



Extraordinary Together

December 22, 2021

The Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Fort,
Mumbai 400 001

BSE Scrip Code Equity: 505537
Preference: 717503

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

Dear Sir/Madam,

Ref: Disclosure under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended ("SEBI Listing Regulations") by Zee Entertainment Enterprises Limited ("Company")

Sub: Outcome of Board Meeting held on December 21, 2021

Pursuant to Regulation 30 read with Schedule III of the SEBI Listing Regulations, we wish to inform you that on the recommendations of the Audit Committee of the Board and the Independent Directors of the Company, the Board of Directors of the Company at its meeting held yesterday i.e. December 21, 2021, has considered and approved the Scheme of Arrangement under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Act"), between Zee Entertainment Enterprises Limited ("the Company" or "Transferor Company 1"), Bangla Entertainment Private Limited ("BEPL or Transferor Company 2", together with the "Transferor Company 1 known as "Transferor Companies") and Sony Pictures Networks India Private Limited ("SPNI" or "Transferee Company") ("Scheme"). We hereby inform you that a meeting of the Board of Directors of the Company ("Board") was held yesterday i.e., December 21, 2021, at 1.00 p.m. and concluded at 3.20 p.m.

At this meeting, the Board, *inter alia*, considered and approved/ took on record, the following:

1. The draft Scheme which provides inter-alia the following:
 - a. sub-division of the share capital of the Transferee Company and issuance and allotment of bonus shares by way of a bonus issue;
 - b. issue of (i) 26,49,56,361 equity shares of the Transferee Company, to the existing shareholders of the Transferee Company, against the infusion of INR 79,48,69,08,300 by way of rights issue; and (ii) 367,10,306 equity shares of the Transferee Company, to Essel Holdings Limited, a promoter entity in Mauritius ("Essel Mauritius") and a wholly owned subsidiary of Essel Mauritius, against the infusion of INR 1,101,30,91,800;



AM

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- c. the merger of the Company into the Transferee Company, and the consequent issue of equity shares of the Transferee Company to the shareholders of the Company, in accordance with Sections 230 to 232 of the Act;
 - d. the merger of BEPL into the Transferee Company and the consequent issue of equity shares of the Transferee Company to the shareholders of BEPL, in accordance with Sections 230 to 232 of the Act;
 - e. issue of 85 fully paid up equity shares of Re. 1 of the Transferee Company to the shareholders of the Company for every 100 fully paid up equity shares of Re. 1 held by such shareholders of the Company;
 - f. issue of 133 fully paid-up equity shares of Re. 1 of the Transferee Company to the shareholders of BEPL for every 10 fully paid up equity shares of INR 10 held by such shareholders of BEPL;
 - g. dissolution without winding up of the Company and BEPL;
 - h. SPE Mauritius Investments Limited will pay to Essel Mauritius an aggregate amount of USD equivalent of INR 1,101,30,91,800 towards non-compete obligations;
 - i. appointment of Mr. Punit Goenka as the Managing Director and the Chief Executive Officer of the Transferee Entity on terms set out in the Scheme; and
 - j. amendment of the Articles of Association of the Transferee Company.
2. Execution of a merger co-operation agreement ("MCA") between the Company, BEPL and the Transferee Company.
 3. Execution of an agreement between Mr. Punit Goenka and the Company, to *inter alia* bind the promoters and the Company in relation to their *inter-se* obligations under the MCA.
 4. Execution of (a) a non-compete and non-solicitation agreement amongst SPE Mauritius Investments Limited and Essel Holdings Limited; and (b) a non-compete and non-solicitation agreement amongst SPE Mauritius Investments Limited and Subhash Chandra, Punit Goenka and Amit Goenka.
 5. Report from the Audit Committee recommending the Scheme.
 6. Audited financial statements of last 3 years of the Transferee Company.
 7. Pre and post amalgamation shareholding pattern of Transferee Company.
 8. Detailed Compliance Report as per the format prescribed by SEBI.



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9. Report from the Committee of Independent Directors.
10. The valuation report dated December 21, 2021 prepared by independent registered valuers Grant Thornton India LLP
11. The fairness opinion dated December 21, 2021 prepared by independent merchant banker Duff & Phelps India Private Limited, Mumbai.

The Scheme is subject to the necessary statutory and regulatory approvals of (i) the shareholders/ the creditors of the Company and other parties to the Scheme, as may be directed by the Hon'ble National Company Law Tribunal, Mumbai Bench (**NCLT**), (ii) the BSE Limited and the National Stock Exchange of India Limited (collectively referred to as the "**Stock Exchanges**") and any other regulatory approvals, permissions, consents, sanctions, exemption as may be required under applicable laws, regulations, guidelines in relation to the Scheme and as set out in the Scheme.

The details/ disclosures required under Regulation 30 and Schedule III of the SEBI Listing Regulations and the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 ("**SEBI Circular**"), are provided in the enclosed **Annexure A**.

The proposed Scheme has been reviewed and recommended for approval by the Audit Committee and the Independent Directors at their meetings held on December 21, 2021.

