

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. 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.



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- 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 under DAS license no. F.No. 9/46/2012-BP&L issued by Ministry of Information and Broadcasting
2. Internet Service Provider (ISP) Business under Internet Service Provider License No. 820-990/07-LR dated 06th February 2008 granted by Ministry of Communications & IT, Department of Telecommunications

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:

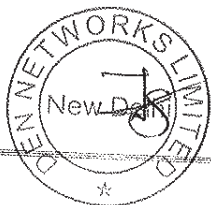
The factors which induced the decision were, *inter alia*, as follows:

- 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.



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- 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



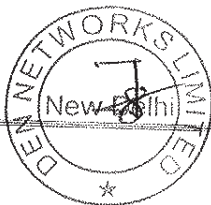
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and building, all fixed and movable plant and machinery, leasehold or freehold, tangible or intangible, including all computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work-in-progress, 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



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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 is received, and if the approvals or sanctions are received on



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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



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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:

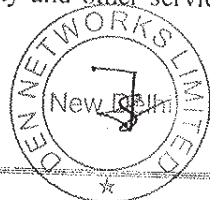
Name of the Company	Authorised Share Capital	Issue and Paid-up Share Capital
DEN Networks Limited	Rs. 2,00,00,00,000/- divided into 20,00,00,000 Equity Shares of Rs. 10 each	Rs. 1781998060/- divided into 17,81,99,806 Equity Shares of Rs. 10 each
Skynet Cable Network Private Limited	Rs. 90,00,000/- divided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



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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

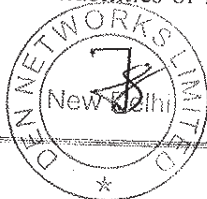


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without any further act, instrument or deed required by either the Resulting Company or the Transferor Company and without any approval or acknowledgement of any third party. Upon the Scheme coming into effect on the Effective Date with effect from 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

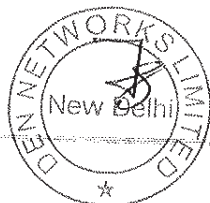


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undertakes to meet, discharge and satisfy the same to the exclusion of the Transferor Company including liability for bonus for the period upto the Appointed Date to the extent not provided in the books.

- 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



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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:

- a) 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.
- b) 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.
- c) 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:

- a) 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
- b) 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.

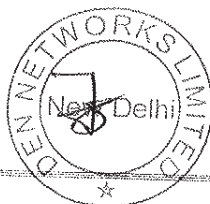
1.14 a) Resulting Company undertakes to engage, on and from the Effective Date, all the employees of Demerged Undertaking of Transferor Company engaged in the Demerged Undertaking of Transferor Company on the same terms and conditions on which they are engaged as on the Effective Date by Transferor Company 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.

- b) 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.
- c) 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.

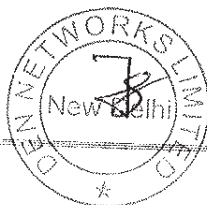
1.15 Upon the Scheme becoming effective and on the demerger, transfer and vesting of Demerged Undertaking of Transferor Company to Resulting Company, existing charges on the assets of the Demerged Undertaking of Transferor Company shall continue in favour of the Bankers and Financial Institutions, if 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.



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- 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



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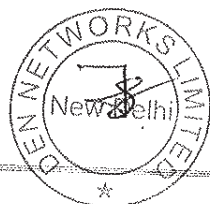
Company and appropriate Governmental and Registration Authorities shall mutate and register the said vehicles in the name of Resulting Company.

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.



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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.



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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 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.

1.3 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;



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- c) 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.

1.4 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.

1.5 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.

1.6 Compliance with the Companies Act:

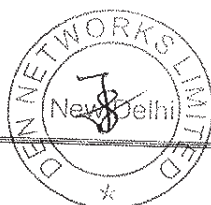
The Scheme shall comply with the applicable provisions of the Companies Act and the rules, guidelines, regulations, if any, made thereunder and for the time being in force relating to accounting principles.

1.7 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.

1.8 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



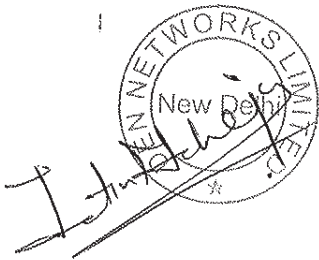
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the Scheme (or any Section thereof), as will best preserve for the parties, the benefits and obligations of this Scheme (or any Section thereof), including but not limited to such part.

1.9 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.



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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



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