



TELEVISION EIGHTEEN INDIA LIMITED

Regd. Office: 503,504 & 507, 5th Floor, Mercantile House,
15 Kasturba Gandhi Marg, New Delhi- 110 001

MEETING OF EQUITY SHAREHOLDERS

Date : 21st December 2010

Time : 11:30 A.M.

Venue:

**FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg,
New Delhi – 110001**

	CONTENTS	Page Nos.
1	Notice convening Meeting of the Equity Shareholders of Television Eighteen India Limited	2-3
2	Explanatory Statement under Section 393 of the Companies Act, 1956	4-12
3	Scheme of Arrangement	13-29
4	Form of Proxy	30-31
5	Attendance Slip	31

**IN THE HIGH COURT OF DELHI AT NEW DELHI
ORIGINAL JURISDICTION
COMPANY APPLICATION (M) NO 180 OF 2010**

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 Television Eighteen India Limited, Web18 Software Services Limited, IBN18 Media & Software Limited, iNews.com Limited, Television Eighteen Commoditiescontrol.com Limited, RVT Investments Private Limited, Network18 India Holdings Private Limited, Care Websites Private Limited, ibn18 Broadcast Limited and Network18 Media & Investments Limited

AND

In the matter of Television Eighteen India Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The First Transferor Company/
The First Demerged Company/
Applicant Company

AND

In the matter of Web18 Software Services Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Second Transferor Company/
The Second Demerged Company/
Applicant Company

AND

In the matter of IBN18 Media & Software Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Third Transferor Company/
Applicant Company

AND

In the matter of iNews.com Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Fourth Transferor Company/
Applicant Company

AND

In the matter of Television Eighteen Commoditiescontrol.com Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Fifth Transferor Company/
Applicant Company

AND

In the matter of RVT Investments Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Sixth Transferor Company/
Applicant Company

AND

In the matter of Network18 India Holdings Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Seventh Transferor Company/
Applicant Company

AND

In the matter of ibn18 Broadcast Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The First Transferee Company/
The First Resulting Company/
Applicant Company

AND

In the matter of Network18 Media & Investments Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110001

The Second Transferee Company/
The Second Resulting Company/
Applicant Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF TELEVISION EIGHTEEN INDIA LIMITED

To

The equity shareholders of Television Eighteen India Limited, (the "First Transferor Company")

TAKE NOTICE THAT by an Order dated November 19, 2010, the Hon'ble High Court of Delhi at New Delhi has directed to convene and hold a meeting of the equity shareholders of the First Transferor Company on Tuesday, December 21, 2010 at 11:30 am at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, 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 Television Eighteen India Limited, Web18 Software Services Limited, IBN18 Media & Software Limited, iNews.com Limited, Television Eighteen Commoditiescontrol.com Limited, RVT Investments Private Limited, Network18 India Holdings Private Limited, Care Websites Private Limited, ibn18 Broadcast Limited and Network18 Media & Investments Limited and their respective shareholders and creditors.

TAKE FURTHER NOTICE THAT in pursuance of the said Order, the meeting of the equity shareholders of the First Transferor Company will be held on Tuesday, December 21, 2010 at 11:30 am at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, 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 First Transferor Company at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001, not later than 48 hours before the meeting.

The Court has appointed Mr. Ramesh Gupta, Senior Advocate as the Chairperson and Ms. Sonia Sharma, 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, a form of proxy and attendance slip is enclosed.

Dated at New Delhi this November 22, 2010

Ramesh Gupta
Senior Advocate
(Chairperson appointed for the meeting)

Notes:

- (1) All alterations made in the form of proxy must be initialed.
- (2) Only registered equity shareholders of the First Transferor Company may attend and vote (either in person or proxy) at the equity shareholders meeting. The representative of a body corporate which is a registered Equity Shareholder of the First Transferor Company may attend and vote at the Equity Shareholders' meeting provided a certified copy of the resolution of the Board of Directors or other governing body of the body corporate is deposited at the registered office of the First Transferor Company not later than 48 hours before the meeting authorizing such representative to attend and vote at the Equity Shareholders' meeting.

**IN THE HIGH COURT OF DELHI AT NEW DELHI
ORIGINAL JURISDICTION
COMPANY APPLICATION (M) NO 180 OF 2010**

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 Television Eighteen India Limited, Web18 Software Services Limited, IBN18 Media & Software Limited, iNews.com Limited, Television Eighteen Commoditiescontrol.com Limited, RVT Investments Private Limited, Network18 India Holdings Private Limited, Care Websites Private Limited, ibn18 Broadcast Limited and Network18 Media & Investments Limited

AND

In the matter of Television Eighteen India Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The First Transferor Company/
The First Demerged Company/
Applicant Company

AND

In the matter of Web18 Software Services Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Second Transferor Company/
The Second Demerged Company/
Applicant Company

AND

In the matter of IBN18 Media & Software Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Third Transferor Company/
Applicant Company

AND

In the matter of iNews.com Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Fourth Transferor Company/
Applicant Company

AND

In the matter of Television Eighteen Commoditiescontrol.com Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Fifth Transferor Company/
Applicant Company

AND

In the matter of RVT Investments Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Sixth Transferor Company/
Applicant Company

AND

In the matter of Network18 India Holdings Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Seventh Transferor Company/
Applicant Company

AND

In the matter of ibn18 Broadcast Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The First Transferee Company/
The First Resulting Company/
Applicant Company

AND

In the matter of Network18 Media & Investments Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Second Transferee Company/
The Second Resulting Company/
Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. Pursuant to an order dated November 19, 2010, passed by the Hon'ble High Court of Delhi at New Delhi in the Company Application referred to above, a meeting of the equity shareholders of Television Eighteen India Limited, (the "First Transferor 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 Television Eighteen India Limited ("TV18"), Web18 Software Services Limited ("Web18"), IBN18 Media & Software Limited ("IBN18 Media"), iNews.com Limited ("iNews.com"), Television Eighteen Commoditiescontrol.com Limited ("TECC"), RVT Investments Private Limited ("RVT"), Network18 India Holdings Private Limited ("Network18 India"), Care Websites Private Limited ("Care"), ibn18 Broadcast Limited ("ibn18") and Network18 Media & Investments Limited ("Network18") and their respective shareholders and creditors. TV18, Web18, IBN18 Media, iNews.com, TECC, RVT, Network18 India and Care are collectively referred as Transferor Companies. ibn18 and Network18 are collectively referred as Transferee Companies. A copy of the Scheme is attached to this Explanatory Statement.

2. The Scheme envisages restructuring of Network18 group primarily into two verticals of operations. First vertical includes the consolidation of all TV broadcasting business in ibn18 Broadcast Limited and other vertical involves consolidation of other businesses of the group into Network18 Media & Investments Limited.

The new structure will offer shareholders/ investors the choice of investing in Network18 with controlling stake in TV broadcasting business or directly in the TV broadcasting business entity.

The consolidation of TV broadcasting business operations into **ibn18 Broadcast Limited** and the consolidation of all other businesses of the Network18 group into **Network18 Media & Investments Limited** would be beneficial to the interests of the shareholders, creditors and employees of all the companies, as such proposed arrangement would create greater synergies between the businesses of all the companies and would enable them to have access to better financial resources, as well as would increase the managerial efficiencies, while effectively pooling the technical, distribution and marketing skills of each other.

3. Accordingly, the following resolution is submitted for the approval with or without modification(s), at the meeting of the equity shareholders of the TV18:

"RESOLVED THAT the Arrangement embodied in the Scheme of Arrangement between Television Eighteen India Limited, Web18 Software Services Limited, IBN18 Media & Software Limited, iNews.com Limited, Television Eighteen Commoditiescontrol.com Limited, RVT Investments Private Limited, Network18 India Holdings Private Limited, Care Websites Private Limited, ibn18 Broadcast Limited and Network18 Media & Investments Limited 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 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. Sanjay Ray Chaudhuri, Whole-time Director, Mr. R.D.S. Bawa, Chief Financial Officer, Mr. Anil Srivastava, Senior VP-Corporate Affairs & Company Secretary, Mr. Sachin Gupta and Ms. Shilpa Verma, Authorized Signatories of the Company 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 respective Transferor Companies and the Transferee Companies vide resolution(s) passed on July 7, 2010 have approved the Scheme.

5. (a) TV18 was incorporated on September 24, 1993 under the provisions of the Companies Act, 1956 with the Registrar of Companies, NCT of Delhi & Haryana with the name styled as 'Television Eighteen India Private Limited'. The name of the company was changed to its present name i.e. 'Television Eighteen India Limited' on January 2, 1995.

(b) The registered office of TV18 is situated at 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi - 110001.

(c) The authorized, issued, subscribed and paid up share capital of TV18 as on September 30, 2010 is as follows:

Particulars	Amount (Rs)
Authorized Capital	
41,00,00,000 Equity Shares of Rs 5 each	2,05,00,00,000
Issued & Subscribed Capital	
18,17,34,837 Equity Shares of Rs 5 each	90,86,74,185
Paid-Up Capital	
18,07,90,715 Equity Shares of Rs 5 each	90,39,53,575
9,44,122 Partly paid equity shares on which calls are in arrears	17,06,521

(d) TV18 is inter-alia engaged in the business of operating and broadcasting of business news and current affairs television channels and currently broadcasts the TV channels CNBC TV18 and CNBC Awaaz and hold interests in the group's internet business.

6. (a) Web18 was incorporated on July 10, 2006 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana.

(b) The registered office of Web18 is situated at 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi - 110001.

