



॥ VASUDHAIVA KUTUMBAKAM ॥
THE WORLD IS MY FAMILY

**COURT CONVENED MEETING
OF THE EQUITY SHAREHOLDERS OF
ZEE ENTERTAINMENT ENTERPRISES LIMITED**

Day	:	Monday
Date	:	October 14, 2013
Time	:	10.30 a.m.
Venue	:	Ravindra Natya Mandir, P L Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 642 OF 2013

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 read with Sections 16, 94
and other applicable provisions of the Companies Act,
1956;

AND

In the matter of Scheme of Arrangement between
Zee Entertainment Enterprises Limited and its Equity
Shareholders

ZEE ENTERTAINMENT ENTERPRISES)
LIMITED, a Company incorporated under)
the provisions of the Companies Act, 1956)
and having its registered office at Continental)
Building, 135, Dr. Annie Besant Road, Worli,)
Mumbai – 400018)

..... Applicant Company

NOTICE CONVENING THE MEETING OF EQUITY SHAREHOLDERS OF ZEE ENTERTAINMENT
ENTERPRISES LIMITED, THE APPLICANT COMPANY

To,

The Equity Shareholders of Zee Entertainment Enterprises Limited (“the Applicant Company” / “Company”),

TAKE NOTICE that by an Order made on 6th day of September , 2013, in the above Company Summons for Direction, the Hon’ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of Zee Entertainment Enterprises Limited, the Applicant Company, be convened and held at Ravindra Natya Mandir, P L Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025 on Monday, 14th day of October, 2013 at 10.30 a.m for the purpose of considering and, if thought fit, approving with or without modification(s), the proposed Scheme of Arrangement between Zee Entertainment Enterprises Limited, the Applicant Company and its Equity Shareholders (“**the Scheme**” or “**this Scheme**”).

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of Zee Entertainment Enterprises Limited, the Applicant Company will be convened and held at Ravindra Natya Mandir, P L Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025 on Monday, 14th day of October, 2013 at 10.30 a.m at which place, day, date and time you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai 400 018 not later than 48 hours before the time fixed for the said meeting.

The Hon’ble High Court has appointed Mr. Subhash Chandra, Non-Executive Chairman of the Applicant Company and in his absence Mr. Punit Goenka, Managing Director & CEO of the Applicant Company and in his absence Mr. Ashok Kurien, Director of the Applicant Company, to be the Chairman of the said meeting.

A copy of the Explanatory Statement under Section 393 of the Companies Act, 1956, Scheme of Arrangement, Complaints Report, Observation letters issued by the Stock Exchanges, Form of Proxy and Attendance Slip are enclosed.

Subhash Chandra
Chairman appointed for the meeting

Mumbai, Dated this 10th day of September, 2013

Registered office:

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

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy or by Authorised Representative under Section 187 of the Companies Act, 1956) at the Equity Shareholders meeting. The representative of a body corporate which is an equity shareholder of the Applicant Company may attend and vote at the Equity Shareholders meeting provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders meeting is deposited at the registered office of the Applicant Company not later than 48 hours before the meeting.
3. Foreign Institutional Investors (FII) who are registered Equity Shareholder(s) of the Applicant Company would be required to deposit certified copies of Custodial resolutions/Power of Attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its / their behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the meeting.
4. The proxy need not be a member of the Applicant Company.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 642 OF 2013

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In the matter of Sections 391 read with Sections 16, 94
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ZEE ENTERTAINMENT ENTERPRISES)
LIMITED, a Company incorporated under)
the provisions of the Companies Act, 1956)
and having its registered office at Continental)
Building, 135, Dr. Annie Besant Road, Worli,)
Mumbai – 400018)

..... Applicant Company

**EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956 FOR THE COURT
CONVENED MEETING OF EQUITY SHAREHOLDERS OF APPLICANT COMPANY**

1. Pursuant to an Order dated 6th day of September, 2013 passed by the Hon'ble High Court of Judicature at Bombay in the Company Summons for Direction referred to hereinabove, a meeting of the Equity Shareholders of Zee Entertainment Enterprises Limited, the Applicant Company is being convened and held at Ravindra Natya Mandir, P L Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025 on Monday, 14th day of October, 2013 at 10.30 a.m for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement between Zee Entertainment Enterprises Limited and its Equity Shareholders. ('the Scheme' or 'this Scheme').
2. A copy of the Scheme setting out in detail the terms and conditions of the arrangement, inter alia, providing for issue of 6% Cumulative Redeemable Non-Convertible Preference Shares to the Equity shareholders of Zee Entertainment Enterprises Limited by way of Bonus and consequent increase in the Authorised Share Capital and alteration of Capital Clause of Memorandum of Association of the Company to facilitate issuance of such Bonus which has been approved by Board of Directors of the Applicant Company at its meeting held on 14th day of June, 2013, is attached to this explanatory statement and forms part of this statement.
3. In this statement, **ZEE ENTERTAINMENT ENTERPRISES LIMITED** is hereinafter referred to as "ZEEL" or "the Applicant Company". The other definitions contained in the Scheme shall apply to this Explanatory Statement also.
4. The background of **Zee Entertainment Enterprises Limited** is as under:
 - a. The Applicant Company was incorporated on 25th day of November, 1982 under the provisions of the Companies Act, 1956 under the name "Empire Holdings Limited." The name of the company changed to "Zee Telefilms Limited" with effect from 8th day of September, 1992 and to "Zee Entertainment Enterprises Limited" with effect from 10th day of January, 2007.
 - b. The Registered Office of the Applicant Company is situated at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018.

- c. The authorised, issued, subscribed and paid-up share capital of the Applicant Company as on 31st March, 2013 is as under:

Share Capital	Rupees
Authorised Share Capital	
139,92,00,000 Equity Shares of Re. 1 each	139,92,00,000
TOTAL	139,92,00,000
Issued, subscribed and paid-up share capital	
95,39,57,720 Equity shares of Re. 1 each fully paid up	95,39,57,720
TOTAL	95,39,57,720

The Applicant Company 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 and till June 14, 2013 i.e. the date on which the Board approved the Scheme, out of these outstanding options 54,48,700 options got exercised upon which the Company has issued and allotted 54,48,700 Equity Shares of Re. 1 each. Post June 14, 2013 till the date of this Notice, upon exercise of further 4,98,300 options, the Company had issued and allotted 4,98,300 Equity Shares of Re. 1 each. The said Issuance and allotment of the equity shares has resulted in the increase in paid-up share capital of the Company to Rs. 95,99,04,720 comprising of 95,99,04,720 Equity Shares of Re. 1 each as on the date of the Notice of this Meeting.