We request you to take the same on your record. Further, the same shall be treated as compliance under the applicable provisions of the SEBI Listing Regulations and SEBI Circular.

Thanking You,

Yours faithfully,
For **Zee Entertainment Enterprises Limited**


Ashish Agarwal
Chief Compliance Officer & Company Secretary
FCS6669



Encl: As above

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Annexure – A

Details of the Scheme in terms of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) read with SEBI circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015

1. **Name of the entity(ies) forming a part of the Scheme, details in brief such as, size, turnover, etc.**

1.1 **Transferor Companies:**

- a. **ZEE ENTERTAINMENT ENTERPRISES LIMITED ('Transferor Company 1' or 'the Company')**, is a listed public limited company incorporated under the Companies Act, 1956 with corporate identity number L92132MH1982PLC028767, and having its registered office at 18th Floor, A-Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai - 400013, India. The equity shares of the Company are listed on the Stock Exchanges. The Company is *inter-alia* engaged in TV content development, broadcasting of regional and international entertainment satellite television channels, movies, music and digital business. The Company is India's one of the largest entertainment network.
- b. **BANGLA ENTERTAINMENT PRIVATE LIMITED ('Transferor Company 2' or 'BEPL')**, a company incorporated under the Companies Act, 1956 with corporate identification number U92199MH2007PTC270854, and having its registered office at 4th Floor Interface, Building No. 7 Off Malad Link Road Mumbai, Mumbai 400064. BEPL is *inter alia* engaged in the business of acquisition, production, distribution and broadcast of audio-visual content for exploitation of such program services on a worldwide basis.

(together known as "**Transferor Companies**")

1.2 **Transferee Company:**

SONY PICTURES NETWORKS INDIA PRIVATE LIMITED ('SPNI' or 'Transferee Company'), a company incorporated under the Companies Act, 1956 with corporate identity number U92100MH1995PTC111487, and having its registered office at 4th Floor, Interface, Building Number 7, Off Malad Link Road, Mumbai 400064, India. The Transferee Company is engaged in the business of, *inter alia* (1) creating, owning, operating, programming, providing, transmitting, distributing and promoting linear and non-linear non-news program services, including sports program services, delivered by any means primarily to viewers in India and the Indian diaspora globally, and (2) production, exhibition, broadcast, re-broadcast, transmission, re-transmission or other exploitation of non-news audio-visual content, including sports content, in any format or in any language spoken in India (including English) for exploitation of such program services.



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- 1.3 The paid-up share capital, net worth, and turnover the companies involved in the Scheme are as follows:

(Amount in Millions)

Company	Paid-up Share Capital	Equity	Turnover	Net Worth
Company (as on March 31, 2021)		961	66,654	88,239*
BEPL (as on March 31, 2021)		18	751	1608
Transferee Company (as on March 31, 2021)		119	55,268	62,488

* Includes face value of preference share capital of Rs. 4,034 million

2. Whether the transaction would fall within related party transaction(s)? and if yes, whether the same is done at “arm’s length”?

- 2.1 The merger of the Company into the Transferee Company would not fall within related party transaction.
- 2.2 The promoter/promoter group of the Company do not have any interest in the Scheme, other than (a) for shares of Transferee Company that would be issued to them in lieu of the shares held in the Company; and (b) appointment of the Mr. Punit Goenka as the Managing Director and Chief Executive Officer of the Transferee Company.
- 2.3 The Scheme is *inter-alia*, subject to approval of majority of the public shareholders of the Company, in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time.

3. Area of Business of the entities

Please refer to paragraph 1.

4. Rationale for amalgamation/ merger:

- 4.1 The Company is inter-alia engaged in TV content development, broadcasting of regional and international entertainment satellite television channels, movies, music and digital business. The Company is India's one of the largest entertainment networks.
- 4.2 The Transferee Company is engaged in the business of creating, owning, operating, programming, providing, transmitting, distributing and promoting linear and non-linear, non-news program services, including sports program services, delivered by any means primarily to viewers in India and the Indian diaspora globally; and (2) production, exhibition, broadcast, re-broadcast, transmission, re-transmission or other exploitation of non-news audio-visual content, including sports content, in any format or in any language spoken in India (including English) for exploitation of such program services.



