

DEN NETWORKS LIMITED

Registered Office:236, Okhla Industrial Area, Phase-III, New Delhi - 110020
Tel. No.+91-11-40522200; Fax : +91-11 40522203
CIN: L92490DL2007PLC165673; Website: www.dennetworks.com;
E-mail: den@denonline.com/investorrelations@denonline.in

**Court Convened Meeting of the Unsecured Creditors of
DEN Networks Limited**

Day : Saturday
Date : 11th March, 2017
Time : 12:30 pm
**Venue : PHD Chambers of Commerce, No. 4/2 Siri Institutional Area, August Kranti Marg,
New Delhi-110016**

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BY ORDER OF THE NATIONAL COMPANY LAW TRIBUNAL,
PRINCIPAL BENCH, NEW DELHI

IN THE MATTER OF THE COMPANIES ACT, 2013
AND
IN THE MATTER OF APPLICATION UNDER SECTION 230 - 234
OF
THE COMPANIES ACT, 2013
AND
IN THE MATTER OF SCHEME OF ARRANGMENT
BETWEEN
DEN NETWORKS LIMITED ("DEN")
...TRANSFEROR COMPANY / APPLICANT COMPANY NO. 1
AND
SKYNET CABLE NETWORK PRIVATE LIMITED ("SKYNET")
...RESULTING COMPANY / APPLICANT COMPANY NO. 2

COMPANY APPLICATION (M) NO. CA(CAA) -02(PB)/2017

NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF DEN NETWORKS LIMITED

To,

The Unsecured Creditors of
DEN Networks Limited, the Transferor / Applicant Company No. 1
CIN No: L92490DL2007PLC165673

TAKE NOTICE that in the above Company Application (M) No: CA(CAA) -2(PB)/2017, by an Order dated 23rd January, 2017, duly amended by Order dated 25th January, 2017, the Principal Bench of the National Company Law Tribunal, New Delhi, has directed that a Meeting of the Unsecured Creditors of the Transferor Company / Applicant Company I i.e. DEN NETWORKS LIMITED be convened and held for the purpose of considering and if thought fit, approving with or without modifications, the arrangement embodied in the Scheme of Arrangement of DEN NETWORKS LIMITED ('DEN' or 'Transferor Company / Applicant Company No. 1') and SKYNET CABLE NETWORK PRIVATE LIMITED ('SKYNET' or 'Resulting Company / Applicant Company No. 2') wherein Internet Service Provider (ISP) Business / Broadband Undertaking of DEN is demerged into SKYNET, a wholly owned subsidiary of DEN.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a Meeting of the Unsecured Creditors of the Transferor Company / Applicant Company No. 1 will be held at PHD Chamber of Commerce, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi- 110016 at 12:30 p.m. under the supervision of the National Company Law Tribunal appointed Hon'ble Justice D.R. Deshmukh (Retd) as Chairperson and Ms. Ranjana Roy Gawai, Advocate as an Alternate Chairperson which you are requested to attend. Further, Mr. Vineet Chaudhary, the Practising Company Secretary has been appointed as a Scrutinizer for the said meeting.

TAKE FURTHER NOTICE that you may attend and vote at the said Meeting in person or through proxy, provided that a proxy in the prescribed form, duly signed by you or your Authorized representative is deposited at the Registered Office of the Company at 236, Okhla Industrial Area, Phase-III, New Delhi - 110020 atleast 48 hours before the commencement of the Meeting.

The copies of the said arrangement and of the statement under section 230 of the Companies Act, 2013 can be obtained free of charge at the registered office of the company at 236, Okhla Industrial Area, Phase-III, New Delhi - 110020 or at the office of its authorized representative Mr Deepak Diwan, Advocate at M-5, Basement, Saket, New Delhi-110017 between 11:00 a.m. to 5:00 p.m. on all working days.

A copy of the Scheme of Arrangement, the Explanatory Statement under Section 230 of the Companies Act, 2013, Observation letter Issued by BSE and NSE, Valuation Report, Fairness Opinion Report, Certificate from the Statutory Auditor, Complaint Report, Form of Proxy and the Attendance Slip are enclosed.

By order of the National Company Law Tribunal

Sd/
Jatin Mahajan
Company Secretary

Dated this February 02, 2017

Registered Office: 236, Okhla Industrial Area, Phase-III, New Delhi - 110020

Note:

1. All alterations made in the Form of Proxy should be initialed.
2. Only Unsecured Creditors of the Company may attend and vote (either in person or by proxy) at the Unsecured Creditors Meeting. The Authorized representative of a body corporate which is a Unsecured Creditor of the Company may attend and vote at the Unsecured Creditors Meeting provided a certified true copy of the Resolution of the Board of Directors or other governing body of the body corporate is deposited at the Registered Office of the Company not later than 48 hours before the Meeting authorizing such representative to attend and vote at the Unsecured Creditors Meeting.
3. **The Unsecured Creditors / authorised representatives / proxies are advised to bring original photo identity for verification.**

Enclosed - As above

BY ORDER OF THE NATIONAL COMPANY LAW TRIBUNAL,
PRINCIPAL BENCH, NEW DELHI

IN THE MATTER OF THE COMPANIES ACT, 2013
AND
IN THE MATTER OF APPLICATION UNDER SECTION 230 - 234
OF
THE COMPANIES ACT, 2013
AND
IN THE MATTER OF SCHEME OF ARRANGMENT
BETWEEN
DEN NETWORKS LIMITED ("DEN")
...TRANSFEROR COMPANY / APPLICANT COMPANY NO. 1
AND
SKYNET CABLE NETWORK PRIVATE LIMITED ("SKYNET")
...RESULTING COMPANY / APPLICANT COMPANY NO. 2

COMPANY APPLICATION (M) NO. CA(CAA) -02(PB)/2017

EXPLANATORY STATEMENT UNDER SECTION 230 OF THE COMPANIES ACT, 2013 AND SECTION 102 AND 110 OF THE COMPANIES ACT, 2013 FOR THE COURT CONVENED MEETING OF UNSECURED CREDITORS OF DEN NETWORKS LIMITED

1. Pursuant to an Order dated 23rd January, 2017duly amended by Order dated 25th January, 2017 by the Principal Bench of the National Company Law Tribunal, New Delhi in the Company Application referred to hereinabove, a Meeting of the Unsecured Creditors of the Transferor Company / Applicant Company No. 1 will be convened and held at PHD Chamber of Commerce, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi- 110016 on **Saturday, 11th March, 2017 at 12:30 p.m.** for the purpose of considering and if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement of DEN NETWORKS Limited ('DEN' or 'Transferor Company / Applicant Company No. 1') and SKYNET Cable Network Private Limited ('SYKNET' or 'Resulting Company / Applicant Company No. 2').
2. The proposed Scheme envisages arrangement of DEN Networks Limited with SKYNET Cable Network Private Limited pursuant to Sections 230 to 234 read with other applicable provisions, if any, of the Companies Act, 2013.
3. A copy of the Scheme setting out in detail the terms and conditions of the proposed Scheme of Arrangement, which has been unanimously approved by the Board of Directors of the Applicant Company No. 1 and Applicant Company No. 2 at their respective Meetings, both held on September 5th, 2016 is attached herewith and forms a part of this Statement.

4. **Background of the Companies**

4.1 DEN NETWORKS LIMITED (hereinafter referred to as "DEN" or "Transferor Company / Applicant Company No. 1")

- (a) Applicant Company No. 1 was incorporated as private company under the Companies Act, 1956 on 10th July, 2007 with the Registrar of Companies, NCT of Delhi & Haryana, bearing Corporate Identity No. L92490DL2007PLC165673 and PAN No. AACCD6420E. That the company got converted to public limited

w.e.f. 15th April, 2008. Subsequently, the name of the company was changed from DEN DIGITAL ENTERTAINMENT NETWORKS LIMITED to DEN NETWORKS LIMITED w.e.f. 27th June, 2008 and is operating under the Internet Service Provider License No. 820-990/07-LR dated 06th February 2008 granted by Department of Telecommunications, Ministry of Communications & IT. The email-id of the company is den@denonline.in/investorrelations@denonline.in.

- (b) The Registered Office of Applicant Company No. 1 is situated at 236, Okhla Industrial Area, Phase-III, New Delhi-110020. DEN is listed on BSE Ltd. and National Stock Exchange of India Ltd and is having the main objects to carry on the business of broadcasting, telecasting, relaying, transmitting, distributing, Cable services encompassing distribution and internet based services. The main objects of DEN are as follows:-
- "To carry on the business of broadcasting, telecasting, relaying, transmitting, distributing or running any video, audio, voice, or other programmes or software, (both proprietary and third party) over television, radio, internet, telecom or any other media.
 - To carry on the business of Cable services encompassing distribution, relaying, transmission of signals including but not limited to TV, voice over Internet Protocol, Video On Demand or any other services through cable within and outside India by means of any system.
 - To offer internet based services including but not limited to offering international and domestic voice, voice-over- internet protocol (VOIP), Broadband internet, wireless, data and hosting services to business and residential retail customers and other carriers located in the territory of India and to apply and obtain licenses to carry on these objects.
 - To create/ raise infrastructure of dark fibres, right of way, duct space & tower for relaying and transmission of signals for internet and telecom based cable services to end subscribers and customers in Indian territory, to offer such infrastructure to other business establishment on lease and commercial terms and to apply and obtain licenses to carry on these objects.
 - To undertake all kinds of activities in the sports and cultural related fields including the providing of sports infrastructure, consultancy and to engage in activities such as organizing sports events, owing or maintain sports teams, taking on or leasing out stadiums (indoor and outdoor) or play grounds and undertaking other sports related and cultural activities."

