



**DEN NETWORKS LIMITED**

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

**CIN: L92490DL2007PLC165673**

**Website: www.dennetworks.com - E-mail:-investorgrievance@denonline.in**

**Telephone Number:- 011-40522200; 40522242; Fax No.- 011-40522203**

<b>Form No. MGT-12</b>
<b>Postal Ballot Form</b> (Kindly refer to the instructions specified overleaf before filling the form)
<i>[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1)(c) of the Companies (Management and Administration) Rules, 2014]</i>

Sr. No.....

1. Name(s) of Shareholder(s) (in block letters) :  
(Including joint holders, if any)
2. Registered address of the sole/first named shareholder :
3. Registered Folio No. / DP ID No. and Client ID No.\* :  
(\* Applicable to investors holding shares in demat form)
4. Number of equity shares held :
5. I/We hereby exercise my/our vote in respect of the resolutions to be passed through postal ballot for the business stated in the Postal Ballot Notice of the Company by sending my/our assent or dissent to the said resolutions by placing the tick (√) mark at the appropriate box below.

Item No.	Resolution	No. of Shares	I/we assent to the Resolution(In Favour)	I/We dissent to the Resolution (Against)
1.	Special Resolution for approval of increase in Foreign Investment Limits in the Company			
2.	Special Resolution under section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (the Act) and the rules made there under for appointment of Mr. Mohammad Ghulam Azhar as Whole Time Director			
3.	Special Resolution for amendment to DEN ESOP Plan B-2014 under Section 62 and other applicable provisions, if any of the Companies Act, 2013, to issue of Securities to employees of the Company			
4.	Special Resolution for amendment to DEN ESOP Plan B-2014 under Section 62 and other applicable provisions, if any of the Companies Act, 2013, to issue of Securities to employees and directors of the subsidiary companies			

Place:

Date:

(Signature of the shareholder)

Electronic Voting Particulars		
EVEN (E-Voting Event No.)	User ID	Password/PIN



**POSTAL BALLOT NOTICE/E-voting**  
(Pursuant to Section 110 of the Companies Act, 2013)

Dear Member(s),

Notice is hereby given that the draft Resolutions set out below are proposed to be passed through Postal Ballot in pursuant to section 110 of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Board of Directors of the Company ("the Board") proposes the same for the approval by members.

Accordingly, your consent is sought for the proposal as contained in the draft resolutions attached along with an explanatory statement pertaining to the resolutions setting out all material facts and the reasons thereof. Postal Ballot Form is also enclosed.

The Board of Directors has appointed Mr. Neelesh Kumar Jain, Practicing Company Secretary, to act as the scrutinizer, for conducting the postal ballot process, in a fair and transparent manner.

The members are requested to carefully read the instructions printed on the Postal Ballot Form and return the Form duly completed in all respects in the enclosed self-addressed postage pre-paid envelope, so as to reach the scrutinizer at the Registered Office of the Company on or before the close of working hours on Monday, 22<sup>nd</sup> June, 2015. Members may choose to vote using the e-voting facility, the details whereof are also specified under instructions for e-voting as contained under 'Notes'.

The scrutinizer will submit his report after completion of the scrutiny and the result of the voting by Postal Ballot will be announced on Tuesday, 23<sup>rd</sup> June, 2015 at the Registered Office of the Company.

**RESOLUTIONS: Special Business**

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

**Approval for Increase in Foreign Investment Limits**

“RESOLVED THAT subject to the approval of the Foreign Investment Promotion Board of India, Ministry of Finance (“**FIPB**”) and/or the Reserve Bank of India (“**RBI**”) and all other applicable Acts, laws, rules, regulations, circulars, directions, notifications, press notes and guidelines, permissions and sanctions (including any statutory modifications or re-enactment thereof for the time being in force) and such conditions as may be prescribed by any of the concerned authorities while granting such approvals, which may be agreed to by the Board of Directors of the Company (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), the approval of the members be and is hereby accorded to the Company to permit the total foreign investment limit in the Company by eligible Foreign Institutional Investors (“**FIIs**”), Foreign Portfolio Investors (“**FPIs**”), Non Resident Indians (**NRIs**) and other eligible foreign investors under the Portfolio Investment Scheme (“**PIS**”) in accordance with Schedules 2 and 2A of Foreign Exchange Management (Transfer or Issue of Security by a person Resident Outside India) Regulations, 2000 (“**FEMA 20**”) beyond 49% of the issued and fully paid-up share capital of the Company to 74% of the issued and fully paid-up share capital of the Company, being the maximum limit permissible for the 'Broadcasting Carriage Services' sector under the Consolidated Foreign Direct Investment Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, dated May 12, 2015 (“**FDI Policy**”).”



