April 09, 2020

The Listing Department BSE Limited Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai 400 001 **BSE Scrip Code: Equity - 505537** **Pref - 717503**	The Listing Department National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 **NSE Scrip Code**: **Equity - ZEEL EQ** **Pref - ZEEL P2**

Dear Sirs,

Sub: Intimation under Regulation 30 of SEBI Listing Regulations – Additional Investment in a subsidiary

The Company had acquired 80% equity stake in Margo Networks Private Limited ("SugarBox") in 2017. This investment was made to exploit strong synergies of the technology developed by SugarBox with the current business of the Company and with a potential to significantly augment the digital content consumption.

The Board of the Company at its meeting held on April 8, 2020 has agreed to extend financial and operational support to SugarBox for the reasons set out in detail below. The Company will invest a sum of ₹ 5,220 mn in SugarBox over a period of time and will provide operational support including through providing performance and corporate guarantees as appropriate and necessary and has authorized SugarBox to finalize the terms of 10 years contract with RailTel Corporation of India Limited.

Brief particulars of the investment are set out below:

1. **Brief details of SugarBox**

   SugarBox operates in the CDN and telecommunications industry and is engaged in providing hyperlocal content distribution services at key places of interest including public transport, rural areas, public places, hospitality and residential areas by setting up storage, compute, wired and wireless connectivity infrastructure. SugarBox has been developing and piloting a first-of-its-kind technology platform in the world in FY18 and FY19 and has recently launched beta services to users at Hyderabad and Chennai Metro, with 22,000 users using the platform daily and across pilots has over 1 mn unique users in all. SugarBox is expected to close FY20 with a turnover of Rs. 4.7 mn.

2. **Related party details**

   SugarBox is a related party of the Company. The transaction is, and will be, undertaken on an *'arm's length'* basis. None of the promoter/ promoter group/ group companies have any interest in SugarBox.

3. **Objects and effects of the proposed investment:**

   Since the initial investment by the Company in 2017, SugarBox has developed and patented technology under its brand "SugarBox" that enables seamless access to mobile Apps, even in places with bad or no network and empowers users without an active internet connection to use mobile Apps. The most disruptive part is that there are no data limits or data charges to the consumer for consumption across supported Apps on the SugarBox network. With the successful pilots of this technology, SugarBox has secured long term exclusive contracts with public transport corporations. SugarBox has also recently bagged a Letter of Award (LOA) to power trains operated by the Indian Railways, Kolkata Metro and all Wi-Fi enabled stations for a period of 10 years.

   With this investment, SugarBox will commence commercial operations across existing contracts like L&T Metro, Chennai Metro, NMMT, Kolkata Metro, Indian Railways and forge new partnerships to scale up its network. With this, the SugarBox platform is expected to reach 25 mn users daily and 300 mn monthly unique users by mid-2022, spending an aggregate of 2.5 bn hours monthly in a near-captive environment, where access to Apps is limited due to patchy connectivity. Using the SugarBox platform, a user will be able to stream Zee5 videos, listen to Zee Music, play games, learn on-the-go, shop online and engage in other E-commerce activities like order food or book onward transport, etc. This will benefit the Company by offering an ecosystem play (similar to investments in DTH in the broadcast industry) and contributing to its broader digital strategy. Via this investment, Zee will be able to contribute to the growth of the entire digital ecosystem, expanding Zee's digital presence beyond OTT & AdTech and enable Zee to benefit from the growth of the entire digital ecosystem.

4. Brief details of any governmental or regulatory approvals required for the acquisition –No approvals required

5. Indicative time period for completion of the acquisition – It will be over a period of 2-3 years.

6. Cost of the acquisition and nature of consideration- It is yet to be finalized.

7. Percentage of shareholding / control acquired and / or number of shares acquired - It is yet to be finalized.

This is for your information and records.

Thanking You,

Yours faithfully,
for Zee Entertainment Enterprises Limited
S/d
Ashish Agarwal
Company Secretary

Note: Due to ongoing COVID -19 pandemic outbreak and consequent lockdown, this disclosure is being submitted without signature of the authorized person.