Exercise of any balance outstanding stock option(s) may result in an increase in the issued and paid up share capital of the Company on or prior to the Record Date.

- d. The Applicant Company is engaged in the media and entertainment business *inter alia* of procurement, development, distribution and dissemination, broadcast / re-broadcast of entertainment television software programmes, including Cinematograph feature films, serials, talents hunt / reality shows through satellite, terrestrial or cable channels or through Direct to Home (DTH), Internet Protocol based deliveries using existing and emerging technologies and distribution platforms.

5. Description and Rationale for the Scheme

Description

- 5.1. The Scheme of Arrangement (“**Scheme**”) pursuant to Section 391 read with Sections 16, 94 and any other applicable provisions of the Companies Act, 1956 *inter alia* provides for issue of 6% Cumulative Redeemable Non-Convertible Preference Shares of Re 1 each to the Equity shareholders of Zee Entertainment Enterprises Limited by way of Bonus as a Special Reward, increase in the Authorised Share Capital and alteration of Capital Clause of Memorandum of Association of the Company to facilitate issuance of such Bonus Preference Shares.

Rationale

- 5.2. The Company has been consistently making profits and has over the years accumulated significant balance in its Reserves Account(s). The Company expects that its business operations will continue on a high growth trajectory in coming years and generate incremental cash flow over the next few years.
- 5.3. Thus, the Company has concluded that it can optimally utilize its surplus reserves by rewarding its Equity Shareholders by issuing Bonus Preference Shares to its equity shareholders, on the occasion of completion of 20 years of its television broadcasting business.
- 5.4. Preference shares, while giving near-cash (traded, encashable) instrument in the hands of shareholders, give increased flexibility to the Company in managing its treasury through options like buy back, redemptions, etc.
- 5.5. In view of the aforesaid factors, the Company has concluded that it can optimally utilize its surplus reserves by distributing a significant portion of the same to the equity shareholders. Accordingly, the Company has proposed to issue by way of bonus, Bonus Preference Shares to its equity shareholders. In the interest of transparency and good corporate governance and by way of abundant caution, the

Company has decided to propose this Scheme of Arrangement between the Company and its Equity shareholders under Section 391 read with Sections 16, 94 and other applicable provisions of the Companies Act, 1956, which will be subject to necessary approvals of the Equity shareholders, the Hon'ble High Court and such other applicable regulatory approvals / exemptions.

6. The salient features of the Scheme are as follows:

- (a) The Scheme, pursuant to Section 391 read with Sections 16, 94 and other applicable provisions of the Companies Act, 1956 is for issuance of 6% Cumulative Redeemable Non-Convertible Preference shares (hereinafter referred to as 'Bonus Preference Shares') by way of Bonus to its Equity shareholders.
- (b) Upon the effectiveness of the Scheme, the Company shall issue and allot by way of bonus, to each Equity shareholder in the ratio of 21 (Twenty One) Bonus Preference Shares of the face value of Re.1/- (One) each fully paid up in the Company for every equity share of Re. 1 (One) each fully paid up held by such Equity shareholder.
- (c) The issue of such a bonus to Equity shareholders does not involve any release of assets by the Company to Equity shareholders at the time of issuance of Bonus Preference Shares.
- (d) The Bonus Preference Shares shall be issued by utilizing Capital Redemption Reserve, Securities Premium Account, General Reserve and Surplus in the Statement of Profit and Loss in the order of sequence.
- (e) As soon as practicable after the issuance of Bonus Preference Shares, with a view to provide liquidity to the Preference shareholders, the Company shall take necessary steps towards listing the Bonus Preference Shares on the Stock Exchanges where the Company's Equity Shares are listed viz. BSE Limited and National Stock Exchange of India Limited, subject to regulatory approvals.
- (f) The Company shall redeem at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment of Bonus Preference Shares as follows:

Year	Redemption %	Cumulative Redemption %
4	20	20
5	20	40
6	20	60
7	20	80
8	20	100

- (g) The Company shall have an option to buy back the Bonus Preference Shares fully or in parts at an earlier date(s) as may be decided by the Board. If on any anniversary of the date of allotment beginning from the fourth anniversary of the date of allotment, the total number of Bonus Preference Shares bought back and redeemed cumulatively is in excess of the cumulative Bonus Preference Shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. In case of any shortfall, the redemption at the end of that anniversary shall be made pro rata and shall be restricted to the percentage of such shortfall.
- (h) At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus Preference Shares shall be redeemed by the Company.

Below is the example for redemption mechanism provided in the Scheme of Arrangement. A combined reading of the points (f), (g) and (h) indicates that if the Company issues 100 Bonus Preference Shares, then the same will be redeemed in the following manner

Year	No. of Bonus Preference Shares to be redeemed	Cumulative No. of Bonus Preference Shares to be redeemed
4	20	20
5	20	40
6	20	60
7	20	80
8	20	100

However the Company has an option to buy back the Bonus Preference Shares. Thus if prior to the 4th anniversary from the date of issue, the Company has bought back 20 or more Bonus Preference Shares then there will be no redemption as at the 4th anniversary. If the Company has bought back

less than 20 Bonus Preference Shares prior to the 4th anniversary, say 15, then only 5 shares shall be redeemed as at the 4th anniversary. Similarly if prior to the 5th anniversary, the Company has bought back 30 shares, then only 10 shares shall be bought back on the 5th anniversary and if the Company has bought back more than 40 shares then there shall be no redemption on the 5th anniversary. Same rule for redemption shall be followed as at each anniversary. In all cases of redemption, it shall be on a proportionate basis as may be decided by the Board of Directors of the company and in any case all the preference shares i.e. 100 shall be redeemed on the 8th anniversary.

