ZEE

Extraordinary Together

May 3, 2018

The Listing Department
National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Fort
Mumbai 400 001

Dear Sirs,

Sub : Effectiveness of the Composite Scheme of Arrangement and Amalgamation between Zee Digital Convergence Limited, India Webportal Private Limited, Zee Unimedia Limited, Sarthak Entertainment Private Limited and Zee Entertainment Enterprises Limited and their respective Shareholders (Composite Scheme).

Further to our communication dated April 11, 2018, we wish to inform you that upon filing of the certified copy of the Order of the Mumbai Bench of Hon'ble NCLT by all entities involved in the Composite Scheme with the Registrar of Companies, Mumbai, the captioned Composite Scheme of Arrangement and Amalgamation has become effective on and from May 3, 2018. Copy of the NCLT order is enclosed herewith.

Since, SEBI had vide Circular No. CFD/DIL3/CIR/2018/2 dated January 3, 2018 *inter alia* deleted Para II of Annexure I of SEBI Circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017, the documents required to be submitted upon sanction of Scheme is not being submitted.

In this regard, we further confirm that (a) the Scheme as approved by NCLT is same as that filed with the Stock Exchanges; (b) Hon'ble NCLT had dispensed with the requirements of seeking Shareholders approval by the Company; (c) the Company has complied with the Observation letters issued by the Stock Exchanges; and (d) the Composite Scheme does not provide for payment of any consideration by the Company either by way of issuance of Shares or otherwise.

Kindly acknowledge receipt.

For **Zee Entertainment Enterprises Limited**

Zee Entertainment Enterprises Limited Mumbai

M Lakshminarayanan
Chief Compliance Officer & Company Secretary

Encl: As above

IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH

CSP No. 93 of 2018
In
CSA No. 1071 of 2017

In the matter of Companies Act, 2013
And
In the matter of Sections 230 to Section 232 read with Section 66 and other applicable provisions of the Companies Act, 2013
And
In the matter of Composite Scheme of Arrangement and Amalgamation between Zee Digital Convergence Limited ("ZDCL" or "First Demerged Company"); India Webportal Private Limited ("IWPL" or "Second Demerged Company"); Zee Unimedia Limited ("ZUL" or "Third Demerged Company"); Sarthak Entertainment Private Limited ("SEPL" or "Transferor Company"); Zee Entertainment Enterprises Limited ("ZEEL" or "Resulting Company" or "Transferee Company") and their respective Shareholders ("Composite Scheme")

Zee Digital Convergence Limited

Incorporated under the provisions of the Companies Act, 1956 with CI No. U64200MH2004PLC148772 Registered Office at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

... First Petitioner Company

And

India Webportal Private Limited

Incorporated under the provisions of the Companies Act, 1956 CI No. U72900MH2010PTC201526 and having its Registered Office at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

... Second Petitioner Company

AND

Zee Unimedia Limited

Incorporated under the provisions of the Companies Act, 2013 CI No. U74120MH2016PLC274857 Registered Office at 16th Floor, 'A' Wing, Marathon Futurex, N M

राष्ट्रीय कम्पनी विधी अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
सत्यमेव जयते
मुंबई न्यायपीठ
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Joshi Marg, Lower Parel,
Mumbai – 400 013. **... Third Petitioner Company**

AND

Sarthak Entertainment Private Limited

Incorporated under the provisions
of the Companies Act, 1956 }
CI No. U92100MH2008PTC301041
Registered Office at 18th Floor,
A Wing, Marathon Futurex, N M Joshi Marg,
Lower Parel, Mumbai – 400 013. ... **Fourth Petitioner Company**

AND

Zee Entertainment Enterprises Limited

Incorporated under the provisions of the
Companies Act, 1956,
CI No. L92132MH1982PLC028767
Registered Office at 18th Floor, 'A' Wing,
Marathon Futurex, N M Joshi Marg,
Lower Parel, Mumbai – 400 013. **... Fifth Petitioner Company**

The First Petitioner Company, the Second Petitioner Company, the Third Petitioner Company, the Fourth Petitioner Company and the Fifth Petitioner Company defined hitherto above are collectively referred to as the "**Petitioner Companies**".

Order delivered on 11th April, 2018

CORAM:

Hon'ble Shri. B.S.V. Prakash Kumar, Member (Judicial)
Hon'ble Shri. Ravikumar Duraisamy, Member (Technical)

For the Petitioner(s) : Mr. Hemant Sethi i/b. Hemant Sethi & Co.

For the Regional Director : Mr. P. Sheela. Joint Director

For the Registrar of Companies: Mr. Neelambhuj, CP

For the Official Liquidator : Mr. Santosh Dalvi, Representative of OL

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

ORDER

1. Heard the learned counsel for the Petitioner Companies. No objector has come before the Tribunal to oppose the Joint Petition and nor any party has controverted any averments made in the Petitions.

2. The sanction of the Tribunal is sought under Sections 230 to Section 232 read with Section 66 and other applicable provisions of the Companies Act, 2013, to the Composite Scheme of Arrangement and Amalgamation between Zee Digital Convergence Limited ("ZDCL"); India Webportal Private Limited ("IWPL"); Zee Unimedia Limited ("ZUL"); Sarthak Entertainment Private Limited ("SEPL"); Zee Entertainment Enterprises Limited ("ZEEL") and their respective Shareholders ("Composite Scheme").

3. The Counsel for the Petitioner Companies submit that:

(a) The First Petitioner Company is engaged in digital media and entertainment business pertaining to delivery of media content using Over the Top Technology ("OTT") and other technology (ies) including but not limited to live television, video on demand, pay per view or any other modes, to any internet enabled devices, including but not limited to mobile devices, laptop, tablets, desktop, computing devices, portable hand held devices etc., and Mobile Short Code (SMS) business.

(b) The Second Petitioner Company is engaged in media content management business inter alia by creation, conversion, digitization and distribution of media content through webportals, and providing digital infrastructure, application, facilities etc, providing E-mail platform and holds investment in 51% subsidiary Idea Shop Web & Media Pvt Ltd.

(c) The Third Petitioner Company is engaged in the media advertisement sale services business of selling advertisement space on various media platforms comprising of television, print and digital media.

(d) The Fourth Petitioner Company is engaged in the business of broadcasting of a general entertainment satellite television channel in Odiya language & sale of media content i.e. programs / film rights.

(e) The Fifth Petitioner Company is engaged in the business of broadcasting of general entertainment satellite television channels in various languages; acting as distributor for other television channels; and sale of media content including

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programs /films /music etc. The Equity and Preference Shares (other than Series B Unlisted Preference Shares) of the Fifth Petitioner Company are listed on BSE Limited ("BSE") and National Stock Exchange of India Ltd. ("NSE").

4. The Counsel for the Petitioner Companies further submit that the present Composite Scheme inter alia proposes for:

(a) Demerger of Digital Media & Entertainment Business Undertaking of the First Petitioner Company ("Demerged Undertaking 1") vesting with the Fifth Petitioner Company;

(b) Demerger of Media Content Management Business Undertaking of the Second Petitioner Company ("Demerged Undertaking 2") vesting with the Fifth Petitioner Company;

(c) Demerger of Media Advertisement Sale Services Business Undertaking of the Third Petitioner Company ("Demerged Undertaking 3") vesting with the Fifth Petitioner Company; &

(d) Amalgamation of the Fourth Petitioner Company with the Fifth Petitioner Company,

with effect from Appointed Date of April 1, 2017 and as an integral part of the Scheme, cancellation of the paid-up Equity share capital and reduction of Securities Premium Account, if any respectively of the First, Second and Third Petitioner Companies, in accordance with the provisions of Section 66 of the Companies Act, 2013.

5. The Counsel for the Petitioner Companies further submit that the rationale for the Composite Scheme is as under:

(a) Rationale for Demerger of the Demerged Undertakings of the Demerged Companies to the Resulting Company:

The proposed demerger once completed would achieve the following benefits:

(i) Consolidation of digital media business done through various subsidiaries under the Fifth Petitioner Company for deriving the business synergies;

(ii) Reduction of inter-company transactions;

(iii) Efficient cash flow management;

(iv) Elimination of duplication in costs of administration; and

(v) Reduction of overhead costs.

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(b) Rationale for Amalgamation of the Transferor Company with the Resulting Company:

The proposed amalgamation would accomplish the following benefits:

(i) Consolidation of the Fourth Petitioner Company with the Fifth Petitioner Company will result in consolidation of all regional general entertainment channels operated by the Fifth Petitioner Company and its subsidiaries, directly within the Fifth Petitioner Company;

(ii) Reducing administrative costs; and

(iii) Achieving operational and management efficiency.