(c) The authorized, issued, subscribed and paid up share capital of Web18 as on September 30, 2010 is as follows:

Particulars	Amount (Rs)
Authorized Capital	
5,00,000 Equity Shares of Rs 10 each	50,00,000
60,00,000 Preference Shares of Rs 10 each	6,00,00,000
TOTAL	6,50,00,000
Issued, Subscribed And Paid-Up Capital	
4,91,489 Equity Shares of Rs 10 each	49,14,890
5,61,880 Preference Shares of Rs 10 each	56,18,800
TOTAL	1,05,33,690

- (d) Web18 is engaged in operation of various internet properties, web/ technology consulting in India.
7. (a) IBN18 Media was incorporated on April 8, 2004 under the provisions of the Companies Act, 1956 as private limited company styled as Jagran TV Private Limited. The name of the Company was changed to IBN18 Media & Software Private Limited on May 15, 2009. Subsequently w.e.f June 1, 2009 it became a public limited company and was named IBN18 Media & Software Limited.
- (b) The registered office of IBN18 Media is situated at 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi - 110001.
- (c) The authorized, issued, subscribed and paid up share capital of IBN18 Media as on September 30, 2010 is as follows:

Particulars	Amount (Rs)
Authorized Capital	
1,50,00,000 Equity Shares of Rs 10 each	15,00,00,000
Issued, Subscribed And Paid-Up Capital	
1,34,58,950 Equity Shares of Rs 10 each	13,45,89,500

- (d) IBN18 Media is engaged in the business of producing, directing, editing, distributing any video and audio programmes etc.
8. (a) iNews.com was incorporated on August 28, 2000 under the provisions of the Companies Act, 1956 as a private limited company under the name styled as iNews.com Private Limited. However, it became a deemed public company with effect from September 6, 2000 and the name of the company was changed to its present name i.e. iNews.com Limited.
- (b) The registered office of iNews.com is situated at 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi - 110001.
- (c) The authorized, issued, subscribed and paid up share capital of iNews.com as on September 30, 2010 is as follows:

Particulars	Amount (Rs)
Authorized Capital	
60,00,000 Equity Shares of Rs 10 each	6,00,00,000
Issued, Subscribed And Paid-Up Capital	
60,00,000 Equity Shares of Rs 10 each	6,00,00,000

- (d) iNews.com is engaged in the business of distribution of program and content, cable network, broadband and internet etc.
9. (a) TECC was incorporated on March 17, 1997 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana with the name styled as 'Eighteen Entertainment India Limited'. The name of the company was changed to its present name i.e. 'Television Eighteen Commoditiescontrol.com Limited' on May 24, 2005.
- (b) The registered office of TECC is situated at 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi - 110001.
- (c) The authorized, issued, subscribed and paid up share capital of TECC as on September 30, 2010 is as follows:

Particulars	Amount (Rs)
Authorized Capital	
5,00,000 Equity Shares of Rs 10 each	50,00,000
Issued, Subscribed And Paid-Up Capital	
3,96,425 Equity Shares of Rs 10 each	39,64,250

- (d) TECC is engaged in the business of providing/ operating internet services, web based electronic commerce and other allied services.
10. (a) RVT was incorporated on July 9, 2006 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana with the name styled as 'RVT Investments Private Limited'.
- (b) The registered office of RVT is situated at 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi - 110001.
- (c) The authorized, issued, subscribed and paid up share capital of RVT as on September 30, 2010 is as follows:

Particulars	Amount (Rs)
Authorized Capital	
10,00,000 Equity Shares of Rs 10 each	1,00,00,000
10,00,000 Preference Shares of Rs 10 each	1,00,00,000
TOTAL	2,00,00,000
Issued, Subscribed And Paid-Up Capital	
10,000 Equity Shares of Rs 10 each	1,00,000
6,13,500 Preference Shares of Rs 10 each	61,35,000
TOTAL	62,35,000

- (d) RVT is engaged in the business of investment in shares, stocks, debenture, debenture stock, bonds etc.
11. (a) Network18 India was incorporated on August 13, 2007 under the provisions of the Companies Act, 1956 with the Registrar of Companies NCT of Delhi & Haryana.
- (b) The registered office of Network18 India is situated at 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi - 110001.
- (c) The authorized, issued, subscribed and paid up share capital of Network18 India as on September 30, 2010 is as follows:

Particulars	Amount (Rs)
Authorized Capital	
20,00,000 Equity Shares of Rs 10 each	2,00,00,000
1,40,00,000 Preference Shares of Rs 10 each	14,00,00,000
TOTAL	16,00,00,000
Issued, Subscribed And Paid-Up Capital	
10,000 Equity Shares of Rs 10 each	1,00,000
94,71,000 Preference Shares of Rs 10 each	9,47,10,000
TOTAL	9,48,10,000

- (d) Network18 India is engaged in the business of investment in shares, stock, debenture, debenture stock, bonds etc.
12. (a) Care Websites Private Limited was incorporated on January 19, 2000 under the provisions of the Companies Act, 1956 with the Registrar of Companies, Mumbai.
- (b) The registered office of Care has been shifted from the state of Maharashtra to NCT of Delhi vide order of Hon'ble Company Law Board, Western Region Bench, dated October 11, 2010 and fresh certificate of incorporation has been issued by Registrar of Companies, Delhi on November 15, 2010. The registered office of Care at present is situated at 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi- 110001.
- (c) The authorized, issued, subscribed and paid up share capital of Care as on September 30, 2010 is as follows:

Particulars	Amount (Rs)
Authorized Capital	
10,00,000 Equity Shares of Rs 10 each	1,00,00,000
5,00,000 Preference Shares of Rs 10 each	50,00,000
TOTAL	1,50,00,000
Issued, Subscribed And Paid-Up Capital	
5,00,000 Equity Shares of Rs 10 each	50,00,000
3,27,800 Preference Shares of Rs 10 each	32,78,000
TOTAL	82,78,000

- (d) Care is engaged in the business of operating a website.
13. (a) ibn18 was incorporated on June 06, 2005 under the provisions of the Companies Act, 1956 with the Registrar of NCT, Delhi and Haryana in the name and styled as 'Global Broadcast News Private Limited'. Subsequently, the company converted into public limited company and the name was changed to 'Global Broadcast News Limited' w.e.f. December 12, 2005. The name of the company was further changed to its present name i.e. 'ibn18 Broadcast Limited' and a fresh certificate of incorporation was issued by RoC on April 2, 2008.
- (b) The registered office of ibn18 is situated at 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi - 110001.
- (c) The authorized, issued, subscribed and paid up share capital of ibn18 as on September 30, 2010 is as follows:

Particulars	Amount (Rs)
Authorized Capital	
27,50,00,000 Equity Shares of Rs 2 each	55,00,00,000
Issued, Subscribed And Paid-Up Capital	
23,75,64,094* Equity Shares of Rs 2 each	47,49,93,822.50

* includes 89577 equity shares of Rs 2 each on which Rs 0.50 is paid up

- (d) ibn18 is engaged in the business of operating and broadcasting general news and current affairs television channels.
14. (a) Network18 was incorporated on February 16, 1996 under the provisions of the Companies Act, 1956 with the Registrar of NCT of Delhi & Haryana in the name and styled as 'SGA Finance and Management Services Private Limited'. The name of the company was changed to 'Network18 Fincap Private Limited' on April 12, 2006. Pursuant to its conversion into a public company the name of the company was changed to 'Network18 Fincap Limited' on October 20, 2006 which was further changed to its present name i.e. 'Network18 Media & Investments Limited' on December 1, 2007.
- (b) The registered office of Network18 is situated at 503, 504 & 507, 5th Floor, 'Mercantile House', 15, Kasturba Gandhi Marg, New Delhi - 110001.
- (c) The authorized and paid up share capital of Network18 as on September 30, 2010 is as follows:

Particulars	Amount (Rs)
Authorized Capital	
17,00,00,000 Equity Shares of Rs 5 each	85,00,00,000
11,00,000 Preference Shares of Rs 100 each	11,00,00,000
1,05,00,000 Preference Shares of Rs 200 each	2,10,00,00,000
TOTAL	3,06,00,00,000
Paid-Up Capital	
11,56,73,513 Equity Shares of Rs 5 each	57,83,67,565
1,02,84,379 Preference Shares of Rs 150 each	1,54,26,56,850
TOTAL	2,12,10,24,415

- (d) Network18 is engaged in the business of events management, sports management, and investment advisory services and holds strategic investments etc.

