

**Press Release**

## **ZEE Entertainment conducts Board Meeting to take note of merger termination notice by Sony**

**22<sup>nd</sup> January 2024: ZEE Entertainment Enterprises Ltd. (“ZEEL”)**, in its Board Meeting held today, took on record communications received from Culver Max Entertainment Pvt. Ltd. (*formerly Sony Pictures Networks India*) (“**Culver Max**”) and Bangla Entertainment Pvt. Ltd. (“**BEPL**”) on 22<sup>nd</sup> January 2024, purporting to terminate the Merger Co-operation Agreement dated 21<sup>st</sup> December 2021 (MCA), and seeking a termination fee of USD 90,000,000 (United States Dollars Ninety Million) on account of alleged breaches by ZEEL of the terms of MCA, invoking arbitration and seeking interim reliefs against ZEEL. ZEEL categorically denies all the assertions raised by Culver Max and BEPL on the alleged breaches under the terms of the MCA, including their claims for the termination fee.

The Board of Directors noted that all efforts and steps were taken by ZEEL in line with the Merger Co-operation Agreement, approved by its shareholders and all regulatory authorities. ZEEL has consistently worked towards the implementation of the mentioned scheme in the interest of the shareholders. ZEEL also held several deliberations and good faith negotiations with Culver Max and BEPL, with a view to consider an extension of the merger completion timeline, that did not materialise.

ZEEL’s Board of Directors is evaluating all the available options. Basis the guidance received from the Board, ZEEL will take all the necessary steps to protect the long-term interests of all its stakeholders, including by taking appropriate legal action and contesting Culver Max and BEPL’s claims in the arbitration proceedings.

ZEEL inked the Merger Co-operation Agreement with Culver Max and BEPL on 21<sup>st</sup> December 2021, in relation to the Composite Scheme of Arrangement, which was approved by the Mumbai bench of the Hon’ble National Company Law Tribunal (NCLT) on 10 and 11 August 2023, respectively.

Under the MCA, ZEEL exercised its right to require Culver Max and BEPL to enter into good faith negotiations for a period of 30 days to arrive at a mutual agreement on the extension of the end date by

a reasonable period of time for completion of the transaction as per the terms of the MCA.

During this period, despite conducting numerous deliberations in good faith, the parties failed to arrive at a consensus on the purported pending conditions precedent that required action on the part of both ZEEL and Culver Max, BEPL under the terms of the MCA. Mr. Punit Goenka, MD & CEO of ZEEL, was agreeable to step down in the interest of the merger and proposals in this regard were discussed, including for appointment of a director on the Board of the merged company, protections for conduct of pending investigations and legal proceedings in the best interest of ZEEL's directors and shareholders and the consequent modifications to the scheme to incorporate the same. ZEEL proposed an extension of a maximum period of six months for consummation of the transaction, however, Culver Max did not provide any counter proposal for extension. These discussions did not result in any proposal from Sony but they rather have chosen to terminate.

**Mr. R. Gopalan, Chairman, ZEE Entertainment Enterprises Ltd.** said, *“The Board of Directors has taken note of Sony’s letters purporting to terminate the Merger Co-operation Agreement, on the Company’s proposed merger with and into Culver Max Entertainment Pvt. Ltd, invoking arbitration and seeking interim reliefs. We are evaluating the next steps and considering the appropriate course of action. The Board has noted that the Company took all the required steps in the course of its integration journey over the last two years, to ensure that the scheme is implemented at the earliest. That said, the Board would like to assure its stakeholders that the Company will take all the necessary actions, in the best interest of all stakeholders, including by taking appropriate legal action and contesting Culver Max and BEPL’s claims in the arbitration proceedings. The Board has complete faith in the highly experienced senior management of the Company and will continue to guide the team. We recognize and value the trust our shareholders and stakeholders place in us, and we express gratitude for their continued support.”*

ZEEL has displayed utmost commitment towards the merger by undertaking several permanent and irreversible steps, resulting in one time and recurring costs for ZEEL. Despite this, the Company will continue to evaluate organic and inorganic opportunities for growth, leveraging the intrinsic value of its assets. ZEEL remains eternally grateful to its esteemed shareholders for their continued trust and belief

in all its decisions. ZEEL also expresses immense gratitude to the legal and regulatory authorities for their support in enabling the proposed merger and aims to continue working towards the overall growth of the sector and Indian economy at large. The Company recognizes the efforts sown in by the teams, and remains grateful to all its business partners for their continued support.

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**Note to Editors:**

**About ZEE Entertainment Enterprises Ltd.**

*Zee Entertainment Enterprises Ltd. is a leading content company offering entertainment content to diverse audiences. With a presence in over 190 countries and a reach of more than 1.3 billion people around the globe, ZEEL is among the largest global Media & Entertainment Companies across genres, languages, and integrated content platforms.*

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