

# ZEE – SONY MERGER PASSES ANOTHER HURDLE

*Zee – Sony merger has crossed another hurdle with Competition Commission of India approval to the merger.*

The Competition Commission of India (CCI) approved the merger of Zee Entertainment Enterprises Ltd with Sony Pictures Networks India Pvt. Ltd. and Bangla Entertainment Pvt. Ltd, both part of the Sony Group Corp., accepting the modifications proposed by the companies to the deal they had announced last December.

The transaction entails the amalgamation of Zee and Bangla Entertainment Pvt. Ltd, engaged in acquiring rights for motion pictures and other content into Culver Max Entertainment Pvt. Ltd, part of the Sony Group. CCI stated that Culver Max Entertainment has film, sports and kids channels in India and global markets. In India, it reaches over 700 million viewers, the antitrust regulator said.

Without referring to the deal size, the competition watchdog said the \$10 billion deal was in the nature of acquisition and amalgamation covered under CCI's merger regulation threshold.

"We are delighted to receive CCI approvals to merge ZEEL into SPN. We will now await the remaining

regulatory approvals to finally launch the newly merged company. The merged company will create extraordinary value for Indian

channel in question or shutting it down.

Zee, a household TV name in India, was set up in 1992 by Subhash Chandra, dubbed the 'Father of Indian Television'. The founders had to dilute their stake in the Indian company to tackle debt in 2019 and the Sony deal was struck amid a 2021 boardroom conflict with an overseas shareholder.

The move seeks to alleviate CCI's concern that India's largest media merger may give Zee-Sony

unprecedented pricing power, which may hurt the prospects of other TV channels in the entertainment broadcasting industry. Though Zee did not share the remedies proposed to CCI, in a statement, it said:



consumers and eventually lead the consumer transition from traditional pay TV into the digital future," SPN said in a statement.

The modification to the transaction approved by the CCI involves Zee excluding a major general entertainment channel from the transaction, said a person privy to the development. "CCI has accepted the voluntary remedy proposed by the companies," said the person, adding that it may involve either selling the

"In its official communication issued today, CCI has granted the approval in Phase-1 after evaluating the official legal and economic submissions made by the company. Considering the immense value that the proposed merger will generate for all its stakeholders, the company has offered the necessary remedies in accordance with the regulator's guidelines. The detailed order is awaited. The approval from CCI is yet another positive step in the overall merger approval process." ■