



ibn18 Broadcast Limited Network 18

MEETING OF THE UNSECURED CREDITORS	CONTENTS	PAGES
Date : Friday June 27, 2008		
Time : 2.00 P.M.		
Venue : FICCI Golden Jubilee Auditorium, Tansen Marg, Janpath, New Delhi - 110 001		
	Notice convening Meeting of the Unsecured Creditors of ibn18 Broadcast Limited.....	2
	Explanatory Statement under Section 393 of the Companies Act, 1956.....	3
	Scheme of Arrangement for Demerger under Sections 391 to 394 of the Companies Act, 1956	8
	Form of Proxy and Attendance Slip.....	19

**IN THE HIGH COURT OF DELHI AT NEW DELHI
ORIGINAL JURISDICTION
COMPANY APPLICATION (M) NO. 76 OF 2008**

In the matter of the Companies Act, 1956

AND

In the matter of Sections 391 to 393 of the Companies Act, 1956 read with Rules 67 to 87 of the Companies (Court) Rules, 1959

AND

In the matter of the Scheme of Arrangement between Jagran TV Private Limited and BK Fincap Private Limited and ibn18 Broadcast Limited

AND

In the matter of Jagran TV Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 2, Sarvodaya Nagar, Kanpur - 208 005

Demerged Company

AND

In the matter of BK Fincap Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 601, 6th Floor, Commercial Tower, Hotel Le-Meridien, Raisina Road, New Delhi - 110 001

Transferor Company

AND

In the matter of ibn18 Broadcast Limited, a company incorporated under the Companies Act, 1956, having its registered office at 601, 6th Floor, Commercial Tower, Hotel Le-Meridien, Raisina Road, New Delhi - 110 001

Transferee Company/
Applicant Company

**NOTICE CONVENING MEETING OF THE UNSECURED CREDITORS OF
ibn18 BROADCAST LIMITED**

To

The unsecured creditors of ibn18 Broadcast Limited, (the "Transferee Company").

TAKE NOTICE THAT by an Order dated May 13, 2008, the Hon'ble High Court of Delhi at New Delhi has directed to convene and hold a meeting of the unsecured creditors of ibn18 Broadcast Limited, the Transferee Company, on Friday, June 27, 2008 at 2.00 pm at FICCI Golden Jubilee Auditorium, Tansen Marg, Janpath, New Delhi - 110 001 for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Jagran TV Private Limited and BK Fincap Private Limited and ibn18 Broadcast Limited and their respective shareholders and creditors.

TAKE FURTHER NOTICE THAT in pursuance of the said Order, the meeting of the unsecured creditors of the Transferee Company will be held on Friday, June 27, 2008 at 2.00 pm at FICCI Golden Jubilee Auditorium, Tansen Marg, Janpath, New Delhi - 110 001, at which time and place you are requested to attend.

TAKE FURTHER NOTICE THAT you may attend and vote at the said meeting in person or by proxy, provided that the proxy in the prescribed form duly signed by you or your authorized representative is deposited at the Registered Office of the Transferee Company at 601, 6th Floor, Commercial Tower, Hotel Le - Meridien, Raisina Road, New Delhi - 110 001, not later than 48 hours before the meeting.

The Court has appointed Mr. Sanjeev Bhandari, Advocate as the Chairperson and Mr. Sunil Sehgal, Advocate as the Alternate Chairperson of the said meeting. A copy each of the Scheme of Arrangement, the Statement under Section 393 of the Companies Act, 1956 and a Form of proxy is enclosed.

Dated at New Delhi this 23rd day of May, 2008

Sanjeev Bhandari

Advocate

Chairperson appointed for the meeting
of unsecured creditors of ibn18 Broadcast Limited

Notes:

(1) All alterations made in the form of proxy must be initialed.

**IN THE HIGH COURT OF DELHI AT NEW DELHI
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Transferee Company/
Applicant Company

**EXPLANATORY STATEMENT UNDER SECTION 393 OF
THE COMPANIES ACT, 1956**

1. Pursuant to an order dated May 13, 2008, passed by the Hon'ble High Court of Delhi at New Delhi in the Company Application referred to above, a meeting of the equity shareholder and unsecured creditors of ibn18 Broadcast Limited, (the "Applicant Company"), will be convened for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the Scheme of Arrangement (referred to as "Scheme") proposed to be made between Jagran TV Private Limited (the "Demerged Company") and BK Fincap Private Limited (the "Transferor Company") and ibn18 Broadcast Limited (the "Transferee Company" or "Applicant Company" as applicable) and their respective shareholders and creditors. A copy of the Scheme is attached to this Explanatory Statement.
2. The Scheme is primarily driven by the need to consolidate the general news business of the Network18 Group in the Transferee Company and to unlock significant operational and other synergies in the business for maximizing stakeholder's value and same is mentioned below:
 - a) The Transferee Company is the general news and entertainment arm of the Network18 Group and is engaged, inter alia, in the business of television content production and broadcasting, and making strategic/ financial investments in related media businesses. The Transferee Company owns and operates one of India's leading 24-hour English language news and current affairs channel, 'CNN – IBN', and is a market leader in this category.
 - b) The Transferee Company holds, directly and through its holding in Transferor Company equity stake in the Demerged Company, which owns and operates 'IBN 7', a leading 24-hour Hindi general news channel.
 - c) As a part of its overall strategy to consolidate the news and current affairs business under the Transferee Company, the Network18 Group had announced the complete consolidation of the 24 hour Hindi news channel, 'IBN 7' with the Transferee Company.
 - d) Post the consolidation of 'IBN-7', the Transferee Company would emerge as an integrated player in the Indian general news segment, thereby leveraging on its strong brand name and its affiliation with the Network18 Group to further grow the businesses being consolidated.
 - e) Accordingly, it has been decided to consolidate the 'IBN7' news channel with the Transferee Company, by undertaking the following, as part of this Scheme:
 - Demerger of 'IBN7 News Undertaking' of the Demerged Company into the Transferee Company; and
 - Merger of Transferor Company into the Transferee Company.
 - f) It is expected that the consolidation will unlock significant operational and other synergies in the businesses, and maximize value for stakeholders.
3. Accordingly, the following resolution is submitted for the

approval, at the meeting of the unsecured creditors of the Transferee Company:

“**RESOLVED** that the Arrangement embodied in the Scheme of Arrangement between Jagran TV Private Limited (the “Demerged Company”) and BK Fincap Private Limited (the “Transferor Company”) and ibn18 Broadcast Limited (the “Transferee Company”) and their respective shareholders and creditors as placed before the meeting be and is hereby approved subject to the said Scheme being sanctioned by the Hon’ble High Court of Delhi at New Delhi and/or Hon’ble High Court of Judicature at Allahabad under Section 391-394 and other applicable provisions, if any, of the Companies Act, 1956, and such other approvals as may be required.”

RESOLVED FURTHER that Mr Raghav Bahl, Director, Mr Sameer Manchanda, Joint Managing Director, Mr Hitesh Jain, Company Secretary and Mr Gurdeep Singh Puri, General Manager Finance be and are hereby severally authorized to take such steps and do all acts, deeds, matters and things as may be necessary, desirable or proper to effectively implement the said Scheme of Arrangement and to accept such modification(s) and/ or conditions, if any, which may be required and/ or imposed by the Hon’ble High Court of Delhi at New Delhi and/ or by any other authority while sanctioning the said Scheme of Arrangement or which may otherwise be considered necessary or desirable for implementing and/ or carrying out the Scheme of Arrangement.”

4. The Board of Directors of the Demerged Company and the Transferor Company and the Transferee Company vide a resolution passed on December 19, 2007 have approved the Scheme.
5. (a) The Demerged Company was incorporated on April 8, 2004 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Kanpur under Uttar Pradesh.
- (b) The Registered office of the Demerged Company is situated at 2, Sarvodaya Nagar, Kanpur - 208 005.
- (c) The authorized, issued, subscribed and paid up capital of the Demerged Company is as follows:

Particulars	Amount (Rs)
Authorised Capital	
15,000,000 Equity Shares of Rs 10 each	150,000,000
Issued, Subscribed And Paid-Up Capital	
13,458,950 Equity Shares of Rs 10 each	134,589,500

- (d) The Demerged Company is a subsidiary of Transferor Company and is engaged in the operation of Hindi general news channel ‘IBN 7’. It is also engaged in the business of content development.
6. (a) The Transferor Company was incorporated on March 10, 2006 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana.

