

CONFIDENTIAL

December 17, 2013

**The Board of Directors,
ZEEL Entertainment Enterprises Ltd.
Continental Building,
135 Dr. Annie Besant Road,
Mumbai - 400 018**

Dear Members of the Board:

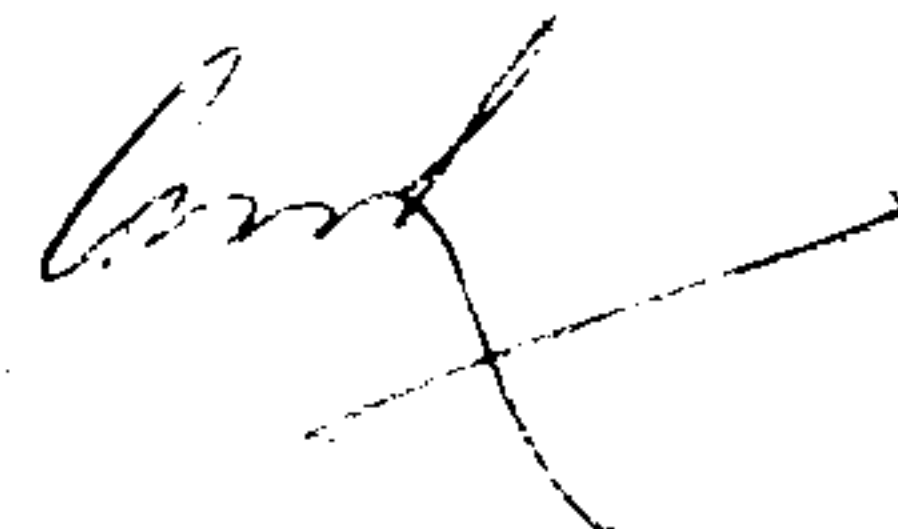
I. Engagement Background

We understand that the Board of Directors of Diligent Media Corporation Ltd. and Zee Entertainment Enterprises Ltd. is considering the demerger of the Media Business of Diligent Media Corporation Ltd. (“Demerged Company / DMCL”), as a going concern, into Zee Entertainment Enterprises Ltd., (“Resulting Company / ZEEL”), through a Scheme of Arrangement under section 391-394 of the Companies Act, 1956.

The scheme envisages transfer and vesting of the Media Business of the Demerged Company into the Resulting Company as per terms and conditions more fully set forth in the Scheme of Arrangement to be placed before the Board for their approval.

In consideration of the demerger of the Media Business into the Resulting Company pursuant to the Scheme of Arrangement, for every 4 (four) equity shares of the face value of Rs. 10 each held by the shareholders of the Demerged Company, the Resulting Company shall issue and allot 1 (one) Redeemable Preference shares of the face value of Rs. 1 each fully paid up (hereinafter referred to as the “Entitlement Ratio”).

In connection with the aforesaid, you requested our Fairness Opinion (“Opinion”) as of the date hereof, as to the fairness of the Entitlement Ratio to the Equity Shareholders of ZEEL.



II. Basis of Opinion

In the Rationale of the scheme, it has been provided that, the demerger of the media Business of DMCL to ZEEL will enable consolidation of media business operations and optimal utilization of various resources. The Resulting Company being a major player in the Media and entertainment space is planning to give an impetus to its events management capabilities and could benefit from the Media Business of DMCL, which revolve around events on empowerment of women, education, automobiles, real estate etc.

The demerger would be beneficial to ZEEL and its shareholders, creditors and all stakeholders and will enable ZEEL to achieve and fulfill their objectives more efficiently and economically as part of an overall re-organization plan.

A brief description of the companies:

ZEEL is a public limited company incorporated under the provisions of the Companies Act, 1956 and is in the media and entertainment business inter alia of procurement, development, distribution and dissemination, broadcast / re-broadcast of entertainment television software programmes, including Cinematograph feature films, serials, Talents Hunt / Reality shows through satellite, terrestrial or cable channels or through Direct to Home (DTH), Internet Protocol based deliveries using existing and emerging technologies, and distribution platforms.

DMCL is primarily engaged into two businesses i.e. publishing business and media business. DMCL publishes and markets DNA newspaper, an English daily newspaper circulated in major cities in India. The Media Business comprises of event management business of the company which undertakes multiple events and activations for round the year engagement with readers.