15. The salient features of the Scheme are set out hereunder:
- 15.1 Appointed Date:
The Scheme shall come into legal operation from the Appointed Date, which is April 1, 2010 though it shall be effective from the Effective Date.
- 15.2 The Scheme inter-alia involves the following transactions:
- Demerger of 'News Business Undertaking' of Television Eighteen India Limited into ibn18 Broadcast Limited ("Demerger 1")
 - Demerger of 'Web Undertaking' of Web18 Software and Services Limited into Network18 Media & Investments Limited ("Demerger 2")
 - Merger of Demerged Television Eighteen India Limited, Television Eighteen Commoditiescontrol.com, Care Websites Private Limited, RVT Investments Private Limited and Network18 India Holdings Private Limited into Network18 ("Merger 1")
 - Merger of iNews.com Limited and IBN18 Media into ibn18 ("Merger 2")

- 15.3 Remaining Business:
- in case of TV18, shall mean all other businesses, divisions, employees, contracts, rights, assets and liabilities other than the Demerged Undertaking 1, and
 - in case of Web18, shall mean all other businesses, divisions, employees, contracts, rights, assets and liabilities other than the Demerged Undertaking 2.
- 15.4 Dissolution
Upon the coming into effect of this Scheme and without any further act or deed, all the Transferor Companies except Web18 ("Second Demerged Company") shall be dissolved without the process of winding up, in accordance with the provisions of the Scheme, the Act and the rules made thereunder.
- 15.5 Issuance of Shares
Upon the coming into effect of the Scheme and without any further act or deed and without any further payment, equity shares will be issued and allotted in the following ratio:
- 17:25 i.e. 17 fully paid-up equity shares of Rs 2 each of ibn18 to be issued for every 25 fully paid up equity shares of Rs 5 each of TV18, by ibn18 to equity shareholders of TV18;
 - 13:100 i.e. 13 fully paid-up equity shares of Rs 5 each of Network18 to be issued for every 100 fully paid up equity shares of Rs 5 each of the Demerged TV18 by Network18 to equity shareholders of TV18.
 - No shares will be issued by Network18 to shareholders of Web18 on the demerger of the Web Undertaking of Web18 into Network18 pursuant to this Scheme, since shareholders of Web18 are subsidiaries of Network18.
 - No shares will be issued on Merger of IBN18 Media and iNews.com into ibn18 pursuant to the Scheme since IBN18 Media is a wholly owned subsidiary of ibn18 and iNews.com would become a wholly owned subsidiary of ibn18 pursuant to the Scheme.
 - No shares will be issued by Network18 to the equity shareholders of TECC, RVT, Care and Network18 India since such shareholders may be subsidiaries of Network18 pursuant to Scheme or since Network18 may own the entire share capital of the aforesaid merging companies.
- 15.6 The Scheme provides that pursuant to the provisions of the Scheme and Section 78, 100 and all other applicable provisions of the Companies Act, the reduction in capital reserve account and/or securities premium account arising out of adjustments pursuant to Clause 9.1(b) in respect of TV18 and Clause 9.3 (b) in respect of Web18, Clause 9.4, Clause 12.7 and Clause 12.11 in respect of Network18 and Clause 9.2 and Clause 16.5 and Clause 16.6 in respect of ibn18 as the case may be, shall be effected as an integral part of the Scheme only, as the same does not involve either diminution of liability in respect of unpaid capital or payment to any shareholder of any amount paid in respect of shares issued and the order of the Courts sanctioning the Scheme shall be deemed to be an order under Section 102 of the Companies Act confirming the reduction.
- 15.7 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future (relating to any period prior to the appointed date) and in each case relating to the relevant Merged Undertakings/ Demerged Undertakings shall be continued and enforced by or against the Transferee Company after the Effective Date and shall not abate or be discontinued nor be in any way prejudicially affected by reason of the demerger of the relevant Merged Undertakings/ Demerged Undertakings or anything contained in the Scheme. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to a given Merged Undertakings/ Demerged Undertakings or not, the decision of the Board of Directors of the Transferor Company in this regard shall be conclusive evidence of the relationship with the relevant Merged Undertakings/ Demerged Undertakings.
- 15.8 Accounting treatment
The Scheme provides for the accounting treatment to be given to the assets and liabilities of the Transferor Companies by the Transferee Companies and other incidental matters.

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

16. The Directors of the Transferor Companies and the Transferee Companies 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 Companies as a result of the Scheme. The cross shareholdings as on September 30, 2010 are mentioned hereunder:

TV18

Name of Directors	TV18	Web18	IBN18 Media	iNews.com	TECC	RVT	Network18 India	Care	ibn18	Network18
Mr. Raghav Bahl	27,44,553	1***	Nil	1*	10***	1*	1#	Nil	80	1,25,15,181
Mr. Sanjay Ray Chaudhuri	1,55,802	1***	Nil	1*	10***	Nil	Nil	Nil	Nil	6,82,655
Mr. Manoj Mohanka	7,00,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3,00,000
Ms. Subhash Bahl	1,24,389	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	42,648
Ms. Vandana Malik	26,622	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	91,251
Mr. Hari S. Bhartia	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* shares has been held as nominee shareholder of TV18

share has been held as a nominee shareholder of Network18

*** shares has been held as nominee shareholder of E-18 Limited

Web18

Name of Directors	TV18	Web18	IBN18 Media	iNews.com	TECC	RVT	Network18 India	Care	ibn18	Network18
Mr. Raghav Bahl	27,44,553	1***	Nil	1*	10***	1*	1#	Nil	80	1,25,15,181
Mr. Sanjay Ray Chaudhuri	1,55,802	1***	Nil	1*	10***	Nil	Nil	Nil	Nil	6,82,655
Mr. Sameer Manchanda**	4,64,934	1***	Nil	Nil	Nil	Nil	Nil	Nil	1,06,96,295	Nil

* shares has been held as nominee shareholder of TV18

share has been held as a nominee of Network18

*** shares has been held as nominee shareholder of E-18 Limited

** Mr. Sameer Manchanda ceased to be a director wef October 22, 2010 and Mr. R.D.S. Bawa has been appointed as a director wef October 22, 2010

IBN18 Media

Name of Directors	TV18	Web18	IBN18 Media	iNews.com	TECC	RVT	Network18 India	Care	ibn18	Network18
Mr. Gurdeep Singh Puri	Nil	Nil	1*	Nil	Nil	Nil	Nil	Nil	4,154	Nil
Mr. Sachin Dev	Nil	Nil	1*	Nil	Nil	Nil	Nil	Nil	1,489	Nil
Mr. Piyush Jain	Nil	Nil	1*	Nil	Nil	Nil	Nil	Nil	32,564	1,034

* shares has been held as nominee shareholder of ibn18

iNews.com

Name of Directors	TV18	Web18	IBN18 Media	iNews.com	TECC	RVT	Network18 India	Care	ibn18	Network18
Mr. RDS Bawa	2,356	1***	1**	1*	20***	Nil	Nil	Nil	Nil	35,444
Mr. Sanjay Ray Chaudhuri	1,55,802	1***	Nil	1*	10***	Nil	Nil	Nil	Nil	6,82,655
Ms. Vandana Malik	26,622	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	91,251

* shares has been held as nominee shareholder of TV18

** share has been held as nominee shareholder of ibn18

*** shares has been held as nominee shareholder of E-18 Limited

TECC

Name of Directors	TV18	Web18	IBN18 Media	iNews.com	TECC	RVT	Network18 India	Care	ibn18	Network18
Ms. Vandana Malik	26,622	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	91,251
Mr. RDS Bawa	2,356	1***	1**	1*	20***	Nil	Nil	Nil	Nil	35,444
Ms. Ritu Kapur	79,833	Nil	Nil	1*	10***	Nil	Nil	Nil	Nil	6,35,722
Ms. Megha Joshi	Nil	Nil	Nil	1*	10***	Nil	Nil	Nil	Nil	Nil
Mr. Atul Malhotra	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* shares has been held as nominee shareholder of TV18

** share has been held as nominee shareholder of ibn18

*** shares has been held as nominee shareholder of E-18 Limited

RVT

Name of Directors	TV18	Web18	IBN18 Media	iNews.com	TECC	RVT	Network18 India	Care	ibn18	Network18
Mr RDS Bawa	2,356	1***	1**	1*	20***	Nil	Nil	Nil	Nil	35,444
Ms Vandana Malik	26,622	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	91,251

* shares has been held as nominee shareholder of TV18

** share has been held as nominee shareholder of ibn18

*** shares has been held as nominee shareholder of E-18 Limited

Network18 India

Name of Directors	TV18	Web18	IBN18 Media	iNews.com	TECC	RVT	Network18 India	Care	ibn18	Network18
Mr RDS Bawa	2,356	1***	1**	1*	20***	Nil	Nil	Nil	Nil	35,444
Mr Anil Srivastava	37,485	1***	1**	1*	20***	Nil	Nil	Nil	Nil	4,500
Mr Hitesh Jain	Nil	Nil	1**	Nil	Nil	Nil	Nil	Nil	7603	Nil

* shares has been held as nominee shareholder of TV18

** share has been held as nominee shareholder of ibn18

*** shares has been held as nominee shareholder of E-18 Limited

Care

Name of Directors	TV18	Web18	IBN18 Media	iNews.com	TECC	RVT	Network18 India	Care	ibn18	Network18
Haresh Chawla	5,20,521	Nil	Nil	Nil	Nil	Nil	Nil	Nil	69,52,588	427,292
RDS Bawa	2,356	1***	1**	1*	20***	Nil	Nil	Nil	Nil	35,444
Kapil Sadashiv Kuwelker	Nil	Nil	Nil	Nil	Nil	Nil	Nil	25,000	Nil	Nil

