Entitlements and the Rights Equity Shares offered in this Issue will be deemed to have declared, represented, warranted and agreed that such person is authorised to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations prevailing in his jurisdiction, without requirement for our Company, the Lead Manager or their respective affiliates to make any filing or registration (other than in India).

Neither the delivery of this Draft Letter of Offer nor any sale/ offer of the Rights Equity Shares and/ or the Rights Entitlements hereunder, shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Draft Letter of Offer or the date of such information.

THE CONTENTS OF THIS DRAFT LETTER OF OFFER SHOULD NOT BE CONSTRUED AS BUSINESS, LEGAL, TAX OR INVESTMENT ADVICE. PROSPECTIVE INVESTORS MAY BE SUBJECT TO ADVERSE FOREIGN, STATE OR LOCAL TAX OR LEGAL CONSEQUENCES AS A RESULT OF BUYING OR SELLING OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. AS A RESULT, EACH INVESTOR SHOULD CONSULT ITS OWN COUNSEL, BUSINESS ADVISOR AND TAX ADVISOR AS TO THE LEGAL, BUSINESS, TAX AND RELATED MATTERS CONCERNING THE OFFER OF RIGHTS EQUITY SHARES OR RIGHTS ENTITLEMENTS. IN ADDITION, NEITHER OUR COMPANY NOR THE LEAD MANAGER NOR ANY OF THEIR RESPECTIVE AFFILIATES ARE MAKING ANY REPRESENTATION TO ANY OFFEREE OR PURCHASER OF THE EQUITY SHARES REGARDING THE LEGALITY OF AN INVESTMENT IN THE RIGHTS EQUITY SHARES BY SUCH OFFEREE OR PURCHASER UNDER ANY APPLICABLE LAWS OR REGULATIONS.

NO OFFER IN THE UNITED STATES

THE RIGHTS ENTITLEMENTS AND THE RIGHTS EQUITY SHARES HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**US SECURITIES ACT**"), OR ANY U.S. STATE SECURITIES LAWS AND MAY NOT BE OFFERED, SOLD, RESOLD OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES OR THE TERRITORIES OR POSSESSIONS THEREOF (THE "**UNITED STATES**" OR "**U.S.**"), EXCEPT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE US SECURITIES ACT. THE RIGHTS ENTITLEMENTS AND RIGHTS EQUITY SHARES REFERRED TO IN THIS DRAFT LETTER OF OFFER ARE BEING OFFERED AND SOLD IN OFFSHORE TRANSACTIONS OUTSIDE THE UNITED STATES IN COMPLIANCE WITH REGULATION S UNDER THE US SECURITIES ACT ("**REGULATION S**") TO EXISTING SHAREHOLDERS LOCATED IN JURISDICTIONS WHERE SUCH OFFER AND SALE OF THE RIGHTS EQUITY SHARES AND/ OR RIGHTS ENTITLEMENTS ARE PERMITTED UNDER LAWS OF SUCH JURISDICTIONS. THE OFFERING TO WHICH THIS DRAFT LETTER OF OFFER RELATES IS NOT, AND UNDER NO CIRCUMSTANCES IS TO BE CONSTRUED AS, AN OFFERING OF ANY RIGHTS

EQUITY SHARES OR RIGHTS ENTITLEMENTS FOR SALE IN THE UNITED STATES OR AS A SOLICITATION THEREIN OF AN OFFER TO BUY OR TRANSFER ANY OF THE SAID SECURITIES. ACCORDINGLY, YOU SHOULD NOT FORWARD OR TRANSMIT THIS DRAFT LETTER OF OFFER IN OR INTO THE UNITED STATES AT ANY TIME.

Neither our Company, nor any person acting on behalf of our Company, will accept a subscription or renunciation or purchase of the Rights Equity Shares and/ or Rights Entitlements from any person, or the agent of any person, who appears to be, or who our Company, or any person acting on behalf of our Company, has reason to believe is, in the United States when the buy order is made. No Application Form should be postmarked in the United States, electronically transmitted from the United States or otherwise dispatched from the United States or from any other jurisdiction where it would be illegal to make an offer of securities under this Draft Letter of Offer, the Letter of Offer. Any person who acquires Rights Entitlements or Rights Equity Shares will be deemed to have declared, warranted and agreed, by accepting the delivery of this Letter of Offer, that it is not and that at the time of subscribing for the Rights Equity Shares or the Rights Entitlements, it will not be, in the United States and is authorized to acquire the Rights Entitlements and the Rights Equity Shares in compliance with all applicable laws and regulations.

Our Company reserves the right to treat as invalid any Application Form which: (i) appears to our Company or its agents to have been executed in, electronically transmitted from or dispatched from the United States or other jurisdictions where the offer and sale of the Rights Equity Shares and/ or the Rights Entitlements is not permitted under laws of such jurisdictions; (ii) does not include the relevant certifications set out in the Application Form, including to the effect that the person submitting and/or renouncing the Application Form is not in the United States and eligible to subscribe for the Rights Equity Shares and/ or the Rights Entitlements under applicable securities laws, and such person is complying with laws of jurisdictions applicable to such person in connection with this Issue; or (iii) where either a registered Indian address is not provided or where our Company believes acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to issue or allot any Rights Equity Shares and/ or Rights Entitlements in respect of any such Application Form.

Our Company and the Lead Manager are not making, and will not make, and will not participate or otherwise be involved in any offers or sales of the Rights Entitlements, the Rights Equity Shares or any other security with respect to this Issue in the United States.

The Rights Entitlements and the Rights Equity Shares have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "**US SEC**"), any state securities commission in the United States or any other U.S. regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Rights Entitlements, the Rights Equity Shares or the accuracy or adequacy of this Draft Letter of Offer. Any representation to the contrary is a criminal offence in the United States.

The above information is given for the benefit of the Applicants / Investors. Our Company and the Lead Manager are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer. Investors are advised to make their independent investigations and ensure that the number of Equity Shares applied for do not exceed the applicable limits under laws or regulations.

NOTICE TO INVESTORS

NO ACTION HAS BEEN TAKEN OR WILL BE TAKEN THAT WOULD PERMIT A PUBLIC OFFERING OF THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES TO OCCUR IN ANY JURISDICTION OTHER THAN INDIA, OR THE POSSESSION, CIRCULATION OR DISTRIBUTION OF THIS DRAFT LETTER OF OFFER OR ANY OTHER MATERIAL RELATING TO OUR COMPANY, THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN ANY JURISDICTION WHERE ACTION FOR SUCH PURPOSE IS REQUIRED. ACCORDINGLY, THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, AND NEITHER THIS LETTER OF OFFER NOR ANY OFFERING MATERIALS OR ADVERTISEMENTS IN CONNECTION WITH THE RIGHTS ENTITLEMENTS OR RIGHTS EQUITY SHARES MAY BE DISTRIBUTED OR PUBLISHED IN OR FROM ANY COUNTRY OR JURISDICTION EXCEPT IN ACCORDANCE WITH THE LEGAL REQUIREMENTS APPLICABLE IN SUCH COUNTRY OR JURISDICTION. THIS ISSUE WILL BE MADE IN COMPLIANCE WITH THE APPLICABLE SEBI REGULATIONS. EACH PURCHASER OF THE RIGHTS ENTITLEMENTS OR THE RIGHTS EQUITY SHARES IN THIS ISSUE WILL BE DEEMED

TO HAVE MADE ACKNOWLEDGMENTS AND AGREEMENTS.

Filing

This Draft Letter of Offer has been filed with SEBI at SEBI Bhavan, Plot No. C4-A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051, Maharashtra, India for its observations and through the SEBI intermediary portal at https://siportal.sebi.gov.in in terms of the circular (No. SEBI/HO/CFD/DIL1/CIR/P/2018/011dated January 19, 2018) issued by the SEBI, and with the Stock Exchanges. After SEBI gives its observations, the final Letter of Offer will be filed with SEBI and the Stock Exchanges simultaneously with the filing of the Letter of Offer with the Designated Stock Exchange as per the provisions of the SEBI ICDR Regulations. Further, in light of the SEBI notification dated March 27, 2020, our Company will submit a copy of this Draft Letter of Offer to the email address: cfddil@sebi.gov.in.

Investor Grievances and Redressal System

Our Company has adequate arrangements for the redressal of investor complaints in compliance with the corporate governance requirements under the Listing Agreement.

Our Company has a Stakeholders Relationship Committee which currently comprises Ms. Bhumika Batra - Chairperson, Mr. Sudhanshu Tripathi – Member and Mr. Amar Chitopanth - Member. The Stakeholders Relationship Committee meets as and when required, to deal with and monitor redressal of compliants from shareholders. The broad terms of reference include redressal of investors' complaints pertaining to share transfers, redressal of investors'/shareholders' grievances, issue of duplicate certificates, Additionally, we have been registered with the SEBI Complaints Redress System (SCORES) as required by the SEBI Circular no. CIR/OIAE/2/2011 dated June 3, 2011. Consequently, investor grievances are also tracked online by our Company through the SCORES mechanism.

The Investor complaints received by our Company are generally disposed of within 10 days from the date of receipt of the complaint.

Investor Grievances arising out of this Issue

Any investor grievances arising out of the Issue will be handled by the Registrar to the Issue i.e. KFin Technologies Private Limited. The agreement between the Company and the Registrar provides for a period for which records shall be retained by the Registrar in order to enable the Registrar to redress grievances of Investors.

Investors may contact the Registrar or our Compliance Officer for any pre-Issue or post-Issue related matter. All grievances relating to the ASBA process or R-WAP process may be addressed to the Registrar, with a copy to the SCSBs (in case of ASBA process), giving full details such as name, address of the Applicant, contact number(s), e-mail ID of the sole/ first holder, folio number or demat account number, number of Rights Equity Shares applied for, amount blocked (in case of ASBA process)or amount debited (in case of R-WAP process), ASBA Account number and the Designated Branch of the SCSBs where the Application Form, or the plain paper application, as the case may be, was submitted by the ASBA Investors along with a photocopy of the acknowledgement slip (in case of ASBA process) and copy of the-e-acknowledgement (in case of R-WAP process). For details on the ASBA process and R-WAP process, see "*Terms of the Issue*" on page 212.

Investors may contact the Registrar to the Issue at:

KFin Technologies Private Limited
Selenium Tower – B, Plot 31 & 32,
Gachibowli, Financial District,
Nanakramguda, Serilingampally, Hyderabad 500 032
Telangana, India.
Tel: +91 40 6716 2222
Email: nxtdigital.rights@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration Number: INR000000221

Investors may contact the Company Secretary and Compliance Officer at the below mentioned address for any pre-Issue or post-Issue related matters such as on-receipt of Letters of Allotment / demat credit/ Refund Orders etc.

Ashish Pandey is the Company Secretary and Compliance Officer of our Company. His contact details are as follows:

Ashish Pandey
IN CENTRE, 49/50 MIDC,
12th Road,
Andheri (East), Mumbai – 400 093,
Maharashtra, India
Telephone: +91 22 2820 8585
E-mail: investorgrievance@nxtdigital.in

In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar at https://rights.kfintech.com. Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are (nxtdigital.rights@kfintech.com / +91 18003094001).

SECTION VII – ISSUE RELATED INFORMATION

TERMS OF THE ISSUE

This section is for the information of the Investors proposing to apply in this Issue. Investors should carefully read the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form, before submitting the Application Form. Our Company and the Lead Manager are not liable for any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Draft Letter of Offer and the Letter of Offer. Investors are advised to make their independent investigation and ensure that the Application Form is correctly filled up. Unless otherwise permitted under the SEBI ICDR Regulations read with SEBI Rights Issue Circulars, Investors proposing to apply in this Issue can apply only through ASBA or R-WAP facility as disclosed in this section.

Investors are requested to note that Application in this Issue can only be made through ASBA or by R-WAP facility. Further, this R-WAP facility in addition to ASBA is onetime relaxation made available by SEBI in view of the COVID-19 and shall not be a replacement of the existing process under the SEBI ICDR regulations. For guidance on the application process through R-WAP and resolution of difficulties faced by investors, you are advised to read the frequently asked question (FAQ) on the website of the registrar at www.kfintech.com.

OVERVIEW

This Issue and the Rights Equity Shares proposed to be issued on a rights basis, are subject to the terms and conditions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association of our Company, the provisions of the Companies Act, 2013, FEMA, FEMA Rules, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, approvals, if any, from the RBI or other regulatory authorities, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice.

Important:

1. **Dispatch and availability of Issue materials:**

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, our Company will send/ dispatch at least three days before the Issue Opening Date, the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue material ("**Issue Materials**") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Investors can access the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) on the websites of:

(i) our Company at www.nxtdigital.co.in;
(ii) the Registrar at https://rights.kfintech.com;
(iii) the Lead Manager, *i.e.*, Vivro Financial Services Private Limited at www.vivro.net
(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
(v) the Registrar's web-based application platform at https://rights.kfintech.com ("**R-WAP**").

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.,* https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.nxtdigital.co.in).

