

## **SCHEME OF ARRANGEMENT**

**BETWEEN**

**DILIGENT MEDIA CORPORATION LIMITED ....THE DEMERGED COMPANY**

**AND**

**ZEE ENTERTAINMENT ENTERPRISES LIMITED ....THE RESULTING COMPANY**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

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### **(A) PREAMBLE**

This Scheme of Arrangement ('the Scheme') is presented under Sections 391 to 394 read with Section 78 and Sections 100 to 104 and other applicable provisions of the Companies Act, 1956 and any corresponding provisions of the Companies Act, 2013 upon their notification (including any statutory modifications(s) or re-enactment(s) thereof for the time being in force) applicable to arrangements, for demerger of Media Business Undertaking (as defined hereinafter) from Diligent Media Corporation Limited ("DMCL" or "the Demerged Company") vesting with Zee Entertainment Enterprises Limited ("ZEEL" or "the Resulting Company"), on a going concern basis, pursuant to the relevant provisions of the Companies Act, 1956. This Scheme also provides for various other matters consequential or otherwise integrally connected therewith.

### **(B) RATIONALE FOR THE SCHEME**

1. Events form an important and integral part of every television channel and there has been increasing trend in number of events interspersed with staple programming (soaps). These events, besides providing likeable low cost contents, act as catalyst for reinforcing connect with viewers and advertisers both on the ground as well as on screen.

2. The Resulting Company being a major player in the Media and entertainment space is planning to give an impetus to its events management capabilities and could benefit from the Media Business Undertaking of DMCL, which revolve around various events on empowerment of women, education, automobiles, real estate etc. The Resulting Company may also benefit from a license for a non news and current affairs television channel currently vested with DMCL and certain registered Intellectual Properties for television formats of various gaming based shows held by DMCL.
3. In light of the above, it is proposed that the Media Business Undertaking of DMCL is consolidated with the Resulting Company by way of demerger from DMCL and vesting into the Resulting Company pursuant to the Scheme of Arrangement between DMCL and ZEEL and their respective shareholders and creditors under Section 391 to 394 of the Companies Act, 1956.
4. The proposed demerger is expected to be beneficial to both DMCL and ZEEL and their respective shareholders, creditors and all other stakeholders and will enable DMCL and ZEEL to achieve and fulfill their objectives more efficiently and economically.

**(C) Parts of the Scheme:**

This Scheme of Arrangement is divided into the following parts:

- (i) **PART I** deals with the definitions and share capital;
- (ii) **PART II** deals with (a) the transfer and vesting of Media Business Undertaking of DMCL; (b) issue of preference shares to the shareholder(s) of DMCL by ZEEL and;
- (iii) **PART III** which deals with general terms and conditions applicable to this the Scheme of Arrangement.

## PART I

### DEFINITIONS AND SHARE CAPITAL

#### 1. DEFINITIONS

In this Scheme of Arrangement (as defined hereunder), unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1 **“Act” or “the Act”** means the Companies Act, 1956 as amended and any corresponding provisions of the Companies Act, 2013 upon their notification (including any statutory modifications(s) or re-enactment(s) thereof), for the time being in force, which may relate or applicable to arrangements.
- 1.2 **“Appointed Date”** means closing hours of business on 31<sup>st</sup> day of March, 2014 or such other date as may be fixed or approved by the High Court of Judicature at Bombay.
- 1.3 **“Court” or “High Court”** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if and when applicable;
- 1.4 **“Effective Date”** means the last of the dates on which the certified copy of the Order of the High Court of Judicature at Bombay sanctioning the Scheme of Arrangement is filed by DMCL and ZEEL with the Registrar of Companies, Mumbai, Maharashtra.
- 1.5 **“DMCL” or “the Demerged Company”** means Diligent Media Corporation Limited, a Company incorporated under the Companies Act, 1956 having CIN U22120MH2005PLC151377 and having its registered office at 11<sup>th</sup> floor, Tower-3, India Bulls Finance Centre, Senapati Bapat Marg, Elphinstone Road (West), Mumbai - 400013, Maharashtra.
- 1.6 **“Media Business Undertaking” or “Media Business”** means any and all assets and liabilities of, appertaining or relatable to, the event management activities of DMCL on the Appointed Date. Without limiting the generality of the foregoing, such undertaking shall include but not limited to all assets (movable or immovable, tangible or intangible), license for a non news and current affairs television channel including any rights attached thereto, broadcasting rights, programming rights, telecasting rights or any other right of similar nature, records, the operations, licenses, deferred tax asset, tax credits (including service tax credit), the liabilities and obligations. It shall also include any personnel, intellectual property rights