(c) The Resulting Company / Applicant Company No. 2 is, inter-alia, a wholly-owned subsidiary of Transferor Company / Applicant Company No.1

(a) The Share Capital of Transferor Company / Applicant Company No. 1 as on March 31, 2016, was as under:

Particulars	Rs.
Authorized Capital	
20,00,00,000 Equity Shares of Rs. 10 each	2,00,00,00,000/-
Total	2,00,00,00,000/-
Issued, Subscribed and Paid-up Capital	
17,81,99,806 Equity Shares of Rs.10/-each fully Paid up	1,78,19,98,060/-
Total	1,78,19,98,060/-

Subsequent to the above Balance Sheet date, there has been a change in the Share Capital of Transferor Company / Applicant Company No. 1. As on date, the revised share capital of the company is as follows:

Particulars	Rs.
Authorized Capital	
20,00,00,000 Equity Shares of Rs. 10 each	2,00,00,00,000/-
Total	2,00,00,00,000/-
Issued, Subscribed and Paid-up Capital	
19,40,25,845 Equity Shares of Rs. 10 each	Rs. 1,94,02,58,450/-
Total	1,94,02,58,450/-

4.2 Skynet Cable Network Private Limited (i.e. Resulting Company / Applicant Company No. 2)

- (a) Resulting Company / Applicant Company No. 2 is incorporated as Private Limited Company on the 5th December, 2011 under the Companies Act, 1956, with the Registrar of Companies, NCT of Delhi & Haryana, bearing Corporate Identity No. U74140DL2011PTC228312 and PAN No. AAQCS7345M. The email-id of the Company is den@denonline.in/investorrelations@denonline.in
- (b) The Registered Office of the Resulting Company is situated at C-148, Mayapuri Industrial Area, Phase II, New Delhi-110064. Resulting Company is a wholly owned subsidiary of Transferor Company and is having the main objects to carry on the business of broadcasting, telecasting, relaying, transmitting, distributing, Cable services encompassing distribution and internet based services. The main objects of the Resulting Company as enumerated in the Memorandum of Association are as follows:
- (c) *To carry on the business of broadcasting, telecasting, relaying, transmitting, distributing, or running any, video, audio, voice, or other progammes or software, (both proprietary and third party) over television, radio, internet, telecom or any media.*
- (d) *To carry on the business of Cable services encompassing distribution, relaying, transmission of signals including but not limited to TV, voice over Internet Protocol, Video On Demand or any other service through cable within and outside India by means of any system.*
- (e) *To offer internet based services including but not limited to offering international and domestic voice, voice-over-internet protocol (VOIP), Broadband internet, wireless, date and hosting services, to business and residential retail customers and other carriers located in the territory of India and to apply and obtain licenses to carry on these objects.*
- (f) The Share Capital of the Resulting Company /Applicant Company No. 2 as on March 31, 2016, was as under:

Particulars	Rs.
Authorized Capital	
9,00,000 Equity Shares of Rs. 10/- each	90,00,000/-
Total Authorized Capital	90,00,000/-
Issued, Subscribed and Paid-up Share Capital	
8,15,000 Equity Shares of Rs. 10/- each	81,50,000/-
Total Paid-up Share Capital	81,50,000

Subsequent to the above Balance Sheet Date, there is no change in the Share Capital structure set out above.

(g) SKYNET is a subsidiary of a Public Limited Company.

5. Rationale for the Scheme of Arrangement

Whereas DEN Networks Limited (DEN) is primarily engaged into two business segments viz,

- Cable Television Business
- Internet Service Provider(ISP) Business

And whereas Consultants were engaged to restructure DEN in such a manner that the ISP Business should be moved to a Special Purpose Vehicle which will be 100% subsidiary Company and SKYNET, a 100% subsidiary of DEN has been chosen for the purpose of Demerging the ISP Business Undertaking/ Division of DEN.

The factors which induced the decision were, inter alia, as follows:

- To enable a focused attention on the ISP Business
- To achieve structural and operational efficiency
- To enhance competitiveness and greater accountability

- d. Accelerating value creation for shareholders
 - e. To focus on the significant growth potential for high speed data and related services in India
6. The Scheme is not prejudicial to the interests of the Shareholders as well as Creditors of any of the Companies involved in the Scheme.
7. The Board of Directors of the Transferor Company / Applicant Company No. 1 and Resulting Company / Applicant Company No. 2 in their respective Meetings both held on 5th September, 2016 have unanimously approved the Scheme of Arrangement. The Directors who have voted in favour or against are as follows:

Particulars	DEN	SKYNET
Name of the Directors who voted in favour of the resolution	Ajaya Chand and Robindra Sharma	Sameet Dinesh Khona, Baiju Phillip and Surinder Kumar
Name of the Directors who voted against the resolution	None	None
Name of the Director who did not vote on the resolution	None	None
Name of the Director who did not participate on the resolution	None	None
Absent Directors	Sameer Manchanda, Atul Sharma, Ankur Sahu and Krishna Kumar	None

8. It is therefore proposed to demerge the Internet Service Provider (ISP) Business / Broadband Undertaking of DEN into SKYNET by way of a Scheme of Arrangement under Sections 230 to 234 read with other applicable provisions, if any, of the Companies Act, 2013.
9. **Salient features of the Scheme**
- (a) The Scheme envisages arrangement of Demerger of Internet Service Provider (ISP) Business / Broadband Undertaking of DEN into SKYNET pursuant to Sections 230 to 234 read with other applicable provisions, if any, of the Companies Act, 2013.
 - (b) **'Appointed Date'** means the open of business hours on 1st April, 2016, the date with effect from which this Scheme will be deemed to be effective.
 - (c) **'Effective Date'** means the date on which the last of the approvals or sanctions as specified in Clause 1.3 of Para D in the Scheme are , and if the approvals or sanctions are received on different dates, the last of the dates and the Scheme is made effective with effect from the Appointed Date.
 - (d) **'ISP Undertaking of Transferor Company'** means all Assets and Liabilities of the Internet Service Provider (ISP) Business / Broadband Undertaking of Demerged Company on a going concern basis as on Appointed Date for Demerger of Broadband Undertaking of DEN.
 - (e) **'Effective Date'** means the date on which the last of the approvals or sanctions as specified in Clause 1.3 of Para D in the Scheme are, and if the approvals or sanctions are received on different dates, the last of the dates and the Scheme is made effective with effect from the Appointed Date.

- (f) In respect of the stock options granted by the Transferor Company under the DEN ESOP Scheme, 2010 and DEN ESOP Plan B- 2014 ("ESOP Schemes") to employees engaged in the Demerged Undertaking who are proposed to be transferred as part of the Scheme to the Resulting Company, which have been granted (including unvested options) but have not been exercised as on the Effective Date, such options shall continue to vest in the employees of the Demerged Undertaking being transferred to the Resulting Company unless such Resulting Company ceases to be a subsidiary of the Transferor Company, in which case, the same shall be decided based on the provisions of the ESOP Schemes. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Schemes, the Transferor Company shall continue to honour its obligations under the ESOP Schemes and shall issue and allot fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Schemes. The Resulting Company shall have no obligation to issue any stock options or shares to such employees of the Demerged Undertaking in lieu of the stock options granted by the Transferor Company under the ESOP Schemes. The exercise price of the stock options granted (whether vested or not) under the ESOP Schemes shall continue to remain the same with all other conditions of grant remaining the same.
- (g) Subject to clause 1.3 of Part D of the Scheme, in consideration of the transfer of the Demerged Undertaking by Transferor Company to Resulting Company in terms of this Scheme, Resulting Company shall pay to Transferor Company, an aggregate all-inclusive lump sum cash consideration of Rs. 40.00 Millions (Rupees Forty Millions Only) without values being assigned to individual assets and liabilities.
- (h) Upon the coming into effect of this scheme, the Transferor Company shall reduce the book value of assets and liabilities pertaining to the Demerged undertaking, as on the appointed date, from its books of accounts.
- (i) On the effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are ultimately controlled by the same party before and after the transaction, Resulting company shall account for the Transferred Undertaking in its books of account in accordance with Appendix C 'Business combinations of entities under common control' of Indian Accounting Standard (IND AS) 103 for Business Combination prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, as under:
 - (a) Resulting Company will record the assets and liabilities of Demerged Undertaking at the carrying amounts as appearing in the books of DEN at the close of business on the day preceding the Appointed Date.
 - (b) The difference between the Consideration paid and of the carrying amounts of assets and liabilities of the Demerged Undertaking shall be recorded as capital reserve.
- (j) The director of the company namely Mr. Krishna Kumar P.T. Gangadharan being nominee director in Dighi Port Limited and Konaseema Gas Power Limited has been declared as willful defaulters by RBI. However, he has resigned from the directorship of the company w.e.f. 13th December, 2016.
- (k) **This Scheme is conditional upon and subject to:**
 - a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/or creditors of the Transferor Company and the Resulting Company as may be required under applicable laws.;
 - b) The Stock Exchanges issuing their observation/ no-objection letters and SEBI issuing its comments on the Scheme, as required under applicable laws.
 - c) Approval of this Scheme by the concerned regulatory and governmental authorities as applicable, including Department of Telecommunications;
 - d) The sanctions of the Hon'ble High Court being obtained under section 391 and 394 and other applicable provisions of the Act;
 - e) The certified copies of the order of the High Court being filed with Registrar of Companies, NCT of Delhi and Haryana, by both the Transferor Company and the Resulting Company.
- (l) The Scheme also provides for:
 - i. The manner of vesting and transfer of the assets of the Internet Service Provider (ISP) Business /

- Broadband Undertaking of DEN to SKYNET;
- ii. The transfer of all debts, liabilities, duties, and obligations of Internet Service Provider (ISP) Business / Broadband Undertaking of DEN to SKYNET;
 - iii. The transfer of all legal proceedings by or against of Internet Service Provider (ISP) Business / Broadband Undertaking of DEN to SKYNET;
 - iv. All costs, charges and expenses of the Demerger respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and / or incidental to the completion of the same in pursuance of this Scheme shall be borne and paid by the Transferor Company.
- The features set out above being only the salient features of the Scheme of Arrangement, the Unsecured Creditors of DEN Networks Limited are requested to read the entire text of the Scheme of Arrangement to get themselves fully acquainted with the provisions thereof.**
10. That no investigation / proceedings are pending in relation to Applicant Company No. 1 and Applicant Company No. 2 under Section 210, 213, 214, 215, 216(1), 216(3), 216(4), 217, 219, 220, and Section 222 to 227 respectively of the Companies Act, 2013.
11. The indicative Pre arrangement Shareholding of the Transferor Company / Applicant Company I based on December 31, 2016 Shareholding would be as detailed below:

Category of Shareholder	No. of Shares held	Total Shareholding as a % of total no. of Shares
	Pre merger	Pre merger
Promoter		
"Individuals / Hindu Undivided Family	10.80	_____
"Bodies Corporate	25.98	
"Trusts	-	100
Non Promoter		-
"Foreign Shareholding	49.23	
"Institutions	0.98	
"Bodies Corporate	6.44	
"Public (Individuals)	6.23	
"Others (NRI/CM/Trust / HUF)	0.34	
Total	100%	100.00%

12. DEN has obtained the approval to the Scheme, in terms of Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 from National Stock Exchange of India Limited vide their letter dated 29th November, 2016 bearing Ref No. NSE/LIST/95405 and from BSE Limited vide their letter dated 28th November, 2016 vide Ref No DCS/AMAL/KS/IP/623/2016-17. As per the said observation letter, one of the director of DEN i.e. P. T. Gangadharan being nominee Director in Digi Port Limited and Konaseema Gas Power Limited have been declared willful defaulters by RBI and the same has been provided under the scheme under the hearing "Action takes by SEBI/RBI". However, the said director has resigned from the Board of Directors of DEN w.e.f. 13th December, 2016.
13. The total amount due to Unsecured Creditors of DEN as on December 15, 2016 is 445.209 Cr. Further, there are nil Unsecured Creditor of SKYNET.
14. The Directors of Transferor Company / Applicant Company No. 1 and Resulting Company / Applicant Company No. 2 may be deemed to be concerned and/ or interested in the Scheme to the extent of their Shareholding in the

Companies, or to the extent the said Directors are common Directors in the Companies, or to the extent the said Directors are the partners, directors, members of the Companies, firms, association of persons, bodies corporate and/or beneficiary of trust, that hold Shares in any of the Companies. Further, the proposed scheme doesn't have any effect on key managerial personnel, promoters, non-promoter members, depositors, creditors, debenture holders, deposit trustee and debenture trustee and the employees of the Transferor company and the Resulting Company.