Further, our Company along with the Lead Manager will undertake all adequate steps to reach out the Eligible Equity Shareholders who have provided their Indian address through other means, as may be feasible. In light of the current COVID-19 situation our Company, the Lead Manager and the Registrar will not be liable for non-dispatch of physical copies of Issue Materials, including the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form attributable to the non-availability of the e-mail addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in transit.

2. **Facilities for Application in this Issue:**

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for resident Investors in this Issue i.e. R-WAP, Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using R-WAP. For details, see "*- Procedure for Application through the ASBA Process*" and "*-Procedure for Application through the R-WAP*" on both page 223.

a. ASBA facility: Investors can submit either the Application Form in physical mode to the Designated Branches of the SCSBs or online/ electronic Application through the website of the SCSBs (if made available by such SCSB) authorizing the SCSB to block the Application Money in an ASBA Account maintained with the SCSB. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

Investors should note that the ASBA process involves procedures that are different from the procedure under the R-WAP process. Investors applying through the ASBA facility should carefully read the provisions applicable to such Applications before making their Application through the ASBA process. For details, see "- *Procedure for Application through the ASBA Process*" on page 223.

Please note that subject to SCSBs complying with the requirements of SEBI Circular CIR/CFD/DIL/13/2012 dated September 25, 2012, within the periods stipulated therein, Applications may be submitted at the Designated Branches of the SCSBs.

Further, in terms of the SEBI Circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making Applications by SCSBs on their own account using ASBA facility, each such SCSB should have a separate account in its own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making an Application in this Issue and clear demarcated funds should be available in such account for such an Application.

b. Registrar's Web-based Application Platform (R-WAP): In accordance with SEBI circular SEBI/HO/CFD/DIL2/CIR/P/2020/78 dated May 6, 2020 read with SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2020/136 dated July 24, 2020, SEBI circular SEBI/HO/CFD/DIL1/CIR/P/2021/13 dated January 19, 2021 and SEBI circular SEBI/HO/CFD/DIL1/CIR/P2021/552 dated April 22, 2021, a separate web based application platform, i.e., the R-WAP facility (accessible at https://rights.kfintech.com), has been instituted for making an Application in this Issue by resident Investors. Further, R-WAP is only an additional option and not a replacement of the ASBA process. At the R-WAP, resident Investors can access and submit the online Application Form in electronic mode using the R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds.

PLEASE NOTE THAT ONLY RESIDENT INVESTORS CAN SUBMIT AN APPLICATION USING THE R-WAP. R-WAP FACILITY WILL BE OPERATIONAL FROM THE ISSUE OPENING DATE. FOR RISKS ASSOCIATED WITH THE R-WAP PROCESS, SEE "*RISK*

***FACTOR - The R-WAP payment mechanism facility proposed to be used for this Issue may be exposed to risks, including risks associated with payment gateways.*" ON PAGE 37.**

For guidance on the Application process through R-WAP and resolution of difficulties faced by the Investors, the Investors are advised to carefully read the frequently asked questions or call helpline number (1800 3094 001). For details, see "- *Procedure for Application through the R-WAP*" on page 223.

Applicants should note that they should very carefully fill-in their depository account details and PAN in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB) and R-WAP. Please note that incorrect depository account details or PAN or Application Forms without depository account details (except in case of Eligible Equity Shareholders who hold Equity Shares in physical form and are applying in this Issue in accordance with the SEBI Rights Issue Circulars through R-WAP) shall be treated as incomplete and shall be rejected. For details see "*Grounds for Technical Rejection*" on page 233. Our Company, the Lead Manager, the Registrar and the SCSBs shall not be liable for any incomplete or incorrect demat details provided by the Applicants.

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. **Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements.** For details, see "*Application on Plain Paper under ASBA process*".

3. **Credit of Rights Entitlements in demat accounts of Eligible Equity Shareholders**

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

Eligible Equity Shareholders, whose Rights Entitlements are credited in demat suspense escrow account opened by our Company, are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account is active, details of which have been provided to the Company or the Registrar, to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Eligible Equity Shareholders can obtain the details of their Rights Entitlements from the website of the Registrar (i.e., https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (i.e., www.nxtdigital.co.in)

Other important links and helpline:

The Investors can visit following links for the below-mentioned purposes:

- Frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application

process and resolution of difficulties faced by the Investors: https://rights.kfintech.com
- Updation of Indian address/ e-mail address/ mobile number in the records maintained by the Registrar or our Company: https://rights.kfintech.com
- Updation of demat account details by Eligible Equity Shareholders holding shares in physical form: https://rights.kfintech.com
- Submission of self-attested PAN, client master sheet and demat account details by non-resident Eligible Equity Shareholders: nxtdigital.rights@kfintech.com

Renouncees

All rights and obligations of the Eligible Equity Shareholders in relation to Applications and refunds pertaining to this Issue shall apply to the Renouncee(s) as well.

Basis for this Issue

The Rights Equity Shares are being offered for subscription for cash to the Eligible Equity Shareholders whose names appear as beneficial owners as per the list to be furnished by the Depositories in respect of our Equity Shares held in dematerialised form and on the register of members of our Company in respect of our Equity Shares held in physical form at the close of business hours on the Record Date.

Rights Entitlements

As your name appears as a beneficial owner in respect of the issued and paid-up Equity Shares held in dematerialised form or appears in the register of members of our Company as an Eligible Equity Shareholder in respect of our Equity Shares held in physical form, as on the Record Date, you may be entitled to subscribe to the number of Rights Equity Shares as set out in the Rights Entitlement Letter.

The Registrar will send/dispatch a Rights Entitlement Letter along with the Abridged Letter of Offer and the Application Form to all Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlements or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions, which will contain details of their Rights Entitlements based on their shareholding as on the Record Date.

Eligible Equity Shareholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.,* https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.nxtdigital.co.in).

Rights Entitlements shall be credited to the respective demat accounts of Eligible Equity Shareholders before the Issue Opening Date only in dematerialised form. If Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date. Such Eligible Equity Shareholders holding shares in physical form can update the details of their respective demat accounts on the website of the Registrar (*i.e.*, https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Our Company is undertaking this Issue on a rights basis to the Eligible Equity Shareholders and will send/ dispatch the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form only to Eligible Equity Shareholders who have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. In case such Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case such Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them. For further details, see *"Notice to Investors"* on page 10.

PRINCIPAL TERMS OF THIS ISSUE

Face Value

Each Rights Equity Share will have the face value of ₹ 10.

Issue Price

Each Rights Equity Share is being offered at a price of ₹ 300 per Rights Equity Share (including a premium of ₹ 290 per Rights Equity Share) in this Issue. On Application, Investors will have to pay ₹ 300 per Rights Equity Share, which constitutes 100% of the Issue Price.

The Issue Price for Rights Equity Shares has been arrived at by our Company in consultation with the Lead Manager and has been decided prior to the determination of the Record Date.

Rights Entitlements Ratio

The Rights Equity Shares are being offered on a rights basis to the Eligible Equity Shareholders in the ratio of 2 (two) Rights Equity Shares for every 5 (five) Equity Shares held by the Eligible Equity Shareholders as on the Record Date.

Renunciation of Rights Entitlements

This Issue includes a right exercisable by Eligible Equity Shareholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Equity Shareholder(s) to resident Indian(s) and *vice versa* shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time. However, the facility of renunciation shall not be available to or operate in favour of an Eligible Equity Shareholders being an erstwhile OCB unless the same is in compliance with the FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time.

The renunciation of Rights Entitlements credited in your demat account can be made either by way of On Market or through off-market transfer. For details, see "- *Procedure for Renunciation of Rights Entitlements*" on page 225.

In accordance with SEBI Rights Issue Circulars, the Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have not furnished the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, will not be able to renounce their Rights Entitlements.

Credit of Rights Entitlements in dematerialised account

In accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialized form only. Prior to the Issue Opening Date, our Company shall credit the Rights Entitlements to (i) the demat accounts of the Eligible Equity Shareholders holding the Equity Shares in dematerialised form; and (ii) a demat suspense escrow account opened by our Company, for the Eligible Equity Shareholders which would comprise Rights Entitlements relating to (a) Equity Shares held in a demat suspense account pursuant to Regulation 39 of the SEBI Listing Regulations; or (b) Equity Shares held in the account of IEPF authority; or (c) the demat accounts of the Eligible Equity Shareholder which are frozen or details of which are unavailable with our Company or with the Registrar on the Record Date; or (d) Equity Shares held by Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date where details of demat accounts are not provided by Eligible Equity Shareholders to our Company or Registrar; or (e) credit of the Rights Entitlements returned/reversed/failed; or (f) the ownership of the Equity Shares currently under dispute, including any court proceedings, as applicable.

In this regard, our Company has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Equity Shareholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is [●]. The said ISIN shall remain frozen (for debit) until the Issue Opening Date and shall be active for renouncement or transfer only during the Renunciation

Period, i.e., from [●] to [●] (both days inclusive). It is clarified that the Rights Entitlements shall not be available for transfer or trading post the Renunciation Period. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Equity Shareholders are requested to provide relevant details (such as copies of self-attested PAN and client master sheet of demat account etc., details/ records confirming the legal and beneficial ownership of their respective Equity Shares) to the Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, by [●] to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Equity Shareholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Equity Shareholders in this regard. Such Eligible Equity Shareholders are also requested to ensure that their demat account, details of which have been provided to the Company or the Registrar account is active to facilitate the aforementioned transfer. Eligible Equity Shareholders holding Equity Shares in physical form can update the details of their demat accounts on the website of the Registrar (i.e., https://rights.kfintech.com). Such Eligible Equity Shareholders can make an Application only after the Rights Entitlements is credited to their respective demat accounts.

Additionally, our Company will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Equity Shareholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Equity Shareholders can be accessed by such respective Eligible Equity Shareholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

PLEASE NOTE THAT CREDIT OF THE RIGHTS ENTITLEMENTS IN THE DEMAT ACCOUNT DOES NOT, PER SE, ENTITLE THE INVESTORS TO THE RIGHTS EQUITY SHARES AND THE INVESTORS HAVE TO SUBMIT APPLICATION FOR THE RIGHTS EQUITY SHARES ON OR BEFORE THE ISSUE CLOSING DATE AND MAKE PAYMENT OF THE APPLICATION MONEY. FOR DETAILS, SEE "*PROCEDURE FOR APPLICATION*" ON PAGE 221.

Trading of the Rights Entitlements

In accordance with the SEBI Rights Issue Circulars, the Rights Entitlements credited shall be admitted for trading on the Stock Exchanges under ISIN [●]. Prior to the Issue Opening Date, our Company will obtain the approval from the Stock Exchanges for trading of Rights Entitlements. Investors shall be able to trade/ transfer their Rights Entitlements either through On Market Renunciation or through Off Market Renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

The On Market Renunciation shall take place electronically on the secondary market platform of the Stock Exchanges on T+2 rolling settlement basis, where T refers to the date of trading. The transactions will be settled on trade-for-trade basis. The Rights Entitlements shall be tradable in dematerialized form only. The market lot for trading of Rights Entitlements is One Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive). No assurance can be given regarding the active or sustained On Market Renunciation or the price at which the Rights Entitlements will trade. Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date. For details, see "- *Procedure for Renunciation of Rights Entitlements* - *On Market Renunciation*" and "- *Procedure for Renunciation of Rights Entitlements* - *Off Market Renunciation*" on pages 226 and 226, respectively. Once the Rights Entitlements are credited to the demat account of the Renouncees, application in the Issue could be made until the Issue Closing Date. For details, see " – *Procedure for Application*" on page 221.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

Terms of Payment

₹ 300 per Rights Equity Share (including premium of ₹ 290 per Rights Equity Share) shall be payable, in entirety at the time of making the Application.

Where an Applicant has applied for additional Rights Equity Shares and is Allotted a lesser number of Rights Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The un-blocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Fractional Entitlements

The Rights Equity Shares are being offered on a rights basis to existing Eligible Equity Shareholders in the ratio of 2 (two) Rights Equity Shares for every 5 (five) Equity Shares held as on the Record Date. As per SEBI Rights Issue Circulars, the fractional entitlements are to be ignored. Accordingly, if the shareholding of any of the Eligible Equity Shareholders is less than 5 (five) Equity Shares or is not in the multiple of 5 (five) Equity Shares, the fractional entitlements of such Eligible Equity Shareholders shall be ignored by rounding down of their Rights Entitlements. However, the Eligible Equity Shareholders whose fractional entitlements are being ignored will be given preferential consideration for the Allotment of one additional Rights Equity Share if they apply for additional Rights Equity Shares over and above their Rights Entitlements, if any, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Equity Shareholder holds 7 (seven) Equity Shares, such Equity Shareholder will be entitled to 2 (two) Rights Equity Share and will also be given a preferential consideration for the Allotment of 1 (one) additional Rights Equity Share if such Eligible Equity Shareholder has applied for additional Rights Equity Shares, over and above his/her Rights Entitlements, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Equity Shareholders holding less than 3 (three) Equity Shares shall have 'zero' entitlement for the Rights Equity Shares. Such Eligible Equity Shareholders are entitled to apply for additional Rights Equity Shares and will be given preference in the Allotment of one Rights Equity Share, if such Eligible Equity Shareholders apply for additional Rights Equity Shares, subject to availability of Rights Equity Shares in this Issue post allocation towards Rights Entitlements applied for. However, they cannot renounce the same in favour of third parties.