including rights registered for television formats of gaming based shows, or such other rights or tangible or intangible properties belonging to, or forming part of, or relating or appertaining to, or attributable to the division identified as the Media Business of DMCL.

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Media Business of DMCL shall include:

- (a) The liabilities, which arise out of the activities or operations of the Media Business of DMCL.
  - (b) Specific loans and/or other financing facilities raised, incurred and / or utilized solely for the activities or operations of the Media Business of DMCL.
  - (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above, and not directly relatable to the remaining business of DMCL, being the amounts of general or multipurpose borrowings of DMCL, allocated to the Media Business of DMCL in the same proportion which the value of the assets transferred under this Clause 1.6 bears to the total value of the assets of DMCL immediately before giving effect to this Scheme.
    - (i) All permanent employees of DMCL employed in and / or relatable to the Media Business of DMCL as on the Effective Date; and
    - (ii) Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Media Business of DMCL or whether it arises out of the activities or operations of the Media Business of DMCL or otherwise shall be decided by mutual agreement between the Board of Directors of DMCL and ZEEL.
- 1.7 **“Remaining Business of DMCL”** means all the undertakings, businesses, activities and operations of DMCL other than Media Business of DMCL and specifically including the publishing business;
- 1.8 **“Scheme”** or **“the Scheme”** or **“this Scheme”** means this Scheme of Arrangement in its present form as submitted to the Honorable High Court of Judicature at Bombay or this Scheme with such modification(s), if any made, as per Clause 14 of the Scheme;

- 1.9 “ZEEL” or “the Resulting Company” means Zee Entertainment Enterprises Limited, a Company incorporated under the Companies Act, 1956 having CIN L92132MH1982PLC028767 and having its registered office at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018, Maharashtra.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time.

## 2. SHARE CAPITAL

- 2.1 The authorized, issued, subscribed and paid-up share capital of DMCL as on March 31, 2013 is as under

Share Capital	Amount in Rs.
<b>Authorized Share Capital</b>	
153,500,000 Equity shares of Rs.10/- each	1,535,000,000
<b>TOTAL</b>	<b>1,535,000,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	
89,095,542 Equity shares of Rs.10/- each fully paid up	890,955,420
<b>TOTAL</b>	<b>890,955,420</b>

Subsequent to March 31, 2013, there has been no change in the share capital structure of DMCL. The share application money pending allotment will not be converted into equity share capital until this scheme of arrangement is made effective.

- 2.2 The authorized, issued, subscribed and paid-up share capital of ZEEL as on March 31, 2013 is as under:

Share Capital	Amount in Rs.
<b>Authorized Share Capital</b>	
139,92,00,000 Equity Shares of Re. 1 each	139,92,00,000
<b>TOTAL</b>	<b>139,92,00,000</b>
<b>Issued, Subscribed and Paid-up Share Capital</b>	

95,39,57,720 Equity Shares of Re. 1 each fully paid up	95,39,57,720
<b>TOTAL</b>	<b>95,39,57,720</b>

ZEEL had granted 43,40,000 Stock Options under its Employee Stock Option Scheme (ESOS 2009) in 2009 which got doubled to 86,80,000 options consequent to Bonus issue of Equity Shares in 2011. The said Options were convertible into equivalent number of Equity Shares of Re. 1 each of the Company. Of these 65,48,800 vested Options were outstanding as at March 31, 2013. Subsequent to March 31, 2013, out of these options as on December 17 2013, 62,99,400 Options got exercised upon which the Company has issued and allotted 62,99,400 Equity Shares of Re 1 each, resulting in the increase in paid-up share capital of the Company to Rs. 96,02,57,120 comprising of 96,02,57,120 Equity Shares of Re. 1 each.