It is believed that the proposed Composite Scheme will allow a more focused growth strategy which would be in the best interests of all the stakeholders.

6. The Counsel for the Petitioner Companies further submit that the First Petitioner Company, the Second Petitioner Company, the Third Petitioner Company and the Fourth Petitioner Company are wholly owned subsidiaries of the Fifth Petitioner Company and their entire share capital is owned and controlled by the Fifth Petitioner Company.

7. The Counsel for the Petitioner Companies submit that the Board of Directors of the First Petitioner Company, the Second Petitioner Company, the Third Petitioner Company, the Fourth Petitioner Company and the Fifth Petitioner Company have approved the said Composite Scheme of Arrangement and Amalgamation by passing Board Resolutions on 24th July 2017 (Annexed to the Company Scheme Petition).

8. The Counsel appearing on behalf of the Petitioner Companies further states that the Petitioner Companies have complied with all the directions passed in the order of Company Scheme Application No. 1071 (MAH) of 2017 of the Petitioner Companies, by the National Company Law Tribunal, Mumbai bench ("NCLT/Tribunal") and that the Company Scheme Petition No. 93 (MAH) of 2018 of the Petitioner Companies has been filed in consonance with the

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order passed in abovementioned Company Scheme Application.

9. By order dated 01st March, 2018 passed by the Tribunal, the company scheme petition filed by the Petitioner Companies was admitted and fixed for final hearing on 21st March, 2018 and was subsequently adjourned and fixed for final hearing on 5th April, 2018.

10. The Counsel appearing on behalf of the Petitioner Companies further states that the Petitioner Companies have complied with all requirements as per directions of the Tribunal and they have filed necessary affidavits dated 09.03.2018 of compliance in the Tribunal. Moreover, the Petitioner Companies undertake to comply with all statutory requirements if any, as required under the Companies Act, 1956/ 2013 and the Rules made there under whichever is applicable. The said undertakings given by the Petitioner Companies are accepted.

11. The Regional Director has filed a Report dated 24th March, 2018 stating therein, save and except as stated in paragraph IV (a) to (g), it appears that the Scheme is not prejudicial to the interest of shareholders and public. In paragraph IV, of the said Report it is stated that:

(a) *The Petitioners under provisions of section 230(5) of the Companies Act, 2013 have to serve notices to concerned authorities which are likely to be affected by Compromise or arrangement and amalgamation. Further, the approval of the scheme by this Hon'ble Tribunal may not deter such authorities to deal with ant of the issues arising after giving effect to the scheme. The decision of such Authorities is binding on the Petitioner Company(s).*

(b) *In addition to compliance of (IND AS-103), the Resulting/Transferee Companies shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5(IND AS-8) etc as Petitioner Company following pooling of interest method as per Para 7 and 17 of the Scheme.*

(c) *As per clause 1(d) of the scheme, "Appointed Date" means*

April 1, 2017 or any other date as may be determined by the Appropriate Authority, being the date from which this Scheme shall be deemed to be effective in the manner described in the Clause 4 of this Scheme. In this regard, it is submitted that Section 232 (6) of the Companies Act, 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at date subsequent to the appoint date. However, this aspect may be decided by the Hon'ble Tribunal taking into account its inherent powers.

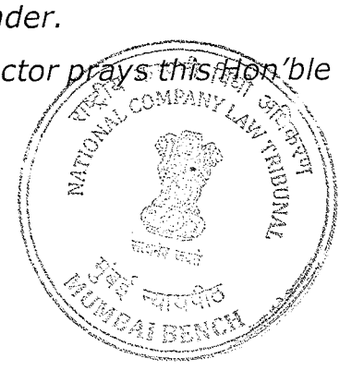
(d) *Demerged Company no. 1 & 4 may be directed to file Financial Statements for 31.03.2017 and Demerged Company no. 2 may be directed to file Annual Return & Financial Statements for 31.03.2017 and resulting company may be directed to file Financial Statement for 31.03.2017. In this regard, the Deponent prays that the Petitioner Companies may be directed to file the same as the appointed date of the scheme is 01.04.2017.*

(e) *The Hon'ble NCLT may kindly direct to the Petitioners to file am undertaking to the extent that the Scheme enclosed to the Company Application and the scheme enclosed to the Company Petition are one & same and there is no discrepancy or deviation.*

(f) *Petitioner companies have not submitted a copy of the admitted petition, along with its minutes of order. In this regard, the Petitioner has to undertake to submit the same for the record of the Regional Director.*

(g) *Petitioner in the clause 8 of the Scheme has inter alia mentioned about the reduction of existing share capital of the Demerged Companies. In this regard, the Deponent prays that the Hon'ble Tribunal may pass orders to comply with section 66 of the Companies Act, 2013 and other applicable provisions of the Act and the rules framed thereunder.*

Under these circumstances the Regional Director prays this Hon'ble Tribunal may kindly be pleased to:



(a) Take this report on record;

(b) Consider the observations made at Sr. No. IV (a) to (g) mentioned above

And

(c) Pass such other order or orders as deemed fit and proper in facts and circumstances of the case.

The Registrar of Companies, Mumbai has filed his report stating that no complaints, no prosecution, no technical scrutiny pending against the companies under reference.

12. As far as the observations made in paragraph IV (a) of the Report of Regional Director is concerned, the Petitioner Companies state that the notices have been served to the concerned authorities, as may be applicable, under Section 230(5) of the Companies Act, 2013 and the approval of the Scheme shall not be an impediment for the other authorities. The Petitioner Companies undertake that the decision of such other authorities shall be binding on the Petitioner Companies.

13. As far as the observations made in paragraph IV (b) of the Report of Regional Director is concerned, the Petitioner Companies undertake that in addition to compliance with Indian Accounting Standard 103 - "Business combination of entities under common control", the Resulting Company/ Transferee Company would also pass such accounting entries as may be necessary in connection with the Composite Scheme of Arrangement and Amalgamation to comply with any other applicable Accounting Standards such as AS-5 (IND AS-8), etc.

14. As far as the observations made in paragraph IV (c) of the Report of Regional Director is concerned, the Petitioner Companies confirm that the Appointed Date shall be April 1, 2017 and the Petitioner Companies confirm that there will not be any change in the Appointed Date.

15. In so far as observations made in paragraph IV (d) of the Report of Regional Director is concerned, the Demerged Company no. 1 &

3, the Demerged Company no. 2 and the Resulting Company undertake to file their respective Financial Statements for the financial year ended on 31.03.2017 as per General Circular No.01/2018 dated March 28, 2018 issued by the Ministry of Corporate Affairs. The Demerger Company no. 2 has filed its Annual Return for financial year 31.03.2017 on February 13, 2018 vide SRN G76526441 and the same has been approved in the system.

16. In so far as observations made in paragraph IV (e) of the Report of Regional Director is concerned, the Petitioner Companies undertakes and confirms that the Scheme enclosed to the Company Scheme Application and the Scheme enclosed to the Company Petition are one & the same and there is no discrepancy or deviation.

17. In so far as observations made in paragraph IV (f) of the Report of Regional Director is concerned, the Petitioner Companies state that a copy of Joint Petition along with all exhibits thereto have been submitted to the office of Regional Director vide letter dated February 22, 2018 as Annexure A3. Further, the Petitioner Companies undertake to submit a copy of the minutes of order for admission of petition as soon as it is uploaded on the website of NCLT.

18. As far as the observations made in paragraph IV (g) of the Report of Regional Director is concerned, the Petitioner Companies submit that as per explanation to Section 230(12), the provisions of Section 66 shall not apply to the reduction of share capital effected in pursuance of the order of the Tribunal under Section 230. Accordingly, as regards the capital reduction proposed in the Scheme, the same is to be effected as an integral part of the Scheme pursuant to Section 230-232 of the Companies Act, 2013 and hence no further procedure as prescribed under Section 66 needs to be complied with, for proposed capital reduction.

19. The observations made by the Regional Director have been explained by the Petitioner Companies in paragraph 12 to 18

above. The clarifications and undertakings given by the Petitioner Companies are hereby accepted.

20. The Official Liquidator has filed his report dated March 8, 2018 and stating therein that, the affairs of the Transferor Company / the Fourth Petitioner Company have been conducted in a proper manner and accordingly the Transferor Company may be ordered to dissolved without winding up. Further it is submitted that, the Scheme is not prejudicial to the interest of public or shareholders.

21. From the material on record, the Scheme appears to be fair and reasonable and is not contrary to public policy.

22. Since all the requisite statutory compliances have been fulfilled, Company Scheme Petition No 93 (MAH) of 2018 filed by the Petitioner Companies have been made absolute in terms of prayer sub-clause (a) to (e) of clause 35 of the Petition.

