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## ZEE ENTERTAINMENT ENTERPRISES LIMITED

**Registered Office:** 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg  
Lower Parel, Mumbai 400 013

**Tel:** 022-7106 1234, **Fax no:** 022-2300 2107

**CIN:** L92132MH1982PLC028767

**Website:** [www.zeetelevision.com](http://www.zeetelevision.com) **Email:** [shareservice@zee.esselgroup.com](mailto:shareservice@zee.esselgroup.com)

### NOTICE OF MEETING OF THE PREFERENCE SHAREHOLDERS OF ZEE ENTERTAINMENT ENTERPRISES LIMITED CONVENED BY HON'BLE NATIONAL COMPANY LAW TRIBUNAL

<b>Day</b>	: Tuesday
<b>Date</b>	: May 9, 2017
<b>Time</b>	: 12.30 p.m. or immediately after conclusion of the Meeting of Equity Shareholders
<b>Venue</b>	: Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400018

Postal Ballot and E-voting Period	
Commencing on	Sunday , April 9, 2017 at 9.00 A.M.
Ending on	Monday, May 8, 2017 at 5.00 P.M.

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**Before the National Company Law Tribunal,  
Mumbai Bench  
Company Scheme Application No 271 of 2017**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 233 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited ("Transferor Company 1" or "RBBPL"); and Big Magic Limited ("Transferor Company 2" or "BML"); and Azalia Broadcast Private Limited ("Transferor Company 3" or "ABPL"); and Zee Entertainment Enterprises Limited ("Resulting Company" or "ZEEL"); and their respective Shareholders and Creditors

**ZEE ENTERTAINMENT ENTERPRISES LIMITED**, a Company )  
incorporated under the provisions of the Companies Act, )  
1956 with CIN L92132MH1982PLC028767 and having its )  
Registered Office at 18th Floor, A Wing, Marathon Futurex, )  
N M Joshi Marg, Lower Parel, Mumbai 400013 ) **... Applicant Company**

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

**To,**

**The Preference Shareholder(s) of Zee Entertainment Enterprises Limited**

Notice is hereby given that by an Order dated March 15, 2017, the Mumbai Bench of Hon'ble National Company Law Tribunal ("Tribunal") has directed that a meeting of the Preference Shareholders of Zee Entertainment Enterprises Limited (ZEEL), the Applicant Company be held for the purpose of considering and if thought fit, approving with or without modification, the arrangement proposed and embodied in the Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited and Big Magic Limited and Azalia Broadcast Private Limited and Zee Entertainment Enterprises Limited and their respective Shareholders and Creditors ("Scheme").

In pursuance of the said Order and as directed therein further notice is hereby given that, a meeting of the Preference Shareholders of the Applicant Company will be held at Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400 018 on Tuesday, the 9th day of May 2017 at 12.30 P.M. or immediately after conclusion of the Meeting of Equity Shareholders, at which time and place the Preference Shareholders are requested to attend, to consider and if thought fit, approve with or without modification(s) the following Resolution with requisite majority.

**"RESOLVED THAT** pursuant to the provisions of Sections 230 to 233 and other applicable provisions of the Companies Act, 2013 and the provisions of the Memorandum and Articles of Association of the Company and further subject to consent and approval of the Mumbai Bench of Hon'ble National Company Law Tribunal and other applicable regulatory / statutory authority(ies) as may be required, approval of the Preference Shareholders be and is hereby accorded to the Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited; and Big Magic Limited; and Azalia Broadcast Private Limited; and Zee Entertainment Enterprises Limited; and their respective Shareholders and Creditors ("Scheme") as attached to the Notice of the Meeting.

**RESOLVED FURTHER THAT** the Board of Directors (including any Committee thereof) of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered requisite, desirable, appropriate or necessary to implement the arrangement embodied in the Composite Scheme of Arrangement and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the Mumbai Bench of

Hon'ble National Company Law Tribunal and/or any other authority(ies) while sanctioning the said Composite Scheme of Arrangement."

Explanatory Statement under Sections 230 to 233 of the Companies Act, 2013 along with copy of the Scheme and other annexures including Proxy Form, Attendance Slip and Postal Ballot Form are enclosed herewith. Copy of the Scheme and statement under Section 230 of the Companies Act, 2013 can be obtained free of charge at the Registered Office of the Company.

Hon'ble Tribunal has appointed Dr Subhash Chandra, Non-Executive Chairman and in his absence Mr Punit Goenka, Managing Director & CEO and in his absence Mr Subodh Kumar, Non-Executive Vice Chairman of the Applicant Company as the Chairman of the said meeting. The above mentioned Scheme, if approved by the Equity Shareholders and Preference Shareholders, will be subject to the subsequent approval of Hon'ble Tribunal.

Preference Shareholders entitled to attend and vote at the said meeting, may vote in person or by proxy, provided that a proxy in the prescribed form is deposited at the Registered Office of the Company at 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013, not later than 48 hours before the meeting. Forms of proxy can be had at the Registered Office of the Company.

In accordance with the applicable regulatory provisions, as an alternative to casting of votes on Poll at the meeting, the Company has provided the Preference Shareholders with the facility for casting their votes either by way of Postal Ballot or by way of remote e-voting using facility offered by National Securities Depository Limited (NSDL). The Voting rights of Preference Shareholders shall be in proportion to their Shareholding in the Company as on the Cut-off date of close of business on Friday, the 31st day of March 2017. The shareholders may refer to Notes to this notice for further details on Postal Ballot and E-voting.

It is clarified that casting of votes by postal ballot or remote e-voting does not disentitle a Preference Shareholder as on the cut-off date of March 31, 2017 from attending the Meeting. It is further clarified that the Proxies can only vote on Poll at the meeting and not through any other mode.

**Dr Subhash Chandra**  
**Chairman appointed for the meeting**

Mumbai, dated this 31st day of March 2017

**Registered Office:**

18th Floor, A Wing  
Marathon Futurex, N M Joshi Marg  
Lower Parel, Mumbai 400 013  
CIN - L92132MH1982PLC028767

**Notes:**

1. This Notice is being sent to the Preference Shareholders whose name appear in the Register of Members / Record of Depositories as at the close of business on Friday, the 31st day of March 2017, by email to the Preference Shareholders whose email address is registered with the Company/ Depository Participants(s) for communication and in physical mode to other Preference shareholders at their registered addresses. This Notice may also be accessed on Company's Website [www.zeetelevision.com](http://www.zeetelevision.com)
2. A Preference Shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company. The Proxy Form duly completed should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A person can act as proxy on behalf of shareholders not exceeding fifty (50) in number and/or holding in aggregate not more than 10% of the total Preference share capital of the Company. In case a proxy is proposed to be appointed by shareholder(s) holding more than 10% of the total Preference share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
3. All alterations made in the proxy form should be initialed.
4. Corporate Members are requested to send to the Registered Office of the Company, a certified true copy of the Power

of Attorney or Resolution passed by the Board of Directors or other governing body of such body corporate authorizing their representative to attend and vote at the meeting.

5. Members are informed that in case of joint holders attending the meeting, only such joint holder whose name stands first in the Register of Preference Shareholder of the Company in respect of such joint holding will be entitled to vote.
6. Shareholders are requested to hand over the enclosed Attendance Slip, duly filled and signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Shareholders who hold shares in dematerialized form are requested to bring in their Client ID and DP ID numbers for identification.
7. In compliance with Section 108 and 110 of the Companies Act, 2013 read with Rule 20 and Rule 22 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations'), the Company has also provided the facility to the Shareholders to cast their votes either by way of Postal Ballot or through remote e-voting facility arranged by NSDL, prior to the meeting.
8. Member(s) can opt only for one mode of voting. If a Member has opted for E-voting, then he/she should not vote by Postal Ballot and vice-versa. However, in case Members cast their vote both via Postal Ballot and E-voting, then voting through E-voting shall prevail and voting done by Postal Ballot shall be treated as invalid.
9. It is clarified that votes may be cast by Shareholders either by Postal Ballot or E-voting and casting of votes by Postal Ballot or e-voting does not disentitle them from attending the Meeting. Any shareholder who exercises his right to vote through Postal Ballot or E-voting shall not be allowed to vote on Poll again at the Meeting.
10. Shareholders whose names appears on the Register of Members / Record of Depositories as at the close of business on Friday, the 31st day of March 2017 will be considered for the purpose of voting and the voting rights shall be reckoned based on the Preference shareholding as on Friday, the 31st day of March 2017.
11. The Voting period for Postal Ballot and E-voting shall commence on and from Sunday the 9th day of April 2017 at 9.00 a.m. and end on Monday, the 8th day of May 2017 at 5.00 p.m.
12. Shareholders desiring to exercise their vote by 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 to reach not later than 5.00 p.m. on Monday, the 8th day of May 2017 at the Registered Office of the Company.
13. As directed by Hon'ble Tribunal, ACS Mrs. Vinita Nair, Partner, M/s. Vinod Kothari & Co., Company Secretaries and failing her Mr. Satish Shah, Practicing Company Secretary shall act as Scrutinizer to scrutinize votes cast either electronically or on Postal Ballot or on Poll at the Meeting and submit report on votes cast to the Chairman of the Meeting within 48 hours from the conclusion of the meeting.
14. The result of the voting shall be announced by the Chairman, upon receipt of Scrutinizer's report and same shall be displayed on the website of the Company [www.zeetelevision.com](http://www.zeetelevision.com) besides being sent to the Stock Exchanges on the said date.
15. All the relevant documents referred to in the Explanatory Statement will be open for inspection at the Registered Office between 11.00 a.m. and 2.00 p.m. on all days excluding Saturdays, Sundays and Public Holidays, till 8th day of May, 2017.
16. Instructions and process for E-voting is 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. "ZEEL 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 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 Entertainment Enterprises Limited - Preference”.
  - 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, 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 [shareservice@zee.esselgroup.com](mailto:shareservice@zee.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 addresses 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).

**Before the National Company Law Tribunal,  
Mumbai Bench**

**Company Scheme Application No 271 of 2017**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 233 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited ("Transferor Company 1" or "RBBPL"); and Big Magic Limited ("Transferor Company 2" or "BML"); and Azalia Broadcast Private Limited ("Transferor Company 3" or "ABPL"); and Zee Entertainment Enterprises Limited ("Resulting Company" or "ZEEL"); and their respective Shareholders and Creditors

**ZEE ENTERTAINMENT ENTERPRISES LIMITED**, a Company )  
incorporated under the provisions of the Companies Act, )  
1956 with CIN L92132MH1982PLC028767 and having its )  
Registered Office at 18th Floor, A Wing, Marathon Futurex, )  
N M Joshi Marg, Lower Parel, Mumbai 400 013 ) **... Applicant Company**

**EXPLANATORY STATEMENT UNDER SECTION 230 READ WITH SECTION 102 OF THE COMPANIES ACT, 2013 FOR THE MEETING OF THE PREFERENCE SHAREHOLDERS OF ZEE ENTERTAINMENT ENTERPRISES LIMITED CONVENED BY MUMBAI BENCH OF HON'BLE NATIONAL COMPANY LAW TRIBUNAL**

1. Pursuant to an Order dated March 15, 2017 passed by the Mumbai bench of Hon'ble National Company Law Tribunal ('the Tribunal') in the Company Scheme Application No. 271 of 2017 referred to hereinabove, a meeting of the Preference Shareholders of the Applicant Company is convened and will be held at Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400018 on Tuesday, the 9th day of May 2017 at 12.30 p.m. or immediately after conclusion of Equity Shareholders meeting, for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited ("Transferor Company 1" or "RBBPL"); and Big Magic Limited ("Transferor Company 2" or "BML"); and Azalia Broadcast Private Limited ("Transferor Company 3" or "ABPL"); and Zee Entertainment Enterprises Limited ("Resulting Company" or "ZEEL"); and their respective Shareholders and Creditors ("Scheme").
2. The definitions contained in the Scheme will apply to this Explanatory Statement also.
3. A copy of the Scheme setting out in detail the terms of the proposed arrangement, as approved by Board of Directors of ZEEL, RBBPL, BML and ABPL at their respective meetings held on November 23, 2016 is attached to this explanatory statement and forms part of this Notice.

**4. Background of the Companies:**

**A. Zee Entertainment Enterprises Limited**

- a) Zee Entertainment Enterprises Limited ('ZEEL'), a Public Limited Company, was originally incorporated under Companies Act, 1956 with CIN L92132MH1982PLC028767, on November 25, 1982 in the name and style of Empire Holdings Limited as per the certificate of Incorporation issued by the Registrar of Companies, Maharashtra. The name of the Company was changed from Empire Holdings Limited to Zee Telefilms Limited with effect from September 8, 1992 and further from Zee Telefilms Limited to its current name Zee Entertainment Enterprises Limited with effect from January 10, 2007, pursuant to fresh certificate of incorporation issued by the Registrar of Companies, Maharashtra. The Permanent Account Number (PAN) of

ZEEL is AAACZ0243R

- b) The Registered Office of ZEEL is currently situated at 18th Floor, A Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai – 400 013 which was shifted from its old Registered Office located at Continental Building, 135, Dr Annie Besant Road, Worli, Mumbai 400 018 with effect from September 1, 2015. The e-mail address of the Company is [shareservice@zee.esselgroup.com](mailto:shareservice@zee.esselgroup.com).
- c) The Main objects of ZEEL as set out in Memorandum of Association are briefly as under:
1. *To invest the capital and other moneys of the Company in the purchase or upon the Security of shares, stocks, debentures, debentures stock, bonds, mortgages obligations, estates, buildings, land business, manufacturing concerns and securities carrying on business in shares, stocks, debentures, debenture stocks, bonds, mortgages, obligations, estates, building, land, business, manufacturing concerns and securities carrying on business in shares, stocks, debenture stocks, bonds, mortgages, obligations and other securities of Commissioners, Trust, Municipal or Local Authority, Government, corporation, companies and to carry on business of Underwriters, film financing, hire purchase financing, and to carry on business of financing industrial enterprises, trade and business to carry on the business of leasing Company.*
  2. *To borrow, advance, deposit or lend moneys, securities and property from, to or with such persons and on such terms as may seem expedient, to discount, buy, sell and deal in bills, notes, warrants, coupons, import entitlements and other negotiable or transferable securities or documents, to guarantee or become liable for the payment of money or for the performance of obligations, and generally to transact guarantees and / or Trust business provided the Company shall not carry on Banking business as defined by Banking Regulation Act, 1949 and subject to the provisions of the Act and directives of Reserve Bank of India.*
    - (A) *To manufacture, buy, sell, import, export, hire, take on lease, to exhibit, distribute and to deal in any other manner in films both of our manufacture or other manufacture Indian or Foreign, in India or elsewhere, outside India and also to engage agents or representative for the above or any other purposes of the Company and to remunerate such agents, representatives and cinematographic films and pictures and to engage Directors, Dialogue and Scenarian writer, Film Editors, Story Writers and other persons, Technicians, Engineers, Sound experts, Camera man, Musicians, Art Directors, Artists, Painters, Carpenters and other experts necessary for conducting the business of the Company and to pay and remunerate persons so engaged.*
    - (B) *To undertake, manage and otherwise engage in the business of Telecommunication, Telecasting, Broadcasting through Satellite, Terrestrial, Cable, Airborne, by hiring, taking on lease, purchase of transponders, Transmitters, microwaves, time slots or such modern means in India and abroad.*
      - (i) *To buy, sell, procure, commission films and entertainment Software (Programmes) for their exhibition, distribution and dissemination on TV channels be it satellite TV channels or terrestrial TV channels or cable channels or through DTH through pay channels using existing and / or emerging technologies, including distribution via internet, or web casting or exhibition in cinema and / or video theaters in all forms, be its as analogue signal or digital signals or through sale of physical material like cassettes including audio cassettes, video cassettes, digital video disc, CD ROM's etc.*

There have been no changes in the Objects of ZEEL during last five years.

- d) ZEEL is mainly engaged in Broadcasting of Satellite Television Channels, Space Selling agent for other satellite television channels and Sale of Media Content i.e. programs / film rights / feeds / music rights.

- e) The authorized, issued, subscribed and paid-up share capital of the ZEEL as on date of approval of the Scheme by the Board was as under:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
2,000,000,000 equity shares of Re 1/- each	2,000,000,000
2,100,000,000 preference shares of Rs 10/- each	21,000,000,000
<b>Total</b>	<b>23,000,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
960,448,720 equity shares of Re 1/- each	960,448,720
2,016,942,312 6% cumulative redeemable non-convertible preference shares of Rs 10/- each	20,169,423,120
<b>Total</b>	<b>21,129,871,840</b>

Subsequent to approval of the Scheme, there has been no change in the issued, subscribed and paid up share capital of ZEEL.

- f) The equity shares and preference shares of ZEEL are listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) (together called as "Stock Exchanges").
- g) The details of entities forming part of Promoter & Promoter Group and present directors of ZEEL along with their addresses are as follows:

i. **Promoter & Promoter Group entities holding Equity and Preference Shares of the Company:**

Sr. No.	Name	Address
<b>Equity Shares</b>		
1	Essel Infra Projects Limited	513/A, 5th Floor, Kohinoor City, Kirol Road, Kurla (West), Mumbai – 400 070, Maharashtra, India.
2	Sprit Textiles Pvt Ltd	18th Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India
3	Cyquator Media Services Pvt Ltd	
4	Essel International Ltd	2nd Floor, Ebene House, 33 Cybercity, Ebene, Mauritius
5	Essel Holdings Limited	
6	Essel Media Ventures Limited	
<b>Preference Shares</b>		
1	Veena Investments Private Limited	18th Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India
2	Essel Landmark Private Limited	513/A, 5th Floor, Kohinoor City, Kirol Road, Kurla (West), Mumbai – 400 070, Maharashtra, India.
3	Essel Infra Projects Limited	
4	Cyquator Media services Pvt Ltd	18th Floor, A Wing, Marathon Futurex, N. M. Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra, India.
5	Sprit Textiles Private Limited	



ii. **Directors:**

Sr. No.	Name	Address
1	Dr Subhash Chandra	Flat No. 4, Hyde Park Street, London, W22JW, Great Britain.
2	Ashok Kurien	252, 25th Floor, Tahnee Heights, 66, Nepeansea Road, Mumbai – 400 006, Maharashtra, India.
3	Subodh Kumar	Yayati Co-Op. Housing Society Ltd., Flat No. 10, Plot No. 09, Sector-58A, Nerul, Navi Mumbai – 400 706, Maharashtra, India.
4	Prof Sunil Sharma	A-73, Sanjay Tower, Nr. Shyamal Row Houses, 3B, Satellite, Ahmedabad – 380 015, Gujarat, India.
5	Prof (Mrs) Neharika Vohra	House No 413, Indian Institute of Management Vastrapur, Ahmedabad – 380 015, Gujarat, India.
6	Manish Chokhani	161, Silver Arch, Petit Hall Compound, 66, L Jagmohandas Marg, Nepeansea Road, Mumbai – 400 006, Maharashtra, India.
7	Adesh Kumar Gupta	701, Tagore Avenue, Tagore Road, Santacruz (West), Mumbai – 400 054, Maharashtra, India.
8	Punit Goenka	Bungalow No. 1, Jolly Maker Apartment No. 1, Cuffe Parade, Colaba, Mumbai – 400 005, Maharashtra, India.

