



NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting of the members of Den Networks Limited (“**Company**”) will be held on June 5, 2013 at PHD Chamber of Commerce & Industry, **PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016 at 11.30 A.M.**, to transact the following special business:

Preferential Issue of Equity Shares to Persons other than the Promoters and the Promoter Group of the Company

To consider, and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 81 (1A) and all other applicable provisions of the Companies Act, 1956, if any (including any statutory modifications(s) or re-enactment thereof, for the time being in force), the provisions of Foreign Exchange Management Act, 1999, and rules and regulations framed there under, the extant foreign direct investment policy and subject to the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended up to date (“**SEBI ICDR Regulations**”), as in force and subject to other applicable rules, regulations and guidelines of Securities and Exchange Board of India (“**SEBI**”) and enabling provisions of the memorandum and articles of association of the Company and the Listing Agreements entered into between the Company and the stock exchanges, where the shares of the Company are listed and subject to requisite approvals, consents, permissions and/ or sanctions of regulatory and other appropriate authorities (including the approval and/or the security clearance to be received from the Ministry of Information Broadcasting, Government of India (“**MIB Approval**”)), as may be required and subject to such conditions as may be prescribed by any of them while granting any such approvals, consents, permissions, and/ or sanctions and which may be agreed to, by the board of directors of the Company (“**Board**”, which term shall be deemed to include any committee which the Board may have constituted or hereinafter constituted to exercise its powers including the powers conferred hereunder or any person authorised by the Board or its committee for such purpose), the consent and approval of the Company be and is hereby granted to create, offer, issue and allot such number of equity shares of face value INR 10 each (“**Equity Shares**”) as may be computed based on an aggregate consideration of US\$ 110 million (as converted into Indian Rupees at the prevailing exchange rate two days prior to the date of allotment) in cash, to Broad Street Investments (Singapore) Pte. Ltd. and MBD Bridge Street 2013 Investments (Singapore) Pte. Ltd., affiliates of The Goldman Sachs Group, Inc., who form part of persons belonging to the non promoter category (“**Non Promoter Investors**”) on a preferential basis, at a price per Equity Share of INR 217.50 (including premium), which price is determined in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations.

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RESOLVED FURTHER THAT aforesaid issue and allotment of Equity Shares shall be subject to the conditions prescribed under Chapter VII the SEBI ICDR Regulations including the following terms and conditions:

- A. The Equity Shares shall be allotted within a period of 15 (fifteen) days from the date of passing of this resolution provided that where the allotment of the said Equity Shares is pending on account of pendency of any approval of such allotment by any regulatory authority (including the MIB Approval), the allotment shall be completed within a period of 15 (fifteen) days from the date of grant of such approval.
- B. The Non Promoter Investors shall be required to bring in 100% of the consideration on the shares to be allotted on or before the date of allotment thereof.
- C. The Equity Shares shall be locked in as per the provisions of Chapter VII of the SEBI ICDR Regulations.
- D. The Equity Shares proposed to be so allotted shall rank *pari passu* in all respects including as to dividend, with the existing fully paid up equity shares of face value INR 10 each of the Company, subject to the relevant provisions contained in the Memorandum and Articles of Association of the Company.

RESOLVED FURTHER THAT the price of the Investor Shares has been calculated in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations. The “Relevant Date” for the purpose of calculating the price of the Investor Shares is the date 30 days prior to the date of this Extraordinary General Meeting i.e., May 6, 2013.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue and allotment of the Equity Shares, including but not limited to seeking listing of the Equity Shares on the relevant stock exchange(s), making application to the relevant Depository for admission of the new equity shares as appropriate, and to resolve and settle all questions and difficulties that may arise in relation to the proposed preferential issue, offer and allotment of any of the said Equity Shares, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

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RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it to any committee of the Board, any other director(s) or officer(s) of the Company or other authorized persons to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT all actions taken by the Board or a committee of the Board, any other director(s) or officer(s) of the Company or any other authorized persons in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and is hereby approved, ratified and confirmed in all respect.”