- (i) Dividend @ 6% per annum for each financial year ending on the 31st day of March will be paid on the 15th day of April of the subsequent financial year to those preference shareholders who are holding Bonus Preference Shares as on the 31st day of March of the previous financial year.
- (j) To facilitate the proposed issuance of Bonus Preference Shares, as an integral part of this Scheme, and upon the sanction of this Scheme the authorised share capital of the Company shall automatically stand increased and reclassified as under and consequent alteration to Clause V of Memorandum of Association shall become effective without any further act, instrument or deed on the part of the Company or its Equity shareholders

Share Capital	Amount in INR
Authorised	
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
Total	2300,00,00,000

- (k) The Scheme is conditional on and subject to:
- (i) the approval to the Scheme by the requisite majority of the Equity shareholders of the Company as prescribed / applicable under law / regulations;
- (ii) the sanction of the High Court being obtained;
- (iii) any other approval / exemption / sanction including from Central Government and any other regulatory authority, as may be required by law in respect of the Scheme being obtained; and
- (iv) the certified copy of the High Court order referred to in this Scheme being filed by the Company with the Registrar of Companies.

7. In the event of any aforesaid approvals / exemptions / sanctions not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before March 31, 2014 or within such extended period or periods as may be approved by the Board, the Scheme shall become null and void and in that event, no rights and liabilities shall accrue to or be incurred by the Company or its shareholders or any other person, and the Company shall bear and pay the costs, charges and expenses for and/or in connection with the Scheme.

The features set out above being only the salient features of the Scheme of Arrangement; the Equity Shareholders are requested to read the entire text of the Scheme annexed hereto to get fully acquainted with the provisions thereof.

8. Pursuant to the Scheme, there would be no change in the Equity shareholding pattern of ZEEL. The shareholding pattern of ZEEL as on September 2, 2013 is as under:

Sr	Category of Shareholders	Pre & Post Issue of Bonus Preference Shares	
		No. of Equity Shares	% of Shareholding
(A)	Shareholding of Promoter and Promoter Group		
(1)	Indian Promoters		
	Bodies Corporate	24,14,03,408	25.15
	Sub-total (1)	24,14,03,408	25.15
(2)	Foreign Promoters		
	Bodies Corporate	17,22,66,804	17.94
	Sub-total (2)	17,22,66,804	17.94
	Total(1+2) (A)	41,36,70,212	43.09

Sr	Category of Shareholders	Pre & Post Issue of Bonus Preference Shares	
		No. of Equity Shares	% of Shareholding
(B)	Public Shareholding		
(1)	Institutions		
	Mutual Funds/UTI	5,84,14,482	6.09
	Financial Institutions/Banks	1,71,170	0.02
	Insurance Companies	80,31,878	0.84
	Foreign Institutional Investors	41,73,11,248	43.47
	Foreign Bank	30,100	0.00
	Sub-Total (1)	48,39,58,878	50.42
(2)	Non – Institutions		
	Bodies Corporate	3,58,27,308	3.74
	Individuals		
	Individual shareholders holding nominal share capital upto Rs. 1 lakh	1,91,69,259	2.00
	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	40,43,758	0.42
	Any others (Specify)		
	Foreign Corporate Bodies	93,952	0.01
	Overseas Corporate Bodies	33,838	0.00
	Foreign Nationals	3,690	0.00
	Non – Resident Indians	26,33,015	0.27
	Trusts	4,70,810	0.05
	Sub-Total (2)	6,22,75,630	6.49
	Total (1+2) (B)	54,62,34,508	56.91
	TOTAL (A+B)	95,99,04,720	100
(C)	Shares held by Custodians and against which Depository Receipts have been issued		
1	Promoter and Promoter Group	0	0.00
2	Public	0	0.00
	Total (C)	0	0.00
	TOTAL (A+B+C)	95,99,04,720	100

9. The Directors of the Applicant Company holding shares in ZEEL do not have any other interest in the Scheme otherwise than as shareholders in general. Save as aforesaid, none of the Directors of the Applicant Company have any material interest in the proposed Scheme.
10. The details of shareholding of the Directors of the Applicant Company, held either singly or jointly or as nominee as on September 2, 2013 is as under:

Sr No	Name of the Director	Designation	Equity shares held in ZEEL
1	Mr Subhash Chandra	Non-Executive Chairman	Nil
2	Mr Ashok Kurien	Non-Executive Director	Nil
3	Prof R Vaidyanathan	Independent Director	20,000
4	Dr M Y Khan	Independent Director	20,000
5	Lord Gulam Noon	Independent Director	40,000
6	Mr Punit Goenka	Managing Director & CEO	Nil

11. In accordance with the Circular No. CIR/CFD/DIL/5/2013 issued by the Securities and Exchange Board of India ("SEBI") on February 4, 2013 as amended vide Circular No. CIR/CFD/DIL/8/2013 dated May 21, 2013, the Audit Committee of the Board of Directors of the Applicant Company had on June 14, 2013 recommended the proposed Scheme of Arrangement for approval of the Board.

12. In terms of Clause 24(f) of the Listing Agreement, the Applicant Company had filed application(s) with BSE Limited and National Stock Exchange of India Limited on 17th June, 2013. BSE Limited and National Stock Exchange of India Limited had granted their No Objection to the Scheme vide their observation letters dated August 21, 2013. Copy of the observation letters issued by the Stock Exchanges along with Complaints report submitted by the Company to Stock Exchanges is annexed hereto.
13. The financial position of the Applicant Company will not be adversely affected by the Scheme. Further, the rights and interests of the creditors of the Applicant Company will not be prejudicially affected by the Scheme as the Applicant Company, post the Scheme will be able to meet its liabilities as they arise in the ordinary course of business. Further, the rights and interests of the shareholders and creditors of the Applicant Company will not be prejudicially affected by the Scheme as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.
14. No investigation proceedings are pending against ZEEL under Section 235 to 251 of the Companies Act, 1956.
15. No winding up petitions have been pending and/or admitted against ZEEL.
16. In the event that this Scheme is terminated or withdrawn in the manner set out therein, this Scheme shall stand revoked, cancelled and be of no effect and null and void and in such event the Company shall bear and pay costs, charges and expenses for and or in connection with the Scheme.
17. Inspection of the following documents may be had by the Equity Shareholders of the Applicant Company at the Registered Office of ZEEL up to one day prior to the date of the meeting between 11:00 am and 1:00 pm on all working days (except Saturdays, Sundays and Public holidays):
 - (a) Copy of the Order dated 6th day of September, 2013 of the Hon'ble High Court of Judicature at Bombay passed in Company Summons for Direction No. 642 of 2013 directing the convening of the meeting of the Equity Shareholders of the Applicant Company;
 - (b) Scheme of Arrangement;
 - (c) Memorandum and Articles of Association of the Applicant Company;
 - (d) The Audited Financial Statements of the Applicant Company for last three financial years ended 31st March, 2013, 31st March, 2012 and 31st March, 2011;
 - (e) Copy of resolution passed by the Board of Directors of Applicant Company approving the Scheme;
 - (f) Copy of the no objection / observation letters relating to the Scheme issued by BSE Limited and National Stock Exchange of India Limited respectively on August 21, 2013;
 - (g) Copy of Networth Certificate pre and post Scheme issued by M/s. MGB & Co., Chartered Accountants, the Statutory Auditors of the Company; and
 - (h) Fairness Opinion of M/s. Keynote Corporate Services Limited.