ZEEL has proposed issuance of bonus redeemable preference shares to its equity shareholders under a scheme of arrangement approved by its Board of Directors in June 2013 which is pending for certain statutory / regulatory approvals. Pursuant to the said scheme becoming effective, the authorised share capital of ZEEL will stand increased to, and reclassified, as under:

<b>Share Capital</b>	<b>Amount in Rs.</b>
<b>Authorized Share Capital</b>	
200,00,00,000 Equity Shares of Re 1 each	200,00,00,000
2100,00,00,000 Preference Shares of Re. 1 each	2100,00,00,000
<b>TOTAL</b>	<b>2300,00,00,000</b>

### **3. DATE OF TAKING EFFECT AND OPERATIVE DATE**

The Scheme as set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court shall be effective from the Appointed Date, but shall be operative from the Effective Date.

## **PART II**

### **TRANSFER AND VESTING OF MEDIA BUSINESS UNDERTAKING OF DMCL INTO ZEEL**

#### **4. VESTING OF MEDIA BUSINESS**

- 4.1 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the whole of the undertaking, assets and liabilities, debts and properties of the Media Business as defined in Clause 1.6 shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act any corresponding provisions of the Companies Act, 2013 and without any further act or deed shall stand transferred to and vested in and / or be deemed to be transferred to and vested in ZEEL so as to vest in ZEEL all rights, title and interest pertaining to the Media Business.
- 4.2 With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions, approvals or consents relating to, vested with, and/or held by DMCL required to carry on operations of the Media Business shall stand vested in or transferred to ZEEL without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of ZEEL. The benefit of all such statutory and regulatory permissions, registration or other licenses, and consents shall vest in and become available to ZEEL pursuant to the Scheme.
- 4.3 All existing securities, mortgages, charges, encumbrances or liens, if any, as on the Appointed Date, over the assets comprised in the Media Business transferred to and vested with ZEEL by virtue of this Scheme and in so far as such securities, mortgages, charges, encumbrances or liens secured or relate to liabilities of the Media Business, the same shall, after the Effective Date, continue to relate and attach to such assets or any part thereof to which they are related or attached prior to the Effective Date. Such assets as are transferred to ZEEL pursuant to this Scheme and such securities, mortgages, charges, encumbrances or liens shall not relate or attach to any of the other assets of ZEEL.
- 4.4 Any existing encumbrances over the assets and properties of ZEEL or any part thereof which relate to the liabilities and obligations of ZEEL prior to the Effective Date shall continue to relate only to such of those assets and properties of ZEEL

- and shall not extend or attach to any of the assets and properties of the Media Business transferred to and vested in ZEEL by virtue of this Scheme.
- 4.5 Since each of the permissions, approvals, consents, sanctions, remissions, special reservations, sales / service tax credits, holidays, incentives, concessions and other authorizations relating to Media Business shall stand transferred pursuant to the Order of the Court to ZEEL, ZEEL shall file relevant intimations as required for the record of the statutory authorities who shall take them on file, pursuant to the Order of the Court.
- 4.6 This Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income-tax Act, 1961. 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 an amendment of law or for any other reason whatsoever, the provisions of the said Section of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the intent of Section 2(19AA) of the Income-tax Act, 1961 or any statutory modification(s) thereof. Such modification will however not affect other parts of the Scheme.
- 4.7 It is hereby clarified that nothing contained in the Scheme shall, in any manner, affect any Remaining Business of DMCL now or hereafter carried out by DMCL.

