

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH
COMPANY SCHEME APPLICATION NO 271 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”) 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”)

Zee Entertainment Enterprises Limited, a Company }
incorporated under the provisions of the Companies Act, 1956 }
with Corporate Identity No. L92132MH1982PLC028767 and }
having its Registered Office at 18th Floor, 'A' wing, }
Marathon Futurex, N M Joshi Marg, }
Lower Parel, Mumbai – 400 013. }

.. 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 engaged in the business of Broadcasting of Satellite Television Channels and acting Space Selling agent for other satellite television channels; Sale of Media Content i.e. programs / film rights / feeds / music rights.

2. 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 fulfil their objectives more efficiently and economically.

3. That a meeting of the Equity Shareholders of the Applicant Company be convened and held at Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Tuesday, 9th May, 2017 at 10:30 A.M and a meeting of the Preference Shareholders be convened and held at Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Tuesday, 9th May, 2017 at 12:30 P.M or immediately after conclusion of the Meeting of the Equity Shareholders, 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 Ballot Form and 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 registered with the Applicant Company and/or Depositories), 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 Ballot Form and 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 Mrs. Vinita Nair Partner of M/s. Vinod Kothari & Co., Practising Company Secretary and failing her Mr. Satish Shah, Practising Company Secretary is hereby appointed as Scrutinizer of the meetings of the said Equity and Preference

Shareholders of the Applicant Company convened for the purpose or any adjournment or adjournments thereof.

7. That Dr. Subhash Chandra, Non-Executive Chairman of Applicant Company, and in his absence Mr. Punit Goenka, Managing Director & Chief Executive Officer and in his absence Mr. Subodh Kumar, Non-Executive Vice Chairman of the Applicant Company, shall be the Chairman of the aforesaid meetings of the Equity and Preference Shareholders to be held at Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400 018 on Tuesday, 9th May, 2017 at 10.30 A.M. and 12.30 P.M or any adjournment or adjournments thereof.
8. That the Chairman appointed for the aforesaid Meetings to issue the advertisement and send out the notices of the Meeting referred to above. The said Chairman shall have all powers as per Articles of Association and also under the Companies Act, 2013 in relation to the conduct of the meetings, including for deciding procedural questions that may arise or at any adjournment thereof or any other matter including any amendment to the Scheme or resolution, if any, proposed at the meeting by any person(s) eligible to vote at the aforesaid Meetings.
9. That the voting by the Equity and Preference Shareholders shall be allowed on the proposed Scheme by voting in person, by proxy or through postal ballot or through electronic means. 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.
10. That the value and number of the shares held by each Equity Shareholder and Preference Shareholder shall be in accordance with the Register of Members of the Applicant Company and/or records maintained by Depositories for the Applicant Company and where any entry(ies) in the Register of Members / depository records

are disputed, the Chairman of the Meeting shall determine the eligibility for the purpose of the aforesaid meeting and his decision in that behalf would be final.

11. 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.
12. That the Chairman of the respective meetings of Applicant Company to report to this Tribunal, the results of the aforesaid meetings within thirty days of the conclusion of the meetings.
13. That the quorum of the aforesaid meetings of the Equity and Preference Shareholders of Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013.
14. 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 and creditors, only meetings of the Equity and Preference Shareholders of the Applicant Company 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 the meeting of equity shareholders by Post / courier / email / hand-delivery to all its Secured Creditors as on 28th February 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.
15. 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, which are due and payable, having outstanding balance of Rs. 5,00,000/- and above as on 28th February 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.

16. 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) to Securities and Exchange Board of India (iv) BSE Limited (v) National Stock Exchange of India Limited (vi) Registrar of Companies, Mumbai and (vii) 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.
17. 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 the Regulatory authorities as stated in clause 16 above.

Sd/-

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

Sd/-

V. Nallasenapathy, Member (Technical)