“RESOLVED FURTHER THAT the Board of Directors(“**Board**”) / any Committee of Directors and/or any officer of the Company as may be authorised by the Board and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby severally authorized to do all such acts, deeds and things and execute all documents or writings as may be necessary, proper or expedient for the purpose of giving effect to this Resolution and for matters connected therewith or incidental thereto including raising the total foreign investment limit in the company only by FIIs, FPIs, NRIs and other eligible foreign investors under the PIS in accordance with Schedules 2 and 2A of FEMA 20 from 49% under the automatic route to 74% under the approval/government route under the FDI Policy, in one or more tranches without requiring to secure any further consent or approval of the Board, filing of application for FIPB approval and obtaining approval from or intimating any other concerned authorities or other regulatory bodies ”

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

**Appointment of Mr. Mohammad Ghulam Azhar as Whole Time Director**

“Resolved that pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 (the Act) and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule V to the Companies Act, 2013 and Memorandum & Articles of Association of the Company, any amendments or re-enactments thereto and any other acts, rules or other statues applicable, the approval of the members of the company be and is hereby accorded for appointment of Mr. Mohammad Ghulam Azhar as a Whole Time Director of the Company for a period of three (3) years (**effective date of appointment shall be from the date of receipt of approval from Ministry of Information and Broadcasting in terms of Ministry of Commerce and Industry, Government of India, Consolidated FDI policy dated May 12, 2015 as may be amended from time to time**) subject to approval of the Central Government/Ministry of Corporate Affairs and other approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed by appropriate authorities while granting such permissions.”

FURTHER RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013 and Articles of Association of the Company and subject to the approval of Central Government or other Government authority/agency/board, if any, approval of the Company be and is hereby accorded to pay a total remuneration of ` 2,60,00,000/- (Rupees Two Crore Sixty Lacs) per annum with 12% increment on yearly basis to Mr. Mohammad Ghulam Azhar of the Company, the details of which are given in the Explanatory Statement to the notice.

FURTHER RESOLVED THAT the consent of the shareholders of the Company be and is hereby also accorded that where in any financial year the Company has no profits or inadequate profits then remuneration as decided above be paid with the prior approval of the Central Government or in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act.

FURTHER RESOLVED THAT the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard.

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary the remuneration from time to time as may be required to the extent the Board may consider appropriate in accordance with the applicable provisions of Companies Act, 2013, any rules, regulations and schedules made there under for the time being in force.



RESOLVED FURTHER THAT Chief Executive Officer or Chief Financial Officer or Company Secretary of the Company be and are hereby authorized, severally, to file necessary application(s), document(s), form(s), clarification(s), give representation(s), returns etc., and to do all such acts, matters, deeds and things necessary or desirable in connection with, or incidental to, giving effect to the above resolution, including filing of the resolution/application(s) with the Registrar of Companies, NCT of Delhi & Haryana, Central Government and any other authority, if any and to comply with all requirements in this regards.”

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

**Amendment to DEN ESOP Plan B, 2014 to issue of Securities to employees of the Company**

"RESOLVED THAT in accordance with terms & conditions of the **DEN ESOP Plan-A, 2014**, the consent of the members be and is hereby accorded to terminate DEN ESOP Plan-A, 2014 which was approved vide shareholders approval through Postal Ballot dated January 05, 2015 to purchase up-to 2.5% (i.e., 44,54,995 (Forty Four Lacs Fifty Four thousand nine hundred ninety five only)) of paid-up equity share capital of the Company from the secondary market."

“RESOLVED FURTHER THAT in accordance with the provisions contained in the Memorandum and Articles of Association and pursuant to the provisions of Section 62, and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“the Regulations”) and such other applicable laws (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any committees thereof, including the Nomination and Remuneration Committee which the Board might constitute (hereinafter referred to as “the Committee”) to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to amend "**DEN Employees Stock Option Scheme- Plan B- 2014**" (hereinafter referred to as the "**DEN ESOP Plan B**") by introducing 44,54,995 (Forty Four Lacs Fifty Four thousand nine hundred ninety five only) equity shares in addition to the existing shares (i.e., 44,54,995 (Forty Four Lacs Fifty Four thousand nine hundred ninety five only)) reserved under the Scheme and to offer, issue, and allot at any time to or to the benefit of employees who are in permanent employment of the Company, whether working in India or out of India, including directors of the Company(all such persons are hereinafter collectively referred to as “Employees”), as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time in one or more tranches on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or Regulations issued by the relevant authority.

RESOLVED FURTHER THAT, post amendment, the total number of equity shares reserved under the **DEN ESOP Plan B** shall be 89,09,990 (Eighty Nine Lacs Nine Thousand Nine Hundred Ninety only) and the Board be and is hereby authorized to make any modification(s), change(s), variation(s), alteration(s) or revision(s) or alteration(s) in the terms and conditions of **DEN ESOP Plan B** from time to time including, but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise **DEN ESOP Plan B** and to take necessary steps for listing of the Securities on the Stock Exchanges as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Guidelines and other applicable laws and regulations.

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division of the Company and others, the Board is authorized to do all such acts, deeds, matters and things



as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the Employees.