For DEN Networks Limited

Sd/

**Jatin Mahajan
Company Secretary**

Date: 09-05-2013

Place: New Delhi

NOTES:

1. The explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, is annexed hereto and forms an integral part of this Notice.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
3. The instrument appointing the proxy, if any, shall be in writing, and shall be deposited at the Registered Office of the Company, situated at 236, Okhla Industrial Estate, Phase III, New Delhi not less than 48 (forty eight) hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default, the instrument of proxy shall be treated as invalid. Proxies shall not have any right to speak at the meeting.
4. The proxy shall not be entitled to vote if the member whom it represents has any calls or other sums presently payable by him in respect of the shares unpaid or in regard to which the Company has and has exercised any right or lien.
5. Members/Proxies are requested to bring the attendance slip duly filled in and hand it over at the entrance duly signed.

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6. Copies of the Notice will not be distributed at the Extra Ordinary General Meeting. Members are requested to bring their copies to the meeting.

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT (Pursuant to Section 173(2) of the Companies Act, 1956)

Preferential Issue of Equity Shares to Persons other than the ‘Promoters and the Promoter Group’ of the Company under Chapter VII of the SEBI ICDR Regulations, 2009

Your Company is one of India's leading cable TV distribution company reaching an estimated 11 million households in over 150 cities across 13 key states in India. The cable TV industry has achieved a historic landmark with the metro cities of Delhi, Mumbai and Kolkata switching over to Digital Addressable System (DAS) with effect from November 1, 2012. The successful completion of Phase 1 and closely monitored implementation of Phase 2 of the digitization mandate have set the sunset of analog cable in the country by December 2014. The subsequent phases are categorized by huge analog subscriber volume which is serviced by small fragmented LCOs. This provides the Company with a two-fold opportunity to attain unprecedented growth and scale by installing additional set top boxes and driving consolidation through acquisition of smaller players. To leverage these opportunities and for enabling the launch of other value added services, the Company has a requirement of raising funds. Towards this objective, the Company now proposes to increase its capital base by way of infusion of equity.

The board of directors of the Company (hereinafter referred to as the “**Board**” which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution, or any person authorized by the Board or its Committee for such purpose) has approved the execution of an investment agreement between the Company, its promoters, certain members of its promoters group, Broad Street Investments (Singapore) Pte. Ltd. and MBD Bridge Street 2013 Investments (Singapore) Pte. Ltd., (“**Non Promoter Investors**”), under which agreement and subject to the terms and conditions of the agreement, the Non Promoter Investors propose to subscribe to such number of equity shares of face value INR 10 each (each an “**Equity Share**” and collectively “**Investor Shares**”) of the Company as may be computed based on an aggregate consideration of US\$ 110 million (as converted into Indian Rupees at the prevailing exchange rate two days prior to the date of allotment) in

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cash, on a preferential basis at a price of INR 217.50 per Investor Share. The Board has approved the same at its meeting held on May 6, 2013.

In terms of Section 81(1A) of the Companies Act, 1956 read with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”), the proposed preferential allotment requires approval of the Company’s members by way of a special resolution. The Board, therefore, seeks approval of the Company’s members for the special resolution set out in the notice, by way of a special resolution.

The proposed issue and allotment of the Investor Shares will *inter-alia* be governed by the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the articles of association of the Company, the listing agreement entered into between the Company and the stock exchanges where the equity shares of the Company are listed, the SEBI ICDR Regulations and the terms of the investment agreement.

The investment will be subject to customary conditions including receipt of shareholders approval and applicable governmental and regulatory approvals. The satisfaction of these conditions is not necessarily within the control of the Company. Appropriate amendments would be carried out to the articles of association of the Company subject to approval of the shareholders in terms of the proposed investment. The Investor Shares allotted to the investors shall rank *pari-passu* with all other equity shares of the Company in respect of all rights including dividend.

It may be noted that in terms of Chapter VII of the SEBI ICDR Regulations, it is necessary to disclose the details of investor and certain other terms to the shareholders while seeking their approval for issuing the Equity Shares on preferential basis. The shareholders approval is being sought in terms of the provisions of the Companies Act, 1956 and the SEBI ICDR Regulations. The relevant disclosures/details of the preferential allotment are given below:

DISCLOSURES:

1. ***Object of the Preferential issue***

Business purpose including funding capital expenditures, working capital requirements and general corporate purposes.