This statement may be treated as an Explanatory Statement under Section 393 of the Companies Act, 1956. A copy of the Scheme, Explanatory Statement and Form of Proxy may be obtained from the Registered Office of the Applicant Company and/or at the office of the Advocates M/s. Hemant Sethi & Co., 1602, Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai – 400 071.

Subhash Chandra
Chairman appointed for the meeting

Mumbai, Dated this 10th day of September, 2013.

Registered office:
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai – 400 018.

**SCHEME OF ARRANGEMENT
BETWEEN
ZEE ENTERTAINMENT ENTERPRISES LIMITED
AND
ITS EQUITY SHAREHOLDERS**

This Scheme of Arrangement is presented under Section 391 read with Sections 16, 94 and any other applicable provisions of the Companies Act, 1956 (the Act) for the purpose of issue of 6% Cumulative Redeemable Non-Convertible Preference Shares of Re 1 each to the shareholders of Zee Entertainment Enterprises Limited by way of Bonus as a Special Reward.

(A) Background and Objectives of the Scheme

- i. Zee Entertainment Enterprises Limited ("the Company") is a public limited company incorporated under the provisions of the Act (as defined hereinafter) and has its registered office at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018, India. The Company is in the media and entertainment business *inter alia* of procurement, development, distribution and dissemination, broadcast / re-broadcast of entertainment television software programmes, including Cinematograph feature films, serials, Talents Hunt / Reality shows through satellite, terrestrial or cable channels or through Direct to Home (DTH), Internet Protocol based deliveries using existing and emerging technologies and distribution platforms.
- ii. The Company has been consistently making profits and has over the years accumulated significant balance in its Reserves Account(s). The Company expects that its business operations will continue on a high growth trajectory in coming years and generate incremental cash flow over the next few years.
- iii. Thus the Company has concluded that it can optimally utilize its surplus reserves by rewarding its Equity Shareholders by issuing Bonus Preference Shares to its equity shareholders, on the occasion of completion of 20 years of its television broadcasting business.
- iv. Preference shares, while giving near-cash (traded, encashable) instrument in the hands of shareholders, give increased flexibility to the Company in managing its treasury through options like buy back, redemptions, etc.
- v. In view of the aforesaid factors, the Company has concluded that it can optimally utilize its surplus reserves by distributing a significant portion of the same to the equity shareholders. Accordingly, the Company has proposed to issue by way of bonus, Bonus Preference Shares (as defined below in Clause 1.1) to its equity shareholders. In the interest of transparency and good corporate governance and by way of abundant caution, the Company has decided to propose this Scheme of Arrangement between the Company and its equity shareholders under Section 391 read with Sections 16, 94 and other relevant provisions of the Act, which will be subject to necessary approvals of the shareholders, the Hon'ble High Court (as defined hereinafter) and such other applicable regulatory approvals / exemptions.
- vi. The proposed Scheme of Arrangement is between Zee Entertainment Enterprises Limited and its equity shareholders for issuance of 6% Cumulative Redeemable Non-Convertible Preference Shares by way of Bonus to its equity shareholders.

(B) Parts of the Scheme

The Scheme is divided into the following parts:

- (a) **PART I** deals with the Definitions and Share Capital;
- (b) **PART II** deals with the arrangement with the equity shareholders; and
- (c) **PART III** deals with the general terms and conditions.

PART I
DEFINITIONS AND SHARE CAPITAL

1.1. DEFINITIONS

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

- 1.1.1. **“Act” or “the Act”** means the Companies Act, 1956, and shall include any statutory modification, re-enactment or amendments, thereof for the time being in force;
- 1.1.2. **“Board”** means the Board of Directors of the Company and shall include a committee duly constituted and authorised by the Board of Directors for the purposes of matters pertaining to the issuance of Bonus Preference Shares, the Scheme and/or any other matter relating thereto.
- 1.1.3. **“Bonus Preference Shares”** means 6% Cumulative Redeemable Non-convertible Preference Shares of Re. 1 each to be issued by the Company by way of Bonus to its equity shareholders pursuant to the present Scheme, the principal terms and conditions for which have been set out in **Annexure - 1** to this Scheme.
- 1.1.4. **“Company”** means Zee Entertainment Enterprises Limited having its registered office at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018, India
- 1.1.5. **“Court” or “High Court”** means the High Court of Judicature at Bombay or such other competent authority having jurisdiction in Mumbai, and shall include the National Company Law Tribunal, if applicable and shall also include any other Court, authority, Tribunal whose approval may be required under any other applicable laws
- 1.1.6. **“Effective Date” or “Scheme becoming effective”** means the last of the dates on which all the conditions and matters referred to Clause 2.8.1 of this Scheme occur or have been fulfilled or waived in accordance with the Scheme. References in this Scheme to the ‘date of coming into effect of the Scheme’ or ‘effectiveness of the Scheme’ shall mean the Effective Date;
- 1.1.7. **“Record Date”** means the date, after the Effective Date, which may be fixed by the Board of Directors of the Company for the purpose of determining the entitlement of the equity shareholders of the Company to whom Bonus Preference Shares will be issued and allotted pursuant to this Scheme;
- 1.1.8. **“Registrar of Companies”** means the Registrar of Companies, Mumbai, Maharashtra;
- 1.1.9. **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Arrangement with the equity shareholders in its present form or in such other form after incorporating the suggestions if any, of the Stock Exchanges (where the Company’s shares are listed) and/or the Securities and Exchange Board of India, as modified or altered by the Board and as may be sanctioned by the Court;
- 1.2. 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, and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof for the time being in force.
- 1.3. Reference to clauses, recitals and annexures, unless otherwise provided, are to clauses, recitals and annexures of and to this Scheme.
- 1.4. The headings herein shall not affect the construction of this Scheme.
- 1.5. The singular shall include the plural and vice versa; and references to one gender include all genders.
- 1.6. Any phrase introduced by the terms “including”, “include”; “in particular”; or any similar expression shall be construed as illustrative and shall not limit the sense of the words preceding those terms.
- 1.7. References to person include any individual, firm, body corporate (whether or not incorporated), Government, state or agency of a state or any joint venture, association and partnership
- 1.8. The annexure to this Scheme form an integral and inseparable part of this Scheme