**RESOLVED FURTHER THAT** in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Shares to be allotted and the exercise price payable by the Option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Re. 10 per Equity Share shall bear to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

**RESOLVED FURTHER THAT**, the Board be and is hereby authorized to issue and allot equity shares upon exercise of Options from time to time in accordance with the Scheme and such equity shares shall rank pari-passu in all respects with the existing equity shares of the Company and nothing contained in this resolution shall effect the previous resolutions passed in this regard under DEN ESOP Plan B.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committee, with power to further delegate to any Executives/Officers of the Company and to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard and to issue and allot equity shares of the company to the employees either directly or through a Trust as set up in permissible manner.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue, allotment of securities, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time in its sole discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company and any other applicable laws or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

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

**Amendment to DEN ESOP Plan B, 2014 to issue of Securities to the Employees and Directors of Subsidiary Companies**

"RESOLVED THAT in accordance with terms & conditions of the **DEN ESOP Plan-A, 2014**, the consent of the members be and is hereby accorded to terminate DEN ESOP Plan-A, 2014 which was approved vide shareholders approval through Postal Ballot dated January 05, 2015 to purchase up-to 2.5% (i.e., 44,54,995 (Forty Four Lacs Fifty Four thousand nine hundred ninety five only)) of paid-up equity share capital of the Company from the secondary market."

“RESOLVED FURTHER THAT in accordance with the provisions contained in the Memorandum and Articles of Association and pursuant to the provisions of Section 62, and all other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the provisions contained in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (“the Regulations”) and such other applicable laws (including any statutory modification(s) or re-enactment of the Act or the Regulations, for the time being in force) and subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed by the Board of Directors of the Company (hereinafter referred to as “the Board” which



term shall be deemed to include any committees thereof, including the Nomination and Remuneration Committee which the Board might constitute (hereinafter referred to as “the Committee”) to exercise its powers, including the powers conferred by this resolution), consent of the members of the Company be and is hereby accorded to the Board to amend “**DEN Employees Stock Option Scheme- Plan B- 2014**” (hereinafter referred to as the “**DEN ESOP Plan B**”) by introducing 44,54,995 (Forty Four Lacs Fifty Four thousand nine hundred ninety five only) equity shares in addition to the existing shares (i.e., 44,54,995 (Forty Four Lacs Fifty Four thousand nine hundred ninety five only)) reserved under the Scheme and to offer, issue, and allot at any time to or to the benefit of employees of the Subsidiary Company(ies) and Directors of the Subsidiary Company(ies) whether Whole-time Directors or otherwise (all such persons are hereinafter collectively referred to as “Employees”), as may from time to time be allowed to be eligible for the benefit under the provisions of applicable laws and Regulations prevailing from time to time in one or more tranches on such terms and conditions as may be fixed or determined by the Board in accordance with the provisions of the law or Regulations issued by the relevant authority.

**RESOLVED FURTHER THAT**, post amendment, the total number of equity shares reserved under the **DEN ESOP Plan B** shall be 89,09,990 (Eighty Nine Lacs Nine Thousand Nine Hundred Ninety only) and the Board be and is hereby authorized to make any modification(s), change(s), variation(s), alteration(s) or revision(s) or alteration(s) in the terms and conditions of **DEN ESOP Plan B** from time to time including, but not limited to, amendment(s) with respect to vesting period and schedule, exercise price, exercise period, eligibility criteria or to suspend, withdraw, terminate or revise **DEN ESOP Plan B** and to take necessary steps for listing of the Securities on the Stock Exchanges as per the provisions of the Listing Agreements with the Stock Exchanges concerned, the Guidelines and other applicable laws and regulations.

**RESOLVED FURTHER THAT** in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division of the Company and others, the Board is authorized to do all such acts, deeds, matters and things as it may deem fit in its absolute discretion and as permitted under applicable laws, so as to ensure that fair and equitable benefits under the Scheme are passed on to the Employees.

**RESOLVED FURTHER THAT** in case the Equity Shares of the Company are either sub-divided or consolidated, then the number of Shares to be allotted and the exercise price payable by the Option grantees under the Plan shall automatically stand reduced or augmented, as the case may be, in the same proportion as the present face value of Re. 10 per Equity Share shall bear to the revised face value of the Equity Shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the said allottees.

**RESOLVED FURTHER THAT**, the Board be and is hereby authorized to issue and allot equity shares upon exercise of Options from time to time in accordance with the Scheme and such equity shares shall rank pari-passu in all respects with the existing equity shares of the Company and nothing contained in this resolution shall effect the previous resolutions passed in this regard under DEN ESOP Plan B.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any powers conferred herein to Nomination and Remuneration Committee or such other Committee, with power to further delegate to any Executives/Officers of the Company and to do all such acts, deeds, matters and things as also to execute such documents, writings etc., as may be necessary in this regard and to issue and allot equity shares of the company to the employees either directly or through a Trust as set up in permissible manner.

**RESOLVED FURTHER THAT** for the purpose of giving effect to any creation, offer, issue, allotment of securities, the Board be and is hereby authorized on behalf of the Company to evolve, decide upon and bring in to effect the Scheme and make any modifications, changes, variations, alterations or revisions in the said Scheme from time to time in its sole discretion in conformity with the provisions of the Act, the Memorandum and Articles of Association of the Company and any other applicable laws or to suspend, withdraw or revive the Scheme from time to time as may be specified by any statutory authority and to do all such acts, deeds, matters and things as it may in its absolute discretion deem fit or necessary or desirable for such purpose and with power



on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard without requiring the Board to secure any further consent or approval of the members of the Company."