Type of security offered and the number of security offered

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The Company proposes to offer, issue and allot such number of equity shares of face value INR 10 each of the Company as may be computed based on an aggregate consideration of US\$ 110 million (as converted into Indian Rupees at the prevailing exchange rate two days prior to the date of allotment) in cash, to the Non Promoter Investors on a preferential basis, at a price per Equity Share of INR 217.50 (including premium), which price is determined in accordance with the provisions of Chapter VII of the SEBI ICDR Regulations. The actual number of Investor Shares shall be computed taking into account the Indian Rupees equivalent (two days prior to the allotment date) of the consideration of US\$ 110 million proposed to be invested by the Non Promoter Investors in the Company based on the price per Investor Share of INR. 217.50.

Important terms and conditions

The total subscription amount, payable by the Non Promoter Investors, shall be payable in cash at the time of allotment of the Investor Shares.

The allotment of Investor Shares are subject to the Non Promoter Investors not having sold any equity shares during the last six months preceding the Relevant Date (defined below).

Under Chapter VII of the SEBI ICDR Regulations, issue of equity shares on a preferential basis shall be made at a price not less than higher of: (a) the average of the weekly high and low of the closing prices of the equity shares quoted on a recognized stock exchange during the twenty six weeks preceding the Relevant Date or (b) the average of the weekly high and low of the closing prices of the equity shares quoted on a recognized stock exchange during the two weeks preceding the Relevant Date.

The “**Relevant Date**” for determining the issue price of the Investor Shares is the date 30 days prior to the date of this Extraordinary General Meeting i.e. May 6, 2013.

2. ***The proposal of the promoters, directors or key management personnel of the Company to subscribe to the offer:***

None of present promoters / directors / key management personnel of the Company intend to subscribe to the preferential offer.

3. ***Pre-issue and Post-issue Shareholding Pattern of the Company***

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The pre allotment (as on May 9, 2013, being the latest practicable date on which shareholder data was available prior to the approval and issuance of the notice to Members) and post allotment shareholding pattern of the Company is set out below:

Shareholders	Pre-allotment		Post-allotment	
	Number of equity shares	% of total	Number of equity shares	% of total
Promoters and promoter group	7,13,60,420	48.71	7,13,60,420	40.99
Investors	Nil	Nil	2,75,63,218	15.85
Others (including FIIs, DII, Institutions, Non-Institutions and Bodies Corporate)	7,51,30,002	51.29	7,51,30,002	43.16
Total	14,64,90,422	100	17,40,53,640	100

Note: The pre-allotment shareholding pattern assumes the completion of issuance of equity shares under a Qualified Institutional Placement of equity shares of the Company which opened on May 6, 2013. The post issue shareholding pattern has been calculated assuming a conversion rate of 1 USD = INR 54.50 and the actual shareholding pattern on allotment may vary based on the prevailing exchange rate two days prior to the date of allotment. Further, the post issue shareholding pattern table shows the expected shareholding pattern of the Company upon consummation of the preferential allotment and assumes that holdings of all shareholders shall remain the same post-issue, as they were on the date on which the pre-issue shareholding pattern was prepared.

4. ***Proposed time within which the allotment shall be complete***

As required under Chapter VII of the SEBI ICDR Regulations, the allotment of Investor Shares will be completed within 15 (fifteen) days from the date of the passing of the resolution. Provided that where the allotment is pending on account of pendency of any approval of permission of any regulatory authority or the Central Government (including in this case the MIB Approval), the allotment would be completed within 15 (fifteen) days from date of approval or permission as the case may be.

5. ***Identity of the proposed allottee(s) and percentage of post preferential issue capital that may be held by them and change in control, if any, in the issuer, consequent to the preferential issue:***

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The Non Promoter Investors, i.e., Broad Street Investments (Singapore) Pte. Ltd., and MBD Bridge Street 2013 Investments (Singapore) Pte. Ltd. are affiliates of The Goldman Sachs Group, Inc. Goldman Sachs is a leading global investment banking, securities and investment management firm that provides a wide range of financial services to a substantial and diversified client base that includes corporations, financial institutions, governments and high-net-worth individuals.

