

ZEE ENTERTAINMENT ENTERPRISES LIMITED**REPORT OF THE AUDIT COMMITTEE TO THE BOARD OF DIRECTORS**

The Audit Committee of the Board at the Meeting held today i.e. on July 24 2017, has considered and reviewed the draft of the Composite Scheme of Arrangement and Amalgamation proposed under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 between Zee Digital Convergence Limited ('ZDCL'); and India Webportal Private Limited ('IWPL'); and Zee Unimedia Limited ('ZUL'); and Sarthak Entertainment Private Limited ('SEPL') and Zee Entertainment Enterprises Limited ('the Company') and their respective Shareholders *inter alia* for (a) Demerger of Demerged Undertakings (as defined in the Scheme) of ZDCL, IWPL and ZUL vesting with the Company; and (b) Amalgamation of SEPL with the Company, with effect from Appointed Date of April 1, 2017.

The Audit Committee while reviewing the Scheme:

- noted that since the Composite Scheme provides for consolidation of businesses of wholly-owned subsidiaries with the Company and does not involve issuance of shares by the Company resulting in any change in the shareholding pattern of the Company, the requirement of obtaining any Valuation Report and Fairness Opinion therein as prescribed in SEBI circular no. CFD/DIL3/CIR/2017/21 dated March 10, 2017 shall not apply to the Scheme; and
- took on record the draft of certificate from the Statutory Auditors of the Company M/s Deloitte Haskins and Sells LLP, Chartered Accountants, confirming that the accounting treatment in the books of the Company as proposed in the Draft of the Scheme is in compliance with the Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013.

Thereafter, upon detailed deliberations the Audit Committee at the meeting held today approved in-principle the Composite Scheme of Arrangement and Amalgamation and recommended the said Scheme for consideration and approval of the Board.

This report has been prepared and issued under the signature of the Chairman of the Audit Committee for consideration and approval of the Scheme by the Board of Directors of the Company in compliance with the requirements of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017.

For and on behalf of the Audit Committee



Adesh Kumar Gupta
Chairman - Audit Committee
Zee Entertainment Enterprises Limited



Mumbai, July 24, 2017