Credit Rating

As this Issue is a rights issue of Rights Equity Shares, there is no requirement of credit rating for this Issue.

Ranking

The Rights Equity Shares to be issued and Allotted pursuant to this Issue shall be subject to the provisions of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, and the Memorandum of Association and the Articles of Association, the provisions of the Companies Act, 2013, FEMA, the SEBI ICDR Regulations, the SEBI Listing Regulations, and the guidelines, notifications and regulations issued by SEBI, the Government of India and other statutory and regulatory authorities from time to time, the terms of the Listing Agreements entered into by our Company with the Stock Exchanges and the terms and conditions as stipulated in the Allotment advice. The Rights Equity Shares to be issued and Allotted under this Issue shall rank *pari passu* with the existing Equity Shares, in all respects including dividends.

Listing and trading of the Rights Equity Shares to be issued pursuant to this Issue

Subject to receipt of the listing and trading approvals, the Rights Equity Shares proposed to be issued on a rights basis shall be listed and admitted for trading on the Stock Exchanges. Unless otherwise permitted by the SEBI ICDR Regulations, the Rights Equity Shares Allotted pursuant to this Issue will be listed as soon as practicable and all steps for completion of necessary formalities for listing and commencement of trading in the Rights Equity Shares will be taken within such period prescribed under the SEBI ICDR Regulations. Our Company has received in-principle approval from the BSE through letter bearing reference number [●] dated [●] and from the NSE through letter bearing reference number [●] dated [●]. Our Company will apply to the Stock Exchanges for final approvals for the listing and trading of the Rights Equity Shares subsequent to their Allotment. No assurance can be given regarding the active or sustained trading in the Rights Equity Shares or the price at which the Rights Equity Shares offered under this Issue will trade after the listing thereof.

For an applicable period, the trading of the Rights Equity Shares would be suspended under the applicable law. The process of corporate action for crediting the fully paid-up Rights Equity Shares to the Investors' demat accounts may take such time as is customary or as prescribed under applicable law from the last date of payment of the amount.

The existing Equity Shares are listed and traded on BSE (Scrip Code: 500189) and NSE (Scrip Code: NXTDIGITAL) under the ISIN: INE353A01023. The Rights Equity Shares shall be credited to a temporary ISIN which will be frozen until the receipt of the final listing/ trading approvals from the Stock Exchanges. Upon receipt of such listing and trading approvals, the Rights Equity Shares shall be debited from such temporary ISIN and credited to the new ISIN for the Rights Equity Shares and thereafter be available for trading and the temporary ISIN shall be permanently deactivated in the depository system of CDSL and NSDL.

The listing and trading of the Rights Equity Shares issued pursuant to this Issue shall be based on the current regulatory framework then applicable. Accordingly, any change in the regulatory regime would affect the listing and trading schedule.

In case our Company fails to obtain listing or trading permission from the Stock Exchanges, we shall refund through verifiable means/unblock the respective ASBA Accounts, the entire monies received/blocked within four days of receipt of intimation from the Stock Exchanges, rejecting the application for listing of the Rights Equity Shares, and if any such money is not refunded/ unblocked within four days after our Company becomes liable to repay it, our Company and every director of our Company who is an officer-in-default shall, on and from the expiry of the fourth day, be jointly and severally liable to repay that money with interest at rates prescribed under applicable law.

Subscription to this Issue by our Promoters and our Promoter Group

For details of the intent and extent of subscription by our Promoter and the Promoter Group, see "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*" on page 48.

Rights of Holders of Rights Equity Shares of our Company

Subject to applicable laws, Rights Equity Shareholders shall have the following rights:

a) The right to receive dividend, if declared;

b) The right to vote in person, or by proxy;

c) The right to receive surplus on liquidation;

d) The right to free transferability of Rights Equity Shares;

e) The right to attend general meetings of our Company and exercise voting powers in accordance with law, unless prohibited / restricted by law; and

f) Such other rights as may be available to a shareholder of a listed public company under the Companies Act, 2013, the Memorandum of Association and the Articles of Association.

GENERAL TERMS OF THE ISSUE

Market Lot

The Rights Equity Shares of our Company shall be tradable only in dematerialized form. The market lot for Rights Equity Shares in dematerialised mode is one Equity Share.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as the joint holders with the benefit of survivorship subject to the provisions contained in our Articles of Association. In case of Equity Shares held by joint holders, the Application submitted in physical mode to the

Designated Branch of the SCSBs would be required to be signed by all the joint holders (in the same order as appearing in the records of the Depository) to be considered as valid for allotment of Rights Equity Shares offered in this Issue.

Nomination

Nomination facility is available in respect of the Rights Equity Shares in accordance with the provisions of the Section 72 of the Companies Act, 2013 read with Rule 19 of the Companies (Share Capital and Debenture) Rules, 2014.

Since the Allotment is in dematerialised form, there is no need to make a separate nomination for the Rights Equity Shares to be Allotted in this Issue. Nominations registered with the respective DPs of the Investors would prevail. Any Investor holding Equity Shares in dematerialised form and desirous of changing the existing nomination is requested to inform its Depository Participant.

Arrangements for Disposal of Odd Lots

The Rights Equity Shares shall be traded in dematerialised form only and, therefore, the marketable lot shall be one Rights Equity Share and hence, no arrangements for disposal of odd lots are required.

Notices

In accordance with the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, our Company will send / dispatch the Abridged Letter of Offer, the Rights Entitlement Letter, Application Form and other issue materials ("**Issue Materials**") only to the Eligible Equity Shareholders who have provided an Indian address to our Company and who are located in jurisdictions where the offer and sale of the Rights Entitlement or Rights Equity Shares is permitted under laws of such jurisdiction and does not result in and may not be construed as, a public offering in such jurisdictions. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Issue Materials will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Issue Materials will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

Further, the Letter of Offer will be provided by the Registrar on behalf of our Company to the Eligible Equity Shareholders who have provided their Indian addresses to our Company and who make a request in this regard. In case the Eligible Equity Shareholders have provided their valid e-mail address, the Letter of Offer will be sent only to their valid e-mail address and in case the Eligible Equity Shareholders have not provided their e-mail address, then the Letter of Offer will be dispatched, on a reasonable effort basis, to the Indian addresses provided by them.

All notices to the Eligible Equity Shareholders required to be given by our Company shall be published in (i) one English national daily newspaper; (ii) one Hindi language national daily newspaper; and (iii) one Marathi language daily newspaper (Marathi being the regional language of Maharashtra, where our Registered Office is situated) and/or, will be sent by post or electronic transmission or other permissible mode to the addresses of the Eligible Equity Shareholders provided to our Company. This Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form shall also be submitted with the Stock Exchanges for making the same available on their websites.

Offer to Non-Resident Eligible Equity Shareholders/Investors

As per Rule 7 of the FEMA Rules, the RBI has given general permission to Indian companies to issue rights equity shares to non-resident shareholders including additional rights equity shares. Further, as per the Master Direction on Foreign Investment in India dated January 4, 2018 issued by the RBI, non-residents may, amongst other things, (i) subscribe for additional shares over and above their Rights Entitlements; (ii) renounce the shares offered to them either in full or part thereof in favour of a person named by them; or (iii) apply for the shares renounced in their favour. Applications received from NRIs and non-residents for allotment of Rights Equity Shares shall be, amongst other things, subject to the conditions imposed from time to time by the RBI under FEMA in the matter of Application, refund of Application Money, Allotment of Rights Equity Shares and issue of Rights Entitlement Letters/ letters of Allotment/Allotment advice. If a non-resident or NRI Investor has specific approval from RBI, in connection with his shareholding in our Company, such person should enclose a copy of such approval with the Application details and send it to the Registrar at nxtdigital.rights@kfintech.com. It will be the sole responsibility of the investors to ensure that the necessary approval from the RBI or the governmental authority is valid in order to make any investment in the Issue and the Lead Manager and our Company will not be responsible for any such allotments made by relying on such approvals.

The Abridged Letter of Offer, the Rights Entitlement Letter and Application Form shall be sent/dispatched to the email addresses and Indian addresses of non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions. Investors can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of the Registrar, our Company and the Lead Manager and the Stock Exchanges. Our Board may at its absolute discretion, agree to such terms and conditions as may be stipulated by the RBI while approving the Allotment. The Rights Equity Shares purchased by non-residents shall be subject to the same conditions including restrictions in regard to there patriation as are applicable to the original Equity Shares against which Rights Equity Shares are issued on rights basis.

In case of change of status of holders, *i.e.,* from resident to non-resident, a new demat account must be opened. Any Application from a demat account which does not reflect the accurate status of the Applicant is liable to be rejected at the sole discretion of our Company and the Lead Manager.

Please note that only resident Investors can submit an Application using the R-WAP.

Please also note that pursuant to Circular No. 14 dated September 16, 2003 issued by the RBI, Overseas Corporate Bodies ("**OCBs**") have been derecognized as an eligible class of investors and the RBI has subsequently issued the Foreign Exchange Management (Withdrawal of General Permission to Overseas Corporate Bodies (OCBs)) Regulations, 2003. Any Investor being an OCB is required not to be under the adverse notice of the RBI and to obtain prior approval from RBI for applying in this Issue.

The non-resident Eligible Equity Shareholders can update their Indian address in the records maintained by the Registrar and our Company by submitting their respective copies of self-attested proof of address, passport, etc.at nxtdigital.rights@kfintech.com.

PROCEDURE FOR APPLICATION

How to Apply

In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or the optional mechanism instituted only for Investors in the Issue, i.e. R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using the R-WAP.

For details of procedure for application by the resident Eligible Equity Shareholders holding Equity Shares in physical form as on the Record Date, see "- *Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form*" on page 229.

The Lead Manager, our Company, its directors, its employees, affiliates, associates and their respective directors and officers and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions and commissions *etc.* in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Application Form

The Application Form for the Rights Equity Shares offered as part of this Issue would be sent/ dispatched (i) only to email address of the resident Eligible Equity Shareholders who have provided their email address; (ii) only to the Indian addresses of the resident Eligible Equity Shareholders, on a reasonable effort basis, who have not provided a valid email address to our Company; (iii) only to the Indian addresses of the non-resident Eligible Equity Shareholders, on a reasonable effort basis, who have provided an Indian address to our Company and are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions. The Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent/ dispatched at least three days before the Issue Opening Date. The Renouncees and Eligible Equity Shareholders who have not received the Application Form can download the same from the website of the Registrar, our Company, the Lead Manager or Stock Exchanges.

In case of non-resident Eligible Equity Shareholders, the Application Form along with the Abridged Letter of Offer and the Rights Entitlement Letter shall be sent through email to email address if they have provided an Indian address to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions.

Please note that neither our Company nor the Registrar nor the Lead Manager shall be responsible for delay in the receipt of the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or the Application Form attributable to non-availability of the email addresses of Eligible Equity Shareholders or electronic transmission delays or failures, or if the Application Forms or the Rights Entitlement Letters are delayed or misplaced in the transit or there is a delay in physical delivery (where applicable).

To update the respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit https://rights.kfintech.com. Investors can access this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer and the Application Form (provided that the Eligible Equity Shareholder is eligible to subscribe for the Rights Equity Shares under applicable securities laws) from the websites of:

(i) our Company at www.nxtdigital.co.in;
(ii) the Registrar at https://rights.kfintech.com;
(iii) the Lead Manager, *i.e.*, Vivvro Financial Services Private Limited at www.vivro.net;
(iv) the Stock Exchanges at www.bseindia.com and www.nseindia.com; and
(v) the R-WAP at https://rights.kfintech.com.

The Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of resident Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.nxtdigital.co.in).

The Application Form can be used by the Investors, Eligible Equity Shareholders as well as the Renouncees, to make Applications in this Issue basis the Rights Entitlements credited in their respective demat accounts. Please note that one single Application Form shall be used by the Investors to make Applications for all Rights Entitlements available in a particular demat account. In case of Investors who have provided details of demat account in accordance with the SEBI ICDR Regulations, such Investors will have to apply for the Rights Equity Shares from the same demat account in which they are holding the Rights Entitlements and in case of multiple demat accounts, the Investors are required to submit a separate Application Form for each demat account.

Investors may accept this Issue and apply for the Rights Equity Shares (i) by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts or (ii) filing the online Application Form available on R-WAP and make online payment using the internet banking or UPI facility from their own bank account thereat. **Please note that Applications made with payment using third party bank accounts are liable to be rejected.**

Investors are also advised to ensure that the Application Form is correctly filled up stating therein (i) the ASBA Account (in case of Application through ASBA process) in which an amount equivalent to the amount payable on Application as stated in the Application Form will be blocked by the SCSB or (ii) the requisite internet banking or UPI details (in case of Application through R-WAP, which is available only for resident Investors).

