

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO 255 OF 2017**

In the matter of the Companies Act, 2013

And

In the matter of Sections 230 to 233 and other applicable provisions of Companies Act, 2013

And

In the matter of Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited (“Transferor Company 1” or “RBBPL”), Big Magic Limited (“Transferor Company 2” or “BML”) and Azalia Broadcast Private Limited (“Transferor Company 3” or “ABPL”) into Zee Entertainment Enterprises Limited (“Resulting Company” or “ZEEL”) and their respective Shareholders (“Scheme”)

Reliance Big Broadcasting Private Limited, a company }
incorporated under the provisions of the Companies Act, 1956 }
with Corporate Identity No. U65990MH2006PTC160747 and }
having its Registered Office at 502, Plot No. 91/94, Prabhat }
Colony, Santacruz (East), Mumbai 400 055. }

.. Applicant Company

Mr. Hemant Sethi i/b. Hemant Sethi & Co., Advocates for the Applicant Company

CORAM: B.S.V. Prakash Kumar, Member (Judicial)

V. Nallasenapathy, Member (Technical)

DATE: 15th March 2017

MINUTES OF THE ORDER

1. The present Scheme is an arrangement among Reliance Big Broadcasting Private Limited (“Transferor Company 1”) and Big Magic Limited (“Transferor Company 2”) and Azalia Broadcast Private Limited (“Transferor Company 3”) and Zee Entertainment Enterprises Limited (“Resulting Company”) and various other matters consequential to arrangement or otherwise integrally connected therewith.

The Scheme inter alia proposes for (i) the demerger of the general entertainment television channel business of the Transferor Company 1; (ii) the demerger of business undertaking comprising of acquiring content from producers and third parties of the Transferor Company 2; and (iii) the demerger of business undertaking comprising of the general entertainment television channel business of the Transferor Company 3, and vesting of the same with the Resulting Company. The respective undertakings being demerged shall hereinafter be collectively referred to as the “**Demerged Undertakings**” and the respective Transferor Company 1, Transferor Company 2 and Transferor Company 3 shall hereinafter be collectively referred to as the “**Transferor Companies**”). The learned Counsel for the Applicant Company states that the Applicant Company is inter alia engaged in the business of owning and operating non news and current affairs satellite television channels.

2. The rationale for the Scheme is as under:

Demerger of the Demerged Undertakings of the Transferor Companies to the Resulting Company pursuant to this Scheme shall, *inter alia*, result in following benefits:

i. In case of the Transferor Companies:

A. helping the Transferor Companies in deleveraging its balance sheet, including reduction of debt and interest outgo as well as creation of value for the shareholders of the Transferor Companies; and

B. consolidate / transfer of the television broadcasting business of Transferor Companies to the Resulting Company in an efficient manner.

ii. In case of the Resulting Company:

A. building strong capability to effectively meet future challenges in competitive business environment;

- B. strategic fit for serving existing market and also to cater additional volume linked to new consumers;
- C. synergies in operational process and creation of efficiencies by reducing time to market and benefitting customers as well as optimization of operation and capital expenditure; and
- D. leading to increased competitive strength, cost reduction and efficiencies, productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Companies and the Resulting Company thereby significantly contributing to future growth and maximizing shareholders value.

The proposed demerger is expected to be beneficial to Transferor Companies and Resulting Company and their respective shareholders, creditors and all other stakeholders and will enable Transferor Companies and Resulting Company to achieve and fulfill their objectives more efficiently and economically.

3. That the meeting of the Equity Shareholders of the Applicant Company be convened and held at 401, 4th floor, INFINITI, Link Road, Oshiwara, Andheri West, Mumbai – 400053 on Monday, 8th May, 2017 at 12:30 P.M and meeting of the Preference Shareholder be convened and held at 401, 4th floor, INFINITI, Link Road, Oshiwara, Andheri West, Mumbai – 400053 on Monday, 8th May, 2017 at 1:00 P.M, for the purpose of considering and, if thought fit, approving with or without modification(s) the proposed arrangement embodied in the Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited (“Transferor Company 1”); and Big Magic Limited (“Transferor Company 2”); and Azalia Broadcast Private Limited (“Transferor Company 3”); and Zee Entertainment Enterprises Limited (“Resulting Company”); and their respective Shareholders (“**Scheme**”).
4. That at least one month before the said Meeting of the Equity Shareholders of the Applicant Company and at least one month before the said meeting of the Preference

Shareholders of the Applicant Company to be held as aforesaid, a notice convening the said Meeting at the place date and time as aforesaid, together with a copy of the Scheme, a copy of statement disclosing all material facts as required under Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 notified on 14th December 2016 along with the prescribed Form of Proxy, shall be sent by Courier / Registered Post / Post / hand-delivery or through Email (to those shareholders whose email addresses are duly registered with the Applicant Company for the purpose of receiving such notices by email), addressed to each of the Equity Shareholders and Preference Shareholders of the Applicant Company, at their last known address or email addresses as per the records of the Applicant Company and / or Depositories.