The key features of the Scheme provided to and relied upon by us for framing an Opinion on transfer of the Media Business of DMCL into ZEEL are as under:

1. The appointed date of the scheme is 31st day of March, 2014 or such other date as may be fixed or approved by the High Court of Judicature at Bombay.



2. Upon the Scheme becoming effective, all the assets and liabilities of the Media Business Undertaking of the Demerged Company will stand transferred to the Resulting Company at book values.
3. As consideration for the demerger, preference shares in the Resulting Company shall be issued to the equity shareholders of the Demerged Company.
4. All the Shareholders of the Demerged Company shall become shareholders of the Resulting Company.
5. Every equity shareholder of Demerged Company shall receive 1 (one) redeemable preference shares of Rupee 1 each of Resulting Company for every 4 (four) equity shares of Rupees Ten each held in Demerged Company as on the Record date for the implementation of the Scheme.
6. Entitlement Ratio is based on a valuation report submitted by M/s. Sharp & Tannan, Chartered Accountants

We have taken the foregoing facts into account when determining the meaning of "fairness" for purposes of this Opinion.

III. Limitation of Scope and Review

Our Opinion and analysis is limited to the extent of review of documents as provided to us by the Resulting Company and the Demerged Company including the valuation report prepared by M/s. Sharp & Tannan and a draft of the Scheme of Arrangement.

We have relied upon the accuracy and completeness of all information and documents provided to us, including the Audited Balance Sheets of the Demerged Company, Unaudited Provisional Balance Sheet of the Media Business Undertaking as on November 30, 2013, Estimated Balance Sheet of the Media Business Undertaking as on March 31, 2014 and financial forecasts as provided to us, without carrying out any due diligence or independent verification or validation of such information to establish its accuracy or sufficiency. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the Demerged Company and / or its

subsidiaries or the Media Business Undertaking. In particular, we do not express any opinion as to the value of any asset of the Demerged Company and / or its subsidiaries or the Media Business Undertaking, whether at current prices or in the future.

One should note that valuation is not an exact science and that estimating values necessarily involves selecting a method or approach that is suitable for the purpose.

We do not express any opinion as to the price at which shares of the Resulting Company may trade at any time, including subsequent to the date of this Opinion. In rendering our Opinion, we have assumed, that the Scheme will be implemented on the terms described therein, without any waiver or modification of any material terms or conditions, and that in the course of obtaining the necessary Regulatory or third party approvals for the Scheme, no delay, limitation, restriction or condition will be imposed that would have an adverse effect on the Demerged Company and / or its subsidiaries, Resulting Company and / or its subsidiaries and their respective Shareholders.

We do not express any Opinion as to any tax or other consequences that might arise from the Scheme on the Demerged Company and / or its subsidiaries, Resulting Company and / or its subsidiaries and their respective shareholders, nor does our Opinion address any legal, tax, regulatory or accounting matters, as to which we understand that the Companies have obtained such advice as it deemed necessary from qualified professionals.

We assume no responsibility for updating or revising our Opinion based on circumstances or events occurring after the date hereof. Our Opinion is specific to the transfer and vesting of the Media Business Undertaking of the Demerged Company into the Resulting Company as contemplated in the Scheme provided to us and is not valid for any other purpose. It is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

We have in the past provided, and may currently or in the future provide, investment banking services to the Demerged and the Resulting Company and/or its subsidiaries or their respective affiliates that are unrelated to the proposed Scheme, for which services we have received or may receive customary fees. In addition, in the ordinary

course of their respective businesses, affiliates of Axis Capital Ltd. may actively trade securities of the Demerged and/or the Resulting Company and / or its subsidiaries or group companies or for their own accounts and for the accounts of their customers and, accordingly, may at any time hold a position in such securities. Our engagement and the Opinion expressed herein are for the benefit of the Board of Directors of the Resulting Company in connection with its consideration of the Scheme and for none other. Neither Axis Capital Ltd., nor its affiliates, partners, directors, shareholders, managers, employees or agents of any of them, makes any representation or warranty, express or implied, as to the information and documents provided to us, based on which the Opinion has been issued. All such parties and entities expressly disclaim any and all liability for, or based on or relating to any such information contained therein.

Our Opinion is not intended to and does not constitute a recommendation to any shareholder as to how such holder should vote or act in connection with the Scheme or any matter related thereto.

IV. Conclusion

Based on and subject to the foregoing, we are of the opinion that, as of the date hereof, Entitlement Ratio is fair to the Shareholders of ZEEL.

Very truly yours,
For Axis Capital Ltd.



Authorized Signatory