Applicants should note that they should very carefully fill-in their depository account details and PAN number in the Application Form or while submitting application through online/electronic Application through the website of the SCSBs (if made available by such SCSB and R-WAP). Incorrect depository account details or PAN number could lead to rejection of the Application. For details see "- *Grounds for*

***Technical Rejection*" on page 233. Our Company, the Lead Manager, the Registrar and the SCSB shall not be liable for any incorrect demat details provided by the Applicants.**

Additionally, in terms of Regulation 78 of the SEBI ICDR Regulations, Investors may choose to accept the offer to participate in this Issue by making plain paper Applications. Please note that Eligible Equity Shareholders making an application in this Issue by way of plain paper applications shall not be permitted to renounce any portion of their Rights Entitlements. For details, see "- *Application on Plain Paper under ASBA process*" on page 226.

Options available to the Eligible Equity Shareholders

The Rights Entitlement Letter will clearly indicate the number of Rights Equity Shares that the Eligible Equity Shareholder is entitled to.

If the Eligible Equity Shareholder applies in this Issue, then such Eligible Equity Shareholder can:

(i) apply for its Rights Equity Shares to the full extent of its Rights Entitlements; or

(ii) apply for its Rights Equity Shares to the extent of part of its Rights Entitlements (without renouncing the other part); or

(iii) apply for Rights Equity Shares to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or

(iv) apply for its Rights Equity Shares to the full extent of its Rights Entitlements and apply for additional Rights Equity Shares; or

(v) renounce its Rights Entitlements in full.

Procedure for Application through the ASBA process

An investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application.

Self-Certified Syndicate Banks

For the list of banks which have been notified by SEBI to act as SCSBs for the ASBA process, please refer to https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34. For details on Designated Branches of SCSBs collecting the Application Form, please refer the above-mentioned link.

Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, ASBA Applications may be submitted at the Designated Branches of the SCSBs, in case of Applications made through ASBA facility.

The Company, its directors, employees, affiliates, associates and their respective directors and officers, the Lead Manager and the Registrar shall not take any responsibility for acts, mistakes, errors, omissions, and commissions etc., in relation to Applications accepted by SCSBs, Applications uploaded by SCSBs, Applications accepted but not uploaded by SCSBs or Applications accepted and uploaded without blocking funds in the ASBA Accounts.

Procedure for Application through the R-WAP

Resident Investors, making an Application through R-WAP, shall make online payment using internet banking or UPI facility. Prior to making an Application, such Investors should enable the internet banking or UPI facility of their respective bank accounts and such Investors should ensure that the respective bank accounts have sufficient funds. Our Company, the Registrar and the Lead Manager shall not be responsible if the Application is not successfully submitted or rejected during Basis of Allotment on account of failure to be in compliance with the same. R-WAP facility will be operational from the Issue Opening Date. For risks associated with the R-WAP process, see "*Risk Factors - The R-WAP payment mechanism facility proposed to be used for this issue may be exposed to risks, including risks associated with payment gateways*" on page 37.

Set out below is the procedure followed using the R-WAP:

a. Resident Investors should visit R-WAP (accessible at https://rights.kfintech.com) and fill the online Application Form available on R-WAP in electronic mode. Please ensure to provide correct DP ID, Client ID, Folio number (only for resident Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date), PAN details and all other details sought for while submitting the online Application Form.

b. Non-resident Investors are not eligible to apply in this Issue through R-WAP.

c. Only resident Investors are eligible to apply in this Issue through R-WAP.

d. The Investors should ensure that Application process is verified through the email / mobile number. Post due verification, the Investors can obtain details of their respective Rights Entitlements and apply in this Issue by filling-up the online Application Form which, among others, will require details of total number of Rights Equity Shares to be applied for. Please note that the Application Money will be determined based on number of Rights Equity Shares applied for.

e. The Investors who are Renouncees should select the category of 'Renouncee' at the application page of R-WAP and provide DP ID, Client ID, PAN and other required demographic details for validation. The Renouncees shall also be required to provide the required Application details, such as total number of Rights Equity Shares to be applied for. A Shareholder who has purchased Rights Entitlement from the Stock Exchanges or through off-market transaction, should select "Eligible Equity Shareholder" category.

f. Investors applying in the Issue through UPI facility should accept the debit/ payment request in the relevant mobile application for which the UPI ID details were provided.

g. Prior to making an Application, the Investors should enable the internet banking or UPI facility of their respective bank accounts and the Investors should ensure that the respective bank accounts have sufficient funds. If the funds available in the bank account are less than total amount payable on submission of online Application Form, such Application shall be rejected. Please note that R-WAP is a non-cash mode mechanism in accordance with the SEBI Rights Issue Circulars.

h. The Investors shall make online payment using internet banking or UPI facility from their own bank account only. Such Application Money will be adjusted for either Allotment or refund. **Applications made using payment from third party bank accounts will be rejected.**

i. Verification in respect of Application through Investors' own bank account, shall be done through the latest beneficial position data of our Company containing Investor's bank account details, beneficiary account details provided to the depository, penny drop, cancelled cheque for joint holder verification and such other industry accepted and tested methods for online payment.

j. The Application Money collected through Applications made on the R-WAP will be credited to the Escrow Account, opened by our Company with the Escrow Collection Bank.

Acceptance of this Issue

Investors may accept this Issue and apply for the Rights Equity Shares (i) by submitting the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts or (ii) filing the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account there at.

Please note that on the Issue Closing Date for (i) Applications through ASBA process will be uploaded until 5.00p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges and (ii) the R-WAP facility will be available until 5.00 pm (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Applications submitted to anyone other than the Designated Branches of the SCSB or using R-WAP are liable to be rejected.

Investors can also make Application on plain paper under ASBA process mentioning all necessary details as mentioned under the section "- *Application on Plain Paper under ASBA process*" on page 226.

Additional Rights Equity Shares

Investors are eligible to apply for additional Rights Equity Shares over and above their Rights Entitlements, provided that they are eligible to apply for Rights Equity Shares under applicable law and they have applied for all the Rights Equity Shares forming part of their Rights Entitlements without renouncing them in whole or in part. Where the number of additional Rights Equity Shares applied for exceeds the number available for Allotment, the Allotment would be made as per the Basis of Allotment finalised in consultation with the Designated Stock Exchange. Applications for additional Rights Equity Shares shall be considered and Allotment shall be made in accordance with the SEBI ICDR Regulations and in the manner prescribed under the section "- *Basis of Allotment*" on page 238.

Eligible Equity Shareholders who renounce their Rights Entitlements cannot apply for additional Rights Equity Shares

Non-resident Renouncees who are not Eligible Equity Shareholders cannot apply for additional Rights Equity Shares.

Resident Eligible Equity Shareholders who hold Equity Shares in physical form as on the Record Date cannot renounce until the details of their demat account are provided to our Company or the Registrar and the dematerialized Rights Entitlements are transferred from suspense escrow demat account to the respective demat accounts of such Eligible Equity Shareholders within prescribed timelines. However, Such Eligible Equity Shareholders, where the dematerialized Rights Entitlements are transferred from the suspense escrow demat account to the respective demat accounts within prescribed timelines, can apply for additional Rights Equity Shares while submitting the Application through ASBA process or using the R-WAP.

Procedure for Renunciation of Rights Entitlements

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts, either in full or in part (a) by using the secondary market platform of the Stock Exchanges; or (b) through an off-market transfer, during the Renunciation Period. The Investors should have the demat Rights Entitlements credited/lying in his/her own demat account prior to the renunciation. The trades through On Market Renunciation and Off Market Renunciation will be settled by transferring the Rights Entitlements through the depository mechanism.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Rights Entitlements. Investors who intend to trade in the Rights Entitlements should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Rights Entitlements. The Lead Manager and our Company accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Investors.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Investors on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date.

On Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by trading/selling them on the secondary market platform of the Stock Exchanges through a registered stock broker in the same manner as the existing Equity Shares of our Company.

In this regard, in terms of provisions of the SEBI ICDR Regulations and the SEBI Rights Issue Circulars, the Rights Entitlements credited to the respective demat accounts of the Eligible Equity Shareholders shall be admitted for trading on the Stock Exchanges under ISIN [●] subject to requisite approvals. The details for trading in Rights Entitlements will be as specified by the Stock Exchanges from time to time.

The Rights Entitlements are tradable in dematerialized form only. The market lot for trading of Rights Entitlements is one Rights Entitlement.

The On Market Renunciation shall take place only during the Renunciation Period for On Market Renunciation, *i.e.*, from [●] to [●] (both days inclusive).

The Investors holding the Rights Entitlements who desire to sell their Rights Entitlements will have to do so through their registered stock brokers by quoting the ISIN [●] and indicating the details of the Rights Entitlements they intend to sell. The Investors can place order for sale of Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The On Market Renunciation shall take place electronically on secondary market platform of BSE and NSE under automatic order matching mechanism and on 'T+2 rolling settlement basis', where 'T' refers to the date of trading. The transactions will be settled on trade-for-trade basis. Upon execution of the order, the stock broker will issue a contract note in accordance with the requirements of the Stock Exchanges and the SEBI.

Off Market Renunciation

The Investors may renounce the Rights Entitlements, credited to their respective demat accounts by way of an off-market transfer through a depository participant. The Rights Entitlements can be transferred in dematerialised form only.

Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

The Investors holding the Rights Entitlements who desire to transfer their Rights Entitlements will have to do so through their depository participant by issuing a delivery instruction slip quoting the ISIN [●], the details of the buyer and the details of the Rights Entitlements they intend to transfer. The buyer of the Rights Entitlements (unless already having given a standing receipt instruction) has to issue a receipt instruction slip to their depository participant. The Investors can transfer Rights Entitlements only to the extent of Rights Entitlements available in their demat account.

The instructions for transfer of Rights Entitlements can be issued during the working hours of the depository participants.

The detailed rules for transfer of Rights Entitlements through off-market transfer shall be as specified by the NSDL and CDSL from time to time.

Application on Plain Paper under ASBA process

An Eligible Equity Shareholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper , in case of non-receipt of Application Form through e-mail or physical delivery (where applicable) and the Eligible Equity Shareholder not being in a position to obtain it from any other source. An Eligible Equity Shareholder shall submit the plain paper Application to the Designated Branch of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Equity Shareholders who are making the Application on plain paper shall not been entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

PLEASE NOTE THAT APPLICATION ON PLAIN PAPER CANNOT BE SUBMITTED THROUGH R-WAP.

The application on plain paper, duly signed by the Eligible Equity Shareholder including joint holders, in the same order and as per specimen recorded with his bank, must reach the office of the Designated Branch of the SCSB before the Issue Closing Date and should contain the following particulars:

1. Name of our Company, being NXTDIGITAL Limited;

2. Name and address of the Eligible Equity Shareholder including joint holders (in the same order and as per specimen recorded with our Company or the Depository);

3. Registered Folio Number/DP and Client ID No.;

4. Number of Equity Shares held as on Record Date;

5. Allotment option – only dematerialised form;

6. Number of Rights Equity Shares entitled to;

7. Number of Rights Equity Shares applied for within the Rights Entitlements;

8. Number of additional Rights Equity Shares applied for, if any;

9. Total number of Rights Equity Shares applied for;

10. Total amount paid at the rate of ₹ 300 per Rights Equity Share;

11. Details of the ASBA Account such as the account number, name, address and branch of the relevant SCSB;

12. In case of NR Eligible Equity Shareholders making an application with an Indian address, details of the NRE/FCNR/NRO Account such as the account number, name, address and branch of the SCSB with which the account is maintained;

13. Except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts, PAN of the Eligible Equity Shareholder and for each Eligible Equity Shareholder in case of joint names, irrespective of the total value of the Rights Equity Shares applied for pursuant to this Issue;

14. Authorisation to the Designated Branch of the SCSB to block an amount equivalent to the Application Money in the ASBA Account;

15. Signature of the Eligible Equity Shareholder (in case of joint holders, to appear in the same sequence and order as they appear in the records of the SCSB);

16. In addition, all such Eligible Equity Shareholders are deemed to have accepted the following:

*"I/ We understand that neither the Rights Entitlements nor the Rights Equity Shares have been, or will be, registered under the US Securities Act of 1933, as amended (the "**US Securities Act**"), or any United States state securities laws, and may not be offered, sold, resold or otherwise transferred within the United States or to the territories or possessions thereof (the "United States"), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. I/ we understand the Rights Equity Shares referred to in this application are being offered and sold in offshore transactions outside the United States in compliance with Regulation S under the US Securities Act ("**Regulation S**") to existing shareholders located in jurisdictions where such offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions.*

I/ we understand that the Issue is not, and under no circumstances is to be construed as, an offering of any Rights Equity Shares or Rights Entitlements for sale in the United States, or as a solicitation therein of an offer to buy any of the said Rights Equity Shares or Rights Entitlements in the United States. I/ we confirm that I am/ we are (a) not in the United States and eligible to subscribe for the Rights Equity Shares under applicable securities laws, (b) complying with laws of jurisdictions applicable to such person in connection with the Issue, and (c) understand that neither the Company, nor the Registrar, the Lead Manager or any other person acting on behalf of the Company will accept subscriptions from any person, or the agent of any person, who appears to be, or who the Company, the Registrar, the Lead Manager or any other person acting on behalf of the Company have reason to believe is in the United States or is outside of India and United States and ineligible to participate in this Issue under the securities laws of their jurisdiction.