- (b) The registered office of the Transferor Company is situated at 601, 6th Floor, Commercial Tower, Hotel Le Meridien, Raisina Road, New Delhi - 110 001.
- (c) The authorized, issued, subscribed and paid up capital of the Transferor Company is as follows:

Particulars	Amount (Rs)
Authorised Capital	
2,000,000 Equity Shares of Rs 10 each	20,000,000
Issued, Subscribed And Paid-Up Capital	
176,500 Equity Shares of Rs 10 each	1,765,000

- (d) The Transferor Company is engaged in the business of making strategic/financial investments in India and other businesses.
7. (a) The Transferee Company was incorporated on June 6, 2005 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana with the name styled as ‘Global Broadcast News Private Limited’. The name of the Company was changed to ‘Global Broadcast News Limited’ vide fresh Certificate of Incorporation dated April 7, 2006. The name of the Company was further changed to its present name ‘ibn18 Broadcast Limited’ vide fresh Certificate of Incorporation dated April 2, 2008.
- (b) The registered office of the Transferee Company is situated at 601, 6th Floor, Commercial Tower, Hotel Le Meridien, Raisina Road, New Delhi - 110 001.
- (c) The authorized, issued, subscribed and paid up capital of the Transferee Company is as follows:

Particulars	Amount (Rs)
Authorised Capital	
200,000,000 Equity Shares of Rs 2 each	400,000,000
Issued, Subscribed And Paid-Up Capital	
133,640,815 Equity Shares of Rs 2 each	267,281,630

- (d) The Transferee Company is engaged in the business of television content production and broadcasting and making strategic/financial investments in related media businesses. It owns and operates ‘CNN IBN’, one of the India’s leading 24-hour English language news and current affairs channel.
8. The salient features of the Scheme are set out hereunder:
 - (a) Appointed Date:
 - i. Appointed Date for demerger of ‘IBN7 News Undertaking’ of Demerged Company into the Transferee Company is October 1, 2007.
 - ii. Appointed Date for merger of the Transferor Company into the Transferee Company is October 2, 2007.
 - (b) Transfer of Undertaking:
 - i. With effect from the Appointed Date for demerger,

- all assets and liabilities of 'IBN7 News Undertaking' of Demerged Company, without any further act or deed shall be transferred to the Transferee Company.
- ii. With effect from the Appointed Date of merger, all assets and liabilities of the Transferor Company, without any further act or deed shall be transferred to the Transferee Company.
- (c) Employees
- i. All the employees of Demerged Company in relation to 'IBN7 News Undertaking' shall without any interruption in service become the employees of the Transferee Company on terms and condition not less favourable than those on which they are engaged in the Demerged Company.
 - ii. All the employees of the Transferor Company shall without any interruption in service become the employees of the Transferee Company on terms and condition not less favourable than those on which they are engaged in the Transferor Company.
- (d) Dissolution
- i. Transferor Company shall stand dissolved without the process of winding up, upon the coming into effect of this Scheme, in accordance with the provisions of the Act and the rules made thereunder.
- (e) Issuance of Shares
- i. Upon the coming into effect of this Scheme and in consideration of the demerger of the 'IBN7 News Undertaking' in the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further act or deed and without any further payment in accordance with Clause 7.1 of the Scheme, issue and allot equity shares at par on a proportionate basis to each member of the Demerged Company whose name is recorded in the register of members of Demerged Company as holding equity shares on the Specified Date in the ratio of 24.23:100 i.e. 24.23 equity shares of Rs 10 each of the Transferee Company to be issued for every 100 (hundred) equity shares of Rs 10 each of Demerged Company, held by the member.
 - ii. Upon the coming into effect of this Scheme and in consideration of the merger of Transferor Company into the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares at par to each member of Transferor Company whose name is recorded in the register of members of Transferor Company as holding equity shares on the Specified Date in the ratio of 1,662.76:100 i.e. 1,662.76 equity shares of Rs 10 each of the Transferee Company to be issued for every 100 (hundred) equity shares of Rs 10 each of Transferor Company, held by the member.
- iii. In case any member's holding in Demerged Company or Transferor Company is such that the member becomes entitled to a fraction of an equity share in the Transferee Company, the Transferee Company shall not issue fractional share certificates to such member but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by the Transferee Company in that behalf, who shall sell such shares at prevailing market prices within a reasonable time frame after the allotment and distribute the net sale proceeds (after deduction of tax, if applicable) to the members in proportion to their fractional entitlements.
- (f) The Board of Directors of the Transferee Company, in their meeting held on December 19, 2007, have proposed a sub-division in the nominal value of equity shares of the Transferee Company from the present Rs 10 (Rupees Ten only) per share to Rs 2 (Rupees Two only) per share and the share swap ratio as mentioned in the Scheme and as enunciated above will be adjusted accordingly.
- (g) The debit balance in the Profit and Loss account of the Demerged Company to the extent of Rs 257,549,406 (Rupees Two Hundred and Fifty Seven Million Five Hundred and Forty Nine Thousand, Four Hundred and Six only) shall be written off against the balance in the Securities Premium Account of the Demerged Company.
- (h) Accounting treatment in the books of Transferee Company on demerger, in accordance with Clause 9.1 of the Scheme:
- i. Upon the coming into effect of this Scheme, the Transferee Company shall record all the assets and liabilities of the 'IBN7 News Undertaking' transferred to it in pursuance of this Scheme at their respective book values thereof appearing in the books of account of the Demerged Company, at the close of business of the day immediately preceding the Appointed Date.
 - ii. The difference between assets and liabilities transferred pursuant to the demerger of 'IBN7 News Undertaking', duly adjusted for expenses incurred in connection with the Scheme, face value of shares issued on demerger and write down of investment in Demerged Company to fair value, shall be written off by the Transferee Company against the balance in the Securities Premium Account.
- (i) Accounting treatment in the books of Transferee Company on merger, in accordance with Clause 9.3 of the Scheme:
- i. Upon the coming into effect of this Scheme, the Transferee Company shall record all the assets and liabilities of the Transferor Company transferred to it in pursuance of this Scheme at the respective fair values, at the close of business of the day immediately preceding the Appointed Date.

- ii. The amount representing the difference between:
- Assets and liabilities transferred pursuant to the merger of the Transferor Company and consequent cancellation of shares issued on demerger issued to the Transferor Company, and;
 - Aggregate value of shares on merger issued by the Transferee Company and cancellation of investment by Transferee Company in the equity shares of Transferor Company;
- shall be debited to the Securities Premium Account of the Transferee Company.
- iii. Subsequent to the above, in case of any differences in accounting policy between the Transferor and Transferee Company, the impact of the same till the Appointed Date will be quantified and adjusted in the Share Premium of Transferee Company, to ensure that the financial statements of Transferee Company reflect the financial position on the basis of consistent accounting policy.
- The debit balance in the Profit and Loss account of the Transferee Company to the extent of Rs 659,525,644 (Rupees Six Hundred and Fifty Nine Million Five Hundred and Twenty Five Thousand, Six Hundred and Forty Four only) as on the Appointed Date, which would comprise only cash loss (i.e. accumulated loss less depreciation) as per the books of account, shall be written off against the balance in the Securities Premium account of an equivalent amount.
 - The Order of the Hon'ble High Court(s) would be deemed for all purposes to be an Order under Section 100/ 102 of the Companies Act, 1956.
 - All assets acquired by Demerged Company after the Appointed Date and prior to the Effective Date for operation of the 'IBN7 News Undertaking' or pertaining to the 'IBN7 News Undertaking' shall be deemed to have been acquired for and on behalf of Transferee Company.
 - Where any of the liabilities and obligations of the Demerged Company in relation to the Demerged Undertaking as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by Demerged Company after the Appointed Date and prior to the Effective Date through cash payment or in any other manner whatsoever, such discharge shall be deemed to have been for and on account of the Transferee Company. All loans raised and used and all liabilities and obligations incurred by the Demerged Company for the operations of the 'IBN7 News Undertaking' after the Appointed Date

and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become its liabilities and obligations.

Members are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.

9. The Directors of the Demerged Company, Transferor Company and the Transferee Company may be deemed to be concerned or interested in the Scheme upto the extent of their shareholding or crossholding in the aforesaid companies provided hereunder or to the extent the said Directors are common Directors in the companies, or to the extent the said Directors are partners, directors, members of the companies, firms, association of persons, bodies corporate and/ or beneficiary of trust that hold shares in any of the companies, or to the extent they may be allotted shares in the Transferee Company as a result of the Scheme. The cross shareholdings are mentioned hereunder:

Demerged Company

Name of Directors	Demerged Company	Transferor Company	Transferee Company
Mr M. M. Gupta	Nil	5,265	Nil
Mr Sanjay Gupta	Nil	7,500	Nil
Mr Siddhartha Gupta	Nil	5,250	Nil

Transferor Company

Name of Directors	Demerged Company	Transferor Company	Transferee Company
Mr R. D. S. Bawa	Nil	Nil	Nil
Mr Anil Srivastava	Nil	Nil	Nil
Mr M. M. Gupta	Nil	5,265	Nil
Mr Siddhartha Gupta	Nil	5,250	Nil

Transferee Company

Name of Directors	Demerged Company	Transferor Company	Transferee Company
Mr Raghav Bahl	Nil	Nil	3,639,080
Mr Sameer Manchanda	Nil	Nil	10,696,295
Mr G. K. Arora	Nil	Nil	Nil
Mr S. R. Chaudhuri	Nil	Nil	Nil
Mr H. S. Bhartia	Nil	Nil	Nil
Mr Shahzaad Dalal	Nil	Nil	Nil
Mr Manoj Mohanka	Nil	Nil	Nil

Mr M. M. Gupta and Mr Siddharth Gupta are the common Directors in the Demerged Company and the Transferor Company.