**B. Reliance Big Broadcasting Private Limited**

- a) Reliance Big Broadcasting Private Limited (“RBBPL”), was incorporated under the Companies Act, 1956 with CIN U65990MH2006PTC160747, on March 27, 2006 in the name of AAA Holdings Private Limited. Subsequently with effect from January 3, 2008, its name was changed from AAA Holdings Private Limited to Reliance Big Broadcasting Private Limited. The Permanent Account Number (PAN) of RBBPL is AAFC8981N.
- b) The Registered Office of RBBPL is currently situated at 502, Plot No. 91/94, Prabhat Colony, Santacruz (East), Mumbai 400 055 which was shifted from its old Registered Office located at 3rd Floor, Reliance Energy Centre, Santacruz (east), Mumbai 400 055 effective April 25, 2012. The company’s e-mail address is communications@bigbroadcasting.com.
- c) The Main objects of RBBPL as set out in Memorandum of Association are briefly as under:
- To undertake and carry on the business of, engage in to the activities related to telecast, broadcast, conception, visualization, acquisition, creation, production, publication, distribution, carriage of content, marketing, exhibiting or cause to exhibit, organize, providing, selling, importing, exporting, licensing, dealing in content, program and software of all types and kinds including audio content, video content, movies, video films, commercial films, serials, animated programmes, sport events, educational programmes, sponsored programmes, advertisement films, advertisement jingles, advertisement artwork, programmes, information, current affairs, software for exhibition, distribution, dissemination and broadcasting, through DTH or through Pay channels or otherwise using existing and/or emerging technologies, on terrestrial broadcast, television channels, cable television channels, satellite television channels webcasting, radio, internet radio, digital radio, satellite radio, movies, internet, audio cassettes, video cassettes, DVDs, compact discs in India and abroad.*
  - To purchase, buy sell, acquire, assemble, install, construct, hire, lease out, give on hire, develop, maintain, exchange, alter, modify, set up and manage all types of television channels, convention centres, opera houses, multiplexes, cinema halls, studios, stadiums – both indoor or outdoor, audio and video systems, cameras, shooting equipments, recording equipments, cassettes, compact discs, DVDs, colour photo laboratories, processing laboratories, offices, computers, office equipments, furniture, fixtures, vehicles in India and abroad and all matters connected and incidental thereto.*

There have been no changes in the Objects of RBBPL during last five years.

- d) RBBPL is *inter alia* engaged in the business of owning and operating five (5) non news and current affairs satellite television channels viz. Big Magic, Big Ganga, Big Magic Punjab, Big Gaurav and Big Magic HD.

- e) The authorized, issued, subscribed and paid-up share capital of RBBPL as on the date of approval of the Scheme by its Board was as under:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
<b>Equity</b>	
500,000 Equity Shares of face value of Rs10/- each	5,000,000
<b>Preference</b>	
400,000,000 Preference Shares of Re 1/- each	400,000,000
<b>Total</b>	<b>405,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
<b>Equity</b>	
10,000 Equity Shares of face value of Rs 10/- each	100,000
<b>Preference</b>	
304,500,000 8% Cumulative Redeemable Preference Shares of Re 1/- each	304,500,000
<b>Total</b>	<b>304,600,000</b>

Subsequent to approval of the Scheme by the Board, until March 28, 2017 RBBPL had issued 7,500,000 8% Cumulative Redeemable Preference Shares of Re 1/- resulting in increased in paid-up Share Capital of RBBPL.

- f) The equity and preference shares of RBBPL are not listed on any Stock Exchange.
- g) The details of the promoters and present directors of RBBPL along with their addresses are as follows:

Sr. No.	Name	Address
<b>Promoter - Equity</b>		
1	Reliance Big Entertainment Private Limited	502, Plot No. 91/94, Prabhat Colony, Santacruz (East), Mumbai – 400 055, Maharashtra, India.
<b>Directors</b>		
1	Tarun Katial	403, A/20, Shastri Nagar, Andheri (West), Mumbai – 400 053, Maharashtra, India
2	Venkatarao Ponnada	Flat No. 1004, Bldg. 47, Seawoods Estates, Phase – II, Sector – 54, Nerul, Navi Mumbai – 400 706, Maharashtra, India

### C. Big Magic Limited

- a) Big Magic Limited ('BML'), was incorporated under the Companies Act, 1956 with CIN U74900MH2011PLC216414, on April 19, 2011 in the name of Big Magic Limited. The Permanent Account Number (PAN) of BML is AAECB5352K
- b) The Registered Office of BML is currently situated at 401, 4th Floor, Infiniti Mall, Link Road, Oshiwara, Andheri West, Mumbai 400 053 which was shifted from its old Registered Office located at Fourth Floor, Arc Plaza, Behind Country Club, Veera Desai Extension Road, Andheri West, Mumbai – 400 053 effective January 25, 2013. Prior to the above change till December 18, 2012, BML's Registered office was located at Ground Floor, ARC Plaza, 48 Oshiwara Village, Veera Desai Extn Road, Behram Baug, Jogeshwari West, Mumbai -400102. The e-mail address is investor@reliancebroadcast.com
- c) The Main objects of BML as set out in Memorandum of Association are briefly as under:
- To undertake and carry on the business of conception, visualization, acquisition, creation, production, distribution of content; marketing, causing to exhibit, providing, selling, importing, exporting, licensing, dealing in content, program, and software of all types and kinds including audio content, video content, movies, video films, commercial films, serials, animated programmes, educational programmes, sponsored programmes, advertisement films, advertisement jingles, advertisement artwork, programmes, information, assisting broadcasting companies in distribution, through DTH and through pay channels or otherwise using*

existing and / or emerging technologies, on terrestrial broadcast, television channels, cable television channels, satellite television channels webcasting, radio, internet radio, digital radio, satellite radio, movies, internet, audio cassettes, video cassettes, DVDs, compact discs in India and abroad; assisting broadcasting companies in soliciting advertisements for their television channels and other services which are connected with television channels.

There have been no changes in the Objects of BML during last five years.

- d) BML is *inter alia* engaged in the business of acquiring content from producers and third parties to be broadcasted by RBBPL on the channels owned and operated by it.
- e) The authorized, issued, subscribed and paid-up share capital of BML as on date of approval of the Scheme by its Board was as under:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
<b>Equity</b>	
500,000 Equity Shares of face value of Rs10/- each	5,000,000
<b>Preference</b>	
1,000,000,000 Preference Shares of Rs 10/- each	10,000,000,000
<b>Total</b>	<b>10,005,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
<b>Equity</b>	
50,000 Equity Shares of face value of Rs 10/- each	500,000
<b>Preference</b>	
500,000,000 8% Cumulative Redeemable Preference Shares of Rs 10/- each	5,000,000,000
<b>Total</b>	<b>5,000,500,000</b>

Subsequent to approval of the Scheme, there has been no change in the issued, subscribed and paid up share capital of BML until March 28, 2017.

- f) The equity and preference shares of BML are not listed on any Stock Exchange.
- g) The details of the promoters and present directors of BML along with their addresses are as follows:

Sr. No.	Name	Address
<b>Promoter - Equity</b>		
1	Reliance Broadcast Network Limited	401, 4th Floor, Infiniti Mall, Link Road, Oshiwara, Andheri (West), Mumbai – 400 053, Maharashtra, India.
<b>Directors</b>		
1	Tarun Katial	403, A/20, Shastri Nagar, Andheri (West), Mumbai – 400 053, Maharashtra, India
2	Parag Ved	Shreenath Krupa, 7th Road, Rajawadi, Ghatkopar (East), Mumbai – 400 077, Maharashtra, India
3	Gaurang Mehta	4/B, Virar Gokul, Shree Krishna Complex, Vartak Road, Near Ram Nagar, Virar (West), Thane – 401 305, Maharashtra, India

#### D. Azalia Broadcast Private Limited

- a) Azalia Broadcast Private Limited ('ABPL'), was incorporated under Companies Act, 1956 with CIN U45400MH2007PTC243437, on October 17, 2007 in the name of Imagine Showbiz Limited. Subsequently, on March 18, 2011, the name of ABPL was changed to Big Showbiz Broadcast Limited. Thereafter, on August 24, 2011, ABPL was converted into a private company as Big Showbiz Broadcast Private Limited. Subsequently, on December 14, 2011 the name was changed to Big RTL Broadcast Private Limited. The name was further changed to its current name Azalia Broadcast Private Limited with effect from July 30, 2014. The Permanent Account Number (PAN) of ABPL is AABCI7594M
- b) The Registered Office of ABPL is currently situated at 401, 4th Floor, Infiniti Mall, Link Road, Oshiwara, Andheri West, Mumbai 400 053 which was shifted from its old Registered Office located at A-32, Genesis Building, 2nd Floor, Mohan Co-operative Industrial Estate, Mathura Road, New Delhi – 110 044 effective May 18, 2013. The Company's e-mail address is communications@reliancebroadcast.com
- c) The Main objects of ABPL as set out in Memorandum of Association are briefly as under:
1. *To make or cause to be made, enacted, produced, recorded, videotaped, manufactured, processed, directed, organized, exhibited, screened, distributed, reproduced, hired, leased, licenced to and from agencies, bodies and other parties; advertise, broadcast, telecast, exhibit, display, commission, promote and present to and from other parties, bodies and agencies, television films, video films, feature films, advertisement films, commercial films, other television programmes, serials, cultural films, animation and cartoon films, interviews, discussions, programmes, plays, skits, recitals and other programmes either silent or talkies, black and white or coloured, in India or abroad for private, commercial or public usage over the radio, television, internet and other media, films, screen plays, dramas, cultural shows, music recitals, dances and other live shows of any kind for the public in India and abroad and to do all things necessary to form, organize troops, groups and artists for such purpose.*
  2. *To render and receive technical assistance and impart and receive technical know-how, and to make, produce, manufacture, commission, import, export, represent, deal, buy, sell, hire, licence and otherwise acquire cine equipment, electric and electronic equipment, photographic cameras, cine-cameras, VCRs, VCPs television, stereos, cassettes, films records, amplifiers radio speakers, sound producing machines, broadcasting and television equipment for exhibition, screening, audiovisual, material parts, sets, studios, laboratories auditoriums and theatres.*
  3. *To deal in magazines, periodicals, journals, newsletters, pamphlets and other material for television, video, dramatic, musical, cultural and other related programmes and to advertise, broadcast, propagate related and commercial products, through any means and media deemed suitable for films shows and programmes.*

There have been no changes in the Objects of ABPL during last five years.

- d) ABPL is *inter alia* engaged in the business of owning and operating a non news and current affairs satellite television channel under name and style of 'Big Thrill'.
- e) The authorized, issued, subscribed and paid-up share capital of the ABPL as on date of approval of the Scheme by its Board was as under:

Particulars	Amount in Rupees
<b>Authorised Capital</b>	
72,000,000 Equity Shares of face value of Rs 10/- each	720,000,000
<b>Total</b>	<b>720,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
71,142,854 Equity Shares of face value of Rs 10/- each	711,428,540
<b>Total</b>	<b>711,428,540</b>

Subsequent to approval of the Scheme until March 28, 2017, except for increase in Authorised Capital there has been no change in the issued, subscribed and paid up share capital of ABPL.

- f) The equity shares of ABPL are not listed on any Stock Exchange.
- g) The details of the promoters and present directors of ABPL along with their addresses are as follows:

Sr. No.	Name	Address
<b>Promoter - Equity</b>		
1	Cinestar Advertising Private Limited	401, 4th Floor, Infiniti Mall, Link Road, Oshiwara, Andheri (West), Mumbai – 400 053, Maharashtra, India.
2	Big Magic Limited	
<b>Directors</b>		
1	Tarun Katial	403, A/20, Shastri Nagar, Andheri (West), Mumbai – 400 053, Maharashtra, India
2	Asheesh Chatterjee	Flat No. 2B/133, Windmere CHSL, Off New Link Road, Oshiwara, Andheri (West), Mumbai – 400 053, Maharashtra,
3	Sushilkumar Krishna Agrawal	A-2, Matru Ashish, 14th Floor, 454, Nepeansea Road, Mumbai – 400 006, Maharashtra, India.

## 5. Relationship between the Companies involved in the Scheme

The Transferor Companies viz. RBBPL, BML and ABPL, are entities forming part of Anil Ambani led Reliance Group. While the Transferee Company viz. ZEEL is a listed public company engaged in similar line of business. There is no relationship between the Transferor Companies and Transferee Company.

6. At the meeting held on November 23, 2016, based on the recommendations of the Audit Committee, the Board of Directors of ZEEL had unanimously approved the Composite Scheme of Arrangement, after taking on record the Valuation report dated November 23, 2016 issued by M/s BSR & Associates LLP, Chartered Accountants, an Independent Valuer, and Fairness Opinion dated November 23, 2016 issued by M/s IDBI Capital Markets & Securities Limited, a Category I Merchant Banker registered with SEBI.
7. The said Composite Scheme of Arrangement was unanimously approved by the Board of Directors of RBBPL, BML and ABPL vide resolutions passed at their respective Meetings held on November 23, 2016.

## 8. Description and Salient features of the Scheme

- a) The proposed Scheme provides for the Demerger of demerged Undertakings (as defined in the Scheme) of RBBPL, BML and ABPL which *inter alia* includes 5 (five) General Entertainment Television channels owned by RBBPL and 1 (one) General Entertainment Television Channel owned by BML and the Media business of ABPL and vesting of the same with ZEEL along with all assets, liabilities and employees of the Demerged Undertakings as going concern with effect from the Appointed date of close of March 31, 2017.
- b) The consideration for the said Demerger is proposed to be discharged by ZEEL by issuing 6% Unlisted Cumulative Redeemable Non-Convertible Preference Shares of Rs 10/- each ('Preference Share') to the Equity and Preference Shareholders of RBBPL, BML and ABPL as under:
- For all the equity shares of Rs 10/- each held in RBBPL, 1 (one) fully paid-up Preference Share of Rs 10/- each shall be issued in ZEEL;
  - For all the Preference Shares of Rs. 10 each held in RBBPL, 9,33,954 (nine lakhs thirty three thousand nine hundred and fifty four) fully paid up Preference Shares of Rs 10/- each shall be issued in ZEEL;
  - For all the equity shares of Rs 10/- each held in BML, 1 (one) fully paid-up Preference Share of Rs 10/- each shall be issued in ZEEL;
  - For all the Preference Shares of Rs 10/- each held in BML, 17,44,716 (seventeen lakhs forty four thousand seven hundred and sixteen) fully paid-up Preference Shares of Rs 10/- each shall be issued in ZEEL; and
  - For all the equity shares of Rs 10/- each held in ABPL, 12,70,433 (twelve lakhs seventy thousand four hundred thirty three) fully paid-up Preference Shares of Rs 10/- each shall be issued in ZEEL.
- c) The value of all assets and liabilities pertaining to the Demerged Undertakings vested on ZEEL shall be accounted

by ZEEL at their respective fair values which are also the values appearing in the books of account of Demerged Undertakings. The surplus / deficit between the value of Net assets pertaining to Demerged Undertakings and the amount of Preference Shares to be issued in pursuance of the Scheme shall be credited to Capital Reserve / debited to Goodwill as the case may be of ZEEL.

- d) The value of all assets and liabilities pertaining to the Demerged Undertakings which cease to be assets and liabilities of the respective Transferor Companies shall be reduced by the respective Transferor Companies at their book values and the difference i.e. the excess or deficit, as the case may be, of the net book value of assets over the transferred liabilities pertaining to or attributable to the Demerged Undertakings and demerged from the respective Transferor Companies pursuant to the Scheme shall in case of excess be credited to the Capital Reserve of the respective Transferor Companies and in case of deficit be charged to the Profit and Loss account of respective Transferor Companies.

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

## **9. Rationale of the Scheme**

Demerger of the Demerged Undertakings of the Transferor Companies to the Resulting Company pursuant to this Scheme shall, *inter alia*, result in following benefits:

- (i) In case of the Transferor Companies:
  - (a) helping the Transferor Companies in deleveraging its balance sheet, including reduction of debt and interest outgo as well as creation of value for the shareholders of the Transferor Companies; and
  - (b) consolidate/ transfer of the television broadcasting business of Transferor Companies to the Resulting Company in an efficient manner.
- (ii) In case of the Resulting Company:
  - (a) building strong capability to effectively meet future challenges in competitive business environment;
  - (b) strategic fit for serving existing market and also to cater additional volume linked to new consumers;
  - (c) synergies in operational process and creation of efficiencies by reducing time to market and benefitting customers as well as optimization of operation and capital expenditure; and
  - (d) leading to increased competitive strength, cost reduction and efficiencies, productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Companies and the Resulting Company thereby significantly contributing to future growth and maximizing shareholders value.

The proposed demerger is expected to be beneficial to Transferor Companies and Resulting Company and their respective shareholders, creditors and all other stakeholders and will enable the Transferor Companies and the Resulting Company to achieve and fulfil their objectives more efficiently and economically.

## **10. Summary of Valuation Report and Fairness Opinion**

In accordance with SEBI Circular bearing Ref. No. CIR/CFD/CMD/16/2015 dated 30th November, 2015, based on recommendations of the Audit Committee and after taking on record the Valuation Report dated November 23, 2016 issued by M/s BSR & Associates LLP, Chartered Accountants, an Independent Valuer and Fairness Opinion dated November 23, 2016 issued in connection with the said Valuation Report, by M/s IDBI Capital Markets & Securities Limited, Category I Merchant Banker registered with SEBI, the Board of Directors of ZEEL had approved the Composite Scheme of Arrangement and the Share entitlement as recommended by the said Independent Valuer.

11. Statutory Auditors of ZEEL, M/s MGB & Co. LLP., Chartered Accountants had vide certificate dated November 23, 2016 confirmed that the accounting treatment proposed in the Scheme for ZEEL is in accordance with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013.
12. In terms of Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements)

Regulations, 2015, ZEEL has received Observation letters dated March 2, 2017 and March 3, 2017 from National Stock Exchange of India Limited and BSE Limited respectively conveying their no-objection to the Scheme. Copies of the said Observation letters are attached to this Notice.

13. The proposed Scheme would be beneficial to the shareholders of ZEEL as it would lead to (a) building strong capability to effectively meet future challenges and cater to additional volume linked to new customers; and (b) increased competitive strength, cost reduction and efficiencies, productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Companies and the Resulting Company.
14. The copy of the Scheme will be filed with the Registrar of Companies, Maharashtra, Mumbai.

**15. Amount due to Unsecured Creditors**

Particulars of amounts due to Unsecured Creditors in the normal course of business, from respective companies involved in the Scheme is detailed herein:

Sr No.	Name of Company	Outstanding as at	Amount (in Rs.)
1	Reliance Big Broadcasting Private Limited	January 31, 2017	799,410,714
2	Big Magic Limited	January 31, 2017	3,021,449,718
3	Azalia Broadcast Private Limited	January 31, 2017	73,852,691
4	Zee Entertainment Enterprises Limited	December 31, 2016	7,064,837,612

16. Effect of the Scheme on various parties as considered by the Board of respective companies while approving the Scheme is under:
  - a) Creditors – The rights and interest of the Creditors of companies involved in the Scheme will not be prejudicially affected by the Scheme as (i) no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner; and (ii) post Scheme ZEEL shall meet respective liabilities vested on it as they arise in the ordinary course of business.
  - b) Employees – The rights and interests of the employees involved in the Scheme will not be prejudicially affected by the Scheme as all the permanent employees of Demerged Undertakings of RBBPL, BML and ABPL respectively, if any, who are in service on the date immediately preceding the Effective Date shall, on and from the Effective Date become and be engaged as the employees of ZEEL, respectively, without any break or interruption in service as a result of the transfer and on terms and conditions not less favorable than those on which they are engaged by the respective Transferor Company(ies) immediately preceding the Effective Date. Services of the employees of Demerged Undertakings of respective Transferor Company(ies) shall be taken into account from the date of their appointment with the respective Transferor Company(ies) for the purposes of all retirement benefits and all other entitlements for which they may be eligible.
  - c) Directors & Key Managerial Personnel (KMP) - The Directors or KMPs or their relatives of the respective companies do not have any other interest in the Scheme otherwise than as shareholders in any of companies involved in the scheme. Further, none of the directors, KMPs and/or relatives of the directors / KMPs of respective companies is/are concerned or interested, financially or otherwise, in the proposed Scheme. Save as aforesaid, none of the Directors/KMPs of respective companies have any material interest in the proposed Scheme.