1.9. SHARE CAPITAL

1.9.1. The authorised, issued, subscribed and paid-up share capital of the Company as on March 31, 2013 is as under:

Share Capital	Amount in Rs.
<u>Authorized Share Capital</u>	
139,92,00,000 Equity Shares of Re. 1 each	139,92,00,000
TOTAL	139,92,00,000
<u>Issued, subscribed and paid-up Share Capital</u>	
95,39,57,720 Equity shares of Re. 1 each fully paid up	95,39,57,720
TOTAL	95,39,57,720

The Company 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 54,48,700 Options got exercised upon which the Company has issued and allotted 54,48,700 Equity Shares of Re 1 each, resulting in the increase in paid-up share capital of the Company to Rs. 95,94,06,420 comprising of 95,94,06,420 Equity Shares of Re. 1 each.

Exercise of any balance outstanding stock option(s) may result in an increase in the issued and paid up share capital of the Company on or prior to the Record Date.

PART II

ARRANGEMENT WITH THE EQUITY SHAREHOLDERS

2.1. ISSUE OF BONUS PREFERENCE SHARES

2.1.1. Upon the effectiveness of the Scheme, the Company shall issue and allot by way of bonus, to each equity shareholder whose name is recorded in the Registrar of Members of the Company and/or the records of the depository(ies) as equity shareholder of the Company on the Record Date as may be decided by the Board of Directors of the Company, in the ratio of 21 (Twenty One) Bonus Preference Shares of the face value of Re.1/- (One) each fully paid up in the Company for every equity share of Re. 1 (One) each fully paid up held by such equity shareholder. No Bonus Preference Shares will be issued under this Scheme in respect of any equity shares of the Company that have been forfeited. The issuance of Bonus Preference Shares pursuant to this Scheme in respect of any equity shares of the Company which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall, pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Company. The Equity Shares lying in 'Unclaimed Suspense Account' shall also be eligible for issuance of Bonus Preference Shares and such Bonus Preference Shares shall be dealt with in the same manner as Equity Shares lying in the said Unclaimed Suspense Account.

2.1.2. The issue of such a bonus to equity shareholders does not involve any release of assets by the Company to shareholders at the time of issuance of Bonus Preference Shares.

2.1.3. The Bonus Preference Shares shall be issued by utilizing Capital Redemption Reserve, Securities Premium Account, General Reserve and Surplus in the Statement of Profit and Loss in the order of sequence.

2.2. TERMS AND CONDITIONS OF BONUS PREFERENCE SHARES

2.2.1. The Bonus Preference Shares shall be issued on terms and conditions consistent with the principal terms and conditions set out in **Annexure -1** and as set out in the Scheme.

2.2.2. As soon as practicable after the issuance of Bonus Preference Shares, with a view to provide liquidity to the Preference shareholders, the Company shall take necessary steps towards listing the Bonus

Preference Shares on the Stock Exchanges where the Company's Equity Shares are listed viz. BSE Limited and National Stock Exchange of India Limited, subject to Regulatory approvals.

2.3. VOTING RIGHTS ON BONUS PREFERENCE SHARES

- 2.3.1. As per the provisions of Section 87 of the Act, the holders of Bonus Preference Shares shall have a right to vote only on resolutions which directly affect their rights.
- 2.3.2. The holders of Bonus Preference Shares shall also have a right to vote on every resolution placed before the Company at any meeting of the equity shareholders if dividend or any part of the dividend has remained unpaid on the said Bonus Preference Shares for an aggregate period of atleast two years preceding the date of the meeting

2.4. PROCESS FOR ISSUANCE OF BONUS PREFERENCE SHARES

- 2.4.1. The Bonus Preference Shares shall be issued within a period of 15 working days from the Record Date to the equity shareholders who are eligible to receive the same.
- 2.4.2. The Bonus Preference Shares that will be issued to the equity shareholders pursuant to this Scheme shall be issued in dematerialized form to the equity shareholders, who are recorded as holding equity shares of the Company in dematerialized form, or from whom the Company has received a notice in writing prior to the Record Date of details of their account with a depository participant and who have provided details thereof and such other confirmations as may be required, by direct credit to the beneficiary account of each such equity shareholder. For all other equity shareholders or in the event that the Company is unable to credit the demat / beneficiary accounts of the aforesaid equity shareholders, the Company shall issue Bonus Preference Shares in physical form to such equity shareholders. No letter of allotment would be issued for the Bonus Preference Shares.
- 2.4.3. In case the Company is unable to issue Bonus Preference Shares to any of the equity shareholders who are otherwise entitled to them on account of non receipt of any approval / exemption / sanction then the Company shall at its absolute discretion issue such shares to a trustee nominated by it, who shall at its discretion sell such shares on the stock exchange or otherwise and distribute the net sale proceeds (after deduction of applicable taxes and other expenses incurred) to the equity shareholders respectively entitled to the same in proportion to their entitlements.

2.5. REDEMPTION / BUYBACK OF BONUS PREFERENCE SHARES

- 2.5.1. Subject to the provisions of Clauses 2.5.2 and 2.5.3, the Company shall redeem at par value, 20% of the total Bonus Preference Shares allotted, every year from the fourth anniversary of the date of allotment of Bonus Preference Shares as follows:

Year	Redemption %	Cumulative Redemption %
4	20	20
5	20	40
6	20	60
7	20	80
8	20	100

For the purpose of redemption, as may be decided by the Board and allowed by the regulatory authorities, the Company may consolidate or sub-divide the face value of the Bonus Preference Shares and/or generally decide on the manner in which such redemption and payout of proceeds upon redemption will be carried out.

