



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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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.

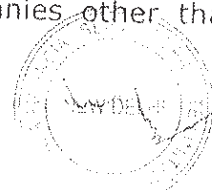
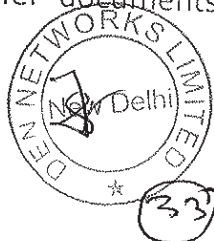
In this regard, we have been requested to given an opinion on fairness of proposed scheme of arrangement in compliance with requirement of listing agreement.

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.

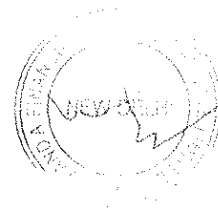
In no circumstances whatsoever, will D and A Financial Services (P) Limited, its Directors and employees accept any responsibility of liability towards any third party for consequences arising out of the use of this report.

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

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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