23. The Petitioner Companies are directed to provide brief particulars of properties, assets, investments, liabilities, rights, benefits, interest and obligations therein demerged from the first Demerged company, second demerged company and third demerged company, respectively and be transferred to and stand vested with the resulting company along with value of assets and liabilities being demerged.

24. Further the Petitioner Companies are directed to include the number of employees being transferred from demerged Company to resulting entity and to ensure that the terms and conditions of their employees shall not be less favorable than those which they are engaged by demerged / Transferred Company.

25. Petitioner Companies are directed to file a copy of this order along with a copy of the Composite Scheme of Arrangement and Amalgamation with the concerned Registrar of Companies, electronically, along with E-Form INC-28, in addition to the physical copy within 30 days from the date of issuance of the order by the Registry.

26. The Petitioner Companies to lodge a copy of this order and the Composite Scheme duly certified by the Deputy Director or Assistant Registrar, National Company Law Tribunal, Mumbai Bench, with the concerned Superintendent of Stamps for the purpose of adjudication of stamp duty payable, if any, on the same within 60 days from the date of receipt of the order.

27. Each Petitioner Company to pay cost of Rs. 25,000/- to the Regional Director, Western Region, Mumbai to be paid within four weeks from the date receipt of the duly certified copy of this Order.

28. The Fourth Petitioner Company to pay cost of Rs. 25,000/- to the Official Liquidator, Mumbai to be paid within four weeks from the date receipt of the duly certified copy of this Order.

29. Costs to be paid within four weeks from the date of receipt of the order.

30. All authorities concerned to act on a certified copy of this order along with Scheme duly certified by the Deputy Director or Assistant Registrar, National Company Law Tribunal, Mumbai Bench.

31. Any person interested shall be at liberty to apply to the Tribunal in the above matter for any direction that may be necessary.

Sd/-

RAVIKUMAR DURAISAMY
MEMBER (TECHNICAL)

Sd/-

B. S. V. PRAKASH KUMAR
MEMBER (JUDICIAL)

Certified True Copy
Date of Application: 13/05/2018
Number of Pages: 11
Fee Paid Rs.: 55
Applicant called for collection copy on 02/05/2018
Copy prepared on 02/05/2018
Copy Issued on 02/05/2018

Deputy Director
National Company Law Tribunal, Mumbai Bench

राष्ट्रीय कम्पनी विधि अधिकरण
NATIONAL COMPANY LAW TRIBUNAL
मुम्बई न्यायपीठ
MUMBAI BENCH

/COMPOSITE SCHEME OF ARRANGEMENT AND AMALGAMATION BETWEEN

ZEE DIGITAL CONVERGENCE LIMITED
[ZDCL or First Demerged Company]

AND

INDIA WEBPORTAL PRIVATE LIMITED
[IWPL or Second Demerged Company]

AND

ZEE UNIMEDIA LIMITED
[ZUL or Third Demerged Company]

AND

SARTHAK ENTERTAINMENT PRIVATE LIMITED
[SEPL or Transferor Company]

AND

ZEE ENTERTAINMENT ENTERPRISES LIMITED
[ZEEL or Resulting Company or Transferee Company]

AND

THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 OF THE COMPANIES ACT, 2013

(A) **PREAMBLE**

The Composite Scheme of Arrangement and Amalgamation is presented under Sections 230 to 232 read with Section 66 of the Companies Act, 2013 for demerger of Demerged Undertakings (*defined hereinafter*) of First Demerged Company, Second Demerged Company and Third Demerged Company (collectively referred to as **"Demerged Companies"**) vesting into Resulting Company and amalgamation of the Transferor Company with the Transferee Company **(hereinafter referred to as the "Scheme" or the "Composite Scheme")**.

(B) DESCRIPTION OF COMPANIES

I. **ZEE DIGITAL CONVERGENCE LIMITED ("ZDCL" or "First Demerged Company")** is engaged in digital media and entertainment business pertaining to delivery of media content using Over the Top Technology ("OTT") and other technology(ies) including but not limited to live television, video on demand, pay per view or any other mode, to any internet enabled devices, including but not limited to mobile devices, laptop, tablets, desktop, computing devices, portable hand held devices etc, and Mobile Short Code (SMS) business. ZDCL is a wholly owned subsidiary of ZEEL.

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II. **INDIA WEBPORTAL PRIVATE LIMITED ("IWPL" or "Second Demerged Company")** is engaged in media content management business *inter-alia* by creation, conversion, digitization and distribution of media content through webportals, and providing digital infrastructure, application, facilities etc, providing E-mail platform and holds investment in 51% subsidiary Idea Shop Web & Media Pvt Ltd. IWPL is a wholly owned subsidiary of ZEEL.

III. **ZEE UNIMEDIA LIMITED ("ZUL" or "Third Demerged Company")** is engaged in the media advertisement sale services business of selling advertisement space on various media platforms comprising of television, print and digital media. ZUL is a wholly owned subsidiary of ZEEL.

IV. **SARTHAK ENTERTAINMENT PRIVATE LIMITED ("SEPL" or "Transferor Company")** is engaged in the business of broadcasting of a general entertainment satellite television channel in Odiya language & sale of media content i.e. programs / film rights. SEPL is a wholly owned subsidiary of ZEEL.

V. **ZEE ENTERTAINMENT ENTERPRISES LIMITED ("ZEEL" or "Resulting Company" or "Transferee Company")** is engaged in the business of broadcasting of general entertainment satellite television channels in various languages; acting as distributor for other television channels; and sale of media content including programs / films / music etc. The Equity and Preference Shares (other than Series B Unlisted Preference Shares) of ZEEL are listed on BSE Limited and National Stock Exchange of India (NSE).

(C) RATIONALE

Based on rationale mentioned herein the Board of Directors of all the Companies which are parties to the Scheme have considered and approved this Composite Scheme of Arrangement and Amalgamation under the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 *inter alia* for Demerger of Digital Media business of ZDCL, ZUL and IWPL vesting into ZEEL and Amalgamation of SEPL with ZEEL.

(a) Rationale for Demerger:

The proposed demerger once completed would achieve the following benefits:

(i) Consolidation of digital media business done through various subsidiaries under ZEEL for deriving the business synergies;

(ii) Reduction of inter-company transactions;

(iii) Efficient cash flow management;

(iv) Elimination of duplication in costs of administration; and

(v) Reduction of overhead costs.

(b) Rationale for Amalgamation:

The proposed amalgamation would accomplish the following benefits:

(i) Consolidation of SEPL with ZEEL will result in consolidation of all regional general entertainment channels operated by ZEEL and its subsidiaries, directly within ZEEL;

(ii) Reducing administrative costs; and

(iii) Achieving operational and management efficiency.

It is believed that the Proposed Scheme will allow a more focused growth strategy which would be in the best interests of all the stakeholders.

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(D) **PARTS OF THE SCHEME:**

This Composite Scheme of Arrangement and Amalgamation is divided into the following parts:

- **Part I** of the Scheme deals with definitions and interpretations, and sets out the share capital of all Companies which are parties to this Scheme;
- **Part II** of the Scheme deals with demerger of the Demerged Undertakings (*defined hereinafter*) from the Demerged Companies as going concern, vesting with the Resulting Company;
- **Part III** of the Scheme deals with amalgamation of Transferor Company with Transferee Company; and
- **Part IV** deals with general terms and conditions applicable to this Composite Scheme

(E) The arrangement under this Scheme will be effected under the provisions of Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013. The demerger of the Demerged Undertakings of Demerged Companies vesting with the Resulting Company and amalgamation of the Transferor Company with the Transferee Company shall be in compliance with the provisions of Section 2(19AA) and Section 2(1B) of the Income Tax Act, 1961, respectively.