15. List of Promoters of the Applicant Companies are as follows:

DEN		SKYNET	
Name	Address	Name	Address
Sameer Manchadna	A-89, Nizamuddin East, New Delhi-110013	DEN Networks Ltd.	236, Okhla Industrial Estate, Phase-III, New Delhi-110020
Lucid Systems Pvt. Ltd.	236, Okhla Industrial Estate, Phase-III, New Delhi-110020		

16. Directors of the Applicant Companies is as follows:

DEN		SKYNET	
NAME	ADDRESS	NAME	ADDRESS
Mr. Sameer Manchanda	A-89, Nizamuddin East, New Delhi-110013	Mr. Kunal Verma	185 POCKET J, SARITA VIHAR S.O. SOUTH DELHI 110076
Mr. Ajaya Chand	P - 10, Green Park Extension, New Delhi-110016	Mr. Amit Singh	1588 M, BEHIND SBI MEHRAULI ROAD, SECTOR -15, PART- GURGAON 122001 HR
Ms.Archana N Hingorani	10, Jeevan Dhara, Dr. Ambedkar Road, Near LIC Building, Bandra(W), Mumbai- 400050	Mr. Surindra Kumar	B 5/3 Shiv Park Khanpur 110062 DL
Mr. Atul Sharma	D-118, Sector -36, Uttar Pradesh, Noida-201301		
Mr. Robindra Sharma	EG - 3/17, Garden Estate, Gurgaon, Haryana-122002		
Mr. Ankur Sahu	H-6, Nishat Colony Bhopal, Madhya Pradesh		

17. The details of Shareholding of Directors in the Applicant Companies is as follows:

Name of the Directors	DEN	SKYNET
Sameer Manchanda	4,66,54,550	--
Ajaya Chand	64,420	--

18. The rights and interests of the Members and Creditors of DEN and SKYNET will not be prejudicially affected by the Scheme as no sacrifice or waiver at all called from them, nor is their rights sought to be modified in any manner.
19. This statement may also be treated as an Explanatory Statement under Section 102 and 110 of the Companies Act, 2013.
20. On the Scheme being approved by the requisite majority of the Shareholders and Creditors (secured and unsecured), Applicant Companies shall file a petition with the Hon'ble Tribunal at Delhi for sanction of the Scheme under Sections 230-234 and other applicable provisions of the Act.
21. The following documents are available for inspection by the Unsecured Creditors of DEN Networks Limited at the Registered Office of the Company upto one day prior to the date of the Meeting between 10:00 A.M to 5:30 P.M on all working days (except Saturdays, Sundays and public holidays)
- (a) Copy of the Order dated 23rd January, 2017 duly amended by Order dated 25th January, 2017 of the Principal Bench of the National Company Law Tribunal, New Delhi passed in Company Application (M) No. CA(CAA) - 02(PB)/2017 directing the convening of the Meeting of the Unsecured Creditors of DEN Networks Limited.
 - (b) Scheme of Arrangement.
 - (c) Memorandum and Articles of Association of DEN and SKYNET.
 - (d) Latest Annual Report of DEN and SKYNET for the financial year ending March 31, 2016.
 - (e) Valuation Report dated 30th August, 2016 issued by BL Sachdeva & Associates, Chartered Accountants
 - (f) Fairness Opinion dated 5th September, 2016 received from D & A Financial Services (P) Limited, Merchant Banker.
 - (g) Copy of Observation Letter dated 28th November, 2016 from BSE and 29th November, 2016 from NSE conveying no objection for filing the Scheme with the Delhi High Court/ Tribunal.
 - (h) Copy of Complaints Report submitted by the Company to BSE and NSE and also uploaded on the Company Website.
 - (i) Certificate from the Statutory auditor pertaining to the compliance of the accounting treatment.
22. A copy of the Scheme and this statement may also be obtained up to one day prior to the date of the meetings at the Registered Office of the Applicant Companies between 10:00 A.M to 5:30 P.M on all working days (except Saturdays, Sundays and public holidays).
23. The term court includes the National Company Law Tribunal or such other forum or authority which may be vested with any of the powers of a Highcourt to sanction this scheme under the Act.

By order of the National Company Law Tribunal

Sd/
Jatin Mahajan
Company Secretary

Registered Office: 236, Okhla Industrial Area, Phase-III, New Delhi - 110020
Dated this February 02, 2017

BY ORDER OF THE NATIONAL COMPANY LAW TRIBUNAL,
PRINCIPAL BENCH, NEW DELHI

In the matter of the Companies Act, 2013;
AND
In the matter of Sections 230 to 234 read with other applicable provisions, if any, of the Companies Act, 2013;
AND
In the matter of Scheme of Arrangement between Den Networks Limited and Skynet Cable Network Private Limited

DEN Networks Limited, a Company
incorporated under the Companies Act, 1956

Registered Office: 236, Okhla Industrial Estate, Phase-III, New Delhi-110020
CIN: L92490DL2007PLC165673

Transferor Company / Applicant Company No. 1

FORM OF PROXY

I/We the undersigned, as Unsecured Creditor(s) of DEN Networks Limited, the Transferor Company / Applicant Company No. 1 we hereby appoint _____ of _____ and failing him _____ of _____ as my / our proxy, to act for me / us at the meeting of the Unsecured Creditors to be held at **PHD Chambers of Commerce, No. 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 on 11th March, 2017 at 12:30 p.m.**, for the purpose of considering and, if thought fit, approving, with or without modification(s), the Scheme of Arrangement between Den Networks Limited and Skynet Cable Network Private Limited; and at such Meeting, and any adjournment/ adjournments thereof, to vote, for us and in our name(s) _____ (here if 'for' insert 'for', if 'against' insert 'against' and in the latter case strike out the words "either with or without modifications" after the word "Arrangement") the said arrangement embodied in the Scheme of Arrangement either with or without modifications as my/our proxy may approve.(strikeout what is not necessary)

Dated this ____ day of _____ 2017

Affix Re. 1
Revenue
Stamp

Signature across the Stamp

Name of the Unsecured Creditor

Address of the Unsecured Creditor

NOTES:

- 1 Please affix revenue stamp before putting signature.
- 2 The Proxy need not be an Unsecured Creditor of the Transferor / Applicant Company No. 1.
- 3 All alterations made in the Form of Proxy should be initialed.
- 4 The Proxy must be deposited at the Registered Office of the Transferor / Applicant Company No. 1 at 236, Okhla Industrial Area, Phase-III, New Delhi - 110020 at least 48 hours before the time for holding the Meeting.
- 5 In case of multiple proxies, the proxy later in time shall be accepted.

DEN NETWORKS LIMITED

Registered Office:236, Okhla Industrial Area, Phase-III, New Delhi - 110020
Tel. No.+91-11-40522200; Fax : +91-11 40522203
CIN: L92490DL2007PLC165673; Website: www.dennetworks.com;
E-mail: den@denonline.com

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

I hereby record my presence at the Meeting of the Unsecured Creditor of the Company, convened pursuant to the Order dated 23rd January, 2017 duly amended by Order dated 25th January, 2017 of the Principal Bench of the National Company Law Tribunal, New Delhi, at PHD Chambers of Commerce, No. 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 **on 11th March, 2017 at 12:30 P.M.**

Name of the Unsecured Creditor : _____

Signature _____

Name of the proxy holder/
authorised representative _____

Signature _____

NOTE: Unsecured Creditor(s) attending the Meeting in person or by proxy or through authorised representative are requested to complete and bring the Attendance Slip with them and hand it over at the entrance of the Meeting hall.

SCHEME OF ARRANGEMENT

BETWEEN

DEN NETWORKS LIMITED ("DEN")

HAVING ITS REGISTERED OFFICE AT

236, OKHLA INDUSTRIAL AREA, PHASE-III, NEW DELHI-110020

...TRANSFEROR COMPANY

AND

SKYNET CABLE NETWORK PRIVATE LIMITED ("SKYNET")

HAVING ITS REGISTERED OFFICE AT

C-148, MAYAPURI, INDUSTRIAL AREA, PHASE-II, NEW DELHI-110064

...RESULTING COMPANY

AND

THEIR RESPECTIVE SHAREHOLDERS

AND CREDITORS

(UNDER SECTIONS 391-394 OF THE COMPANIES ACT, 1956)

PREAMBLE:

A. BACKGROUND OF COMPANIES:

- a. WHEREAS DEN NETWORKS LIMITED (**hereinafter referred to as "DEN" or "Transferor Company"**) is incorporated under the Companies Act, 1956 on 10th July, 2007 with the Registrar of Companies, NCT of Delhi & Haryana. That the company got converted to Public Limited w.e.f. 15th April, 2008. Subsequently, the name of the company was changed from DEN DIGITAL ENTERTAINMENT NETWORKS LIMITED TO DEN NETWORKS LIMITED w.e.f. 27th June, 2008 and is operating under the Internet Service Provider License No. 820-990/07-LR dated 06th February 2008 granted by Department of Telecommunications, Ministry of Communications & IT. The Registered Office of the Company is situated at 236, Okhla Industrial Area, Phase-III, New Delhi-110020. DEN is listed on BSE Ltd. and National Stock Exchange of India Ltd and is having the main objects to carry on the business of broadcasting, telecasting, relaying, transmitting, distributing, Cable services encompassing distribution and internet based services.
- b. AND WHEREAS SKYNET CABLE NETWORK PRIVATE LIMITED, (**hereinafter referred to as the "Resulting Company" or "SKYNET"**) is incorporated as Private Limited Company on the 5th December, 2011 under the Companies Act, 1956, with the Registrar of Companies, NCT of Delhi & Haryana. The Registered Office of the Company is situated at C-148, Mayapuri Industrial Area, Phase II, New Delhi-110064. Resulting Company is a wholly owned subsidiary of Transferor Company and is having the main objects to carry on the business of broadcasting, telecasting, relaying, transmitting, distributing, Cable services encompassing distribution and internet based services.

B. PURPOSE AND RATIONAL OF THE SCHEME:

- Whereas DEN Networks Limited (DEN) is primarily engaged into two business segments viz.,
- 1. Cable Television Business
 - 2. Internet Service Provider (ISP) Business

And whereas Consultants were engaged to restructure DEN in such a manner that the ISP Business should be moved to a Special Purpose Vehicle which will be 100% subsidiary Company and SKYNET, a 100% subsidiary of DEN has been chosen for the purpose of Demerging the ISP Business Undertaking/Division of DEN:

The factors which induced the decision were, inter alia, as follows:

- i. To enable a focused attention on the ISP Business
- ii. To achieve structural and operational efficiency
- iii. To enhanced competitiveness and greater accountability
- iv. Accelerating value creation for shareholders
- v. To focus on the significant growth potential for high speed data and related services in India

C. PARTS OF THE SCHEME OF ARRANGEMENT;

The **Scheme** is divided into the following parts:

- a) **Part A** deals with the **Definitions**.
- b) **Part B** deals with Demerger of ISP Undertaking of **DEN, Transferor Company into SKYNET, Resulting Company**.
- c) **Part C** deals with **Special Terms** relating to **Demerger of ISP Undertaking of DEN into SKYNET**.
- d) **Part D** deals with **Other Terms and Conditions**.