- 2.5.2. The Company shall have an option to buy back the Bonus Preference Shares fully or in parts at an earlier date(s) as may be decided by the Board. If on any anniversary of the date of allotment beginning from the fourth anniversary of the date of allotment, the total number of Bonus Preference Shares bought back and redeemed cumulatively is in excess of the cumulative Bonus Preference Shares required to be redeemed till the said anniversary, then there will be no redemption on that anniversary. In case of any shortfall, the redemption at the end of that anniversary shall be made pro rata and shall be restricted to the percentage of such shortfall.

2.5.3. At the 8th anniversary of the date of allotment, all the remaining and outstanding Bonus Preference Shares shall be redeemed by the Company.

2.6. DECLARATION OF DIVIDEND ON BONUS PREFERENCE SHARES

2.6.1. Dividend @ 6% per annum for each financial year ending on the 31st day of March will be paid on the 15th day of April of the subsequent financial year to those preference shareholders who are holding Bonus Preference Shares as on the 31st day of March of the previous financial year. The first dividend payment will be made on a pro rata basis from the date of allotment till the 31st day of March of the financial year in which the Bonus Preference Shares are issued. Dividend on Bonus Preference Shares redeemed at the respective anniversary dates for the period from the 1st day of April of that financial year till the date of redemption will be paid along with the redemption value.

2.6.2. Approval of this Scheme by the equity shareholders shall be deemed to be approval for the payment of dividend from time to time, to the preference shareholders as per clause 2.6.1 and no further approval of the equity shareholders shall be required in terms of any section of Act at the time of actual payment of dividend or payment of redemption proceeds to the preference shareholders.

2.7. INCREASE IN AUTHORISED CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION

2.7.1. As an integral part of this Scheme, and upon the sanction of this Scheme the authorised share capital of the Company shall automatically stand increased and reclassified without any further act, instrument or deed on the part of the Company or its equity shareholders to Rs. 2300,00,00,000 (Two Thousand Three Hundred Crores Only) as on the Effective Date and the Memorandum of Association of the Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the equity shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting these amendments, and no further resolution(s) under Section 16, Section 94 or any other applicable provisions of the Act, would be required to be separately passed.

2.7.2. Pursuant to the above Scheme becoming effective, the authorised share capital of the Company will be increased and reclassified as under

Share Capital	Amount in INR
Authorised	
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
Total	2300,00,00,000

2.7.3. Clause V of the Memorandum of Association shall stand substituted by virtue of the Scheme to read as follows:

“V. The Authorised Share Capital of the Company is Rs. 2300,00,00,000/- (Two Thousand Three Hundred Crores Only) consisting of 200,00,00,000 (Two Hundred Crores) Equity Shares of Re 1/- (One) each and 2100,00,00,000 (Two Thousand One Hundred Crores) Preference Shares of Re. 1/- (One) each”.

2.7.4. Consent of the equity shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting the above amendment to the Memorandum of Association of the Company as set out in Clause 2.7.3 above as also for the issuance of the Bonus Preference Shares, and no further resolution under Section 16, 94 or any other applicable provision of the Act in this regard, would be required to be separately passed in connection with the increase and/or reclassification of Authorised Share Capital and consequent amendment to the Memorandum, or the issuance of Bonus Preference Shares by the Company .

2.8. SCHEME CONDITIONAL ON APPROVALS / EXEMPTIONS / SANCTIONS

2.8.1. The Scheme is conditional on and subject to:

- the approval to the Scheme by the requisite majority of the equity shareholders of the Company as prescribed / applicable under law / regulations;

- b) the sanction of the High Court being obtained;
- c) Any other approval / exemption / sanction including Central Government and any other regulatory authority, as may be required by law in respect of the Scheme being obtained, and
- d) The certified copies of the High Court order referred to in this Scheme being filed with the Registrar of Companies.

2.9. EFFECT ON NON RECEIPT OF APPROVALS/SANCTIONS

In the event of any aforesaid approvals / exemptions / sanctions not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before March 31, 2014 or within such extended period or periods as may be approved by the Board, the Scheme shall become null and void and in that event, no rights and liabilities shall accrue to or be incurred by the Company or its shareholders or any other person, and the Company shall bear and pay the costs, charges and expenses for and/or in connection with the Scheme.

PART III

GENERAL TERMS AND CONDITIONS

3.1 DIVIDENDS

3.1.1. Nothing contained herein shall be construed as restricting or restraining the Company from being entitled to declare and pay dividends, whether interim or final, to its equity shareholders whether during the pendency of the Scheme or otherwise and the holders of the equity shares of the Company shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the Articles of Association including the right to receive dividends and other benefits.

3.1.2. It is clarified that the aforesaid provisions in respect of declaration of dividends to equity shareholders are enabling provisions only and shall not be deemed to confer any right on any equity shareholder of the Company to demand or claim any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the Board of Directors of the Company and subject to the approval, if required, of the shareholders of the Company.

3.1.3. The Scheme is an arrangement between the Company and its equity shareholders under Section 391 of the Act and does not envisage transfer or vesting of any properties and/or liabilities to or in favor of a transferee company as contemplated in Section 394 of the Act. The Scheme does not involve any "conveyance" or "transfer" of any property and does not relate to amalgamation or merger of companies under the order of the High Court under Section 394 of the Act, and consequently, the Order of the Hon'ble High Court approving the Scheme will not attract any stamp duty.

3.1.4. The Scheme and issuance of Bonus Preference Shares hereunder is intended exclusively for the equity shareholders of the Company on the Record Date and does not constitute an offer or an invitation to the public to subscribe to the Preference Shares and/or Equity Shares. Neither the Scheme nor any related document shall constitute an offer document or prospectus in any manner or for any purpose whatsoever.

3.2 APPLICATION TO COURT

The Company shall with all reasonable dispatch, make applications/petitions to the Hon'ble High Court of Judicature at Bombay under Section 391 and other applicable provisions of the Act or such other applicable Tribunal / Court / authority for sanctioning the Scheme.