## **5. ISSUE OF SHARES BY ZEEL**

- 5.1 Upon coming into effect of the Scheme and in consideration for the transfer and vesting of the Media Business in ZEEL, ZEEL shall, without any further application or deed, issue and allot preference shares, credited as fully paid up, to the members of DMCL whose name appears in the Register of Members of DMCL as on the Effective Date or to their respective heirs, executors, administrators or other legal representatives or the successors-in-title, as the case may be, in the ratio of
- “1 (One) fully paid Preference Share of Re. 1 (Rupee One) each of ZEEL for every 4 (Four) Equity Shares of Rs. 10/- (Rupees Ten) each held in DMCL, which shall result in issuance of 2,22,73,886 Preference Shares of Re. 1 each by ZEEL to shareholders of DMCL.”
- 5.2 No coupons shall be issued in respect of fractional entitlements, if any, by ZEEL, to the members of DMCL at the time of issue and allotment of Preference Shares under Clause 5.1. In case any equity shareholder’s holding in DMCL is such that



- the said shareholder becomes entitled, pursuant to Clause 5.1 above, to a fraction of Preference Share of ZEEL, ZEEL shall at its discretion round off the said entitlement to the nearest integer and allot Preference Shares accordingly.
- 5.3 The Preference shares specified in clause 5.1 of this Scheme shall be issued and allotted on the terms and conditions set out in Schedule I to this Scheme.
- 5.4 The Preference Shares to be issued to the members of DMCL pursuant to clause 5.1 of this Scheme will not be listed on any of the stock exchanges in India, unless required under any regulations and/or the listing guidelines.
- 5.5 Approval of this Scheme by the shareholders of ZEEL shall be deemed to be the due compliance of the provisions of Section 81(1A) and the other relevant and/or applicable provisions of the Act for the issue and allotment of Preference Shares by ZEEL to the shareholders of DMCL, as provided for in this Scheme. If required, ZEEL will increase / alter / modify its capital structure, for issuance of such preference shares under this Scheme.

## **6. ACCOUNTING TREATMENT IN THE BOOKS OF DMCL AND ZEEL**

### **6.1 IN THE BOOKS OF ZEEL**

- 6.1.1 ZEEL shall record the assets and liabilities, pertaining to the Media Business, at the respective book values as on the Appointed Date.
- 6.1.2 ZEEL shall credit to its share capital account, the aggregate face value of the Preference Shares issued by it pursuant to Clause 5.1 of this Scheme.
- 6.1.3 Surplus if any, arising out of the excess of net assets of the Media Business vested with and recorded by ZEEL in terms of clause 6.1.1 above, over the amount credited as share capital, shall be credited to General Reserve Account. The deficit, if any, shall be debited to General Reserve Account.
- 6.1.4 The accounting methods and policies currently followed by ZEEL shall prevail and difference, if any, on the methods or policies followed by the Media Business of DMCL will be adjusted suitably in the General Reserve Account of ZEEL.

### **6.2 IN THE BOOKS OF DMCL**

- 6.2.1 Upon the Scheme becoming effective, DMCL shall reduce the book value of assets and liabilities pertaining to the Media Business.
- 6.2.2 The difference between the amount of assets and liabilities so transferred to ZEEL shall be adjusted against Securities Premium Account of DMCL.

6.2.3 To the extent the balance in Securities Premium Account is adjusted as per clause 6.2.2 above, there shall be reduction of Securities Premium Account which shall be effected as an integral part of the Scheme itself in accordance with the provisions of Section 78 and Sections 100 to 104 of the Act, however, as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. Therefore any order under Section 102 of the Act confirming the reduction shall not be required.

## **PART III**

### **GENERAL TERMS AND CONDITIONS**

#### **7. TRANSACTIONS UPTO THE EFFECTIVE DATE**

7.1 With effect from the Appointed Date and up to and including the Effective Date:

- (a) DMCL shall carry on and be deemed to have carried on the business and activities in relation to the Media Business and shall stand possessed of the properties and assets relating to the Media Business for and in trust for ZEEL and all profits / losses accruing on account of the Media Business shall for all purposes be treated as profits / losses of ZEEL.
- (b) DMCL shall not, without the prior written consent of the Board of Directors of ZEEL, or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage or encumber or otherwise deal with or dispose of the undertaking relating to the Media Business or any part thereof except in the ordinary course of its business.
- (c) DMCL shall not vary the terms and conditions of service of its permanent employees relating to the Media Business except in the ordinary course of its business.