Details of shares held by the present Directors and KMPs of Companies involved in the Scheme either individually or jointly as a first holder or second holder or as a nominee are as under:

**ZEEL:ZEEL:**

Name of Directors and KMPs of ZEEL	Number of Equity (Eq) and Preference (Pr) Shares held in							
	ZEEL		RBBPL		BML		ABPL	
	Eq	Pr	Eq	Pr	Eq	Pr	Eq	Pr
<b>Directors including Executive Directors</b>								
Subhash Chandra	0	0	0	0	0	0	0	NA
Punit Goenka	0	0	0	0	0	0	0	NA
Ashok Kurien	0	0	0	0	0	0	0	NA
Prof. Sunil Sharma	0	0	0	0	0	0	0	NA
Prof. (Mrs) Neharika Vohra	0	0	0	0	0	0	0	NA
Manish Chokhani	0	0	0	0	0	0	0	NA
Adesh Kumar Gupta	300	457	0	0	0	0	0	NA
Subodh Kumar	0	0	0	0	0	0	0	NA
<b>KMPs other than Executive Directors</b>								
Mihir Modi	0	0	0	0	0	0	0	NA
M Lakshminarayanan	0	0	0	0	0	0	0	NA

**RBBPL:**

Name of Directors and KMP of RBBPL	Number of Equity (Eq) and Preference (Pr) Shares held in							
	ZEEL		RBBPL		BML		ABPL	
	Eq	Pr	Eq	Pr	Eq	Pr	Eq	Pr
<b>Directors including Executive Directors</b>								
Tarun Katial	0	0	0	0	0	0	0	NA
Venkatarao Ponnada	0	0	0	0	0	0	0	NA
<b>KMP other than Executive Directors</b>								
Nil	0	0	0	0	0	0	0	NA
	0	0	0	0	0	0	0	NA

**BML:**

Name of Directors and KMP of BML	Number of Equity (Eq) and Preference (Pr) shares held in							
	ZEEL		RBBPL		BML		ABPL	
	Eq	Pr	Eq	Pr	Eq	Pr	Eq	Pr
<b>Directors including Executive Directors</b>								
Tarun Katial	0	0	0	0	0	0	0	NA
Parag Ved	0	0	0	0	0	0	0	NA
Gaurang Mehta	1	0	0	0	0	0	0	NA
<b>KMP other than Executive Directors</b>								
Heeral Mahesh Gondalia	0	0	0	0	1*	0	1#	NA

\* As a Nominee of Reliance Broadcasting Network Limited

# As a Nominee of Big Magic Limited

**ABPL:**

Name of Directors and KMP of ABPL	Number of Equity (Eq) and Preference (Pr) Shares held in							
	ZEEL		RBBPL		BML		ABPL	
	Eq	Pr	Eq	Pr	Eq	Pr	Eq	Pr
<b>Directors including Executive Directors</b>								
Tarun Katial	0	0	0	0	0	0	0	NA
Asheesh Chatterjee	0	0	0	0	0	0	0	NA
Sushilkumar Krishna Agrawal	0	0	0	0	0	0	0	NA
<b>KMP other than Executive Directors</b>								
Manish Gupta	0	0	0	0	0	0	1*	NA

d) Promoter & Non-Promoter Shareholders – The rights and interests of the Promoters and Non-Promoter Shareholders



of Companies involved in the Scheme will not be prejudicially affected by the Scheme. The effect of the Scheme on the Promoter and Non-Promoter Shareholders of respective companies are as detailed herein:

i. **ZEEL –**

- a) **Equity Shareholders** - Since the Scheme does not provide for issuance of further Equity Shares by ZEEL, the Pre & Post Scheme Equity Shareholding Pattern of ZEEL shall remain same. The issuance of Preference shares to the shareholders of the Transferor Companies shall however impact Equity Shareholders (both Promoter and Non-Promoter) of ZEEL to the extent of prioritization / preference in respect of payment of Dividend, Redemption as per terms and Repayment at the time of winding up etc., available to the Preference Shareholders in general over Equity shareholders.
- b) **Preference Shareholders** - The Scheme provides for issuance of Unlisted Preference Shares of Rs 10/- each to the Equity and Preference Shareholders of the Transferor Companies which would not be of same class as the existing Listed Preference Shares. However, the issuance of 39,49,105 Preference shares of Rs 10/- each by ZEEL in pursuance of the Scheme would result in change in the Pre & Post Scheme voting rights for the overall Preference Shareholders of the Company.

ii. **RBBPL, BML and ABPL** – Consequent to the Composite Scheme of Arrangement of RBBPL, BML and ABPL, the Pre & Post Scheme Shareholding Pattern of RBBPL, BML and ABPL shall remain same. Additionally, the Equity & Preference Shareholders of RBBPL, BML and ABPL will be entitled to such number of Unlisted Preference Shares of ZEEL as detailed in the Scheme.

17. The Scheme provides for issuance of Unlisted Preference Shares (of a separate class) of ZEEL to the Shareholders of RBBPL, BML and ABPL and therefore there will be no change in the Pre and Post Scheme Equity and Preference Shareholding Pattern of all entities forming part of the Scheme. However in case of ZEEL, the Post Scheme Capital shall include a separate class of Unlisted Preference Shares.

a. Details Pre & Post Scheme Equity and Preference Shareholding pattern of ZEEL based on Shareholding pattern as at March 24, 2017 is mentioned herein:

Sr. No.	Description	Equity Shares of Re. 1 each		Preference Shares of Rs. 10 each	
		Number of shares	% of Equity Capital	Number of shares	% of Preference Capital
(A)	<b>Promoter and promoter group</b>				
<b>1</b>	<b>Indian</b>				
(a)	Individuals / Hindu Undivided Family	-	-	-	-
(b)	Central / State Government(s)	-	-	-	-
(c)	Financial Institutions/ Banks	-	-	-	-
(d)	Any other – (Bodies Corporate)	241,403,408	25.13%	242,471,850	12.02%
	<b>Sub-Total A(1):</b>	<b>241,403,408</b>	<b>25.13%</b>	<b>242,471,850</b>	<b>12.02%</b>
<b>2</b>	<b>Foreign</b>				
(a)	Individuals (NRI/ Foreign Individuals)	-	-	-	-
(b)	Government	-	-	-	-
(c)	Institutions	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-
(e)	Any other - (Overseas Corporate Bodies)	172,266,804	17.94%	-	-
	<b>Sub-Total A(2) :</b>	<b>172,266,804</b>	<b>17.94%</b>	-	-
	<b>Total A=A(1)+A(2)</b>	<b>413,670,212</b>	<b>43.07%</b>	<b>242,471,850</b>	<b>12.02%</b>
(B)	<b>Public Shareholding</b>				
<b>B1</b>	<b>Institutions</b>				
(a)	Mutual Funds / UTI	41,505,665	4.32%	118,835,858	5.89%
(b)	Venture Capital Funds	-	-	-	-
(c)	Alternate Investment Funds	-	-	-	-

Sr. No.	Description	Equity Shares of Re. 1 each		Preference Shares of Rs. 10 each	
		Number of shares	% of Equity Capital	Number of shares	% of Preference Capital
(d)	Foreign Venture Capital Investors	-	-	-	-
(e)	Foreign Portfolio Investors	444,922,748	46.32%	555,869,816	27.56%
(f)	Financial Institutions / Banks	1,251,351	0.13%	443,993	0.02%
(g)	Insurance Companies	-	-	-	-
(h)	Provident Funds/ Pension Funds	-	-	-	-
(i)	Any other	-	-	-	-
	<b>Sub-Total B(1) :</b>	<b>487,679,764</b>	<b>50.77%</b>	<b>675,149,667</b>	<b>33.47%</b>
<b>B2</b>	<b>Central/State Govt(s)/ President of India</b>	606,947	0.06%	-	-
	<b>Sub-Total B(2):</b>	<b>606,947</b>	<b>0.06%</b>	-	-
<b>B3</b>	<b>Non-Institutions</b>				
(a)	Individual shareholders holding shares upto nominal value of Rs. 2 Lakhs	18,086,676	1.88%	53,278,842	2.64%
(b)	Individual shareholders holding shares in excess of nominal value of Rs. 2 Lakhs	1,269,281	0.13%	332,026,292	16.46%
	Any Other				
(c)	Overseas Corporate Bodies	57322	0.01%	189,367	0.01%
(d)	Bodies Corporate (Domestic)	32,809,706	3.42%	658,264,494	32.64%
(e)	NRI (Non-repatriable)	927,921	0.10%	3,793,162	0.19%
(f)	NRI (Repatriable)	1,501,375	0.16%	3,957,498	0.20%
(g)	Foreign Individuals	2643	0.00%	-	-
(h)	Trust	3,836,873	0.40%	47,811,140	2.37%
	<b>Sub-Total B(3) :</b>	<b>58,491,797</b>	<b>6.10%</b>	<b>1,099,320,795</b>	<b>54.51%</b>
	<b>Total B=B(1)+B(2)+ B(3) :</b>	<b>546,778,508</b>	<b>56.93%</b>	<b>1,774,470,462</b>	<b>87.98%</b>
	<b>Total (A+B) :</b>	<b>960,448,720</b>	<b>100%</b>	<b>2,016,942,312</b>	<b>100%</b>

- b. Shareholding Pattern of Unlisted Preference Shares of Rs. 10/- each of ZEEL to be issued in pursuance of the Scheme

Category of Shareholders	Pre-Scheme		Post Scheme	
	No of Shares	% of holding	No of Shares	% of holding
Promoters	-	-	-	-
Public (Bodies Corporate)	-	-	3,949,105	100%
Total	-	-	3,949,105	100%

- c. Pre & Post Scheme Shareholding Pattern of RBBPL as at March 6, 2017 is as mentioned herein:

Name of Shareholders	Pre & Post Scheme Shareholding Pattern			
	No of equity shares	% of shareholding	No of preference shares	% of shareholding
Reliance Big Entertainment Private Limited (RBEPL)	9,999	100%	304,500,000	97.60%
Reliance Broadcast Networks Limited	-	-	7,500,000	2.40%
Mr. Neeraj Jain jointly held with RBEPL	1	0	-	-
<b>Total</b>	<b>10,000</b>	<b>100%</b>	<b>312,000,000</b>	<b>100%</b>

d. Pre & Post Scheme Shareholding Pattern of BML as at March 6, 2017 is as mentioned herein:

Name of the Shareholders	Pre & Post Shareholding Pattern			
	No of equity shares	% of shareholding	No of preference shares	% of shareholding
Reliance Broadcast Networks Limited	49,993	100%	500,000,000	100%
Malabika Boruah*	1	0	-	-
Gaurav Dattani*	1	0	-	-
Kevin Gala*	1	0	-	-
Ritambhara Singh*	1	0	-	-
Heeral Gondalia*	1	0	-	-
Divya Asnani*	2	0	-	-
<b>Total</b>	<b>50,000</b>	<b>100%</b>	<b>500,000,000</b>	<b>100%</b>

\*(Nominee Shareholders)

e. Pre & Post Scheme Shareholding Pattern of ABPL as at March 6, 2017 is as mentioned herein:

Name of the Shareholders	Pre & Post Scheme Shareholding Pattern	
	No of equity shares	% of shareholding
Cinestar Advertising Private Limited	39,071,427	54.92%
Big Magic Limited (BML)	32,071,422	45.08%
Sumang Panchal*	1	0.00%
Heeral Gondalia*	1	0.00%
Pundalik Dalvi*	1	0.00%
Sunil Wadikar*	1	0.00%
Manish Gupta*	1	0.00%
<b>Total</b>	<b>71,142,854</b>	<b>100%</b>

\*(Nominee Shareholders)

## 18. Capital Structure Pre and Post Scheme

The Scheme provides for issuance of Unlisted Preference Shares of ZEEL to the shareholders of RBBPL, BML and ABPL and therefore there will be no change in the Post Scheme Capital Structure of RBBPL, BML and ABPL in pursuance of the Scheme.

The Pre and Post Scheme Capital Structure of ZEEL is as mentioned herein

Particulars	Pre-Scheme		Post Scheme	
	No. of Shares	Amount in Rs Crs	No. of Shares	Amount in Rs Crs
<b>Authorised Share Capital</b>				
Equity Shares of Re1 each	2,000,000,000	200.00	2,000,000,000	200.00
Preference Shares of Rs 10 each	2,100,000,000	2,100.00	2,100,000,000	2,100.00
<b>Issued, Subscribed &amp; Paid Up Share Capital</b>				
Equity Shares of Re 1 each fully paid up	960,448,720	96.04	960,448,720	96.04
Preference Shares of Rs 10 each (listed)	2,016,942,312	2,016.94	2,016,942,312	2,016.94
Preference Shares of Rs 10 each (Unlisted)	---	---	3,949,105	3.95
<b>Total</b>	<b>2,977,391,032</b>	<b>2,112.98</b>	<b>2,981,340,137</b>	<b>2,116.93</b>

19. No investigation proceedings have been instituted or are pending under applicable provisions of Companies Act, 2013 or erstwhile provisions of Companies Act, 1956 against ZEEL.
20. No winding up petition is pending and/or admitted against ZEEL.
21. On the Scheme being approved by requisite majority of Equity and Preference Shareholders of the respective companies involved in the Scheme representing majority of persons representing three-fourths in value as per the requirement of Section 230 of the Companies Act, 2013, all the Companies will seek the sanction of Hon'ble National Company Law Tribunal, Mumbai bench, for the Scheme.
22. The following documents will be open for inspection by the Shareholders of ZEEL up to 1 (one) day prior to the date of the meetings at its Registered Office between 11:00 a.m. and 2:00 p.m. on all working days, except Saturdays, Sundays and Public Holidays:
  - i. Copy of the Order dated March 15, 2017 of the NCLT at Mumbai passed in Company Scheme Application No. 271 of 2017 *inter alia* directing the convening of the meeting of the Shareholders of ZEEL;
  - ii. Composite Scheme of Arrangement;
  - iii. Memorandum and Articles of Association of all entities forming part of the Scheme;
  - iv. Annual Report of all entities forming part of the Scheme for last three financial years ended March 31, 2014, March 31, 2015 and March 31, 2016;
  - v. Provisional Financial Statements of RBBPL, BML and ABPL for the period ended January 31, 2017 and Provisional Unaudited Financial Statement of ZEEL for the period ended December 31, 2016;
  - vi. Copy of Valuation report dated November 23, 2016 issued by M/s BSR & Associates LLP, Chartered Accountants, an Independent Valuer;
  - vii. Copy of the Fairness Opinion dated November 23, 2016 issued by M/s IDBI Capital Markets & Securities Limited, a Category I Merchant Banker registered with SEBI;
  - viii. Certificate dated November 23, 2016 issued by Statutory Auditor of ZEEL, M/s MGB & Co. LLP, Chartered Accountants, confirming that the accounting treatment prescribed in the Scheme in connection with ZEEL is in compliance with the Accounting Standards;
  - ix. Certificates issued by the Statutory Auditors of RBBPL, BML and ABPL, confirming that the accounting treatment prescribed in the Scheme in connection with the Transferor Companies is in compliance with the Accounting Standards;
  - x. Copy of the Complaints Report dated January 13, 2017 submitted by ZEEL to the Stock Exchanges ; and
  - xi. Copy of Observation letters dated March 2, 2017 and March 3, 2017 issued by National Stock Exchange of India Limited and BSE Limited respectively in connection with the Scheme.

This statement may be treated as an Explanatory Statement under Sections 230 to 233 of the Companies Act, 2013. A copy of the Scheme, Explanatory Statement and Proxy Form may be obtained from the Registered Office of ZEEL or/ and at the office of its Advocate M/s. Hemant Sethi & Co., 1602, Nav Parmanu, Behind Amar Cinema, Chembur, Mumbai 400 071.

**Dr Subhash Chandra**  
**Chairman appointed for the meeting**

Mumbai, dated this 31st day of March 2017

**Registered Office:**

18th Floor, A Wing,  
Marathon Futurex, N M Joshi Marg  
Lower Parel, Mumbai 400 013  
CIN - L92132MH1982PLC028767

**COMPOSITE SCHEME OF ARRANGEMENT**  
**AMONG**  
**RELIANCE BIG BROADCASTING PRIVATE LIMITED**  
**AND**  
**BIG MAGIC LIMITED**  
**AND**  
**AZALIA BROADCAST PRIVATE LIMITED**  
**AND**  
**ZEE ENTERTAINMENT ENTERPRISES LIMITED**  
**AND**  
**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

**INTRODUCTION**

**A. PREAMBLE**

This Scheme (as defined hereinafter) is presented under the provisions of Sections 391 – 394 and other applicable provisions of the 1956 Act (as defined hereinafter) and/or Sections 230-233 (if applicable) and other relevant provisions of the 2013 Act (as defined hereinafter) and rules made thereunder, as may be applicable, read with Section 2(19AA) of the IT Act (as defined hereinafter), as may be applicable, for the demerger of the Demerged Undertaking 1 (as defined hereinafter) of the Transferor Company 1 (as defined hereinafter), Demerged Undertaking 2 (as defined hereinafter) of the Transferor Company 2 (as defined hereinafter) and Demerged Undertaking 3 (as defined hereinafter) of the Transferor Company 3 (as defined hereinafter) and vesting of the same with the Resulting Company (as defined hereinafter). In addition, this Scheme also provides for various other matters consequential or otherwise integrally connected herewith.

**B. RATIONALE FOR THIS SCHEME**

Demerger of the Demerged Undertakings (as defined hereinafter) of the Transferor Companies (as defined hereinafter) to the Resulting Company pursuant to this Scheme shall, inter alia, result in following benefits:

- (i) In case of the Transferor Companies:
  - (a) helping the Transferor Companies in deleveraging its balance sheet, including reduction of debt and interest outgo as well as creation of value for the shareholders of the Transferor Companies; and
  - (b) consolidate / transfer of the television broadcasting business of Transferor Companies to the Resulting Company in an efficient manner.
- (ii) In case of the Resulting Company:
  - (a) building strong capability to effectively meet future challenges in competitive business environment;
  - (b) strategic fit for serving existing market and also to cater additional volume linked to new consumers;
  - (c) synergies in operational process and creation of efficiencies by reducing time to market and benefitting customers as well as optimization of operation and capital expenditure; and
  - (d) leading to increased competitive strength, cost reduction and efficiencies, productivity gains by pooling the financial, managerial and technical resources, personnel capabilities, skills, expertise and technologies of the Transferor Companies and the Resulting Company thereby significantly contributing to future growth and maximizing shareholders value.

The proposed demerger is expected to be beneficial to Transferor Companies and Resulting Company and their respective shareholders, creditors and all other stakeholders and will enable Transferor Companies and Resulting Company to achieve and fulfil their objectives more efficiently and economically.