3.3 MODIFICATION OR AMENDMENTS TO THE SCHEME

3.3.1 The Company, by its Directors (including a Committee of Directors constituted for this purpose) may effect or assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Court and/or any regulatory authorities or other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable by the Board of Directors of the Company for implementing the Scheme or any modified scheme and for settling any question or doubt or difficulty that may arise for implementing and/or carrying out such Scheme or

otherwise as may be considered to be in the best interest of the Company and its equity shareholders and do all acts, deeds and things as may be necessary, desirable or expedient for giving effect to the Scheme.

3.3.2 In the event of any modification of the Scheme by the Board, Bonus Preference Shares shall include any other tradable security, having similar yield and/or tenure, as may be decided by the Board which serves similar purpose of rewarding the shareholders.

3.3.3 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholder of the Company, the Board or any person authorized by the Board shall be empowered in appropriate cases, prior to or even subsequent to the Record Date, to effectuate such a transfer as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or transferee of the share in the Company and in relation to the issuance of the Bonus Preference Shares after the effectiveness of the Scheme.

3.3.4 If any part of this Scheme is found to be unworkable or if implementation of this Scheme is delayed for any reason whatsoever, the same shall not affect the validity or implementation of the other parts and/ or provisions of this Scheme.

3.4 OVERRIDING EFFECT

3.4.1 Upon coming into effect of this Scheme the rights, liabilities and obligations of the equity shareholders, Company and any other party shall be governed by the terms and conditions of this Scheme and shall be binding upon them.

3.5 COMPLIANCE WITH STATUTORY PROVISIONS

3.5.1 All actions that may be taken by the Company pursuant to and in accordance with this Scheme shall be deemed to have not breached any term and conditions or any other provisions of law.

3.6 NON SANCTIONING OF THE SCHEME

In the event of non sanctioning of the Scheme by the Hon'ble High Court or any approval / exemption / sanction referred to in Clause 2.8.1 is not obtained or obtained with modifications / alterations such that share capital of the Company is not required to be altered and/or in the event of withdrawal of the Scheme due to any reason beyond the control of the Company, the amendment to the Memorandum of Association in respect of Clause V, shall be deemed to have not been effected and / or implemented and Clauses 2.7.1, 2.7.2 and 2.7.3 shall be rendered ineffective and null and void.

3.7 SEVERABILITY

If any part of this Scheme is found to be unworkable for any reason whatsoever including by reason of order of a Court or Regulatory authority or any legislative amendment, the same shall not, subject to the decision of the Company affect the validity or implementation of the other parts and/or provisions of this Scheme.

3.8 COSTS, CHARGES & EXPENSES

3.8.1 All costs, charges and expenses of the Company in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion thereof in pursuance of the Scheme, shall be borne and paid by the Company. For the avoidance of doubt it is clarified that equity shareholders will be required to bear and pay all taxes as may be applicable to them in relation to the Bonus Preference Shares held by them.

Annexure – 1
TERMS AND CONDITIONS FOR ISSUE OF BONUS PREFERENCE SHARES

Issuer	Zee Entertainment Enterprises Limited
Instrument	Cumulative Redeemable Non-convertible Preference Shares
Face value	Re. 1
Coupon Rate	6% p.a.
Tenure	8 years from the date of allotment
Redemption	<p>The Company shall redeem at par, 1/5th of the nominal value (i.e. 20%) of the Bonus Preference Shares every year from the 4th anniversary of the date of allotment. The Company shall have option to buyback the Bonus Preference Shares earlier. Any Bonus Preference Shares bought back shall stand extinguished within the next 30 days.</p> <p>Bonus Preference Shares bought back by the company shall be entirely adjusted with Bonus Preference Shares required to be redeemed by the Company. Any excess bought back number shall be adjusted against next tranche of redemption.</p>
Market Lot	One Preference Share or as required by stock exchanges
Listing	Proposed to be listed on the same stock exchanges on which the equity shares of the company are listed

Complaints Report

For Complaints received in connection with the Scheme of Arrangement between Zee Entertainment Enterprises Ltd and its Equity Shareholders to facilitate Bonus issue of 6% Cumulative Redeemable Non-Convertible Preference Shares during the period from June 27 to July 19, 2013

Part A

Sr No	Particulars	Number
1	Number of Complaints received directly	Nil
2	Number of Complaints forwarded by Stock Exchanges	Nil
3	Total Number of Complaints / comments received	Nil
4	Number of Complaints resolved	Nil
5	Number of Complaints pending	Nil

Part B

Sr No	Name of Complainant	Date of Complaint	Status (Resolved/Pending)
1	Not Applicable	Not Applicable	Not Applicable
2	Not Applicable	Not Applicable	Not Applicable
3	Not Applicable	Not Applicable	Not Applicable

For **Zee Entertainment Enterprises Limited**



M Lakshminarayanan
Chief Compliance Officer & Company Secretary



Place: Mumbai
Date: July 22, 2013



||| **VASUDHANA KUTUMBALAM** |||
THE WORLD IS MY FAMILY

ZEE ENTERTAINMENT ENTERPRISES LIMITED

Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai - 400 018, India.



Ref: NSE/LIST/213729-A

August 21, 2013

Zee Entertainment Enterprises Limited
135, Continental Building
Dr. Annie Besant Road
Worli
Mumbai – 400018

Kind Attn.: Mr. Pushpal Sanghvi

Dear Sir,

Sub.: Observation letter for Scheme of Arrangement between Zee Entertainment Enterprises Limited and its equity shareholders under sections 391 read with sections 16, 94 and any other applicable provisions of the Companies Act, 1956

We are in receipt of the draft Scheme of Arrangement between Zee Entertainment Enterprises Limited and its equity shareholders under sections 391 read with sections 16, 94 and any other applicable provisions of the Companies Act, 1956.

We have perused the draft Scheme of Arrangement and the related documents/details submitted by Zee Entertainment Enterprises Limited including the confirmation of the Company Secretary that the Scheme so submitted does not in any way violate, over-ride or circumscribe the provisions of Securities Laws or the Stock Exchange requirements.