10. The pre and post arrangement shareholding pattern of the Transferee Company is as under:

S No	Category of shareholder	Transferee Company			
		Pre Arrangement		Post Arrangement	
		Number of shares	% holding	Number of shares	% holding
(A)	Promoter and Promoter Group				
1	Indian	15,829,743	59.22%	17,623,221	58.77%
	Sub Total (A)	15,829,743	59.22%	17,623,221	58.77%
(B)	Public shareholding				
1	Institutions				
a	Mutual Funds/ UTI	1,160,823	4.34%	1,160,823	3.87%
b	Financial Institutions/ Banks	92,914	0.35%	92,914	0.31%
c	Venture Capital Funds	2,119,900	7.93%	2,119,900	7.07%
	Sub-Total (B)	3,373,637	12.62%	3,373,637	11.25%
2	Non-institutions				
a	Bodies Corporate	2,583,535	9.67%	2,583,535	8.61%
b	Individuals	2,766,034	10.36%	4,233,384	14.12%
c	Any Other	2,175,214	8.13%	2,175,254	7.25%
	Sub-Total(C)	7,524,743	28.16%	8,992,173	29.98%
	Total (A) + (B) + (C)	26,728,163	100%	29,989,031	100%

Post Arrangement the authorized share capital of the Transferee Company shall be Rs 400,000,000 divided into 200,000,000 equity shares of Rs 2 each and the issued, subscribed and paid up capital shall be Rs 299,890,310 divided into 149,945,155 equity shares of Rs 2 each.

**The nominal value of equity shares of the Transferee Company has been sub-divided from Rs 10 (Rupees Ten only) per share to Rs 2 (Rupees Two only) per share vide approval of members through postal ballot on January 25, 2008.*

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|---|--|
| <p>11. The Transferee Company has obtained approval to the Scheme from Bombay Stock Exchange Limited ("BSE") on April 29, 2008 and from National Stock Exchange of India Limited ("NSE") vide letter dated May 5, 2008.</p> <p>12. There are no investigation proceedings pending under Sections 235 to 251 of the Companies Act, 1956 against the Transferee Company.</p> <p>13. The rights and interests of the members and the creditors of the Demerged Company, the Transferor Company and the Transferee Company will not be prejudicially affected by the Scheme.</p> <p>14. The proposed Scheme will be in the best interests of the Demerged Company, the Transferor Company and the Transferee Company, their shareholders, creditors and all concerned with the Scheme.</p> <p>15. On the Scheme being approved as per the requirements of Section 391 of the Companies Act, 1956, the Transferee Company will seek the sanction of the Hon'ble High Court of Delhi to the Scheme.</p> <p>16. The following documents will be open for inspection at the Registered Office of the Transferee Company on any working day (except Saturday) from June 5, 2008 to June 27, 2008 between 11:00 am and 1:00 pm.</p> <p>(a) Certified copy of the Order of the Hon'ble Delhi High Court dated May 13, 2008, in the above company</p> | <p>application directing the convening of the meeting of the equity shareholders and unsecured creditors.</p> <p>(b) Memorandum and Articles of Association of the Demerged Company, Transferor Company and Transferee Company.</p> <p>(c) Audited Balance Sheet and Profit and Loss Account for the year ended March 31, 2007 of the Demerged Company, Transferor Company and Transferee Company.</p> <p>(d) Scheme of Arrangement.</p> <p>(e) Copy of No objection letters received from the BSE and NSE pursuant to clause 24(f) of the Listing Agreement.</p> <p>(f) Copy of valuation report on share exchange ratio on arrangement between the Demerged Company, Transferor Company and the Transferee Company as issued by BMR Advisors Private Limited (formerly known as "erix Advisors Private Limited"), New Delhi.</p> |
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For ibn18 Broadcast Limited

Sd/-
Hitesh Kumar Jain
Company Secretary

Dated this 16th May, 2008

SCHEME OF ARRANGEMENT

AMONG

Jagran TV Private Limited **Demerged Company**

AND

BK Fincap Private Limited **Transferor Company**

AND

Global Broadcast News Limited **Transferee Company**

UNDER SECTION 391 READ WITH SECTION 394 AND SECTIONS 100 TO 103 OF THE COMPANIES ACT, 1956

PREAMBLE

- A. Global Broadcast News Limited (“**GBN**”) is a listed company and the general news and entertainment arm of the Network 18 group. GBN is engaged, inter alia, in the business of television content production and broadcasting, and making strategic/ financial investments in related media businesses. GBN owns and operates one of India’s leading 24-hour English language news and current affairs channel, CNN IBN, and is a market leader in this category. GBN also holds (directly and through its holding in BK Fincap Private Limited) equity stake in Jagran TV Private Limited, which owns and operates ‘IBN7’, a leading 24-hour Hindi general news channel.
- B. BK Fincap Private Limited (“**BK Fincap**”) is a company primarily engaged in the business of making strategic/ financial investments in media and other businesses. BK Fincap is a joint venture between the Gupta Family and GBN, and holds equity stake in Jagran TV Private Limited.
- C. Jagran TV Private Limited (“**JTV**”) is a subsidiary of BK Fincap, and it currently owns and operates ‘IBN7’, a leading 24-hour Hindi general news channel. Apart from its interests in Indian media business, JTV also carries on software operations and content development.

The Scheme is designed to consolidate the ‘IBN7’ general news channel with GBN. Accordingly, this Scheme seeks to achieve demerger of the IBN7 News Undertaking (“Demerged Undertaking” as defined later in this Scheme) of JTV into GBN and merger of BK Fincap into GBN. It is expected that the steps of re-organization in this Scheme will unlock significant synergies in the businesses, leading to benefits that will maximize value for stakeholders.

The present Scheme involves the following:

- Demerger (on a going concern basis) of the IBN 7 News Undertaking of JTV into GBN with effect from October 1, 2007
- Merger of BK Fincap with GBN with effect from October 2, 2007

OVERVIEW OF SCHEME

With the aforesaid objectives, the Scheme is organized as follows:

Section A: General

Section B: Demerger of IBN 7 News Undertaking

Section C: Amalgamation of BK Fincap into GBN

Section D: Issue of shares/ Accounting treatment

Section E: Other provisions

SECTION A: GENERAL

1. DEFINITIONS

In this Scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the following meaning:

- 1.1 “**Act**” means the Companies Act, 1956 or any statutory modification or re-enactment thereof.
- 1.2 “**Appointed Date**” means:
- 1.2.1 in case of Demerger of IBN7 News Undertaking of JTV into GBN, the 1st day of October, 2007; and
- 1.2.2 in case of Amalgamation of BK Fincap into GBN, the 2nd day of October, 2007
- 1.3 “**BK Fincap Undertaking**” shall mean and include the whole of the undertaking of BK Fincap, as a going concern, including all secured and unsecured debts, liabilities, contingent liabilities, duties and obligations and all the property of BK Fincap including its assets, whether movable or immovable, real or personal, in possession or reversion, corporeal or incorporeal, tangible or intangible, present or contingent and including but without being limited to all fixed and movable plant and machinery, computers and accessories, software, leasehold improvements, vehicles, fixed assets, current assets, investments (including but not limited to equity shares in the Demerged Company and any equity shares of the Transferee Company issued by virtue of such equity shareholding), leases, licenses, tenancy rights, premises, hire purchase and lease arrangements, telephones, telexes, facsimile connections, communication facilities, equipment and installations and utilities, electricity, water and other service connections, employees, benefits of agreements, contracts and arrangements, approvals, certifications, balances with all regulatory authorities, liberties, advantages, easements and all the right, title, interest, goodwill, benefit and advantage, deposits, reserves, provisions, advances, receivables, funds, cash, bank balances, accounts and all other rights, claims and powers, of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by BK Fincap.
- 1.4 “**Demerged Company**” or “**Jagran TV Private Limited**” or “**JTV**” means Jagran TV Private Limited, a Company incorporated under the Act and having its registered office at 2, Sarvodaya Nagar, Kanpur 208 005.
- 1.5 “**Demerged Undertaking**” means the IBN 7 News Undertaking of JTV, on a going concern basis, comprising, inter alia, the business activity of operating the ‘IBN 7’ channel, along with all related assets, liabilities, employees and shall include (without limitation):
- all the property of the Demerged Undertaking including all assets wherever situated, whether movable or immovable, leasehold or freehold, tangible or intangible, including all computers and accessories, software and related data, leasehold improvements, plant and machinery, offices, capital work-in-progress, vehicles, furniture, fixtures, office equipment, electricals, appliances, accessories, investments pertaining to or relating to the Demerged Undertaking;
 - all liabilities present and future and the contingent

liabilities (including the liabilities allocable as per Clause 5.8 of this Scheme) pertaining to or relatable to the Demerged Undertaking;

