ZEE ENTERTAINMENT ENTERPRISES LIMITED

Registered Office: Continental Building, 135, Dr. Annie Besant Road,
Worli, Mumbai-400 018. Tel. 022 – 2483 1234 Fax. 2490 0302
Website – **www.zeetelevision.com**

Dear Shareholders,

Notice pursuant to Section 192A of the Companies Act, 1956

NOTICE IS HEREBY GIVEN, pursuant to Section 192A(2) of the Companies Act, 1956, read with the Companies (Passing Of The Resolutions By Postal Ballot) Rules, 2001, that the following Special Resolution under Section 77A of the Companies Act, 1956 ('the Act'), seeking consent of the shareholders for buyback of fully paid-up Equity Shares of the Company within the maximum limit prescribed under the said Section of the Act , from open market through the Stock Exchanges as prescribed under the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 is proposed to be passed by postal ballot.

The Board of Directors of the Company at the meeting held on February 11, 2011 have, subject to the consent of Members of the Company, approved the proposal for the said buy-back. Under the provisions of Section 77A of the Act, the Company is required to obtain the approval of the Members by way of a Special Resolution for buy-back of Equity Shares upto 25% of paid-up Capital and Free Reserves and the said approval of Members is required to be obtained by means of voting by Postal Ballot as per Section 192A of the Act read with Companies (Passing of the Resolutions by Postal Ballot) Rules, 2001. Accordingly the Company seeks your consent to the proposed Special Resolution contained in this Notice.

The Explanatory Statement pertaining to the said Special Resolution setting out all material facts and reasons thereof along with a Postal Ballot Form is annexed herewith. The Company has appointed Mr. Satish Shah, Practising Company Secretary, as the Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

You 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 postage pre-paid envelope so as to reach the Scrutinizer at the Registered Office of the Company at Continental Building, 135, Dr. Annie Besant Road, Worli, Mumbai 400 018, not later than the close of working hours on 24th March 2011. The postage will be borne and paid by the Company.

The Scrutinizer will submit his report to the Chairman of the Company or in his absence to the Managing Director & CEO of the Company, upon completion of scrutiny of the Postal Ballots in a fair and transparent manner and the results of the Postal Ballot will be announced on Friday, the 25th day of March, 2011 at 5.00 p.m. at the Registered Office of the Company. The Results of the Postal Ballot will also be displayed on the said address and posted on the Company's website **www.zeetelevision.com** besides making appropriate communications to the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE).

The date of declaration of the results of the postal ballot shall be the date on which the resolution would be deemed to have been passed by the Members, if approved by requisite majority.

Proposed Resolution

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"Resolved that in accordance with Article 7B of the Articles of Association of the Company and pursuant to the provisions of Section 77A, 77AA, 77B and other applicable provisions, if any, of the Companies Act, 1956 ('the Act') and in compliance of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, including any statutory modifications or re-enactments thereof from time to time ('Buy-back Regulations') and, subject to such other approvals, permissions and sanctions as may be necessary, the consent of the Members be and is hereby accorded to the Board of Directors (hereinafter referred to as 'the Board' which expression shall include any Board Committee and/or any Director/official authorized by the Board for the purpose) for the purchase of the Company's fully paid-up Equity Shares each of face value of Re. 1 each to the extent of, but not exceeding, 25% of the Company's fully paid-up Equity Shares at a price not exceeding Rs. 126 (Rupees One Hundred Twenty Six only) per equity share from the Open Market through the Bombay Stock Exchange Limited and/or the National Stock Exchange of India Limited ('Buy-back'), subject to the condition that the aggregate amount to be expended by the Company for the said Buy-back shall not exceed Rs. 700 Crores, that is within 25% of the Company's fully paid-up Equity Share Capital and Free Reserves based on the Audited financial statements of the Company as at March 31, 2010.

Resolved further that the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper to be in the best interest of the shareholders, including but not limited to appointment of Merchant Bankers, Brokers, Bankers, Solicitors, Registrars, Depository Participants and other intermediaries / agencies for the implementation of the Buy-back, carry out incidental documentation as also to make applications to the appropriate authorities for their requisite approvals and to initiate all necessary action for opening of accounts, preparation and issuance of various documents, including Public Announcement, Declaration of Solvency, Extinguishment of Share Certificates and Certificate of Extinguishment required to be filed in connection with the Buy-back on behalf of the Board and such other undertakings, agreements, papers, documents and

correspondence as may be necessary for the implementation of the Buy-back, to the Securities and Exchange Board of India, Bombay Stock Exchange Limited and National Stock Exchange of India Limited, Registrar of Companies, Depositories and/or other authorities."

