

February 18, 2020

National Stock Exchange of India Limited, Listing  
Department, Exchange Plaza,  
Plot No. C/1, G-Block,  
Bandra-Kurla Complex, Bandra (E),  
Mumbai-400051

BSE Limited,  
Department of Corporate Services –  
Listing,  
P J Towers, Dalal Street,  
Mumbai – 400 001

Trading Symbol : **TV18BRDCST**

SCRIP CODE: **532800**

**Sub: Outcome of the Board Meeting – Composite Scheme of Amalgamation and Arrangement**

Dear Sirs,

We would like to inform you that the Board of Directors of TV18 Broadcast Limited ("**Company**") at its meeting held on February 17, 2020, on the recommendation of the Audit Committee, has approved the Composite Scheme of Amalgamation and Arrangement under Sections 230 to 232 read with Section 66 and other relevant provisions of the Companies Act, 2013 between the Company, Den Networks Limited ("**Den**"), Hathway Cable and Datacom Limited ("**Hathway**"), Network18 Media & Investments Limited ("**Network18**"), Media18 Distribution Services Limited ("**Media18**"), Web18 Digital Services Limited ("**Web18**") and Digital18 Media Limited ("**Digital18**") ("**Scheme**").

The Scheme *inter alia* provides for amalgamation of the Company, Den and Hathway into Network18 ("**Amalgamation**") and transfer of the cable, broadband and digital businesses in 3 (three) separate wholly owned subsidiaries of Network18, namely Media18, Web18 and Digital18, respectively ("**Business Transfers**").

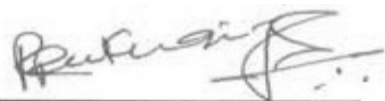
The said Scheme is *inter alia* subject to approval from shareholders and creditors of the companies which are party to the Scheme, approval of the BSE Limited, the National Stock Exchange of India Limited, the Securities and Exchange Board of India, the Central Government, the Hon'ble National Company Law Tribunal, the Department of Telecommunication and any other appropriate authorities as may be required.

In this respect, disclosures under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular no. CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed at **Annexure A**.

This is for your information and records.

Thanking you,

Yours faithfully,  
For **TV18 Broadcast Limited**

  
(Ratnesh Rukhariyar)  
Company Secretary

Encl.: As above

**TV18 Broadcast Limited**  
(CIN – L74300MH2005PLC281753)

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T +91 22 40019000, 6666 7777 W [www.nw18.com](http://www.nw18.com) E: [investors.tv18@nw18.com](mailto:investors.tv18@nw18.com)

**Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD/4/2015 dated September 09, 2015**

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**1. Name of the entities forming a part of the Scheme, their area of business and other details in brief such as, size, turnover, etc.**

- 1.1 TV18 Broadcast Limited ("**TV18**" / the "**Company**") – TV18 is engaged in the media business and it broadcasts general news channels in Hindi, English and other regional languages and business news channels in Hindi, English and Gujarati and also broadcasts, through its subsidiaries, general entertainment channels in Hindi, English and other regional languages as well as factual entertainment channels. The equity shares of TV 18 are listed on the BSE Limited ("**BSE**") and the National Stock Exchange of India Limited ("**NSE**").
- 1.2 Den Networks Limited ("**Den**") – Den is engaged in the business of (i) providing cable television services as Multisystem Operators; and (ii) broadband services through wholly owned subsidiary. The equity shares of Den are listed on the BSE and the NSE.
- 1.3 Hathway Cable and Datacom Limited ("**Hathway**") - Hathway is in the business of (i) wired broadband services; (ii) cable television services through its subsidiaries and joint ventures; and (iii) distribution of over the top services. The equity shares of Hathway are listed on the BSE and the NSE.
- 1.4 Network18 Media & Investments Limited ("**Network18**") – Network18 has presence in several media and entertainment businesses directly and through its subsidiaries like general news channels in Hindi, English and other regional languages, business news channels in Hindi, English and Gujarati, general entertainment channels in Hindi, English and other regional languages, factual entertainment channels, business of printing and publishing magazines, digital business, content creation and production business. The equity shares of Network18 are listed on the BSE and the NSE.
- 1.5 Media18 Distribution Limited ("**Media18**") – Media18 is a wholly owned subsidiary of Network18 and has been incorporated to carry on the business of setting up, acquiring, holding / investing in and/or promoting various ventures inter alia relating to cable television services encompassing distribution, relaying and transmission of signals.
- 1.6 Web18 Digital Services Limited ("**Web18**") – Web18 is a wholly owned subsidiary of Network18 and has been incorporated to carry on the business of setting up, acquiring, holding / investing in and promoting various ventures inter alia relating to the business of operating internet services, broadband services, ISDN services, leased line services and VSAT services.
- 1.7 Digital18 Media Limited ("**Digital18**") - Digital18 is a wholly owned subsidiary of Network18 Media & Investments Limited and has been incorporated to carry on business of setting up, acquiring, holding / investing in and /or promoting various ventures inter alia relating to the business of broadcasting, telecasting, relaying, transmitting or distributing digitally or in any other manner, any audio, video or other programmes or software.