**By Order of the Board of Directors  
For DEN Networks Limited**

**Date: 11-05-2015  
Place: New Delhi**

**Jatin Mahajan  
Company Secretary  
Membership No. - F-6887**

**Notes:**

1. Explanatory Statement and reasons for the proposed special businesses pursuant to Section 102(1) read with Section 110 of the Companies Act, 2013 are given hereunder.
2. The Board of Directors has appointed Mr. Neelesh Kumar Jain, FCS as Scrutinizer to conduct the voting through postal ballot, in a fair and transparent manner and to receive and scrutinize the completed ballot papers from the members. The Postal Ballot form and the self-addressed business reply envelope are enclosed for use of members.
3. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form (no other form or photocopy of the Postal Ballot Form is permitted duly) completed with the assent (for) or dissent (against), in the attached self addressed postage pre-paid envelope, so as to reach the Scrutinizer on or before close of working hours i.e. 5.00 P.M. on Monday, 22nd June, 2015, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the member. The Scrutinizer will submit his report to the Chairman after completion of scrutiny on Tuesday, 23rd June, 2015 and the results of the Postal Ballot will be announced on Tuesday, 23rd June, 2015 at 5.00. P.M. at the registered office of the Company at 236, Okhla Industrial Estate, Phase-III, New Delhi-110020. The results of the Postal Ballot will be published in English and Hindi newspapers and will also be posted on the website of the Company at [www.dennetworks.com](http://www.dennetworks.com)
4. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the registered office of the company during the office hours on all working days except Saturday and Sunday between 11.00 A.M to 1.00 P.M up to 22nd June, 2015. Members holding shares either in physical form or in dematerialized form, as on the cut-off date of 15th May, 2015, may cast their vote electronically on the Business(es) as set out in the Notice of the Postal Ballot.
5. In compliance with clause 35B of the Listing Agreement and provisions of section 110 of the Act read with the Rules, the Company is pleased to provide Electronic Voting ("e-voting") facility as an alternate for its Members, to enable them to cast their votes electronically instead of despatching the physical Postal Ballot Form by post. The Company has engaged the services of Karvy Computershare Private Limited to provide e-voting facility to its Members. In case a Member votes through e-voting facility as well as sends his vote through physical vote, the vote cast through e-voting shall only be considered and the voting through physical Postal Ballot shall not be considered by the Scrutinizer.
6. Members opting to vote through physical mode; i.e. sending the Postal Ballot Form duly signed by post, are requested to carefully read the instructions and return the Form duly completed in the attached self-addressed postage pre-paid envelope so as to reach the Scrutinizer on or before the close of working hours on 22nd June, 2015.
7. The Results will be displayed at the Registered Office, besides being communicated to the Stock Exchanges on which the Company's Equity Shares are listed. The Results will also be hosted on the



Company's website [www.dennetworks.com](http://www.dennetworks.com) and will be published in the Newspapers for the information of the Member(s).

## **EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013.**

### **ITEM No. 1**

The Foreign Shareholding in the Company is in close proximity of the Foreign Investment Cap under the Automatic route (i.e., 49%) for the 'Broadcasting Carriage Services' under the Consolidated Foreign Direct Investment Policy, issued by the Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India, dated May 12, 2015 ("**FDI Policy**"). The prescribed sectoral cap allowed under the Approval /Government route is 74% which approval is to be taken from the Foreign Investment Promotion Board, Ministry of Finance ("**FIPB**"). Further as per clause 3.1.4(i) of the FDI Policy read along with Section II Clause 2.A.(b) of the Reserve Bank of India, Foreign Exchange Department's Master Circular No. 15/2014-15 (Master Circular on Foreign Investment in India) dated July 01, 2014 the foreign shareholding limit can be increased to the sectoral cap by passing a resolution of the Board of directors followed by a special resolution by the shareholders and prior intimation to RBI. The Board has already given its approval for increase in foreign shareholding limit in the Company subject to the shareholders approval, FIPB approval and any other statutory approvals as may be required, vide its resolution by circulation dated March 11, 2015. Now, the company is seeking approval of the Shareholders to permit the total foreign investment limit in the Company by eligible Foreign Institutional Investors ("**FIIs**"), Foreign Portfolio Investors ("**FPIs**"), Non Resident Indians ("**NRIs**") and other eligible foreign investors under the Portfolio Investment Scheme ("**PIS**") in accordance with Schedules 2 and 2A of Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("**FEMA 20**") beyond 49% of the issued and fully paid-up share capital of the Company to 74% of the issued and fully paid-up share capital of the Company by way of a special resolution, subject to statutory approvals required, including Foreign Investment Promotion Board of India, Ministry of Finance (FIPB) and/or the Reserve Bank of India (RBI).

Your directors recommend the resolution as set out at Item No.1 of the postal ballot notice for your approval. None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 1.