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PART I
DEFINITIONS AND INTERPRETATIONS

1 DEFINITIONS

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

(a) **"Act" or "the Act"** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory modification or re-enactment thereof for time being in force;

(b) **"Accounting Standards"** means the generally accepted accounting principles in India notified under the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and to the extent in force and other relevant provisions of the Act;

(c) **"Applicable Law"** means any applicable statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority, including any statutory modification or re-enactment thereof for the time being in force;

(d) **"Appointed Date"** means April 1, 2017, or any other date as may be determined by the Appropriate Authority, being the date from which this Scheme shall be deemed to be effective, in the manner described in the Clause 4 of this Scheme;

(e) **"Appropriate Authority"** means any applicable central, state or local government, legislative body, regulatory, administrative or statutory authority, or judicial body or authority, including, but not limited, to Securities and Exchange Board of India, Stock Exchanges, Ministry of Information & Broadcasting, Registrar of Companies, Competition Commission of India, National Company Law Tribunal and Reserve Bank of India;

(f) **"Board"** in relation to the Demerged Companies, Transferor Company and Resulting Company or Transferee Company as the case may be, means the Board of Directors of such company, and shall include any Committee of Directors duly constituted and authorized for the purposes of matters pertaining to the arrangement as contemplated under this Scheme and / or any other matter relating thereto;

(g) **"Demerged Undertaking 1"** means the business undertaking comprising of the digital media and entertainment business of managing the Over The Top (OTT) platform / technology, under the brand names Ditto TV and OZee, business of ZDCL being transferred to the Resulting Company under this Scheme on a going concern basis inclusive of but not limited to all assets (movable or immovable, tangible or intangible) including any rights attached thereto or any other right of similar nature, records, the operations, licenses, deferred tax asset, tax credits (including service tax and goods and service tax credit), the liabilities and obligations related to digital media and entertainment business. It shall also include any personnel, intellectual property rights including rights registered for digital media and entertainment business, or such other rights or tangible or intangible properties belonging to, or forming part of, or relating or appertaining or attributable to the division identified as the digital media and entertainment business and managing Ditto TV and Ozee platform business of the First Demerged Company. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking 1 of the First

Demerged Company shall include:

(i) The liabilities, which arise out of the activities or operations of the Demerged Undertaking 1 of the First Demerged Company;

(ii) Specific loans and / or other financing facilities raised, incurred and / or utilized solely for the activities or operations of the Demerged Undertaking 1 of the First Demerged Company;

(iii) Liabilities other than those referred to in Sub-Clauses (i) and (ii) above, and not directly relatable to the Remaining Business of the First Demerged Company, being the amounts of general or multipurpose borrowings, if any of the First Demerged Company, allocated to the Demerged Undertaking 1 of the First Demerged Company in the same proportion which the value of the assets transferred bears to the total value of the assets of the First Demerged Company immediately before giving effect to this Scheme.

(h) **"Demerged Undertaking 2"** means the business undertaking comprising of the media content management business including creation, conversion, digitization and distribution of media content through webportals, and providing digital infrastructure, application, facilities, etc. of IWPL being transferred to the Resulting Company under this Scheme on a going concern basis inclusive of but not limited to all assets (movable or immovable, tangible or intangible) including any rights attached thereto or any other right of similar nature, records, the operations, licenses, deferred tax asset, tax credits (including service tax and goods and service tax), the liabilities and obligations related to media content management business. It shall also include any personnel, intellectual property rights including rights, if any registered for media content management business, or such other rights or tangible or intangible properties belonging to, or forming part of, or relating or appertaining or attributable to the division identified as the media content management business of the Second Demerged Company. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking 2 of the Second Demerged Company shall include:

(i) The liabilities, which arise out of the activities or operations of the Demerged Undertaking 2 of the Second Demerged Company;

(ii) Specific loans and / or other financing facilities raised, incurred and / or utilized solely for the activities or operations of the Demerged Undertaking 2 of the Second Demerged Company;

(iii) Liabilities other than those referred to in Sub-Clauses (i) and (ii) above, and not directly relatable to the Remaining Business of the Second Company, being the amounts of general or multipurpose borrowings, if any of the Second Company, allocated to the Demerged Undertaking 2 of the Second Company in the same proportion which the value of the assets transferred bears to the total value of the assets of the Second Company immediately before giving effect to this Scheme.

(i) **"Demerged Undertaking 3"** means the media advertisement sale services business of selling advertisement space on television and print media of ZUL being transferred to the Resulting Company under this Scheme on a going concern basis inclusive of but not limited to all assets (movable or immovable, tangible or intangible) including any rights attached thereto or any other right of similar nature, records, the operations, licenses, deferred tax asset, tax credits (including service tax and goods and service tax), the liabilities and obligations related to media advertisement sale services business. It shall also include any personnel, intellectual property rights including rights registered for media advertisement sales services business or such other rights or tangible or intangible properties belonging

to, or forming part of, or relating or appertaining or attributable to the division identified as the media advertisement sales business of the Third Demerged Company. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking 3 of the Third Demerged Company shall include:

(i) The liabilities, which arise out of the activities or operations of the Demerged Undertaking 3 of the Third Demerged Company;

(ii) Specific loans and / or other financing facilities, if any raised, incurred and / or utilized solely for the activities or operations of the Demerged Undertaking 3 of the Third Demerged Company;

(iii) Liabilities other than those referred to in Sub-Clauses (i) and (ii) above, and not directly relatable to the Remaining Business of the Third Company, being the amounts of general or multipurpose borrowings of the Third Company, allocated to the Demerged Undertaking 3 of the Third Company in the same proportion which the value of the assets transferred bears to the total value of the assets of the Third Company immediately before giving effect to this Scheme.

(j) **"Demerged Companies"** collectively include First Demerged Company, Second Demerged Company and Third Demerged Company;

(k) **"Demerged Undertakings"** collectively include Demerged Undertaking 1, Demerged Undertaking 2 and Demerged Undertaking 3;

(l) **"Effective Date"** means the last of the dates on which the certified copies of the Order of the National Company Law Tribunal sanctioning the Composite Scheme of Arrangement and Amalgamation is filed with the respective Registrar of Companies by the Demerged Companies, Transferor Company and Resulting Company or Transferee Company;

(m) **"Employees"** means all the employees of the Demerged Companies, Transferor Company and Resulting Company or Transferee Company, as the case may be respectively as on the Effective Date, in relation to Part II and/ or Part III and / or Part IV of this Scheme;

(n) **"First Demerged Company" or "ZDCL"** means **Zee Digital Convergence Limited** is a public company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. U64200MH2004PLC148772 and having its Registered Office at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018;

(o) **"IT Act"** means the Income-tax Act, 1961, any re-enactment thereof and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force;

(p) **"Registrar of Companies" or "RoC"** means the Registrar of Companies having jurisdiction over the Companies forming part of this Scheme;

(q) **"Remaining Undertaking 1"** means all the undertakings, businesses, activities and operations of the First Demerged Company including Mobile Short Code (SMS) business other than those comprised in digital media and entertainment business;

(r) **"Remaining Undertaking 2"** means all the undertakings, businesses, activities and operations of the Second Demerged Company related to providing E-mail platform and

holding investment in 51% subsidiary Idea Shop Web & Media Pvt Ltd other than those comprised in the media content management business;

(s) **"Remaining Undertaking 3"** means all the undertakings, businesses, activities and operations of the Third Demerged Company including Advertisement Sales Services in Digital platform other than those comprised in the Advertisement Sale Services business on Television and Print Media;

(t) **"Remaining Undertakings"** collectively include Remaining Undertaking 1, Remaining Undertaking 2 and Remaining Undertaking 3;

(u) **"Resulting Company" or "Transferee Company" or "ZEEL"** means **Zee Entertainment Enterprises Limited,** a public company limited by shares incorporated under the provisions of the Companies Act, 1956, under 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;

(v) **"Second Demerged Company" or "IWPL"** means **India Webportal Private Limited** a private company, limited by shares, incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. U72900MH2010PTC201526 and having its Registered Office at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018;

(w) **"Scheme" or "the Scheme" or "this Scheme"** means this Composite Scheme of Arrangement and Amalgamation in its present form submitted to the NCLT or as the case may be this Composite Scheme with such modification(s), if any made, as per Clause 25 of the Composite Scheme;

(x) **"Stock Exchanges"** means BSE Limited and National Stock Exchange of India Limited, as may be applicable.

(y) **"Third Demerged Company" or "ZUL"** means **Zee Unimedia Limited** a public company limited by shares incorporated under the provisions of the Companies Act, 2013, under Corporate Identity No. U74120MH2016PLC274857 and having its Registered Office at 16th Floor, 'A' Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai – 400 013;

(z) **"Transferor Company" or "SEPL"** means **Sarthak Entertainment Private Limited** a private company limited by shares incorporated under the provisions of the Companies Act, 1956, under Corporate Identity No. U92100MH2008PTC301041 and having its registered office at 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai – 400 013 in the State of Maharashtra;

(aa) **"Tribunal" or "NCLT"** means the National Company Law Tribunal ("NCLT") as constituted and authorized as per the provisions of the Act for approving any scheme of arrangement, compromise or reconstruction of companies under Sections 230 to 232 of the Companies Act, 2013.

