

Update on exposure against pledge of shares of Zee Entertainment Enterprises Limited (ZEEL)

Investments by certain schemes of ICICI Prudential Mutual Fund (the Schemes) in the debt instruments issued by the promoter companies of Essel group are secured by pledge on shares of ZEEL. The value of security exceeds the outstanding principal and interest of the securities held by the schemes even after the decline in share price of ZEEL on January 25, 2019. The security cover has further strengthened post recovery in the share prices of ZEEL on January 28, 2019.

The stock price of ZEEL had corrected by ~27% on January 25, 2019 (Friday). This resulted in some concerns in the market regarding the borrowings undertaken by the promoter companies of Essel group.

ZEEL is the flagship and the most valuable company of Essel group and accounts for more than 80% of the market capitalisation of listed entities of the group. The company is engaged in content aggregation, TV broadcasting and domestic & international pay-tv platform and has a wide subscriber base of over 650 million across 169 countries. It has been able to increase its market share consistently by identifying the regional markets and through its content strategy.

The promoters of Essel Group have engaged with its lenders and other stakeholders. Additionally, the promoters of Essel Group held meetings over the weekend (January 26 and 27, 2019) which included investor calls done by Mr. Punit Goenka (Managing Director & Chief Executive Officer of ZEEL) to address their concerns. As per their latest press release, the promoters of Essel Group have achieved an understanding with the lenders.

This document is not an offer to sell or solicitation to buy any mutual fund units / securities.