### **ITEM No. 2**

It is proposed to appoint Mr. Mohammad Ghulam Azhar , who is presently acting as Chief Operating Officer of the company as Whole Time Director of the Company. The Board of Directors considers that for smooth and efficient running of the administrative affairs of the Company, the company should appoint Mr. M G Azhar as Whole Time Director of the Company. In terms of the provisions of the Companies Act, and the Articles of Association of the Company, the Nomination and Remuneration Committee of the Board and the Board of Directors have, at their meeting held on February 13, 2015, have approved appointment of Mr. M G Azhar as a Whole Time Director of the Company for a period of three years (effective date of appointment shall be from the date of receipt of approval from Ministry of Information and Broadcasting in terms of Ministry of Commerce and Industry, Government of India, Consolidated FDI policy dated May 12, 2015 as may be amended from time to time) on the current remuneration of Rs. 2,60,00,000/- (Rupees Two Crore Sixty Lacs) per annum with 12% increment on yearly basis. In case, the Company has no profits or its profits are inadequate, then the remuneration shall be paid to her with the prior approval of the Central Government or in accordance with the provisions of the Companies Act, 2013 read with Schedule V of the Act. Following are the details of the annual salary proposed to be paid to Mr. M G Azhar:-

#### **1. Remuneration Salary**

Gross Annual Salary of Rs.2,60,00,000 p.a. with 12% increment on yearly basis.

#### **Perquisites:**





- a) Medical Benefits for self and Family:-  
As per Company's Policy.
  - b) Provident Fund  
Contribution to the Company's Provident Fund Scheme, in accordance with the rules of the scheme.
  - c) Superannuation  
Contribution to the Superannuation Fund Scheme, in accordance with the rules of the scheme.
  - d) Gratuity  
One month's half salary for each completed year of service.
  - e) Leave Encashment  
Encashment of leave at the end of the tenure as per Company's Policy.
  - f) Car  
Free use of Company maintained car for official purpose.
2. Mr. Mohammad Ghulam Azhar will not be receiving sitting fees for attending meeting of the Board or Committee thereof.
  3. The company has granted options to the appointee as per ESOP scheme of the company prior to appointment as Whole Time Director, which are yet to be vested and exercised.
  4. In the event of any relaxation made by the Government in the guidelines or ceilings on managerial remuneration during his tenure the remuneration payable to Mr. Mohammad Ghulam Azhar may be increased as the Board may deem fit, in accordance with such guidelines for ceilings.

**(Pursuant to Schedule-V of the Companies Act, 2013)**

**I General Information:**

**1. Nature of the Industry**

DEN Networks Limited ("DEN") is India's largest cable TV distribution company serving 13 million homes in over 200 cities. The company has been a front runner in the digitisation of Indian cable television and has approximately 6 million digital subscribers. DEN's geographic footprint spans 13 key states across India including Delhi, Uttar Pradesh, Karnataka, Maharashtra, Gujarat, Rajasthan, Haryana, Kerala, West Bengal, Jharkhand and Bihar. The company has a significant presence in the strategic & economically important Hindi Speaking Markets (HSM) belt. DEN has soft launched its super-fast cable broadband internet services on DOCSIS 3.0 technology. The offering offers plans up to speeds of 100 Mbps. The service is currently available in parts of Delhi NCR.

**2. Date or expected commencement of commercial production**

The Company commenced its operations since July 10, 2007.

**3. Financial Performance based on given indicators**

Standalone Figures (Rs. in '000)

Particulars	Year ended March 31, 2015	Year ended March 31, 2014	Year ended March 31, 2013
Sales and other Income	9,434,710	9,366,160	7,260,210
Profit before Depreciation, Interest and Tax but after Prior Period Items	714,760	1,638,480	1,580,730
Depreciation / Amortization	1,086,790	852,140	496,150
Interest and Finance Charges	765,510	828,000	446,840
Profit / (Loss) before Exceptional Items and Tax	(1,137,540)	(41,660)	637,740



Exceptional Gain / (Loss)	Nil	Nil	Nil
Profit / (Loss) before Tax	(1,137,540)	(41,660)	637,740

**4. Foreign Investment or collaborations:**

There is no foreign investment or collaborations.

**II. Information about appointee:**

S.No.	Particulars	Information
1	Background details, Recognition or awards:	Mr. M.G. Azhar is the Chief Operating Officer of the Company. He holds masters' degree in finance and control from Aligarh Muslim University. He has over 20 years of experience and expertise in strategic and financial planning, capital structuring, mergers and acquisitions. He is associated with the Company from inception stage and instrumental behind the success of the Company. He is looking after matters pertaining to raising of funds, investor relations, strategy and business development of the Company. The Company has gained immensely from experience and expertise of Mr. Azhar.
2	<b>Past Remuneration</b>	Remuneration received from DEN Networks Limited Rs. 17.52 millions for the financial year 2014-15
3	<b>Job Profile &amp; his suitability</b>	Mr. M. G. Azhar is directly and exclusively responsible for all matters pertaining to raising of funds, investor relations and business development.
4	<b>Remuneration Proposed</b>	The proposed remuneration would comprise of monthly basic salary, allowances and all perquisites as mentioned in the proposed Item no. 2 respectively of this notice
5	<b>Comparative remuneration profile with respects to industry, size of the Company, profile of the position and person</b>	The remuneration of the appointee, Mr. M. G. Azhar is fully justifiable and comparable to that prevailing in the industry, keeping in view the profile and the position of Whole Time Director respectively and enriched knowledge & vast experience of the appointee. He shall be looking after and responsible for the whole affairs of the management of the Company and shall be accountable to the Board of Directors of the Company.
6	<b>Pecuniary relationship, directly or indirectly, with the Company or relationship with the managerial personnel, if any</b>	Mr. M. G Azhar is associated with the Company from inception stage and holding 12.47 Lacs Equity shares . Except and otherwise, Mr. Azhar does not have any pecuniary relationship with the Company and is not related with any other director or any other managerial personnel of the company.

