

B.L.SACHDEVA & Associates
Chartered Accountants

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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
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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



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.

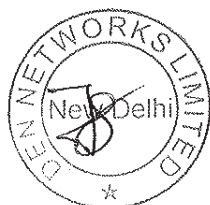
Our fees for the assignment are not contingent upon the results reported.

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



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

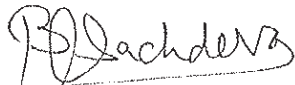
VALUATION ANALYSIS

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

