

July 24, 2017

BSE Limited  
National Stock Exchange of India Limited

**Kind Attn. Corporate Relationship Department**

Dear Sirs,

**Sub : Proceedings of Board Meeting held on July 24, 2017 - Restructuring of businesses of certain domestic wholly owned subsidiaries under a Composite Scheme of Arrangement and Amalgamation**

This is to inform you that the Board of Directors of the Company at the meeting held today i.e. on July 24, 2017, had approved a proposal for restructuring of businesses of certain domestic wholly owned subsidiaries through a Composite Scheme of Arrangement and Amalgamation, under Sections 230 to 233 of the Companies Act, 2013, *inter alia* for (a) Demerger of Digital Media & Entertainment Business Undertaking from Zee Digital Convergence Ltd, vesting with the Company; (b) Demerger of Advertisement Sales Media Business Undertaking from Zee Unimedia Ltd, vesting with the Company; (c) Demerger of Online Media Business Undertaking from India Webportal Pvt Ltd, vesting with the Company; & (d) Amalgamation of Sarthak Entertainment Pvt Ltd with the Company, with effect from Appointed Date of April 1, 2017. Since the corporate restructuring involves the Company and its wholly owned subsidiaries, the Scheme does not provide for any consideration for the demerger/amalgamation proposed in the Scheme.

Requisite information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 is enclosed herewith.

Kindly acknowledge receipt.

Yours truly  
For **Zee Entertainment Enterprises Limited**

  
**M. Lakshminarayanan**  
**Chief Compliance Officer & Company Secretary**



Encl: As above



||| VASUDHAIVA KUTUMBAKAM |||  
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ZEE ENTERTAINMENT ENTERPRISES LIMITED

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

+ 91 22 7106 1234 F + 91 22 2300 2107

www.zeeentertainment.com | CIN : L92132MH1982PLC028767

**Disclosure of events and information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017**

**a. Names of the entity(ies) forming part of the Composite Scheme of Arrangement and Amalgamation, details in brief such as size, turnover etc.:**

The proposed Composite Scheme of Arrangement and Amalgamation between Zee Digital Convergence Limited and India Webportal Private Limited and Zee Unimedia Limited and Sarthak Entertainment Private Limited and Zee Entertainment Enterprises Limited and their respective shareholders ("**Scheme**") *inter alia* provides for:

- I. Demerger of Digital Media and Entertainment Business Undertaking comprising of Ditto TV and 'Ozee' Platform business of Zee Digital Convergence Limited ("**ZDCL**") as a going concern, vesting with Zee Entertainment Enterprises Limited ("**ZEEL**" or "**the Company**");
- II. Demerger of Online Media Business Undertaking comprising of digital distribution and supply of Media content business of India Webportal Private Limited ("**IWPL**") as a going concern, vesting with the Company;
- III. Demerger of Advertisement Sales Media Business Undertaking comprising of managing of Advertisement sales of Television and Print Media business of Zee Unimedia Limited ("**ZUL**") as a going concern, vesting with the Company; and
- IV. Amalgamation of Sarthak Entertainment Private Limited ("**SEPL**") with the Company;

with effect from the Appointed Date of April 1, 2017.

**Brief details of the entities forming part of Scheme as on 31<sup>st</sup> March, 2017 are as follows:**

(Rs in Crs)

<b>Name of Entity</b>	<b>Turnover</b>	<b>Networth</b>
ZDCL	18.89	(33.17)
IWPL	62.24	27.07
ZUL	121.13	(6.03)
SEPL	47.31	29.81
ZEEL	4,928.40	4421.60



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- b. **Turnover of the demerged undertakings as percentage to the total turnover based on audited financial statement for FY 16-17:**

(Rs in Crs)

Name of Demerged entity	Turnover of Demerged Undertaking	Total turnover of Demerged Entity	Turnover of Demerged Undertaking as % of Total turnover of Demerged entity
ZDCL	16.58	18.89	87.79%
IWPL	62.23	62.24	99.99%
ZUL	121.13	121.13	100.00%

- c. **Whether the transaction would fall within related party transactions? If yes, whether the same is done at arm's length:**

The transaction would fall within related party transaction, as the transaction involves Company and its domestic wholly owned subsidiaries. However, since the Scheme does not provide for any consideration towards demerger/amalgamation the question of arm's length does not arise.

- d. **Area of business of the entities**

Name of the entity	Area of business
ZDCL	ZDCL is engaged in the business of digital media and entertainment and it delivers, broadcasts or transmits television and other Media content using Over the Top Technology ("OTT") or any other technology, including but not limited to live television, video on demand, pay per view or any other mode, to any internet enabled devices, including but not limited to mobile devices, laptop, tablets, desktop, computing devices, portable hand held devices etc.
IWPL	IWPL is engaged in the business of media content management including digitization, content aggregation, conversion, creation, distribution through webportals and providing digital infrastructure, application, facilities etc.
ZUL	ZUL is engaged in the business of providing media sales services by selling advertisement space / obtaining sponsorship for advertisement on various platforms.
SEPL	SEPL is engaged in the business of Broadcasting of an Odiya language General Entertainment Channel 'Sarthak'.
ZEEL	ZEEL is <i>inter alia</i> engaged in the business of Broadcasting of General Entertainment Television Channels, Space Selling/ Distribution agent for other channels and sale of Media Content.



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e. **Rationale for the Scheme of Arrangement and Amalgamation**

The proposed Scheme is expected to render following benefits:

Rationale for Demerger

1. Consolidation of digital media business done through various subsidiaries under ZEEL for deriving the business synergies;
2. Reduction of inter-company transactions & balances;
3. Efficient cash flow management and
4. Elimination of duplication in costs of administration and overheads costs reduction

Rationale for Amalgamation

1. Consolidation of Sarthak with ZEEL will result in consolidation of regional GEC channels within ZEEL;
2. Reducing administrative costs;
3. Removing multiple layer inefficiencies and
4. Achieving operational and management efficiency

f. **Share Exchange ratio:** Nil. Since the Scheme involves the Company and its wholly owned subsidiaries, no consideration would be paid by the Company towards the demerger/amalgamation proposed in the Scheme.

g. **Whether Listing would be sought for the resulting company:** Not Applicable

h. **Brief details of change in shareholding pattern (if any) of all entity:** None



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