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1.8 The paid-up share capital, net worth, and turnover the companies involved in the Scheme are as follows

(Amount in Rs. crore)

| Company   | Paid-up Capital * | Turnover *     | Net Worth * |
|-----------|-------------------|----------------|-------------|
| TV18      | 342.87            | 848.90         | 2,780.07    |
| Hathway   | 354.02            | 416.37         | 4,305.68    |
| Den       | 477.22            | 889.06         | 2,704.22    |
| Network18 | 523.47            | 85.76          | 1,257.50    |
| Media18   | 0.01              | Not Applicable | 0.01        |
| Web18     | 0.01              | Not Applicable | 0.01        |
| Digital18 | 0.01              | Not Applicable | 0.01        |

\* The aforesaid information for TV18, Hathway, Den and Network18 are as on December 31, 2019 on a standalone basis. The information for Media18, Web18 and Digital18 are as on February 1, 2020, as these companies are newly incorporated companies.

**2. Whether the transaction would fall within related party transaction(s) and if yes, nature of interest and details thereof and whether the same is done at “arm’s length”?**

2.1 Network18 and TV18 are under the sole control of Independent Media Trust, whose sole beneficiary is Reliance Industries Limited (“**Reliance**”). Den and Hathway are under the sole control of Digital Media Distribution Trust, whose sole beneficiary is a wholly owned subsidiary of Reliance. Media18, Web18 and Digital18 are wholly owned subsidiaries of Network18. Thus, all the companies involved in the Scheme are related parties.

2.2 The consideration for the Amalgamation being the “Share Exchange Ratio” is at an arm’s length basis and is based on the valuation report provided by BDO Valuation Advisory LLP, Registered Valuer (BDO) and MSKA & Associates, Chartered Accountants (MSKA). ICICI Securities Limited, Merchant Banker, has issued its fairness opinion on the Share Exchange Ratio.

2.3 The promoter/promoter group of the Company do not have any interest in the Scheme, other than for shares of Network18 that would be issued to them in lieu of the shares held by them in the Amalgamating Companies.

2.4 The Scheme is *inter-alia*, subject to approval of the majority of the public shareholders of Network18 and the Amalgamating Companies, in terms of the SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017, as amended from time to time.

**3. Rationale for the Scheme**

The rationale of the Scheme, *inter alia*, is:

3.1 Network18 and TV18 are under the sole control of Independent Media Trust, whose sole beneficiary is Reliance. Den and Hathway are under the sole control of Digital Media Distribution Trust, whose sole beneficiary is a wholly owned subsidiary of Reliance. The Amalgamating Companies and Network18 are engaged in complementary businesses.

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- 3.2 The Scheme seeks to restructure the broadcasting, digital, media, broadband and cable distribution businesses of the scheme entities and achieve consolidation under a single publicly listed company. This restructuring will enable the shareholders of the Amalgamating Companies and Network18 to diversify into broadcasting, digital, media, broadband and cable distribution business.
- 3.3 This Scheme will result in *inter alia* the following benefits:
- (a) The restructuring shall create value-chain integration, and render substantial economies of scale while also simplifying the corporate structure of the group by reducing the number of listed entities.
  - (b) The aggregation of a content powerhouse across news and entertainment (both linear and digital) and the country's largest cable distribution network under the same umbrella shall boost efficiency and exploit synergies, creating value for all stakeholders.
  - (c) An integrated media play shall further increase the breadth as well as depth of the group's consumer touch points and benefit from capturing entire subscription revenues within Network18 which was hitherto spread between broadcasting and distribution entities.
  - (d) The reorganization furthers the group strategy of building a media powerhouse that is agnostic across pipes, platforms and screens.
  - (e) Further, each of the cable, broadband and digital businesses would operate under separate wholly owned subsidiaries thereby creating focused management and ring-fencing of risks.

#### **4. Consideration**

Network18 will issue and allot to each Eligible Shareholder of the Company, equity shares in Network18, in the ratio of 92 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.

#### **5. Brief details of change in shareholding pattern (if any) of listed entity**

Pursuant to the Scheme, the Company will be dissolved without winding up.

#### **6. Appointed Date**

The Appointed Date for the Scheme is February 1, 2020.