2 INTERPRETATION

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning prescribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, Income-tax Act, 1961 and other Applicable Laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

In this Scheme, unless the context otherwise requires:

(i) the words "including", "include" or "includes" shall be interpreted in a manner as though the words "without limitation" immediately followed the same;

(ii) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;

(iii) the words "other", "or otherwise" and "whatsoever" shall not be construed *ejusdem generis* or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;

(iv) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;

(v) the term "Clause" or "Sub-Clause" refers to the specified clause of this Scheme, as the case may be;

(vi) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;

(vii) words in the singular shall include the plural and *vice versa*.

3 SHARE CAPITAL

3.1 The authorized, issued, subscribed and paid-up share capital of ZDCL as on June 30, 2017 is as under:

Share Capital	**Amount in Rs.**
Authorized Share Capital	
3,00,00,000 Equity Shares of Rs. 10 each	30,00,00,000
TOTAL	**30,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
3,00,00,000 Equity Shares of Rs. 10 each fully paid up	30,00,00,000
TOTAL	**30,00,00,000**

Subsequent to the above date and till date of Board approval, there has been no change in the issued, subscribed and paid up capital of ZDCL.

Additionally, ZDCL has issued and allotted 9,00,00,000 (Nine Crores) 0% Optionally Convertible Debentures of Rs. 10 each aggregating to Rs 90,00,00,000 (Rupees Ninety Crores only), convertible into equivalent number of Equity Shares of ZDCL.

3.2 The authorized, issued, subscribed and paid-up share capital of IWPL as on June 30, 2017 is as under:



Share Capital	Amount in Rs.
Authorized Share Capital	
25,00,00,000 Equity Shares of Re. 1 each	25,00,00,000
TOTAL	**25,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
24,90,00,000 Equity Shares of Re. 1 each fully paid up	24,90,00,000
TOTAL	**24,90,00,000**

Subsequent to the above date and till date of Board approval, there has been no change in the issued, subscribed and paid up capital of IWPL.

3.3 The authorized, issued, subscribed and paid-up share capital of ZUL as on June 30, 2017 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
1,00,00,000 Equity Shares of Rs. 10 each	10,00,00,000
TOTAL	**10,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
1,00,00,000 Equity Shares of Rs. 10 each fully paid up	10,00,00,000
TOTAL	**10,00,00,000**

Subsequent to the above date and till date of Board approval, there has been no change in the issued, subscribed and paid up capital of ZUL.
Additionally, ZUL has issued and allotted 3,00,00,000 (Three Crores) 0% Optionally Convertible Debentures of Rs. 10 each aggregating to Rs. 30,00,00,000 (Rupees Thirty Crores only), convertible into equivalent number of Equity Shares of ZUL.

3.4 The authorized, issued, subscribed and paid-up share capital of SEPL as on June 30, 2017 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
5,00,000 Equity Shares of Rs. 10 each	50,00,000
TOTAL	**50,00,000**
Issued, Subscribed and Paid-up Share Capital	
4,50,000 Equity Shares of Rs. 10 each fully paid up	45,00,000
TOTAL	**45,00,000**

Subsequent to the above date and till date of Board approval, there has been no change in the issued, subscribed and paid up capital of Transferor Company.

3.5 The authorized, issued, subscribed and paid-up share capital of ZEEL as on June 30, 2017 is as under:

Share Capital	Amount in Rs.
Authorized Share Capital	
2,000,000,000 equity shares of Re.1 each	2,000,000,000
2,100,000,000 preference shares of Rs. 10 each	21,000,000,000
TOTAL	**2300,00,00,000**
Issued, Subscribed and Paid-up Share Capital	
960,448,720 equity shares of Re. 1 each	960,448,720

Share Capital	Amount in Rs.
2,016,942,312 6% cumulative redeemable non-convertible preference shares of Rs. 10 each	20,169,423,120
TOTAL	**21,129,871,840**

Subsequent to the above date, the Board has issued and allotted 3,949,105 - 6% Unlisted Cumulative Redeemable Non-Convertible Preference Shares (Series B Unlisted Preference Shares) of Rs. 10 each resulting in increase in the issued, subscribed and paid up capital of Resulting Company or Transferee Company.

4 **DATE OF TAKING EFFECT AND OPERATIVE DATE**

Each section of the Scheme set out herein in its present form or with any modifications(s) in accordance with Clause 25 of the Scheme shall, unless otherwise specified, be effective from the Appointed Date but operative from the Effective Date.

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PART II

TRANSFER OF THE DEMERGED UNDERTAKINGS FROM THE DEMERGED COMPANIES AND VESTING WITH THE RESULTING COMPANY

5 TRANSFER OF DEMERGED UNDERTAKINGS OF THE DEMERGED COMPANIES AND VESTING WITH THE RESULTING COMPANY

5.1 Subject to the provisions of the Scheme in relation to the modalities of demerger and vesting, upon the Scheme coming into effect and with effect from the Appointed Date, the Demerged Undertaking 1, Demerged Undertaking 2 and Demerged Undertaking 3, together with all their respective properties, assets, investments, liabilities, rights, benefits, interests and obligations therein, shall demerge from the First Demerged Company, Second Demerged Company and Third Demerged Company, respectively and be transferred to, and stand vested with the Resulting Company, and shall become the property of and an integral part of the Resulting Company, subject to existing encumbrances, without any further act, instrument or deed and without any approval or acknowledgement of any third party. Without prejudice to the generality of the above, in particular, the Demerged Undertakings shall stand transferred to and vested with the Resulting Company, in the manner described in Sub-Clauses (a) – (k) below:

(a) Upon the Scheme coming into effect and with effect from the Appointed Date, all immovable property pertaining to the respective Demerged Undertakings, whether freehold or leasehold and any documents of title, rights and easements in relation thereto, shall stand transferred and vested with the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed. Upon the Scheme coming into effect, the Resulting Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation/ substitution of the title to and interest in such immovable properties shall be made and duly recorded in the name of the Resulting Company, by the appropriate authorities pursuant to the sanction of the Scheme by the NCLT and the Scheme becoming effective in accordance with the terms hereof. The Demerged Companies shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the respective Demerged Undertakings is given to the Resulting Company in accordance with the terms hereof.

(b) Upon the Scheme coming into effect and with effect from the Appointed Date, all the assets of the Demerged Undertakings as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recording pursuant to the Scheme, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this Sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such

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property shall be deemed to have been transferred and vested accordingly.

(c) Upon the Scheme coming into effect and with effect from the Appointed Date, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts and receivables, outstanding loans and advances, if any, relating to the Demerged Undertakings, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, without any act, instrument or deed and without any approval or acknowledgement of any third party become the property of the Resulting Company.

(d) Upon the Scheme coming into effect and with effect from the Appointed Date, all debts, liabilities, duties and obligations, secured or unsecured, relating to the respective Demerged Undertakings, including financial obligations arising out of the optionally convertible debentures of the Demerged Companies and general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT Act, shall become and be deemed to be, the debts, liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed. The Resulting Company shall meet, discharge and satisfy the same to the exclusion of the Demerged Companies. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this Sub-Clause. However, the Demerged Companies and the Resulting Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the NCLT or a certified copy thereof and execute necessary deeds or documents in relation to creation / satisfaction / modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Resulting Company as part of the Demerged Undertakings and / or in relation to the assets remaining in the Demerged Companies after the demerger and vesting of the Demerged Undertakings with the Resulting Company pursuant to this Scheme becoming effective in accordance with the terms hereof.

(e) Upon the Scheme coming into effect and with effect from the Appointed Date, all incorporeal or intangible property of or in relation to the Demerged Undertakings shall stand transferred to and vested with the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed and without any approval or acknowledgement of any third party.

(f) Upon the Scheme coming into effect and with effect from the Appointed Date, all letters of intent, memorandum of understanding, memoranda of agreements, tenders, bids, experience and / or performance statements, contracts, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Demerged Undertakings to which the Demerged Companies is a party or to the benefit of which the Demerged Companies may be eligible, shall be in full force and effect against or in favour of the Resulting

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Company and may be enforced by or against the Resulting Company as fully and effectually as if, instead of the Demerged Companies, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed and without any approval or acknowledgement of any third party.

(g) Upon the Scheme coming into effect and with effect from the Appointed Date, all rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered, unregistered or pending registration, and the goodwill arising there from, relatable to the Demerged Undertakings, to which either the Demerged Companies is a party or to the benefit of which the Demerged Companies may be eligible or entitled, shall become the rights, entitlement or property of the Resulting Company and shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Demerged Companies, the Resulting Company had been a party or beneficiary or obligee thereto or the holder or owner thereof.

(h) Upon the Scheme coming into effect and with effect from the Appointed Date, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses including unabsorbed depreciation etc.), sales tax, value added tax, turnover tax, excise duty, service tax, goods and service tax, minimum alternate tax credit, facilities of every kind and description of whatsoever nature, in relation to the Demerged Undertakings to which any of the Demerged Companies is a party or to the benefit of which the Demerged Companies may be eligible, shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Demerged Companies, the Resulting Company had been a party or beneficiary or obligee thereto.