### C. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

1. **Part A** deals with the definitions, interpretation and share capital details.
2. **Part B** deals with demerger of the Demerged Undertakings (as defined hereinafter) of the Transferor Companies (as defined hereinafter) and vesting of the same in the Resulting Company, in accordance with Section 2(19AA) of the IT Act and Sections 391 to 394 and other applicable provisions of the 1956 Act and/or Sections 230 to 233 (if applicable) and other relevant provisions of the 2013 Act and rules made thereunder.
3. **Part C** deals with the payment of consideration and the accounting treatment in the books of the Transferor Companies and Resulting Company and various other matters consequential or otherwise integrally connected herewith.
4. **Part D** deals with the general terms and conditions applicable to this Scheme.
5. **Schedule I** contains the terms and conditions for Preference Shares (as defined hereinafter)

### PART A: DEFINITIONS, INTERPRETATION AND SHARE CAPITAL DETAILS

#### WHEREAS:

- A. **RELIANCE BIG BROADCASTING PRIVATE LIMITED**, is a company incorporated under the 1956 Act with corporate identification number U65990MH2006PTC160747, and having its registered office at 502, Plot No. 91/94, Prabhat Colony, Santacruz (East), Mumbai 400 055 ("Transferor Company 1"). The Transferor Company 1 is inter alia engaged in the business of owning and operating non news and current affairs satellite television channels.
- B. **BIG MAGIC LIMITED**, is a company incorporated under the 1956 Act with corporate identification number U74900MH2011PLC216414, and having its registered office at 401, 4th Floor, INFINITI, Link Road, Oshiwara, Andheri West, Mumbai 400 053 ("Transferor Company 2"). The Transferor Company 2 is inter alia engaged in the business of acquiring content from producers and third parties to be broadcasted by Transferor Company 1 on the channels owned and operated by it.
- C. **AZALIA BROADCAST PRIVATE LIMITED**, is a company incorporated under the 1956 Act with corporate identification number U45400MH2007PTC243437, and having its registered office at 401, 4th Floor, INFINITI, Link Road, Oshiwara, Andheri West, Mumbai 400 053 ("Transferor Company 3"). The Transferor Company 3 is inter alia engaged in the business of owning and operating a non news and current affairs satellite television channel under name and style of 'Big Thrill'.
- D. **ZEE ENTERTAINMENT ENTERPRISES LIMITED**, is a company incorporated under the 1956 Act with corporate identification number L92132MH1982PLC028767, and having its registered office at 18th Floor, 'A' wing, Marathon Futurex, NM Joshi Marg, Lower Parel Mumbai 400 013 ("Resulting Company"). The Resulting Company is in the media and entertainment business inter alia comprising of (a) Broadcasting of Satellite Television Channels; (b) Space Selling agent for other satellite television channels; (c) Sale of Media Content i.e. programs / film rights / feeds / music rights.
- E. In terms of this Scheme, it is now proposed, inter alia, to demerge the Demerged Undertakings of the Transferor Companies, and vest the same with the Resulting Company pursuant to a court sanctioned composite scheme of arrangement under Sections 391 to 394 of the 1956 Act and/or Sections 230 to 233 of the 2013 Act, and rules made thereunder, in the manner provided for in the Scheme.
- F. The demerger of the Demerged Undertakings and vesting of the same in the Resulting Company pursuant to and in accordance with this Scheme shall be in accordance with Section 2(19AA) of the IT Act.

## 1 DEFINITIONS

For the purposes of this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meanings mentioned herein below:

- (a) **"1956 Act"** means the Companies Act, 1956, and the rules, regulations, circulars, notifications, clarifications and orders issued thereunder, and to the extent in force;
- (b) **"2013 Act"** means the Companies Act, 2013, any re-enactment thereof, and the rules, regulations, circulars, notifications, clarifications and orders issued thereunder, each as amended from time to time and to the extent in force;
- (c) **"Accounting Standards"** means the generally accepted accounting principles in India complying with (i) the mandatory accounting standards notified under the Companies (Accounting Standards) Rules, 2006, or the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time and to the extent in force, and (ii) the relevant provisions of the Companies Act;
- (d) **"Appointed Date"** means the close of business hours of March 31, 2017, or any other date as may be decided by the respective Board of Directors of the Transferor Companies and the Resulting Company, being the time and date with effect from which this Scheme shall be deemed to be effective, in the manner described in Clause 9 of this Scheme;
- (e) **"Applicable Laws"** means any statute, law, regulation, ordinance, rule, judgment, order, decree, clearance, approval, directive, guideline, policy, requirement, listing regulations or other governmental restriction or any similar form of decision, or determination by, or any interpretation or administration of any of the foregoing by, any Governmental Authority, in each case as in effect from time to time;
- (f) **"Board of Directors"** and **"Board"**, with respect to a company, means the board of directors of such company as constituted from time to time in accordance with the provisions of its Articles of Association and Applicable Laws and, unless repugnant to the subject, context or meaning thereof;
- (g) **"Companies Act"** or **"Act"** means the 1956 Act or the 2013 Act, as may be applicable, as amended or substituted by any statutory modification / re-enactment thereof;
- (h) **"Court"** means the Hon'ble High Court of Bombay and shall be deemed to include the National Company Law Tribunal, Mumbai Bench, if at any time prior to the Effective Date: (i) the National Company Law Tribunal is empowered to approve compromises, arrangements and amalgamations in terms of Section 231 to 240 of the 2013 Act by the relevant Governmental Authority, and (ii) this Scheme is filed with the National Company Law Tribunal, Mumbai Bench or pending the sanction of this Scheme by the Hon'ble High Court of Bombay, this Scheme is transferred to the National Company Law Tribunal, Mumbai Bench for its consideration and approval in terms of Applicable Laws;
- (i) **"Demerged Undertaking 1"** means the business undertaking comprising of the general entertainment television business of the Transferor Company 1, comprising of the assets and liabilities set out in the Demerger Agreement, on a going concern basis, inclusive of but not limited to all assets (movable or immovable, tangible or intangible) license for non-news and current affairs television channels "Big Magic", "Big Ganga", "Big Magic Punjab", "Big Gaurav", "Big Magic HD" (covering general entertainment, kids entertainment and music genres) 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 general entertainment television business of the Transferor Company 1. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking 1 of the Transferor Company 1 shall include:
  - a) The liabilities, which arise out of the activities or operations of the Demerged Undertaking 1 of the Transferor Company 1;

- b) Specific loans and/or other financing facilities raised, incurred and / or utilized solely for the activities or operations of the Demerged Undertaking 1 of the Transferor Company 1;
  - c) Liabilities other than those referred to in sub-Clauses (a) and (b) above, and not directly relatable to the Remaining Business of Transferor Company 1, being the amounts of general or multipurpose borrowings of Demerged Company 1, allocated to the Demerged Undertaking 1 of Transferor Company 1 in the same proportion which the value of the assets transferred bears to the total value of the assets of Transferor Company 1 immediately before giving effect to this Scheme.
- (j) **“Demerged Undertaking 2”** means the business undertaking comprising of acquiring content from producers and third parties of the Transferor Company 2, comprising of the assets and liabilities set out in the Demerger Agreement, on a going concern basis, inclusive of but not limited to all assets (movable or immovable, tangible or intangible) 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 content division identified as general entertainment television business of the Transferor Company 2. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking 2 of the Transferor Company 2 shall include:
- a) The liabilities, which arise out of the activities or operations of the Demerged Undertaking 2 of the Transferor Company 2;
  - b) Specific loans and/or other financing facilities raised, incurred and / or utilized solely for the activities or operations of the Demerged Undertaking 2 of the Transferor Company 2;
  - c) Liabilities other than those referred to in sub-Clauses (a) and (b) above, and not directly relatable to the Remaining Business of Transferor Company 2, being the amounts of general or multipurpose borrowings of Demerged Company 2, allocated to the Demerged Undertaking 2 of Transferor Company 2 in the same proportion which the value of the assets transferred bears to the total value of the assets of Transferor Company 2 immediately before giving effect to this Scheme.
- (k) **“Demerged Undertaking 3”** means the business undertaking comprising of the general entertainment television broadcasting division of the Transferor Company 3, comprising of the assets and liabilities set out in the Demerger Agreement, on a going concern basis, inclusive of but not limited to all assets (movable or immovable, tangible or intangible) and the license for a non-news and current affairs television channel “Big Thrill” 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 television business of the Transferor Company 3. For the purpose of this Scheme, it is clarified that liabilities pertaining to the Demerged Undertaking 3 of the Transferor Company 3 shall include
- a) The liabilities, which arise out of the activities or operations of the Demerged Undertaking 3 of the Transferor Company 3;
  - b) Specific loans and/or other financing facilities raised, incurred and / or utilized solely for the activities or operations of the Demerged Undertaking 3 of the Transferor Company 3;
  - c) Liabilities other than those referred to in sub-Clauses (a) and (b) above, and not directly relatable to the Remaining Business of Transferor Company 3, being the amounts of general or multipurpose borrowings of Demerged Company 3, allocated to the Demerged Undertaking 3 of Transferor Company 3 in the same proportion which the value of the assets transferred bears to the total value of the assets of Transferor Company 3 immediately before giving effect to this Scheme.
- (l) **“Demerged Undertakings”** means the Demerged Undertaking 1, Demerged Undertaking 2, and Demerged Undertaking 3, collectively.



- (m) **“Demerger Agreement”** means the Demerger Agreement entered into between the Transferor Companies, shareholders of transferor companies and Resulting Company on November 23, 2016.
- (n) **“Effective Date”** has the meaning assigned to such term in Clause 9 of this Scheme. Any references in this Scheme to “upon this Scheme becoming effective” or “upon the effectiveness of this Scheme” or “upon this Scheme coming into effect” means and refers to the “Effective Date”;
- (o) **“Equity Shares”**, in regard to a company, means the fully paid-up equity shares of such company;
- (p) **“Governmental Authority”** means any competent governmental, regulatory, statutory or administrative authority, agency, department, commission or instrumentality (whether local, municipal, national or otherwise), court, board or tribunal of competent jurisdiction or other law, rule or regulation making entity having jurisdiction over any of the Transferor Companies and Resulting Company or the transactions contemplated in regard to this Scheme;
- (q) **“IT Act”** means the Income-tax Act, 1961, any re-enactment thereof and the rules, regulations, circulars and notifications issued thereunder, each as amended from time to time and to the extent in force;
- (r) **“INR”** and **“Rs.”** and **“Re.”** means Indian Rupees.
- (s) **“Preference Shares”** means 6% cumulative redeemable non-convertible preference shares of Rs. 10 each of Resulting Company to be issued to shareholders of Transferor Companies, in the manner described in Clause 5 of this Scheme and carrying the rights and subject to the terms and conditions specified in Schedule I of the Scheme.
- (t) **“Remaining Business”** of Transferor Companies means all the undertakings, businesses, activities and operations of Transferor Companies other than Demerged Undertakings;
- (u) **“RoC”** means the Registrar of Companies, Maharashtra;
- (v) **“SEBI Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the extent notified from time to time, any amendments thereof and shall include any guidelines, rules, frequently asked questions, circulars issued under such regulations from time to time;
- (w) **“Scheme”** means this Composite Scheme of Arrangement among the Transferor Companies and the Resulting Company and their respective shareholders and creditors pursuant to the provisions of Sections 391 to 394 of 1956 Act and other relevant provisions of the Companies Act, along with all schedules, and as modified or amended from time to time in accordance with Applicable Laws;
- (x) **“Transferor Companies”** means Transferor Company 1, Transferor Company 2 and Transferor Company 3, collectively.

## 2 INTERPRETATION

- (a) The expressions, which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning assigned to them under the Companies Act, the IT Act and other Applicable Laws.
- (b) References to “Sections 391 to 394 of 1956 Act” in this Scheme means and shall be deemed to include references to Section 230 to 233 of the 2013 Act as and when such provisions are made effective in accordance with Applicable Laws. Any references to Sections of the 1956 Act shall be deemed to include references to the corresponding provisions of the 2013 Act, as and when such provisions are made effective in accordance with Applicable Laws.
- (c) In this Scheme, unless the context otherwise requires:
  - (i) the words “including”, “include” or “includes” shall be interpreted in a manner as though the words “without limitation” immediately followed the same;

- ii) any document or agreement includes a reference to that document or agreement as varied, amended, supplemented, substituted, novated or assigned, from time to time, in accordance with the provisions of such a document or agreement;
- (iii) the words “other”, “or otherwise” and “whatsoever” shall not be construed ejusdem generis or be construed as any limitation upon the generality of any preceding words or matters specifically referred to;
- (iv) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of the relevant provisions of this Scheme;
- (v) the term “Clause” refers to the specified clause of this Scheme, as the case may be;
- (vi) reference to any legislation, statute, regulation, rule, notification or any other provision of law means and includes references to such legal provisions as amended, supplemented or re-enacted from time to time, and any reference to legislation or statute includes any subordinate legislation made from time to time under such a legislation or statute and regulations, rules, notifications or circulars issued under such a legislation or statute;
- (vii) words in the singular shall include the plural and vice versa.

### 3 SHARE CAPITAL

3.1 The share capital of the Transferor Company 1 as of November 23, 2016 is as under:

Share Capital	Amount (Rs.)
<b>Authorized Capital</b>	
<b>Equity</b>	
500,000 equity shares of face value of Rs.10 each	5,000,000
<b>Preference</b>	
400,000,000 8% cumulative redeemable preference shares of Re. 1/- each	400,000,000
<b>Total</b>	<b>405,000,000</b>
<b>Issued, Subscribed and Fully Paid-up Capital</b>	
<b>Equity</b>	
10,000 equity shares of face value of Rs. 10 each	100,000
<b>Preference</b>	
304,500,000 8% cumulative redeemable preference shares of Re. 1/- each	304,500,000
<b>Total</b>	<b>304,600,000</b>

3.2 The share capital of the Transferor Company 2 as of November 23, 2016 is as under:

Share Capital	Amount (Rs.)
<b>Authorized Capital</b>	
<b>Equity</b>	
500,000 equity shares of face value of Rs.10 each	5,000,000
<b>Preference</b>	
600,000,000 8% cumulative redeemable preference shares of Rs. 10/- each	1000000000
<b>Total</b>	<b>10,000,000,000</b>
<b>Issued, Subscribed and Fully Paid-up Capital</b>	
<b>Equity</b>	
50,000 equity shares of face value of Rs. 10 each	500,000
<b>Preference</b>	
500,000,000 8% cumulative redeemable preference shares of Rs. 10/- each	5,000,000,000
<b>Total</b>	<b>10,005,000,000</b>

3.3 The share capital of the Transferor Company 3 as of November 23, 2016 is as under:

Share Capital	Amount (Rs.)
<b>Authorized Capital</b>	
<b>Equity</b>	
72,000,000 equity shares of face value of Rs. 10 each	720,000,000
<b>Total</b>	<b>720,000,000</b>
<b>Issued, Subscribed and Fully Paid-up Capital</b>	
<b>Equity</b>	
71,142,854 equity shares of face value of Rs. 10 each	711,428,540
<b>Total</b>	<b>711,428,540</b>

3.4 The share capital of the Resulting Company as of November 23, 2016 is as under:

Share Capital	Amount (Rs.)
<b>Authorized Capital</b>	
<b>Equity</b>	
2,000,000,000 equity shares of Re.1 each	2,000,000,000
<b>Preference</b>	
2,100,000,000 preference shares of Rs. 10/- each	21,000,000,000
<b>Total</b>	<b>23,000,000,000</b>
<b>Issued, Subscribed and Fully Paid-up Capital</b>	
<b>Equity</b>	
960,448,720 equity shares of Re. 1 each	960,448,720
<b>Preference</b>	
2,016,942,312 6% cumulative redeemable non-convertible preference shares of Rs. 10/- each	20,169,423,120
<b>Total</b>	<b>21,129,871,840</b>

## PART B: DEMERGER OF THE DEMERGED UNDERTAKINGS AND VESTING OF THE SAME IN THE RESULTING COMPANY

### 4 DEMERGER OF THE DEMERGED UNDERTAKINGS AND VESTING OF THE SAME IN THE RESULTING COMPANY

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

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

shall take all steps as may be necessary to ensure that lawful and peaceful possession, right, title, interest of such immovable property of the Demerged Undertakings is given to the Resulting Company in accordance with the terms hereof.

- (b) Upon the Scheme coming into effect and with effect from the Appointed Date, all the assets of the Demerged Undertakings as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery or by transfer or by vesting and recording pursuant to the Scheme, shall stand transferred and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company, without any further act, instrument or deed and without any approval or acknowledgement of any third party. The transfer and vesting pursuant to this sub-Clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being transferred and vested, and the title to such property shall be deemed to have transferred and vested accordingly.
- (c) Upon the Scheme coming into effect and with effect from the Appointed Date, any and all other movable property (except those specified elsewhere in this Clause) including all sundry debts and receivables, outstanding loans and advances, if any, relating to the Demerged Undertakings, recoverable in cash or in kind or for value to be received, actionable claims, bank balances and deposits, if any with government, semi-government, local and other authorities and bodies, customers and other persons shall, without any act, instrument or deed and without any approval or acknowledgement of any third party become the property of the Resulting Company.
- (d) Upon the Scheme coming into effect and with effect from the Appointed Date, all debts, liabilities, duties and obligations, secured or unsecured, relating to the Demerged Undertakings disclosed in the balance sheet of such Demerged Undertakings, including general and multipurpose borrowings, if any, dealt with in accordance with Section 2(19AA) of the IT Act, shall become and be deemed to be, the debts, liabilities, duties and obligations of the Resulting Company, without any further act, instrument or deed. The Resulting Company shall meet, discharge and satisfy the same to the exclusion of the Transferor Companies. It is hereby clarified that it shall not be necessary to obtain the consent of any third party or other person, who is a party to any contract or arrangement by virtue of which such debts, liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-Clause. However, the Transferor Companies and the Resulting Company shall, if required, file appropriate forms with the RoC accompanied by the sanction order of the Court or a certified copy thereof and execute necessary deeds or documents in relation to creation/satisfaction/modification of charges to the satisfaction of the lenders, in relation to the assets being transferred to the Resulting Company as part of the Demerged Undertakings and/or in relation to the assets remaining in the Transferor Companies after the demerger and vesting of the Demerged Undertakings in the Resulting Company pursuant to this Scheme becoming effective in accordance with the terms hereof.
- (e) Upon the Scheme coming into effect and with effect from the Appointed Date, all incorporeal or intangible property of or in relation to the Demerged Undertakings shall stand transferred to and vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company without any further act, instrument or deed and without any approval or acknowledgement of any third party.
- (f) Upon the Scheme coming into effect and with effect from the Appointed Date, all letters of intent, memoranda of understanding, memoranda of agreements, tenders, bids, experience and/or performance statements, contracts, deeds, bonds, agreements, insurance policies, guarantees and indemnities, schemes, arrangements, undertakings and other instruments of whatsoever nature or description, in relation to the Demerged Undertakings to which the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, shall be in full force and effect against or in favour of the Resulting Company and may be enforced by or against it as fully and effectually as if, instead of the Transferor Companies, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed and without any approval or acknowledgement of any third party.
- (g) Upon the Scheme coming into effect and with effect from the Appointed Date, all rights, entitlements, licenses, applications and registrations relating to copyrights, trademarks, service marks, brand names, logos, patents and other intellectual property rights of every kind and description, whether registered, unregistered or pending registration, and the goodwill arising there from, relating to the Demerged Undertakings, to which

either the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible or entitled, shall become the rights, entitlement or property of the Resulting Company and shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Transferor Companies, the Resulting Company had been a party or beneficiary or obligee thereto or the holder or owner thereof, without any further act, instrument or deed and without any approval or acknowledgement of any third party.