PART - A

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 **'Act'** means the Companies Act 1956, or any statutory modifications or re-enactments thereof, or amendments thereto and also mean and refer to the relevant applicable sections of Companies Act, 2013 as and when notified in the Official Gazette by the Central Government;
- 1.2 **'Appointed Date'** means the open of business hours on 1st April, 2016, the date with effect from which this Scheme will be deemed to be effective.
- 1.3 **'Board'** in relation to all the companies means the Board of Directors of such company and include a duly authorised committee of the Board constituted for the implementation of this Scheme;
- 1.4 **'ISP Undertaking of Transferor Company'** means all Assets and Liabilities of the Internet Service Provider (ISP) Business / Broadband Undertaking of Demerged Company on a going concern basis as on Appointed Date for Demerger of Broadband Undertaking of DEN.
- 1.5 **'Transferor Company'** means **'DEN Networks Limited' or 'DEN'**, incorporated under the Companies Act, 1956 on 10th July, 2007 with the Registrar of Companies, NCT of Delhi & Haryana, having its Registered Office at 236, Okhla Industrial Area, Phase-III, New Delhi-110020.
- 1.6 **'Demerged Undertaking'** means 'ISP Undertaking of Transferor Company' as on the Appointed Date (Schedule I):
 - any and all the properties and assets whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to land and building, all fixed and movable plant and machinery, leasehold or freehold, tangible or intangible, including all computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work-in-progress, raw materials, finished goods, vehicles, stores and spares, loose tools, sundry debtors, furniture, fixtures, fittings, office equipment, telephone, facsimile and other communication facilities and equipments, electrical appliances, accessories, deferred tax assets and investments related to the Demerged Undertaking of the Transferor Company;
 - any and all liabilities present and future including the contingent liabilities related to the Demerged Undertaking of the Transferor Company;
 - any and all rights and licenses including license obtained from Department of Telecommunication (Internet Service Provider License No. 820-990/07-LR dated 06th February 2008) and all assignments and grants thereof, all permits, quotas, holidays, benefits, clearances and registrations whether under Central,

State or other laws, rights (including rights/ obligations under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits including unutilized CENVAT credit, tax deferrals, advance tax credit, deferred tax assets, incentives or schemes of central/ state/ local governments, certifications and approvals, regulatory approvals, entitlements, other licenses, environmental clearances, municipal permissions, approvals, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), cash balances, bank balances, bank accounts, reserves, deposits, advances, recoverable, receivables, benefit of insurance claims, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by the Transferor Company, funds belonging to or proposed to be utilised by Transferor Company, privileges, all other claims, rights and benefits (including under any powers of attorney issued by the Transferor Company or any powers of attorney issued in favour of the Transferor Company or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority, to which the Transferor Company was a party), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits duties and obligations of all agreements, contracts and arrangements and all other interests related to the Demerged Undertaking of the Transferor Company;

- all employees who are on the payroll of proposed Transferor Company immediately preceding the Effective Date related to the Demerged Undertaking of the Transferor Company;
- any and all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, share application money, earnest moneys and/ or security deposits paid or received by the Transferor Company related to the Demerged Undertaking;
- any and all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programs along with their licenses, manuals and back up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, and other data and records whether in physical or electronic form related to the Demerged Undertaking of the Transferor Company;
- all intellectual property rights including all trademarks, trademark applications, trade names, patents and patent applications, domain names, logo, websites, internet registrations, copyrights, trade secrets, service marks, quality certifications and approvals and all other interests exclusively Demerged Undertaking of the Transferor Company;

It is intended that the definition of Demerged Undertaking under this clause would enable the transfer of all property, assets, rights, liabilities, employees etc of Transferor Company to Resulting Company pursuant to this Scheme.

- 1.7 **'Demerger'** means the demerger, transfer and vesting of the Demerged Undertaking of DEN from DEN to SKYNET on the terms and conditions as set out in this Scheme and in accordance with Section 391-394 as the Companies Act, 1956 and other relevant provisions of the Act.
- 1.8 **'DEN Networks Limited' or 'Transferor Company' or 'DEN'** is incorporated under the Companies Act, 1956 on 10th July, 2007 with the Registrar of Companies, NCT of Delhi & Haryana, having its Registered Office at 236, Okhla Industrial Area, Phase-III, New Delhi-110020.
- 1.9 **'Effective Date'** means the date on which the last of the approvals or sanctions as specified in Clause 1.3 of Para D in the Scheme are , and if the approvals or sanctions are received on different dates, the last of the dates and the Scheme is made effective with effect from the Appointed Date.
- 1.10 **'Governmental Authority'** means any applicable Central, State or local Government, legislative body, regulatory or administrative authority, agency or commission or any Court, Tribunal, Board, Bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction;
- 1.11 **'High Court'** shall mean the Hon'ble High Court of Judicature at Delhi, having jurisdiction in relation to the Transferor Company and Resulting Company, and the said term shall, include the National Company Law Tribunal or such other forum or authority which may be vested with any of the powers of a High Court to sanction this Scheme under the Act.
- 1.12 **'Residual Undertaking'** means the business of Transferor Company other than the Demerged Business.
- 1.13 **'Resulting Company'** means **'Skynet Cable Network Private Limited' or 'SKYNET'** is incorporated as

Private Limited Company on the 5th of December, 2011 under the Companies Act, 1956, with the Registrar of Companies, NCT of Delhi & Haryana, having its Registered Office at C-148, Mayapuri Industrial Area, Phase II, New Delhi-110064.

- 1.14 **'Schedule 1'** means the Assets and Liabilities of the ISP Undertaking of Transferor Company to be transferred to Resulting Company as on the Appointed Date.
- 1.15 **'Scheme'** means this Scheme of Arrangement in its present form or with modification(s) approved or imposed or directed by the High Court, as the case may be.
- 1.16 In this Scheme, unless the context otherwise requires:
- a) references to persons shall include individuals, bodies corporate (wherever incorporated), unincorporated associations and partnerships;
 - b) the headings are inserted for ease of reference only and shall not affect the construction or interpretation of this Scheme;
 - c) words in the singular shall include the plural and vice versa;
 - d) any references in the Scheme to "upon the Scheme becoming effective" or "effectiveness of the Scheme" shall mean the Effective Date; and
 - e) all terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act and other applicable laws, rules, regulations, bye laws, as the case may be, including any statutory modification or re-enactment thereof from time to time.

SHARE CAPITAL AS AT 31ST MARCH, 2016

As per the latest Audited Annual accounts of the Companies as on **31st March 2016**, the Authorized share capital and the Issued, Subscribed and Paid-up share capital of the Companies are as under:

Name of the Company	Authorised Share Capital	Issue and Paid-up Share Capital
DEN Networks Limited	Rs. 2,00,00,00,000/- divided into 20,00,00,000 Equity Shares of Rs. 10 each	Rs. 1781998060/- divided into 17,81,99,806 Equity Shares of Rs. 10 each
Skyнет Cable Network Private Limited	Rs. 90,00,000/- divided of into 9,00,000 Equity Shares Rs. 10 each	Rs. 81,50,000/- divided into 8,15,000 Equity Shares of Rs. 10 each

As on date, there has been no change in the Authorized Share capital and the Issued, Subscribed and Paid-up share capital of the companies.

PART-B

DEMERGER OF DEMERGED UNDERTAKING OF TRANSFEROR COMPANY INTO RESULTING COMPANY

- 1.1 With effect from the Appointed Date and subject to the provisions of the Scheme, including in relation to the mode of transfer / vesting, the entire business including all movable and immovable properties tangible and intangible properties, assets, buildings, offices, investments, lease and hire purchase contracts, licensing, arrangements, lending contracts, benefits of any security, arrangements, revisions, powers, authorities, allotments, approvals, consents, licenses, registrations, contracts, agreements, engagements, arrangements of all kind, rights, titles, interests, benefits, easements and privileges of whatsoever nature and wherever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by the Demerged Undertaking of Transferor Company whether accrued or to accrue after the Appointed Date including but without being limited to patents, trademarks, copyrights and other intellectual property rights of any nature whatsoever, permits, approvals, authorization, right to use the telephones, telexes, facsimile, connections, and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of all agreements and all other interest (hereinafter referred to as "said Assets") shall be transferred and stand vested in and / or be deemed to be and stand vested in Resulting Company as

a going concern pursuant to the provisions of Section 394 of the said Act, so as to become on and from the Appointed Date, the assets, rights, title and interests of the Resulting Company as per Schedule I as on the Appointed Date.

- 1.2 Without prejudice to clause 1.1 above, in respect of such of the said Assets of the Demerged Undertaking of Transferor Company as are movable in nature or incorporeal property, or are otherwise capable of transfer by manual delivery or by endorsement and delivery, the same may be so transferred to Resulting Company and shall upon such transfer become the property as an integral part of Resulting Company. In respect of such of the said Assets other than those referred hereinabove, the same shall, without any further act, instruments or deed, be transferred and vested in and / or be deemed to be transferred to and vested in Resulting Company pursuant to an order being made thereof under Section 394 of the Act.
- 1.3 (a) Notwithstanding the generality of clause above, with effect from the Appointed Date and upon the Scheme becoming effective, all statutory licenses, permissions, approvals or consents issued in the name of the Demerged Undertaking of Transferor Company shall stand vested in or transferred to Resulting Company without any further act or deed, and shall be appropriately transferred / endorsed / mutated by the authorities concerned therewith in favour of Resulting Company. The benefits of all statutory and regulatory permission or approvals or consents including the statutory licenses, permissions or approval, or consents required to carry on the operations of Demerged Undertaking of Transferor Company shall vest in and become available to Resulting Company pursuant to the Scheme.
- b) Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all taxes paid or payable by the Transferor Company in relation to the Demerged Undertaking including advance tax payments, tax deducted at source, tax liabilities or any refunds and claims (including unutilized input credits of the Demerged Undertaking) shall be treated as advance tax payments, tax deducted at source, tax liabilities or refunds/ claims (including unutilized input credits) as the case may be, of the Resulting Company. Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, un-availed credits and exemptions and other statutory benefits, including in respect of income tax, excise (including CENVAT credit), customs, value added tax, sales tax, service tax (including CENVAT credit) to which the Transferor Company is entitled in relation to the Demerged Undertaking shall be available to and shall stand transferred and vested in the Resulting Company without any further act, instrument or deed required by either the Resulting Company or the Transferor Company and without any approval or acknowledgement of any third party. Upon the Scheme coming into effect on the Effective Date with effect from the Appointed Date, any tax deducted at source deducted by or on behalf of the Transferor Company until the Effective Date shall be deemed to have been deducted on behalf of the Resulting Company to the extent of the income attributable to the Demerged Undertakings during such period. Without prejudice to any other rights available to Resulting Company under the provisions of Income Tax Act, 1961, Resulting Company shall after the Scheme becomes effective be entitled to revise the income tax returns, if any, filed by it or Demerged Undertaking of Transferor Company in respect of any previous year or thereafter, notwithstanding that the time prescribed for such revision may have elapsed.
- 1.4 Transferor Company shall give notice in such form as it may deem fit and proper to such party, debtor or depositor that pursuant to the High Court having sanctioned the arrangement between Transferor Company and Resulting Company under Sections 391 to 394 of the Act, the said debt, loan or advance relating to the Demerged Undertaking of Transferor Company be paid or made good to or held on account of Resulting Company as the person entitled thereto and the right of Transferor Company to recover or realize the same shall stand vested accordingly.
- 1.5 Resulting Company shall give notice in such form as it may deem fit and proper, to each party, debtor or depositor as the case may be, relating to the Demerged Undertaking of Transferor Company that pursuant to the High Court having sanctioned the demerger of Demerged Undertaking of the Transferor Company into Resulting Company under Sections 391 to 394 of the Act, the said debt, loan, advance, be paid or made good or held on account of Resulting Company as the person entitled thereto to the end and intent that the right of Transferor Company to recover or realize the same stands extinguished and that appropriate entry should be passed in their respective books to record the aforesaid changes.

