

NATIONAL COMPANY LAW TRIBUNAL, MUMBAI BENCH

COURT III

2. C.A.(CAA)/204/MB/2022

CORAM: SHRI H. V. SUBBA RAO, MEMBER (J)
SMT ANURADHA SANJAY BHATIA, MEMBER (T)

ORDER SHEET OF THE HEARING OF MUMBAI BENCH OF THE NATIONAL
COMPANY LAW TRIBUNAL ON **24.08.2022**

NAME OF THE PARTIES: ZEE ENTERTAINMENT ENTERPRISES LIMITED.

SECTION 230 (I) OF COMPANIES ACT, 2013

ORDER

Counsel for the Applicant, Mr. Navroz. H. Seervai, Mr. Anuj Tiwari a/w Ms. Ashwini Gawde i/b ASR & Associates are present through virtual hearing.

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Heard the counsel appearing for the petitioner and the above application is allowed. Detailed order will follow.

Sd/-
ANURADHA SANJAY BHATIA
Member (Technical)
--Rajeev--

Sd/-
H. V. SUBBA RAO
Member (Judicial)

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*In the matter of the Companies Acts,
2013 (18 of 2013)*

And

*In the matter of Sections 230 to 232
and other applicable provisions of
the Companies Act, 2013 read with
Rule 3 of the Companies
(Compromises, Arrangements,
Amalgamations) Rules, 2016, also
read with Rules 11, 23 and 34 of the
National Company Law Tribunal
Rules, 2016*

And

*In the matter of Composite Scheme
of Arrangement amongst Zee
Entertainment Enterprises Limited
(Applicant/ Transferor Company No.
1), Bangla Entertainment Private
Limited (Transferor Company No. 2)
and Culver Max Entertainment
Private Limited (formerly, Sony
Pictures Networks India Private
Limited) (Transferee Company), and
their respective shareholders and
creditors*

Zee Entertainment Enterprises)
Limited, a company incorporated)
under the Companies Act, 1956 having)

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CIN L92132MH1982PLC028767 and)
having its registered address at 18th)
Floor, 'A' Wing, Marathon Futurex, NM)
Joshi Marg, Lower Parel, Mumbai) ... Applicant /Transferor
400013, India) Company No. 1

Order delivered on 24.08.2022

Coram:

Hon'ble Member (Judicial) : Sh. H.V. Subba Rao
Hon'ble Member (Technical) : Smt. Anuradha Sanjay Bhatia

Appearances (via videoconferencing):

For the Applicant/

Transferor Company No. 1: Mr. Navroz Seervai, Senior Advocate,
a/w Mr. Prateek Seksaria, Advocate,
and Mr. Nitesh Jain, Mr. Siddharth
Ranade, Ms. Vatsala Kumar, Ms.
Shreya Mundra, Advocates i/b
Trilegal, Ashwini Gawde, Anuj Tiwari,
Advocates

ORDER

1. The court is convened via video conferencing.
2. The Counsel for the Applicant Company states that the present Scheme is a Composite Scheme of Arrangement amongst Zee Entertainment Enterprises Limited, Bangla Entertainment Private Limited and Culver Max Entertainment Private Limited (formerly, Sony Pictures Networks India Private Limited), and their respective shareholders and creditors under sections 230 to 232 of the Companies Act, 2013 ('Scheme').

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3. The Board Meeting of the Applicant Company was held on 21st December, 2021. The Board Meeting for the Transferor Company No. 2 and the Transferee Company was held on 21st December, 2021. The Appointed Date is the effective Date.
4. The Transferor Company No. 2 and the Transferee Company has filed a similar application before the National Company Law Tribunal, Mumbai Bench having CA(CAA)/203/MB/2022.
5. The Scheme provides for:
 - a. sub-division of the share capital of the Transferee Company, Bonus Issuance and Share Issuance as provided for in the Scheme and amalgamation of the Transferor Companies with the Transferee Company;
 - b. subsequent to the amalgamation of the Transferor Companies with the Transferee Company, the dissolution of the Transferor Companies without winding up; and
 - c. Certain arrangements, *inter alia*, in relation to the independent promoters of the Transferee Company and amendment of the Articles of Association of the Transferee Company.
6. The Counsel for the Applicant Company submits that the Applicant /Transferor Company No. 1 is a listed public limited company and is engaged inter-alia in the business of engaged in the business of TV content development, broadcasting of

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regional and international entertainment satellite television channels, movies, music, and digital business.

