

May 30, 2016

BSE Limited  
National Stock Exchange of India Limited

**Kind Attn: Corporate Relationship Department**

Dear Sir,


**Sub: Postal Ballot Notice**

This is further to our communication dated April 29, 2016, informing, *inter alia*, that the Board of Directors of the Company had approved a material related party transaction with Zee Entertainment Enterprises Limited (ZEEL), a related party as per Accounting Standard 18, for distribution of television channels of the Company at a commission equivalent to 7% of Subscription Revenues, which shall be subject to approval of Unrelated Shareholders of the Company by way of an Ordinary resolution.

In this regard, enclosed please find a copy of Postal Ballot Notice dated May 18, 2016, sent to shareholder of the Company, seeking approval of Unrelated Shareholders for the said material related party transaction with ZEEL.

Kindly acknowledge receipt.

For Zee Media Corporation Limited

  
Pushpal Sanghavi  
Company Secretary



Encl. As stated



|| VASUDHAIVA KUTUMBAKAM ||  
THE WORLD IS MY FAMILY

**ZEE MEDIA CORPORATION LIMITED**

Regd. Office : Continental Building, 135, Dr. Annie Besant Road, Worli,  
Mumbai - 400018, India Tel. : +91-22-2483 1234 Fax : +91-22-2490 0302  
www.zeenews.india.com | CIN : L92100MH1999PLC121506

# ZEE MEDIA CORPORATION LIMITED

Regd. Office: Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018

CIN : L92100MH1999PLC121506

Tel:-91-22-71061234 Fax:-91-22-23002107 Website: [www.zeenews.india.com](http://www.zeenews.india.com)



||| VASUDHAIVA KUTUMBAKAM |||  
THE WORLD IS MY FAMILY

## POSTAL BALLOT NOTICE

Dear Shareholder(s),

Notice is hereby given pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management & Administration) Rules, 2014, that the following Ordinary resolution seeking approval of Unrelated Shareholders (i.e. Shareholders other than those forming part of Promoters / Promoter Group and other related parties) in pursuance of Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), for a material related party transaction between the Company and Zee Entertainment Enterprises Limited (ZEEL), is proposed to be passed by Postal Ballot/E-voting.

Explanatory Statement pertaining to the proposed Ordinary Resolution setting out the material facts and the reasons thereof along with a Postal Ballot Form is annexed herewith. The Company has appointed ACS Mrs. Vinita Nair, Partner, Vinod Kothari & Co., Company Secretaries, as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You are requested to carefully read the instructions printed on the Postal Ballot Form and the Notice and return the completed Ballot Form in the enclosed Business Reply Envelope, postage whereof will be borne and paid by the Company. Postal Ballot Form(s) if sent by courier or by registered/speed post at the expense of shareholders or hand delivered will also be accepted. Duly completed Postal Ballot Form(s) should reach the Scrutinizer, **on or before 5.00 p.m. on Tuesday, the 28<sup>th</sup> day of June, 2016**, the last date for receipt of the completed Postal Ballot Forms. Postal Ballot Forms received after this date will be considered invalid.

### **E-Voting Option**

The Company is pleased to offer E-Voting facility also as an alternative which would enable you to cast your votes electronically, instead of sending Physical Postal Ballot Form. E-voting is optional. Please carefully read and follow the instructions on E-Voting printed in this Notice.

Upon completion of the scrutiny of the Postal Ballot Forms & E-voting by the shareholders, the Scrutinizer will submit her report to the Company and the results of the Postal Ballot will be announced on **Thursday, the 30<sup>th</sup> day of June 2016** at the registered office of the Company. The results of the Postal Ballot will also be uploaded on the Company's website [www.zeenews.india.com](http://www.zeenews.india.com) besides sending appropriate communications to the BSE Limited and National Stock Exchange of India Limited.

Last date of E-voting/receipt of completed Postal Ballot Forms i.e. **Tuesday, 28<sup>th</sup> day of June 2016**, shall be the date on which the Ordinary resolution would be deemed to have been passed by the Shareholders, if approved by requisite majority.