- 1.6 With effect from the Appointed Date, all debts, duties, liabilities and obligations of Demerged Undertaking of Transferor Company pertaining to and / or arising out of the said Demerged Undertaking of Transferor Company as on the Appointed Date as appearing/disclosed in the Books of Accounts of Demerged Undertaking of Transferor Company, (whether or not provided or accounted for in the Books of Accounts of Demerged Undertaking of Transferor Company) and long term loans, to the extent agreed to between the parties, shall also under the provisions of Sections 391 to 394 of the Act and pursuant to the Orders of the High Court become the debts, liabilities and obligations and long term liabilities of Resulting Company and Resulting Company undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company including liability for bonus for the period upto the Appointed Date to the extent not provided in the books.
- 1.7 Resulting Company undertakes to deal with and discharge the liabilities stated hereof, which are vested in Resulting Company and keep the Transferor Company indemnified from and against all debts, duties, liabilities and obligations as also actions, claims and demands in respect thereof. In the event any such liability is required to be met and paid by Transferor Company, Transferor Company undertakes to deal with all proceeds in respect thereof in consultation with and as per advice of Resulting Company and to the account of Resulting Company.
- 1.8 Any legal or other proceedings by or against Demerged Undertaking of Transferor Company whether pending on the Effective Date on any matter arising before the Appointed Date and relating to the Demerged Undertaking of Transferor Company (including those relating to any pending licenses, issues, right, power, liability, duty / duties of Demerged Undertaking of Transferor Company in respect of Demerged Undertaking of Transferor Company) shall subject to any Orders of any Court of competent jurisdiction be continued and enforced by or against Resulting Company and at the cost of Resulting Company.
- 1.9 If any suit, appeal or other proceedings of whatever nature relating to the Demerged Undertaking of Transferor Company (hereinafter called "the proceedings") by or against the Transferor Company be pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the Demerged Undertaking of Transferor Company of anything contained in this Scheme but the said proceedings may be continued, prosecuted and enforced by or against the Resulting Company as if this Scheme had not been made.
- 1.10 Subject to the provisions contained in the Scheme, all contracts, deeds, bonds, agreements, instruments and writings and benefits of whatsoever nature to which Transferor Company is a party and subject to such changes and variations in the terms, conditions and provisions thereof as may be mutually agreed to between the Transferor Company and other parties thereto, subsisting or having effect implicitly before the Effective Date, shall remain in full force and effect in favour of and may be enforced by and / or against Resulting Company as fully and effectively as if Resulting Company was party thereto instead of Transferor Company.
- 1.11 The transfer and vesting of the assets and liabilities and the continuance of the proceedings by Resulting Company and / or the contracts, etc. as aforesaid shall not affect any transactions or proceedings already concluded by Transferor Company in the ordinary course of business on and after the Appointed Date to the end and intent that Resulting Company accepts on behalf of itself all acts, deeds and things done lawfully and executed by Transferor Company in the ordinary course of business.
- 1.12 With effect from the Appointed Date and up to and including the Effective Date:
- Transferor Company shall be deemed to have been carrying on or to be carrying on all business and activities relating to Demerged Undertaking and stand possessed of the assets so to be vested in Resulting Company for and on account of and in trust of Resulting Company.
 - All profits accruing to the Transferor Company or losses arising or incurred by it relating to Demerged Undertaking shall for all purposes, be treated as the profits or losses, as the case may be of Resulting Company.
 - All investment made in form of shares/ debenture/ bond/ warrant or any other instrument and or loan whether secured or unsecured whether in Indian currency or foreign currency taken or to be taken for the purpose of Demerged Undertaking shall be transferred to Resulting Company on scheme being effective.

- 1.13 Transferor Company hereby undertakes from the Appointed Date upto and including the Effective Date:
- to carry on business of the Demerged Undertaking Of Transferor Company in the ordinary course of business and not (without the prior written consent of 'Resulting Company') to alienate, charge or otherwise deal with or dispose off the Demerged Undertaking of Transferor Company or any part thereof except in the usual course of business; and
 - not to utilize the profits, if any, relating to the Demerged Undertaking of Transferor Company for the purpose of declaring or paying any dividend in respect of the period falling on and after the Appointed Date except with the consent of Board of Directors of Resulting Company.
- 1.14 a) Resulting Company undertakes to engage, on and from the Effective Date, all the employees of Demerged Undertaking of Transferor Company engaged in the Demerged Undertaking of Transferor Company on the same terms and conditions on which they are engaged as on the Effective Date by Transferor Company without any interruption of service as a result of the transfer. Resulting Company agrees that the services of all such employees with Demerged Undertaking of Transferor Company up to the Effective Date shall be taken into account for the purposes of all benefits to which the said employees may be eligible, including for the purpose of payment of any bonus, retrenchment compensation, gratuity and other terminal benefits.
- The accumulated balances, if any, standing to the credit of the employees and officers of the Demerged Undertaking of Transferor Company in the existing Provident Fund, Gratuity Fund and Superannuation Fund, of which they are members, will be transferred to such Provident Fund, Gratuity Fund and Superannuation Fund nominated by Resulting Company and / or such new Funds to be established and caused to be recognized by the concerned authorities by Resulting Company pending the transfer as aforesaid, the Provident Fund, Gratuity Fund and Superannuation Fund dues to the said employees and Officers of the Demerged Undertaking of Transferor Company would be continued to be deposited in the existing Provident, Gratuity and Superannuation Funds respectively. This shall be binding on the Managers of such funds, if any.
 - Resulting Company undertakes to pay, discharge and satisfy all debts, liabilities, duties and obligations of Transferor Company relating to the Demerged Undertaking of Transferor Company as appearing / disclosed in the Books of accounts of the Transferor Company and all loans as agreed to and interest thereon as on the Appointed Date.
- 1.15 Upon the Scheme becoming effective and on the demerger, transfer and vesting of Demerged Undertaking of Transferor Company to Resulting Company, existing charges on the assets of the Demerged Undertaking of Transferor Company shall continue in favour of the Bankers and Financial Institutions, if any, as may be modified, readjusted apportioned and reallocated by them between the Transferor Company and Resulting Company and Transferor Company shall provide all assistance in getting the charges of the Demerged Undertaking of Transferor Company vacated. The Bankers / Financial Institutions shall have a charge only on the assets of the respective division financed by them and release the charge, if any on the assets of the division not financed by them. Provided further that the Scheme shall not operate to enlarge the security for any loan, deposit or facility created or available to Transferor Company which shall vest in Resulting Company by virtue of the Demerger and Resulting Company shall not be obliged to create any further or additional security thereof after the Demerger has become effective or otherwise.
- 1.16 Even after the Effective Date, Resulting Company shall be entitled to realize all money and complete and enforce all pending contracts and transactions in respect of the Demerged Undertaking of Transferor Company in the name of the Transferor Company in so far as may be necessary.
- 1.17 Upon the coming into effect of this Scheme, and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments of whatsoever nature to which the Demerged Undertaking of Transferor Company is a party or to the benefit of which the Demerged Undertaking of Transferor Company may be eligible, and which are subsisting on the Effective Date, shall be in full force and effect against or in favour of Resulting Company as the case may be and may be enforced as fully and effectually as if, instead of Transferor Company, Resulting Company had been a party or beneficiary or oblige thereto. Resulting Company shall wherever necessary enter into and / or issue and or execute deeds, writings or confirmations, enter into any arrangements, confirmations or novations to which Transferor Company is a party in order to give formal effect to the provisions of this clause.

- 1.18 a) Since, each of the permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations in respect of the Demerged Undertaking of Transferor Company in the name of Transferor Company shall stand transferred by the order of the High Court to Resulting Company, Resulting Company shall file the relevant intimations, for the record of the statutory authorities who shall take them on file, pursuant to the vesting orders of the sanctioning courts.
- b) Without prejudice to generality of the aforesaid, any concessional / statutory forms under the respective Central / State sales / work contract tax / lease tax laws issued / received by the Transferor Company in respect of the Demerged Undertaking of Transferor Company, for the period commencing from Appointed Date shall be deemed to be issued / received in the name of Resulting Company and benefit of such forms, shall be allowable to Resulting Company in the same manner and to the same extent as would have been available in respect of the Demerged Undertaking of Transferor Company in the name of Transferor Company.
- 1.19 On the coming into effect of the Scheme:
- a) All motor vehicles of any nature whatsoever comprised in or relatable in respect of the Demerged Undertaking of Transferor Company in the name of Transferor Company shall vest in Resulting Company and appropriate Governmental and Registration Authorities shall mutate and register the said vehicles in the name of Resulting Company.
- b) All patents, trademarks, copyrights and other intellectual property rights registered with the authorities concerned or applications submitted at any time on or before the Effective Date in respect of the Demerged Undertaking of Transferor Company shall stand transferred and vested in the name of Resulting Company without any further act or deed. Resulting Company however shall after the scheme becoming effective file the relevant intimation with the concerned statutory authority(ies) who shall take them on record pursuant to vesting orders of the sanctioning authority.
- 1.20 Save and except as expressly provided in this Scheme nothing contained in this Scheme of Demerger of Demerged Undertaking of Transferor Company to Resulting Company shall affect the rest of the assets, liabilities and business of the Transferor Company which shall continue to belong to and be vested in and be managed by Transferor Company.
- 1.21 All the assets, properties and liabilities of the Demerged Undertaking of Transferor Company, shall be transferred to Resulting Company at the values appearing in the books of Transferor Company immediately before the Appointed Date.
- 1.22 In respect of the stock options granted by the Transferor Company under the DEN ESOP Scheme, 2010 and DEN ESOP Plan B- 2014 ("ESOP Schemes") to employees engaged in the Demerged Undertaking who are proposed to be transferred as part of the Scheme to the Resulting Company, which have been granted (including unvested options) but have not been exercised as on the Effective Date, such options shall continue to vest in the employees of the Demerged Undertaking being transferred to the Resulting Company unless such Resulting Company ceases to be a subsidiary of the Transferor Company, in which case, the same shall be decided based on the provisions of the ESOP Schemes. Upon exercise of the aforesaid options by the said employees from time to time in accordance with the ESOP Schemes, the Transferor Company shall continue to honour its obligations under the ESOP Schemes and shall issue and allot fully paid-up equity shares of the Transferor Company in respect of such exercised options in accordance with the ESOP Schemes. The Resulting Company shall have no obligation to issue any stock options or shares to such employees of the Demerged Undertaking in lieu of the stock options granted by the Transferor Company under the ESOP Schemes. The exercise price of the stock options granted (whether vested or not) under the ESOP Schemes shall continue to remain the same with all other conditions of grant remaining the same.
- The Boards of Directors of the Transferor Company and the Resulting Company may take such actions and execute such further documents as may be necessary or desirable.