- all rights and licenses including the broadcasting license granted by the Hon'ble Ministry of Information & Broadcasting to operate the 'IBN 7' channel, all assignments and grants thereof, all permits, clearances and registrations whether under Central, State or other laws, rights (including rights/ obligations under any agreement, contracts, applications, letters of intent, or any other contracts), subsidies, grants, tax credits, incentives or schemes of central/ state governments including the Export Promotion Capital Goods ("EPCG") Scheme, certifications and approvals, regulatory approvals, entitlements, other licenses, municipal permissions, approvals, consents, tenancies, investments and/or interest (whether vested, contingent or otherwise) in projects undertaken by the Demerged Undertaking either solely or jointly with other parties, cash balances, bank balances, bank accounts, deposits, advances, recoverables, receivables, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by JTV in relation to the Demerged Undertaking, funds belonging to or proposed to be utilised for the Demerged Undertaking, privileges, all other claims, rights and benefits (including under any powers of attorney issued by JTV in relation to the Demerged Undertaking or any powers of attorney issued in favour of JTV or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority to which JTV was a party), powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephones, telexes, facsimile connections and installations, utilities, electricity, water and other services, provisions, funds, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Demerged Undertaking;
- all employees of JTV that are determined by the Board of Directors of JTV, to be substantially engaged in or in relation to the Demerged Undertaking, on the date immediately preceding the Effective Date;
- all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by JTV, directly or indirectly in connection with or in relation to the Demerged Undertaking;
- all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programmes along with their licenses, manuals and back up copies, drawings, other manuals, data catalogues, quotations, sales and advertising materials, and other data and records whether in physical or electronic form, directly or indirectly in connection with or relating to the Demerged Undertaking;
- all trademarks, trademark applications, trade names, patents and domain names, patent applications,

copyrights, trade secrets, and other intellectual property and all other interests exclusively relating to the Demerged Undertaking.

but shall not include any assets or liabilities relating to the Remaining Business of JTV.

It is intended that the definition of Demerged Undertaking under this Clause would enable the transfer of all property, assets and liabilities of the IBN 7 News Undertaking to GBN pursuant to this Scheme.

Any issue as to whether any asset or liability pertains to or is relatable to the Demerged Undertaking or not shall be solely decided by the Board of Directors of GBN, on the basis of evidence that they may deem relevant for the purpose (including the books or records of the Demerged Company).

- 1.6 **"Effective Date"** means the last of the dates on which all the conditions and matters referred to in Clause 19 hereof have been fulfilled. References in this Scheme to the date of "coming into effect of this Scheme" shall mean the Effective Date.
- 1.7 **"Remaining Business"** means all other businesses, divisions, assets and liabilities of JTV other than the Demerged Undertaking as defined in Clause 1.3.
- 1.8 **"Scheme of Arrangement"** or **"this Scheme"** or **"the Scheme"** means this Scheme of Arrangement in its present form or with any modifications made under Clause 21 of the Scheme.
- 1.9 **"Specified Date"** means the date to be fixed by the Board of Directors or a committee thereof of JTV and BK Fincap for the purpose of determining their respective members to whom shares will be allotted pursuant to Clause 7.1 and Clause 7.2 respectively, of this Scheme.
- 1.10 **"Transferee Company"** or **"Global Broadcast News Limited"** or **"GBN"** means Global Broadcast News Limited, a company incorporated under the Act and having its registered office at 601, 6th Floor, Commercial Tower, Hotel Le-Meridien, Raisina Road, New Delhi 110 001.
- 1.11 **"Transferor Company"** or **"BK Fincap"** means BK Fincap Private Limited, a Company incorporated under the Act and having its registered office at 601, 6th Floor, Commercial Tower, Hotel Le-Meridien, Raisina Road, New Delhi 110 001.

1A. EXPRESSIONS NOT DEFINED IN THIS SCHEME

The expressions which are used in this Scheme and not defined in this Scheme, shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act, the Securities Contracts (Regulation) Act, 1956, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be, or any statutory modification of re-enactment thereof from time to time. In particular, wherever reference is made to High Court(s) in the Scheme, the reference would include, if appropriate, reference to the National Company Law Tribunal or such other forum or authority as may be vested with the powers of the Hon'ble High Court(s) under the Act.

2. DATE OF COMING INTO EFFECT

The Scheme shall come into legal operation from the Appointed Date, though it shall be effective from the Effective Date.

3. SHARE CAPITAL

- (i) The authorised, issued, subscribed and paid up capital of JTV as on December 1, 2007 is as follows:

PARTICULARS	AMOUNT (Rs)
AUTHORISED CAPITAL 15,000,000 Equity Shares of Rs 10 each	150,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 13,458,950 Equity Shares of Rs 10 each	134,589,500

- (ii) The authorised, issued, subscribed and paid up capital of BK Fincap as on December 1, 2007 is as follows:

PARTICULARS	AMOUNT (Rs)
AUTHORISED CAPITAL 2,000,000 Equity Shares of Rs 10 each	20,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 176,500 Equity Shares of Rs 10 each	1,765,000

- (iii) The authorised, issued, subscribed and paid up capital of GBN as on December 1, 2007 is as follows:

PARTICULARS	AMOUNT (Rs)
AUTHORISED CAPITAL 40,000,000 Equity Shares of Rs 10 each	400,000,000
ISSUED, SUBSCRIBED AND PAID-UP CAPITAL 26,728,163 Equity Shares of Rs 10 each	267,281,630

GBN has issued 3,000,000 warrants to the promoter group, pursuant to which the warrant holders will be entitled to apply for and be allotted one fully paid up equity share of face value of Rs 10 in respect of each warrant, in accordance with the applicable provisions. Also, GBN, as at December 1, 2007, has granted 456,750 options to its eligible employees under the Employee Stock Option Scheme 2007.

In addition to the above, GBN is exploring the possibility of raising additional funds in the region of USD 200 Million through ADR/ GDR/ FCCB/ QIP route or any other mechanism as may be found to be appropriate by the Board of Directors of GBN.

4. COMPLIANCE WITH TAX LAW

This Scheme,

- (i) in so far as it relates to the demerger of IBN 7 News Undertaking of JTV into GBN, has been drawn up to comply with the conditions relating to "Demerger" as specified under the tax laws, including section 2(19AA) of the Income tax Act, 1961, which provides the following conditions:
- all the property of the undertaking, being transferred by the demerged company, immediately before the demerger becomes the property of the resulting company by virtue of the demerger;
 - all the liabilities relating to the undertaking, being transferred by the demerged company, immediately before the demerger become the liabilities of the resulting company by virtue of the demerger;
 - the property and liabilities of the undertaking being transferred by the demerged company are transferred

at values appearing in its books of account immediately before the demerger;

- the resulting company issues, in consideration of the demerger, its shares to the shareholders of the demerged company on a proportionate basis;
- the shareholders holding not less than three-fourths in value of the shares in the demerged company (other than shares already held therein immediately before the demerger, or by a nominee for, the resulting company or its subsidiary) become shareholders of the resulting company by virtue of the demerger, otherwise than as a result of the acquisition of the property or assets of the demerged company or any undertaking thereof by the resulting company;
- the transfer of the undertaking is on a going concern basis; and
- the demerger is in accordance with the conditions, if any, notified under sub section (5) of section 72A of the Income tax Act, 1961 by the Central Government in this behalf.

- (ii) in so far as it relates to the merger of BK Fincap into GBN, has been drawn up to comply with the conditions relating to "Amalgamation" as specified under the tax laws, including section 2(1B) of the Income tax Act, 1961, which include the following:

- all the property of the amalgamating company or companies immediately before the amalgamation becomes the property of the amalgamated company by virtue of the amalgamation;
- all the liabilities of the amalgamating company or companies immediately before the amalgamation become the liabilities of the amalgamated company by virtue of the amalgamation; and
- shareholders holding not less than three-fourths in value of the shares in the amalgamating company or companies (other than shares already held therein immediately before the amalgamation by, or by a nominee for, the amalgamated company or its subsidiary) become shareholders of the amalgamated company by virtue of the amalgamation, otherwise than as a result of the acquisition of the property of one company by the other company pursuant to the purchase of such property by the other company or as a result of the distribution of such property to the other company after the winding up of the first mentioned company.

and other relevant sections (including section 47 and section 72A) of the Income tax Act, 1961. If any terms or provisions of the Scheme are found to be or interpreted to be inconsistent with any of the said provisions at a later date, whether as a result of any amendment of law or any judicial or executive interpretation or for any other reason whatsoever, the aforesaid provisions of the tax laws shall prevail. The Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of GBN, which power shall

be exercised reasonably in the best interests of the companies and their shareholders, and which power can be exercised at any time, whether before or after the Effective Date.

SECTION B: DEMERGER OF IBN 7 NEWS UNDERTAKING

5. TRANSFER OF DEMERGED UNDERTAKING

5.1 With effect from the Appointed Date, the Demerged Undertaking shall, pursuant to the provisions contained in section 394(2) of the Act and other provisions of law for the time being in force and without any further act or deed, be demerged from JTV, and be transferred to and vested in or be deemed to have been transferred to and vested in GBN on the Appointed Date, on a going concern basis, so as to become as and from the Appointed Date, the undertaking of GBN, and to vest in GBN all the rights, title, interest or obligations of JTV therein.

5.2 All assets acquired by JTV after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking or pertaining to the Demerged Undertaking shall be deemed to have been acquired for and on behalf of GBN.

5.3 In respect of such of the assets of the Demerged Undertaking (mentioned in Clause 5.1 and Clause 5.2 above) as are movable in nature or are otherwise capable of transfer by manual delivery, by paying over or by endorsement and delivery, the same may be so delivered, paid over, or endorsed and delivered, by JTV and shall become the property of GBN as an integral part of the Demerged Undertaking transferred to it. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of JTV and the Board of Directors (or a duly authorized committee) of GBN within thirty days from the Effective Date.