**III. Other Information:**

**1. Reasons for loss/inadequacy of profits**

Your Company is in the cable distribution business which involves significant expenses in technology, infrastructure and skilled professionals for successfully running its business. The Broadband business of the Company is at nascent stage and involves significant investment. The company faces several competitive pressures from within the cable industry and from other distribution platforms. The company has been making significant investments in various areas to maintain its leadership position within the industry and further grow its subscriber base. The company also maintains a large infrastructure for digital cable services which has high operating and maintenance costs attached to it.

**2. Steps taken or proposed to be taken for improvement**

Besides pursuing growth to bolster its revenue streams, the Company is also seeking to expand into new areas which can give it new revenue streams. The Company is also strictly controlling its expenses to maximize its margins and the profitability. It is constantly seeking new ways and means to increase efficiency of its resources. The Company is also increasing its subscriber base in Cable and Broadband to maximize the returns.

**3. Expected increase in productivity and profits in measurable terms**

The Company expects a reasonable improvement in its profitability as a result of aforesaid efforts.



#### IV. DISCLOSURES

1. The details of remuneration are set out in the accompanying notice. The appointment and remuneration of Mr. M G Azhar have been approved by Nomination and Remuneration Committee and the Board of Directors of the Company.
2. The Company shall make appropriate disclosures as required under Schedule V of the Companies Act, 2013 in the Corporate Governance Report forming part of the Directors' Report of the Company every year.

The Directors recommend the resolution for approval of the shareholders as an Ordinary Resolution.

Except Mr. Azhar being appointee, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item No. 2.

#### ITEM No. 3 & 4

The Shareholders of the Company vide shareholders approval through Postal Ballot dated January 05, 2015 had approved to purchase up-to 2.5% (i.e., 44,54,995 (Forty Four Lacs Fifty Four thousand nine hundred ninety five only)) of paid-up equity share capital of the Company from the secondary market under **DEN Employee Stock Option Scheme- Plan A-2014**, (hereinafter referred to as the "**DEN ESOP Plan A**"). It is proposed to terminate the DEN ESOP Plan A. Post termination of DEN ESOP Plan A, 44,54,995 (Forty Four Lacs Fifty Four thousand nine hundred ninety five only) equity shares are now proposed to be allocated under **DEN Employees Stock Option Scheme- Plan B- 2014** (hereinafter referred to as the "**DEN ESOP Plan B**").

The Company had formulated **DEN ESOP Plan B** in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 under which the maximum number of equity shares of the Company that could be created, offered, issued and allotted under DEN ESOP Plan B were reserved as 44,54,995 (Forty Four Lacs Fifty Four thousand nine hundred ninety five only) equity shares / securities linked to equity shares convertible into equivalent number of equity shares of Rs. 10/- each of the Company through issuance and allotment of new shares.

It is therefore proposed to create additional 44,54,995 (Forty Four Lacs Fifty Four thousand nine hundred ninety five only) equity shares of face value Rs. 10 each in DEN ESOP Plan B (in addition to the shares reserved under the DEN ESOP Plan B i.e., 44,54,995 Equity Shares). Post this amendment, the total number of Equity Shares under the DEN ESOP Plan B will be 89,09,990 (Eighty Nine Lacs Nine Thousand Nine Hundred Ninety only). The salient features for the 89,09,990 (Eighty Nine Lacs Nine Thousand Nine Hundred Ninety only) equity shares under the DEN ESOP Plan B shall be as under:-

Total number of options to be granted	The total number of options that may, in aggregate, be issued in one or more tranches up-to 89,09,990 (Eighty Nine Lacs Nine Thousand Nine Hundred Ninety only) (or such other adjusted figures for any bonus, stock splits or consolidations or other re-organization of the capital structure of the company as may be applicable from time to time) equity shares / securities linked to equity shares convertible into equivalent number of equity shares of Rs. 10/- each of the Company <b>(including 44,54,995 (Forty Four Lacs Fifty Four thousand nine hundred ninety five only) equity shares proposed to be issued under the authority of this resolution)</b> . The options which lapse/expire or are forfeited will be available for re-granting to Eligible Employee(s).
<b>Identification of Classes of Employees entitled to participate in ESOP</b>	Eligibility for grant of options (i) Permanent Employees of the Company / its subsidiaries companies (ii) Directors of the Company / its subsidiaries companies Employees not eligible for grant of options: (i) An employee who is a promoter or belongs to the promoter group (ii) A director who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10 per cent of the outstanding equity shares of the Company at the time of granting of option