(i) Upon the Scheme coming into effect and with effect from the Appointed Date, any statutory or regulatory licenses, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Demerged Undertakings or granted to the Demerged Companies in relation to the Demerged Undertakings shall stand transferred and vested with the Resulting Company, without any further act, instrument or deed and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Demerged Undertakings shall also stand transferred to and vested with and become available to the Resulting Company pursuant to this Scheme without any further act, instrument or deed and without any approval or acknowledgement of any third party. If the consent or approval of any licensor or authority is

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required to give effect to the provisions of this Sub-Clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the Scheme becoming effective in accordance with the terms hereof.

(j) It is clarified that in accordance with applicable provisions of tax laws, upon the Scheme coming into effect and with effect from the Appointed Date:

(i) all tax liabilities, tax dues, any tax at source deducted or suffered or any entitlement to refund / advance tax paid and all obligations of and claims by or on behalf of the Demerged Companies in relation to the Demerged Undertakings until the Appointed Date shall continue to remain the obligations, entitlements and claims of the Demerged Companies;

(ii) to the extent permitted by Section 72A(4) of the IT Act carry forward tax losses and unabsorbed depreciation of the Demerged Companies in relation to the Demerged Undertakings until the Appointed Date shall be treated as the carry forward tax losses and unabsorbed depreciation, as the case may be, of the Resulting Company and shall be available for utilisation by the Resulting Company;

(iii) all indirect tax credit (including MODVAT / CENVAT / service tax / goods and service tax etc.) of the Demerged Companies in relation to the Demerged Undertakings until the Appointed Date shall be treated as credit of, the Resulting Company and shall be available for utilisation by the Resulting Company;

(iv) all future incentives, un-availed credits and exemptions and other statutory benefits whether relating to direct or indirect taxes including but not limited to excise (including MODVAT / CENVAT), customs, value added tax, sales tax, service tax, goods and service tax to which any of the Demerged Companies is entitled in relation to the Demerged Undertakings shall be available for the benefit of the Resulting Company and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Demerged Companies and without any approval or acknowledgement of any third party as if all such incentives, exemptions and entitlements had arisen to and were always the incentives and entitlements of the Resulting Company.

(k) Upon the Scheme coming into effect, the Demerged Companies and the Resulting Company shall be entitled to file / revise / reopen their respective financial statements (including balance sheet and profit and loss statement) and its statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax / tax deducted at source / minimum alternate tax credits as may be required consequent to the implementation of the Scheme.

5.2 The Resulting Company shall at any time upon the Scheme coming into effect and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertakings to which the

Demerged Companies has been a party, in order to give formal effect to the above provisions.

6 CONSIDERATION

As on the date of approval of this Scheme by the respective Boards, the entire issued, subscribed and paid-up equity share capital of the Demerged Companies is held by the Resulting Company. Upon the Scheme becoming effective, no shares of the Resulting Company shall be allotted in lieu of its holding of entire shares in the Demerged Companies.

7 ACCOUNTING TREATMENT IN THE BOOKS OF THE DEMERGED COMPANIES AND RESULTING COMPANY

7.1 Accounting treatment in the books of Demerged Companies

7.1.1 Upon coming into effect of this Scheme, the Demerged undertakings of ZDCL, ZUL and IWPL ("Demerged Companies") with effect from the Appointed Date for ZDCL and ZUL and from any subsequent date when the common control of IWPL and Resulting Company was established for the first time, the value of all assets and liabilities, including the optionally convertible debentures (if any) pertaining to the Demerged Undertaking of the Demerged Companies, which will cease to be assets and liabilities of the Demerged Companies, shall be reduced by the Demerged Companies at their carrying values;

7.1.2 The intercompany balances, loans and advances and debentures, pertaining to the demerged undertakings, outstanding between the Resulting Company and the Demerged Companies will stand cancelled.

7.1.3 The difference i.e. the excess or shortfall, if any, of the net book value of assets over the transferred liabilities pertaining to or attributable to the Demerged Undertakings, and demerged from the Demerged Companies pursuant to the Scheme, shall be adjusted to the Capital Reserves of the Demerged Companies.

7.1.4 The surplus arising on account of reduction in capital (including securities premium, if any) of each of the Demerged Companies as stated in Clause 8 of the Scheme shall be adjusted to Capital Reserves of the Demerged Companies.

7.2 Accounting treatment in the books of the Resulting Company

On the Scheme becoming effective, the Resulting Company shall account for demerger of the Demerged undertaking of ZDCL, ZUL and IWPL with the Resulting Company in its books of account in accordance with the Pooling of interest method laid down in Appendix C of the Indian Accounting Standard 103 (Business combination of entities under common control) prescribed under Section 133 of the Companies Act, 2013, as follows:

7.2.1 In case of Demerged undertaking of IWPL, upon this Scheme coming into effect,

the Resulting Company, with effect from the date when the common control of the Demerged Company viz. IWPL and the Resulting Company was established for the first time ("Common Control Date"), shall record the assets and liabilities of the Demerged Undertaking of IWPL transferred pursuant to this Scheme, at their respective carrying values in the consolidated financial statements of the Resulting Company immediately before the demerger. In case of Demerged undertakings of ZDCL and ZUL, the Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertakings of ZDCL and ZUL transferred pursuant to the Scheme, at their respective carrying values as appearing in the books of account of the Demerged Companies viz. ZDCL and ZUL as on the Appointed Date.

7.2.2 If the common control existed prior to the Appointed Date, comparative accounting period presented in the financial statements of Resulting Company shall be restated for the accounting impact of demerger, as stated above, as if the demerger had occurred from the later of beginning of the comparative period in the financial statements or when the control was acquired.

7.2.3 The intercompany balances, loans and advances and debentures, pertaining to the demerged business, outstanding between the Demerged Companies and the Resulting Company in respect of the Demerged Undertaking will stand cancelled.

7.2.4 The difference being the excess of the net assets value of Demerged Undertakings transferred to the Resulting Company in accordance with clause 7.2.1 above and after considering the adjustment mentioned in Clause 7.2.2 above would be adjusted against and reflected in the capital reserves of the Resulting Company and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.

7.2.5 In case of any difference in accounting policies between ZDCL, ZUL, IWPL and ZEEL, the impact of the same till the Appointed Date will be quantified and adjusted to the Reserves of the Resulting Company to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.

7.2.6 All costs and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the profit & loss account of the Resulting Company.

7.2.7 The Resulting Company to reduce the carrying value of investments in the Demerged Company to the extent of equity share capital reduction of the Demerged Company (as referred in Clause 8) and this reduction to be adjusted in the capital reserves of the Resulting Company.

8 REDUCTION OF EXISTING SHARE CAPITAL OF THE DEMERGED COMPANIES

8.1 Upon the Scheme becoming effective, 2,99,00,000 (Two Crores Ninety Nine Lakhs) Equity Shares of Rs. 10 each of ZDCL held by Resulting Company, as on the

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Effective Date shall, without any application or deed, stand cancelled without any payment and the Paid-up Share Capital of ZDCL shall stand reduced to 1,00,000 (One Lakh) Equity Shares of Rs. 10 each.

8.2 Upon the Scheme becoming effective, 24,80,00,000 (Twenty Four Crores Eighty Lakhs) Equity Shares of Re. 1 each of IWPL held by Resulting Company, as on the Effective Date shall, without any application or deed, stand cancelled without any payment and the Paid-up Share Capital of IWPL shall stand reduced to 10,00,000 (Ten Lakhs) Equity Shares of Re. 1 each and the balance in securities premium account of IWPL of Rs. 37,10,44,967 (Rupees Thirty Seven Crores Ten Lakhs Forty Four Thousand Nine Hundred and Sixty Seven Only) shall stand proportionately reduced to Rs. 14,90,140 (Rupees Fourteen Lakhs Ninety Thousand One Hundred and Forty Only).

8.3 Upon the Scheme becoming effective, 99,00,000 (Ninety Nine Lakhs) Equity Shares of Rs. 10 each of ZUL held by Resulting Company, as on the Effective Date shall, without any application or deed, stand cancelled without any payment and the Paid-up Share Capital of ZUL shall stand reduced to 1,00,000 (One Lakh) Equity Shares of Rs. 10 each.