I/ We will not offer, sell or otherwise transfer any of the Rights Equity Shares which may be acquired by us in any jurisdiction or under any circumstances in which such offer or sale is not authorized or to any person to whom it is unlawful to make such offer, sale or invitation. I/ We satisfy, and each account for which I/ we are acting satisfies, (a) all suitability standards for investors in investments of the type subscribed for herein imposed by the jurisdiction of my/our residence, and (b) is eligible to subscribe and is subscribing for the Rights Equity Shares and Rights Entitlements in compliance with applicable securities and other laws of our jurisdiction of residence.

I/we hereby make the representations, warranties, acknowledgments and agreements set forth in the section of the Letter of Offer.

I/ We understand and agree that the Rights Entitlements and Rights Equity Shares may not be reoffered, resold, pledged or otherwise transferred except in an offshore transaction in compliance with Regulation S, or otherwise pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

I/ We acknowledge that we, the Lead Manager, its affiliates and others will rely upon the truth and accuracy of the foregoing representations and agreements."

In cases where multiple Application Forms are submitted for Applications pertaining to Rights Entitlements credited to the same demat account or in demat suspense escrow account, including cases where an Investor submits Application Forms along with a plain paper Application, such Applications shall be liable to be rejected.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with our Company, the Lead Manager and the Registrar not having any liability to the Investor. The plain paper Application format will be available on the website of the Registrar at https://rights.kfintech.com.

Our Company, the Lead Manager and the Registrar shall not be responsible if the Applications are not uploaded by SCSB or funds are not blocked in the Investors' ASBA Accounts on or before the Issue Closing Date.

Mode of payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through RWAP.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, see "- *Procedure for Application through the R-WAP*" on page 223.

Application by Eligible Equity Shareholders holding Equity Shares in physical form

Please note that in accordance with Regulation 77A of the SEBI ICDR Regulations read with the SEBI Rights Issue Circulars, the credit of Rights Entitlements and Allotment of Rights Equity Shares shall be made in dematerialised form only. Accordingly, Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date and desirous of subscribing to Rights Equity Shares in this Issue are advised to furnish the details of their demat account to the Registrar or our Company at least two Working Days prior to the Issue Closing Date, to enable the credit of their Rights Entitlements in their respective demat accounts at least one day before the Issue Closing Date.

Prior to the Issue Opening Date, the Rights Entitlements of those resident Eligible Equity Shareholders, among others, who hold Equity Shares in physical form, and whose demat account details are not available with our Company or the Registrar, shall be credited in a demat suspense escrow account opened by our Company. In the event, the relevant details of the demat accounts of such Eligible Equity Shareholders are not received during the Issue Period, then their Rights Entitlements kept in the suspense escrow demat account shall lapse.

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or our Company, Eligible Equity Shareholders should visit https://rights.kfintech.com.

Procedure for Application by Eligible Equity Shareholders holding Equity Shares in physical form

Eligible Equity Shareholders, who hold Equity Shares in physical form as on Record Date and who have opened their demat accounts after the Record Date, shall adhere to following procedure for participating in this Issue:

(a) The Eligible Equity Shareholders shall send a letter to the Registrar containing the name(s), address, email address, contact details and the details of their demat account along with copy of self-attested PAN and self-attested client master sheet of their demat account either by email, post, speed post, courier, or hand delivery so as to reach to the Registrar no later than two Working Days prior to the Issue Closing Date;

(b) The Registrar shall, after verifying the details of such demat account, transfer the Rights Entitlements of such Eligible Equity Shareholders to their demat accounts at least one day before the Issue Closing Date;

(c) The Eligible Equity Shareholders can access the Application Form from:

- R-WAP, the website of the Registrar (https://rights.kfintech.com);
- our Company (www.nxtdigital.co.in);
- the Lead Manager (at www.vivro.net);
- the Stock Exchanges (at www.bseindia.com and www.nseindia.com).

Eligible Equity Shareholders can obtain the details of their respective Rights Entitlements from the website of the Registrar (*i.e.*, https://rights.kfintech.com) by entering their DP ID and Client ID or Folio Number (in case of Eligible Equity Shareholders holding Equity Shares in physical form) and PAN. The link for the same shall also be available on the website of our Company (*i.e.*, www.nxtdigital.co.in);

(d) The Eligible Equity Shareholders shall, on or before the Issue Closing Date (i) submit the Application Form to the Designated Branch of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts or (ii) fill the online Application Form available on R-WAP and make online payment using their internet banking or UPI facility from their own bank account thereat.

PLEASE NOTE THAT NON-RESIDENT ELIGIBLE EQUITY SHAREHOLDERS, WHO HOLD EQUITY SHARES IN PHYSICAL FORM AS ON RECORD DATE AND WHO HAVE NOT FURNISHED THE DETAILS OF THEIR RESPECTIVE DEMAT ACCOUNTS TO THE REGISTRAR OR OUR COMPANY AT LEAST TWO WORKING DAYS PRIOR TO THE ISSUE CLOSING DATE, SHALL NOT BE ELIGIBLE TO MAKE AN APPLICATION FOR RIGHTS EQUITY SHARES AGAINST THEIR RIGHTS ENTITLEMENTS WITH RESPECT TO THE EQUITY SHARES HELD IN PHYSICAL FORM.

Allotment of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR IN THIS ISSUE CAN BE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO THE SAME DEPOSITORY ACCOUNTIN WHICH OUR EQUITY SHARES ARE HELD BY SUCH INVESTOR ON THE RECORD DATE OR THE ISSUE CLOSING DATE, AS THE CASE MAY BE.

General instructions for Investors

(a) Please read this Draft Letter of Offer carefully to understand the Application process and applicable settlement process.

(b) Please read the instructions on the Application Form sent to you.

(c) The Application Form can be used by both the Eligible Equity Shareholders and the Renouncees.

(d) Application should be made only through the ASBA facility or using R-WAP.

(e) Application should be complete in all respects. The Application Form found incomplete with regard to any of the particulars required to be given therein, and/or which are not completed in conformity with the terms of this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form are liable to be rejected. The Application Form must be filled in English.

(f) In case of non-receipt of Application Form, Application can be made on plain paper mentioning all necessary details as mentioned under the section "- *Application on Plain Paper under ASBA process*" on page 226.

(g) In accordance with Regulation 76 of the SEBI ICDR Regulations, SEBI Rights Issue Circulars and ASBA Circulars, all Investors desiring to make an Application in this Issue are mandatorily required to use either the ASBA process or optional mechanism instituted only for resident Investors n this Issue, i.e., R-WAP. Investors should carefully read the provisions applicable to such Applications before making their Application through ASBA or using R-WAP.

(h) An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application.

(i) In case of Application through R-WAP, the Investors should enable the internet banking or UPI facility of their respective bank accounts.

(j) Applications should be (i) submitted to the Designated Branch of the SCSB or made online/electronic through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts or (ii) filled on the R-WAP. Please note that on the Issue Closing Date for (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges and (ii) the R-WAP facility will be available until 5.00 pm (India Standard Time) or such extended time as permitted by the Stock Exchanges.

(k) Applications should not be submitted to the Bankers to the Issue or Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), our Company or the Registrar or the Lead Manager.

(l) In case of Application through ASBA facility, Investors are required to provide necessary details, including details of the ASBA Account, authorization to the SCSB to block an amount equal to the Application Money in the ASBA Account mentioned in the Application Form.

(m) All Applicants, and in the case of Application in joint names, each of the joint Applicants, should mention their PAN allotted under the Income-tax Act, irrespective of the amount of the Application. Except for Applications on behalf of the Central or the State Government, the residents of Sikkim and the officials appointed by the courts, **Applications without PAN will be considered incomplete and are liable to be rejected. With effect from August 16, 2010, the demat accounts for Investors for which PAN details have not been verified shall be "suspended for credit" and no Allotment and credit of Rights Equity Shares pursuant to this Issue shall be made into the accounts of such Investors**. **Further, in case of Application in joint names, each of the joint Applicants should sign the Application Form.**

(n) In case of Application through ASBA facility, all payments will be made only by blocking the amount in the ASBA Account. Furthermore, in case of Applications submitted using R-WAP facility, payment shall be made using internet banking or UPI facility. Cash payment or payment by cheque or demand draft or pay order or NEFT or RTGS or through any other mode is not acceptable for application through ASBA process. In case payment is made in contravention of this, the Application will be deemed invalid and the Application Money will be refunded and no interest will be paid thereon.

(o) For physical Applications through ASBA at Designated Branches of SCSB, signatures should be either in English or Hindi or in any other language specified in the Eighth Schedule to the Constitution of India. Signatures other than in any such language or thumb impression must be attested by a Notary Public or a Special Executive Magistrate under his/her official seal. The Investors must sign the Application as per the specimen signature recorded with the SCSB.

(p) In case of joint holders and physical Applications through ASBA process, all joint holders must sign the relevant part of the Application Form in the same order and as per the specimen signature(s) recorded with the SCSB. In case of joint Applicants, reference, if any, will be made in the first Applicant's name and all communication will be addressed to the first Applicant.

(q) All communication in connection with Application for the Rights Equity Shares, including any change in address of the Eligible Equity Shareholders should be addressed to the Registrar prior to the date of Allotment in this Issue quoting the name of the first/sole Applicant, folio numbers/DP ID and Client ID and Application Form number, as applicable. In case of any change in address of the Eligible Equity Shareholders, the Eligible Equity Shareholders should also send the intimation for such change to the respective depository participant, or to our Company or the Registrar in case of Eligible Equity Shareholders holding Equity Shares in physical form.

(r) Please note that subject to SCSBs complying with the requirements of SEBI Circular No. CIR/CFD/DIL/13/2012 dated September 25, 2012 within the periods stipulated therein, Applications made through ASBA facility may be submitted at the Designated Branches of the SCSBs. Application through ASBA facility in electronic mode will only be available with such SCSBs who provide such facility.

(s) In terms of the SEBI circular CIR/CFD/DIL/1/2013 dated January 2, 2013, it is clarified that for making applications by banks on their own account using ASBA facility, SCSBs should have a separate account in own name with any other SEBI registered SCSB(s). Such account shall be used solely for the purpose of making application in public/ rights issues and clear demarcated funds should be available in such account for ASBA applications.

(t) Investors are required to ensure that the number of Rights Equity Shares applied for by them do not exceed the prescribed limits under the applicable law.

(u) An Applicant being an OCB is required not to be under the adverse notice of the RBI and must submit approval from RBI for applying in this Issue.

Do's:

(a) Ensure that the Application Form and necessary details are filled in.

(b) Except for Application submitted on behalf of the Central or the State Government, residents of Sikkim and the officials appointed by the courts, each Applicant should mention their PAN allotted under the Income-tax Act.

(c) Ensure that the demographic details such as address, PAN, DP ID, Client ID, bank account details and occupation ("**Demographic Details**") are updated, true and correct, in all respects.

(d) Investors should provide correct DP ID and client ID/ folio number while submitting the Application. Such DP ID and Client ID/ folio number should match the demat account details in the records available with Company and/or Registrar, failing which such Application is liable to be rejected. Investor will be solely responsible for any error or inaccurate detail provided in the Application. Our Company, the Lead Manager, SCSBs or the Registrar will not be liable for any such rejections.

Don'ts:

(a) Do not apply if you are ineligible to participate in this Issue under the securities laws applicable to your jurisdiction.

(b) Do not submit the GIR number instead of the PAN as the application is liable to be rejected on this ground.

(c) Avoid applying on the Issue Closing Date due to risk of delay/ restrictions in making any physical Application.

(d) Do not pay the Application Money in cash, by money order, pay order or postal order.

(e) Do not submit multiple Applications.

Do's for Investors applying through R-WAP:

(a) Ensure that the details of the correct bank account have been provided while making payment along with submission of the Application

(b) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in the bank account through which payment is made using the R-WAP.

(c) Ensure that you make the payment towards your application through your bank account only and not use any third party bank account for making the payment.

(d) Ensure that you receive a confirmation email on successful transfer of funds.

(e) Ensure you have filled in correct details of PAN, folio number, DP ID and Client ID, as applicable, and all such other details as may be required.

(f) Ensure that you receive an acknowledgement from the R-WAP for your submission of the Application.

Do's for Investors applying through ASBA:

(a) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as the Rights Equity Shares will be Allotted in the dematerialized form only.

(b) Ensure that the Applications are submitted with the Designated Branch of the SCSBs and details of the correct bank account have been provided in the Application.

(c) Ensure that there are sufficient funds (equal to {number of Rights Equity Shares (including additional Rights Equity Shares) applied for} X {Application Money of Rights Equity Shares}) available in ASBA Account mentioned in the Application Form before submitting the Application to the respective Designated Branch of the SCSB.

(d) Ensure that you have authorised the SCSB for blocking funds equivalent to the total amount payable on application mentioned in the Application Form, in the ASBA Account, of which details are provided in the Application and have signed the same.

(e) Ensure that you have a bank account with an SCSB providing ASBA facility in your location and the Application is made through that SCSB providing ASBA facility in such location.

(f) Ensure that you receive an acknowledgement from the Designated Branch of the SCSB for your submission of the Application Form in physical form or plain paper Application.

(g) Ensure that the name(s) given in the Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Application Form and the Rights Entitlement Letter.

