



# ZEE NEWS LIMITED

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

## **FOR THE ATTENTION OF COMPANY'S SHAREHOLDER**

The Hon'ble High Court of Judicature at Bombay, vide its Order dated March 19, 2010, has approved the Scheme of Arrangement between Zee News Limited ('ZNL' or 'the Company'), Zee Entertainment Enterprises Limited (ZEEL) and their respective Shareholders and Creditors under Section 391 to 394 of the Companies Act, 1956, for De-merger of Regional General Entertainment Channel Business Undertaking (RGEC) of the Company and transfer /vesting of the said undertaking in favor of ZEEL, with effect from January 1, 2010 (Appointed Date). The said Scheme became effective upon filing of the Order of the Court with the Registrar of Companies, Maharashtra, Mumbai, on March 29, 2010.

The Company had announced April 16, 2010 as the Record Date to determine its Shareholders who would be entitled to issuance of shares by ZEEL, pursuant to the Scheme.

ZEEL has on April 20, 2010, allotted its Equity shares to the Shareholders of the Company in the ratio of 4 (Four) Equity shares of Re. 1 each of ZEEL for 19 (Nineteen) Equity Shares of Re. 1 each of ZNL, held as on Record Date.

**This Notice is issued to inform the shareholders of the ZNL, the method of calculation and apportionment of Cost of Acquisition of ZNL shares between ZNL and ZEEL as per the provisions of the Income Tax Act, 1961 and the same is based on expert opinion availed by the Company.**

For the purpose of determining the Post Demerger Cost of Acquisition of Equity Shares of ZNL under the Income Tax Act, 1961, the shareholders are advised to apportion their pre-demerger cost of acquisition of Company's shares in the following manner:

<b>Name of the Company</b>	<b>% of Cost of Acquisition of ZNL's Shares</b>
Zee News Limited	56.49%
Zee Entertainment Enterprises Limited	43.51%
<b>Total</b>	<b>100.00%</b>

The Company has been advised that as per Section 47 (vid) of the Income Tax Act, 1961, in a scheme of Demerger, the issue of shares by the Transferee Company to the shareholders of the Transferor Company in consideration of Demerger of the undertaking, will not be regarded as transfer. Accordingly, Date of Acquisition of Shares of the Transferee Company will be deemed to be the date when the equity shares of the Company were actually acquired.

*The communication is for the benefit of the Shareholders and the Company takes no express or implied liability in providing this guidance.*

**Pushpal Sanghavi**  
**Company Secretary**  
**Zee News Limited**