5.4 In respect of movables of the Demerged Undertaking other than those specified in Clause 5.3 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, deposits and balances, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this sub-clause, and such transfer shall be effected by notice to the concerned persons, or in any manner as may be mutually agreed by JTV and GBN.

5.5 In respect of such of the assets of the Demerged Undertaking other than those referred to in Clause 5.3 and 5.4 above, the same shall, as more particularly provided in Clause 5.1 above, without any further act, instrument or deed, be transferred to and vested in and/or be deemed to be transferred to and vested in the Transferee Company on the Appointed Date pursuant to the provisions of section 394 of the Act or other provisions of law as applicable.

5.6 It is hereby clarified that the Remaining Business of JTV shall continue to vest in JTV.

5.7 For the avoidance of doubt and without prejudice to the generality of the foregoing, it is clarified that upon the coming into effect of this Scheme, in accordance with

the provisions of relevant laws, consents, permissions, licenses, registrations, certificates, authorities (including for the operation of bank accounts), powers of attorneys given by, issued to or executed in favour of JTV, and the rights and benefits under the same shall, in so far as they relate to the Demerged Undertaking and all certifications and approvals, trademarks, licenses, patents and domain names, copyrights, industrial designs, trade secrets, product registrations and other intellectual property and all other interests relating to the Demerged Undertaking, be transferred to and vested in the Transferee Company.

In so far as the various incentives, including all benefits pursuant to the EPCG scheme, licenses, subsidies (including applications for subsidies), grants, special status and other benefits or privileges granted by any Government body, local authority or by any other person, enjoyed or availed of by JTV are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking, vest with and be available to the Transferee Company on the same terms and conditions.

5.8 It is clarified that, upon the coming into effect of the Scheme, the following liabilities and obligations of JTV as on the Appointed Date and being a part of the Demerged Undertaking shall, without any further act or deed be and shall stand transferred to the Transferee Company, and all rights, powers, duties and obligations in relation thereto shall stand transferred to and vested in and shall be exercised by or against the Transferee Company as if it had entered into such loans or incurred such borrowings and the Transferee Company undertakes to meet, discharge and satisfy the same:

- (i) the liabilities which directly and specifically arose out of the activities or operations of the Demerged Undertaking,
- (ii) specific loans or borrowings raised, if any, and incurred and utilized solely for the activities or operations of the Demerged Undertaking,
- (iii) in cases other than those referred to in sub-clauses (i) and (ii) above, proportionate part of the general or multipurpose borrowings and liabilities of JTV allocable to the Demerged Undertaking in the same proportion in which the value of the assets of JTV transferred under this Scheme bears to the total value of the assets of JTV immediately before the demerger. It is hereby clarified that upon the coming into effect of this Scheme, where any regulatory approvals are required for the purposes of apportioning the general or multipurpose borrowings as provided herein, the same shall be obtained by JTV and/ or the Transferee Company by way of specific applications in this behalf.

5.9 Where any of the liabilities and obligations of JTV in relation to the Demerged Undertaking as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by JTV after the Appointed Date and prior to the Effective Date through cash payment or in any other manner whatsoever, such discharge shall be deemed to have been for and on account of the Transferee Company. All loans raised and used and all liabilities and obligations incurred by JTV for the operations of the

Demerged Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of the Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to the Transferee Company and shall become its liabilities and obligations.

5.10 Upon the coming into effect of this Scheme, the balances as on the Appointed Date of general or multipurpose borrowings in relation to the Demerged Undertaking of JTV shall be transferred to and assumed by GBN in the manner provided in Clause 5.8(iii) above.

5.11 Upon the coming into effect of this Scheme, in so far as the security in respect of the liabilities of the Demerged Undertaking, it is hereby clarified that JTV and the Transferee Company shall, subject to confirmation by the concerned creditor(s), mutually agree upon and arrange for such security as may be considered necessary to secure such liabilities, and obtain such consents under law as may be prescribed.

Provided however, any reference in any security documents or arrangements (to which JTV is a party) to the assets of JTV offered or agreed to be offered as security for any financial assistance or obligations, shall be construed as reference only to the assets pertaining to the Demerged Undertaking of JTV as are vested in the Transferee Company by virtue of the aforesaid Clauses, to the end and intent that such security, charge and mortgage shall not extend or be deemed to extend, to any of the other assets of JTV or any of the assets of the Transferee Company.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Transferee Company shall continue with respect to such assets or part thereof and this Scheme shall not operate to enlarge such securities, charges or mortgages to the end and intent that such securities, charges and mortgages shall not extend or be deemed to extend, to any of the assets of Demerged Undertaking of JTV vested in the Transferee Company.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by JTV which shall vest in the Transferee Company by virtue of the demerger of the Demerged Undertaking into the Transferee Company and the Transferee Company shall not be obliged to create any further or additional security therefor after the Scheme has become operative

5.12 Upon the coming into effect of this Scheme, the borrowing limits of the Transferee Company in terms of section 293(1) (d) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of JTV which are being transferred to the Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of the Transferee Company, with effect from the Appointed Date.

5.13 The provisions of this Clause insofar as they relate to the transfer of liabilities of the Demerged Undertaking to the Transferee Company shall operate notwithstanding anything to the contrary contained in any deed or writing

or the terms of sanction or issue or any security document, all of which instruments shall stand modified and/or superseded by the foregoing provisions.

5.14 It shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Clause, except to the extent required under law.

5.15 It is hereby clarified that all assets and liabilities of the Demerged Undertaking shall be transferred at values appearing in the books of account of JTV as on the Appointed Date which are set forth in the closing balance sheet of JTV as of the close of business hours on the date immediately preceding the Appointed Date.

SECTION C: AMALGAMATION OF BK FINCAP INTO GBN

6. TRANSFER OF BK FINCAP UNDERTAKING

6.1 With effect from the Appointed Date, BK Fincap Undertaking, comprising all assets and liabilities of whatsoever nature and wheresoever situated, shall, under the provisions of section 391 read with section 394 and all other applicable provisions, if any, of the Act, including any statutory re-enactments thereof, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in GBN as a going concern so as to become as and from the Appointed Date the assets and liabilities of GBN and to vest in GBN all the rights, title, interest or obligations of BK Fincap Undertaking therein. All assets acquired by BK Fincap Undertaking after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in GBN upon the coming into effect of the Scheme. As regards transfer of specified movable assets, Clauses 6.2 and 6.3 below provide for the physical mode of effecting transfer.

6.2 All the movable assets including cash in hand, if any, of BK Fincap Undertaking, capable of passing by manual delivery or by endorsement and delivery, shall be so delivered or endorsed and delivered, as the case may be, to Transferee Company. Such delivery shall be made within thirty days from the Effective Date.

6.3 In respect of movables other than those specified in Clause 6.2 above, including sundry debtors, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances, deposits and balances, if any, with Government, Semi-Government, local and other authorities and bodies, customers and other persons, it shall not be necessary to obtain the consent of any third party or other person in order to give effect to the provisions of this sub-clause, and such transfer shall be effected by notice to the concerned persons, or in any manner as may be mutually agreed by BK Fincap and GBN.

6.4 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of BK Fincap Undertaking shall also, under the provisions of sections 391 to 394 of the Act, without any further act or deed, be transferred to or be deemed to be transferred to Transferee Company so as to become as and from the Appointed Date the debts,

liabilities, contingent liabilities, duties and obligations of Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provisions of this Sub-Clause.

- 6.5 The transfer and vesting of the BK Fincap Undertaking as aforesaid, shall be subject to the existing securities, charges and mortgages, if any, subsisting over or in respect of the property and assets or any part thereof of BK Fincap.
- 6.6 Loans or other obligations (including share application money), if any, due between or amongst BK Fincap Undertaking and Transferee Company shall stand discharged and there shall be no liability in that behalf.
- 6.7 Where any of the liabilities and obligations of BK Fincap Undertaking as on the Appointed Date deemed to be transferred to Transferee Company have been discharged by BK Fincap Undertaking after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Transferee Company, and all loans raised and used and all liabilities and obligations incurred by BK Fincap for the operations of the BK Fincap Undertaking after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used or incurred for and on behalf of Transferee Company and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to Transferee Company and shall become its liabilities and obligations.
- 6.8 Upon the coming into effect of this Scheme, the borrowing limits of Transferee Company in terms of section 293(1) (d) of the Act shall be deemed without any further act or deed to have been enhanced by the aggregate liabilities of BK Fincap Undertaking which are being transferred to Transferee Company pursuant to the Scheme, such limits being incremental to the existing limits of Transferee Company, with effect from the Appointed Date.

SECTION D – ISSUE OF SHARES/ ACCOUNTING TREATMENT

7. ISSUE OF SHARES

In relation to demerger of Demerged Undertaking

- 7.1 Upon the coming into effect of this Scheme and in consideration of the demerger of the Demerged Undertaking in the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the “**New Equity Shares on Demerger**”) at par on a proportionate basis to each member of JTV whose name is recorded in the register of members of JTV as holding equity shares on the Specified Date in the ratio of 24.23:100 i.e. 24.23 equity shares of Rs 10 each of the Transferee Company to be issued for every 100 (hundred) equity shares of Rs 10 each of JTV, held by the member.