By **Order of the Board of Directors**

M Lakshminarayanan

Executive Vice President & Company Secretary

Mumbai, February 16, 2011

Registered Office:
Continental Building,
135, Dr. Annie Besant Road,
Worli, Mumbai-400 018.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

As required under Section 173(2) read with Section 77A and other applicable provisions of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, read with Schedule I of the Buy-back regulations, this Explanatory Statement contains relevant and material information, as detailed herein, to enable the shareholders to consider and approve the proposed Special Resolution on Buyback of Company's Equity Shares:

1. The Board of Directors of the Company at the meeting held on February 11, 2011 had, subject to the approval of Members, approved the proposal for Buy-back of upto maximum of 244,519,033 fully paid Equity Shares of Re. 1 each (equivalent to 25% of the paid up capital) at a price not exceeding Rs. 126 per Equity Share, subject further to the condition that the aggregate amount to be paid by the Company for the said buy-back (excluding brokerage & other charges, if any) shall not exceed Rs. 700 Crores i.e. within 25% of paid up capital & free reserves of the Company based on the Audited Financials as at March 31, 2010.

   Since the Company is currently in the process of seeking the approval of Hon'ble Bombay High Court to the Scheme of Amalgamation of ZES Holdings Ltd, Mauritius and Zee Multimedia Worldwide Limited, BVI (two wholly owned foreign subsidiaries of the Company) with the Company, the proposed Buy-back shall be implemented upon receipt of the approval of Hon'ble Bombay High Court for the said Scheme of Amalgamation.

2. The Buy-back is proposed considering the availability of accumulated cash currently invested in treasury operations, the expected future cash-flows from business operations and funding requirements of the Company to fund its future expansion plans. The Buy-back is expected to
   - ✓ Reduce outstanding number of equity shares and consequently increase earning per share over a period of time and enhance long term value creation;
   - ✓ Effectively utilize cash-surplus and
   - ✓ Make the balance sheet leaner and more efficient to improve key ratios like Return on Networth, Return on Assets etc

3. The Buyback is proposed to be implemented by the Company from the Open Market purchases through the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

4. The aggregate paid-up Capital and free reserves of the Company as at March 31, 2010 is Rs. 2818.33 Crores and under the provisions of the Act, the funds deployed for buy-back shall not exceed 25% of paid-up capital and free reserves of the Company. Accordingly the maximum amount that can be utilized in the present buy-back is Rs. 704.58 Crores. The aggregate amount proposed to be expended for the buy-back is Rs. 700 Crores, which is within the maximum amount as aforesaid. Further under the Act, the number of Equity Shares that can be bought back during the financial year shall not exceed 25% of the Paid-up Equity Shares of the Company. Accordingly, the maximum number of Equity shares that can be bought back would not exceed 244,519,033 Equity Shares being 25% of 978,076,130 Equity Shares of Re. 1 each as at December 31, 2010.

   The Buy-back is proposed to be funded from out of internal accruals and other sources permissible under applicable law and regulations. The funds required for the buy-back will be drawn out of the Securities Premium Account and/or Free Reserves of the Company.

5. The maximum buy-back price of Rs. 126/- per share, has been arrived at after considering various factors such as average price of the Equity Shares of the Company on the Stock Exchanges where the Equity Shares of the Company are listed, the Net worth of the Company and the impact of the Buy-back on the Earning Per Share of the Company.

   The actual reduction in outstanding number of shares would depend upon the price at which the equity shares of the Company are traded at the Stock Exchanges as well as the total number of shares bought back by the Company from the open market. However, assuming the shares are purchased at the maximum price of Rs. 126 and that the Company would be in position to successfully purchase shares for an amount of Rs. 700 Crores as may be approved by the Shareholders, the total number of shares that would be purchased at the maximum price in terms of the approval of the shareholders would be approximately 55,555,555 Equity Shares and the outstanding shares would be accordingly reduced to that extent.

The Buy-back is proposed to be completed within the maximum period of twelve months from the date of passing of the said Special Resolution. Subject to the maximum price of Rs. 126/- per Equity Share for buy-back and maximum validity period of twelve months, the time frame and the price will be determined by the Board.

6. The aggregate shareholding of the Promoters of the Company, comprising of Individuals, Bodies Corporate and Limited Liability Partnerships (LLPs), as on the date of Board Meeting i.e. February 11, 2011, comprises of 418,472,440 Equity Shares equivalent to 42.79% of paid-up Share Capital of the Company.

Particulars of shareholding of the Promoters as at February 11, 2011 is as detailed herein:

Name of Promoters	No of Shares	% of Shareholding
Laxmi Goel	3843758	0.39%
Sushila Goel	1360000	0.14%
Ashok Kurien, Director and Promoter	4472710	0.46%
Ambience Business Services Pvt Ltd	4983064	0.51%
Ganjam Trading Company Pvt Ltd	19777864	2.02%
Churu Trading Company Pvt Ltd	47920814	4.90%
Essel Infraprojects Ltd	14018290	1.43%
Briggs Trading Company Pvt Ltd	1172358	0.12%
Prajatma Trading Company Pvt Ltd	17908984	1.83%
Premier Finance & Trading Co Ltd	101589186	10.39%
Veena Investment Pvt Ltd	28738218	2.94%
Asian Satellite Broadcast Pvt Ltd	420090	0.04%
Delgrada Limited, Mauritius	102888286	10.52%
Lazarus Investments Ltd, Mauritius	23000000	2.35%
Essel Holdings Ltd, Mauritius	46378518	4.74%
Jayneer Enterprises LLP	100	0.00%
Churu Enterprises LLP	100	0.00%
Prajatma Enterprises LLP	100	0.00%
Total	**418472440**	**42.79%**