* shares has been held as nominee shareholder of TV18

** share has been held as nominee shareholder of ibn18

*** shares has been held as nominee shareholder of E-18 Limited

ibn18

Name of Directors	TV18	Web18	IBN18 Media	iNews.com	TECC	RVT	Network18 India	Care	ibn18	Network18
Mr Raghav Bahl	27,44,553	1***	Nil	1*	10***	1*	1#	Nil	80	1,25,15,181
Mr Sanjay Ray Chaudhuri	1,55,802	1***	Nil	1*	10***	Nil	Nil	Nil	Nil	6,82,655
Mr Manoj Mohanka	7,00,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3,00,000
Mr Shahzaad Siraz Dalal	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr. Sameer Manchanda**	4,64,934	1***	Nil	Nil	Nil	Nil	Nil	Nil	1,06,96,295	Nil
Mr. Hari S. Bhartia	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* shares has been held as nominee shareholder of TV18

share has been held as a nominee of Network18

*** shares has been held as nominee shareholder of E-18 Limited

Mr. Sameer Manchanda ceased to be director wef October 22, 2010

Network18

Name of Directors	TV18	Web18	IBN18 Media	iNews.com	TECC	RVT	Network18 India	Care	ibn18	Network18
Mr Raghav Bahl	27,44,553	1***	Nil	1*	10***	1*	1#	Nil	80	1,25,15,181
Mr Sanjay Ray Chaudhuri ##	1,55,802	1***	Nil	1*	10***	Nil	Nil	Nil	Nil	6,82,655
Mr Manoj Mohanka	7,00,000	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	3,00,000
Ms Subhash Bahl	1,24,389	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	42,648
Ms Vandana Malik	26,622	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	91,251
Mr Hari S. Bhartia	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Mr Ravi Chandra Adusumalli	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

* shares has been held as nominee shareholder of TV18

share has been held as a nominee of Network18

*** shares has been held as nominee shareholder of E-18 Limited

Mr. Sanjay Ray Chaudhuri is an alternate Director to Mr. Ravi Chandra Adusumalli

17. The pre arrangement shareholding pattern of TV18 as on September 30, 2010 is as under:

S. No	Category of shareholder	TV18	
		Pre Arrangement as on September 30, 2010	
		Number of shares	% holding
(A)	Promoter and Promoter Group		
1	Indian		
a	Individual/ HUF	31,45,779	1.74%
b	Bodies Corporate	8,91,28,954	49.30%
c	Others	1,50,36,758	8.32%
	Sub Total (A)	10,73,11,491	59.36%
(B)	Public shareholding		
1	Institutions		
a	Mutual Funds/ UTI	2,03,53,625	11.26%
b	Financial Institutions/ Banks	3,00,484	0.17%
c	Foreign Institutional Investors	1,14,24,927	6.32%
	Sub-Total (B)	3,20,79,036	17.74%
2	Non-institutions		
a	Bodies Corporate	1,60,04,587	8.85%
b	Individuals	2,41,46,300	13.36%
c	Trusts	6,023	0.00%
d	Overseas Corporate Bodies	7,64,610	0.42%
e	Non Resident Indians	1,46,158	0.08%
f	Clearing Members	3,32,200	0.18%
	Sub-Total(C)	4,13,99,878	22.90%
	Total (A) + (B) + (C)	18,07,90,405	100%

* it does not include partly paid up shares

There will be no change in the post Scheme (expected) shareholding pattern of TV18 pursuant to the Scheme as TV18 will not issue any shares pursuant to the Scheme. The entitlement of partly paid up shareholders of TV18 for shares in ibn18 and Network18 shall be in accordance with the Scheme and has not been factored in above shareholding pattern.

18. The pre Scheme capital structure of TV18 is as follows (as on September 30, 2010):

Particulars	Amount (Rs)
Authorized Capital	
41,00,00,000 Equity Shares of Rs 5 each	2,05,00,00,000
Issued and Subscribed Capital	
18,17,34,837 Equity Shares of Rs 5 each	90,86,74,185
Paid-Up Capital	
18,07,90,715 Equity Shares of Rs 5 each	90,39,53,575
9,44,122 Partly paid equity shares on which calls are in arrears	17,06,521

19. That pursuant to the Scheme, TV18 (post demerger) will get merged into Network18 and will be dissolved without the process of winding up pursuant to the Scheme.
20. TV18 has obtained approval to the Scheme from Bombay Stock Exchange Limited ("BSE") on September 14, 2010 and from National Stock Exchange of India Limited ("NSE") vide letter dated September 17, 2010.
21. There are no investigation proceedings pending under Sections 235 to 251 of the Companies Act, 1956 against the TV18.
22. The rights and interests of the members and the creditors of the Transferor Companies and the Transferee Companies will not be adversely affected by the Scheme.
23. The proposed Scheme is in the best interests of Transferor Companies and the Transferee Companies, their shareholders, creditors and all concerned with the Scheme.
24. On the Scheme being approved by shareholders as per the requirements of Section 391 of the Companies Act, 1956, TV18 will seek the sanction of the Hon'ble High Court of Delhi to the Scheme.
25. The following documents will be open for inspection at the registered office of the Transferee Company on any working day (except Saturday) from 11 a.m. to 3 p.m. from December 1, 2010 till the date of the meeting.
 - (a) Certified copy of the Order of the Hon'ble Delhi High Court dated November 19, 2010, in the above company application directing the convening of the meeting of the equity shareholders.
 - (b) Memorandum and Articles of Association of Transferor Companies and Transferee Companies.
 - (c) Audited Balance Sheet and Profit and Loss Account for the year ended March 31, 2010 of the Transferor Companies and

- Transferee Companies.
- (d) Scheme of Arrangement.
- (e) Copy of approval letters received from the BSE and NSE pursuant to clause 24(f) of the Listing Agreement.
- (f) Copy of valuation report on share exchange ratio on arrangement between the Transferor Companies and the Transferee Companies issued by Grant Thornton.
- (g) Copy of fairness opinion of SPA Merchant Bankers Limited.

Dated at New Delhi this November 22, 2010

For Television Eighteen India Limited

Sd/-
Authorized Signatory

FAIRNESS OPINION

Board of Directors
Television Eighteen India Limited
ibn18 Broadcast Limited
Express Trade Tower, Plot No. 15-16,
Sector 16 A, Noida – 201301

Date: August 20, 2010

We have been engaged to give fairness opinion on the valuation of shares/ Fair Exchange Ratio report issued by Grant Thornton in relation to demerger of 'News Business Undertaking' of Television Eighteen India Limited into ibn18 Broadcast Limited. This report should be read in conjunction with Fair Exchange Ratio report dated July 7, 2010 issued by Grant Thornton.

In our opinion the values derived by Grant Thornton are fair considering circumstances and purpose of valuation. In our opinion, fair share exchange ratio is of 17 fully paid-up equity shares of Rs 2 each of IBN18 to be issued for every 25 fully paid equity shares of Rs 5 each of TV18.

For SPA Merchant Bankers Limited.

Sd/-
(Sudhir Chandi)
Sr. Vice President

Sd/-
(Leepika Bakshi)
Manager

FAIRNESS OPINION

Board of Directors
Network 18 Media & Investments Limited
Television Eighteen India Limited
Express Trade Tower, Plot No. 15-16,
Sector 16 A, Noida – 201301

Date: August 20, 2010

We have been engaged to give fairness opinion on the valuation of shares/ Fair Exchange Ratio report issued by Grant Thornton in relation to merger of Television Eighteen India Limited [post demerger of News Business Undertaking to ibn18 Broadcast Limited] with Network18 Media and Investments Limited. This report should be read in conjunction with Fair Exchange Ratio report dated July 7, 2010 issued by Grand Thornton.

In our opinion the values derived by Grant Thornton are fair considering circumstances and purpose of valuation. In our opinion fair value of swap ratio for 100 share of TV18 is 13 shares of Network18 approximately.

For SPA Merchant Bankers Limited.

Sd/-
(Sudhir Chandi)
Sr. Vice President

Sd/-
(Leepika Bakshi)
Manager

SCHEME OF ARRANGEMENT
AMONG
NETWORK18 MEDIA & INVESTMENTS LIMITED
AND
IBN18 BROADCAST LIMITED
AND
TELEVISION EIGHTEEN INDIA LIMITED
AND
WEB18 SOFTWARE SERVICES LIMITED
AND
IBN18 MEDIA AND SOFTWARE LIMITED
AND
INEWS.COM LIMITED
AND
CARE WEBSITES PRIVATE LIMITED
AND
TELEVISION EIGHTEEN COMMODITIESCONTROL.COM LIMITED
AND
RVT INVESTMENTS PRIVATE LIMITED
AND
NETWORK18 INDIA HOLDINGS PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS
UNDER SECTIONS 391 TO 394 READ WITH SECTION 78, 100 TO 103 OF THE COMPANIES ACT, 1956

PART I - INTRODUCTION

- a. Network18 Media & Investments Limited is a public limited company, listed on BSE and NSE and is presently engaged *inter alia* in the business of events management (in its E18 division), sports management (in its Sport18 division), investment advisory services and holds strategic stakes in listed and unlisted companies of Network18 group. Network18 is one of India's leading full play media conglomerates with interests in television, print, internet, filmed entertainment, mobile content and allied businesses.
- b. Television Eighteen India Limited is a public limited company, listed on BSE and NSE and is presently engaged *inter alia* in the business of operation and broadcast of business news and current affairs television channels such as CNBC TV18 and CNBC Awaaz; it also runs a teleport business and holds interests in the group's internet business.
- c. ibn18 Broadcast Limited is a public limited company, listed on BSE and NSE and is presently engaged *inter alia* in the business of operation and broadcast of general news and current affairs television channels such as CNN IBN and IBN7 and through other joint ventures, it broadcasts general entertainment TV channels - Colors, MTV, VH1, Nick and regional news channel IBN Lokmat.
- d. The other companies party to this Scheme are group companies belonging to the Network18 Group and are engaged in various media & entertainment and other businesses.
- e. The managements of Network18 Group companies have concurred on a plan of restructuring for improved synergies and management focus. The Board of Directors of all the companies involved in the Scheme are of the opinion that the proposed restructuring of Network18 Group should benefit the shareholders, creditors and employees of all these companies.
- f. This Scheme is organized as follows:
- | | |
|-------------------|---|
| Part II: | Definitions |
| Part III: | Demerger 1 (i.e. demerger of 'News Business Undertaking' from TV18 into ibn18) |
| Part IV: | Demerger 2 (i.e. demerger of 'Web Undertaking' from Web18 into Network18) |
| Part V: | Other terms of demerger |
| Part VI: | Merger 1 (i.e. merger of Demerged TV18, TECC, Care, RVT Investments and Network18 India into Network18) |
| Part VII: | Merger 2 (i.e. merger of iNews.com and ibn18 Media into ibn18) |
| Part VIII: | General terms and conditions for restructuring |