- (h) Upon the Scheme coming into effect and with effect from the Appointed Date, all permits, grants, allotments, recommendations, rights, entitlements, licenses and registrations, approvals, clearances, tenancies, privileges, powers, taxes, tax credits (including, but not limited to, credits in respect of income tax (including carry forward tax losses including unabsorbed depreciation), sales tax, value added tax, turnover tax, excise duty, service tax, minimum alternate tax credit, facilities of every kind and description of whatsoever nature, in relation to the Demerged Undertakings to which any of the Transferor Companies is a party or to the benefit of which the Transferor Companies may be eligible, shall be enforceable by or against the Resulting Company, as fully and effectually as if, instead of the Transferor Companies, the Resulting Company had been a party or beneficiary or obligee thereto, without any further act, instrument or deed and without any approval or acknowledgement of any third party.
- (i) Upon the Scheme coming into effect and with effect from the Appointed Date, any statutory or regulatory licenses, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Demerged Undertakings or granted to the Transferor Companies in relation to the Demerged Undertakings shall stand transferred and vested in the Resulting Company, without any further act, instrument or deed and without any approval or acknowledgement of any third party. The benefit of, and the obligations under, all such statutory and regulatory licences, permissions, grants, allotments, recommendations, no-objection certificates, permissions, registrations, approvals, consents, permits, quotas, exemptions, entitlements or rights required to carry on the operations of the Demerged Undertakings shall also stand transferred to and vested in and become available to the Resulting Company pursuant to this Scheme without any further act, instrument or deed and without any approval or acknowledgement of any third party. If the consent or recordal of any licensor or authority is required to give effect to the provisions of this sub-Clause, the said licensor or authority shall make and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the Scheme becoming effective in accordance with the terms hereof.
- (j) Upon the Scheme coming into effect and with effect from the Appointed Date, the Resulting Company shall bear the burden and the benefits of any legal, tax, quasi judicial, administrative, regulatory or other proceedings initiated by or against the Transferor Companies in connection with the Demerged Undertakings. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Companies in connection with the Demerged Undertakings be pending, the same shall not abate, be discontinued or in any way be prejudicially affected by reason of the demerger of such Demerged Undertakings and transfer and vesting of the same in the Resulting Company or of anything contained in this Scheme but the proceedings maybe continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if this Scheme had not been made effective. Upon the Scheme becoming effective, the Resulting Company shall have such legal or other proceedings initiated by or against the Transferor Companies in relation to the Demerged Undertakings transferred in its name and to have the same continued, prosecuted and enforced by or against the Resulting Company to the exclusion of the Transferor Companies.
- (k) Upon the Scheme coming into effect and with effect from the Appointed Date, all persons who were employed in the Transferor Companies in connection with the Demerged Undertakings immediately before such date shall become employees of the Resulting Company, with the benefit of continuity of service on the terms and conditions no less favourable than those applicable to such employees immediately prior to such transfer and vesting and without any break or interruption in service. The Resulting Company shall continue to abide by any agreement/ settlement, if any, entered into by the Transferor Companies, in relation to the Demerged Undertakings, in respect of such employees with their respective employees/ employee unions, if any. With regard to the provident fund, gratuity fund, superannuation fund, contributions required to be made under the Employees State Insurance Act, 1948, or any other special fund or obligation created or existing for the

benefit of such employees of the Transferor Companies, upon the Scheme coming into effect and with effect from the Appointed Date, the Resulting Company shall stand substituted for the Transferor Companies for all purposes whatsoever including with regard to the obligation to make contributions to the said funds in accordance with the provisions of such schemes or funds in the respective trust deeds or other documents. The existing provident benefits, gratuity benefits and superannuation benefits, contributions made under the Employees State Insurance Act, 1948, or any other special benefits or obligation, if any, created by the Transferor Companies for the employees of the Demerged Undertakings shall be continued by the Resulting Company for the benefit of such employees on the same terms and conditions. It is the aim and intent of the Scheme that all the rights, duties, powers and obligations of the Transferor Companies in relation to such schemes or benefits shall become those of the Resulting Company. Further, upon the Scheme coming into effect, any prosecution or disciplinary action initiated, pending or contemplated against and any penalty imposed in this regard on any employee by the Transferor Companies in relation to the Demerged Undertakings shall be continued/continue to operate against the relevant employee and shall be enforced effectively by the Resulting Company.

- (l) It is clarified that in accordance with applicable provisions of tax laws upon the Scheme coming into effect and with effect from the Appointed Date:
- (i) all tax liabilities, tax dues, any tax deducted at source deducted or suffered or any entitlement to refund / advance tax paid and all obligations of and claims by or on behalf of the Transferor Companies in relation to the Demerged Undertakings until the Appointed Date shall continue to remain the obligations, entitlements and claims of the Transferor Companies;
  - (ii) to the extent permitted by section 72A(4) of the IT Act carry forward tax losses and unabsorbed depreciation of the Transferor Companies in relation to the Demerged Undertakings until the Appointed Date shall be treated as the carry forward tax losses and unabsorbed depreciation, as the case may be, of the Resulting Company and shall be available for utilisation by the Resulting Company;
  - (iii) all indirect tax credit (including Modvat/ Cenvat / service tax etc) of the Transferor Companies in relation to the Demerged Undertakings until the Appointed Date shall be treated as credit of, the Resulting Company and shall be available for utilisation by the Resulting Company;
  - (iv) all future incentives, un-availed credits and exemptions and other statutory benefits whether relating to direct or indirect taxes including but not limited to excise (including Modvat/ Cenvat), customs, value added tax, sales tax, service tax to which any of the Transferor Companies is entitled in relation to the Demerged Undertakings shall be available to and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Transferor Companies and without any approval or acknowledgement of any third party as if all such incentives and entitlements had arisen to and were always the incentives and entitlements of the Resulting Company.
- (m) Upon the Scheme coming into effect, the Transferor Companies and the Resulting Company shall be entitled to file/ revise/reopen their respective financial statements (including balance sheet and profit and loss statement) and its statutory/tax returns and related tax payment certificates and to claim refunds/credits and advance tax/ TDS/minimum alternate tax credits as may be required consequent to the implementation of the Scheme.

4.2 The Transferor Companies and/ or the Resulting Company, as the case may be, shall at any time upon the Scheme coming into effect and in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangements with any party to any contract or arrangement in relation to the Demerged Undertakings to which the Transferor Companies has been a party, in order to give formal effect to the above provisions. The Resulting Company shall, under the provisions of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on part of the Transferor Companies. It is clarified that notwithstanding Clause 14 of the Scheme, the acts mentioned in this Clause 4.2 shall be done at the cost of the Resulting Company, and no Transferor Company shall be liable or responsible to ensure that any counterparty to the aforementioned contract or arrangement gives effect to any of the aforementioned deeds, writings or arrangements.

4.3 Upon the Scheme coming into effect and with effect from the Appointed Date, the Resulting Company shall be entitled to claim the benefit of the past experience and/or performance of the Transferor Companies in relation to Demerged Undertakings for all purposes without any further act, instrument or deed and without any approval or acknowledgement being required from any third party. If any instrument or deed or document is required or deemed necessary or expedient to give effect to the provisions of this Clause by the Resulting Company, the Transferor Companies shall duly execute the same and duly record the necessary substitution/endorsement in the name of the Resulting Company pursuant to the Scheme becoming effective in accordance with the terms hereof. The Resulting Company shall, under the provisions of the Scheme, be deemed to be authorized to execute any such writings on behalf of the Transferor Companies and to carry out or perform all such formalities or compliances referred to above on behalf of the Transferor Companies. It is clarified that notwithstanding Clause 14 of the Scheme, the acts mentioned in this Clause 4.3 shall be done at the cost of the Resulting Company, and no Transferor Company shall be liable or responsible to ensure that any relevant counterparty or third party gives effect to any of the aforementioned instrument or deed or document.

#### **4.4 Conduct of Business**

- (a) With effect from the Appointed Date and up to and including the Effective Date:
- (i) The Transferor Companies shall carry on and be deemed to have been carrying on all the business and activities and shall hold and stand possessed of and shall be deemed to have held and stood possessed of all the contracts, liabilities or property or assets or the benefit or obligations thereof or thereunder pertaining to the Demerged Undertakings for and on behalf of and in trust for the Resulting Company.
  - (ii) All profits/benefits accruing to the Transferor Companies in relation to the Demerged Undertakings and all taxes thereof or losses, expenses and/ or interest arising or incurred by it shall, for all purposes, be treated as the profits, benefits, taxes or losses and/ or interest, as the case may be, of the Resulting Company.
- (b) Subject to the provisions of Clause 4.4(a) hereinabove, in the event any asset, contract, document, liability or property or the rights, interest, obligations and benefits thereof or thereunder (including without limitation, shipping documents, bills of entry, foreign inward remittance certificates and bank realization certificates), which is a part of the Demerged Undertakings does not get automatically transferred to the Resulting Company upon the Scheme coming into effect on the Effective Date, the Transferor Companies shall take all necessary steps and execute all necessary documents, to ensure the transfer of such asset, contract, document, liability and property or the rights, interest, obligations and benefits thereof and thereunder to the Resulting Company forthwith after the Effective Date without any further consideration and until the transfer of any such asset, the Resulting Company will have the right to use the same without payment of any additional consideration. It is clarified that notwithstanding Clause 14 of the Scheme, the acts mentioned in this Clause 4.4(b) shall be done at the cost of the Resulting Company, and no Transferor Company shall be liable or responsible to ensure that any relevant counterparty or third party gives effect to any of the aforementioned documents. It is clarified that even after the Scheme comes into effect on the Effective Date, the Transferor Companies shall, with the written consent of the Resulting Company, be entitled to realize or pay all monies and to complete, enforce or discharge all pending contracts, arrangements or obligations in relation to the Demerged Undertakings in trust and at the sole cost and expense of the Resulting Company in so far as may be necessary until all rights and obligations of the Transferor Companies in respect of such pending contracts, arrangements or obligations stand fully devolved to and in favour of the Resulting Company.

#### **4.5 REMAINING BUSINESS OF THE TRANSFEROR COMPANIES**

The Remaining Business of the Transferor Companies and all other assets, liabilities, incentives, rights and obligation pertaining thereto shall continue to be vested in and managed by the respective Transferor Companies such that with effect from the Appointed Date:

- (a) Each of the Transferor Companies shall be deemed to have been carrying on and to be carrying on all of their respective business and activities relating to the Remaining Business for and on their own behalf;

- (b) All profit accruing to the Transferor Companies thereon or losses arising or incurred by it relating to their Remaining Business shall, for all purpose, be treated as the profit, or losses, as the case may be, of the respective Transferor Companies;
- (c) Any of the Transferor Companies may enter into such contracts as they may deem necessary in respect of their respective Remaining Business;
- (d) All assets and properties acquired by any Transferor Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in such Transferor Company; and
- (e) All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in the respective Transferor Companies.

## **PART C: CONSIDERATION AND ACCOUNTING TREATMENT**

### **5 CONSIDERATION**

- 5.1 Upon the Scheme coming into effect and with effect from the Appointed Date, and upon the transfer of the Demerged Undertakings and vesting of the same in the Resulting Company, the Resulting Company shall specify a date subsequent to the filing of the order of the Court sanctioning the Scheme with the RoC for determining the eligibility for issue and allotment of the unlisted Preference Shares of the Resulting Company to the equity shareholders and the preference shareholders of the Transferor Companies, in consideration for the demerger of the Demerged Undertakings.
- 5.2 The boards of directors of the Resulting Company and the Transferor Companies, respectively have determined the consideration payable to the shareholders of Transferor Companies and within 7 (seven) days from Effective Date
  - (a) For all the equity shares of Rs 10/- each held in Transferor Company 1, 1 (one) fully paid-up Preference Share of Rs 10/- each shall be issued in the Resulting Company;
  - (b) For all the Preference Shares held in Transferor Company 1; 933,954 (nine lakhs thirty three thousand nine hundred and fifty four) fully paid up Preference Shares of Rs 10/- each shall be issued in the Resulting Company;
  - (c) For all the equity shares of Rs 10/- each held in the Transferor Company 2, 1 (one) fully paid-up Preference Share of Rs 10/- each shall be issued in the Resulting Company;
  - (d) For all the Preference Shares held in Transferor Company 2; 17,44,716 (seventeen lakhs forty four thousand seven hundred and sixteen) fully paid-up Preference Shares of Rs 10/- each shall be issued in the Resulting Company; and
  - (e) For all the equity shares of Rs 10/- each held in the Transferor Company 3, 12,70,433 (twelve lakhs seventy thousand four hundred thirty three) fully paid-up Preference Shares of Rs 10/- each shall be issued in the Resulting Company.
- 5.3 The Resulting Company shall, without requiring any further act or deed by the shareholders of the Transferor Companies or any other person, issue and allot to every shareholder of the Transferor Companies within 7 (seven) days from Effective Date, the requisite number of Preference Shares of the Resulting Company as per Clause 5.2.
- 5.4 It is hereby clarified that while issuing Preference Shares by the Resulting Company to any equity or preference shareholder, as the case may be, of the Transferor Companies in respect of fractional entitlements, if any, as on the date referred to in Clause 5.1, of such equity or preference shareholder, such fractional entitlements, if any, of such equity or preference shareholders of the Transferor Companies shall be rounded off to the nearest highest integer.
- 5.5 On the approval of the Scheme by the equity and preference shareholders of the Resulting Company pursuant to Section 391 of the 1956 Act and/ or the relevant provisions of the 2013 Act, if applicable, it shall be deemed that preference and equity shareholders of the Resulting Company have also accorded their consent under sections 23, 42, 55 and 62 of the 2013 Act and/or other provisions of the Act and rules made thereunder as may be applicable for the aforesaid issuance of Preference Shares of the Resulting Company, as the case may be, to the shareholders of the



Transferor Companies, and all actions taken in accordance with this Clause 5 of this Scheme shall be deemed to be in full compliance of sections 23, 42, 55 and 62 of the 2013 Act and other applicable provisions of the Act and that no further resolution or actions under sections 42, 55 and 62 of the 2013 Act and/or any other applicable provisions of the Act and ruled made thereunder, including, inter alia, issuance of a letter of offer by the Resulting Company shall be required to be passed or undertaken.

## **5.6 Terms of Preference Shares**

- (a) The Preference Shares shall be issued on terms and conditions consistent with the principal terms and conditions set out in Schedule I.
- (b) The Preference Shares shall be issued in dematerialized form and shall not be listed in any stock exchange(s) unless required by any extant regulations.

## **6 ACCOUNTING TREATMENT**

6.1 Treatment in the books of Resulting Company: Pursuant to the Scheme coming into effect on the Effective Date with effect from the Appointed Date, the Resulting Company shall provide for the following accounting treatment in its books of accounts:

- (a) The Resulting Company shall record the assets and liabilities of the Demerged Undertakings, transferred to and vested in it pursuant to this Scheme, at their respective fair values which are also the values appearing in the books of account of the Demerged Undertakings.
- (b) The Resulting Company shall account for preference shares issued to the shareholders of the Transferor Companies on terms and conditions set out in Schedule I to this Scheme at par.
- (c) The surplus / deficit between the value of Net Assets ("Net Assets" means excess of value of assets over the value of liabilities as per Clause 6.1 (a)) pertaining to the Demerged Undertakings and the amount of Preference Shares issued under Clause 5.2 above shall be credited to Capital Reserve / debited to Goodwill as the case may be.
- (d) In case of any difference in accounting policy between the Transferor Companies and the Resulting Company, the impact of the same till the arrangement takes effect shall be quantified and adjusted in the Capital Reserve / Goodwill of the Resulting Company, as the case may be, to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting

6.2 Treatment in the books of Transferor Companies: Pursuant to the Scheme coming into effect with effect from the Appointed Date, the Transferor Companies shall account for the demerger, in their respective books of accounts in accordance with the Accounting Standards in the following manner:

- (a) The Transferor Companies shall reduce from their respective books of accounts, the book values appearing as at that Appointed Date of all assets and liabilities pertaining to the respective Demerged Undertakings.
- (b) The difference, being excess of book value of assets over the book value of liabilities of the Transferred Undertaking, demerged from the Transferor Companies pursuant to this Scheme shall be credited to the capital reserve account in the books of the respective Transferor Companies. In case there is a deficit, the same shall be charged to the profit and loss account in the books of the respective Transferor Companies.
- (c) Any matter not dealt with in this Clause 6.2 shall be dealt with in accordance with the applicable Accounting Standards.

## **PART D: GENERAL TERMS AND CONDITIONS APPLICABLE TO THE SCHEME**

## **7 APPLICATION TO THE COURT**

Subject to Clause 10, each of the Transferor Company 1, Transferor Company 2, Transferor Company 3 and the Resulting Company shall, as may be required, make applications and/or petitions under sections 391 to 394 of the 1956 Act and/ or other applicable provisions of the Act to the Court for sanction of this Scheme and all matters ancillary or incidental thereto.

## **8 CONDITIONALITY OF THIS SCHEME**

- 8.1 The Transferor Companies and the Resulting Company shall file the Scheme with the Court upon the fulfillment of the following conditions:
- (a) Receipt of approval from the Board of the Resulting Company and Transferor Companies;
  - (b) Receipt of No-objection letter and/or Observation letter from stock exchange(s) to the Resulting Company pursuant to SEBI Listing Regulations;
- 8.2 The Transferor Companies and the Resulting Company shall file
- (a) requisite petition(s) with the Court for approval of the Scheme upon receipt of approval from equity / preference shareholders and/or creditors as the case may be; and
  - (b) the certified copy of the order of the Court approving this Scheme with the RoC upon the satisfaction (or waiver in writing) of such other conditions as may be mutually agreed between the Transferor Companies and the Resulting Company in writing.
- 8.3 In the event any of the sanctions, consents or approvals referred to in the Clause 8.1 above is not obtained or received and/or the Scheme, or any part thereof, has not been sanctioned by the Court, by March 31, 2018, the Boards of each of the Transferor Companies and the Resulting Company, shall, by mutual agreement, determine whether:
- (a) this Scheme shall stand revoked and cancelled in entirety and shall be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or under applicable law and in such event, each party shall bear and pay its respective costs, charges and expenses for and in connection with the Scheme; and/or
  - (b) such part shall be severable from the remainder of the Scheme (or any Clause thereof) and the Scheme (or any Clause thereof) shall not be affected thereby, unless the deletion of such part shall cause the Scheme (or any Clause thereof) to become materially adverse to any party, in which case the Transferor Companies and the Resulting Company (acting through their respective Boards) shall attempt to bring about a modification in the Scheme (or any Clause thereof), as will best preserve for the parties, the benefits and obligations of this Scheme (or any Clause thereof), including but not limited to such part.

## **9 EFFECTIVENESS OF THIS SCHEME**

- 9.1 Subject to fulfilment of the conditions set forth in Clause 8 of this Scheme, this Scheme shall become effective on the date on which each of the Transferor Company 1, Transferor Company 2, Transferor Company 3 and the Resulting Company file the certified copies of the orders of the Court sanctioning this Scheme with the RoC ("Effective Date"). For the avoidance of doubt it is being clarified that in case the above-mentioned filings are made on different dates, then the last date on which such filings are made with RoC shall be deemed to be the Effective Date.
- 9.2 Upon the sanction of this Scheme and after this Scheme has become effective in terms of Clause 9.1 of this Scheme with effect from the Appointed Date, the demerger of the Demerged Undertakings of the Transferor Companies, and the vesting of the same in the Resulting Company shall be deemed to have occurred, pursuant to this Scheme, in accordance with section 2(19AA) of the IT Act and pursuant to the provisions of sections 391 to 394 of 1956 Act and/or sections 230 to 233 (if applicable) and other relevant provisions of the 2013 Act and other relevant provisions of the Act.
- 9.3 Though this Scheme shall become effective from the Effective Date, the provisions of this Scheme shall be applicable and come into operation from the Appointed Date once this Scheme becomes effective.

## **10 IMPLEMENTATION STEPS AND PROTECTIVE COVENANTS**

The Transferor Companies and the Resulting Company shall execute such agreements / documents as may be necessary (i) for implementation of the Scheme and for facilitating the integration of the Demerged Undertakings into the Resulting Company; and (ii) to provide representations, warranties and indemnities in favor of the shareholders of the Resulting Company.

## **11 MODIFICATIONS/AMENDMENTS TO THIS SCHEME**

- 11.1 The Transferor Companies and the Resulting Company, through their respective Boards (which shall include any committee constituted by the respective boards) may assent to any modifications/ amendments to the Scheme or to any conditions or limitations that the Court and/ or any other authority may deem fit to direct or impose or which may be otherwise considered necessary, desirable or appropriate by them.
- 11.2 The Transferor Companies and the Resulting Company, acting through their respective authorized representatives, be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any authority or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

## **12 WITHDRAWAL OF THIS SCHEME**

The Transferor Companies and the Resulting Company may through mutual consent and acting through their respective Board of Directors withdraw this Scheme from the Court.

## **13 SEVERABILITY**

If any part of this Scheme is invalid, ruled illegal by any court / Governmental Authority, or unenforceable under present or future laws, then it is the intention of the Transferor Companies and the Resulting Company that such part shall be severable from the remainder of this Scheme and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to either of the Transferor Companies or Resulting Company, in which case the Transferor Companies or Resulting Company may, through mutual consent and acting through their respective Board of Directors, attempt to bring about appropriate modification to this Scheme, as will best preserve for each of them, the benefits and obligations of this Scheme, including but not limited to such part.

## **14 COSTS, CHARGES AND EXPENSES**

Each of the Transferor Companies and the Resulting Company, shall bear all their respective costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in making this Scheme effective and matters incidental thereto.