Don'ts for Investors applying through ASBA:

(a) Do not submit the Application Form after you have submitted a plain paper Application to a Designated Branch of the SCSB or *vice versa*.

(b) Do not send your physical Application to the Lead Manager, the Registrar, the Escrow Collection Bank (assuming that such Escrow Collection Bank is not an SCSB), a branch of the SCSB which is not a Designated Branch of the SCSB or our Company; instead submit the same to a Designated Branch of the SCSB only.

(c) Do not instruct the SCSBs to unblock the funds blocked under the ASBA process.

Don'ts for Investor applying through R-WAP

(a) Do not apply from bank account of third parties.

(b) Do not apply if you are a non-resident Investor.

(c) Do not apply from non-resident account.

(d) Do not apply from corporate account.

Grounds for Technical Rejection

Applications made in this Issue are liable to be rejected on the following grounds:

(a) DP ID and Client ID mentioned in Application not matching with the DP ID and Client ID records available with the Registrar.

(b) Sending an Application to the Lead Manager, Registrar, Escrow Collection Banks (assuming that such Escrow Collection Bank is not a SCSB), to a branch of a SCSB which is not a Designated Branch of the SCSB or our Company.

(c) Insufficient funds are available in the ASBA Account with the SCSB for blocking the Application Money.

(d) Funds in the ASBA Account whose details are mentioned in the Application Form having been frozen pursuant to regulatory orders.

(e) Account holder not signing the Application or declaration mentioned therein.

(f) Submission of more than one application Form for Rights Entitlements available in a particular demat account.

(g) Multiple Application Forms, including cases where an Investor submits Application Forms along with a plain paper Application.

(h) Submitting the GIR number instead of the PAN (except for Applications on behalf of the Central or State Government, the residents of Sikkim and the officials appointed by the courts).

(i) Applications by persons not competent to contract under the Indian Contract Act, 1872, except Applications by minors having valid demat accounts as per the demographic details provided by the Depositories.

(j) Applications by SCSB on own account, other than through an ASBA Account in its own name with any other SCSB.

(k) Application Forms which are not submitted by the Investors within the time periods prescribed in the Application Form and this Draft Letter of Offer.

(l) Physical Application Forms not duly signed by the sole or joint Investors.

(m) Application Forms accompanied by stock invest, outstation cheques, post-dated cheques, money order, postal order or outstation demand drafts.

(n) If an Investor is (a) debarred by SEBI; or (b) if SEBI has revoked the order or has provided any interim relief then failure to attach a copy of such SEBI order allowing the Investor to subscribe to their Rights Entitlements.

(o) Applications which: (i) does not include the certifications set out in the Application Form; (ii) appears to us or our agents to have been executed in or dispatched from a Restricted Jurisdiction; (iii) where a registered Indian address is not provided; or (iv) where our Company believes that Application Form is incomplete or acceptance of such Application Form may infringe applicable legal or regulatory requirements; and our Company shall not be bound to allot or issue any Rights Equity Shares in respect of any such Application Form.

(p) Applications which have evidence of being executed or made in contravention of applicable securities laws.

Applications under the R-WAP process are liable to be rejected on the following grounds (in addition to above applicable grounds)

(a) Applications by non-resident Investors.

(b) Payment from third party bank accounts.

Depository account and bank details for Investors holding Equity Shares in demat accounts and applying in this Issue

IT IS MANDATORY FOR ALL THE INVESTORS APPLYING UNDER THIS ISSUE TO APPLY THROUGH THE ASBA PROCESS OR THROUGH THE R-WAP PROCESS (AVAILABLE ONLY FOR RESIDENT INVESTORS), TO RECEIVE THEIR RIGHTS EQUITY SHARES IN DEMATERIALISED FORM AND TO THE SAME DEPOSITORY ACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY THE INVESTOR AS ON THE RECORD DATE. ALL INVESTORS APPLYING UNDER THIS ISSUE SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DP ID AND BENEFICIARY ACCOUNT NUMBER/ FOLIO NUMBER IN THE APPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE APPLICATION FORM OR PLAIN PAPER APPLICATIONS, AS THE CASE MAY BE.

Investors applying under this Issue should note that on the basis of name of the Investors, Depository Participant's name and identification number and beneficiary account number provided by them in the Application Form or the plain paper Applications, as the case may be, the Registrar will obtain Demographic Details from the Depository. Hence, Investors applying under this Issue should carefully fill in their Depository Account details in the Application.

These Demographic Details would be used for all correspondence with such Investors including mailing of the letters intimating unblocking of bank account of the respective Investor and/or refund. The Demographic Details given by the Investors in the Application Form would not be used for any other purposes by the Registrar. Hence, Investors are advised to update their Demographic Details as provided to their Depository Participants.

By signing the Application Forms, the Investors would be deemed to have authorised the Depositories to provide, upon request, to the Registrar, the required Demographic Details as available on its records.

The Allotment advice and the email intimating unblocking of ASBA Account or refund (if any) would be emailed to the address of the Investor as per the email address provided to our Company or the Registrar or Demographic Details received from the Depositories. The Registrar will give instructions to the SCSBs for unblocking funds in the ASBA Account to the extent Rights Equity Shares are not Allotted to such Investor. Please note that any such delay shall be at the sole risk of the Investors and none of our Company, the SCSBs, Registrar or the Lead Manager shall be liable to compensate the Investor for any losses caused due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, (a) names of the Investors (including the order of names of joint holders), (b) the DP ID, and (c) the beneficiary account number, then such Application Forms are liable to be rejected.

Modes of Payment

All payments against the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. The Registrar will not accept any payments against the Application Forms, if such payments are not made through ASBA facility or internet banking or UPI facility if applying through R-WAP.

In case of Application through ASBA facility, the Investor agrees to block the entire amount payable on Application with the submission of the Application Form, by authorizing the SCSB to block an amount, equivalent to the amount payable on Application, in the Investor's ASBA Account.

After verifying that sufficient funds are available in the ASBA Account details of which are provided in the Application Form, the SCSB shall block an amount equivalent to the Application Money mentioned in the Application Form until the Transfer Date. On the Transfer Date, upon receipt of intimation from the Registrar, of the receipt of minimum subscription and pursuant to the finalization of the Basis of Allotment as approved by the Designated Stock Exchange, the SCSBs shall transfer such amount as per the Registrar's instruction from the ASBA Account into the Allotment Account which shall be a separate bank account maintained by our Company, other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013. The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB.

The balance amount remaining after the finalisation of the Basis of Allotment on the Transfer Date shall be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the respective SCSB

The Investors would be required to give instructions to the respective SCSBs to block the entire amount payable on their Application at the time of the submission of the Application Form.

The SCSB may reject the application at the time of acceptance of Application Form if the ASBA Account, details of which have been provided by the Investor in the Application Form does not have sufficient funds equivalent to the amount payable on Application mentioned in the Application Form. Subsequent to the acceptance of the Application by the SCSB, our Company would have a right to reject the Application on technical grounds as set forth hereinafter.

For details of mode of payment in case of Application through R-WAP, see "- *Procedure for Application through the R-WAP*" on page 223.

Mode of payment for Resident Investors

All payments on the Application Forms shall be made only through ASBA facility or internet banking or UPI facility if applying through R-WAP. Applicants are requested to strictly adhere to these instructions.

Mode of payment for Non-Resident Investors

As regards the Application by non-resident Investors, the following conditions shall apply:

1. Individual non-resident Indian Applicants who are permitted to subscribe to Rights Equity Shares by applicable local securities laws can obtain Application Forms on the websites of the Registrar, our Company and the Lead Manager.

   Note: In case of non-resident Eligible Equity Shareholders, the Abridged Letter of Offer, the Rights Entitlement Letter and the Application Form shall be sent to their email addresses if they have provided their Indian address to our Company or if they are located in certain jurisdictions (other than the United States and India) where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed s, a public ffering such jurisdiction. The Letter of Offer will be provided, only through email, by the Registrar on behalf of our Company or the Lead Manager to the Eligible Equity Shareholders who have provided their Indian addresses to our Company or who are located in jurisdictions where the offer and sale of the Rights Equity Shares is permitted under laws of such jurisdictions and does not result in and may not be construed as, a public offering in such jurisdictions and in each case who make a request in this regard.

2. Application Forms will not be accepted from non-resident Investors in any jurisdiction where the offer or sale of the Rights Entitlements and Rights Equity Shares may be restricted by applicable securities laws.

3. Payment by non-residents must be made only through ASBA facility and using permissible accounts in accordance with FEMA, FEMA Rules and requirements prescribed by the RBI.

Notes:

1. In case where repatriation benefit is available, interest, dividend, sales proceeds derived from the investment in Rights Equity Shares can be remitted outside India, subject to tax, as applicable according to the Income-tax Act.

2. In case Rights Equity Shares are Allotted on a non-repatriation basis, the dividend and sale proceeds of the Rights Equity Shares cannot be remitted outside India.

3. In case of an Application Form received from non-residents, Allotment, refunds and other distribution, if any, will be made in accordance with the guidelines and rules prescribed by the RBI as applicable at the time of making such Allotment, remittance and subject to necessary approvals.

4. Application Forms received from non-residents/ NRIs, or persons of Indian origin residing abroad for Allotment of Rights Equity Shares shall, amongst other things, be subject to conditions, as may be imposed from time to time by RBI under FEMA, in respect of matters including Refund of Application Money and Allotment.

5. In the case of NRIs who remit their Application Money from funds held in FCNR/NRE Accounts, refunds and other disbursements, if any shall be credited to such account.

6. Non-resident Renouncees who are not Eligible Equity Shareholders must submit regulatory approval for applying for additional Rights Equity Shares.

Multiple Applications

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the

Investors and such Applications shall not be treated as multiple applications. Similarly, a separate Application can be made against Equity Shares held in dematerialized form and Equity Shares held in physical form, and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications. For details, see "- *Procedure for Applications by Mutual Funds*" on page 242.

In cases where multiple Application Forms are submitted, including cases where an Investor submits Application Forms along with a plain paper Application or multiple plain paper Applications, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of our Promoters or members of Promoter Group to meet the minimum subscription requirements applicable to this Issue as described in "*Capital Structure – Intention and extent of participation by our Promoters and Promoter Group*" on page 48.

Last date for Application

The last date for submission of the duly filled in the Application Form or a plain paper Application is [●], *i.e.*, Issue Closing Date. Our Board or any committee thereof may extend the said date for such period as it may determine from time to time, subject to the Issue Period not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

If the Application Form is not submitted with an SCSB, uploaded with the Stock Exchanges and the Application Money is not blocked with the SCSB, on or before the Issue Closing Date or such date as may be extended by our Board or any committee thereof, the invitation to offer contained in this Draft Letter of Offer shall be deemed to have been declined and our Board or any committee thereof shall be at liberty to dispose of the Rights Equity Shares hereby offered, as provided under the section, "*-Basis of Allotment*" on page 238.

Please note that on the Issue Closing Date for (i) Applications through ASBA process will be uploaded until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges and (ii) the R-WAP facility will be available until 5.00 p.m. (Indian Standard Time) or such extended time as permitted by the Stock Exchanges.

Please ensure that the Application Form and necessary details are filled in. In place of Application number, Investors can mention the reference number of the e-mail received from Registrar informing about their Rights Entitlement or last eight digits of the demat account. Alternatively, SCSBs may mention their internal reference number in place of application number.

Withdrawal of Application

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted or sending email withdrawal request to nxtdigital.rights@kfintech.com in case of Application through R-WAP facility. However, no Investor, whether applying through ASBA facility or R-WAP facility, may withdraw their Application post the Issue Closing Date.

Issue Schedule

LAST DATE FOR CREDIT OF RIGHTS ENTITLEMENTS	[●]
ISSUE OPENING DATE	[●]
LAST DATE FOR ON MARKET RENUNCIATION*	[●]
ISSUE CLOSING DATE#	[●]
FINALISATION OF BASIS OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF ALLOTMENT (ON OR ABOUT)	[●]
DATE OF CREDIT (ON OR ABOUT)	[●]
DATE OF LISTING (ON OR ABOUT)	[●]

** Eligible Equity Shareholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.*
#Our Board or a duly authorized committee thereof will have the right to extend the Issue period as it may determine from time to time, provided that this Issue will not remain open in excess of 30 (Thirty) days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

Please note that if Eligible Equity Shareholders holding Equity Shares in physical form as on Record Date, have not provided the details of their demat accounts to our Company or to the Registrar, they are required to provide their demat account details to our Company or the Registrar not later than two Working Days prior to the Issue Closing Date, *i.e.*, [●] to enable the credit of the Rights Entitlements by way of transfer from the demat suspense escrow account to their respective demat accounts, at least one day before the Issue Closing Date.

For details, see "*General Information - Issue Schedule*" on page 43.

Basis of Allotment

Subject to the provisions contained in this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Rights Equity Shares in the following order of priority:

(a) Full Allotment to those Eligible Equity Shareholders who have applied for their Rights Entitlements of Rights Equity Shares either in full or in part and also to the Renouncee(s) who has or have applied for Rights Equity Shares renounced in their favour, in full or in part.