PART II- DEFINITIONS & INTERPRETATION

1. DEFINITIONS

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

- (a) **"Act"** means the Companies Act, 1956 or any statutory modification or re-enactment thereof.
- (b) **"Appointed Date"** means April 1, 2010, the date from which this Scheme shall be deemed to be effective, in the sequence and manner prescribed under Clause 20 of Part VIII of the Scheme; or such other date as may be approved by the Hon'ble High Court.
- (c) **"Board of Directors"** or **"Board"** means board of directors of the respective companies involved in the Scheme and includes a board committee.
- (d) **"Care"** means Care Websites Private Limited, a company incorporated under the Act on January 19, 2000 and having its registered

office at New Era House, Behind Magnet Mall, Mogul Lane, Matunga (West), Mumbai – 400 016. The registered office of Care is in the process of shifting from Mumbai to Delhi.

- (e) **“Demerger 1”** shall mean demerger of ‘Demerged Undertaking 1’ from TV18 into ibn18 under this Scheme pursuant to the provisions of Sections 391-394 of the Act.
- (f) **“Demerger 2”** shall mean demerger of ‘Demerged Undertaking 2’ from Web18 into Network18 under this Scheme pursuant to the provisions of Sections 391-394 of the Act.
- (g) **“Demerged Undertakings”** means Demerged Undertaking 1 and Demerged Undertaking 2.
- (h) **“Demerged Undertaking 1”** means the News Business Undertaking of TV18 on a going concern basis, comprising inter-alia of the business activity of operating:
- English business news channel “CNBC TV18”;
 - Hindi business news channel “CNBC Awaaz”;
 - Teleport Business along with mobile van units; and
 - Investments of TV18 related to news business undertaking,

along with all related assets, liabilities, rights and obligations and shall include (without limitation):

- all the properties of the Demerged Undertaking 1 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 1;
- all liabilities present and future and the contingent liabilities (including the liabilities allocable as per Clause 5.9 (c) of this Scheme) pertaining to or relating to the Demerged Undertaking 1;
- all rights and licenses including the broadcasting licenses granted by the Hon’ble Ministry of Information & Broadcasting (“MIB”), approvals from Ministry of Communication and Information Technology (“MCIT”), Ministry of Telecommunications (“MOT”), Network Operations Control Centre (“NOCC”), Foreign Investment Promotion Board (“FIPB”) or any other regulatory authority including the licenses/ approvals for any television channels (including the ‘CNBC TV18’ ‘CNBC Awaaz’, ‘CNBC TV18 Gujarati’, ‘CNBC TV18 Channel 3’, and ‘CNBC TV18 South’ channels) and teleport business, all other broadcasting and production rights for programme and content, 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 including the contracts with the CNBC group, 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 1 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, bank guarantees issued by TV18 in relation to the Demerged Undertaking 1, funds belonging to or proposed to be utilised for the Demerged Undertaking 1, privileges, all other claims, rights and benefits (including under any powers of attorney issued by TV18 in relation to the Demerged Undertaking 1 or any powers of attorney issued in favour of TV18 or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority to which TV18 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 1;
- all employees of TV18 that are determined by the Board of Directors of TV18, to be substantially engaged in or in relation to the Demerged Undertaking 1, 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 TV18, directly or indirectly in connection with or in relation to the Demerged Undertaking 1;
- 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 1;
- all intellectual property rights including all trademarks, trademark applications, trade names, patents and patent applications, domain names, logo, websites, internet registrations, copyrights, trade secrets, and all other interests exclusively relating to the Demerged Undertaking 1.

but shall not include any assets or liabilities relating to the Remaining Business of TV18.

It is intended that the definition of Demerged Undertaking 1 under this Clause would enable the transfer of all property, rights, assets and liabilities of the News Business Undertaking of TV18 into ibn18 pursuant to this Scheme. Any issue as to whether any asset or liability pertains to or is relating to the Demerged Undertaking 1 or not shall be decided by the Board of Directors of TV18.

- (i) **“Demerged Undertaking 2”** means the ‘Web Undertaking’ of Web18, on a going concern basis, comprising, inter alia, the business activity of operating the websites viz. www.in.com, www.cricknext.com, www.ibnlive.com, www.biztech2.com, www.indiwo.com, www.josh18.com, www.tech2.com, www.buzz18.com or any other websites along with all related assets, liabilities, rights and obligation and shall include (without limitation):
- all the property of the Demerged Undertaking 2 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 2;
 - all liabilities present and future and the contingent liabilities (including the liabilities allocable as per Clause 6.9 (iii) of this Scheme) pertaining to or relating to the Demerged Undertaking 2;
 - all rights and licenses including the license granted by the regulatory authorities (viz. department of IT and Telecom) to operate the websites, 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, 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 2 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 Web18 in relation to the Demerged Undertaking 2, funds belonging to or proposed to be utilised for the Demerged Undertaking 2, privileges, all other claims, rights and benefits (including under any powers of attorney issued by Web18 in relation to the Demerged Undertaking 2 or any powers of attorney issued in favour of Web18 or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority to which Web18 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 2;

- all employees of Web18 that are determined by the Board of Directors of Web18, to be substantially engaged in or in relation to the Demerged Undertaking 2, 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 Web18, directly or indirectly in connection with or in relation to the Demerged Undertaking 2;
- 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 2;
- all intellectual property rights including all trademarks, trademark applications, trade names, patents and patent applications, domain names, logos, websites, internet registrations, copyrights, trade secrets, and all other interests exclusively relating to the Demerged Undertaking 2.

but shall not include any assets or liabilities relating to the Remaining Business of Web18.

It is intended that the definition of Demerged Undertaking 2 under this Clause would enable the transfer of all property, rights, assets and liabilities of the Web Undertaking to Network18 pursuant to this Scheme. Any issue as to whether any asset or liability pertains to or is relatable to the Demerged Undertaking 2 or not shall be decided by the Board of Directors of Web18.

- (j) **“Demerged TV18”** shall mean remaining TV18 subsequent to demerger of its News Business Undertaking into ibn18.
- (k) **“Effective Date”** means the later of the date on which the certified copies of the order of the Hon’ble High Court of Delhi and/ or the Hon’ble Bombay High Court approving the Scheme are filed by TV18, ibn18, Web18, TECC, Care, Network18 India, ibn18 Media, iNews.com, RVT Investments and Network18 with their jurisdictional Registrar of Companies, respectively. References in this Scheme to the date of “coming into effect of this Scheme” or “effectiveness of the Scheme” shall mean the Effective Date. The conditionality of Scheme has been provided in Clause 28.
- (l) **“High Court”** means Hon’ble High Court of Delhi or Hon’ble Bombay High Court (or such other Court/ bench having jurisdiction over companies involved in the Scheme), depending on the context and applicability, and the term ‘High Court’ shall be interpreted accordingly.
- (m) **“ibn18”** means ibn18 Broadcast Limited, a Company incorporated under the Act on June 6, 2005 and having its registered office at 503, 504 & 507, 5th Floor, ‘Mercantile House’, 15, Kasturba Gandhi Marg, New Delhi-110001.
- (n) **“ibn18 Media”** means IBN18 Media & Software Limited, a Company incorporated under the Act on April 8, 2004 and having its registered office at 503, 504 & 507, 5th Floor, ‘Mercantile House’, 15, Kasturba Gandhi Marg, New Delhi-110001.
- (o) **“iNews.com”** means iNews.com Limited, a Company incorporated under the Act on August 28, 2000 and having its registered office at 503, 504 & 507, 5th Floor, ‘Mercantile House’, 15, Kasturba Gandhi Marg, New Delhi-110001.
- (p) **“Merger 1”** means amalgamation of Demerged TV18, TECC, Care, RVT Investments and Network18 India into Network18 under this Scheme pursuant to the provisions of Sections 391-394 of the Act.
- (q) **“Merger 2”** means amalgamation of iNews.com and ibn18 Media into ibn18 under this Scheme pursuant to the provisions of Sections 391-394 of the Act.
- (r) **“Merged Undertakings”** means Merged Undertaking 1 and Merged Undertaking 2.
- (s) **“Merged Undertaking 1”** shall mean and include the whole of the business and undertakings of Demerged TV18, TECC, Care, RVT Investments and Network18 India (together referred to as “Merging Companies”), as a going concern, being carried on by Merging Companies as on the Appointed Date and shall include (without limitation):
- all the properties and 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 land and building, all fixed and movable plant and machinery, 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, fittings, office equipment, telephone, facsimile and other communication facilities and equipments, electricals, appliances, accessories, deferred tax assets and investments;
 - all liabilities present and future including the contingent liabilities;
 - all rights and licenses including, 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 (including MODVAT/ CENVAT, Service Tax credits), incentives or schemes of central/ state/ local governments, certifications and approvals, regulatory approvals, entitlements, other licenses, environmental clearances, municipal permissions, approvals, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), cash balances, bank balances, bank accounts, reserves, deposits, advances, recoverable, receivables, benefit of insurance claims, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by Merging Companies, funds belonging to or proposed to be utilised by Merging Companies, privileges, all other claims, rights and benefits (including under any powers of attorney issued by Merging Companies or any powers of attorney issued in favour of Merging Companies or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority, to which Merging Companies were 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 duties and obligations of all agreements, contracts and arrangements and all other interests;
 - all employees of Merging Companies immediately preceding the Effective Date;

- all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, share application money, earnest moneys and/ or security deposits paid or received by Merging Companies;
- all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programs 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;
- all intellectual property rights including all trademarks, trademark applications, trade names, patents and patent applications, domain names, logo, websites, internet registrations, copyrights, trade secrets, and all other interests exclusively relating to Merging Companies.

