

October 27, 2016

BSE Limited.

National Stock Exchange of India Limited.

Kind Attn. Corporate Relationship Department

Dear Sir,

Proceedings of the Board Meeting held on October 27, 2016

This is to inform you that the Board of Directors of the Company at the meeting held today has *inter alia* approved a draft of the Scheme of Arrangement and Amalgamation between Zee Media Corporation Limited ("the Demerged Company" or "the Transferee Company 2"), Diligent Media Corporation Limited ("Resulting Company" or "Transferee Company 1"), Mediavest India Private Limited ("Transferor Company 1"), Pri-Media Services Private Limited ("Transferor Company 2"), Maurya TV Private Limited ("Transferor Company 3") and their respective shareholders and creditors under sections 391 to 394 read with Section 100 to 103 of the Companies Act, 1956 and Section 52 of the Companies Act, 2013, subject to requisite statutory and regulatory approvals. The Appointed for the Scheme of Arrangement and Amalgamation will be April 1, 2017.

To facilitate the Scheme, the Board has also approved the reorganization of the existing investments currently held in Transferor Company 1 and 2 into the investments in Resulting Company as Redeemable Preference Shares.

The requisite information pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 along with a Press Release issued in this regard is enclosed herewith.

Kindly acknowledge receipt.

Yours truly,

ZEE MEDIA CORPORATION LIMITED



Pushpal Sanghavi
Company Secretary

Encl. As above



|| **VASUDHAIVA KUTUMBAKAM** ||
THE WORLD IS MY FAMILY

ZEE MEDIA CORPORATION LIMITED

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Disclosure of events and information pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD/4/2015 September 9, 2015

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

The proposed Scheme of Arrangement and Amalgamation between Zee Media Corporation Limited, Diligent Media Corporation Limited, Mediavest India Private Limited, Pri-Media Services Private Limited, Maurya TV Private Limited and their respective shareholders and creditors with shall be effective from the Appointed Date of April 1, 2017 ("Scheme") *inter alia* provides for:

- I. Demerger of Print Media Undertaking of Zee Media Corporation Limited ("Demerged Company" or "Zee Media") as a going concern and vesting of the same with Diligent Media Corporation Limited ("Resulting Company" or "DMCL") and subsequent listing of equity shares of DMCL in the Stock Exchanges where the Company's shares are listed viz BSE & NSE;
- II. Amalgamation of Mediavest India Private Limited ("Transferor Company 1" or Mediavest) and Pri-Media Services Private Limited ("Transferor Company 2" or "Pri-media") with DMCL ("Transferee Company 1"); and
- III. Amalgamation of Maurya TV Private Limited ("Transferor Company 3" or "Maurya") with Zee Media ("Transferee Company 2")

Brief details of the entities forming part of Scheme of Arrangement and Amalgamation as on 31st March, 2016 are as follows:

(Rs. in crores)

Name of the Companies	Turnover	Paid-up Capital	Reserves & Surplus
Zee Media	383.60	47.08	559.55
DMCL	100.65	89.10	(412.47)
Mediavest	-	0.01	(174.77)
Pri-Media	52.57	0.01	(40.77)
Maurya	8.35	22.13	(16.64)

- b. **Brief details division(s) to be demerged**

Print Media Undertaking includes DNA business carried out through "I am in dna of India" project and newspaper printing business carried out through Pri-Media and Mediavest.



- c. **Turnover of the demerged division as percentage to the total turnover of the listed entity as at 31st March, 2016:**

The details of the turnover of the Print Media Undertaking (including DMCL) based on the consolidated financials of Zee Media as on March 31, 2016 is as under:

Name of the Division	Turnover (Rs. In Crs)	Turnover of the Division as % of total Turnover of Zee Media on consolidated basis
Print Media Undertaking	Rs. 108.36	19.96%

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

Yes, the transaction would fall within the related party transactions as the same is proposed between Zee Media and its wholly owned subsidiaries.

As regards the demerger of Print Media Undertaking from Zee Media into DMCL, the consideration is based on share entitlement ratio determined by Independent valuers and will be subject to approval of Shareholders, High Court of Judicature at Bombay / NCLT and other regulatory agencies.

