



ZEE MEDIA CORPORATION LIMITED

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FOR THE ATTENTION OF SHAREHOLDERS

The Mumbai bench of Hon'ble National Company Law Tribunal vide an Order passed on June 8, 2017, had approved the Scheme of Arrangement and Amalgamation among Zee Media Corporation Limited (ZMCL), Diligent Media Corporation Limited (DMCL), Mediavest India Private Limited (Mediavest), Pri-Media Services Private Limited (Pri-Media) and Maurya TV Private Limited (Maurya) and their respective Shareholders and Creditors under Sections 230 to 232 read with Section 52 and other applicable provisions of the Companies Act, 2013. The said Scheme *inter alia* provides for Demerger of Print Media Undertaking of ZMCL vesting with DMCL with effect from Appointed Date of April 1, 2017.

ZMCL had announced Friday, October 6, 2017 as the Record Date for the purpose of determining its shareholders who would be entitled to issuance of Equity shares by DMCL pursuant to the Scheme, in the ratio of 1(one) Equity Share of Re. 1 each of DMCL for every 4 (four) Equity Shares of Re. 1 each of ZMCL held as on the Record Date. As per the Scheme, the Board of Directors of DMCL has on October 9, 2017, allotted 11,77,08,018 Equity shares of Re. 1 each to the Shareholders of ZMCL.

This communication is being issued for the general guidance of the shareholders of ZMCL, who have been issued Equity Shares by DMCL, for computing the proportionate of Cost of Acquisition of ZMCL shares to be split between ZMCL and DMCL as per the provisions of the Income Tax Act, 1961.

Section 49(2C) of the Income Tax Act, 1961 provides that the cost of acquisition of shares of the Resulting Company i.e. DMCL is to be computed by applying the proportion of the net book value of the assets of the demerged undertaking to the net worth of the Demerged Company i.e. ZMCL immediately before the demerger, to the cost of acquisition of the equity shares of the Demerged Company i.e. ZMCL.

Consequently, the cost of acquisition of the equity shares of the Demerged Company post demerger shall be the original cost of acquisition of equity shares of the Demerged Company reduced by the cost of acquisition ascertained for the shares of Resulting Company i.e. DMCL under Section 49(2D) of the Income Tax Act, 1961.

For the purpose of determining the Post Demerger Cost of Acquisition of Equity Shares of DMCL under the Income Tax Act, 1961, the pre-demerger cost of acquisition of ZMCL shares may be apportioned in the following manner:

Name of the Company	% of Cost of Acquisition of ZMCL's Shares
Diligent Media Corporation Limited	1.65%
Zee Media Corporation Limited	98.35%
Total	100.00%

The Company has been advised that as per Section 47 (vi) (d) 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, shall not be regarded as transfer. Accordingly, Date of Acquisition of Shares of DMCL (the Resulting Company) shall be deemed to be the date when the equity shares of ZMCL (the Demerged Company) were actually acquired.

Please note that this communication is merely for the general guidance of the shareholders of ZMCL and is not a substitute for any independent opinion that the shareholder(s) may need to obtain. The concerned regulatory, statutory or judicial authority, including any assessing officer / appropriate appellate authority, could take a different view from that set out in this notice. The Company and/or DMCL take no express or implied liability, in relation to this guidance or arising on account of any contrary position adopted by any authority. Shareholders are advised to consult their legal, financial and tax advisors and accountants independently and use their independent judgment in relation to assessment of their tax liability and the action to be taken by the shareholders on the issues dealt with in this guidance note. The Company and DMCL are not in a position to quantify the financial or other implications to shareholders of the matters set out in this guidance note. This guidance note should not be considered as advice and shall not result in the creation of any legal or fiduciary obligations between the Company, DMCL and the Company's shareholders or any of them.

Further note that if there is any change, including any change having a retrospective effect in the statutory laws and regulations, the comments expressed in this communication would necessarily have to be re-evaluated in the light of changes. The Company and/or DMCL do not take the responsibility of updating this communication at any time in future.

Pushpal Sanghavi
Company Secretary
Zee Media Corporation Limited

October 11, 2017

(This is computer generated letter and hence signature not require.)