

Reliance Group to sell TV channels, radio stake to Zee for ₹1,900 crore

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MUMBAI: Anil Ambani-led Reliance Capital has entered into a ₹1,900-crore deal with Subhash Chandra-led Zee group to sell its general entertainment TV channels and 49% stake in its radio business as part of measures to reduce debt.

Reliance Group has been selling assets to cut debt, which is currently over ₹1.1 lakh crore.

"Reliance Broadcast Network has signed definitive and binding agreements with Zee Media Corporation to sell 49% stake in its radio broadcast business. Simultaneously, Zee Entertainment Enterprises, a separate entity under Zee Group, will acquire 100% stake in the group's general entertainment TV business," the company said on Tuesday.

"This transaction is part of our strategy to reduce exposure in



■ Reliance Group chairman
Anil Ambani

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non-core business of media and entertainment and work towards further reducing our debt under Reliance Capital," said Sam Ghosh, Group CEO, Reliance Capital.

Reliance Broadcast runs a network of FM radio channels under 92.7 Big FM, which has a reach across 45 cities, 1,200 towns and 200 million people.

The company will transfer the 45 operational and 14 new FM radio channels to two special purpose vehicles, in which Zee Media will acquire 49% stake. Both companies shall have call/put option to buy/sell the balance 51% stake in both the SPVs after a stipulated lock-in period.

"We are currently running successfully a bouquet of 11 news and current affair channels and with the addition of 59 radio licences, we will be reaching out to a much increased audience base... This transaction shall bring about the desired business diversity and will help in achieving the sound financial objectives at an accelerated pace," said Rajiv Singh, COO, Zee Media.

The general entertainment TV

business of Reliance Group comprises of two channels – Big Magic, a comedy channel in Hindi-speaking markets, and Big Ganga, a Bhojpuri entertainment channel in Bihar, Jharkhand and Purvanchal markets.

Both these channels will be merged into Zee Entertainment.

"Big Magic gives us access to comedy genre, thereby enhancing our customer offerings. Big Ganga, a leading Bhojpuri channel syncs with our strategy of expanding into the regional markets, which offers attractive growth potential," said Punit Goenka, MD, Zee Entertainment.

Last month, Reliance Communications agreed to sell 51% stake in its mobile tower business to Canada's Brookfield. Earlier, Reliance Infra sold its cement assets to Birla Corp. In September Reliance Communication and rival telecom operator Aircel had agreed to merge.