In relation to amalgamation of BK Fincap

- 7.2 Upon the coming into effect of this Scheme and in

consideration of the amalgamation of BK Fincap into the Transferee Company pursuant to this Scheme, the Transferee Company shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the “**New Equity Shares on Amalgamation**”) at par to each member of BK Fincap whose name is recorded in the register of members of BK Fincap as holding equity shares on the Specified Date in the ratio of 1662.76:100 i.e. 1,662.76 equity shares of Rs 10 each of the Transferee Company to be issued for every 100 (hundred) equity shares of Rs 10 each of BK Fincap, held by the member.

Other terms

- 7.3 The New Equity Shares on Demerger and New Equity Shares on Amalgamation (collectively referred to as “**Additional Equity Shares**”) to be issued and allotted pursuant to Clause 7.1 and Clause 7.2 respectively, shall in all respects, rank *pari passu* with the existing equity shares of the Transferee Company, for dividend and all other benefits and on all respects with effect from the date of their allotment except that, in respect of dividend that may be declared, such shares will be entitled for such dividend from the Appointed Date.
- 7.4 The Board of Directors of GBN, in their meeting held on December 19, 2007, have proposed a sub-division in the nominal value of equity shares of GBN from the present Rs 10 (Rupees Ten only) per share to Rs 2 (Rupees Two only) per share, and has recommended the same for approval by the shareholders in accordance with the relevant provisions of the Act. Pursuant to the approval by the shareholders, the share swap ratio as mentioned hereinabove under Clause 7.1 and Clause 7.2 shall be suitably adjusted.
- 7.5 In case any member's holding in JTV or BK Fincap is such that the member becomes entitled to a fraction of an equity share in the Transferee Company, the Transferee Company shall not issue fractional share certificates to such member but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by the Transferee Company in that behalf, who shall sell such shares at prevailing market prices within a reasonable time frame after the allotment and distribute the net sale proceeds (after deduction of tax, if applicable) to the members in proportion to their fractional entitlements.
- 7.6 The Additional Equity Shares to be issued and allotted in terms hereof will be subject to the relevant Memorandum and Articles of Association of the Transferee Company.
- 7.7 The Transferee Company shall, if and to the extent required, apply for and obtain any approvals from the concerned regulatory authorities for the issue and allotment by the Transferee Company of Additional Equity Shares to the members of JTV and BK Fincap respectively.
- 7.8 The Additional Equity Shares of the Transferee Company issued in terms of Clause 7.1 and Clause 7.2 respectively shall, subject to the provisions of the listing agreement and payment of the appropriate fee, be listed on the stock exchanges where the shares of the Transferee Company are listed. The Transferee Company would obtain such

approvals as may be necessary for the aforesaid listing on recognized stock exchange(s) by making suitable applications in this behalf.

- 7.9 Equity shares to be issued by the Transferee Company pursuant to Clause 7.1 and Clause 7.2 of this Scheme, in respect of any equity shares of JTV or BK Fincap which are held in abeyance under the provisions of section 206A of the Act or otherwise, shall pending allotment or settlement of dispute by order of Court or otherwise be held by the trustees appointed by the Transferee Company.
- 7.10 Insofar as the allotment of shares pursuant to Clause 7.1 and Clause 7.2 is concerned, each member of JTV and BK Fincap shall have the option to be exercised, by giving a notice to the Transferee Company, on or before such date as may be determined by the Board of Directors of the Transferee Company, to receive the shares either in physical certificate form or in dematerialized form. In the event the Transferee Company does not receive such notice or requisite details in respect of any member, the Transferee Company may allot shares in dematerialized form to the extent it has the necessary details of the account holder for issue of shares in dematerialized form and in respect of other members, issue share certificates in physical form. In respect of those members exercising the option to receive the shares in dematerialized form, such members shall have opened and maintained an account with a depository participant, and shall provide such other confirmation, information and details as may be required.
- 7.11 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any member of JTV or BK Fincap, the Board of Directors or any committee thereof of the Transferee Company, shall be empowered in appropriate cases, even subsequent to the Specified Date, to effectuate such a transfer in JTV or BK Fincap, as if such changes in registered holder were operative as on the Specified Date, in order to remove any difficulties arising to JTV/ BK Fincap/ Transferee Company of such shares.
- 7.12 As an integral part of the Scheme, the shareholders of BK Fincap would restructure their inter-se shareholding through a fresh issue/ transfer of shares in a manner such that GBN would hold 50% of the equity shares of BK Fincap. The share issue/ inter-se share transfer of BK Fincap would be effected at any date prior to the Specified Date for issue of New Equity Shares on Amalgamation, as may be mutually agreed between the respective shareholders. The pricing for the share transfer/ issuance would be determined in accordance with applicable regulatory pricing guidelines, if any, or at par, whichever is higher, as on the Appointed Date.

8. INTER COMPANY SHAREHOLDING

- 8.1 Additional Equity Shares to be issued in respect of equity shares of JTV and BK Fincap held by GBN shall be issued to a trust, to be created and called as GBN Network 18 Shareholders' Trust or such other name as may be deemed appropriate ("Trust"). The Trust shall hold such Additional Equity Shares in the Transferee Company (hereinafter referred to as "Trust Shares") in trust together with all additions and accretions thereto exclusively for

the benefit of GBN (and the ultimate benefit of GBN's shareholders) and its successors subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the "Trust Deed") establishing the Trust. The trustees shall, keeping in view the prevailing market conditions, sell, transfer or dispose of the Trust Shares at such time or times and in such manner as may be considered expedient and subsequently, in accordance with the provisions of the Trust Deed, shall remit the proceeds thereof to GBN or its successor. Consequent thereto, all obligations of the trustees under the Trust Deed shall stand discharged and the Trust shall stand terminated.

9. ACCOUNTING TREATMENT

Accounting for Demerger of IBN 7 News Undertaking

9.1 Treatment in the books of GBN

9.1.1 Upon the coming into effect of this Scheme, GBN shall record all the assets and liabilities of the Demerged Undertaking transferred to it in pursuance of this Scheme at their respective book values thereof appearing in the books of account of JTV, at the close of business of the day immediately preceding the Appointed Date.

9.1.2 The difference between assets and liabilities transferred pursuant to the Demerger of IBN 7 News Undertaking, duly adjusted for expenses incurred in connection with the Scheme, face value of New Equity Shares on Demerger issued pursuant to Clause 7.1, and write down of investment in JTV to fair value, shall be written off by GBN against the balance in the Securities Premium Account.

9.2 Treatment in the books of JTV

9.2.1 Upon the coming into effect of this Scheme, with effect from the Appointed Date, the accounts representing the assets and liabilities of the Demerged Undertaking shall stand closed on transfer to the Transferee Company. Insofar as the accounts representing common or multipurpose borrowings referred to in Clause 5.8 are concerned, they shall stand reduced by the amounts transferred to the Transferee Company in accordance with the provisions of this Scheme.

9.2.2 The balance representing the difference between the assets and liabilities transferred on Demerger, shall be adjusted by credit directly to the General Reserve of JTV. This amount shall be free for distribution as dividend, and shall for all purposes constitute a part of the Free Reserves of JTV.

9.2.3 The debit balance in the Profit & Loss account of JTV to the extent of Rs 257,549,406 (Rupees Two Hundred and Fifty Seven Million Five Hundred and Forty Nine Thousand, Four Hundred and Six only) shall be written off against the balance in the Securities Premium Account.

Accounting for Amalgamation of BK Fincap

9.3 Treatment in the books of GBN

9.3.1 Upon the coming into effect of this Scheme, GBN shall record all the assets and liabilities of BK Fincap transferred to it in pursuance of this Scheme at the respective fair values, at the close of business of the day immediately preceding the Appointed Date.