	(iii) Independent Directors
<b>Requirement of Vesting and Period of Vesting</b>	The continuation of the employee in the service of the Company shall be a primary requirement of the vesting. There shall be a minimum period of one year between the date of grant of options and vesting of options. The maximum vesting period shall not exceed five years. The vesting shall happen in one or more tranches as may be decided by the Board. If the services of the employee / Director (including whole-time Director) is terminated, by resignation or otherwise, the options, to the extent not vested, shall lapse / expire and be forfeited forthwith. In the event of death of an employee or if he suffers permanent incapacity while in employment, all the options granted to him till the date of death or permanent incapacity, as the case may be, shall vest with his legal heirs / in him on that date.
<b>Maximum period within which the options shall be vested</b>	The maximum period within which the options shall be vested would be five years from the date of grant.
<b>Exercise Price or Pricing Formula</b>	It is proposed to amend the manner of arriving at the exercise price. The Exercise Price for Grant of options shall be such as determined by the Board of Directors of the Company. however the same shall not be less than the par value of Equity Shares of the Company.
<b>Exercise Period and Process of Exercise</b>	The exercise period shall commence from the date of vesting and expire at the end of five years from the relevant vesting date i.e. where the options are vested in tranches, the 'date of vesting' referred to hereinabove, would be with reference to the actual vesting of the options at each tranche / phase or installment of vesting. The options would be exercisable by submitting the requisite application form / exercise notice to the Company or such other person as the Company may prescribe, subject to conditions for payment of Exercise Price in the manner prescribed by the Board. The Board may grant an extension upon a specific request made by the employee concerned to this effect. All the participants in the Scheme shall deliver a written notice of exercise, in the prescribed form, to the Board on or before the expiry of the exercise period.
<b>Appraisal Process for determining the eligibility of employees for the Scheme</b>	The appraisal process for determining the eligibility of the employee will be specified by the Board and will be based on any or all of the following criteria: <ul style="list-style-type: none"> <li>• Performance of the employee</li> <li>• Position and responsibility of the employee</li> <li>• Present grade and compensation structure of the employee</li> <li>• Exceptional contribution made by the employee</li> <li>• Integrity and behavior of the employee</li> <li>• Such other parameters as may be decided by the Board</li> <li>• The committee may at its discretion extend the benefits of the ESOP to a new entrant or any existing employee on such other basis as it may deem fit.</li> </ul>
<b>Maximum number of Options to be issued per employee and in aggregate</b>	Maximum number of options to be granted to an eligible employee will be determined by the Board of Directors on case to case basis as permissible.
<b>Confirmation with the Accounting Policies</b>	The Company shall confirm to the Accounting Policies specified in Regulation 15 of the Securities and Exchange Board of India (Share Based Employee Benefit) Regulations, 2014 and the 'Guidance Note on Accounting for employee share-based Payments' (Guidance Note) or Accounting Standards as may be prescribed by the Institute of Chartered Accountants of India (ICAI) from time to time, including the disclosure requirements prescribed therein or applicable Accounting Standard as may be prescribed by the ICAI from time to time.
<b>The method the Company shall use to value the options</b>	The company shall follow the intrinsic value method to value the options. The difference between the employee compensation cost computed based on intrinsic value and the employee compensation cost that shall have been recognized if it had used the fair value of the options, shall be disclosed in the Director's Report and also the impact of this difference on profit and on EPS of the Company shall also be disclosed in the Director's Report.



The equity shares allotted pursuant to the exercise of the Options shall be listed on the Stock Exchanges where the Company's Equity Shares are listed and necessary applications will be made to those Stock Exchange(s) in this behalf. As per Regulation 6(1) of the Regulations, any Employees Stock Option Scheme must be approved by way of a special resolution. Further as the Scheme will entail further shares to be offered to persons other than existing members of the Company, consent of the Members is required for issue of the equity shares and / or instruments entitling the holder to subscribe to or purchase equity shares, in terms of the provisions of Section 62(1)(b) of the Companies Act, 2013. Regulation 6(3)(c) of the Regulations requires that a separate resolution is required to be passed if the benefits of the Scheme are to be extended to eligible employees of the subsidiary companies. Accordingly the resolution set out at item no. 3 & 4 are being placed for approval of the members. The options to be granted / shares to be issued under the Scheme shall not be treated as an offer or invitation made to public for subscription in the securities of the Company.

None of the Directors of the Company and Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the resolutions, except to the extent of their shareholding in the Company and to the extent of the options / shares that may be offered to them under the Scheme.