It is intended that the definition of Merged Undertaking 1 under this Clause would enable the transfer of all property, assets, rights, duties and liabilities of Merging Companies into Network18 pursuant to this Scheme.

(t) **“Merged Undertaking 2”** shall mean and include the whole of the business and undertakings of ibn18 Media and iNews.com, as a going concern, being carried on by ibn18 Media and iNews.com as on the Appointed Date and shall include (without limitation):

- all the properties and 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 land and building, all fixed and movable plant and machinery, 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, fittings, office equipment, telephone, facsimile and other communication facilities and equipments, electricals, appliances, accessories, deferred tax assets and investments;
- all liabilities present and future including the contingent liabilities;
- all rights and licenses including, 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 (including MODVAT/ CENVAT, Service Tax credits), incentives or schemes of central/ state/ local governments, certifications and approvals, regulatory approvals, entitlements, other licenses, environmental clearances, municipal permissions, approvals, consents, tenancies, investments and/ or interest (whether vested, contingent or otherwise), cash balances, bank balances, bank accounts, reserves, deposits, advances, recoverable, receivables, benefit of insurance claims, easements, advantages, financial assets, hire purchase and lease arrangements, the benefits of bank guarantees issued by ibn18 Media and iNews.com, funds belonging to or proposed to be utilised by ibn18 Media and iNews.com, privileges, all other claims, rights and benefits (including under any powers of attorney issued by ibn18 Media and iNews.com or any powers of attorney issued in favour of ibn18 Media and iNews.com or from or by virtue of any proceeding before a legal, quasi judicial authority or any other statutory authority to which ibn18 Media and iNews.com 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 duties and obligations of all agreements, contracts and arrangements and all other interests;
- all employees of ibn18 Media and iNews.com immediately preceding the Effective Date;
- all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, share application money, earnest moneys and/ or security deposits paid or received by ibn18 Media and iNews.com;
- all books, records, files, papers, product specifications and process information, records of standard operating procedures, computer programs 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;
- all intellectual property rights including all trademarks, trademark applications, trade names, patents and patent applications, domain names, logo, websites, internet registrations, copyrights, trade secrets, and all other interests exclusively relating to ibn18 Media and iNews.com.

It is intended that the definition of Merged Undertaking 2 under this Clause would enable the transfer of all property, assets, rights, duties and liabilities of ibn18 Media and iNews.com into ibn18 pursuant to this Scheme.

(u) **“Network18”** means Network18 Media & Investments Limited, a Company incorporated under the Act on February 16, 1996 and having its registered office at 503, 504 & 507, 5th Floor, ‘Mercantile House’, 15, Kasturba Gandhi Marg, New Delhi - 110001.

(v) **“Network18 India”** means Network18 India Holdings Private Limited, a Company incorporated under the Act on August 13, 2007 and having its registered office at 503, 504 & 507, 5th Floor, ‘Mercantile House’, 15, Kasturba Gandhi Marg, New Delhi - 110001.

(w) **“Remaining Business”**

- in case of TV18, shall mean all other businesses, divisions, employees, contracts, rights, assets and liabilities other than the Demerged Undertaking 1, and
- in case of Web18, shall mean all other businesses, divisions, employees, contracts, rights, assets and liabilities other than the Demerged Undertaking 2.

(x) **“RVT Investments”** means RVT Investments Private Limited, a company incorporated under the Act on July 9, 2006 and having its registered office at 503, 504 & 507, 5th Floor, ‘Mercantile House’, 15, Kasturba Gandhi Marg, New Delhi - 110001.

(y) **“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 27 of the Scheme as approved or directed by the High Court or any other authority having equal jurisdiction.

(z) **“Specified Date”, in context of:**

- **Demerger 1**, means the date to be fixed by the Board of Directors or a committee thereof, of TV18 in consultation with ibn18, for the purpose of determining the members of TV18, to whom shares will be allotted pursuant to Clause 8.1 of this Scheme;
- **Merger 1**, means the date to be fixed by the Board of Directors or a committee thereof, of Network18 or Demerged TV18 for the purpose of determining the members of Demerged TV18, to whom shares will be allotted pursuant to Clause 11.1 of this Scheme.

(aa) **“TECC”** means Television Eighteen Commoditiescontrol.com Limited, a company incorporated under the Act on March 17, 1997 and having its registered office at 503, 504 & 507, 5th Floor, ‘Mercantile House’, 15, Kasturba Gandhi Marg, New Delhi - 110001.

(bb) **“Transferor Company”** as may be applicable in the relevant context in the Scheme, shall mean:

- TV18 in context of Demerger 1;
- Web18 in context of Demerger 2;

- Merging Companies in context of Merger 1; and
- ibn18 Media and iNews.com in context of Merger 2;

and should be construed accordingly.

(cc) **“Transferee Company”** as may be applicable in the relevant context in the Scheme, shall mean:

- **Network18** in context of Merger 1 and Demerger 2; and
- **ibn18** in context of and Demerger 1 and Merger 2;

and should be construed accordingly.

(dd) **“TV18”** means **Television Eighteen India Limited**, a Company incorporated under the Act on September 24, 1993 and having its registered office at 503, 504 & 507, 5th Floor, ‘Mercantile House’, 15, Kasturba Gandhi Marg, New Delhi - 110001.

(ee) **“Web18”** means **Web18 Software Services Limited**, a Company incorporated under the Act on July 10, 2006 and having its registered office located at 503, 504 & 507, 5th Floor, ‘Mercantile House’, 15, Kasturba Gandhi Marg, 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, and as the context may require, have the same meaning ascribed to them under the Act or the Securities Contracts (Regulation) Act, 1956 or the Depositories Act, 1996 or 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 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. COMPLIANCE WITH TAX LAW

This Scheme,

- in so far as it relates to the demerger of ‘News Business Undertaking’ of TV18 into ibn18 and ‘Web Undertaking’ of Web18 into Network18, 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,
- in so far as it relates to the Merger 1 and Merger 2, 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,

and all 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, and the power to make any such amendments shall vest with the Board of Directors of Network18 and ibn18.

4. SHARE CAPITAL

The authorized and paid up share capital of Care as of June 30, 2010 is as follows:

Share Capital	Amount (Rs)
Authorized Share Capital	
10,00,000 Equity Shares of Rs 10 each	1,00,00,000
5,00,000 Preference Shares of Rs 10 each	50,00,000
TOTAL	1,50,00,000
Paid Up Share Capital	
5,00,000 Equity Shares of Rs 10 each	50,00,000
3,27,800 Preference Shares of Rs 10 each	32,78,000
TOTAL	82,78,000

The authorized and paid up share capital of ibn18 as of June 30, 2010 is as follows:

Share Capital	Amount (Rs)
Authorized Share Capital	
27,50,00,000 Equity Shares of Rs 2 each	55,00,00,000
TOTAL	55,00,00,000
Paid Up Share Capital	
18,28,64,159 Equity Shares of Rs 2 each	36,57,28,318
5,44,95,443 Equity Shares of Rs 2 each Rs 0.50 paid up	2,72,47,722
TOTAL	39,29,76,040

The authorized and paid up share capital of ibn18 Media as of June 30, 2010 is as follows:

Share Capital	Amount (Rs)
Authorized Share Capital	
1,50,00,000 Equity Shares of Rs 10 each	15,00,00,000
TOTAL	15,00,00,000
Paid Up Share Capital	
1,34,58,950 Equity Shares of Rs 10 each	13,45,89,500
TOTAL	13,45,89,500

The authorized and paid up share capital of iNews.com as of June 30, 2010 is as follows:

Share Capital	Amount (Rs)
Authorized Share Capital	
60,00,000 Equity Shares of Rs 10 each	6,00,00,000
TOTAL	6,00,00,000
Paid Up Share Capital	
60,00,000 Equity Shares of Rs 10 each	6,00,00,000
TOTAL	6,00,00,000

The authorized and paid up share capital of RVT Investments as of June 30, 2010 is as follows:

Share Capital	Amount (Rs)
Authorized Share Capital	
10,00,000 Equity Shares of Rs 10 each	1,00,00,000
10,00,000 Preference Shares of Rs 10 each	1,00,00,000
TOTAL	2,00,00,000
Paid Up Share Capital	
10,000 Equity Shares of Rs 10 each	1,00,000
6,13,500 Preference Shares of Rs 10 each	61,35,000
TOTAL	62,35,000

The authorized and paid up share capital of Network18 as of June 30, 2010 is as follows:

Share Capital	Amount (Rs)
Authorized Share Capital	
17,00,00,000 Equity Shares of Rs 5 each	85,00,00,000
11,00,000 Preference Shares of Rs 100 each	11,00,00,000
1,05,00,000 Preference Shares of Rs 200 each	2,10,00,00,000
TOTAL	3,06,00,00,000
Paid Up Share Capital	
11,56,73,513 Equity Shares of Rs 5 each	57,83,67,565
1,02,84,379 Preference Shares of Rs 150 each	1,54,26,56,850
TOTAL	2,12,10,24,415

The authorized and paid up share capital of Network18 India as of June 30, 2010 is as follows:

Share Capital	Amount (Rs)
Authorized Share Capital	
20,00,000 Equity Shares of Rs 10 each	2,00,00,000
1,40,00,000 Preference Shares of Rs 10 each	14,00,00,000
TOTAL	16,00,00,000
Paid Up Share Capital	
10,000 Equity Shares of Rs 10 each	1,00,000
94,71,000 Preference Shares of Rs 10 each	9,47,10,000
TOTAL	9,48,10,000

The authorized and paid up share capital of TECC as of June 30, 2010 is as follows:

Share Capital	Amount (Rs)
Authorized Share Capital	
5,00,000 Equity Shares of Rs 10 each	50,00,000
TOTAL	50,00,000
Paid Up Share Capital	
3,96,425 Equity Shares of Rs 10 each	39,64,250
TOTAL	39,64,250

The authorized and paid up capital of TV18 as of June 30, 2010 is as follows:

Share Capital	Amount (Rs)
Authorized Capital	
41,00,00,000 Equity Shares of Rs 5 each	2,05,00,00,000
TOTAL	2,05,00,00,000
Paid Up Share Capital	
18,02,33,547* Equity Shares of Rs 5 paid up	90,11,67,735
TOTAL	90,11,67,735

* the above does not include 15,01,290 equity shares are partly paid up on which calls are in arrears

The authorized and paid up share capital of Web18 as of June 30, 2010 is as follows:

Share Capital	Amount (Rs)
Authorized Share Capital	
5,00,000 Equity Shares of Rs 10 each	50,00,000
60,00,000 Preference Shares of Rs 10 each	6,00,00,000
TOTAL	6,50,00,000
Paid Up Share Capital	
491,489 Equity Shares of Rs 10 each	49,14,890
5,61,880 Preference Shares of Rs 10 each	56,18,800
TOTAL	1,05,33,690

PART III – DEMERGER 1

5. TRANSFER OF DEMERGED UNDERTAKING 1

- 5.1 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking 1 shall, pursuant to the provisions contained in Section 391 to 394 of the Act and other provisions of law for the time being in force and without any further act or deed, be demerged from TV18, and be transferred to and vested in or be deemed to have been transferred to and vested in ibn18, on a going concern basis at book values, so as to become as and from Appointed Date, the undertaking of ibn18, and to vest in ibn18 all the rights, title, interest or obligations of TV18 therein.
- 5.2 All assets acquired by TV18 after the Appointed Date and prior to the Effective Date in relation to or pertaining to Demerged Undertaking 1 shall also stand transferred to and vested in ibn18 upon the coming into effect of the Scheme. Where any of the assets of TV18 as

- on the Appointed Date deemed to be transferred to ibn18 have been sold or transferred by TV18 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of ibn18
- 5.3 In respect of such of the assets of the Demerged Undertaking 1 (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 TV18 and shall become the property of ibn18 as an integral part of the Demerged Undertaking 1 transferred to it. The aforesaid transfer shall be deemed to take effect from the Appointed Date without requiring any deed or instrument of conveyance for the same. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of TV18 and the Board of Directors of ibn18.
- 5.4 In respect of movables of the Demerged Undertaking 1 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 TV18 and ibn18.
- 5.5 In respect of such of the assets of the Demerged Undertaking 1 other than those referred to in Clause 5.3 and 5.4 above, the same shall without any further act, instrument or deed be transferred to and vested in and/ or be deemed to be transferred to and vested in ibn18 pursuant to the provisions of Section 394 of the Act and other applicable provisions of law. The mutation of the title to the immovable properties in favour of ibn18 shall be made and duly recorded by the appropriate authorities pursuant to the sanction of the Scheme and it becoming effective in accordance with the terms hereof.
- 5.6 It is hereby clarified that the Remaining Business of TV18 shall continue under the ownership of TV18.
- 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, certificates, authorities, powers of attorneys given by, issued to or executed in favour of TV18, and the rights and benefits under the same shall, in so far as they relate to the Demerged Undertaking 1 and all other interests relating to activities carried on by the Demerged Undertaking 1, be transferred to and vested in ibn18.
- 5.8 In so far as the various incentives, benefits under Export Promotion Capital Goods (EPCG) scheme, Duty Entitlement Pass Book (DEPB) scheme, accumulated balance in CENVAT account, sales tax deferral benefits, subsidies (including applications for subsidies), rehabilitation schemes, grants, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by TV18 are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking 1, vest with and be available to ibn18 on the same terms and conditions.
- 5.9 It is clarified that, upon the coming into effect of the Scheme, the following liabilities and obligations of TV18 as on the Appointed Date and being a part of the Demerged Undertaking 1 shall, without any further act or deed be and shall stand transferred to ibn18:
- (a) the liabilities which arose out of the activities or operations of the Demerged Undertaking 1;
 - (b) specific loans or borrowings raised, incurred and utilized solely for the activities or operations of the Demerged Undertaking 1;
 - (c) in cases other than those referred to in sub-clauses (a) and (b) above, proportionate part of the general or multipurpose borrowings and liabilities of TV18 allocable to the Demerged Undertaking 1 in the same proportion in which the value of the assets transferred under this Scheme bears to the total value of the assets of TV18 immediately before the demerger.
- 5.10 Where any of the liabilities and obligations of TV18 as on the Appointed Date deemed to be transferred to ibn18 have been discharged by TV18 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of ibn18. Further, all loans, liabilities and obligations utilized by TV18 for the operations of Demerged Undertaking 1 after the Appointed Date and prior to the Effective Date, to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to ibn18 and shall become its liabilities and obligations.
- 5.11 Upon the coming into effect of this Scheme, if considered necessary for the sake of convenience and towards facilitating single point creditor discharge, the primary obligation to redeem, repay and provide security in relation to the general/ multipurpose borrowings (including Public Deposits) shall be of TV18. However, the amount equivalent to the portion of general or multipurpose borrowings pertaining to ibn18 as on the Appointed Date and determined in accordance with Clause 5.9 (c) shall be payable by ibn18 to TV18. Such payment by ibn18 to TV18 (principal, interest or other costs) shall be credited to the bank account of TV18 one day prior to the due date of payment by TV18 to the creditors. Further, if considered necessary the Board of directors of TV18 and ibn18 shall discuss and make appropriate arrangements/ modifications in relation to the above. In this Clause, the term "TV18" shall be understood to include "Network18" subsequent to Merger 1.
- 5.12 It is further clarified that the securities or encumbrances created with respect to liabilities retained by TV18 over the assets comprised in Demerged Undertaking 1 shall stand discharged from the Effective Date and the assets of TV18 shall be offered as security for liabilities retained by TV18. However, the securities or encumbrances created with respect to liabilities retained by TV18 on assets of Remaining Business shall continue to subsist. Similarly, securities or encumbrances created with respect to liabilities transferred to ibn18 over the assets of Remaining Business shall stand discharged from the Effective Date and the assets of ibn18 shall be offered as security for liabilities transferred to ibn18. Notwithstanding the aforesaid, if considered necessary the Board of directors of TV18 and ibn18 shall discuss and make appropriate arrangements with their creditors for offering necessary securities or encumbrances in respect of the borrowings held by respective companies.
- 5.13 The provisions of the Scheme insofar as they relate to the discharge or subsistence of securities as contained in Clause 5.10 and 5.11 above 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 Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, TV18 and ibn18 shall execute instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/ or modification(s) of charge, with the Registrar of Companies, to give formal effect to the above provisions, if required.
- 5.15 Upon the coming into effect of this Scheme, the borrowing limits of ibn18 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 TV18 which are being transferred to ibn18 pursuant to the Scheme, such limits being incremental to the existing limits of ibn18, with effect from the Appointed Date.
- 5.16 Subject to the other provisions of this Scheme, all licenses, permissions, approvals, consents, registrations and no-objection certificates obtained by TV18 for the operations of the News Business Undertaking and/or to which TV18 is entitled to in relation to the News Business Undertaking in terms of the various statutes and/ or schemes of Union and State Governments, shall be available to and vest in ibn18, without any further act or deed and shall be appropriately mutated by the statutory authorities concerned therewith

in favour of ibn18. Since the News Business Undertaking will be transferred to and vested in ibn18 as a going concern without any break or interruption in the operations thereof, ibn18 shall be entitled to the benefit of all such licenses, permissions, approvals, consents, registrations and no-objection certificates and to carry on and continue the operations of the News Business Undertaking on the basis of the same upon this Scheme becoming effective.

- 5.17 It is hereby clarified that the transfer of all assets and liabilities of the Demerged Undertaking 1 shall be at values appearing in the books of account of TV18 as on the Appointed Date which are set forth in the closing balance sheet of TV18 as of the close of business hours on the date immediately preceding the Appointed Date.
- 5.18 It is also agreed that TV18 and ibn18 shall mutually discuss and enter into suitable arrangements for sharing of corporate name, common trademarks, common facilities or any other common intellectual property rights to the extent considered necessary.