7. The Counsel for the Applicant Company further submits that the Transferor Company No. 2 is a private limited company and is engaged inter-alia in the business of acquisition, production, distribution and broadcast of audio-visual content for exploitation of such program services on a worldwide basis.
8. The Counsel for the Applicant Company further submits that the Transferee Company is a private limited company and is engaged inter-alia in the business of (a) creating, owning, operating, programming, providing, transmitting, distributing and promoting linear and non-linear non-news program services, including sports program services, delivered by any means primarily to viewers in India and the Indian diaspora globally, and (b) production, exhibition, broadcast, re-broadcast, transmission, re-transmission or other exploitation of non-news audio-visual content, including sports content, in any format or in any language spoken in India (including English) for exploitation of such program services.
9. The rationale for the proposed Scheme is as under:

"The Transferee Company is inter alia engaged in the business of (1) creating, owning, operating, programming, providing, transmitting, distributing and promoting linear and non-linear, non-news program services, including sports program services, delivered by any means primarily to viewers in India and the Indian diaspora globally, and (2) production,

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exhibition, broadcast, re-broadcast, transmission, re-transmission or other exploitation of non-news audio-visual content, including sports content, in any format or in any language spoken in India (including English) for exploitation of such program services.

The Transferor Company 1 is inter alia engaged in the business of TV content development, broadcasting of regional and international entertainment satellite television channels, movies, music and digital business.

The Transferor Company 2 is inter alia engaged in business of acquisition, production, distribution and broadcast of audio-visual content for exploitation of such program services on a worldwide basis.

With a view to consolidate the business interests of the Parties (as defined below), the Parties have decided that the Transferor Company 1 and the Transferor Company 2 with all their business interests, be amalgamated with the Transferee Company.

The Parties believe that (a) the proposed sub-division of the share capital of the Transferee Company, the Bonus Issuance to the SPNI Shareholder(s) and Share Issuance to the SPNI Shareholder(s) and Essel Mauritius and Essel Mauritius SPV; (b) the proposed amalgamation of the Transferor Company 1 with and into the Transferee Company; (c) the proposed amalgamation of the Transferor Company 2 with and into the Transferee Company, and (d) the other arrangements

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contemplated under this Scheme, would be to the benefit of the shareholders and creditors of each of the Parties and would, inter alia, have the following benefits:

- (a) the proposed amalgamation and Share Issuance will enable the Parties to combine their businesses and create a financially strong amalgamated company. Each of the Parties bring well recognized entertainment offerings across platforms that will enable the amalgamated company to cater to the entertainment needs of viewers across various segments and age groups;*
- (b) the Parties have a history of bringing quality entertainment content to audiences across India. The amalgamated company will be well positioned to capitalize on the growth in the television broadcasting market;*
- (c) each of the Parties have a strong presence in the digital media space. Transferor Company 1 and Transferee Company are amongst the leading over the top platforms. Each of the Parties' content and strengths when combined will position the amalgamated company to capitalize on the rapid growth in the digital market and compete with market leaders;*
- (d) the combined scale and audience reach of the amalgamated company across television and digital platforms, will also enable it to compete effectively for advertisers. The financial strength of the amalgamated company will also enable it to compete effectively for acquiring upcoming*

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rights to marquee sporting events across cricket and other sports; and

(e) each of the Parties have a strong brand recall across both television and digital media markets and as both markets evolve and grow, the amalgamated company will be well positioned to compete effectively with its peers in these markets. The transactions contemplated by the Scheme provides an opportunity that benefits all the stakeholders of the Parties.

10. The Counsel for the Applicant Company further submits that the shares of Applicant Company is listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Pursuant to the Securities Exchange Board of India ("SEBI") circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time ("SEBI Circular") read with Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"), Applicant Company had applied to BSE and NSE for their "Observation Letter" / "No Objection Letter" to file the Scheme for sanction of the Tribunal. BSE and NSE by their respective letter dated July 29, 2022, have respectively given their "No Objection Letter" letters to the Applicant Company, to file the Scheme with the Tribunal.
11. This Tribunal hereby directs that a meeting of the Equity Shareholders of the Applicant Company be convened and held on Friday, 14th October, 2022 at 4 pm for the purpose of considering, and if thought fit, approving the proposed

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Scheme, through video conferencing and/ or other audio visual means, without holding a general meeting requiring the physical presence of shareholders at a common venue, as the same in the current Covid-19 environment mandating social distancing norms shall not be feasible.