### **Proposed Resolution**

***To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:***

**"RESOLVED THAT** pursuant to Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, ('SEBI Listing Regulations'), the material related party transaction executed in the ordinary course of business by the Company, for a period of 3 years with effect from May 1, 2016, with M/s Zee Entertainment Enterprises Limited (ZEEL) for distribution of the television channels of the Company by ZEEL at a commission equivalent to 7% of Subscription revenue of Television Channels of the Company, be and is hereby approved and ratified.

**RESOLVED FURTHER THAT** the Board of Directors of the Company including the Audit Committee of the Board be and is hereby authorized to (i) finalise from time to time, other terms of the said arrangement/agreement, on an arms-length basis, including any renewals in future, notwithstanding that the value of such current and future transaction(s) may

exceed the materiality threshold prescribed under Regulation 23 of SEBI Listing Regulations or any other regulatory requirements; and (ii) carry out all such acts, matters, deeds and things in respect of the said material related party transaction with ZEEL as may be deemed appropriate/necessary in the best interests of the Company.”

**By Order of the Board  
For Zee Media Corporation Limited**

**Pushpal Sanghavi  
Company Secretary**

Mumbai, dated this 18<sup>th</sup> day of May 2016

**Notes:**

1. Explanatory Statement for the proposed Ordinary Resolution pursuant to Section 102 read with Section 110 of the Companies Act, 2013 along with the applicable rules thereunder setting out material facts is appended herein below.
2. The Postal Ballot Notice is being sent to the Shareholders whose name appear in the Register of Members / Record of Depositories as at the close of business on **Friday, the 20<sup>th</sup> day of May 2016**. The Postal Ballot Notice is being sent by email to the Shareholders whose email address is registered with the Company/ Depository Participants(s) for communication. For those shareholders who have not registered their email address, physical copy of the Postal Ballot Notice along with Business Reply Envelope is being sent. The Postal Ballot Notice may also be accessed on Company's Website [www.zeenews.india.com](http://www.zeenews.india.com).
3. Unrelated Shareholders whose names appears on the Register of Members / Records of Depositories as at the close of business on Friday, the 20<sup>th</sup> day of May 2016 will be considered for the purpose of voting.
4. Voting period will commence on and from **Monday, the 30<sup>th</sup> day of May, 2016 at 9.00 a.m.** and end on **Tuesday, the 28<sup>th</sup> day of June, 2016 at 5.00 p.m.**
5. Shareholders can opt for only one mode of voting i.e. either by postal ballot or e-voting. In case any shareholder casts the vote(s) through both the modes, voting done by e-voting shall prevail and votes cast through postal ballot will be treated as invalid.
6. In case a shareholder is desirous of obtaining a printed Postal Ballot Form or a duplicate thereof, he or she may send an email to the Company Secretary at [complianceofficer@zeemedia.esselgroup.com](mailto:complianceofficer@zeemedia.esselgroup.com). The Registrar and Share Transfer Agent/Company shall forward the same along with the Business reply envelope to the shareholder.
7. In compliance with Sections 108 to 110 of the Companies Act, 2013 and the Rules made thereunder the Company has provided the facility to the shareholders to exercise their votes electronically and vote on the resolution through the e-voting facility arranged by National Securities Depository Limited (NSDL). The instructions and process for e-voting is mentioned in this Notice.
8. Members desiring to exercise their vote by physical postal ballot are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed Business Reply Envelope to the Scrutinizer so as the reach not later than 5.00 p.m. on Tuesday the 28<sup>th</sup> day of June, 2016. Postal Ballot Forms received after the aforesaid date and time will be considered as if no reply has been received from the shareholder.
9. After completion of scrutiny of votes cast either electronically or on postal ballot, the Scrutinizer will submit her report to the Chairman and results of the voting shall be announced by the Chairman or any other Director of the Company on Thursday the 30<sup>th</sup> day of June, 2016 at the registered office of the Company. The results of voting shall also be displayed on the website of the Company [www.zeenews.india.com](http://www.zeenews.india.com) besides being sent to the Stock Exchanges on the said date.

10. The last date of e-voting / receipt of postal ballot forms for physical voting i.e. Tuesday the 28<sup>th</sup> day of June, 2016 shall be the date on which the Ordinary resolution would be deemed to have been passed, if approved by requisite majority.