Pursuant to SEBI Circular No. CIR/CFD/DIL/5/2013 dated February 04, 2013 and SEBI Circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013, SEBI has vide letter dated August 16, 2013, has commented as follows:

- a) Fairness opinion submitted by the company is to be displayed on the website of the company along with various documents submitted pursuant to the circulars.
- b) The company shall duly comply with various provisions of the Circulars.

Accordingly, we do hereby convey our 'No-Objection' with limited reference to those matters having a bearing on listing / delisting / continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Company to file the Scheme with the Hon'ble High Court.

However, the Exchange reserves its right to withdraw this No-objection approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

Yours faithfully,
For National Stock Exchange of India Limited

 Kamlesh Patel
Manager

DCS/AMAL/PS/24(f)/201/2013-14

August 21, 2013

The Company Secretary
Zee Entertainment Enterprises Limited
Continental Building, 135, Dr Annie Besant Road,
Worli, Mumbai, Maharashtra – 400018.

Dear Sir / Madam,

Sub: Observation letter regarding the Scheme of Amalgamation/Arrangement of Zee Entertainment Enterprises Ltd.

We are in receipt of draft Scheme of Amalgamation/Arrangement between Zee Entertainment Enterprises Ltd (ZEEL) and its Equity Shareholders to facilitate issuance by way of Bonus, 6% Cumulative Redeemable Non-Convertible Preference Shares of the face value of Re. 1/- (One) each fully paid up by utilizing Capital Redemption Reserve, Securities Premium Account, General Reserve and surplus in the statement of Profit & Loss in order of sequence.

The Exchange has noted the confirmation given by the Company stating that the scheme does not in any way violate or override or circumscribe the provisions of the SEBI Act, 1992, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996, the Companies Act, 1956, the rules, regulations and guidelines made under these Acts, and the provisions of the Listing Agreement or the requirements of BSE Limited (BSE).

As required under SEBI Circular No.CIR/CFD/DIL/5/2013 dated February 4, 2013 & SEBI Circular No.CIR/CFD/DIL/8/2013 dated May 21, 2013; SEBI has vide its letter dated August 16, 2013 received on August 21, 2013 given the following comment(s) on the draft scheme of arrangement:


- a) *The company shall duly comply with various provisions of the aforesaid SEBI circular.*
- b) *The Company to display on their website, Fairness Opinion Report as submitted by the company.*

Accordingly, we hereby convey Exchange's 'No-objection' with limited reference to those matters having bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable you to file the scheme with the Hon'ble High Court.

Further you are also advised to bring the contents of this letter to the notice of your shareholders, all relevant authorities as deemed fit, and also mention the same in your application for approval of the scheme of arrangement submitted to the Hon'ble High Court.

The Exchange reserves its right to withdraw its No-objection/approval at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Yours faithfully,


Jayesh Ashtekar
Manager


Bhuvana Sriram
Deputy Manager

**IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION
COMPANY SUMMONS FOR DIRECTION NO. 642 OF 2013**

In the matter of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Sections 391 read with Sections 16, 94 and other applicable provisions of the Companies Act, 1956;

AND

In the matter of Scheme of Arrangement between Zee Entertainment Enterprises Limited and its Equity Shareholders

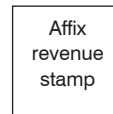
ZEE ENTERTAINMENT ENTERPRISES LIMITED,)
a Company incorporated under the provisions of the)
Companies Act, 1956 and having its registered office at)
Continental Building, 135, Dr. Annie Besant Road, Worli,)
Mumbai – 400018)

..... Applicant Company

FORM OF PROXY

I/ We _____ the undersigned, being the equity shareholder of Zee Entertainment Enterprises Limited, the Applicant Company do hereby appoint Mr./ Ms. _____ of _____ and failing him/her _____ of _____ as my/our proxy, to act for me/us at the meeting of the Equity Shareholders to be held at Ravindra Natya Mandir, P L Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025 on Monday, 14th day of October, 2013 at 10.30 a.m for the purpose of considering and, if thought fit, approving, with or without modification, the arrangement embodied in the proposed Scheme of Arrangement between Zee Entertainment Enterprises Limited and its Equity Shareholders and at such meeting, and any adjournment / adjournments thereof, to vote, for me/us and in my/ our name(s) _____ (herein, if 'for' insert 'FOR', if 'against' insert 'AGAINST' and in the later case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme of Arrangement either with or without modifications as my/our proxy may approve.

*Strike out what is not necessary



Dated this _____ day of _____, 2013

Name : _____

Signature across the Stamp

Address : _____

Reg. Folio No. / DP ID No. & Client ID No. _____ No. of shares: _____

Signatures of Shareholder(s) Sole / First Holder : _____

Second Holder : _____

Third Holder : _____

Signature of Proxy Proxy : _____

Notes:

- (1) All alterations made in the form of Proxy should be initialed.
- (2) The Proxy must be deposited at the Registered Office of the Company at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai – 400 018 at least 48 hours before the time for holding the Court Convened meeting.
- (3) The proxy need not be a member of Zee Entertainment Enterprises Limited.
- (4) In case of multiple proxies, the proxy later in time shall be accepted.



ZEE ENTERTAINMENT ENTERPRISES LIMITED

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

Tel: 91 22 2483 1234 **Fax:** 91 22 2490 0302. **Website:** www.zeetelevision.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional attendance slip at the venue of the meeting

I/We hereby record my/our presence at the Meeting of the Equity Shareholders of the Company, convened pursuant to the Order dated 6th day of September, 2013 of the Hon'ble High Court of Judicature of Bombay at Ravindra Natya Mandir, P L Deshpande Maharashtra Kala Academy, Sayani Road, Prabhadevi, Mumbai 400 025 on Monday, 14th day of October, 2013 at 10.30 a.m.

Name : _____
(in BLOCK Letters)

Address : _____

Reg. Folio No. : _____

Client ID No. : _____

DP ID No. : _____

No. of shares : _____

Name of the Proxy holders/ Authorised Representative* (IN BLOCK LETTERS): _____

Signature : _____

*(To be filled in by the Proxy in case he/she attends instead of the equity shareholder)

NOTE:

Equity Shareholders attending the Meeting in person or by Proxy or through authorized representative are requested to complete and bring the Attendance Slip and hand it over at the entrance of the meeting hall.

BOOK POST / COURIER

If undelivered, please return to:

ZEE ENTERTAINMENT ENTERPRISES LIMITED

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