As regards the merger of (i) Mediavest and Pri Media with DMCL and (ii) Maurya with Zee Media, the proposed mergers are between the wholly owned subsidiaries and their respective parent companies and therefore no consideration is to be discharged, accordingly, the question of "arm's length" does not arise.

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

Name of the entity	Area of business
Zee Media	The Company is mainly in the business of broadcasting of National and Regional language news / current affairs channels and sale of television programs including program feeds.
DMCL	The Company is engaged in the business of publishing and distribution of a English daily newspaper DNA.
Mediavest	The Company is a holding company of DMCL.
Pri-Media	The Company is in the business of Printing of newspapers, periodicals, financial statements, magazines, annual reports, books and others on job work basis.
Maurya	The Company is engaged in the business of broadcasting of 'Zee Purvaiya' a regional news and current affairs channel catering to Bihar & Jharkhand region.



f. Rationale for the Scheme of Arrangement and Amalgamation

Rationale for Demerger of Print Media Undertaking:

- (a) Both TV news and Print Media business carried on by Zee Media have significant potential for growth. The nature of risk and returns involved in both the businesses are distinct from each other and consequently each business or undertaking is capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which each of these businesses are required to be managed.
- (b) Further, both businesses have different set of regulations to comply with, which include restrictions on the extent of foreign investment depending on the business activity carried on by it. As per the FDI Policy Guidelines, Foreign Direct Investment (FDI) is allowed upto 49% under approval route in companies engaged in the news and current affairs business i.e. Zee Media. Whereas, FDI upto 26% is permitted under approval route in companies engaged in business of publishing of newspapers i.e. DNA business.
- (c) In order to enable distinct focus of investors to invest in some of the key businesses and to lend greater focus to the operation of both the diverse businesses, it is proposed to segregate the print media business i.e. Print Media Undertaking into DMCL.

The proposed demerger once completed would achieve the following benefits:

- (i) Simplified and efficient business structure;
- (ii) Attribution of appropriate risk and valuation to different businesses based on their respective risk-return profile and cash flows;
- (iii) More focused management and greater visibility on the performance of individual businesses.

Rationale for Merger of identified entities:

The merger of Mediavest and Pri Media with DMCL would achieve consolidation of print media business under DMCL.

Merger of Maurya TV would accomplish reduction in administrative costs and achieving better operational and management efficiency.

The proposed mergers would accomplish the following:

- i) Reducing administrative cost;
- ii) Removing multiple layer inefficiencies; and
- iii) Achieving operational and management efficiency.



g. Share Exchange ratio:

1. In case of demerger of Print Media Undertaking of Demerged Company into Resulting Company:

Resulting Company will issue its Equity shares to shareholders of Demerged Company, as mirror shareholding in the following share exchange ratio:

"1 (one) equity share of Re. 1 each of Resulting Company will be credited as fully paid up for every 4 (Four) equity shares of Re. 1 each held by a shareholder in the Demerged Company.

2. In case of merger

For merger of Mediavest and Pri Media with DMCL

As both Mediavest and Pri Media would become wholly owned subsidiaries of DMCL on demerger becoming effective, there is no consideration payable by DMCL on merger.

For merger of Maurya with Zee Media

Zee Media shall not pay any consideration on merger, as Maurya is a wholly owned subsidiary of Zee Media.

h. Whether Listing would be sought for the resulting company:

Equity Shares proposed to be issued by DMCL pursuant to the Scheme are proposed to be listed on the Stock Exchange wherein Equity Shares of Zee MediaL are listed i.e. at BSE Limited and National Stock Exchange of India Limited.

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

There will be no change in shareholding pattern of Zee Media pursuant to the Scheme of Arrangement.

Post demerger, DMCL's shareholding would be mirror image of shareholding of Zee Media.

As regards the Transferor Entities, as the same would be amalgamated, the question of the change in their shareholding pattern does not arise.