11. Instructions and process for E-voting are as under:

A. Members whose shareholding is in dematerialised form and whose email addresses are registered with the Company/Depository Participant(s) will receive an email from NSDL informing the User-ID and Password :

- (i) Open email and open PDF file viz; "ZMCL e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
- (vii) Select "EVEN" of "Zee Media Corporation Limited".
- (viii) Now you are ready for remote e-voting as Cast Vote page opens.
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to [vinita@vinodkothari.com](mailto:vinita@vinodkothari.com) or [complianceofficer@zeemedia.esselgroup.com](mailto:complianceofficer@zeemedia.esselgroup.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

B. For Members holding shares in dematerialised form whose email IDs are not registered with the Company/Depository Participants and Members holding shares in physical form as well as those Members who have requested for a physical copy of the Notice, it may be noted that the Initial User ID & Password is being provided in the Postal Ballot Form. Such members are requested to follow all steps from Sl. No. (ii) to (xii) above to cast vote.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.

C. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at downloads section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.

D. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013**

As the members are aware, the Television Channels of the Company were distributed by Taj Television (India) Pvt Ltd (Taj) under an arrangement approved by the Shareholders as Material related party transaction vide Ordinary resolution passed through Postal Ballot / E-voting on November 3, 2015. The said arrangement was for a period of 3 years from April 1, 2014 on principal-to-principal and revenue sharing basis wherein 14% of subscription revenue of the television channels of the Company was retained by Taj.

Considering the increasing penetration of DTH and implementation of DAS regime and with a view to have a renewed focus on the Distribution operations, the Board of Zee Entertainment Enterprises Limited (ZEEL) had decided to manage Channel distribution activity in-house as a division of ZEEL with effect from May 1, 2016. In view of this Taj, a wholly owned subsidiary of ZEEL, had conveyed its intention to discontinue its channel distribution business and terminate existing arrangement with the Company in this regard.

Since the television channels of the Company are currently being distributed as a part of Zee Network Channels, ZEEL has agreed to distribute the television channels of the Company, as an add-on to its existing channels, at a consideration equivalent to 7% of Subscription Revenue of the Television Channels of the Company. Considering that commission on Subscription revenue is not a core revenue stream of ZEEL and based on the cost of channel distribution function of ZEEL (which include majority of its own channels), the proposed commission of 7% payable to ZEEL will be at arms-length pricing. Further under the proposed arrangement with ZEEL, the risk to bad debt, if any, in respect of subscription revenues will be borne by the Company.

Though ZEEL is not a related party as per Section 2(76) of the Companies Act, 2013, it would be construed as a related party as per Accounting Standard 18. The net transaction value being the commission amount equivalent to 7% of subscription revenue payable by the Company to ZEEL would not be material. However, since entire subscription revenue will be billed/collected by ZEEL and remitted to the Company (net of commission), the gross value of transaction (being subscription revenue received) along with other on-going related party transactions between the Company and ZEEL would exceed the materiality threshold of 10% of consolidated turnover of the Company prescribed under SEBI Listing Regulations and therefore may be deemed to be material related party transaction. In view of this the proposed related party transaction between the Company and ZEEL for distribution of television channels of the Company by ZEEL at a commission of 7% of subscription revenue of the channels would require approval of shareholders by way of an Ordinary Resolution.

As per SEBI Listing Regulations all entities/persons that are directly/indirectly related parties of the Company shall abstain from voting on resolution wherein approval of material related party transaction is sought from the shareholders. Accordingly, all related parties of the Company, including Promoters, entities forming part of Promoter Group, Directors and Key Managerial Personnel of the Company including their relatives shall not vote on this resolution.

Since availing of Channel distribution services by the Company from ZEEL at a Commission equivalent to 7% of Subscription revenues of television channels of the Company, would be in the best interests of the Company, your Board recommends the Ordinary resolution as set out in this Postal Ballot Notice for approval of Unrelated Shareholders.

None of the Directors and/or Key Managerial Personnel of the Company or their relatives, except Dr. Subhash Chandra, Non-executive Director of the Company, being a Director of ZEEL (not holding equity shares in excess of 2% of paid-up capital of ZEEL in his name either directly or through relatives), is in any way concerned or interested in the resolution.

**By Order of the Board  
For Zee Media Corporation Limited**

**Pushpal Sanghavi  
Company Secretary**

Mumbai, dated this 18<sup>th</sup> day of May 2016