PART- C**1.1 Consideration**

Subject to clause 1.3 of Part D below, in consideration of the transfer of the Demerged Undertaking by Transferor Company to Resulting Company in terms of this Scheme, Resulting Company shall pay to Transferor Company, an aggregate all-inclusive lump sum cash consideration of Rs. 40.00 Millions (Rupees Forty Millions Only) without values being assigned to individual assets and liabilities.

1.2 Accounting Treatment:**Treatment in the books of Transferor Company:**

Upon the coming into effect of this scheme, the Transferor Company shall reduce the book value of assets and liabilities pertaining to the Demerged undertaking, as on the appointed date, from its books of accounts.

The difference, if any, between the amount of consideration and the net book value of assets and liabilities of the demerged undertaking shall be adjusted against the capital reserves of the transferor Company.

Treatment in the books of Resulting Company:

On the effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are ultimately controlled by the same party before and after the transaction, Resulting company shall account for the Transferred Undertaking in its books of account in accordance with Appendix C 'Business combinations of entities under common control' of Indian Accounting Standard (IND AS) 103 for Business Combination prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standard) Rules, 2015 and generally accepted accounting principles, as may be amended from time to time, as under:

- (a) Resulting company will record the assets and liabilities of Demerged Undertaking at the carrying amounts as appearing in the books of DEN at the close of business on the day preceding the Appointed Date.
- (b) The difference between the Consideration paid and of the carrying amounts of assets and liabilities of the Demerged Undertaking shall be recorded as capital reserve.

PART- D**1.1 Application to Hon'ble High Court:**

The respective Companies shall with all reasonable dispatch make applications/ petitions to the Hon'ble High Court under Section 391 and 394 and other applicable provisions of the Act for sanctioning the Scheme of Arrangement and to obtain all other approvals as may be required under law.

1.2 Action taken by SEBI/RBI:

The director of the company namely Mr. Krishna Kumar P.T. Gangadharan being nominee director in Dighi Port Limited and Konaseema Gas Power Limited has been declared as willful defaulters by RBI. However, he has resigned from directorship of the Company w.e.f., 13th December, 2016.

1.3 Modifications/ Amendments to the Scheme:

- a) The Companies involved in this Scheme of Arrangement by their respective Board of Directors either by themselves or by any other committee constituted by the Board of Directors in this behalf may make or assent from time to time on behalf of the company concerned to any extension, modification of this Scheme or any other conditions or limitation which the Court and / or any authorities/ persons may deem fit to approve of or impose and to resolve all doubts or difficulties that may arise for carrying out the Scheme and to do and execute all acts, deeds, matters, and things necessary for putting the Scheme into effect.
- b) For the purpose of giving effect to this Scheme or to any modification or amendments thereof the Board of Directors of the respective Companies or any committee constituted by the Board of Directors of the respective companies in this behalf may give and is authorized to give all such directions as are necessary including directions for setting any question or doubt or difficulty that may arise.

- 1.4 This Scheme is conditional upon and subject to:**
- a) The Scheme being approved by the requisite majorities in number and value of such classes of persons including the shareholders and/or creditors of the Transferor Company and the Resulting Company as may be required under applicable laws.;
 - b) The Stock Exchanges issuing their observation/ no-objection letters and SEBI issuing its comments on the Scheme, as required under applicable laws.
 - c) Approval of this Scheme by the concerned regulatory and governmental authorities as applicable, including Department of Telecommunications;
 - d) The sanctions of the Hon'ble High Court being obtained under section 391 and 394 and other applicable provisions of the Act;
 - e) The certified copies of the order of the High Court being filed with Registrar of Companies, NCT of Delhi and Haryana, by both the Transferor Company and the Resulting Company.
- 1.5 Power to withdraw from the Scheme:**
The Board of Directors of the respective Companies shall be at liberty to withdraw from this Scheme in case any condition or alteration imposed by any authority is unacceptable to either of them.
- 1.6 Settlement of Difference or any Issue through Arbitration:**
If any doubt or difference or issue shall arise between the parties, hereto or any of their shareholders as to the construction hereof or as to any account, valuation or apportionment to be taken or made of any asset or liability transferred under this Scheme or as to the accounting treatment thereof or as to anything else contained in or relating to or arising out of this Scheme, the same shall be referred to Arbitration for interpretation and / or clarification.
- 1.7 Compliance with the Companies Act:**
The Scheme shall comply with the applicable provisions of the Companies Act and the rules, guidelines, regulations, if any, made thereunder and for the time being in force relating to accounting principles.
- 1.8 Errors or Omissions:**
Any error, mistake, omission, commission which is apparent and / or absurd in the Scheme should be read in a manner which is appropriate to the intent and purpose of the Scheme and in line with the preamble as mentioned hereinabove.
- 1.9 Severability of any part of the Scheme:**
If any part of the Scheme (or any part of a Section thereof) is ruled invalid or illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that at the discretion of the parties, such part shall be severable from the remainder of the Scheme (or any Section thereof) and the Scheme (or any Section thereof) shall not be affected thereby, unless the deletion of such part shall cause the Scheme (or any Section thereof) to become materially adverse to any party, in which case the Transferor Company and the Resulting Company, (acting through their respective boards of directors) shall attempt to bring about a modification in the Scheme (or any Section thereof), as will best preserve for the parties, the benefits and obligations of this Scheme (or any Section thereof), including but not limited to such part.
- 1.10 Costs and Expenses:**
All costs, charges and expenses of the Demerger respectively in relation to or in connection with the Scheme and of carrying out and completing the terms and provisions of the Scheme and / or incidental to the completion of the same in pursuance of this Scheme shall be borne and paid by the Transferor Company.

SCHEDULE-1

Demerged Undertaking	
Description	(Rs. In Millions)
Fixed Assets	
-Tangible Assets	974.31
-Intangible Assets	8.45
-Capital work in progress	234.91
	1217.67
Other Assets	89.55
Total Assets	1307.22
Borrowings	284.14
Other Liabilities	983.08
Total Liabilities	1267.22
Net Assets	40

DCS/AMAL/KS/IP/ 623/2016-17
November 28, 2016

The Company Secretary
Den Networks Ltd
236, Okhla Industrial Estate,
Phase III, New Delhi – 110020

Sir/Madam,

Sub: Observation letter regarding the Draft Scheme of Arrangement between Den Networks Ltd and SKYNET Cable Network Private Ltd.

We are in receipt of the Draft Scheme of Arrangement between Den Networks Limited and SKYNET Cable Network Private Limited.

As required under SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015; SEBI vide its letter dated November 25, 2016 has inter alia given the following comment(s) on the draft scheme of arrangement:

- *"Company shall ensure that information submitted by Company, DEN Networks Limited vide Letter dtd. November 11, 2016 pertaining to Mr. Krishna Kumar P. T. Gangadharan being nominee director in Dighi Port Limited and Konaseema Gas Power Limited which have been declared wilful defaulters by RBI is disclosed in the Scheme under the heading "action taken by SEBI/RBI" and the same is brought to the notice of shareholders and Hon'ble High Court"*
- *"Company shall duly comply with various provisions of the Circulars."*

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website.
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble High Court.

Further, pursuant to the above SEBI circulars, upon sanction of the Scheme by the Hon'ble High Court, the listed company shall submit to the stock exchange the following:

- a) Copy of the High Court approved Scheme;
- b) Result of voting by shareholders for approving the Scheme;
- c) Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme;
- d) Copy of the observation letter issued by all the Stock Exchanges where Company is listed.
- e) Status of compliance with the Observation Letter/s of the stock exchanges;
- f) The application seeking exemption from Rule 19(2)(h) of SCRR, 1957, wherever applicable; and
- g) Complaints Report as per Annexure II of this Circular.
- h) Any other document/disclosure as informed by the Exchange.

... 2/-

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements.

Yours faithfully,

Nitin Pajari
Nitin Pajari
Manager

MD



Assistant Manager
Corporation Finance Department
Division of Issues and Listing
Phone: +91 22 26449262 / +91 22 40459262
Fax: +91 22 26449031 E-mail: abhishek@sebi.gov.in

2016-12/23
भारतीय प्रतिभूति
और विनियम बोर्ड
Securities and Exchange
Board of India

CFD/DIL/BNS/AKD/32157/2016
November 25, 2016

Shri Avinash Kharkar
Assistant Vice President,
National Stock Exchange of India Ltd.,
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051.

Shri Khushro Bulsara
Senior General Manager,
Bombay Stock Exchange Ltd.
Floor 25, P J Towers, Dalal Street,
Mumbai - 400 001.

Mr. K. Bulsara
12/05/2016

Sir,

Sub: Draft Scheme of Arrangement between DEN Networks Limited and SKYNET Cable Network Private Limited

- This has reference to your letter No. NSE/LIST/89056 dated October 04, 2016 whereby you have forwarded the application of Draft Scheme of Arrangement between DEN Networks Limited and SKYNET Cable Network Private Limited filed in accordance with SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015 (hereinafter referred to as 'the Circular') for our comments on the draft Scheme of Amalgamation (hereinafter referred to as 'draft Scheme').
- The matter has been examined by SEBI in the light of the provisions under Part A, Annexure I of the aforesaid Circular. Accordingly, SEBI's comments on the draft Scheme are as under:
 - BSE to ensure that information submitted by the Company, DEN Networks Limited vide letter dated November 11, 2016, pertaining to Mr. Krishna Kumar P. T. Gangadharan being nominee director in Dighi Port Limited and Konaseema Gas Power Limited which have been declared wilful defaulters by RBI (Copy attached) is disclosed in the scheme under the heading "action taken by SEBI/RBI" and the same is brought to the notice of shareholders and Hon'ble High Court.
 - Stock exchanges to ensure compliance with the said Circular.
 - The company shall duly comply with various provisions of the Circular.
- Please note that the submission of documents/information in accordance with the Circular, to SEBI should not in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of any scheme or for the correctness of the statements made or opinions expressed in the documents submitted.