8.4 The cancellation of respective paid-up Equity share capital and reduction of Securities Premium Account (if any) of the Demerged Companies shall be effected as an integral part of the Scheme in accordance with the provisions of Section 66 of the Act and the Order of the NCLT sanctioning the Scheme shall be deemed to be also the Order under Section 66 of the Act for the purpose of confirming the reduction of capital. The reduction would not involve either a diminution of liability in respect of unpaid Equity share capital or payment of paid-up equity share capital and the provisions of Section 66 of the Act will not be applicable.

8.5 The cancellation of Paid-up Equity Share Capital and reduction of Securities Premium Account (if any) of respective Demerged Companies as per clause 8.1, 8.2 and 8.3 above shall also be credited to the Capital Reserve of the respective Demerged Companies.

8.6 The cancellation of shares held in the Demerged Companies by Resulting Company as per clause 8.1, 8.2 and 8.3 above shall also be adjusted against the Capital Reserve of the Resulting Company.

9 REMAINING UNDERTAKINGS OF DEMERGED COMPANIES

9.1 The Remaining Undertakings and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and remain vested in and be managed by the Demerged Companies.

9.2 All proceedings by or against the Demerged Companies under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and

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relating to the Remaining Undertakings of the Demerged Companies (including those relating to any property, right, power, liability, obligation or duties of the Demerged Companies in respect of the remaining undertakings) shall be continued and enforced against the Demerged Companies.

9.3 If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 9.2 above relating to the Remaining Undertakings, it shall defend the same in accordance with the advice of the Demerged Companies and at the cost of the Demerged Companies, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.

10 EMPLOYEES

10.1 On the Scheme becoming operative, all staff and employees of the Demerged Companies pertaining to the respective Demerged Undertakings in service on the Effective Date shall be deemed to have become staff and employees of the Resulting Company without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with the Resulting Company shall not be less favourable than those applicable to them with reference to their employment in the Demerged Companies.

10.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of the Demerged Companies pertaining to the Demerged Undertakings or all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds in accordance with the provisions thereof as per the terms provided in the respective Trust Deeds, if any, to the end and intent that all rights, duties, powers and obligations of the Demerged Companies in relation to the respective Demerged Undertaking in relation to such Fund or Funds shall become those of the Resulting Company. It is clarified that the services of the staff and employees of the Demerged Companies pertaining to the Demerged Undertakings will be treated as having been continuous for the purpose of the said Fund or Funds.

10.3 With effect from the date of filing of the Scheme with the NCLT and up to and including the effective date, the Demerged Companies shall not vary the terms and conditions of employment of any of the employees of the Demerged Companies pertaining to the Demerged Undertakings except in the ordinary course of business or without the prior consent of Board of Directors of the Resulting Company or pursuant to any pre-existing obligation undertaken by the Demerged Companies.

11 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

Till the Effective Date:

11.1 The Demerged Companies shall carry on and be deemed to have carried on business

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and activities relating to respective Demerged Undertaking and shall stand possessed of all its assets and properties referred to above, in trust for the Resulting Company and shall account for the same to the Resulting Company. The Demerged Companies shall hold the said assets with utmost prudence until the Effective Date.

11.2 All profits or income arising or accruing in favour of the Demerged Companies in relation to respective Demerged Undertaking and all taxes paid thereon (including but not limited to advance tax, tax deducted at source, minimum alternate tax credit, Service tax, goods and service tax, taxes withheld / paid in foreign country, value added tax credit, CENVAT credit etc.) or losses / expenses arising or incurred by the Demerged Companies in relation to respective Demerged Undertaking shall, for all purpose, be treated as and deemed to be the profits or income, taxes or losses or expenses, as the case may be, of the Resulting Company.

12 LEGAL PROCEEDINGS

12.1 If any suit, appeal or other proceedings of whatever nature by or against the Demerged Companies relating to the respective Demerged Undertaking(s) is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this demerger or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings shall be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Companies as if the Scheme had not been made.

12.2 On and from the Effective Date, the Resulting Company shall be entitled to initiate or continue all legal proceedings in relation to the Demerged Undertaking(s) vested with the Resulting Company.

13 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

13.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to the Demerged Undertaking(s), to which the Demerged Companies are a party, or the benefit to which the Demerged Companies may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Resulting Company and may be enforced as fully and effectively as if instead of the Demerged Companies, the Resulting Company had been a party or beneficiary thereto.

13.2 As a consequence of the demerger of the Demerged Companies vesting with the Resulting Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Demerged Companies to the Resulting Company, whether relating to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority subject to appropriate documentation

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by the Resulting Company.

14 SAVING OF CONCLUDED TRANSACTIONS

The demerger, transfer and vesting of the Demerged Undertakings with the Resulting Company and the continuance of proceedings by or against the Demerged Companies until the Effective Date, to the extent it relates to the Demerged Undertakings shall not affect any transaction or proceedings already concluded by the Demerged Companies on or before the Effective Date, to the end and intent that the Resulting Company accepts and adopts all acts, deeds and things done and executed by the Demerged Companies in respect thereto as done and executed on behalf of itself.

PART III
AMALGAMATION OF THE TRANSFEROR COMPANY WITH THE TRANSFEREE COMPANY

15 TRANSFER OF ASSETS AND LIABILITIES OF THE TRANSFEROR COMPANY TO THE TRANSFEREE COMPANY

15.1 Subject to the provisions of this Scheme as specified hereinafter and with effect from the Appointed Date, upon the Scheme becoming effective the entire business and whole of the undertaking of the Transferor Company as a going concern including all assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) and liabilities, including contingent liabilities, of the Transferor Company shall pursuant to the provisions contained in Sections 230 to 232 and all other applicable provisions, if any, of the Act and without any further act or deed shall stand transferred to and vested with and / or be deemed to be transferred to and vested with the Transferee Company so as to vest in the Transferee Company all rights, title and interests pertaining to Transferor Company.

15.2 Upon the Scheme becoming effective and with effect from the Appointed Date, all debts, duties and obligations of every kind, nature and description of the Transferor Company shall without any further act or deed, be vested with / transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, duties and obligations have arisen in order to give effect to the provisions of this Sub-Clause.

15.3 Upon the effectiveness of this Scheme, the Transferee Company shall be entitled to file/ revise Income Tax returns, certificates of tax deducted at source, withholding tax returns and other statutory returns to the extent required for itself and on and/ or behalf of Transferor Company, as the case may be. The Transferee Company shall be entitled to get credit/claim refunds, advance tax credits, credit of tax including minimum alternate tax, credit of tax deducted at source, credit of foreign tax paid/

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withheld, etc., if any, for and / or on behalf of Transferor Company, as may be required consequent to the implementation of the Scheme.

15.4 The provisions of this Scheme as they relate to the amalgamation of the Transferor Company, has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the IT Act. If any terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of the said Section at a later date including resulting from any amendment of law or for any other reason whatsoever, the provisions of the said Section of the IT Act shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(1B) of the IT Act. Such modification will however not affect other parts of the Scheme.

16 CONSIDERATION

16.1 The entire issued, subscribed and paid-up equity share capital of the Transferor Company is held by the Transferee Company. Upon the Scheme becoming effective, no shares of the Transferee Company shall be allotted in lieu of the holding of shares in the Transferor Company.

16.2 Upon the coming into effect of this Scheme, the entire investment of the Transferee Company held in the Transferor Company shall stand cancelled without any further act or deed for cancellation thereof by the Transferee Company.

17 ACCOUNTING TREATMENT IN THE BOOKS OF THE TRANSFEREE COMPANY

On the Scheme becoming effective, ZEEL ("the Transferee Company") shall account for amalgamation of SEPL ("the Transferor Company") with the Transferee Company in its books of account in accordance with the Pooling of interest method laid down in Appendix C of the India Accounting Standard 103 (Business combination of entities under common control) prescribed under Section 133 of the Companies Act, 2013 with effect from the Appointed Date as under:

17.1.1 With effect from the Appointed Date, all the assets, liabilities and reserves are recorded in the books of the Transferor Company shall stand transferred to and vested in the Transferee Company pursuant to the Scheme and shall be recorded by the Transferee Company at their respective carrying values which were appearing in the consolidated financial statements of ZEEL immediately before the merger.

17.1.2 The intercompany balances, loans and advances and investments in shares and debentures (if any) outstanding between the Transferee Company and the Transferor Company will stand cancelled.

17.1.3 After considering the adjustments as mentioned in clause 17.1.1 and 17.1.2 above and, subject to the other provisions contained herein, the surplus, if any, between the carrying value of investments in equity shares of the Transferor Company in the books of account of the Transferee Company and the amount of net assets of the

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Transferor Company which were appearing in the consolidated financial statements of Transferee Company immediately before the merger will be adjusted against and reflected in the capital reserve of the Transferee Company.