## **15 STAMP DUTY**

The stamp duty payable in respect of the order of the Court sanctioning this Scheme will not exceed the limits prescribed under the Maharashtra Stamp Act, 1958. The stamp duty payable in respect of the order of the Court sanctioning this Scheme will be shared equally between the Resulting Company on one hand and the Transferor Companies on the other hand.

## **16 FILING / AMENDMENT OF RETURNS, ETC.**

- 16.1 Each of the Transferor Companies and the Resulting Company is expressly permitted to file/revise/reopen their financial statements (including their balance sheet and profit and loss statement) and income tax, wealth tax, service tax, value added tax, minimum alternate tax and other statutory returns, consequent to the Scheme becoming effective, notwithstanding that the period for filing/ revising such statements/returns may have lapsed, in order to give full effect to the Scheme, without requiring/ seeking any additional consent or approval under any applicable laws/rules and regulations. Each of the Transferor Companies and the Resulting Company is expressly permitted to amend tax deduction at source and other statutory certificates and shall have the right to claim refunds, advance tax credits, minimum alternate tax, set offs and adjustments relating to their respective incomes/ transactions from the Appointed Date, as the case may be.
- 16.2 It is specifically declared that the taxes/ duties paid by the Transferor Companies in relation to the business of each of its Demerged Undertakings, as the case may be, shall be deemed to be the taxes/ duties paid by the Resulting Company and the Resulting Company shall be entitled to claim credit for such taxes deducted/ paid against its tax/ duty liabilities notwithstanding that the certificates/ challans or other documents for payment of such taxes/duties are in the name of the Transferor Companies.

## 17 REPEAL AND SAVINGS

Any direction or order given by the Court under the provisions of the 1956 Act and any act done by any of the Transferor Companies or the Resulting Company based on such directions or order shall be deemed to be in accordance with and consistent with the provisions of the 2013 Act. Accordingly, the provisions of the 2013 Act shall not be required to be separately complied with, in relation to acts done by the Transferor Companies or the Resulting Company as per direction or order of the Court sanctioning this Scheme.

### SCHEDULE I

#### TERMS AND CONDITIONS FOR ISSUE OF PREFERENCE SHARES

Issuer	Zee Entertainment Enterprises Limited
Instrument	Cumulative Redeemable Non-convertible Preference Shares
Face value	Rs. 10
Coupon Rate	6% p.a.
Tenure	3 years from the date of allotment
Redemption	The Resulting Company shall have an option to redeem the Preferences Shares any time within 3 years from the date of allotment of such Preference Shares, at par.
Listing	The Preference Shares will not be listed on any stock exchange(s) unless required by the extant regulations.

# B S R & Associates LLP

Chartered Accountants

**Strictly Private and Confidential**

5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011  
India

Telephone +91 (22) 4345 5300  
Fax: +91 (22) 4345 5399

*Board of Directors*  
**Zee Entertainment Enterprises Limited**  
16th Floor, A wing, Marathon Futurex,  
N.M. Joshi Marg, Lower Parel  
Mumbai – 400013

*Board of Directors*  
**Reliance BIG Broadcasting Private Limited**  
401, 4th Floor, Infiniti Mall,  
Link Road, Oshiwara, Andheri (W),  
Mumbai - 400053

*Board of Directors*  
**Big Magic Limited**  
401, 4th Floor, Infiniti Mall,  
Link Road, Oshiwara, Andheri (W),  
Mumbai – 400053

*Board of Directors*  
**Azalia Broadcast Private Limited**  
401, 4th Floor, Infiniti Mall,  
Link Road, Oshiwara, Andheri (W),  
Mumbai - 400053

**23 November 2016**

**Sub: Recommendation of number of preference shares to be issued by ZEE to equity and preference shareholders of Reliance Big Broadcasting Private Limited, Azalia Broadcast Private Limited and Big Magic Limited (“the Companies”) for the proposed de-merger**

Dear Sirs,

We refer to our engagement letter dated 21 November 2016, wherein the Board of Directors of Zee Entertainment Enterprises Limited (“ZEE”), Board of Directors of Reliance Big Broadcasting Private Limited (“RBBPL”), Board of Directors of Big Magic Limited (“BML”) and Board of Directors of Azalia Broadcast Private Limited (“ABPL”) (together referred to as the “Clients”, the “Companies”, or “You”) has engaged B S R & Associates LLP (“B S R” or “We”) in relation to recommendation of number of preference shares to be issued by ZEE to equity and preference shareholders of the Companies pursuant to the a composite scheme of arrangement (“proposed de-merger”), wherever applicable (together referred as “the Engagement”).

For the purpose of the proposed de-merger and the Engagement, we have considered provisional financial statements of the TV broadcasting businesses of the Companies as at 30 September 2016 (“Period end Balance Sheet”).

## SCOPE AND PURPOSE OF THE REPORT

The Boards of Directors of the Companies are considering demerger of TV broadcasting businesses of ABPL, RBBPL and BML into ZEE on a going concern basis, pursuant to a composite scheme of arrangement (“Scheme”) in accordance with Section 2(19AA) of the Income Tax Act, 1961 and Sections 391 to 394 and other applicable provisions of the 1956 Act and/or Sections 230 - 233 (if applicable) and other relevant provisions of the 2013 Act and rules made thereunder. In consideration, thereof, ZEE proposes to issue 6% Cumulative Redeemable Non-Convertible Preference Shares (hereinafter referred as



B S R & Associates (a partnership firm with Registration No. BA69226) converted into B S R & Associates LLP (a Limited Liability Partnership with LLP Registration No. AAB-8182) with effect from October 14, 2013.

Registered Office  
5th Floor, Lodha Excelus,  
Apollo Mills Compound  
N. M. Joshi Marg, Mahalaxmi  
Mumbai - 400 011

“Preference shares”) to the equity and preference shareholders of the Companies, wherever applicable.

B S R has been requested by the Clients to submit a report recommending number of preference shares to be issued by ZEE to equity and preference shareholders of the Companies, wherever applicable. This report (“Report”) may be placed before the board of directors of the Companies and, to the extent mandatorily required under applicable laws of India, may be produced before judicial, regulatory or government authorities, in connection with the proposed de-merger.

We have carried out a valuation of the TV broadcasting businesses of RBBPL, BML and ABPL with a view to arrive at the number of preference shares to be issued by ZEE to the equity and preference shareholders of RBBPL, BML and ABPL, wherever applicable, for the proposed de-merger.

This Report is subject to the scope, assumptions, exclusions, limitations and disclaimers detailed hereinafter. As such the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

#### **SOURCES OF INFORMATION**

In connection with preparing this Report, we have received the following information from the management of the Clients (“Management”):

- Audited financial statements of RBBPL, BML and ABPL for the period from 1 April 2012 to 31 March 2016 and provisional financial statements for the period from 1 April 2016 to 30 September 2016 (“Historical period”);
- Financial forecasts provided by the Management for BML and RBBPL for the period 1 October 2016 to 31 March 2022 and for ABPL for the period 1 October 2016 to 31 March 2021 (“Management Financial Forecasts”);
- Interviews and discussions with the Management to augment our knowledge of the operations of the Businesses;
- Draft Composite Scheme of Arrangement (“the Scheme”);
- Other information, explanations and representations that were required and provided by the Management;
- For our analysis, we have relied on published and secondary sources of data, whether or not made available by the Management. We have not independently verified the accuracy or timeliness of the same; and
- Such other analysis, review and enquires, as we considered necessary.

We have also obtained explanation and information considered reasonably necessary for the exercise from the executives and representatives of the Companies. The Management has been provided with the opportunity to review the draft report for this engagement to make sure that factual inaccuracies are avoided in our final report.



## SCOPE LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS AND DISCLAIMERS

Provision of valuation opinions and consideration of the issues described herein are areas of our regular practice. The service does not represent accounting, assurance, accounting/ tax due diligence, consulting or tax related services that may otherwise be provided by us or our affiliates.

This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this Valuation Report; and (iii) based on the provisional balance sheet of RBBPL, BML and ABPL. Please note that the provisional balance sheets of RBBPL, BML and ABPL is as of 30 September 2016 for this engagement.

A valuation of this nature is necessarily based on (a) prevailing stock market, financial, economic and other conditions in general and industry trends in particular as in effect on and (b) the information made available to us as of, the date hereof. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation(s) rendered in this Report only represent our recommendation(s) based upon information received from the Companies till 22 November 2016 and other sources and the said recommendation(s) shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody including the Companies to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). Further, the valuation of the Businesses and determination of the number of preference shares to be issued by ZEE is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single valuation of the Businesses or the number of preference shares to be issued by ZEE. While we have provided our recommendation of the number of preference shares to be issued by ZEE based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the valuation of the businesses and consequently the number of preference shares to be issued by ZEE for the proposed de-merger. You acknowledge and agree that you have the final responsibility for the determination of the valuation of the Businesses and consequently the number of preference shares to be issued by ZEE for the proposed de-merger to take place and factors other than our Report will need to be taken into account in determining the number of preference shares to be issued by ZEE; these will include your own assessment of the proposed de-merger and may include the input of other professional advisors.

In the course of our work, we were provided with both written and verbal information, including market, technical, financial and operating data. In accordance with the terms



of our engagement, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Companies. We have not carried out a due diligence or audit of the Companies for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided. We are not legal or regulatory advisors with respect to legal and regulatory matters for the Proposed Composite Scheme of Arrangement. We do not express any form of assurance that the financial information or other information as prepared and provided by the Companies is accurate. Also, with respect to explanations and information sought from the Companies, we have been given to understand by the Companies that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness.

Our conclusions are based on these assumptions and information given by the Companies. The Clients have indicated to us that it has understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by the Clients and its impact on the Report. Also, we assume no responsibility for technical information (if any) furnished by the Clients. However, nothing has come to our attention to indicate that the information provided was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report. We do not imply and it should not be construed that we have verified any of the information provided to us, or that our inquiries could have verified any matter, which a more extensive examination might disclose.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or willful default on part of the Companies, their directors, employees or agents. In no circumstances shall the liability of a B S R, its partners, its directors or employees, relating to the services provided in connection with the engagement set out in this Report shall exceed the amount paid to B S R in respect of the fees charged by it for these services.

The Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in Period end Balance Sheets of the Companies. Our conclusion of value assumes that the assets and liabilities of the Companies, reflected in their respective latest balance sheets remain intact as of the Report date.





This Report does not address the relative merits of the proposed de-merger as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

No investigation of the Companies claim to title of assets has been made for the purpose of this Report and the Companies claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

The fee for the Engagement is not contingent upon the results of the Report or the proposed de-merger.

We owe responsibility to only the Clients which has retained us, and nobody else. We will not be liable for any losses, claims, damages or liabilities arising out of the actions taken, omissions of the other. We do not accept any liability to any third party in relation to the issue of this Report. This Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose. It is understood that this analysis does not represent a fairness opinion.

This Report is subject to the laws of India.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement. Further, it cannot be used for purpose other than in connection with the proposed de-merger, without our prior consent. In addition, this Report does not in any manner address the prices at which equity shares of ZEE will trade following consummation of the Proposed De-merger and we express no opinion or recommendation as to how the shareholders of the Companies should vote at any shareholders meeting(s) to be held in connection with the proposed de-merger.

## BACKGROUND OF THE COMPANIES

### Reliance BIG Broadcasting Private Limited

Reliance BIG Broadcasting Private Limited (hereinafter referred as 'RBBPL') is a private company incorporated in India and on March 27, 2006 as per the provisions of the Companies Act, 1956. The Company is a wholly owned subsidiary of Reliance BIG Entertainment Private Limited. The Company is engaged in the business of owning and operating non-news and current affairs satellite television channels. RBBPL holds 5 non-news television broadcasting licenses viz. BIG Magic, BIG Ganga, BIG Gaurav, BIG Magic HD and BIG Punjab. Out of these, only "BIG Magic" and "BIG Ganga" television channels are operational.



### **Big Magic Limited**

Big Magic Limited (hereinafter referred as 'BML') is a private company incorporated in India on April 19, 2011 as per the provisions of the Companies Act, 1956. The Company is a wholly owned subsidiary of Reliance Broadcast Network Limited. BML is engaged in the business of acquiring content from producers and third parties to be broadcasted under the arrangement with the channel license owners.

### **Azalia Broadcast Private Limited**

Azalia Broadcast Private Limited (hereinafter referred as 'ABPL') is a private company incorporated in India and on October 17, 2007 as per the provisions of the Companies Act, 1956. ABPL is engaged in the business of owning and operating a non-news and current affairs satellite television channel under name and style of 'Big Thrill'.

### **VALUATION APPROACH - BASIS FOR PROPOSED DE-MERGER**

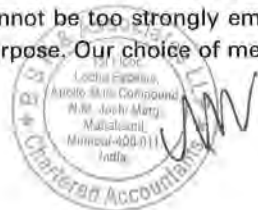
The proposed Composite Scheme of Arrangement contemplates de-merger of the television broadcasting businesses of RBBPL, BML and ABPL into ZEE on a going concern basis, pursuant to the Scheme. Arriving at the number of shares to be issued by ZEE for the proposed de-merger, would require arriving at the valuation of the Businesses. These values are to be determined independently without considering the post impact of proposed de-merger.

There are several commonly used and accepted methods for determining the value of a business, which have been considered in the present case, to the extent relevant and applicable, including:

1. Market Price method
2. Comparable Companies' Multiples method
3. Discounted Cash Flows method
4. Net Asset Value method (NAV)

It should be understood that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond our control. In performing our analysis, we made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the Companies. In addition, this valuation will fluctuate with changes in prevailing market conditions, the conditions and prospects, financial and otherwise, of the Companies, and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. Although different values may exist for different purposes, it cannot be too strongly emphasized that a valuer can only arrive at one value for one purpose. Our choice of methodology of valuation has been arrived at using usual and



conventional methodologies adopted for the proposed de-merger of a similar nature and our reasonable judgment, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

#### **Market Price Method**

The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in. Further, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

Only RBBPL, BML and ABPL's business divisions are proposed to be de-merged and as such, the Companies are not publicly listed. Further, considering that equity shares of the Companies are not traded on any recognized stock exchange, the Market price method is not applicable.

#### **Comparable Companies' Multiple / Comparable Transactions (CoCo/CoTrans) method**

Under this method, value of the business of a company is arrived at by using multiples derived from valuations of comparable companies or comparable transactions, as manifest through stock market valuations of listed companies and the transaction valuation. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

For valuation of TV broadcasting business of RBBPL, we have not used the CoCo method or the CoTrans method as RBBPL plans to launch two new television channels in FY 2018 and currently does not operate any television channel.

For valuation of TV broadcasting business of BML, we have considered median EV/Revenue trading multiples of television broadcasting companies operating in India after evaluating their business profiles. Further, we have also considered EV/Revenue multiples of comparable transactions in this space.

For valuation of TV broadcasting business of ABPL, we have not used the CoCo method or the CoTrans method as ABPL plans to re-launch its television channel in FY 2018 and currently does not operate any other television channel.

#### **Discounted Cash Flows ("DCF") Method**

Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the firm.



Using the DCF analysis involves determining the following:

*Estimating future free cash flows:*

Free cash flows are the cash flows expected to be generated by the company that are available to all providers of the company's capital – both debt and equity.

*Appropriate discount rate to be applied to cash flows i.e. the cost of capital.*

This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and lenders), weighted by their relative contribution to the total capital of the company. The opportunity cost to the equity capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

To the values so obtained generally from DCF analysis, the amount of loans is adjusted to arrive at the total value available to the shareholders.

For the purpose of DCF valuation, the free cash flow forecast of the Businesses are based on the Management Financial forecast. We have used this method for the valuation as the Businesses are in growth phase.

We must emphasize that realisations of free cash flow forecast will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to providing any assurance about the achievability of the final projections. Since the financial forecasts relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. While carrying out this engagement, we have relied extensively on historical information made available to us by the Clients and the Management financial forecast of the Companies. We did not carry out any validation procedures or due diligence with respect to the information provided/ extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the details provided by Management Financial forecast, save for satisfying ourselves to the extent possible that they are consistent with other information provided to us in the course of this engagement.

To arrive at the total value available to the shareholders of RBBPL, BML and ABPL, the value arrived above under DCF method is adjusted for borrowings, estimated contingent liabilities and other matters proposed to be de-merged as part of the Scheme. The total value is then divided by the face value of the preference shares proposed to be issued by ZEE to arrive at the total number of preference shares to be issued by ZEE as consideration for the proposed de-merger.

**Net Asset Value (NAV) Method**

The asset based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation method is mainly used in case where the firm is to be liquidated i.e. it does not meet the "going concern" criteria or in case where the assets base dominate earnings capability and hence, we have not considered this method for valuation of the Businesses.

**BASIS OF PROPOSED DE-MERGER**



The basis of proposed de-merger of the TV broadcasting businesses of RBBPL, BML and ABPL into ZEE would have to be determined after taking into consideration all the factors and methodologies mentioned hereinabove. Though different values have been arrived at under each of the above methodologies, for the purposes of recommending number of preference shares of ZEE to be issued to the shareholders of the Companies, it is necessary to arrive at a single value for the Businesses of RBBPL, BML and ABPL. For this purpose, it is necessary to give appropriate weights to the values arrived at under each methodology.

We have assigned appropriate weightages to the value of the TV broadcasting businesses of the Companies, arrived using the CoCo, CoTrans and DCF methods, except in case of ABPL and RBBPL, where only DCF method is used.

In view of the above, and on consideration of the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following:

- (a) i) For all the preference shares held in RBBPL, 933,954 fully paid-up Preference shares of Rs 10 each (face value), in ZEE shall be issued
- ii) For all the equity shares of Rs 10 each (face value) held in RBBPL, 1 fully paid-up Preference share of Rs 10 each (face value), in ZEE shall be issued
- (b) i) For all the preference shares held in BML, 1,744,716 Preference shares of Rs 10 each (face value), credited as fully paid-up, in ZEE shall be issued
- ii) For all the equity shares of Rs 10 each (face value) held in BML, 1 Preference share of Rs 10 each (face value), credited as fully paid-up, in ZEE shall be issued
- (c) For all the equity shares of Rs 10 each (face value) held in ABPL, 1,270,433 Preference shares of Rs 10 each (face value), credited as fully paid-up, in ZEE shall be issued

Respectfully submitted.

For B S R & Associates LLP  
Chartered Accountants  
Firm Registration No: 116231W

  
**Mahek Vikamsey**  
Partner  
Membership No: 108235  
Dated: 23 November 2016



Strictly Private & Confidential

Dated: November 23, 2016

**The Board of Directors**  
**ZEE Entertainment Enterprises Limited**  
18th Floor, 'A' wing, Marathon Futurex  
NM Joshi Marg, Lower Parel  
Mumbai – 400013

Dear Members of the Board:

**Engagement & Background**

We refer to the engagement letter dated November 21, 2016 (“**Engagement Letter**”), whereby Zee Entertainment Enterprises Limited (“**ZEEL**” or “**Company**”) has requested IDBI Capital Markets & Securities Limited (formerly known as IDBI Capital Market Services Limited) (“**IDBI Capital**” or “**We**”) to provide a fairness opinion to the Company on the valuation report dated November 23, 2016 (“**Valuation Report**”) issued by B S R & Associates, LLP (“**Valuer**”) for the proposed Composite Scheme of Arrangement, substantially in the form of the draft, among Reliance Big Broadcasting Private Limited, Big Magic Limited, Azalia Broadcast Private Limited, Zee Entertainment Enterprises Limited and their respective shareholders and creditors under the provisions of Sections 391 – 394 read with Sections 100-103 and other applicable provisions of the Companies Act 1956 and/or Sections 230 - 233 (if applicable) and other relevant provisions of the Companies Act 2013 (the “**Scheme**”).