12. In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013 read with Rule 20 and other applicable provisions of the Companies (Management and Administration) Rules, 2014 and in accordance with Regulation 44(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Applicant Company proposes to provide the facility of remote e-voting to its Equity Shareholders in respect of the resolution to be passed at the aforesaid meeting. The Equity Shareholders of the Applicant Company are also allowed to avail the facility of e-voting during the aforesaid meeting to be held through video conferencing and/or other audio visual means on Friday, 14th October, 2022 at 4 pm. The e-voting facility for the Equity Shareholders of the Applicant Company shall be provided in compliance with the conditions specified under the Companies (Management and Administration) Rules, 2014, Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS2) issued by the Institute of Company Secretaries of India, as applicable.
13. That at least 30 (thirty) clear days before the aforesaid meeting of the Equity Shareholders of the Applicant Company to be held as aforesaid, a notice convening the said meeting at

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the day, date and time afore-said, together with a copy of the Scheme, a copy of the Explanatory Statement required to be sent under Section 230(3) of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, shall be sent either by Registered Post / Speed Post / Courier / Air Mail / through Email (where e-mail ID is available, at their last known e-mail addresses as per the records of the Applicant Company) to all the Equity Shareholders of the Applicant Company. Notice of convening the Meeting of the Equity Shareholders of the Applicant Company, indicating the day, date and time aforesaid, shall be advertised once each in the "Business Standard" and translation thereof in Marathi language in "Navshakti" both having circulation in Mumbai, not less than 30 (thirty) days before the date fixed for the meeting.

14. That Mr. Suhail Nathani, Advocate, and failing him, Mr. Jeenendra Bhandari, Practicing Chartered Accountant (Membership no. 105077) and failing him, Mr. Ashish Agarwal, Company Secretary and Compliance Officer of the Applicant Company, shall be the Chairperson of the aforesaid meeting of the Equity Shareholders of the Applicant Company, with remuneration fixed at Rs. 1,00,000/-.
15. That the scrutinizer for the aforesaid meeting of Equity Shareholders of the Applicant Company shall be Ms. Vinita Nair (Membership No. F10559), Senior Partner, M/s Vinod Kothari & Co., Company Secretaries, with remuneration fixed at Rs. 50,000/-.

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16. The quorum for the aforesaid meeting of the Equity Shareholders of Applicant Company shall be as prescribed under Section 103 of the Companies Act, 2013 and would include Equity Shareholders present through video conferencing and/or other audio visual means. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.
17. The voting by proxy shall not be permitted as the meeting would be held through video conferencing and/ or other audio visual means. However, voting in case of body corporate be permitted, provided the prescribed form / authorisation is filed with the Applicant Company at its registered office at 18th Floor, 'A' Wing, Marathon Futurex, NM Joshi Marg, Lower Parel, Mumbai 400013, not later than 48 hours before the start of the aforesaid meeting as required under Rule 10 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
18. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the Applicant Company shall have all powers as per the Articles of Association of the Applicant Company and also under the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, to the extent necessary and applicable, in relation to the conduct of the meeting(s), including for deciding procedural questions that may arise at the meeting or at any adjournment thereof.

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19. The value and number of the shares of each Equity Shareholder shall be in accordance with the books/ register of the Applicant Company or depository records and where the entries in the books/ register/ depository records are disputed, the Chairperson of the meeting shall determine the value for the purposes of the meeting of Equity Shareholders and his/her decision in that behalf would be final.
20. The Applicant Company shall host the notice directed herein, on the website of the Applicant Company, if any.
21. The Chairperson appointed for the aforesaid meeting of the Equity Shareholders of the Applicant Company shall report to this Tribunal, the result of the aforesaid meetings within 30 (thirty) days of the conclusion of the aforesaid meeting, and the said report shall be verified by his Affidavit as per Rule 14 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.
22. The Counsel for the Applicant Company submits that as on March 31, 2022 there are 3 (Three) secured creditors of value of Rs. 3,12,19,218/- (Rupees Three Crore Twelve Lakhs Nineteen Thousand Two Hundred and Eighteen Only). The consent of the secured creditors of the Applicant Company has been annexed to the Company Scheme Application. In view of the aforesaid, there is no requirement to hold the meeting of the secured creditors of Applicant Company the same is therefore dispensed with.