During the last six months ending on February 11, 2011 i.e. the date of the Board Meeting at which the buyback proposal was approved,

a) except certain *inter-se* transfer of shares of the Company amongst the Promoters
(i) in pursuance of Scheme(s) of Arrangement(s) and
(ii) Equity Shares aggregating to 150 shares bought by the LLPs *inter-se* Promoters at Rs. 302.15 per share,
no other Equity Shares of the Company were either purchased or sold by the Promoters;

b) none of the Directors of Promoter Group have either purchased or sold Equity Shares of the Company.

7. The Promoters will not participate in the Buy-back.

8. In compliance with the provisions of the Companies Act, 1956:

a) the ratio of the debt owned by the Company would not be more than twice the Share Capital and Free Reserves after the buy-back;

b) the Company will not issue any fresh Equity Shares within a period of six months after the completion of buy-back except by way of bonus shares or in discharge of subsisting obligations such as conversion of convertible instruments, stock options etc.

9. The Company confirms that there are no defaults subsisting in the repayment of deposits, redemption of debentures or preference shares or repayment of term loans to any financial institutions or banks.

10. The Board of Directors hereby confirms that it has made full inquiry into the affairs and prospects of the Company and that they have formed the opinion-

(a) that, immediately following the date on which the results of the Postal Ballot are declared there will be no grounds on which the company could be found unable to pay its debts;

(b) that, as regards the prospects for the year immediately following the date on which the results of the Postal Ballot are declared, having regard to their intentions with respect to the management of the company's business during that year and to the amount and character of the financial resources which will in their view be available to the company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from that date; and

(c) that in forming their opinion for the above purposes, the Board has taken into account the liabilities as if the company were being wound up under the provisions of the Companies Act, 1956

11. The Company shall transfer from its Free Reserves a sum equal to the nominal value of the equity shares purchased through the Buy-back to the Capital Redemption Reserve Account and the details of such transfer shall be disclosed in its subsequent Audited Financials.

12. The report dated February 11, 2011 received from M/s. MGB & Co., Chartered Accountants, the Statutory Auditors of the Company addressed to the Board of Directors of the Company is reproduced below:

'In connection with the proposed buy-back of equity shares approved by the Board of Directors of Zee Entertainment Enterprises Limited (hereinafter referred to as 'the Company) at their meeting held on February 11, 2011, in pursuance of the Companies Act, 1956 and the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 and based on the information and explanations given to us, we M/s. MGB & Co., Chartered Accountants, Statutory Auditors of the Company report that:

a) we have enquired into the state of affairs of the Company in relation to its Audited financials as at March 31, 2010, which were taken on record by the Board of Directors of the Company at their meeting held on September 23, 2010 and adopted at the Annual General Meeting held on October 29, 2010.

b) The Capital payment (including premium) of amount not exceeding Rs. 700 Crores towards the proposed buy-back of equity shares is properly determined in accordance with Section 77A(2)(c) of the Companies Act, 1956 and is within the permissible amount of 25% of the Paid up Equity Capital and Free Reserves of the Company as computed below. The amounts of Share Capital and Free Reserves have been extracted from the Audited Financial statements of the Company for the year ended on March 31, 2010:

(Rs in Crores)

Particulars	**As at March 31, 2010**
Subscribed and Paid-up Share Capital (including Share Suspense account)	48.90
Free Reserves:	
Securities Premium Account	1154.54
General Reserve	503.71
Profits and Loss Account	1111.18
Total	**2818.33**
Maximum amount permissible for Buy-back i.e. 25% of the total paid-up Capital and free reserves	**704.58**

c) The Board of Directors of the Company at their meeting held on February 11, 2011, have formed their opinion as specified in clause (x) of the Schedule I of the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998 on reasonable grounds, that the Company will not, having regard to its state of affairs, be rendered insolvent within in a period of one year from the date of declaration of results of Postal Ballot.

d) This report has been issued at the request of the Company in connection with the proposed buy-back and may not be used for any other purpose.'

All the material documents referred to in the Explanatory Statement such as Memorandum and Articles of Association, relevant Board resolution and Auditor's Report would be available for inspection at the Registered Office of the Company on all working days except Saturday and Public Holidays between 2.00 p.m. to 4.00 p.m.

None of the Directors of the Company, except for Mr. Subhash Chandra, Mr. Punit Goenka and Mr. Ashok Kurien, being Promoter Directors, may be deemed to be concerned or interested in the Resolution as set out in the notice pursuant to Section 192A of the Companies Act, 1956.

By **Order of the Board of Directors**

M Lakshminarayanan
Executive Vice President & Company Secretary

Mumbai, February 16, 2011

Registered Office:
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135, Dr. Annie Besant Road,
Worli, Mumbai-400 018.