17.1.4 In case of any difference in accounting policies between the Transferor Company and the Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the Reserves of the Transferee Company to ensure that the financial statements of the Transferee Company reflect the financial position on the basis of consistent accounting policy.

17.1.5 If the common control existed prior to the appointed date, comparative accounting period presented in the financial statements of Resulting Company shall be restated for the accounting impact of merger, as stated above, as if the merger had occurred from the later of beginning of the comparative period in the financial statements or when the control was acquired.

17.1.6 All costs and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the profit & loss account of the Transferee Company.

18 DISSOLUTION WITHOUT WINDING UP

On the coming into effect of the Scheme and upon transfer of assets and liabilities to Transferee Company, the Transferor Company shall stand dissolved, without being wound up.

19 EMPLOYEES

19.1 All the permanent employees of the Transferor Company who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of the Transferee Company, without any break or interruption in service as a result of the transfer and on terms and conditions not less favourable than those on which they are engaged by the Transferor Company immediately preceding the Effective Date. Services of the employees of Transferor Company shall be taken into account from the date of their respective appointment with the Transferor Company for the purposes of all retirement benefits and all other entitlements for which they may be eligible. The Transferee Company further agrees that for the purpose of payment of any retrenchment compensation, if any, such past services with the Transferor Company shall also be taken into account.

19.2 The services of such employees shall not be treated as being broken or interrupted for the purpose of Provident Fund or Gratuity or Superannuation or other statutory purposes and for all purposes will be reckoned from the date of their respective appointments with the Transferor Company.

19.3 The Transferor Company shall not vary the terms and conditions of employment of any of the employees except in the ordinary course of business or without the prior

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consent of the Transferee Company or pursuant to any pre-existing obligation undertaken by the Transferor Company as the case may be, prior to the Effective Date.

20 CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

Till the Effective Date:

20.1 The Transferor Company shall carry on and be deemed to have been carrying on its business and activities in the ordinary course of business and shall stand possessed of and hold all of its properties and assets for and on account of and in trust for the Transferee Company. The Transferor Company shall hold the said assets with utmost prudence until the Effective Date.

20.2 The Transferor Company shall carry on its business and activities with reasonable diligence, business prudence and shall not without the prior written consent of the Transferee Company, alienate, charge, mortgage, encumber or otherwise deal with or dispose of its undertakings or any part thereof except in the ordinary course of business nor shall it undertake any new businesses or a substantial expansion of its existing businesses.

20.3 The Transferor Company shall not utilize its profits or income, if any, for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of the Board of Directors of the Transferee Company.

20.4 All the profits or income accruing or arising to the Transferor Company or expenditure or losses arising to or incurred by the Transferor Company, with effect from the said Appointed Date shall for all purposes and intents be treated and be deemed to be and accrue as the profits or incomes or expenditure or losses of the Transferee Company.

21 LEGAL PROCEEDINGS

21.1 All legal proceedings, including arbitration proceedings, of whatsoever nature by or against the Transferor Company pending and / or arising at or after the Appointed Date, as and from the Effective Date shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against the Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against the Transferor Company.

21.2 Immediately after the Effective Date, the Transferee Company shall ensure to have all legal or other proceedings initiated by or against the Transferor Company referred to in Clause 21.1 above transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company after the Effective Date.

22 CONTRACTS, DEEDS AND OTHER INSTRUMENTS

22.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to the business of the Transferor Company, to which the Transferor Company is a party, or the benefit to which the Transferor Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favour of the Transferee Company and may be enforced as fully and effectively as if instead of the Transferor Company, the Transferee Company had been a party or beneficiary thereto. Further, the Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of the Transferor Company and to implement or carry out all formalities required on the part of the Transferor Company, to give effect to the provisions of this Scheme.

22.2 As a consequence of the Amalgamation of the Transferor Company into the Transferee Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Company to the Transferee Company, whether relating to any licence, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority, subject to appropriate documentation by the Resulting Company.

23 SAVING OF CONCLUDED TRANSACTIONS

23.1 The transfer and vesting of business under Clause 15 and the continuance of proceedings by or against the Transferor Company above shall not affect any transaction or proceedings already concluded by the Transferor Company on or before Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Company in respect thereto as done and executed on behalf of itself.

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PART IV
GENERAL TERMS AND CONDITIONS

24 APPLICATION TO NCLT

24.1 The Demerged Companies, Transferor Company and Transferee Company shall make all necessary applications / petitions under Sections 230 to 232 read with Sections 66 of the Companies Act, 2013 and other applicable provisions of the said Act to the NCLT for sanction of this Scheme under the provisions of the law.

25 MODIFICATION OR AMENDMENTS TO THE SCHEME

25.1 Subject to approval of the NCLT, the Demerged Companies, Transferor Company and Transferee Company by their respective Board of Directors or any duly authorized committee may make or consent to any modifications or amendments to the Scheme, or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose, or which may otherwise be considered necessary, desirable or appropriate by the respective Board of Directors or committees, including withdrawal of this Scheme and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect. No modification or amendment to the Scheme will be carried out or effected by the respective Boards without approaching the NCLT.

25.2 The Demerged Companies, Transferor Company and Transferee Company shall be at liberty to withdraw from this Scheme, in case any condition or alteration is / are imposed by the NCLT or any other authority is unacceptable to them or otherwise if so mutually agreed.

25.3 For the purpose of giving effect to this Scheme or to any modification thereof, the Board of Directors of the Demerged Companies, Transferor Company and Transferee Company or any other duly authorized committee thereof are authorized severally to give such directions including directions for settling any question of doubt or difficulty that may arise under this Scheme or in regard to and of the meaning or interpretation of this Scheme or implementation thereof or in any matter whatsoever connected therewith, and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in the Scheme.

26 CONDITIONALITY OF THE SCHEME

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

26.1 The Scheme being approved by the respective requisite majorities of the Shareholders of the Demerged Companies, Transferor Company and Transferee Company as required under the Act and as may be directed by the NCLT and / or any other competent authority and it being sanctioned by the NCLT and / or any other competent authority, as may be applicable.

26.2 Certified or authenticated copy of the Order(s) of the NCLT sanctioning the Scheme being filed with the Registrar of Companies by Demerged Companies, Transferor Company and Transferee Company as may be applicable.

26.3 Each Section of the Scheme shall be given effect to as per the chronology in which it has been provided for in the Scheme. Each part in each Section is independent of each Section and is severable. The Scheme shall be effective upon sanction of the NCLT. However,

failure of any one part of one Section for lack of necessary approval from the shareholders / statutory regulatory authorities or for any other reason that the Board of Directors may deem fit than this shall not result in the whole Scheme failing. It shall be open to the concerned Board of Directors to consent to sever such part(s) of the Scheme and implement the rest of the Scheme with such modification.

27 EFFECT OF NON-RECEIPT OF APPROVALS

27.1 In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the NCLT or such other competent authority and / or the Order not being passed as aforesaid before April 30, 2018 or within such further period or periods as may be agreed upon between Demerged Companies, Transferor Company and Transferee Company by their respective Board of Directors (and which the Board of Directors of the Companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

28 COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) of Demerged Companies, Transferor Company and Transferee Company arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne by the Resulting / Transferee Company.

End of Document.

Certified True Copy
Date of Application 13/04/18
Number of Pages 26
Fee Paid Rs 130
Applicant called for collection copy on 02/05/18
Copy prepared on 02/05/2018
Copy Issued on 02/05/2018

Deputy Director
National Company Law Tribunal, Mumbai Bench

BEFORE THE NATIONAL COMPANY LAW TRIBUNAL

MUMBAI BENCH

COMPANY SCHEME PETITION NO 93 (MAH) OF 2018

IN

COMPANY SCHEME APPLICATION NO 1071 (MAH) OF 2017

In the matter of the Companies Act, 2013

And

In the matter of Sections 230 to Section 232 read with Section 66 and other applicable provisions of Companies Act, 2013

And

In the matter of Composite Scheme of Arrangement and Amalgamation between Zee Digital Convergence Limited ("ZDCL" or "First Demerged Company"); India Webportal Private Limited ("IWPL" or "Second Demerged Company"); Zee Unimedia Limited ("ZUL" or "Third Demerged Company"); Sarthak Entertainment Private Limited ("SEPL" or "Transferor Company"); Zee Entertainment Enterprises Limited ("ZEEL" or "Resulting Company" or "Transferee Company") and their respective Shareholders ("Composite Scheme")

Zee Entertainment Enterprises Limited...**Fifth Petitioner Company**

CERTIFIED COPY OF ORDER DATED 11TH DAY OF APRIL 2018 AND THE SCHEME ANNEXED THE PETITION

M/s. HEMANT SETHI & CO.

ADVOCATES FOR PETITIONERS