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23. The Counsel for the Applicant Company has submitted that as on March 31, 2022 the Applicant Company has 10,677 (Ten Thousand Six Hundred and Seventy Seven) Unsecured Creditors of value of Rs. 12,97,91,25,269/- (Rupees One Thousand Two Hundred Ninety-Seven Crores Ninety-One Lakh Twenty-Five Thousand Two Hundred and Sixty-Nine Only). The Counsel for the Applicant Company further submits that the present Scheme is a Composite Scheme of Arrangement amongst Zee Entertainment Enterprises Limited, Bangla Entertainment Private Limited and Culver Max Entertainment Private Limited (formerly, Sony Pictures Networks India Private Limited), and their respective shareholders and creditors as contemplated under Section 230(1)(b) of the Companies Act, 2013 and not in accordance with the provisions of Section 230(1)(a) of the Companies Act, 2013 as there is no compromise and/or arrangements with the creditors as no sacrifice is called for. Therefore, the meeting of the Unsecured Creditors of the Applicant Company be dispensed with.
24. After considering the above submissions, this bench, in addition to the issuance of public notice as stated above, hereby directs the Applicant Company to issue notice to its Unsecured Creditors having outstanding amount of more than Rs.10,00,000/- constituting more than 95% in value by Air Mail or Registered Post or Registered Post Acknowledgement Due (RPAD) or Speed Post or Courier or Hand Delivery or through E-mail (to those creditors whose email addresses are duly registered with the Applicant Company), at their last

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known addresses as per the records of the Applicant Company, 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 within 30 (thirty) days from the date of receipt of the said notice and copy of such representations shall simultaneously be served upon Applicant Company. In view of the aforesaid, the requirement to hold the meeting of the unsecured creditors of the Applicant Company is dispensed with.

25. The Applicant Company, pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, is directed to serve the notice of the meeting of its Equity Shareholders upon:

(a) The Central Government of India (through the Regional Director, Western Region, Ministry of Corporate Affairs);

(b) Registrar of Companies, Mumbai, Maharashtra;

(c) Concerned Income Tax Authorities within whose jurisdiction the assessments of the Applicant Company Companies are made (mentioning the PAN of Applicant Company - PAN: AAACZ0243R addressed to the Room No.802, 8th Floor, Pratistha Bhavan, Old CGO Annexe, Maharishi Karve Road, Mumbai – 400 020;

(d) Official Liquidator, High Court Bombay;

(e) BSE Limited;

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- (f) National Stock Exchange of India Limited;
- (g) Securities and Exchange Board of India;
- (h) Competition Commission of India; and
- (i) Ministry of Information and Broadcasting, Government of India.

with a direction that they may submit their representation, if any, within a period of 30 (thirty) days from the date of receipt of such notice, to the Tribunal and copy of such representations shall simultaneously be served upon the Applicant Company, failing which, it will be presumed that the aforesaid authorities have no representations to make on the Scheme.

26. The Tribunal appoints, M/s. Harsh Ruparelia & Company, Chartered Accountants, having their office at B/204, Jyoti Tower, Jyoti Park CHS Ltd., S. V. Road, Kandivali (W), Mumbai - 400 067, Email harsh.ruparelia@yahoo.com and Mobile No. (+91) 9004357775 to assist the Official Liquidator to scrutinize the books of accounts of the Transferor Company No. 1 for the last five (5) years. The fee of the Chartered Accountant to be fixed as Rs. 2,00,000/- to be paid by the Transferor Company No. 1.
27. The Chairperson to file an affidavit not less than 7 (seven) days before the date fixed for the holding of the meeting and do report this Tribunal that the direction regarding the issue of notices and advertisement have been duly complied with as

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per Rule 12 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

28. Ordered accordingly. Pronounced in open court today.
29. All parties, and regulatory and statutory authorities including those set out in paragraph 25, should proceed on the basis of the copy of the order as made available electronically.

Sd/-
Anuradha Sanjay Bhatia
Member (Technical)

Sd/-
H.V. Subba Rao
Member (Judicial)