9.3.2 The amount representing the difference between:

- (a) Assets and liabilities transferred pursuant to the Amalgamation of BK Fincap and consequent cancellation of New Equity shares on Demerger issued to BK Fincap, and;
- (b) Aggregate value of New Equity Shares on Amalgamation, issued pursuant to Clause 7.2 and cancellation of investment by GBN in the equity shares of BK Fincap;
- shall be debited to the Securities Premium Account of GBN.
- 9.4 Subsequent to the above, in case of any differences in accounting policy between BK Fincap and GBN, the impact of the same till the Appointed Date will be quantified and adjusted in the Share Premium of GBN, to ensure that the financial statements of GBN reflect the financial position on the basis of consistent accounting policy.
- Other terms**
- 9.5 The debit balance in the Profit & Loss account of GBN to the extent of Rs 659,525,644 (Rupees Six Hundred and Fifty Nine Million Five Hundred and Twenty Five Thousand, Six Hundred and Forty Four only) as on the Appointed Date, which would comprise only cash loss (ie accumulated loss less depreciation) as per the books of account, shall be written off against the balance in the Securities Premium account of an equivalent amount.
- 9.6 In this regard, it is hereby clarified that the Order of the Hon'ble High Court (s) would be deemed for all purposes to be an Order under section 100/ 102 of the Act. Further, since the aforesaid write offs contemplated in respect of GBN and JTV would not involve either a diminution of liability in respect of the unpaid share capital or payment of paid up share capital, the provisions of section 101 shall not be applicable. The necessary approvals to be obtained by GBN and JTV from their respective shareholders and creditors, as required, for the Scheme shall always deemed to include the approval / consents required to be obtained under section 100 and GBN and JTV shall not, nor shall be obliged to, call for a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of Securities Premium account, as contemplated herein.
- 9.7 Notwithstanding the reduction in capital of GBN and JTV as aforesaid, given the financial positions of GBN and JTV, the companies shall not be required to add "and reduced" as suffix to their name.
- 9.8 To the extent that there are inter-corporate loans or balances between the Demerged Undertaking and GBN or between BK Fincap and GBN, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of GBN for the increase or reduction of any assets or liabilities, as the case may be.
- 9.9 To the extent that there are inter-corporate loans or balances between BK Fincap and Demerged Undertaking, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of GBN for the increase or reduction of any assets or liabilities, as the case may be.
- 9.10 The carrying value of shares of JTV in the books of its shareholder shall be pro rated between shares of JTV and the Transferee Company, on a basis considered appropriate by the Board of Directors or trustee or other governing body of the shareholder. It is hereby clarified that the split of cost of acquisition for tax purposes shall be made in consonance with the provisions of the Income Tax Act, 1961.
- 9.11 The parties acknowledge that during the period between the Appointed Date and the Effective Date, the Demerged Undertaking may need funding support for its operations. It is hereby clarified that GBN may provide such funding to the Demerged Undertaking, in any manner whatsoever, including through inter-divisional funding, and upon the coming into effect of the Scheme, the balances shall be accounted accordingly. In the event the Scheme is not given effect for any reason whatsoever, GBN and JTV such mutually discuss and agree on alternative modes for treatment of such balances, if required.
- 9.12 Notwithstanding the provisions of this Clause 9, the Board of Directors of the companies, in consultation with the statutory auditors, are authorised to account any of these balances in any manner whatsoever, if considered more appropriate.

SECTION E - OTHER PROVISIONS

10. CONDUCT OF BUSINESS

- 10.1 With effect from the Appointed Date and up to and including the Effective Date:
- (a) JTV (to the extent related to the Demerged Undertaking) and BK Fincap shall be deemed to have been carrying on all business and activities and stand possessed of all assets, rights, title, interest and authorities, in trust for the Transferee Company;
- (b) income or profit accruing or arising to BK Fincap and the Demerged Undertaking and all costs, charges, expenses and losses or taxes incurred by BK Fincap and the Demerged Undertaking shall for all purposes be treated as the income, profits, costs, charges, expenses and losses or taxes, as the case may be, of the Transferee Company and shall be available to the Transferee Company for being disposed off in any manner as it thinks fit; and
- (c) JTV and BK Fincap shall not take any decision for utilization of profits or reserves or such other amounts, if any, for the purposes of (i) declaring or paying any dividend (ii) declaring any bonus shares (iii) distributing the same in any other manner to shareholders, unless prior written consent of the Transferee Company (which consent may be given by the Board of Directors of

the Transferee Company or any person authorized by the Board of Directors of the Transferee Company) is obtained.

- 10.2 BK Fincap and JTV (to the extent related to the Demerged Undertaking) undertake that they will from the date of approval of the Scheme by their Board of Directors and also from approval of the Board of Directors of the Transferee Company, and up to and including the Effective Date preserve and carry on the BK Fincap and the Demerged Undertaking's businesses with diligence and prudence and agree that they will not, in any material respect, without the prior written consent of GBN, alienate, charge or otherwise deal with or dispose of either in whole or any part thereof, except in the ordinary course of business or undertake substantial investment in new ventures, other than ventures which have already been commenced.
- 10.3 With effect from the Appointed Date, all debts, liabilities, duties and obligations of the Demerged Undertaking and BK Fincap, as the case may be, as on the close of business on the date preceding the Appointed Date, whether or not provided in the books of the Demerged Undertaking or BK Fincap, and all liabilities which arise or accrue on or after the Appointed Date shall be deemed to be the debts, liabilities, duties and obligations of Transferee Company.

11. LEGAL PROCEEDINGS

- 11.1 Upon the coming into effect of the Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against JTV (to the extent related to the Demerged Undertaking) or BK Fincap under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future shall be continued and enforced by or against GBN after the Effective Date and shall not abate or be discontinued nor be in any way prejudicially affected by reason of anything contained in the Scheme. In the event that the legal proceedings referred to herein require the Transferor Company and/or Demerged Company and/or the Transferee Company to be jointly treated as parties thereto, the Transferee Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with the Transferor Company or Demerged Company, as the case may be. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to the Demerged Undertaking or BK Fincap or not, the decision of the Board of Directors of GBN in this regard shall be conclusive evidence.
- 11.2 The Transferee Company undertakes to have all legal proceedings initiated by or against the Transferor Company or the Demerged Company, referred to in this Clause transferred into its name and to have the same continued, prosecuted and enforced by or against the Transferee Company to the exclusion of the Transferor Company or the Demerged Company. The respective companies shall make relevant applications in that behalf to the extent permissible.
- 11.3 Notwithstanding the above, in case the proceedings referred to in this Clause cannot be transferred for any reason, or the transfer takes time, till such transfer,

the Transferor Company or the Demerged Company shall defend the same in accordance with the advice of GBN and at the cost of GBN, and GBN shall reimburse, indemnify and hold harmless the Transferor Company or the Demerged Company as the case may be against all liabilities and obligations incurred by them in respect thereof.

- 11.4 On and from the Effective Date, the Transferee Company shall and may, if required, initiate any legal proceedings in relation to the rights, title, interest, obligations or liabilities or any nature whatsoever, whether under contract or law or otherwise, of the relevant Transferor Company or Demerged Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company or the Demerged Company.

12. CONTRACTS AND DEEDS

- 12.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, insurance policies and other instruments, if any, of whatsoever nature to which JTV (to the extent related to the Demerged Undertaking) or BK Fincap is a party and subsisting or having effect on the Effective Date shall be in full force and effect against or in favour of GBN, as the case may be, and may be enforced by or against GBN as fully and effectually as if, instead of JTV or BK Fincap, GBN had been a party thereto. GBN may enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations, to which JTV or BK Fincap will, if necessary, also be party in order to give formal effect to the provisions of this Scheme, if so required or if so considered necessary. GBN shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of JTV or BK Fincap, as the case may be, and to implement or carry out all formalities required on the part of JTV or BK Fincap to give effect to the provisions of this Scheme. It is clarified that any inter-se contracts between the Demerged Undertaking, BK Fincap and GBN as on the Effective Date shall stand merged and vest in GBN.

13. SAVING OF CONCLUDED TRANSACTIONS

The transfer and vesting of the assets, liabilities and obligations of the Demerged Undertaking and BK Fincap and the continuance of proceedings by or against GBN shall not affect any transaction or proceedings already concluded by the Demerged Undertaking and BK Fincap on or before the date when JTV and BK Fincap, as the case may be, adopt the Scheme in their Board meetings, and after the date of such adoption till the Effective Date, to the end and intent that GBN accepts and adopts all acts, deeds and things done and executed by the Demerged Undertaking and BK Fincap in respect thereto as done and executed on behalf of itself.

14. DISSOLUTION OF BK FINCAP

Subject to an order being made by the Hon'ble High Court of Delhi under section 394 of the Act, BK Fincap shall be dissolved without the process of winding up, on the Scheme coming into effect, in accordance with the provisions of the Act and the rules made thereunder.

15. STAFF AND EMPLOYEES

- 15.1 Upon the Scheme coming into effect, all staff and employees of the Demerged Undertaking and BK Fincap shall be deemed to have become staff and employees of GBN without any break in their service and on the basis

of continuity of service and the terms and conditions of their employment with GBN shall not be less favourable than those applicable to them with reference to JTV and BK Fincap respectively on the Effective Date.

- 15.2 Upon the Scheme coming into effect, the accounts if any of the employees employed by the Demerged Undertaking and BK Fincap, relating to Provident Fund, Gratuity and any other fund shall be identified, determined and transferred to the respective funds of GBN and the employees shall be deemed to have become members of such trusts/ funds of GBN. JTV and BK Fincap shall take all steps necessary for the transfer of the Provident Fund, Gratuity and any other fund of employees, pursuant to the Scheme, to GBN. The obligation to make contributions to the said fund or funds shall be transferred to the Transferee Company from the Effective Date in accordance with the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of JTV (to the extent related to the Demerged Undertaking) and BK Fincap respectively in relation to such fund or funds shall become those of GBN and all the rights, duties and benefits of the employees employed in JTV (to the extent related to the Demerged Undertaking) and BK Fincap under such funds and trusts shall be protected, subject to the provisions of law for the time being in force. It is clarified that the services of the staff, workmen and employees of the Demerged Undertaking of JTV and BK Fincap will be treated as having been continuous and without any break in service for the purpose of the said fund or trusts.