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- 4.3 BEPL is also, *inter alia*, engaged in business of acquisition, production, distribution and broadcast of audio-visual content for exploitation of such program services on a worldwide basis.
- 4.4 The Scheme would be to the benefit of the shareholders and creditors of each of the Transferor Companies and the Transferee Company and would, *inter alia*, have the following benefits:
- 4.4.1 the proposed amalgamation and issuance of equity shares pursuant to the Scheme will enable the Transferor Companies and the Transferee Company to combine their businesses and create a financially strong amalgamated company. Each of the Transferor Companies and the Transferee Company bring well recognized entertainment offerings across platforms that will enable the amalgamated company to cater to the entertainment needs of viewers across various segments and age groups;
- 4.4.2 the Transferor Companies and the Transferee Company have a history of bringing quality entertainment content to audiences across India. The amalgamated company will be well positioned to capitalize on the growth in the television broadcasting market;
- 4.4.3 each of the Transferor Companies and the Transferee Company have a strong presence in the digital media space. The Company and the Transferee Company are amongst the leading over the top platforms. Each of the Parties' content and strengths when combined will position the amalgamated company to capitalize on the rapid growth in the digital market and compete with market leaders;
- 4.4.4 the combined scale and audience reach of the amalgamated company across television and digital platforms, will also enable it to compete effectively for advertisers. The financial strength of the amalgamated company will also enable it to compete effectively for acquiring upcoming rights to marquee sporting events across cricket and other sports; and
- 4.4.5 each of the Transferor Companies and the Transferee Company have a strong brand recall across both television and digital media markets and as both markets evolve and grow, the amalgamated company will be well positioned to compete effectively with its peers in these markets. The transactions contemplated by the Scheme provides an opportunity that benefits all the stakeholders of the Transferor Companies and the Transferee Company.

5. In case of cash consideration - amount or otherwise share exchange ratio:

- 5.1 The equity shares of the Transferee Company having a face value of INR 10 shall be sub-divided into 10 equity shares having a face value of Re. 1 each. Subsequently, bonus shares, and 26,49,56,361 equity shares in exchange for a total consideration of INR 79,48,69,08,300 will be issued to existing shareholders of the Transferee Company.



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- 5.2 The shareholders of the Transferee Company shall be issued and allotted 26,49,56,361 equity shares by the Transferee Company, upon payment of SPNI Subscription Amount (*as defined in the Scheme*) being INR 79,48,69,08,300 by the shareholders of the Transferee Company, based on the valuer report dated December 21, 2021.
- 5.3 Essel Mauritius and its wholly owned subsidiary, which is to be incorporated, as the promoters of the Company, shall pay INR 1,101,30,91,800 towards the issue and allotment of 367,10,306 equity shares of the Transferee Company, based on the registered valuer report dated December 21, 2021.
- 5.4 Upon the Scheme becoming effective, in consideration of the merger and based on the valuation report issued by RBSA Capital Advisors LLP, the equity shares of the Transferee Company will be issued and allotted by the Transferee Company to the shareholders of the Company and BEPL in the following manner:
- (i) the Transferee Company shall, without any further act, instrument or deed and after taking into effect the share issuance, bonus issuance and sub-division of the share capital of the Transferee Company in accordance with Section I of the Scheme, issue and allot to each shareholder of the Company as on the Record Date (as defined in the Scheme), 85 (Eighty Five) fully paid-up Equity Shares of INR 1 (Indian Rupees One) each of the Transferee Company for every 100 (One Hundred) fully paid-up Equity Shares of INR 1 (Indian Rupees One) of each of the Company.
 - (ii) the Transferee Company shall, without any further act, instrument or deed and after taking into effect the share issuance, bonus issuance and sub-division of the share capital of the Transferee Company in accordance with Section I of the Scheme, issue and allot to each shareholder of BEPL as on the Record Date (as defined in the Scheme), 133 (One Hundred and Thirty Three only) fully paid-up Equity Shares of INR 1 (Indian Rupees One) each of the Transferee Company for every 10 (Ten) fully paid-up Equity Shares of INR 10 (Indian Rupees Ten) each of BEPL.

The said Equity Shares in the Transferee Company to be issued to the equity shareholders of the Company and BEPL shall rank *pari passu* in all respects with the existing Equity Shares of the Transferee Company, including with respect to dividend, bonus, voting rights and other corporate benefits attached to the Equity Shares of the Transferee Company. The said Equity Shares in the Transferee Company shall be listed and admitted for trading on the Stock Exchanges by virtue of the Scheme.



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6. Brief details of change in shareholding pattern (if any) of listed entity.

The brief details of the shareholding of the companies pre and post Scheme are as follows, on a fully diluted basis as of December 21, 2021:

Company

Category	Before Scheme (as on March 31, 2021)		Post Scheme*	
	No of Equity Shares	% of Total	No of Equity Shares	% of Total
Promoters	38,316,284	3.99	--	--
Public	922,188,191	96.01	--	--
Total	960,504,475	100	--	--

*The Company shall cease to exist upon the effectiveness of the Scheme.

BEPL

Category	Before Scheme		Post Scheme*	
	No of Shares	% of Total	No of Shares	% of Total
Promoters	1,806,640	100%	--	--
Public	--	--	--	--
Total	1,806,640	100%	--	--

*BEPL shall cease to exist upon the effectiveness of the Scheme.

Transferee Company

Category	Before Scheme		Post Scheme	
	No of Shares	% of Total	No of Shares	% of Total
Promoters				
- Sony	11,883,660	100%	883,092,091	50.86%
- Essel	--	-	69,279,147	3.99%
Public	--	--	783,948,248	45.15%
Total	11,883,660	100	173,63,19,486	100



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