ZEE MEDIA CORPORATION LIMITED

PRESS RELEASE

ZEE MEDIA BOARD APPROVES PLAN TO DEMERGE AND LIST PRINT MEDIA UNDERTAKING

DEMERGER WILL RESULT IN SIGNIFICANT DELEVERAGING FROM ZEE MEDIA CONSOLIDATED BALANCE SHEET

DEMERGER WILL RESULT IN IMPROVED PBT AT ZEE MEDIA CONSOLIDATED LEVEL

DEMERGER WOULD UNLOCK SUBSTANTIAL VALUE FOR ALL STAKEHOLDERS

ZEE MEDIA WILL HAVE THE ABILITY TO ATTRACT FOREIGN INVESTORS UPTO 49% POST CARVE OUT OF PRINT MEDIA BUSINESS SUBJECT TO NECESSARY REGULATORY APPROVALS

Mumbai, October 27, 2016

The Boards of Directors of Zee Media Corporation Limited ("Zee Media") and Diligent Media Corporation Limited ("DMCL") today approved a proposal to independently list its print media business on the stock exchanges.

In order to enable distinct focus to the operation of both the businesses carried out by Zee Media i.e. TV news and print media, it is proposed to segregate the Print Media Business Undertaking into DMCL. The proposed demerger will enable more focused management and greater visibility on the performance of individual businesses. It will also enable attribution of appropriate risk and valuation to different businesses by the shareholders based on their respective risk-return profile.

Based on the financials for the six months ended on September 30, 2016, the proforma PBT (excluding exceptional items) of Residual consolidated Zee Media will improve by approx. Rs 25 crores on account of the aforesaid demerger.

The proposed restructuring which shall have Appointed Date of April 1, 2017 entails implementation of the scheme through two steps:

- Demerger of Print Media business of Zee Media into DMCL
- Consolidation of print media entities through merger of Pri-Media Services Private Limited ("Pri Media") and Mediavest India Private Limited ("Mediavest") with DMCL.

The composite Scheme also provides for the merger of Maurya TV Private Limited ("Maurya") with Zee Media to streamline the entities under Zee Media.

The Boards have approved the following exchange ratios based on the recommendations of the independent valuers (as mentioned below):

- For Demerger of Print Media business, each shareholder of Zee Media will get 1 (one) equity share of DMCL for every 4 (four) equity shares held in Zee Media
- For Merger of Mediavest and Pri Media into DMCL- No shares will be issued since pursuant to the aforesaid demerger they would become wholly owned subsidiaries of DMCL.
- For Merger of Maurya into Zee Media - No shares will be issued to shareholders of Maurya being wholly owned subsidiary of Zee Media

The transaction is subject to the customary statutory and regulatory approvals including approvals of the High Court, the Stock Exchanges, FIPB, MIB, the respective Shareholders and creditors of each of the companies. The merger will become effective subsequent to the effectiveness of the demerger. The entire restructuring is expected to be completed by Q2 FY17.

About Zee Media Corporation Limited: Zee Media Corporation Limited, erstwhile Zee News Limited, is one of the leading news networks of India. It has a unique cluster of news, current affairs and regional news channels, which includes Zee News, Zee Business, India 24x7, Zee Punjab Haryana Himachal, Zee Madhya Pradesh Chhattisgarh, Zee 24 Taas, 24 Ghanta, Zee Kalinga News, Zee Purvaiya, Zee Rajasthan News and WION. It also includes newspaper dna. More information about Zee Media Corporation Limited and its businesses are available on www.zeenews.com.

Disclaimer: Certain statements in this "Press Release" may not be based on historical information or facts and may qualify to be "Forward looking statements" within the meaning of applicable securities laws and regulations, including, but not limited to, those relating to general business plans & strategy of the company, its future outlook & growth prospects, future developments in its businesses, its competitive & regulatory environment and management's current views & assumptions which may not remain constant due to risks and uncertainties. Actual results could differ materially from those expressed or implied. Zee Media assume no responsibility to publicly amend, modify or revise any statement, on the basis of any subsequent development, information or events, or otherwise. This "Press Release" does not constitute a prospectus, offering circular or offering memorandum or an offer to acquire any shares and should not be considered as a profit forecast or estimate for any period and no statement herein should be interpreted to mean that cash flow from operations, free cash flow, earnings, earnings per share for any of Zee Media, as appropriate, or be considered as a recommendation that any investor should subscribe for, or purchase any of the company's shares. The financial figures in this "Press Release" have been rounded off to nearest Rs. One crore.