The Scheme envisages following:

- Demerger of business undertaking comprising of the television business, (“**Demerged Undertaking 1**”) of Reliance Big Broadcasting Private Limited (“**Transferor Company 1**”) and vesting of the same with Zee Entertainment Enterprises Limited (“**Resulting Company**”) as per terms and conditions more fully set forth in the Scheme.
- Demerger of business undertaking comprising of acquiring content from producers and third parties (“**Demerged Undertaking 2**”) of BIG Magic Limited (“**Transferor Company 2**”) and vesting of the same with the Resulting Company as per terms and conditions more fully set forth in the Scheme.
- Demerger of business undertaking comprising of the Television Broadcasting division (“**Demerged Undertaking 3**”) of Azalia Broadcast Private Limited (“**Transferor Company 3**”) and vesting of the same with the Resulting Company as per terms and conditions more fully set forth in the Scheme.

- Transferor Company 1, Transferor Company 2 and Transferor Company 3, hereinafter collectively referred to as “**Transferor Companies**” and Demerged Undertaking 1, Demerged Undertaking 2 and Demerged Undertaking 3, hereinafter collectively referred to as “**Demerged Undertakings**”
- Upon the Scheme coming into effect and with effect from the Appointed Date (as defined in the Scheme), and upon the transfer of the Demerged Undertakings and vesting of the same in the Resulting Company, the board of directors of the Resulting Company shall determine a record date, being a date subsequent to the filing of the order of the Court sanctioning the Scheme with the RoC (“Record Date”) for the allotment of Preference Shares of the Resulting Company to the equity shareholders and the preference shareholders of the Transferor Companies as on the Record Date, in consideration for the demerger of the Demerged Undertakings.

#### **Brief background about the companies**

**Resulting Company** is a company incorporated under the Companies Act 1956 and is engaged in the media and entertainment business inter alia comprising of (a) Broadcasting of Satellite Television Channels; (b) Space Selling agent for other satellite television channels; (c) Sale of Media Content i.e. programs / film rights / feeds / music rights. The equity shares and preference shares of the Resulting Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

**Transferor Company 1** is a company incorporated under the Companies Act 1956 engaged in the business of owning and operating non news and current affairs satellite television channels. Transferor Company 1 holds 5 non-news television broadcasting licenses viz. BIG Magic, BIG Ganga, BIG Gaurav, BIG Magic HD and BIG Punjab. The Transferor Company 1 is a wholly owned subsidiary of Reliance BIG Entertainment Private Limited.

**Transferor Company 2** is a company incorporated under the Companies Act 1956 engaged in the business of acquiring content from producers and third parties to be broadcasted by Transferor Company 1 on the channels owned and operated by it. The Transferor Company 2 is a wholly owned subsidiary of Reliance Broadcast Network Limited.

**Transferor Company 3** is a company incorporated under the Companies Act 1956 engaged in the business of owning and operating a non-news and current affairs satellite television channel under name and style of ‘Big Thrill’.

In connection with the aforesaid, you have requested us to examine the Valuation Report and issue our opinion as to the fairness of the Share Entitlement Arrangement (“**Opinion**”) as of the date hereof.

The scope of this Opinion includes commenting on the fairness of the Share Entitlement Arrangement recommended by the Valuer and not on the fairness or the economic rationale of the Scheme or the valuation methods used by the Valuer or the historical and projected financial statements relied upon for the same by the Valuer.

A

The Valuer has recommended the following in their report dated November 23, 2016 (hereinafter referred to as the “Share Entitlement Arrangement”):

- a) i) For all the preference shares held in RBBPL, 933,954 fully paid-up Preference shares of Rs 10 each (face value), in ZEEL shall be issued
- ii) For all the equity shares of Rs 10 each (face value) held in RBBPL, 1 fully paid-up Preference share of Rs 10 each (face value), in ZEEL shall be issued
- b) i) For all the preference shares held in BML, 1,744,716 Preference shares of Rs 10 each (face value), credited as fully paid-up, in ZEEL shall be issued
- ii) For all the equity shares of Rs 10 each (face value) held in BML, 1 Preference share of Rs 10 each (face value), credited as fully paid-up, in ZEEL shall be issued
- c) For all the equity shares of Rs 10 each (face value) held in ABPL, 1,270,433 Preference shares of Rs 10 each (face value), credited as fully paid-up, in ZEEL shall be issued

This Opinion is being provided solely to the Board of Directors of ZEEL and strictly within this context and is not intended to represent the valuation at which such a transaction is carried out, and does not address ZEEL (or any other party's) underlying business decision to proceed with or effect any commercial decisions relating to the proposed arrangement.

Further, this Opinion is subject to the scope, limitations, assumptions, exclusions and disclaimers detailed herein and in Appendix A. This Opinion has been issued as per the requirements of Securities & Exchange Board of India (“SEBI”) circular no. CIR/CFD/CMD/16/2015 dated November 30, 2015 (“SEBI Circular”). As such the Opinion is to be read in totality, not in parts and in conjunction with the relevant documents referred to herein. This Opinion has been issued only for the purpose of facilitating the Scheme in terms of the abovementioned SEBI Circular and should not be used for any other purpose.

#### **Source of Information**

In arriving at the Opinion set forth below, we have relied upon the accuracy and completeness of all information and documents provided to us by ZEEL and/or their other advisors, including:

1. Valuation Report dated November 23, 2016 prepared by the Valuer (a draft was shared with us before issuance of the final Valuation Report);
2. Draft Scheme provided to us by the Company;
3. Memorandum & Articles of Association of ZEEL and Transferor Companies;
4. The shareholding pattern of ZEEL dated September 30, 2016 and Transferor Companies as on October 31, 2016;



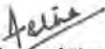
5. Audited financial statements of ZEEL and Transferor Companies for the financial years 2014-15 and 2015-16 and unaudited half yearly financial statements upto September 30, 2016.
6. Other information, explanations and representations provided by the management of ZEEL and/or its other advisors.

**Conclusion**

Based upon and subject to the contents of this document (including the Appendix A), our work as described herein, to the best of our knowledge and belief, we are of the opinion that, as of the date hereof, the Share Entitlement Arrangement, as recommended by the Valuer, is fair in relation to the proposed Scheme.

Yours truly

For **IDBI Capital Markets & Securities Limited**  
(Formerly known as IDBI Capital Market Services Limited)

  
**Authorized Signatory**  
Name: Astha Daga  
Designation: Associate Vice President



## APPENDIX A

### Scope Limitations and Disclosures

In rendering our Opinion, we have assumed and relied, without independent verification, upon the accuracy and completeness of all financial and other information and data whether publicly available or provided to or otherwise reviewed by or discussed with us, and upon the understanding that the management of ZEEL and Transferor Companies and its other advisors are not aware of any relevant information relating to ZEEL and Transferor Companies that has been omitted or that remains undisclosed to us that would make the information or data examined by, provided to, reviewed by or discussed with us inaccurate or misleading in any respect or that would otherwise be relevant in arriving at our Opinion.

The terms of engagement were such that for arriving at the Opinion we were entitled to rely upon the information provided by ZEEL and Transferor Companies and their other advisors without detailed enquiry. Our work does not constitute an audit, due diligence or certification of the historical or projected financial statements including the working results of the companies or their businesses referred to in this Opinion. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report. We assume no responsibility whatsoever for any errors in the information furnished by ZEEL and Transferor Companies and/or their other advisors and their impact on the present exercise.

We have relied upon and have not independently verified or validated, nor do we express any opinion on, the financial, market, technical or operating projections and other information or data provided to us, or the management's views on the future businesses, operations and prospects or any underlying assumptions with respect thereto. We have not assumed any obligation to conduct, nor have we conducted any physical inspection or title verification of the facilities/assets and liabilities of the companies and we neither express any opinion with respect thereto nor accept any responsibility therefore.

We have not made any independent valuation or appraisal of the assets or liabilities of ZEEL and Transferor Companies or any of their subsidiaries, nor have we been furnished with any such appraisals. We have not conducted or prepared a model for any asset valuation or provided an analysis of due diligence or appraisal of the assets and liabilities of ZEEL and Transferor Companies and have wholly relied on information provided by ZEEL and Transferor Companies in that regard. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts.

Neither IDBI Capital nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which this Opinion has been issued. In no circumstances however, will IDBI Capital or its affiliates, partners, directors, shareholders, managers, employees or agents of any of them accept any responsibility or liability including any pecuniary or financial liability to any third party and in the unforeseen event of any such responsibility/liability being imposed on IDBI Capital or its associates/ affiliates, directors or employees by any third party, ZEEL shall indemnify them in accordance with the Engagement Letter.

We are not legal, taxation or actuarial advisors and accordingly, our Opinion should not be construed as certifying the compliance with the provisions of any law including company or taxation laws or any legal,

regulatory including all SEBI regulations, accounting or taxation implications or issues. We understand that ZEEL and Transferor Companies would obtain such advice as deemed necessary from qualified professionals.

We do not express any opinion as to the price at which shares of ZEEL and Transferor Companies may trade at any time, including subsequent to the date of this Opinion. In rendering our Opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary Regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on ZEEL and Transferor Companies and / or its subsidiaries and their respective shareholders.

We have undertaken no independent analysis of any potential or actual litigation, regulatory action, possible un-asserted claims, or other contingent liabilities to which ZEEL and Transferor Companies are or may be a party or are or may be a subject, or of any government investigation of any possible un-asserted claims or other contingent liabilities to which the companies are or may be a party or are or may be a subject. No investigation as to the companies' claim to title of assets has been made for the purpose of this exercise and the companies' claim to such rights has been assumed to be valid. We have not evaluated the solvency or fair value of the Demerged Undertakings of Transferor Companies and/or the Resulting Company under either the laws of India or other laws relating to bankruptcy, insolvency or similar matters.

Our Opinion is necessarily based on financial, economic, market and other conditions as they currently exist and on the information made available to us as of the date thereof. We assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the transfer and vesting of the Demerged Undertakings of the Transferor Companies into the Resulting Company as contemplated in the draft Scheme provided to us and is not valid for any other purpose. In arriving at our Opinion, we were not authorized to solicit, and did not solicit, interest from any party with respect to the acquisition, business combination or other extraordinary transaction involving ZEEL and Transferor Companies or any of their assets, nor did we negotiate with any party in this regard. Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter related thereto.

Our Opinion also does not address any matters other than expressly stated herein, including but not limited to matters such as corporate governance matters, shareholder rights or any other equitable considerations. We were not requested to, and we did not, participate in the negotiation of the terms of the arrangement, its feasibility or otherwise and we did not provide any advice or services in connection with the arrangement other than the delivery of this Opinion. We express no view or opinion as to any such matters. We also express no view as to, and our Opinion does not address, the fairness (financial or otherwise) of the amount or nature or any other aspect of any compensation to any officers, directors or employees to any parties of the arrangement, or any class of such persons, relative to the Share Entitlement Arrangement. We express herein no view or opinion as to any terms or other aspects of the Scheme (other than the Share Entitlement Arrangement to the extent expressly stated herein).

IDBI Capital will receive a fee in connection with the delivery of this Opinion. The fee for our services is not contingent upon the nature of Opinion provided to ZEEL. The fee for our services is not contingent upon the

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results of the proposed Arrangement. In addition, ZEEL has agreed to reimburse certain of our expenses and to indemnify us against liabilities arising out of our engagement. This Opinion is subject to the laws of India.

IDBI Capital and/or our affiliates in the past may have provided, and may currently or in the future provide, investment banking, commercial banking and other financial services to the Resulting Company and/or Transferor Companies and/or their affiliates unrelated to the proposed Scheme. We may have received or in the future may receive compensation for the rendering of the aforementioned services. In the ordinary course of our businesses, we and our affiliates may invest, make or hold long or short positions, finance positions or trade or otherwise effect transactions in debt, equity or other securities or financial instruments (including derivatives, bank loans or other obligations) of Resulting Company and/or Transferor Companies and/or their respective affiliates, holding companies and group companies.

In no circumstances shall the liability of IDBI Capital, its directors or employees related to the service provided in connection with this opinion, exceed the amount paid to IDBI Capital as fees for this Opinion.

#### Distribution of this Opinion

It is understood that this Opinion is for the benefit and use of the Board of Directors of ZEEL (in its capacity as such) in connection with and for the purposes of its proposed Scheme and is not rendered to or for the benefit of, and shall not confer rights or remedies upon, any person other than the Board of Directors of ZEEL. This Opinion may not be disclosed, referred to, or communicated (in whole or in part) to any third party, nor shall any public reference to us be made, for any purpose whatsoever except (i) with our prior written consent in each instance; and (ii) as required to be disclosed by ZEEL pursuant to the listing agreements between ZEEL and the stock exchanges and the SEBI Circular (the "Purpose").

It is understood that this Opinion is solely for the Purpose, and should not be relied on by anybody to whom this Opinion is not addressed. If this Opinion is used by any person other than to whom this Opinion is addressed, or other than for the Purpose, then we will not be liable for any consequences thereof. Neither this Opinion nor its contents may be referred to quoted to/by any third party, in any registration statement, prospectus, offering memorandum, annual report, loan agreement or any other agreement or documents given to third parties. The receipt of this Opinion by any person is not to be taken as constituting the giving of investment opinion by us to any such person, not to constitute such person our client.

## ZEE ENTERTAINMENT ENTERPRISES LIMITED

### REPORT ADOPTED BY THE BOARD OF DIRECTORS EXPLAINING EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON THE SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER) & KEY MANAGERIAL PERSONNEL OF THE COMPANY

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The Board of directors of Zee Entertainment Enterprises Limited ("ZEEL" or "Company") at its meeting held on November 23, 2016 had considered and approved a draft of the Composite Scheme of Arrangement under Sections 391 to 394 of the Companies Act, 1956 and/or Sections 230 to 233 of the Companies Act, 2013 and other applicable regulatory provisions, between Zee Entertainment Enterprises Limited ("ZEEL"), Reliance Big Broadcasting Private Limited ("RBBPL"); Big Magic Limited ("BML"); and Azalia Broadcast Private Limited ("ABPL") (RBBPL, BML and ABPL are collectively referred to as "Demerged Entities") and their respective Shareholders and Creditors *inter-alia* for Demerger of the General Entertainment Television Broadcast Undertakings of the Demerged Entities and vesting with the Company, together with all assets, liabilities and employees, as a going concern with effect from the Appointed Date of close of March 31, 2017.

While deliberating on the Scheme, the Board had *inter alia* considered and took on record:

- Draft of the Scheme;
- Valuation report dated November 23, 2016 issued by the Independent Valuers M/s BSR and Associates LLP, Chartered Accountants, recommending the following share entitlement ratio for issuance of Unlisted Preference Shares by the Company to the Equity and Preference Shareholders of the Demerged Entities as detailed below:
  - 1 (One) fully paid-up Preference Share of Rs 10/- each of ZEEL for all the equity shares of Rs 10/- each held in RBBPL;
  - 933,954 (Nine lakh thirty-three thousand nine hundred and fifty-four) fully paid up Preference Shares of Rs 10/- each of ZEEL for all the Preference Shares held in RBBPL;
  - 1 (One) fully paid-up Preference Share of Rs 10/- each of ZEEL for all the equity shares of Rs 10/- each held in BML;
  - 17,44,716 (Seventeen lakh forty-four thousand seven hundred sixteen) fully paid-up Preference Share of Rs 10/- each of ZEEL for all the Preference shares of Rs 10/- each held in BML;
  - 12,70,433 (Twelve lakh seventy thousand four hundred thirty-three only) fully paid-up Preference Shares of Rs 10/- each of ZEEL for all the Preference Shares of Rs. 10/- each held in ABPL.



- Fairness Opinion, on the valuation report, dated November 23, 2016 issued by M/s IDBI Capital Markets & Securities Limited, a Category I Merchant Banker registered with SEBI;
- Report of the Audit Committee dated November 23, 2016 recommending the Scheme to the Board for approval;
- Draft of certificate from the Statutory Auditors of the Company M/s MGB & Co LLP, Chartered Accountants, confirming that the accounting treatment in the books of the Company as proposed in the Draft of the Scheme is in compliance with the Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013;
- Draft of the Undertaking from the Company confirming that the Scheme (a) does not envisage issuance of any additional shares to be allotted to Promoter / Promoter Group; (b) does not involve any entity forming part of Promoter / Promoter group; and (c) does not envisage Merger of a Subsidiary which was acquired by the Company from Promoter / Promoter Group for consideration paid in past in cash or kind and therefore the requirements of obtaining separate approval from Public Shareholders, prescribed under Clause 9 of Annexure I of the SEBI Circular No. CIF/CFD/CMD/16/2015 dated November 30, 2015, does not apply to the proposed Scheme; and
- Draft of Certificate from the Statutory Auditors, M/s MGB & Co. LLP, Chartered Accountants certifying non-applicability of Clause 9 of SEBI circular on requirement of obtaining approval of Public Shareholders, based on the undertaking issued by the Company.

After taking on record the documents / confirmations referred above, the Board of Directors of the Company approved the following:

- (i) The draft of the Composite Scheme of Arrangement with March 31, 2017 as Appointed Date; and
- (ii) Issuance of Unlisted Preference Shares of Rs 10 each of ZEEL to the Equity and Preference shareholders of Demerged entities, as recommended by the Independent Valuer.

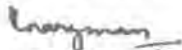
Subsequent to approval of the draft Scheme by the Board, Ministry of Corporate Affairs had vide a Notification Ref No. S.O. 3677(E), notified December 15, 2016 as the date from which certain Sections including Section 230 to 232 of the Companies Act, 2013 (which deals with compromises, arrangements and amalgamations) shall become effective.

Accordingly, as per Section 232(2)(c) of the Companies Act, 2013 read with Companies (Compromise, Arrangements and Amalgamation) Rules 2016, the Board hereby takes on record the following impact of the Scheme on Equity and Preference Shareholders (Promoter and Non-Promoter) and Key Managerial Personnel of the Company:



- The Scheme provides for issuance of Unlisted Preference Shares of Rs 10 each to the Equity and Preference Shareholders of the Demerged Entities, which would not be of same class as the existing Listed Preference Shares. However, the issuance of 39,49,105 Preference Shares of Rs 10 each by the Company, in pursuance of the Scheme (though of different class) would result in change in the pre & post Scheme Shareholding Pattern (aggregating the entire Issued and Paid-up Preference Capital) for the Preference Shareholder(s) of the Company.
- Since the Scheme does not provide for issuance of any further Equity Shares, pre and post Scheme Equity Shareholding pattern shall remain the same. The issuance of further Preference Shares shall however impact Equity Shareholders (both Promoter and Non-Promoter) of ZEEL to the extent of prioritization / preference in respect of payment of Dividend, Redemption as per terms and Repayment at the time of winding-up etc., available to Preference Shareholders in general over Equity Shareholders.
- The Scheme shall not have any effect on either the Key Managerial Personnel or the Directors of the Company.

For **Zee Entertainment Enterprises Limited**

  
**M Lakshminarayanan**  
**Chief Compliance Officer and Company Secretary**



Place: Mumbai

Date: February 17, 2017

## RELIANCE BIG BROADCASTING PRIVATE LIMITED

Registered Office: 502, Plot No 91/94, Prabhat Colony, Santa Cruz (East), Mumbai 400 055  
Corporate Identity Number (CIN): U65990MH2006PTC160747

### REPORT ADOPTED BY THE BOARD OF DIRECTORS OF RELIANCE BIG BROADCASTING PRIVATE LIMITED AT ITS MEETING HELD ON FEBRUARY 14, 2017 EXPLAINING EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, THE SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER)

A meeting of the Board of Directors ("Board") of Reliance Big Broadcasting Private Limited ("the Company" or "RBBPL" or "the Transferor Company 1") was held on November 23, 2016 to consider and recommend the proposed Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited, Big Magic Limited ("Transferor Company 2" or "BML") and Azalia Broadcast Private Limited ("Transferor Company 3" or "ABPL") into Zee Entertainment Enterprises Limited ("Resulting Company" or "ZEEL") and their respective Shareholders and Creditors ("Scheme")

In terms of sec 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice of the meeting of shareholders.