7.2 With effect from the date of approval to the Scheme by Board of directors of DMCL and ZEEL until the Effective Date, DMCL shall carry on the business and activities of Media Business with reasonable diligence and business prudence for and in trust for ZEEL; Further, DMCL shall not engage in any corporate restructuring exercise including any merger and / or demerger which may affect the Media Business without the prior written consent of ZEEL.

#### **8. DECLARATION OF DIVIDEND, BONUS, ETC.**

8.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent ZEEL from declaring and paying dividends, whether interim or final, to its equity or preference shareholders as on the respective record date(s) for the purposes of payment of any such dividend.

8.2 DMCL shall not utilize the profits or income, if any, relating to the Media Business for the purpose of declaring or paying any dividend to its shareholders or for any

- other purpose in respect of the period falling on and after the Appointed Date and upto the Effective Date.
- 8.3 DMCL shall not without the prior written consent of ZEEL, alter its issued, subscribed and paid up equity capital structure, whether by way of increase (by issue of any share on rights basis, bonus or otherwise), decrease, reduce, re-classify, sub-divide or consolidate, re-organise which may in any manner directly or indirectly alter or affect or change the share exchange ratio mentioned in clause 5.1 above and the preference shares to be issued by ZEEL.
- 8.4 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member/shareholder of DMCL and/or ZEEL to demand or claim any dividends which, subject to the provisions of the Act, shall subject to clauses 8.1 to 8.3 be entirely at the discretion of the respective Boards of Directors of DMCL and ZEEL and subject, wherever necessary, to the approval of the shareholders of DMCL and ZEEL, respectively.

## **9. EMPLOYEES**

- 9.1 On the Scheme becoming effective, all staff and employees of DMCL pertaining to Media Business who are in service as on the Effective Date shall become staff and employees of ZEEL without any break in their service and on the basis of continuity of service. ZEEL agrees that the service of all such employees with DMCL, up to the Effective Date shall be taken into account for purposes of all retirement benefits to which they may be eligible as on the Effective Date. Any question that may arise as to whether any staff or employee belongs to or does not belong to Media Business of DMCL shall be mutually decided by Board of Directors of DMCL and ZEEL.
- 9.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or such other Special Fund, if any, or Trusts (hereinafter collectively referred as 'Funds') created for the benefit of the staff and employees of Media Business of DMCL shall, with the approval of the concerned authorities, become Funds of ZEEL, or shall be transferred to or merged with other similar funds of ZEEL for all purposes whatsoever in relation to the administration or operation of such Funds or in relation to the obligation to make contributions to the said Funds in accordance with the provisions of respective Trust Deeds, to the end and intent that all rights, duties, powers and

obligations of DMCL in relation to such Funds shall become those of ZEEL. It is clarified that the services of the staff and employee will be treated as having been continuous for the purpose of the said Funds.

## **10. LEGAL PROCEEDINGS**

- 10.1 All legal proceedings of whatsoever nature by or against DMCL pending and/or arising before the Effective Date and relating to the Media Business, 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 ZEEL, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against DMCL.
- 10.2 All legal proceeding taken against ZEEL in respect of the matters referred to in the sub-clause 10.1 above, shall be defended by ZEEL at the cost of DMCL acting reasonably, and DMCL undertakes to reimburse and indemnify ZEEL against all liabilities and obligations incurred by ZEEL in respect thereof.

## **11. CONTRACTS, DEEDS, ETC.**

- 11.1 Notwithstanding anything to the contrary, and subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date and relating to the Media Business of DMCL, shall continue in full force and effect against or in favour of ZEEL, and may be enforced effectively by or against ZEEL as fully and effectually as if, instead of DMCL, ZEEL had been a party thereto from inception.
- 11.2 ZEEL may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which DMCL is a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. ZEEL shall be deemed to be authorised to execute any such writings on behalf of DMCL and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of DMCL.