(b) Eligible Equity Shareholders whose fractional entitlements are being ignored and Eligible Equity Shareholders with zero entitlement, would be given preference in allotment of one additional Rights Equity Share each if they apply for additional Rights Equity Shares. Allotment under this head shall be considered if there are any unsubscribed Rights Equity Shares after allotment under (a) above. If number of Rights Equity Shares required for Allotment under this head are more than the number of Rights Equity Shares available after Allotment under (a) above, the Allotment would be made on a fair and equitable basis in consultation with the Designated Stock Exchange and will not be a preferential allotment.

(c) Allotment to the Eligible Equity Shareholders who having applied for all the Rights Equity Shares offered to them as part of this Issue, have also applied for additional Rights Equity Shares. The Allotment of such additional Rights Equity Shares will be made as far as possible on an equitable basis having due regard to the number of Equity Shares held by them on the Record Date, provided there are any unsubscribed Rights Equity Shares after making full Allotment in (a) and (b) above. The Allotment of such Rights Equity Shares will be at the sole discretion of our Board in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(d) Allotment to Renouncees who having applied for all the Rights Equity Shares renounced in their favour, have applied for additional Rights Equity Shares provided there is surplus available after making full Allotment under (a), (b) and (c) above. The Allotment of such Rights Equity Shares will be made on a proportionate basis in consultation with the Designated Stock Exchange, as a part of this Issue and will not be a preferential allotment.

(e) Allotment to any other person, that our Board may deem fit, provided there is surplus available after making Allotment under (a), (b), (c) and (d) above, and the decision of our Board in this regard shall be final and binding.

After taking into account Allotment to be made under (a) to (d) above, if there is any unsubscribed portion, the same shall be deemed to be 'unsubscribed'.

Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Controlling Branches, a list of the Investors who have been allocated Rights Equity Shares in this Issue, along with:

1. The amount to be transferred from the ASBA Account to the separate bank account opened by our Company for this Issue, for each successful Application;

2. The date by which the funds referred to above, shall be transferred to the aforesaid bank account; and

3. The details of rejected ASBA applications, if any, to enable the SCSBs to unblock the respective ASBA Accounts.

For Applications through R-WAP, instruction will be sent to Escrow Collection Bank with list of Allottees and corresponding amount to be transferred to the Allotment Account. Further, the list of Applicants eligible for refund with corresponding amount will also be shared with Escrow Collection Bank to refund such Applicants.

Allotment Advice or Refund/ Unblocking of ASBA Accounts

Our Company will send/ dispatch Allotment advice, refund intimations (including in respect of Applications made through R-WAP facility) or demat credit of securities and/or letters of regret, along with crediting the Allotted Rights Equity Shares to the respective beneficiary accounts (only in dematerialised mode) unblocking the funds in the respective ASBA Accounts, if any, within a period of 15 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at 15% p.a. and such other rate as specified under applicable law from the expiry of such 15 days' period.

In case of Applications through R-WAP, refunds, if any, will be made to the same bank account from which Application Money was received. Therefore, the Investors should ensure that such bank accounts remain valid and active.

In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the R-WAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

The Rights Entitlements will be credited in the dematerialized form using electronic credit under the depository system and the Allotment advice shall be sent, through email, to the email address provided to our Company or at the address recorded with the Depository.

In the case of non-resident Investors who remit their Application Money from funds held in the NRE or the FCNR Accounts, refunds and/or payment of interest or dividend and other disbursements, if any, shall be credited to such accounts.

Where an Applicant has applied for additional Equity Shares in the Issue and is Allotted a lesser number of Equity Shares than applied for, the excess Application Money paid/blocked shall be refunded/unblocked. The unblocking of ASBA funds / refund of monies shall be completed be within such period as prescribed under the SEBI ICDR Regulations. In the event that there is a delay in making refunds beyond such period as prescribed under applicable law, our Company shall pay the requisite interest at such rate as prescribed under applicable law.

Payment of Refund

Mode of making refunds

The payment of refund, if any, including in the event of oversubscription or failure to list or otherwise would be done through any of the following modes. Please note that payment of refund in case of Applications made through R-WAP, shall be through modes under (b) to (g) below.

(a) Unblocking amounts blocked using ASBA facility.

(b) NACH – National Automated Clearing House is a consolidated system of electronic clearing service. Payment of refund would be done through NACH for Applicants having an account at one of the centres specified by the RBI, where such facility has been made available. This would be subject to availability of complete bank account details including MICR code wherever applicable from the depository. The payment of refund through NACH is mandatory for Applicants having a bank account at any of the centres where NACH facility has been made available by the RBI (subject to availability of all information for crediting the refund through NACH including the MICR code as appearing on a cheque leaf, from the depositories), except where Applicant is otherwise disclosed as eligible to get refunds through NEFT or Direct Credit or RTGS.

(c) National Electronic Fund Transfer ("**NEFT**") – Payment of refund shall be undertaken through NEFT wherever the Investors' bank has been assigned the Indian Financial System Code ("**IFSC Code**"), which can be linked to a MICR, allotted to that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Investors have registered their nine digit MICR number and their bank account number with the Registrar to our Company or with the Depository Participant while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the Investors through this method.

(d) Direct Credit – Investors having bank accounts with the Bankers to the Issue shall be eligible to receive refunds through direct credit. Charges, if any, levied by the relevant bank(s) for the same would be borne by our Company.

(e) RTGS – If the refund amount exceeds ₹ 2,00,000, the Investors have the option to receive refund through RTGS. Such eligible Investors who indicate their preference to receive refund through RTGS are required to provide the IFSC Code in the Application Form. In the event the same is not provided, refund shall be made through NACH or any other eligible mode. Charges, if any, levied by the refund bank(s) for the same would be borne by our Company. Charges, if any, levied by the Investor's bank receiving the credit would be borne by the Investor.

(f) For all other Investors, the refund orders will be dispatched through speed post or registered post subject to applicable laws. Such refunds will be made by cheques, pay orders or demand drafts drawn in favor of the sole/first Investor and payable at par.

(g) Credit of refunds to Investors in any other electronic manner, permissible by SEBI from time to time.

In case of Application through R-WAP, refunds, if any, will be made to the same bank account fromwhich Application Money was received. Therefore, the Investors should ensure that such bank accountsremain valid and active. In accordance with the SEBI Circular bearing number SEBI/HO/CFD/DIL2/CIR/P/2021/552 dated April 22, 2021, in case of Applications made through the RWAP facility, refunds, if any for un-allotted or partially allotted applications shall be completed on or before T+1 day (T being the date of finalisation of Basis of Allotment).

Refund payment to non-residents

The Application Money will be unblocked in the ASBA Account of the non-resident Applicants, details of which were provided in the Application Form.

Allotment Advice or Demat Credit of Securities

The demat credit of securities to the respective beneficiary accounts or the demat suspense account (in case of credit of the Rights Equity Shares returned/ reversed/ failed) will be credited within 15 days from the Issue Closing Date or such other timeline in accordance with applicable laws.

Receipt of the Rights Equity Shares in Dematerialized Form

PLEASE NOTE THAT THE RIGHTS EQUITY SHARES APPLIED FOR UNDER THIS ISSUE CANBE ALLOTTED ONLY IN DEMATERIALIZED FORM AND TO (A) THE SAME DEPOSITORYACCOUNT/ CORRESPONDING PAN IN WHICH THE EQUITY SHARES ARE HELD BY SUCHINVESTOR ON THE RECORD DATE, OR (B) THE DEPOSITORY ACCOUNT, DETAILS OFWHICH HAVE BEEN PROVIDED TO OUR COMPANY OR THE REGISTRAR AT LEAST TWOWORKING DAYS PRIOR TO THE ISSUE CLOSING DATE BY THE ELIGIBLE EQUITYSHAREHOLDER HOLDING EQUITY SHARES IN PHYSICAL FORM AS ON THE RECORD DATE,OR (C) DEMAT SUSPENSE ACCOUNT PENDING RECEIPT OF DEMAT ACCOUNT DETAILS FOR RESIDENT ELIGIBLE EQUITY SHAREHOLDERS WHERE THE CREDIT OF THE RIGHTS EQUITY SHARES RETURNED/REVERSED/FAILED.

Investors shall be Allotted the Rights Equity Shares in dematerialized (electronic) form. Our Company has signed an agreement dated May 25, 2016 with NSDL and an agreement dated May 16, 2016 with CDSL which enables the Investors to hold and trade in the securities issued by our Company in a dematerialized form, instead of holding the Equity Shares in the form of physical certificates.

INVESTORS MAY PLEASE NOTE THAT THE EQUITY SHARES CAN BE TRADED ON THE STOCK EXCHANGES ONLY IN DEMATERIALIZED FORM.

The procedure for availing the facility for Allotment of Rights Equity Shares in this Issue in the dematerialized form is as under:

1. Open a beneficiary account with any depository participant (care should be taken that the beneficiary account should carry the name of the holder in the same manner as is registered in the records of our Company. In the case of joint holding, the beneficiary account should be opened carrying the names of the holders in the same order as registered in the records of our Company). In case of Investors having various folios in our Company with different joint holders, the Investors will have to open separate accounts for such holdings. Those Investors who have already opened such beneficiary account(s) need not adhere to this step.

2. It should be ensured that the depository account is in the name(s) of the Investors and the names are in the same order as in the records of our Company or the Depositories.

3. The responsibility for correctness of information filled in the Application Form *vis-a-vis* such information with the Investor's depository participant, would rest with the Investor. Investors should ensure that the names of the Investors and the order in which they appear in Application Form should be the same as registered with the Investor's depository participant.

4. If incomplete or incorrect beneficiary account details are given in the Application Form, the Investor will not get any Rights Equity Shares and the Application Form will be rejected.

5. The Rights Equity Shares will be allotted to Applicants only in dematerialized form and would be directly credited to the beneficiary account as given in the Application Form after verification or demat suspense account (pending receipt of demat account details for resident Eligible Equity Shareholders holding Equity Shares in physical form/ with IEPF authority/ in suspense, *etc*.). Allotment advice, refund order (if any) would be sent directly to the Applicant by email and, if the printing is feasible, through physical dispatch, by the Registrar but the Applicant's depository participant will provide to him the confirmation of the credit of such Rights Equity Shares to the Applicant's depository account.

6. Non-transferable Allotment advice/ refund intimation will be directly sent to the Investors by the Registrar, by email and, if the printing is feasible, through physical dispatch.

7. Renouncees will also have to provide the necessary details about their beneficiary account for Allotment of Rights Equity Shares in this Issue. In case these details are incomplete or incorrect, the Application is liable to be rejected.

Procedure for Applications by FPIs

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly and indirectly having common ownership of more than 50% of common control)) shall be below 10% of our post-Issue Equity Share capital. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis or 10% or more of the paid-up value of any series of debentures or preference shares or share warrants that may be issued by our Company, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will also be required to comply with applicable reporting requirements. Further, the aggregate limit of all FPIs investments, with effect from April 1, 2020, is up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, 100%).

FPIs are permitted to participate in this Issue subject to compliance with conditions and restrictions which maybe specified by the Government from time to time. Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by an FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons registered as Category I FPI under the SEBI FPI Regulations; (ii) such offshore derivative instruments are issued only to persons who are eligible for registration as Category I FPIs (where an entity has an investment manager who is from the Financial Action Task Force member country, the investment manager shall not be required to be registered as a Category

I FPI); (iii) such offshore derivative instruments are issued after compliance with 'know your client' norms; and (iv) compliance with other conditions as may be prescribed by SEBI.

An FPI issuing offshore derivative instruments is also required to ensure that any transfer of offshore derivative instruments issued by or on its behalf, is carried out subject to inter alia the following conditions:

(a) such offshore derivative instruments are transferred only to persons in accordance with the SEBI FPI Regulations; and

(b) prior consent of the FPI is obtained for such transfer, except when the persons to whom the off shore derivative instruments are to be transferred to are pre – approved by the FPI.

Procedure for Applications by AIFs, FVCIs and VCFs

The SEBI VCF Regulations and the SEBI FVCI Regulations prescribe, among other things, the investment restrictions on VCFs and FVCIs registered with SEBI. Further, the SEBI AIF Regulations prescribe, among other things, the investment restrictions on AIFs.

As per the SEBI VCF Regulations and SEBI FVCI Regulations, VCFs and FVCIs are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by VCFs or FVCIs will not be accepted in this Issue. Venture capital funds registered as Category I AIFs, as defined in the SEBI AIF Regulations, are not permitted to invest in listed companies pursuant to rights issues. Accordingly, applications by venture capital funds registered as category I AIFs, as defined in the SEBI AIF Regulations, will not be accepted in this Issue. Other categories of AIFs are permitted to apply in this Issue subject to compliance with the SEBI AIF Regulations. Such AIFs having bank accounts with SCSBs that are providing ASBA in cities / centres where such AIFs are located are mandatorily required to make use of the ASBA facility or using R-WAP (available only for residents). Otherwise, applications of such AIFs are liable for rejection.

Procedure for Applications by NRIs

Investments by NRIs are governed by the FEMA Rules. Applications will not be accepted from NRIs that are ineligible to participate in this Issue under applicable securities laws.

