

**REPORT OF THE AUDIT COMMITTEE OF HATHWAY CABLE AND DATACOM LIMITED
RECOMMENDING THE COMPOSITE SCHEME OF AMALGAMATION AND ARRANGEMENT**

Members:

Mr. Sridhar Gorthi (Chairman of the Audit Committee);

Mr. Viren Raheja;

Ms. Ameeta Parpia;

In Attendance:

Mr. Ajay Singh – Head Corporate Legal, Company Secretary and Chief Compliance Officer

Invitees:

Mr. Sitendu Nagchaudhuri – Chief Financial Officer

Mr. Rajan Gupta – Managing Director

1. The draft Composite Scheme of Amalgamation and Arrangement between Network 18 Media & Investments Limited (**Network18**), Den Networks Limited (**Den**), Hathway Cable and Datacom Limited (the **Company**), TV18 Broadcast Limited (**TV18**), (the Company, Den and TV18 collectively referred as Amalgamating Companies), Media18 Distribution Services Limited (**Transferee Company 1**), Web18 Digital Services Limited (**Transferee Company 2**) and Digital18 Media Limited (**Transferee Company 3**) and their respective shareholders and creditors (**Scheme**) pursuant to Section 230 to 232 read with Section 66 of the Companies Act, 2013, was placed before the Audit Committee for its recommendation to the Board of Directors, in terms of the Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time (**SEBI Circular**) issued by the Securities and Exchange Board of India (**SEBI**). The report of the Audit Committee is made in order to comply with requirements of the SEBI Circular and after considering following necessary documents:

- (a) Draft Composite Scheme of Amalgamation and Arrangement;
- (b) Valuation Report prepared by M/s. MSKA & Associates, Chartered Accountants dated February 17, 2020 and M/s. BDO Valuation Advisory LLP, Independent Registered Valuer dated February 17, 2020;
- (c) Fairness Opinion prepared by ICICI Securities Limited, Independent Merchant Banker dated February 17, 2020; and

2. The Committee noted that the Scheme, *inter alia*, provides for the amalgamation of the Company with Network18 with Appointed Date being February 1, 2020.



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3. The Committee also noted that the effectiveness of the Scheme was inter alia conditional upon and subject to approval from the shareholders of the Company, and other entities involved in the Scheme, the approval of the BSE Limited, the National Stock Exchange of India Limited, the SEBI, the Hon'ble National Company Law Tribunal and the Department of Telecommunications and any other regulatory approvals as may be required.
4. A detailed presentation was made to the Audit Committee by Valuers elaborating on the valuation aspects of the proposed Scheme.
5. The Committee noted that the share exchange ratio for the Amalgamation of the Company with Network18 is as follows:
 - Network18 will issue and allot to each Eligible Shareholder of the Company, Equity Shares in Network18, in the ratio of 78 equity shares of the face value of Rs. 5 each (credited as fully paid up) of Network18 for every 100 equity shares of the face value of Rs. 2 each (credited as fully paid-up) held by such shareholder in the Company.

Recommendation of the Audit Committee

6. In light of foregoing and taking into consideration, inter alia, the Valuation Report and Fairness Opinion, the Audit Committee recommends the draft Scheme for favourable consideration by the Board of Directors.

Date: February 17, 2020

Place: Mumbai




Chairman



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