**12. SAVING OF CONCLUDED TRANSACTIONS**

- 12.1 The transfer and vesting of the Media Business as above and the continuance of proceedings by or against DMCL in relation to the Media Business shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that ZEEL accepts and adopts all acts, deeds and things done and executed by DMCL in respect thereto from the Appointed Date as done and executed on behalf of ZEEL.

**13. APPLICATIONS TO HIGH COURT**

- 13.1 DMCL and ZEEL shall, as may be required and applicable, make applications and/or petitions under Sections 391 to 394 read with Section 78 and Sections 100 to 104 and other applicable provisions of the Act to the High Court of Judicature at Bombay or such other appropriate authority for sanction of this Scheme and all matters ancillary or incidental thereto.

- 13.2 DMCL and ZEEL shall cooperate with each other and shall take such steps as necessary or desirable including making applications, submissions, etc to give effect to the transaction contemplated herein.

**14. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 14.1 DMCL and ZEEL with approval of their respective Boards of Directors may consent, from time to time, on behalf of all persons concerned, to any modifications/amendments or additions/deletions to the Scheme which may otherwise be considered necessary, desirable or appropriate by the said Boards of Directors to resolve all doubts or difficulties that may arise for carrying out this Scheme and to do and execute all acts, deeds matters, and things necessary for bringing this Scheme into effect or agree to any terms and / or conditions or modifications or limitations that the Hon'ble Court or any other authorities under law may deem fit to approve of, to direct and /or impose. The aforesaid powers of DMCL and ZEEL to give effect to the modification/amendments to the Scheme may be exercised by their respective Boards of Directors subject to approval of the Hon'ble Court or any other authorities under applicable law.

## **15. CONDITIONALITY OF THE SCHEME**

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

- 15.1 The requisite consent, approval or permission of the Central Government or any other statutory or regulatory authority, which by law may be necessary for the implementation of this Scheme.
- 15.2 The Scheme being approved by the requisite majorities in number and value of such classes of persons including the respective members and/or creditors of DMCL and ZEEL as may be directed by the Hon'ble High Court of Judicature at Bombay or any other competent authority, as may be applicable.
- 15.3 The approval by the requisite majority of the such members of ZEEL as required under the listing agreements entered in to by ZEEL with the Stock Exchanges or / SEBI Guidelines / Regulations;
- 15.4 The Scheme being sanctioned by the High Court of Judicature at Bombay or any other authority under Sections 391 to 394 of the Act.
- 15.5 Certified copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Maharashtra, at Mumbai by DMCL and ZEEL.

## **16. EFFECT OF NON-RECEIPT OF APPROVALS**

- 16.1 In the event of any of the said sanctions and approvals referred to in the preceding Clause 15 not being obtained and / or the Scheme not being sanctioned by the High Court or such other competent authority and / or the order or orders not being passed as aforesaid before September 30, 2014 or such other date as may be agreed by the respective Board of Directors of DMCL and ZEEL may determine, the Scheme shall become null and void, and each party shall bear and pay their respective costs, charges and expenses in connection with the Scheme.

## **17. COSTS, CHARGES & EXPENSES**

- 17.1 All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by ZEEL.

## SCHEDULE I

### TERMS AND CONDITIONS FOR ISSUE OF PREFERENCE SHARES

Dividend rate	6% p.a.
Accumulation of dividend	Non-Cumulative
Convertibility	Non-Convertible
Payment of dividend	The Preference Shares will qualify for preferential payment of dividend at the rate set out above from the date of allotment up to the date of redemption.
Tenure	3 years
Listing	The Preference Shares will not be listed on any Stock Exchange unless required by any extant regulations.
Redemption Terms	Redemption of Preference Shares would be done at par.
Redemption Option	ZEEL shall also have an option to redeem the Preference Shares any time within 3 years from the date of allotment of Preference Shares, at par.