Yours faithfully,

Abhishek Kumar D



सेबी भवन, प्लॉट नं. सी 4-ए, "जी" ब्लॉक, बंदरा कुर्ला कॉम्प्लेक्स, बंदरा (पूर्व), मुंबई - 400 051.
दूरभाष : 2644 9950 / 4045 9950 (आई.टी.आर.एस.), 2644 9000 / 4045 9000 फैक्स : 2644 9019 से 2644 9022 वेब : www.sebi.gov.in

SEBI Bhavan, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (E), Mumbai - 400 051.
Tel.: 2644 9950 / 4045 9950 (IVRS), 2644 9000 / 4045 9000 Fax: 2644 9019 to 2644 9022 Web : www.sebi.gov.in



Date :- 11th November, 2016

To,

Mr. Abhishek Kumar D
Assistant Manager,
Division of Issues and Listing, Corporate Finance Department,
Securities and Exchange Board of India,
C-4A, "G" Block, SEBI Bhavan,
Bandra Kurla Complex,
Bandra (East), Mumbai-400051

Sub:- Proposed scheme of Arrangement between DEN Networks Limited ("DEN") and Skynet Cable Network Pvt. Ltd. ("Skynet") under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015

Dear Sir,

This is in reference to your e-mail dated November 04, 2016, in this regard, please find below point-wise reply of your queries:-

- Status of SEBI Action taken Report against directors of DEN and Skynet

Status Against Directors of DEN			
S.No.	Name of Director	PAN	Status
1	Sameer Manchanda	AAAPM0062H	The Company ("DEN") had filed a consent application dated July 12, 2012 with SEBI, without admitting any guilt on their part, for settling the adjudication proceedings commenced against the Company and its directors pursuant to the show cause notices. Accordingly, SEBI passed a consent order dated March 11, 2013 for settlement of the adjudication proceedings upon payment of Rs. 20.88 million by the Company and Rs. 0.20 million by each of Directors as settlement charges. The matter has been closed.
2	Alaya Chand	ADCPG7778E	
3	Robindra Sharma	AAAP86294A	
4	Atul Sharma	AAAP86861J	
5	Krishna Kumar P.T Gangadharan	AFBPG4014L	

Status Against Directors of Skynet

S.No.	Name of Director	PAN	Status
1	Amit Singh	BSNPS6220E	The Company has received confirmation from Mr. Amit Singh and Mr. Surinder Kumar directors that they are not officers in any of the said companies. The same are enclosed as Annexure 1.
2	Surinder Kumar	ALZPK8471D	



DEN Networks Limited
CIN: L92490DL2007PLC165873

Registered Office: 211, 1st Floor, Okhla Industrial Estate, Phase III, New Delhi - 110020
Landline: +91 11 011-40522100 | Fax: +91 11 40522100 | Email: den@online.in | www.dennetworks.com

Ref: NSE/LIST/95405

November 29, 2016

The Company Secretary
Den Networks Limited
236, Okhla Industrial Area
Phase- III
New Delhi – 110 020

Kind Attn.: Mr. Jatin Mahajan

Dear Sir,

Sub: Observation Letter for Draft Scheme of Arrangement between DEN Networks Limited and SKYNET Cable Network Private Limited under sections 391 to 394 of the Companies Act, 1956

This has reference to draft scheme of arrangement between DEN Networks Limited and SKYNET Cable Network Private Limited under sections 391 to 394 of the Companies Act, 1956 submitted to NSE vide your letter dated September 28, 2016.

Based on our letter reference no Ref: NSE/LIST/89056 submitted to SEBI and pursuant to SEBI Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015, SEBI vide letter dated November 25, 2016, has given following comments:

- The Company shall ensure that information submitted by the Company pertaining to Mr. Krishna Kumar P. T. Gangadharan being nominee director in Dighi Port Limited and Konaseema Gas Power Limited which have been declared wilful defaulters by RBI is disclosed in the scheme under the heading "Action taken by SEBI/RBI" and same be brought to the notice of the shareholders and Hon'ble High Court.
- The Company shall duly comply with various provisions of the Circular.

We hereby convey our 'No-objection' with limited reference to those matters having a bearing on listing/ delisting/ continuous listing requirements within the provisions of the Listing Agreement, so as to enable the Companies to file the Scheme with Hon'ble High Court.

However, the Exchange reserves its rights to raise objections at any stage if the information submitted to the Exchange is found to be incomplete/ incorrect/ misleading/ false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines / Regulations issued by statutory authorities.

The validity of this "Observation Letter" shall be six months from November 29, 2016, within which the Scheme shall be submitted to the Hon'ble High Court. Further pursuant to the above cited SEBI circulars upon sanction of the Scheme by the Hon'ble High Court, you shall submit to NSE the following:

- Copy of Scheme as approved by the High Court;
- Result of voting by shareholders for approving the Scheme;
- Statement explaining changes, if any, and reasons for such changes carried out in the Approved Scheme vis-à-vis the Draft Scheme.
- Status of compliance with the Observation Letter/s of the stock exchanges
- The application seeking exemption from Rule 19(2)(b) of SCRR, 1957, wherever applicable; and
- Complaints Report as per Annexure III of SEBI Circular No.CIR/CFD/CMD/16/2015 dated November 30, 2015.

Yours faithfully,

For **National Stock Exchange of India Limited**

Kautuk Upadhyay
Manager

P.S. Checklist for all the Further Issues is available on website of the exchange at the following URL
http://www.nseindia.com/corporates/content/further_issues.htm

This Document is Digitally Signed



Department of Corporate Services,
BSE Limited,
P.J. Towers, Dalal Street,
Mumbai - 400 001.

BSE Scrip Code: 533137

Dear Sir

Subject: Complaints Report under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Reference: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Further to our Application dated September 26, 2016, hosted at website of stock exchange on October 07, 2016 under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between DEN Networks Limited and SKYNET Cable Network Limited and their respective Shareholders and Creditors ('Scheme'), Please find enclosed the Complaints Report for the Period from October 07, 2016 to October 27, 2016 (both days inclusive) as **Annexure I**.

We have also uploaded the Complaints report on our website (i.e., www.dennetworks.com)

We request you to take the above on record and provide the requisite 'No-Objection Letter' at the earliest so as to enable us to file the Scheme with the Hon'ble High Court.

If you require any clarifications / information, we would be happy to provide the same.

Yours faithfully

For Den Networks Limited


Jatin Mahajan
Company Secretary
F6887

DEN Networks Limited
CIN: L92490DL2007PLC165673
Registered Office: 211, 1st Floor, Okhla Industrial Estate, Phase III, New Delhi - 110020

Landline: +91 11 011 - 40522100 | Fax: +91 11 40522100 | E-mail: den@online.in | www.dennetworks.com

Dated: 03/11/2016



ANNEUXRE I

Complaints Report

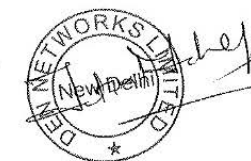
Details of Complaints, if any received from October 07, 2016 to October 27, 2016 (both days inclusive) for the Proposed Scheme of Arrangement between DEN Networks Limited and SKYNET Cable Network Limited and their respective Shareholders and Creditors are as under:

Part A

Sr. No.	Particulars	Number
1.	Number of Complaints received directly	Nil
2.	Number of Complaints forwarded by Stock Exchange	Nil
3.	Total Number of Complaints/Comments received (1+2)	Nil
4.	Number of Complaints resolved	N.A.
5.	Number of Complaints pending	N.A.

Part B

Sr. No	Name of the Complainant	Date of Complaint	Status (Resolved / Pending)
1.	Not Applicable		



DEN Networks Limited
CIN: L92490DL2007PLC165673

Registered Office: 211, 1st Floor, Okhla Industrial Estate, Phase III, New Delhi - 110020
Landline: +91 11 011 - 40522100 | Fax: +91 11 40522100 | E-mail: den@online.in | www.dennetworks.com



ANNEUXRE I

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C/1, Block G
Badra-Kurla Complex, Bandra (East)
Mumbai- 400051
NSE Scrip Code:

Dated: 27/10/2016

Dear Sir

Subject: Complaints Report under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Reference: Application under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/CMD/16/2015 dated November 30, 2015.

Further to our Application dated September 26, 2016, hosted at website of stock exchange on October 04, 2016 under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the proposed Scheme of Arrangement between DEN Networks Limited and SKYNET Cable Network Limited and their respective Shareholders and Creditors ('Scheme'), Please find enclosed the Complaints Report for the Period from October 04, 2016 to October 24, 2016 (both days inclusive) as Annexure I.

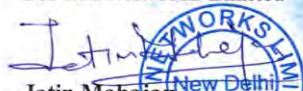
We have also uploaded the Complaints report on our website (i.e., www.dennetworks.com)

We request you to take the above on record and provide the requisite 'No-Objection Letter' at the earliest so as to enable us to file the Scheme with the Hon'ble High Court.

If you require any clarifications / information, we would be happy to provide the same.

Yours faithfully

For Den Networks Limited


Jatin Mahajan
Company Secretary
F6887

DEN Networks Limited

CIN: L92490DL2007PLC165673

Registered Office: 236, Okhla Industrial Estate, Phase - III, New Delhi - 110 020.

Landline: +91 11 40522200 II Facsimile: +91 11 40522203 II E-Mail : den@denonline.in II www.dennetworks.com

Complaints Report

Details of Complaints, if any, received from October 04, 2016 to October 24, 2016 (both days inclusive) for the Proposed Scheme of Arrangement between DEN Networks Limited and SKYNET Cable Network Limited and their respective Shareholders and Creditors are as under:

Part A

Sr. No.	Particulars	Number
1.	Number of Complaints received directly	Nil
2.	Number of Complaints forwarded by Stock Exchange	Nil
3.	Total Number of Complaints/Comments received (1+2)	Nil
4.	Number of Complaints resolved	N.A.
5.	Number of Complaints pending	N.A.

Part B

Sr. No	Name of the Complainant	Date of Complaint	Status (Resolved / Pending)
1.	Not Applicable		



DEN Networks Limited

CIN: L92490DL2007PLC165673

Registered Office: 236, Okhla Industrial Estate, Phase - III, New Delhi - 110 020.

Landline: +91 11 40522200 II Facsimile: +91 11 40522203 II E-Mail : den@denonline.in II www.dennetworks.com

B.L.SACHDEVA & Associates
Chartered Accountants

F-19, Ashok Vihar-I
New Delhi-110 052
Mobile: 9810024292

August 30th, 2016

To,

Board of Directors

DEN Networks Limited
236, Okhla Industrial Area, Phase-III,
New Delhi-110 020

Skynet Cable Network Private Limited
C-148, Mayapuri, Industrial Area,
Phase-II, New Delhi-110 064

Sub: Transfer of Internet Service Provider (ISP) Business Undertaking of DEN Networks Limited (DEN) to Skynet Cable Networks Private Limited (Skynet) pursuant to the Scheme of Arrangement under the relevant sections of the Companies Act, 1956 and Companies Act, 2013 as applicable.

BACKGROUND

We understand that the Managements of DEN and Skynet are contemplating a restructuring proposal under which the ISP Business of DEN will be transferred to Skynet, a wholly owned subsidiary of DEN. This is sought to be achieved by a Scheme of Arrangement under the provisions of Sections 391 and 394 of the Companies Act, 1956 ("the Scheme") the proposed Appointed Date for the Demerger would be 1st April, 2016.

We have been appointed to advise on the consideration to be given to the shareholders of DEN for the transfer of the ISP Business of the Company.