5. That at least one month before the meeting of the Equity Shareholders and the Preference Shareholder of the Applicant Company, to be held as aforesaid, a notice convening the said Meeting, indicating the place, date and time of meeting as aforesaid be published and advertised by the Applicant Company in two local newspapers viz. "Free Press Journal" in English and "Navshakti" in Marathi, both circulated in Mumbai and stating that copies of the Scheme and the statement required to be furnished pursuant to Section 230(3) of the Companies Act 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 along with the Form of Proxy can be obtained free of charge at the Registered Office of the Applicant Company as aforesaid and / or at the office of its Advocates, M/s Hemant Sethi & Co., 1602 NavParmanu, Behind Amar Cinema, Chembur, Mumbai – 400071.
6. That Shri Anil Lohia, Partner of M/s. Dayal & Lohia, Chartered Accountants and failing him Shri Rinkit Kiran Uchat, Partner of M/s. Dayal & Lohia, Chartered Accountants is hereby appointed as Scrutinizer of the meeting of Equity and Preference Shareholders of the Applicant Company to be convened and held at 401, 4th floor, Infiniti, Link Road, Oshiwara, Andheri West, Mumbai – 400053 on

Monday, 8th May, 2017 at 12:30 P.M and 1.00 P.M or any adjournment or adjournments thereof.

7. That in connection with the Applicant Company that voting shall be allowed on the proposed Scheme by voting in person or by proxy. That voting by proxy or authorized representative in case of body corporate be permitted, provided that a proxy in the prescribed form/ authorisation duly signed by the person entitled to attend and vote at the meeting, is filed with the Applicant Company at their Registered Office not later than 48 hours before the aforesaid meeting.
8. That Shri. Tarun Katial, Director of Applicant Company, and in his absence Shri. Neeraj Jain, Shareholder & Authorised Signatory of the Applicant Company, shall be the Chairman of the aforesaid meeting of the Equity and Preference Shareholders to be held at 401, 4th floor, Infiniti, Link Road, Oshiwara, Andheri West, Mumbai – 400053 on Monday, 8th May, 2017 at 12:30 P.M and 1.00 P.M or any adjournment or adjournments thereof.
9. That the Chairman of the respective Meetings of Applicant Company, to file an affidavit not less than seven (7) days before the date fixed for the holding of the meetings and do report this Tribunal that the direction regarding the issue of notices and the advertisement have been duly complied with.
10. That the Chairman of the meetings of Applicant Company to report to this Tribunal, the results of the aforesaid meeting within thirty days of the conclusion of the meeting.
11. That the quorum of the aforesaid meetings of the Equity Shareholders of Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013.
12. That the quorum of the aforesaid meeting of the Preference Shareholders of Applicant Company shall be 1 (one) as there is only one Preference Shareholder in the Applicant Company.
13. The Counsel for the Applicant Company submits that there are no Secured Creditors in the Applicant Company, therefore the question of sending notices to the Secured

Creditors does not arise That Counsel for the Applicant Company submit that since the Scheme is an arrangement between the companies involved in the Scheme and their respective shareholders, only meetings of the Equity and Preference Shareholders are proposed to be held in accordance with the provisions of Section 230(1)(b) of the Companies Act 2013. This bench hereby directs the Applicant Company to issue individual notice of meeting of equity shareholders by Post / courier / email / hand-delivery to all its Unsecured Creditors as on 31th January 2017 as required under section 230(3) of the Companies Act 2013 with a direction that they may submit their representations, if any, to the Tribunal and copy of such representations shall simultaneously be served upon Applicant Company.

14. That the Applicant Company is directed to serve notices along with copy of scheme upon:- (i) concerned Income Tax Authority within whose jurisdiction the Applicant Company's assessments are made, (ii) the Central Government through the office of Regional Director, Western region, Mumbai, (iii) Registrar of Companies, Mumbai and (iv) Ministry of Information and Broadcasting with an intimation that they may, if they so wish, submit their representations, if any, within a period of thirty days from the date of receipt of such notice with the Tribunal with copy of such representations simultaneously served upon the Applicant Company, failing which, it shall be presumed that the authorities have no representations to make on the proposed arrangement embodied in the Scheme.
15. That the Applicant Company is directed to file affidavit of service in the Registry proving dispatch of notices upon shareholders, creditors, publication of notices in newspapers and all Regulatory authorities as stated in clause 14 above.

Sd/-

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

Sd/-

V. Nallasenapathy, Member (Technical)