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The Board of Directors of
Zee Entertainment Enterprises Limited
18th floor A - Wing Marathon Futurex,
N. M. Joshi Marg Lower Parel,
Mumbai – 400013.

Independent Auditor's Certificate certifying the accounting treatment contained in the draft Composite Scheme of Arrangement and Amalgamation between Zee Digital Convergence Limited (ZDCL or First Demerged Company) and India Webportal Private Limited (IWPL or Second Demerged Company) and Zee Unimedia Limited (ZUL or Third Demerged Company) and Sarthak Entertainment Private Limited (SEPL or Transferor Company) and Zee Entertainment Enterprises Limited (ZEEL or Resulting Company or Transferee Company) and their respective shareholders.

1. This certificate is issued in accordance with the terms of our engagement letter dated July 14, 2017.
2. We, Deloitte Haskins & Sells LLP, Chartered Accountants, (Firm Regn. No. 117366W/W-100018), the Statutory Auditors of Zee Entertainment Enterprises Limited ("the Company"), have examined the proposed accounting treatment specified in Clause 7.2 and Clause 17 in the draft Composite Scheme of Arrangement and Amalgamation (hereinafter referred as 'the Scheme') between the Company and Zee Digital Convergence Limited (ZDCL) and India Webportal Private Limited (IWPL) and Zee Unimedia Limited (ZUL) and Sarthak Entertainment Private Limited (SEPL) and their respective shareholders with reference to its compliance with the applicable Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other generally accepted accounting principles.

Management's responsibility

3. The responsibility for the preparation of the Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards read with the rules made there under and other generally accepted accounting principles as aforesaid, is that of the Board of Directors of the Company. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Scheme and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

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Auditor's responsibility

4. Our responsibility is only to examine and report whether the accounting treatment referred to in Clause 7.2 and Clause 17 of the Scheme referred to above comply with applicable Accounting Standards, and other generally accepted accounting principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company.
5. We carried out our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (ICAI) and Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by (ICAI).
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Scheme.

Opinion

7. Based on our examination and according to the information and explanations given to us, we are of the opinion that the accounting treatment contained in Clause 7.2 and Clause 17 of the Scheme, is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under and the Accounting Standards notified under Section 133 of the Companies Act, 2013, read with the rules made there under, and other generally accepted accounting principles, as applicable.
8. For ease of references, Clause 7.2 and Clause 17 of the Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 and Annexure 2 respectively to this Certificate and is initialed by us only for the purposes of identification.

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Restriction on use

9. This certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for onward submission by the Company to the Bombay Stock Exchange Limited, National Stock Exchange of India Limited, the Regional Director of Ministry of Corporate Affairs, National Company Law Tribunal and any other regulatory authority. This Certificate should not be used for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

MUMBAI, July 24, 2017

For Deloitte Haskins & Sells LLP
Chartered Accountants
ICAI Regn. No 117366W/W-100018



Mohammed Bengali
Partner
Membership No. 105828

Annexure 1

Relevant extract of Draft Composite Scheme of Arrangement and Amalgamation amongst Zee Digital Convergence Limited (ZDCL), India Webportal Private Limited (IWPL), Zee Unimedia Limited (ZUL), Zee Entertainment Enterprises Limited (ZEEL) and their respective shareholders

7.1 Accounting treatment in the books of the Resulting Company

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

- 7.2.1 In case of Demerged undertaking of IWPL, upon this Scheme coming into effect, the Resulting Company, with effect from the date when the common control of the Demerged Company viz. IWPL and the Resulting Company was established for the first time ("Common Control Date"), shall record the assets and liabilities of the Demerged Undertaking of IWPL transferred pursuant to this Scheme, at their respective carrying values in the consolidated financial statements of the Resulting Company immediately before the demerger. In case of Demerged undertakings of ZDCL and ZUL, the Resulting Company shall record the assets and liabilities pertaining to the Demerged Undertakings of ZDCL and ZUL transferred pursuant to the Scheme, at their respective carrying values as appearing in the books of account of the Demerged Companies viz. ZDCL and ZUL as on the Appointed Date.
- 7.2.2 If the common control existed prior to the Appointed Date, comparative accounting period presented in the financial statements of Resulting Company shall be restated for the accounting impact of demerger, as stated above, as if the demerger had occurred from the later of beginning of the comparative period in the financial statements or when the control was acquired.



॥ VASUDHAIVA KUTUMBAKAM ॥
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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 F + 91 22 2300 2107

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- 7.2.3 The intercompany balances, loans and advances and debentures, pertaining to the demerged business, outstanding between the Demerged Companies and the Resulting Company in respect of the Demerged Undertaking will stand cancelled.
- 7.2.4 The difference being the excess of the net assets value of Demerged Undertakings transferred to the Resulting Company in accordance with clause 7.2.1 above and after considering the adjustment mentioned in Clause 7.2.2 above would be adjusted against and reflected in the capital reserves of the Resulting Company and presented separately from other capital reserves with disclosure of its nature and purpose in the notes.
- 7.2.5 In case of any difference in accounting policies between ZDCL, ZUL, IWPL and ZEEL, the impact of the same till the Appointed Date will be quantified and adjusted to the Reserves of the Resulting Company to ensure that the financial statements of the Resulting Company reflect the financial position on the basis of consistent accounting policies.
- 7.2.6 All costs and expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme shall be debited to the profit & loss account of the Resulting Company.
- 7.2.7 The Resulting Company to reduce the carrying value of investments in the Demerged Company to the extent of equity share capital reduction of the Demerged Company (as referred in Clause 8) and this reduction to be adjusted in the capital reserves of the Resulting Company.

For Zee Entertainment Enterprises Limited

Mihir Modi

Mihir Modi

Chief Financial & Strategy Officer

Date: 24 July 2017



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Annexure 2

Relevant extract of Draft Composite Scheme of Arrangement and Amalgamation amongst Sarthak Entertainment Private Limited (SEPL) and Zee Entertainment Enterprises Limited (ZEEL) and their respective shareholders

17 Accounting Treatment in the books of Transferee Company

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

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

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

17.1.3 After considering the adjustments as mentioned in clause 17.1.1 and 17.1.2 above and, subject to the other provisions contained herein, the surplus, if any, between the carrying value of investments in equity shares of the Transferor Company in the books of account of the Transferee Company and the amount of net assets of the Transferor Company which were appearing in the consolidated financial statements of Transferee Company immediately before the merger will be adjusted against and reflected in the capital reserve of the Transferee Company.

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

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

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

For Zee Entertainment Enterprises Limited

Mihir Modi
Mihir Modi

Chief Financial & Strategy Officer

Date: 24 July 2017



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