16. TAXES

It is clarified that all taxes payable by JTV (to the extent related to the Demerged Undertaking) and BK Fincap, as the case may be, from the Appointed Date onwards including all or any refunds and claims shall, for all purposes, be treated as the tax liabilities or refunds and claims of GBN. Accordingly, upon the Scheme becoming effective, if required, GBN is expressly permitted to revise its VAT returns, Sales tax returns, Service tax returns, other tax returns, and to claim refunds/ credits, pursuant to the provisions of this Scheme.

Upon the Scheme coming into effect, if required, GBN is also expressly permitted to revise its income tax returns and to claim benefit of tax losses/ unabsorbed depreciation, refunds, advance tax and withholding tax credits, etc, pursuant to the provisions of this Scheme.

17. NO CHANGE TO BE EFFECTED IN CAPITAL STRUCTURE

JTV and BK Fincap shall not make any change in their capital structure (by way of issue of bonus shares, convertible debentures, detachable warrants, equity or preference shares, options and calls, fresh issue of rights shares, secured premium notes, zero interest bonds, or any other instruments of raising capital) through any increase, decrease, reduction, reclassification, sub-division, consolidation, re-organization, or in any other manner, without the express written consent of GBN.

18. APPLICATION TO HIGH COURT AND OTHER AUTHORITY

- 18.1 JTV, BK Fincap and GBN shall, with all reasonable

dispatch, make applications to the Hon'ble High Court of Judicature at Delhi and Allahabad under section 391 of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the members and/or creditors of JTV, BK Fincap and GBN as may be directed by the respective Hon'ble High Courts.

- 18.2 On the Scheme being agreed to by the requisite majorities of the classes of the members and/or creditors, JTV, BK Fincap and GBN shall, with all reasonable dispatch, apply to the Hon'ble High Courts for sanctioning the Scheme under sections 391 and 394 of the Act, and for such other order or orders, as the Hon'ble High Courts may deem fit for carrying this Scheme into effect.

19. CONDITIONALITY OF SCHEME

- 19.1 The Scheme is conditional upon and subject to:

- (a) the Scheme being agreed to by the respective requisite majorities of the various classes of members and creditors (where applicable) of the JTV, BK Fincap and GBN as required under the Act and the requisite sanction and orders of the Hon'ble High Courts being obtained; and
- (b) the certified copies of the above orders of the Hon'ble High Courts being filed with the jurisdictional Registrar of Companies by JTV, BK Fincap and GBN.

- 19.2 This Scheme, although to come into operation from the Appointed Date, shall become effective as follows:

- (i) For Demerger of Demerged Undertaking - the date on which all necessary certified copies of orders under sections 391 to 394 of the Act are duly filed by JTV and GBN with the jurisdictional Registrar of Companies.
- (ii) For Amalgamation of BK Fincap Undertaking - the date on which all necessary certified copies of orders under sections 391 to 394 of the Act are duly filed by BK Fincap and GBN with the jurisdictional Registrar of Companies.

The abovementioned date of such filings shall be the respective "Effective Date" for the purpose of the Demerger and Amalgamation, as contemplated under this Scheme.

20. EFFECT OF NON APPROVALS

- 20.1 In the event any of the said sanctions and approvals referred to in Clause 19 above not being obtained and/ or the Scheme not being passed as aforesaid before December 31, 2008 or within such further period or periods as may be agreed upon between GBN by its Directors, JTV by its Directors and BK Fincap by its Directors (and which the Board of Directors are hereby empowered and authorised to agree to and extend from time to time without any limitations), this Scheme of Arrangement shall stand revoked, cancelled and be of no effect and null and void save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any right, liability or obligation which has arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as may otherwise arise in law and in such event each party shall bear their respective costs, charges

and expenses in connection with the Scheme.

20.2 If any part or section of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of the respective Boards of Directors of JTV, BK Fincap and GBN, as the case may be, affect the adoption or validity or interpretation of the other parts and/or provisions of this Scheme.

20.3 It is hereby clarified that, notwithstanding the above, the Board of Directors of JTV, BK Fincap and GBN, as the case may be, may in their absolute discretion adopt any part of this Scheme or declare the entire Scheme to be null and void and in that event no rights and liabilities whatsoever shall accrue to or be incurred inter se by the parties or their shareholders or creditors or employees or any other person. In such case each Company shall bear its own cost or bear costs as may be mutually agreed. Such decisions shall not have an effect on the company that is not a part of such decision.

21. **MODIFICATION OR AMENDMENT**

21.1 JTV, BK Fincap and GBN (by their Directors or their committee thereof) may assent to any modification(s) or amendment(s) in this Scheme which the Court and/or any other Authority may deem fit to direct or impose or which may otherwise be considered necessary or desirable for

implementing and/or carrying out the Scheme or which may be considered necessary due to any change in law and JTV, BK Fincap and GBN (by their Directors or their committee thereof) be and are hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the Court or of any directive or orders of any other authorities or otherwise howsoever arising out of, under or by virtue of this Scheme and/or any matters concerning or connected therewith.

21.2 The expression 'any other Authority' in the preceding sub-clause shall include Securities and Exchange Board of India (SEBI) and the stock exchanges with which the shares of the GBN are listed and with which a copy of this Scheme is filed in terms of the Listing Agreement.

22. **COSTS, CHARGES AND EXPENSES**

All costs, charges, taxes including duties (including the stamp duty and/ or transfer charges, if any, applicable in relation to this Scheme), levies and all other expenses, if any (save as expressly otherwise agreed) of JTV, BK Fincap and GBN arising out of or incurred in carrying out and implementing this Scheme and matters incidental thereto shall be borne and paid by GBN.

**IN THE HIGH COURT OF DELHI AT NEW DELHI
ORIGINAL JURISDICTION
COMPANY APPLICATION (M) NO. 76 OF 2008**

In the matter of the Companies Act, 1956

AND

In the matter of Sections 391 to 393 of the Companies Act, 1956 read with Rules 67 to 87 of the Companies (Court) Rules, 1959

AND

In the matter of the Scheme of Arrangement between Jagran TV Private Limited and BK Fincap Private Limited and ibn18 Broadcast Limited

AND

In the matter of Jagran TV Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 2, Sarvodaya Nagar, Kanpur - 208 005 Demerged Company

AND

In the matter of BK Fincap Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 601, 6th Floor, Commercial Tower, Hotel Le-Meridien, Raisina Road, New Delhi - 110 001 Transferor Company

AND

In the matter of ibn18 Broadcast Limited, a company incorporated under the Companies Act, 1956, having its registered office at 601, 6th Floor, Commercial Tower, Hotel Le-Meridien, Raisina Road, New Delhi - 110 001 Transferee Company/
Applicant Company

FORM OF PROXY

I/We _____ the undersigned unsecured creditors(s) of ibn18 Broadcast Limited, the Transferee Company, hereby appoint _____ of _____ and failing him/her _____ of _____ as my/our Proxy to act for me/us at the meeting of unsecured creditor(s) of ibn18 Broadcast Limited, the Transferee Company, to be held at FICCI Golden Jubilee Auditorium, Tansen Marg, Janpath, New Delhi - 110 001 on Friday, June 27, 2008 at 2.00 pm for the purpose of considering and, if thought fit, approving, with or without modifications, the proposed Scheme of Arrangement between Jagran TV Private Limited and BK Fincap Private Limited and ibn18 Broadcast Limited, at such meeting and any adjournment(s) thereof, to vote, for me/us, and in my/our name(s) _____ (here, "if for" insert "for", "if against" insert "against", and in the latter case, strike out the words appearing after "Scheme of Arrangement") the said Scheme of Arrangement either with or without modifications as my/our proxy may approve.

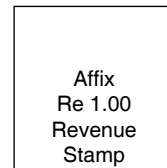
(strike out what is not necessary)

Dated this..... day of2008.

Signature

Name:

Address:



NOTES:

1. The Proxy should be deposited at the Registered Office of the Transferee Company at 601, 6th Floor, Commercial Tower, Hotel Le-Meridien, Rai Sina Road, New Delhi - 110 001, not later than 48 hours before the commencement of the meeting.
2. In case of multiple Proxies, Proxy later in time shall be accepted.
3. All alterations made in the Form of Proxy should be initialed.

ATTENDANCE SLIP

(PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE REGISTRATION COUNTER
FOR ISSUING GATE PASS FOR ENTERING THE MEETING HALL)

I/We hereby record my/our presence at the Court convened meeting of the unsecured creditors of the Transferee Company to be held at FICCI Golden Jubilee Auditorium, Tansen Marg, Janpath, New Delhi - 110 001, on Friday, June 27, 2008, at 2:00 pm for the purpose of considering and, if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement between Jagran TV Private Limited, BK Fincap Private Limited and ibn18 Broadcast Limited and their respective shareholders and creditors and at such meeting and at any adjournment/adjournments thereof.

Signature

Name:

Address:

NOTES

1. Unsecured creditors/proxyholders are requested to bring the original Attendance Slip duly filled with them when they come to the meeting venue and hand it over at the Registration Counter.
2. Incomplete attendance slips shall not be accepted for issuing the gate pass for entry in the meeting hall.
3. Unsecured creditors who come to attend the meeting are requested to bring their own copy of Scheme of Arrangement with them.