As per the FEMA Rules, an NRI or Overseas Citizen of India ("**OCI**") may purchase or sell capital instruments of a listed Indian company on repatriation basis, on a recognised stock exchange in India, subject to the conditions, *inter alia*, that the total holding by any individual NRI or OCI will not exceed 5% of the total paid-up equity capital on a fully diluted basis or should not exceed 5% of the paid-up value of each series of debentures or preference shares or share warrants issued by an Indian company and the total holdings of all NRIs and OCIs put together will not exceed 10% of the total paid-up equity capital on a fully diluted basis or shall not exceed 10% of the paid-up value of each series of debentures or preference shares or share warrants. The aggregate ceiling of 10% may be raised to 24%, if a special resolution to that effect is passed by the general body of the Indian company.

Further, in accordance with press note 3 of 2020, the FDI Policy has been recently amended to state that all investments by entities incorporated in a country which shares land border with India or where beneficial owner of an investment into India is situated in or is a citizen of any such country ("**Restricted Investors**"), will require prior approval of the Government of India. It is not clear from the press note whether or not an issue of the Rights Equity Shares to Restricted Investors will also require prior approval of the Government of India and each Investor should seek independent legal advice about its ability to participate in the Issue. In the event such prior approval has been obtained, the Investor shall intimate our Company and the Registrar about such approval within the Issue Period.

Procedure for Applications by Mutual Funds

A separate application can be made in respect of each scheme of an Indian mutual fund registered with SEBI and such applications shall not be treated as multiple applications. The applications made by asset management companies or custodians of a mutual fund should clearly indicate the name of the concerned scheme for which the application is being made.

Procedure for Applications by Systemically Important Non-Banking Financial Companies ("NBFC-SI")

In case of an application made by NBFC-SI registered with the RBI, (a) the certificate of registration issued by the RBI under Section 45IA of the RBI Act, 1934 and (b) net worth certificate from its statutory auditors or any independent chartered accountant based on the last audited financial statements is required to be attached to the application.

Impersonation

As a matter of abundant caution, attention of the Investors is specifically drawn to the provisions of Section 38 of the Companies Act, 2013 which is reproduced below:

"Any person who makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447."

The liability prescribed under Section 447 of the Companies Act for fraud involving an amount of at least ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term of not less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending upto three times of such amount. In case the fraud involves (i) an amount which is less than ₹ 10 lakhs or 1% of the turnover of the company, whichever is lower; and (ii) does not involve public interest, then such fraud is punishable with an imprisonment for a term extending up to five years or a fine of an amount extending up to ₹50 lakhs or with both.

Payment by stock invest

In terms of the RBI Circular DBOD No. FSC BC 42/24.47.00/2003- 04 dated November 5, 2003, the stock invest scheme has been withdrawn. Hence, payment through stock invest would not be accepted in this Issue.

Disposal of Application and Application Money

No acknowledgment will be issued for the Application Money received by our Company. However, the Designated Branch of the SCSBs receiving the Application Form will acknowledge its receipt by stamping and returning the acknowledgment slip at the bottom of each Application Form and the R-WAP platform would generate an electronic acknowledgment to the Eligible Equity Shareholders upon submission of the Application.

Our Board reserves its full, unqualified and absolute right to accept or reject any Application, in whole or in part, and in either case without assigning any reason thereto.

In case an Application is rejected in full, the whole of the Application Money will be unblocked in the respective ASBA Accounts, in case of Applications through ASBA or refunded to the Investors in the same bank account through which Application Money was received, in case of an application using the R-WAP facility. Wherever an Application is rejected in part, the balance of Application Money, if any, after adjusting any money due on Rights Equity Shares Allotted, will be refunded / unblocked in the respective bank accounts from which Application Money was received / ASBA Accounts of the Investor within a period of 4 days from the Issue Closing Date. In case of failure to do so, our Company shall pay interest at such rate and within such time as specified under applicable law.

For further instructions, please read the Application Form carefully.

Utilisation of Issue Proceeds

Our Board declares that:

A. All monies received out of this Issue shall be transferred to a separate bank account;

B. Details of all monies utilized out of this Issue referred to under (A) shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies had been utilized; and

C. Details of all unutilized monies out of this Issue referred to under (A) above, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

Undertakings by our Company

Our Company undertakes the following:

1) The complaints received in respect of this Issue shall be attended to by our Company expeditiously and satisfactorily.

2) All steps for completion of the necessary formalities for listing and commencement of trading at all Stock Exchanges where the Equity Shares are to be listed will be taken within the time limit specified by SEBI.

3) The funds required for making refunds to unsuccessful Applicants as per the mode(s) disclosed shall be made available to the Registrar by our Company.

4) Where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the Investor within 15 days of the Issue Closing Date, giving details of the banks where refunds shall be credited along with amount and expected date of electronic credit of refund.

5) In case of refund / unblocking of the Application Money for unsuccessful Applicants or part of the Application Money in case of proportionate Allotment, a suitable communication shall be sent to the Applicants.

6) Adequate arrangements shall be made to collect all ASBA Applications and record all Applications made under the R-WAP process.

7) Our Company shall comply with such disclosure and accounting norms specified by SEBI from time to time.

Minimum Subscription

In accordance with Regulation 86 of SEBI ICDR Regulations, if our Company does not receive the minimum subscription of at least 90% of the Issue of the Equity Shares being offered under this Issue, on an aggregate basis, our Company shall refund the entire subscription amount received within 4 (four) days from the Issue Closing Date in accordance with SEBI circular bearing reference number SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is delay in making refunds beyond such period as prescribed by applicable laws, our Company will pay interest for the delayed period at rates prescribed under applicable laws.

Important

1. Please read this Draft Letter of Offer and the Letter of Offer carefully before taking any action. The instructions contained in the Application Form, Abridged Letter of Offer and the Rights Entitlement Letter are an integral part of the conditions of this Draft Letter of Offer, the Letter of Offer and must be carefully followed; otherwise the Application is liable to be rejected.

2. All enquiries in connection with this Draft Letter of Offer, the Letter of Offer, the Abridged Letter of Offer, the Rights Entitlement Letter or Application Form must be addressed (quoting the Registered Folio Number or the DP ID and Client ID number, the Application Form number and the name of the first Eligible Equity Shareholder as mentioned on the Application Form and super scribed "**NXTDigital Limited – Rights Issue**" on the envelope and postmarked in India or in the email) to the Registrar at the following address:

   KFin Technologies Private Limited
   Selenium Tower – B, Plot 31 & 32,
   Gachibowli, Financial District,
   Nanakramguda, Serilingampally, Hyderabad 500 032

Telangana, India.
Tel: +91 40 6716 2222
Email: nxtdigital.rights@kfintech.com
Investor Grievance Email: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M. Murali Krishna
SEBI Registration Number: INR000000221

3. In accordance with SEBI Rights Issue Circulars, frequently asked questions and online/ electronic dedicated investor helpdesk for guidance on the Application process and resolution of difficulties faced by the Investors will be available on the website of the Registrar (https://rights.kfintech.com). Further, helpline numbers provided by the Registrar for guidance on the Application process and resolution of difficulties are 1800 3094 001.

This Issue will remain open for a minimum 15 days. However, our Board will have the right to extend the Issue Period as it may determine from time to time but not exceeding 30 days from the Issue Opening Date (inclusive of the Issue Opening Date).

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991, of the Government of India and FEMA. While the Industrial Policy, 1991, of the Government of India, prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. The Union Cabinet, as provided in the Cabinet Press Release dated May 24, 2017, has given its approval for phasing out the FIPB. Under the Industrial Policy, 1991, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. Accordingly, the process for foreign direct investment ("**FDI**") and approval from the Government of India will now be handled by the concerned ministries or departments, in consultation with the Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India (formerly known as the Department of Industrial Policy and Promotion) ("**DPIIT**"), Ministry of Finance, Department of Economic Affairs, FIPB section, through a memorandum dated June 5, 2017, has notified the specific ministries handling relevant sectors.

The Government has, from time to time, made policy pronouncements on FDI through press notes and press releases. The DPIIT issued the Consolidated FDI Policy Circular of 2020 ("**FDI Policy**") by way of circular bearing number DPIIT file number 5(2)/2020-FDI Policy dated October 15, 2020, which with effect from October 15, 2020, consolidates and supersedes all previous press notes, press releases and clarifications on FDI issued by the DPIIT that were in force and effect as on October 15, 2020. The Government of India has from time to time made policy pronouncements on FDI through press notes and press releases which are notified by RBI as amendments to FEMA. In case of any conflict between FEMA and such policy pronouncements, FEMA prevails.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that (i) the activities of the investee company falls under the automatic route as provided in the FDI Policy and FEMA and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the nonresident shareholding is within the sectoral limits under the FDI Policy; and (iii) the pricing is in accordance with the guidelines prescribed by SEBI and RBI.

SECTION VIII – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or are to be entered into by our Company.

Copies of these contracts and documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all working days from the date of the Draft Letter of Offer until the Issue Closing Date.

A. Material Contracts for the Issue:

1. Issue Agreement dated July 27, 2021 between our Company and the Registrar to the Issue;

2. Registrar Agreement dated July 26, 2021 between our Company and the Registrar to the Issue;

3. Banker to the Issue Agreement dated [●] between our Company, the Lead Manager, the Registrar to the Issue and the Banker to the Issue;

4. Monitoring Agency Agreement dated [●] between our Company and the Monitoring Agency.

B. Material Documents in Relation to the Issue:

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company;

2. Certificate of incorporation dated July 18, 1985;

3. Certificate of commencement of business dated August 6, 1985;

4. Fresh certificate of incorporation dated March 31, 1995, pursuant to the change of name of our Company from '*Mitesh Mercantile & Financing Limited'* to '*Hinduja Finance Corporation Limited*';

5. Fresh certificate of incorporation dated June 8, 2001, pursuant to the change of name of our Company from '*Hinduja Finance Corporation Limited*' to '*Hinduja TMT Limited*';

6. Fresh certificate of incorporation dated October 23, 2007, pursuant to the change of name of our Company from '*Hinduja TMT Limited*' to '*Hinduja Ventures Limited*';

7. Certificate of incorporation dated October 25, 2019, pursuant to the change of name of our Company from '*Hinduja Ventures Limited*' to '*NXTDIGITAL Limited*';

8. Copies of annual report of our Company for Fiscals 2020, 2019, 2018 2017 and 2016;

9. Resolution of our Board dated May 13, 2021 approving the Issue and finalizing the terms of the Issue including Issue Price and the Rights Entitlement Ratio;

10. Resolution of our Rights Issue Committee dated July 30, 2021, approving this Draft Letter of Offer;

11. Resolution of our Rights Issue Committee dated [●], fixing the Record Date and approving the Letter of Offer;

12. Consents of our Directors, Company Secretary and Compliance Officer, Statutory Auditor, Lead Manager, Bankers to the Issue, Legal Advisor to the Issue, Banker to our Company, Monitoring Agency and the Registrar to the Issue for inclusion of their names in this Draft Letter of Offer to act in their respective capacities;

13. Consent of CRISIL Limited for inclusion of their reports titled "*Media and Entertainment Annual review – 2021" and "Telecom Data Services – 2021"* in this Draft Letter of Offer.

14. The Audited Consolidated Financial Statements along with reports dated May 13, 2021 of the Statutory Auditors thereon included in this Draft Letter of Offer;

15. Statement of Special Possible Tax Benefits dated July 30, 2021 issued by the Statutory Auditors of our Company;

16. Tripartite Agreement dated May 25, 2016 between our Company, NSDL and the Registrar to the Issue;

17. Tripartite Agreement dated May 16, 2016 between our Company, CDSL and the Registrar to the Issue;

18. In-principle approvals issued by the BSE and NSE dated [●] and [●], respecitvely;

19. Due diligence certificate dated July 30, 2021 addressed to SEBI from the Lead Manager.

Any of the contracts or documents mentioned in this Draft Letter of Offer may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without notice to the Eligible Shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Ashok Parmanand Hinduja
Chairman and Non-Executive Director

Date: July 30, 2021

Place: Mumbai

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Anil Harish
Independent Director

Date: July 30, 2021

Place: Mumbai

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Prashant Khatau Asher
Independent Director

Date: July 30, 2021

Place: Mumbai

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Bhumika Batra
Independent Director

Date: July 30, 2021

Place: Mumbai

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

Sudhanshu Kumar Tripathi
Non-Executive Director

Date: July 30, 2021

Place: Mumbai

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Munesh Khanna
Additional (Independent) Director

Date: July 30, 2021

Place: Mumbai

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR OF OUR COMPANY

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Vynsley Fernandes
Managing (Additional) Director and CEO

Date: July 30, 2021

Place: Mumbai

DECLARATION

I hereby declare that no statement made in this Draft Letter of Offer contravenes any of the provisions of the Companies Act, 2013 and the rules made thereunder. I further certify that all the legal requirements connected with the Issue as also the guidelines, instructions, etc., issued by SEBI, Government of India and any other competent authority in this behalf, have been duly complied with. I further certify that all disclosures made in this Draft Letter of Offer are true and correct.

SIGNED BY THE DIRECTOR AND CHIEF FINANCIAL OFFICER OF OUR COMPANY

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Amar Chintopanth
Whole Time Director and Chief Financial Officer

Date: July 30, 2021

Place: Mumbai