SOURCES OF INFORMATION

The following information has been received from the Management of the Companies:

- The Draft Scheme of Arrangement
- Management certified financials of the ISP Business of DEN which is transferred
- Other relevant details regarding the Companies



We have also obtained necessary explanations and information, which we believed were relevant to the present exercise, from the Directors of the



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Companies. It may be mentioned that the Companies have been provided opportunity to review the draft report (excluding our valuation analysis and recommendation) for the current job as part of our standard practice to make sure that factual inaccuracies are avoided in our report.

SCOPE LIMITATIONS

Affecting results:

Valuation analysis and result are specific to the purpose of valuation and the valuation date mentioned in the report as agreed per terms of our engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

Valuation analysis and results are also specific to the date of this report. A review of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. As such, our review results are, to a significant extent, subject to continuance of current trends beyond the date of the report. We, however, have no obligation to update this report for events, trends or transactions relating to the Companies or the market/economy in general and occurring subsequent to the date of this report.

No investigation of the Companies' claim to title of assets has been made for the purpose of this review and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

We have not conducted or provided an analysis or prepared a model for any asset valuation and have wholly relied on information provided by the Companies in that regard.

Our fees for the assignment are not contingent upon the results reported.



Others:

We owe responsibility to only the Board of Directors of the Companies, which have retained us and nobody else.

We do not accept any liability to any third party in relation to the issue of this report.

Neither the report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in



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connection with the proposed restructuring of the Companies including the proposed Scheme of Arrangement, without our prior written consent.

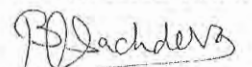
VALUATION ANALYSIS

Skynet is a wholly owned subsidiary of DEN and therefore the interest of the shareholders of DEN will not be prejudicially affected based on the consideration attributed to the ISP Business undertaking. We have been informed that the Board of Directors of both companies have decided to carry out this transaction at Rs. 4,00,00,000/- (Rupees Four Crores) which is broadly based on net aggregate book value of assets and liabilities of the ISP Business. As per the Scheme, the consideration for the proposed transfer of the ISP Business to Skynet will be paid in cash.

Thanking You.

Yours truly,

For B.L. Sachdeva & Associates,


Chartered Accountants



Deloitte Haskins & Sells

Chartered Accountants
7th Floor, Building 10, Tower B
DLF Cyber City Complex
DLF City Phase - II
Gurgaon - 122 002
Haryana, India

Tel: +91 (124) 679 2000
Fax: +91 (124) 679 2012

Auditors' Certificate

To,
The Board of Directors
DEN NETWORKS LIMITED
236 Okhla Industrial Area, Phase-III
New Delhi - 110020

We, the Statutory Auditors of DEN NETWORKS LIMITED ("the Company"), have examined the proposed accounting treatment specified in Part C - Clause 1.2 of the draft scheme of arrangement (hereinafter referred as 'Scheme') amongst the Company and SKYNET CABLE NETWORK PRIVATE LIMITED (hereinafter collectively referred as 'the Companies') and their respective shareholders and creditors in terms of the provisions of sections 391 to 394 of the Companies Act, 1956 with reference to its compliance with the applicable Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013, read with the rules made there under and other Generally Accepted Accounting Principles.

The responsibility for the preparation of the Draft Scheme and its compliance with the relevant laws and regulations, including the applicable Accounting Standards as aforesaid, is that of the Board of Directors of the Companies involved. Our responsibility is only to examine and report whether the accounting treatment referred to in paragraphs of the Draft Scheme referred to above complies with the applicable Accounting Standards and Other Generally Accepted Accounting Principles. Nothing contained in this Certificate, nor anything said or done in the course of, or in connection with the services that are subject to this Certificate, will extend any duty of care that we may have in our capacity of the statutory auditors of any financial statements of the Company. We carried out our examination in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. Further our examination did not extend to any other parts and aspects of a legal or proprietary nature in the aforesaid Draft Scheme.

Based on our examination and according to the information and explanations given to us, we confirm that the accounting treatment contained in Part C - Clause 1.2 of the aforesaid Draft Scheme is in compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars issued there under. We confirm that the proposed accounting treatment Part C - Clause 1.2 of the aforesaid Draft Scheme is in compliance with the applicable Accounting Standards notified by the Central Government under Section 133 of the Companies Act, 2013, read with the rules made there under.


For ease of references, Part C - Clause 1.2 of the Draft Scheme, duly authenticated on behalf of the Company, is reproduced in Annexure 1 to this Certificate and is initialed by us only for the purposes of identification.



**Deloitte
Haskins & Sells**

This certificate is issued at the request of the Company pursuant to the requirements of circulars issued under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for onward submission by the Company to BSE Limited and National Stock Exchange of India Limited. This Certificate should not be used for any other purpose without our prior written consent.

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registration No. 015125N)


Alka Chadha
Partner
(Membership No. 93474)

Gurgaon, 5 September, 2016
ND/AC/2016/334



DA
D & A FINANCIAL SERVICES (P) LIMITED
Merchant Banking & Corporate Advisory Services

To,
The Board of Directors
DEN Networks Limited

The Board of Directors
Skynet Cable Networks Private Limited

Subject: Fairness Opinion in connection with the proposed scheme of arrangement for the proposed demerger of ISP Undertaking of Den Networks Limited (Transferor Company) in to Skynet Cable Networks Private Limited (Resultant Company).

Dear Sir/s,

We M/s D and A Financial Services (P) Ltd., SEBI registered Merchant Banker, having license no. INM000011484 have been appointed by DEN Networks Limited to provide a fairness opinion on the proposed scheme of arrangement, which provides for Demerger of ISP Undertaking of Den Networks Limited (Transferor Company) in to Skynet Cable Networks (P) Limited (Resultant Company) pursuant to draft scheme of arrangement under relevant provisions of Companies Act.

Company Profile:

DEN NETWORKS LIMITED (hereinafter referred to as "DEN" or "Transferor Company") is incorporated under the Companies Act, 1956 on 10th July, 2007 with the Registrar of Companies, NCT of Delhi & Haryana. That the name of the company was changed from DEN DIGITAL ENTERTAINMENT NETWORKS PRIVATE LIMITED TO DEN

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CIN : U74899DL1981PTC012709



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NETWORKS LIMITED w.e.f. 27th June, 2008 and is operating under the Internet Service Provider License No. 820-990/07-LR dated 06th February 2008 granted by Department of Telecommunications, Ministry of Communications & IT.

The Registered Office of the Company is situated at 236, Okhla Industrial Area, Phase-III, New Delhi-110020. DEN is listed on BSE Ltd. and National Stock Exchange of India Ltd and is primarily engaged in the business of broadcasting, telecasting, relaying, transmitting, distributing, Cable services encompassing distribution and internet based services.

SKYNET CABLE NETWORK PRIVATE LIMITED, (hereinafter referred to as the "Resulting Company" or "SKYNET") is incorporated as Private Limited Company on the 5th December, 2011 under the Companies Act, 1956, with the Registrar of Companies, NCT of Delhi & Haryana. The Registered Office of the Company is situated at C-148, Mayapuri Industrial Area, Phase II, New Delhi-110064.

Resulting Company is a wholly owned subsidiary of Transferor Company and is primarily engaged in the business of broadcasting, telecasting, relaying, transmitting, distributing, Cable services encompassing distribution and internet based services.

Objects And Rationale Of Scheme Of Arrangement:

We are made to understand that the management of DEN Networks Limited is proposing an internal restructuring in such a manner that the ISP Business should be moved to a Special Purpose Vehicle which will be 100% subsidiary Company and SKYNET, a 100% subsidiary of DEN has been chosen for the purpose of Demerging the ISP Business Undertaking/Division of DEN.



The factors which induced the decision were, *inter alia*, as follows:

- i. To enable a focused attention on the ISP Business
- ii. To achieve structural and operational efficiency
- iii. To enhanced competitiveness and greater accountability
- iv. Accelerating value creation for shareholders
- v. To focus on the significant growth potential for high speed data and related services in India.

In this regard, we have been requested to given an opinion on fairness of proposed scheme of arrangement in compliance with requirement of listing agreement.

Scope and Purpose of the Opinion

The Fairness Opinion is addressed to the Board of Directors of Transferor as well as Resultant Company. Further, this Fairness Opinion has been issued as per the requirements of SEBI circular no. CIR/CFD/CMD/16/2015 dated 30th November, 2015.

The purpose of the opinion is to safeguard the interest of the shareholders and that of the companies involved in the Scheme and this opinion shall be made available to the shareholders of the relevant Companies at the time of their meeting to pass the necessary resolution for the Scheme and to any other relevant authority.

Disclaimer: We have assumed and relied upon, without independent verification, the accuracy and completeness of all information that was publicly available or provided or otherwise made available to us by management of DEN for the purpose of this Opinion. We have not carried out any independent verification of the accuracy and completeness of all information as stated above. We have not reviewed any other documents of the Companies other than those



stated herein. We have not assumed any obligation to conduct, nor have we carried out any independent physical inspection or title verification of the property, investments etc. interests of DEN and SKYNET and accept no responsibility therefore.

We have not reviewed any internal management information statements or any non-public reports and instead with your consent we have relied upon information that was publicly available or provided or otherwise made available to us by DEN for the purpose of this Report. We are not experts in the evaluation of litigation or other actual or threatened claims.

This Report is for the benefit of and confidential use by the Companies involved. This report is not meant for meeting any other regulatory or disclosure requirements, save and except as specified above, under any Indian or foreign law, statute, act guideline or similar instruction. The Management or related parties of Companies are prohibited from using this report other than for its sole limited purpose and not to make a copy of this report available to any party other than those required by statute for carrying out the limited purpose of this report.

In no circumstances whatsoever, will D and A Financial Services (P) Limited, its Directors and employees accept any responsibility of liability towards any third party for consequences arising out of the use of this report.

Sources of the Information

We have received the following information from the management of the Companies:

1. Proposed Draft Scheme of Arrangement.
2. Report dated 30th August, 2016 issued by B.L. Sachdeva & Associates, Chartered Accountants




Fairness Opinion

The entire stated share capital of Resultant Company is held by Transferor Company. Hence, upon the Scheme becoming effective, no shares of Resultant Company i.e SKYNET shall be allotted to the Transferor Company. However the Resultant Company shall pay to Transferor Company, an aggregate all-inclusive lump sum cash consideration of Rs. 4 Crores without values being assigned to individual assets and liabilities.

On the basis of the above, in our opinion the proposed Scheme of Arrangement is fair and reasonable.

The aforesaid demerger shall be subject to receipt of approval from Honorable High Court of respective jurisdictions, the relevant stock exchanges and other statutory authority approvals as may be required.

D & A Financial Services (P) Limited has issued this fairness opinion with the understanding that draft scheme of arrangement shall not be materially altered and the parties hereto agree that fairness opinion would not stand good in case of final scheme of arrangement alters the transactions.

Based on the information's, data made available to us, to the best of our knowledge and belief, the proposed draft scheme of arrangement is fair in our opinion.

Thanking You

For D & A Financial Services (P) Ltd

(M K Doogar)

Director

Date: 05.09.2016

Place: New Delhi



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