Having regard to the aforesaid provisions, following was discussed by the Board of Directors:

1. For the Scheme, the Valuation Report was obtained from M/s BSR & Co LLP, Chartered Accountants who had recommended the following ratio in their report dated November 23, 2016:
  - *"For all the equity shares of Rs 10/- each held in Transferor Company 1, 1 (one) fully paid-up Preference Share of Rs 10/- each shall be issued in the Resulting Company;*
  - *For all the Preference Shares held in Transferor Company 1; 933,954 (nine lakhs thirty three thousand nine hundred and fifty four) fully paid up Preference Shares of Rs 10/- each shall be issued in the Resulting Company;*
  - *For all the equity shares of Rs 10/- each held in the Transferor Company 2, 1 (one) fully paid-up Preference Share of Rs 10/- each shall be issued in the Resulting Company;*
  - *For all the Preference Shares held in Transferor Company 2; 17,44,716 (seventeen lakhs forty four thousand seven hundred and sixteen) fully paid-up Preference Shares of Rs 10/- each shall be issued in the Resulting Company; and*
  - *For all the equity shares of Rs 10/- each held in the Transferor Company 3, 12,70,433 (twelve lakhs seventy thousand four hundred thirty three) fully paid-up Preference Shares of Rs 10/- each shall be issued in the Resulting Company."*
2. As far as the equity and preference shareholders (all shareholders are promoter group shareholders) of the Company are concerned, equity shareholders will be allotted One Preference Share of ZEEL of Rs.10/- each fully paid up and preference shareholders will be allotted 933,954 Preference Shares of ZEEL of Rs.10/- each fully paid up on a proportionate basis, in accordance to the aforesaid ratio as recommended in the Valuation Report.





## RELIANCE BIG BROADCASTING PRIVATE LIMITED


Registered Office: 502, Plot No 91/94, Prabhat Colony, Santa Cruz (East), Mumbai 400 055  
Corporate Identity Number (CIN): U65990MH2006PTC160747

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Accordingly, the effect of the Scheme on each class of the shareholder shall be to the extent of their shareholding in the respective companies.

3. The Scheme would not have any effect on Key Managerial Personnel's of the Company.

For Reliance Big Broadcasting Private Limited

  
Divya Asnani  
Authorised Signatory



**REPORT ADOPTED BY THE BOARD OF DIRECTORS OF BIG MAGIC LIMITED AT ITS MEETING HELD ON DECEMBER 17, 2016 EXPLAINING EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, THE SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER)**

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A meeting of the Board of Directors ("Board") of Big Magic Limited ("the Company" or "BML" or "the Transferor Company 2") was held on November 23, 2016 to consider and recommend the proposed Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited ("Transferor Company 1" or "RBBPL"), Big Magic Limited and Azalia Broadcast Private Limited ("Transferor Company 3" or "ABPL") into Zee Entertainment Enterprises Limited ("Resulting Company" or "ZEEL") and their respective Shareholders and Creditors ("Scheme")

In terms of sec 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice of the meeting of shareholders.

Having regard to the aforesaid provisions, following was discussed by the Board of Directors:

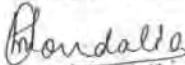
1. For the Scheme, the Valuation Report was obtained from M/s BSR & Co LLP, Chartered Accountants who had recommended the following ratio in their report dated November 23, 2016:
  - *"For all the equity shares of Rs 10/- each held in Transferor Company 1, 1 (one) fully paid-up Preference Share of Rs 10/- each shall be issued in the Resulting Company;*
  - *For all the Preference Shares held in Transferor Company 1; 933,954 (nine lakhs thirty three thousand nine hundred and fifty four) fully paid up Preference Shares of Rs 10/- each shall be issued in the Resulting Company;*
  - *For all the equity shares of Rs 10/- each held in the Transferor Company 2, 1 (one) fully paid-up Preference Share of Rs 10/- each shall be issued in the Resulting Company;*
  - *For all the Preference Shares held in Transferor Company 2; 17,44,716 (seventeen lakhs forty four thousand seven hundred and sixteen) fully paid-up Preference Shares of Rs 10/- each shall be issued in the Resulting Company; and*
  - *For all the equity shares of Rs 10/- each held in the Transferor Company 3, 12,70,433 (twelve lakhs seventy thousand four hundred thirty three) fully paid-up Preference Shares of Rs 10/- each shall be issued in the Resulting Company."*
2. As far as the equity and preference shareholders (all shareholders are promoter group shareholders) of the Company are concerned, equity shareholders will be allotted One



Preference Share of ZEEL of Rs.10/- each fully paid up and preference shareholders will be allotted 17,44,716 Preference Shares of ZEEL of Rs.10/- each fully paid up on a proportionate basis, in accordance to the aforesaid ratio as recommended in the Valuation Report. Accordingly, the effect of the Scheme on each class of the shareholder shall be to the extent of their shareholding in the respective companies.

3. The Scheme would not have any effect on Key Managerial Personnel's of the Company.

For Big Magic Limited

  
Heeral Gondalia  
Authorised Signatory



# Azalia Broadcast Private Limited

(CIN: U45400MH2007PTC243437)

Regd. Off. : 401, 4th Floor, Infiniti Mall, Link Road, Oshiwara, Andheri (W), Mumbai 400 053

Tel No.: 91 22 3068 9444 Fax No.: 91 22 3988 8927 Email ID:

communications@reliancebroadcast.com

## REPORT ADOPTED BY THE BOARD OF DIRECTORS OF AZALIA BROADCAST PRIVATE LIMITED AT ITS MEETING HELD ON FEBRUARY 14, 2017 EXPLAINING EFFECT OF THE COMPOSITE SCHEME OF ARRANGEMENT ON EACH CLASS OF SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, THE SHAREHOLDERS (INCLUDING PROMOTER & NON-PROMOTER)

A meeting of the Board of Directors ('Board') of Azalia Broadcast Private Limited ("the Company" or "ABPL" or "the Transferor Company 3") was held on November 23, 2016 to consider and recommend the proposed Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited ("the Transferor Company 1" or "RBBPL"), Big Magic Limited ("Transferor Company 2" or "BML") and Azalia Broadcast Private Limited into Zee Entertainment Enterprises Limited ("Resulting Company" or "ZEEL") and their respective Shareholders and Creditors ("Scheme")

In terms of sec 232(2)(c) of Companies Act, 2013, a report from the Board of the Company explaining the effect of the compromise on each class of shareholders, key managerial personnel, promoters and non-promoter shareholders has to be appended with the notice of the meeting of shareholders.

Having regard to the aforesaid provisions, following was discussed by the Board of Directors:

1. For the Scheme, the Valuation Report was obtained from M/s BSR & Co LLP, Chartered Accountants who had recommended the following ratio in their report dated November 23, 2016:
  - *"For all the equity shares of Rs 10/- each held in Transferor Company 1, 1 (one) fully paid-up Preference Share of Rs 10/- each shall be issued in the Resulting Company;*
  - *For all the Preference Shares held in Transferor Company 1; 933,954 (nine lakhs thirty three thousand nine hundred and fifty four) fully paid up Preference Shares of Rs 10/- each shall be issued in the Resulting Company;*
  - *For all the equity shares of Rs 10/- each held in the Transferor Company 2, 1 (one) fully paid-up Preference Share of Rs 10/- each shall be issued in the Resulting Company;*
  - *For all the Preference Shares held in Transferor Company 2; 17,44,716 (seventeen lakhs forty four thousand seven hundred and sixteen) fully paid-up Preference Shares of Rs 10/- each shall be issued in the Resulting Company; and*
  - *For all the equity shares of Rs 10/- each held in the Transferor Company 3, 12,70,433 (twelve lakhs seventy thousand four hundred thirty three) fully paid-up Preference Shares of Rs 10/- each shall be issued in the Resulting Company."*
2. As far as the equity shareholders of the Company are concerned, all the equity shareholders will be allotted 12,70,433 Preference Share of ZEEL of Rs.10/- each fully paid



# Azalia Broadcast Private Limited

(CIN: U45400MH2007PTC243437)

Regd. Off. : 401, 4th Floor, Infiniti Mall, Link Road, Oshiwara, Andheri (W), Mumbai 400 053

Tel No.: 91 22 3068 9444 Fax No.: 91 22 3988 8927 Email ID:

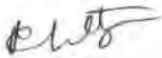
communications@reliancebroadcast.com

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up on proportionate basis (all shareholders are promoter group shareholders), in accordance to the aforesaid ratio as recommended in the Valuation Report. Accordingly, the effect of the Scheme on each class of the shareholder shall be to the extent of their shareholding in the respective companies.

3. The Scheme would not have any effect on Key Managerial Personnel's of the Company.

For Azalia Broadcast Private Limited



Asheesh Chatterjee

Director



January 13, 2017

→ The Listing Department  
National Stock Exchange of India Limited  
Exchange Plaza  
Bandra Kurla Complex  
Bandra (East), Mumbai – 400 051  
**NSE Scrip Code: ZEEL EQ**  
**NSE Scrip Code: ZEEL P2 (Pref)**

The Listing Department  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai 400 001  
**BSE Scrip Code: 505537**  
**BSE Scrip Code: 717503 (Pref)**

Dear Sirs,

**Sub : Complaints Report - Composite Scheme of Arrangement among Zee Entertainment Enterprises Limited ('the Company'), Reliance Big Broadcasting Private Limited ('RBBPL'), Big Magic Limited ('BML'), Azalia Broadcast Private Limited ('ABPL') and their respective Shareholders and Creditors ('Scheme')**

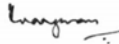
This is further to our application dated December 21, 2016, seeking Observation Letter/ No-objection under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to the Composite Scheme of Arrangement among Zee Entertainment Enterprises Limited ('the Company'), Reliance Big Broadcasting Private Limited ('RBBPL'), Big Magic Limited ('BML'), Azalia Broadcast Private Limited ('ABPL') and their respective Shareholders and Creditors ('Scheme').

In accordance with SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 we hereby confirm that as at the close of January 12, 2017, neither the Company nor its Registrar and Share Transfer Agent M/s Link Intime India Private Limited has received any complaint(s) either directly or through Stock Exchanges/SEBI from any shareholder of the Company in connection with the aforesaid Scheme.

Since the Scheme related documents were uploaded by the National Stock Exchange of India Limited, (being the Designated Stock Exchange) on December 23, 2016 the Company is required to file Complaints report upon expiry of 21 days from the said upload i.e. on or after January 13, 2017. Accordingly, based on confirmation received from the Registrar and Share Transfer Agents and update available on SCORES that there were 'Nil' complaints received by the Company in connection with the Scheme we enclose herewith the Complaints Report in the prescribed format. The Company has uploaded / shall upload the Complaints Report on its website.

We hereby request you to take the above on record and oblige. We also request you to provide the necessary "Observation Letter/ No-objection" at the earliest so as to enable us to file the Scheme with the National Company Law Tribunal, Mumbai bench.

**For Zee Entertainment Enterprises Limited**



**M Lakshminarayanan**  
**Chief Compliance Officer and Company Secretary**



Encl. : As above

|| VASUTHAIKA KUTUMBAKAM ||  
THE WORLD IS MY FAMILY

ZEE ENTERTAINMENT ENTERPRISES LIMITED

Regd. Office : 18th Floor, A Wing, Marathon Futurex, N.M.Joshi Marg, Lower Parel, Mumbai - 400 013, India.

☎ + 91 22 7106 1234 ☎ + 91 22 2490 0302

www.zeeentertainment.com | CIN : L92132MH1982PLC028767

## Complaints Report

For complaints received by the Company in connection with the Composite Scheme of Arrangement among Zee Entertainment Enterprises Limited ('the Company'), Reliance Big Broadcasting Private Limited ('RBBPL'), Big Magic Limited ('BML'), Azalia Broadcast Private Limited ('ABPL') and their respective Shareholders and Creditors during the period from December 23, 2016 to January 12, 2017.

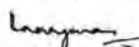
### Part A

Sr No.	Particulars	Number
1	Number of complaints received directly	Nil
2	Number of complaints forwarded by the Stock Exchanges	Nil
3	Total Number of complaints/ comments received (1+2)	Nil
4	Number of complaints resolved	Not Applicable
5	Number of complaints pending	Not Applicable

### 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 and Company Secretary



Mumbai, January 13, 2017



|| VANDHAVA KUTUMBAKAM ||  
THE WORLD IS OUR FAMILY

ZEE ENTERTAINMENT ENTERPRISES LIMITED

Regd. Office : 18th Floor, A Wing, Marathon Futurex, N.M.Joshi Marg, Lower Panel, Mumbai - 400 013, India.

☎ + 91 22 7106 1234 ☎ + 91 22 2490 0302

www.zeeentertainment.com | CIN : L92132MH1982PLC026767



Ref: NSE/LIST/10395

March 02, 2017

The Company Secretary,  
Zee Entertainment Enterprises Limited  
18th Floor, A Wing, Marathon Futurex,  
N M Joshi Marg, Lower Parel,  
Mumbai 400013

**Kind Attn.: Mr. M Lakshminarayanan**

Dear Sir,

**Sub: Observation letter for Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited and Big Magic Limited and Azalia Broadcast Private Limited and Zee Entertainment Enterprises Limited and their Respective Shareholders and Creditors**

This has reference to the Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited and Big Magic Limited and Azalia Broadcast Private Limited and Zee Entertainment Enterprises Limited and their Respective Shareholders and Creditors submitted to the Exchange vide application dated December 21, 2016.

Based on our letter reference no NSE/LIST/100918 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CDM/16/2015 dated November 30, 2015, SEBI has vide letter dated March 01, 2017, has given following comments on the draft Scheme of Amalgamation:

*"a) The company shall duly comply with various provisions of the Circulars."*

Based on the draft scheme and other documents submitted by the Company, including undertaking given in terms of regulation 11 of SEBI (LODR) Regulation, 2015, we hereby convey our "No-objection" in terms of regulation 94 of SEBI (LODR) Regulation, 2015, so as to enable the Company to file the draft scheme with the Hon'ble High Court / NCLT"

However, the Exchange reserves its rights to raise objections 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, SEBI (LODR) Regulations 2015, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from March 02, 2017, within which the Scheme shall be submitted to the Hon'ble High Court / NCLT. Further pursuant to the above cited SEBI circular upon sanction of the Scheme by the Hon'ble High Court / NCLT, you shall submit to NSE the following:

- a. Copy of Scheme as approved by the High Court / NCLT;
- b. Result of voting by shareholders for approving the Scheme;





- c. Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme
- d. Status of compliance with the Observation Letter/s of the stock exchanges
- e. The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- f. Complaints Report as per Annexure III of SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,  
For National Stock Exchange of India Ltd.

  
**Divya Poojari**  
**Manager**

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL [http://www.nseindia.com/corporates/content/further\\_issues.htm](http://www.nseindia.com/corporates/content/further_issues.htm)

DCS/AMAL/MD/R37/718/2016-17

March 03, 2017

The Company Secretary  
**ZEE ENTERTAINMENT ENTERPRISES LIMITED**  
18th Floor, A Wing, Marathon Futurex,  
N. M Joshi Marg, Lower Parel, Mumbai – 400013.

Sir,

**Sub: Observation letter regarding the Draft Scheme of Arrangement among Reliance Big Broadcasting Pvt. Limited and Big Magic Limited and Azalia Broadcast Pvt. Limited and Zee Entertainment Enterprises Ltd.**

We are in receipt of Draft Scheme of Arrangement among Reliance Big Broadcasting Pvt. Limited and Big Magic Limited and Azalia Broadcast Pvt. Limited and Zee Entertainment Enterprises Limited and their shareholders and creditors filed as required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated March 02, 2017, has inter alia given the following comment(s) on the draft scheme of arrangement:

- “Company shall duly comply with various provisions of the Circulars.”

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

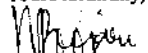
Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- Copy of the High Court approved Scheme;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- Status of compliance with the Observation Letter/s of the stock exchanges;
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure II of this Circular.
- Any other document/disclosure as informed by the Exchange.

The Exchange reserves its right to withdraw its 'No adverse observation' 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.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

  
Nith Pujari  
Manager

## ROUTE MAP FOR THE VENUE OF THE MEETING



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

**Before the National Company Law Tribunal,  
Mumbai Bench  
Company Scheme Application No 271 of 2017**

In the matter of the Companies Act, 2013;

AND

In the matter of Sections 230 to 233 and other applicable provisions of the Companies Act, 2013;

AND

In the matter of Composite Scheme of Arrangement among Reliance Big Broadcasting Private Limited ("Transferor Company 1" or "RBBPL"); and Big Magic Limited ("Transferor Company 2" or "BML"); and Azalia Broadcast Private Limited ("Transferor Company 3" or "ABPL"); and Zee Entertainment Enterprises Limited ("Resulting Company" or "ZEEL"); and their respective shareholders and creditors

**ZEE ENTERTAINMENT ENTERPRISES LIMITED**, a Company incorporated under )  
the provisions of the Companies Act, 1956 with CIN L92132MH1982PLC028767 )  
and having its Registered Office at 18th Floor, A Wing, Marathon Futurex, N M )  
Joshi Marg, Lower Parel, Mumbai 400013 )

**... Applicant Company**

PROXY FORM

Name of the Preference Shareholder(s)	:	
Registered address	:	
E-mail ID	:	
Folio No. /DP ID & Client ID*	:	

\* Applicable in case shares are held in electronic form.

I/We, being the holder(s) of \_\_\_\_\_ Preference shares of the Zee Entertainment Enterprises Limited, hereby appoint

- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email – ID : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him/her
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email – ID : \_\_\_\_\_ Signature : \_\_\_\_\_, or failing him/her
- Name : \_\_\_\_\_  
Address : \_\_\_\_\_  
Email – ID : \_\_\_\_\_ Signature : \_\_\_\_\_

as my / our proxy to attend and vote (on a poll) for me/us at the Meeting of the Preference Shareholder convened pursuant to the Order of the National Company Law Tribunal to be held at Nehru Auditorium, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai 400018, on Tuesday, the 9th day of May 2017 at 12.30 p.m. or immediately after conclusion of the Meeting of Equity Shareholders for the purpose of considering and approving the Resolution as detailed in the Notice at such meeting and any adjournment or adjournments thereof and to vote, for me/us and in my/our name(s).....(here, if for, insert 'FOR'; or if against, insert 'AGAINST') the Resolution approving the arrangement embodied in the Composite Scheme of Arrangement as my/our proxy.

Signed this \_\_\_ day of \_\_\_\_\_, 2017.

Signature of Preference Shareholder(s)

\_\_\_\_\_  
Signature of Sole / first holder

\_\_\_\_\_  
Signature of second holder

\_\_\_\_\_  
Signature of third holder

Please  
affix  
revenue  
stamp

**Notes:**

- This form in order to be effective must be duly stamped, completed and signed and must be deposited at the Registered Office of the Company, not later than 48 hours before the commencement of the meeting.
- Please affix revenue stamp before putting signature.
- Alterations, if any, made in the Form of Proxy should be initialed.
- In case of multiple proxies, the Proxy later in time shall be accepted.
- Proxy need not be shareholder of ZEEL.

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

## Zee Entertainment Enterprises Limited

**Registered Office:** 18th Floor, A Wing, Marathon Futurex, NM Joshi Marg, Lower Parel, Mumbai 400013,

**Tel:** 022-7106 1234, **Fax no:** 022-2300 2107

**CIN:** L92132MH1982PLC028767

**Website:** www.zeetelevision.com **Email:** shareservice@zee.esselgroup.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 hereby record my/our presence at the meeting of the Preference Shareholders of the Company convened pursuant to an Order dated 15th day of March 2017 of Hon'ble National Company Law Tribunal, Mumbai Bench, at Nehru Auditorium, Nehru Centre, Dr Annie Besant Road, Worli, Mumbai 400018 on **Tuesday, the 9th day of May 2017 at 12.30 P.M.** or immediately after conclusion of the Meeting of Equity Shareholders.

Name & Address of Preference Shareholders :

Signatures :

Folio No / DP ID & Client ID No :

No of Shares held :

Name of Proxy holders /  
Authorised Representative :

Signatures :

#### **Note:**

Preference Shareholders attending the Meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance Slip and hand it over at the entrance of the Meeting hall.

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