There will be no change in control of the Company consequent to the preferential issue. However, please note that the proposed Non Promoter Investors will be entitled to nominate an investor nominee on the Board subject to completion of the investment and subject to receipt of requisite regulatory and other approvals for such appointment.

6. The Company hereby undertakes that:

It is clarified that the Company has been listed for a period of more than six months and accordingly the provisions of Regulations 73(1)(f) and (g) of the SEBI ICDR Regulations are not applicable.

Lock-in

The Investor Shares being allotted on preferential basis under the SEBI ICDR Regulations shall be locked in such term as may be prescribed under the SEBI ICDR Regulations, which is currently for a period of 1 (one) year from the date of allotment.

7. *Auditor's Certificate*

The certificate from the statutory auditors certifying that the issue of the Investor Shares is being made in accordance with the requirements of the SEBI ICDR Regulations and shall be available for inspection at the Extra Ordinary General Meeting of the Company.

8. Under Section 81(1A) of the Companies Act, 1956, approval of the members is required for allotment of securities on preferential basis. Accordingly, the consent of the shareholders is being sought, pursuant to the applicable provisions of the Companies Act, 1956 and SEBI ICDR

Regulations to issue and allot equity shares on preferential basis as stated in the resolutions. The special resolution, if passed, will have the effect of allowing the Board to issue and allot securities to the Non Promoter Investors.

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None of the directors of the Company are in any way interested in the resolution except to the extent of their shareholding in the Company.

The Board recommends passing of the resolutions as set out in the Notice.

For DEN Networks Limited

**Sd/
Jatin Mahajan
Company Secretary**

Date: 09-05-2013
Place: New Delhi

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DEN NETWORKS LIMITED

Regd. Office Address: 236, Okhla Industrial Estate, Phase-III, New Delhi – 110020

ATTENDANCE SLIP

Members or their proxies are requested to present this form for admission, duly signed in accordance with their specimen signatures registered with the Company.

DP Id	
Regd. Folio No.*	

Client Id	
No. of Shares	

Name(s) and address of the shareholder in full

.....

.....

.....

I/we hereby record my presence at the Extraordinary General Meeting of the Company being held on Wednesday, 05th June at 11.30 AM at PHD Chamber of Commerce & Industry, PHD House, 4/2 Siri Institutional Area, August Kranti Marg, New Delhi-110016, India.

Please (☑) in the box

MEMBER PROXY

*Applicable for investor holding shares in physical form.

Signature of Member/Proxy

NOTES:-

1. Please fill this attendance slip and hand it over at the entrance of the hall.
2. Shareholders are requested to bring their copy of the EGM notice document with them.

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DEN NETWORKS LIMITED

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PROXY FORM

DP Id	
Regd. Folio No.*	

Client Id	
No. of Shares	

I/We

Name(s) and address of the shareholder in full

..... being a member of DEN Networks Limited, hereby appoint of in the district of..... Or failing him..... of in the district of as my/our Proxy to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company Scheduled to be held on Wednesday, 05th June at 11.30 AM at PHD Chamber of Commerce & Industry, PHD House, 4/2 Siri Institutional Area,

August Kranti Marg, New Delhi-110016 or/and at any adjournment thereof.

I/We direct my/our Proxy to vote on the Resolution in the manner as indicated below:

S. No.	Resolutions	For	Against
1.	Preferential Issue of Equity Shares to Persons other than the Promoters and the Promoter Group of the Company		

Signed by the Said _____

* Applicable for investor holding shares in physical _____ form.

Note:

1. The proxy form duly completed and signed should be deposited at the Registered Office of the Company situated at 236, Okhla Industrial Estate, Phase – III, New Delhi – 110020 not later than 48 hours before the commencement of the Extraordinary General Meeting.
2. A Proxy need not be a member of the Company.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
4. In Case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

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