**By Order of the Board of Directors  
For DEN Networks Limited**

**Date: 11-05-2015  
Place: New Delhi**

**Jatin Mahajan  
Company Secretary  
Membership No. - F-6887**



### **INSTRUCTIONS FOR VOTING IN PHYSICAL MODE**

1. A Shareholder/Beneficial Owner desiring to exercise vote by postal ballot may complete this Postal Ballot Form (in original) and send it to the Scrutinizer appointed by the Company in the attached self-addressed envelope. Postage will be borne and paid by the Company. However, envelopes containing postal ballots, if sent by courier at the expenses of the registered shareholder will also be accepted. Voting through any other form or photocopy of the postal ballot form will not be considered valid.
2. The self-addressed envelope bears the address of the Scrutinizer appointed on the authority of the Board of Directors of the Company.
3. The vote should be cast, for each resolution, either in favour or against by putting the tick mark in the column provided for assent or dissent.
4. This form should be completed and signed by the shareholder. In case of joint holding, this form should be completed and signed (as per the specimen signature registered with the Company) by the first named shareholder and in his absence, by the next named shareholder.
5. Voting rights shall be reckoned on the paid up value of shares registered in the name of the shareholders as on May 15, 2015.
6. Votes will be considered invalid on the following grounds:
  - a. If the postal ballot is unsigned;
  - b. If the member's signature does not tally;
  - c. If the member has marked all his shares both in favour and also against the special resolution;
  - d. If the form is incomplete or incorrectly filled;
  - e. If the ballot paper is received torn or defaced or mutilated to an extent that it is difficult for the scrutinizer to identify either the member or the number of votes or as to whether the votes are in favour or against or if the signature could not be checked or on one or more of the above grounds.
7. Duly completed and signed Postal Ballot Form should reach the Company not later than the close of working hours on Monday, June 22, 2015. Postal Ballot Form received after this date will be strictly treated as if the reply from the member has not been received.
8. In case of shares held by companies, trust, societies etc. the duly completed Postal Ballot Form should be accompanied by a certified true copy of the Board/Trustee Resolution/ Authority. The Scrutinizer reserves the right to disqualify the Postal Ballot Form in case proof of authority is not accompanied with the Postal Ballot Form, which decision shall be final & binding.
9. Members are requested not to send any other paper along-with the Postal Ballot Form in the enclosed self addressed postage prepaid envelope in as much as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer and the Company and / or the Scrutinizer shall not be held responsible for the same.
10. There will be only one Postal Ballot form for every folio irrespective of the number of joint member(s).
11. The date of declaration of the results of postal ballot will be taken to be the date of passing the resolutions.
12. The Scrutinizers decision on the validity of the Postal Ballot will be final.
13. The Postal Ballot form and the self-addressed business reply envelope are enclosed for use of members. Shareholders are requested to carefully read the instructions printed on the backside of the Postal Ballot Form before exercising their vote.



## INSTRUCTIONS FOR E-VOTING

Members are requested to follow the instructions below to cast their vote through e-voting: -

1. The Company is extending its offer of **e-voting facility** as an alternate, for its Members to enable them to cast their vote electronically instead of dispatching Postal Ballot.

The procedure and instructions for e-voting are as follows:

- i. Open your web browser during the voting period and navigate to 'https://evoting.karvy.com'
- ii. Enter the login credentials (i.e., user-id & password) mentioned on the Postal Ballot Form. Your folio/DP Client ID will be your User-ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User – ID	For Members holding shares in Demat Form:- a) For NSDL :- 8 Character DP ID followed by 8 Digits Client ID b) For CDSL :- 16 digits beneficiary ID For Members holding shares in Physical Form:- <input type="checkbox"/> Event no. followed by Folio Number registered with the company
Password	Your Unique password is printed on the Postal Ballot Form / via email forwarded through the electronic notice.
Captcha	Enter the Verification code i.e., please enter the alphabets and numbers in the exact way as they are displayed for security reasons.

- iii. Please contact at toll free No. **1-800-3454-001** for any further clarifications.

- iv. After entering these details appropriately, click on “LOGIN”.

v. Members holding shares in Demat/Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character(@,#,\$,etc.). Kindly note that this password can be used by the Demat holders for voting for resolution of any other Company on which they are eligible to vote, provided that Company opts for e-voting through **Karvy Computershare Private Limited e-Voting platform**. System will prompt you to change your password and update any contact details like mobile number, email ID etc on 1st login. You may also enter the Secret Question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

- vi. You need to login again with the new credentials.

- vii. On successful login, system will prompt to select the ‘Event’ and ‘Company Name’ i.e., DEN NETWORKS LIMITED.

- viii. If you are holding shares in Demat form and had logged on to “https://evoting.karvy.com” and casted your vote earlier for any company, then your exiting login id and password are to be used.

- ix. On the voting page, you will see Resolution Description and against the same the option ‘FOR/AGAINST/ABSTAIN’ for voting. Enter the number of shares (which represents number of votes) under ‘FOR/AGAINST/ABSTAIN’ or alternatively you may partially enter any number in ‘FOR’ and partially in ‘AGAINST’, but the total number in ‘FOR/AGAINST’ taken together should not exceed your total shareholding. If the shareholder do not wants to cast, select ‘ABSTAIN’

- x. After selecting the resolution you have decided to vote on, click on “SUBMIT”.A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.



- xi. Once you 'CONFIRM' your vote on the resolution, you will not be allowed to modify your vote.
  - xii. Members can cast their vote online from May 22, 2015 at 9.30AM to June 22nd, 2015 at 5.00 PM (i.e., the last date of receipt of Postal Ballot Form) . .
  - xiii. Corporate/Institutional Members (corporate /FIs/FILs/Trust/Mutual Funds/Banks, etc) are required to send scan (PDF format) of the relevant Board resolution to the Scrutinizer through e-mail to nilesh676@gmail.com with copy to evoting@karvy.com. The file scanned image of the Board Resolution should be in the naming format "Corporate Name\_ Event no."
  - xiv. Voting period will commence on and from May 22, 2015 to June 22nd, 2015 (i.e., the last date of receipt of Postal Ballot Form)
- xiv. **Kindly note that the members can opt only one mode for voting i.e. either by Physical Ballot or e-voting. If you are opting for e-voting, then do not vote by Physical Ballot also and vice versa. However, in case member(s) cast their vote both via Physical Ballot and e-voting, then voting done through e-voting shall prevail and voting done by physical voting will be ignored.**