PART IV – DEMERGER 2

6. TRANSFER OF DEMERGED UNDERTAKING 2

- 6.1 With effect from the Appointed Date, the Demerged Undertaking 2 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 Web18, and be transferred to and vested in or be deemed to have been transferred to and vested in Network18 on the Appointed Date, on a going concern basis, so as to become as and from the Appointed Date, the undertaking of Network18, and to vest in Network18 all the rights, title, interest or obligations of Web18 therein.
- 6.2 All assets acquired by Web18 after the Appointed Date and prior to the Effective Date for operation of the Demerged Undertaking 2 or pertaining to the Demerged Undertaking 2 shall be deemed to have been acquired for and on behalf of Network18. Where any of the assets of Web18 as on the Appointed Date deemed to be transferred to Network18 have been sold or transferred by Web18 after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Network18.
- 6.3 In respect of such of the assets of the Demerged Undertaking 2 (mentioned in Clause 6.1 and Clause 6.2 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 Web18 and shall become the property of Network18 as an integral part of the Demerged Undertaking 2 transferred to it. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of Web18 and the Board of Directors of Network18.
- 6.4 In respect of movables of the Demerged Undertaking 2 other than those specified in Clause 6.3 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 Web18 and Network18.
- 6.5 In respect of such of the assets of the Demerged Undertaking 2 other than those referred to in Clause 6.3 and 6.4 above, the same shall, as more particularly provided in Clause 6.1 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 Network18 on the Appointed Date pursuant to the provisions of Section 394 of the Act or other provisions of law as applicable.
- 6.6 It is hereby clarified that the Remaining Business of Web18 shall continue under the ownership of Web18.
- 6.7 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 Web18, and the rights and benefits under the same shall, in so far as they relate to the Demerged Undertaking 2 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 2, be transferred to and vested in the Network18.
- 6.8 In so far as the various incentives, 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 Web18 are concerned, the same shall, without any further act or deed, in so far as they relate to the Demerged Undertaking 2, vest with and be available to Network18 on the same terms and conditions.
- 6.9 It is clarified that, upon the coming into effect of the Scheme, the following liabilities and obligations of Web18 as on the Appointed Date and being a part of the Demerged Undertaking 2 shall, without any further act or deed be and shall stand transferred to the Network18, 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 Network18 as if it had entered into such loans or incurred such borrowings and Network18 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 2,
 - (ii) specific loans or borrowings raised, if any, and incurred and utilized solely for the activities or operations of the Demerged Undertaking 2,
 - (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 Web18 allocable to the Demerged Undertaking 2 in the same proportion in which the value of the assets of Web18 transferred under this Scheme bears to the total value of the assets of Web18 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 Web18 and/ or Network18 by way of specific applications in this behalf.
- 6.10 Where any of the liabilities and obligations of Web18 in relation to the Demerged Undertaking 2 as on the Appointed Date deemed to be transferred to the Network18 have been discharged by Web18 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 Network18. All loans raised and used and all liabilities and obligations incurred by Web18 for the operations of the Demerged Undertaking 2 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 Network18 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to Network18 and shall become its liabilities and obligations.
- 6.11 Upon the coming into effect of this Scheme, in so far as the security in respect of the liabilities of the Demerged Undertaking 2, it is hereby clarified that Web18 and the Network18 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 Web18 is a party) to the assets of Web18 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 2 of Web18 as are vested in the Network18 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 Web18 or any of the assets of Network18.

Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of the Network18 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 2 of Web18 vested in Network18.

Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Web18 which shall vest in Network18 by virtue of the demerger of the Demerged Undertaking 2 into Network18, and Network18 shall not be obliged to create any further or additional security thereof after the Scheme has become operative.

- 6.12 Without prejudice to the provisions of the foregoing clauses and upon the effectiveness of this Scheme, Web18 and Network18 shall execute instruments or documents or do all the acts and deeds as may be required, including the filing of necessary particulars and/or modification(s) of charge, with the Registrar of Companies, to give formal effect to the above provisions, if required.
- 6.13 Upon the coming into effect of this Scheme, the borrowing limits of Network18 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 Web18 which are being transferred to the Network18 pursuant to the Scheme, such limits being incremental to the existing limits of Network18, with effect from the Appointed Date.
- 6.14 The provisions of this Clause insofar as they relate to the transfer of liabilities of the Demerged Undertaking 2 to Network18 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.
- 6.15 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.
- 6.16 It is hereby clarified that all assets and liabilities of the Demerged Undertaking 2 shall be transferred at values appearing in the books of account of Web18 as on the Appointed Date which are set forth in the closing balance sheet of Web18 as of the close of business hours on the date immediately preceding the Appointed Date.
- 6.17 It is also agreed that Web18 and Network18 shall mutually discuss and enter into suitable arrangements for sharing of corporate name, common trademarks, common facilities or any other common intellectual property rights to the extent considered necessary.

PART V – OTHER TERMS OF DEMERGER

7. REMAINING BUSINESS TO CONTINUE WITH TRANSFEROR COMPANY

- 7.1 The Remaining Business and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Transferor Company viz. Demerged TV18 and Web18.
- 7.2 Further,
- a) all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against the Transferor Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business (including those relating to any property, right, power, liability, obligation or duties of the Transferor Company in respect of the Remaining Business) shall be continued and enforced by or against the Transferor Company after the Effective Date. The Transferee Company shall in no event be responsible or liable in relation to any such legal, taxation or other proceeding against the Transferor Company, which relate to the Remaining Business.
- b) If proceedings are taken against the Transferee Company in respect of the matters referred to in sub clause (a) above, it shall defend the same in accordance with the advice of the Transferor Company and at the cost of the Transferor Company, and the latter shall reimburse and indemnify the Transferee Company against all liabilities and obligations incurred by the Transferee Company in respect thereof.
- 7.3 With effect from the Appointed Date and up to and including the Effective Date:
- a) the Transferor Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- b) all profits accruing to the Transferor Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of the Transferor Company; and
- c) all assets and properties acquired by the Transferor Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in the Transferor Company.
- 7.4 Upon the coming into effect of this Scheme, ibn18 and Network18 shall be entitled to use all packaging, labels, point of sale material, sign board, samples, closures, video clips, other publicity material, etc, lying unused and which TV18 and Web18 were otherwise entitled to use under any statutes/ regulations, till such time as all of such packaging, labels, closures, etc are exhausted.

8. ISSUE OF SHARES ON DEMERGER

In relation to Demerger 1:

- 8.1 Upon the coming into effect of the Scheme and in pursuance of the demerger of the Demerged Undertaking 1 into ibn18 pursuant to this scheme, ibn18 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 1**”) at par on a proportionate basis to each member of TV18 whose name is recorded in the register of members of TV18 as holding equity shares on the Specified Date in the ratio of **17:25** i.e., 17 fully paid-up equity shares of Rs 2 each of ibn18 to be issued for every 25 fully paid equity shares of Rs 5 each of TV18, held by the member. Further, if a member of TV18 holds any partly paid-up equity shares of TV18 on the Specified Date, such partly paid up shares shall be consolidated to create fully paid up shares (based on the relevant share issue price), and thereafter such member shall be entitled to fully paid-up equity shares of Rs 2 each of ibn18 to be issued as per the aforesaid entitlement ratio, unless the Board of Directors of TV18 and ibn18 agree upon an appropriate alternate mechanism.

In relation to Demerger 2:

- 8.2 Upon the coming into effect of this Scheme and in consideration of the demerger of the Demerged Undertaking 2 into Network18 pursuant to this Scheme, Network18 shall not be required to issue and allot equity shares to the shareholders of Web18 since they are

subsidiaries of Network18, and it is further clarified that the value of Web18 has been duly considered in Merger 1 for the benefit of shareholders of TV18.

Other terms

- 8.3 The New Equity Shares on Demerger 1 to be issued and allotted pursuant to Clause 8.1 respectively shall in all respects, rank pari passu from the Specified Date with the existing equity shares of ibn18, save and except in relation to dividends, if any, to which they may be entitled to, as and from the Appointed Date.
- 8.4 The New Equity Shares on Demerger 1 to be issued and allotted in terms thereof will be subject to the relevant Memorandum and Articles of Association of ibn18. The New Equity Shares of ibn18 issued in terms of Clause 8.1 shall, subject to completion of applicable procedures, be listed on the stock exchanges where ibn18 is currently listed.
- 8.5 The share entitlement ratio specified in Clause 8.1 shall be suitably adjusted for changes in the capital structure of either ibn18 or TV18 post the date of the Board Meeting approving the Scheme provided the changes relate to matters such as bonus issue, split of shares and consolidation of shares. All such adjustments to the share entitlement ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of both TV18 and ibn18.
- 8.6 In case any member's holding in TV18 is such that the member becomes entitled to a fraction of an equity share in ibn18, ibn18 shall not issue fractional shares to such member but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by ibn18 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 expenses and tax, if applicable) to the relevant members of TV18 in proportion to their fractional entitlements.
- 8.7 Insofar as the allotment of shares pursuant to Clause 18 is concerned, each member of the Transferor Company shall have the option to be exercised, by giving a notice to relevant 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.
- 8.8 Equity shares to be issued pursuant to Clause 8.1 of this Scheme, in respect of any equity shares of TV18 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 ibn18.
- 8.9 In the event of there being any pending and valid share transfers, whether lodged or outstanding, of any shareholder of TV18, the Board of Directors or any committee thereof of TV18 shall be empowered in appropriate cases, even subsequent to the Specified Date or the Effective Date, as the case may be, to effectuate such a transfer, as if such changes in registered holder were operative as on the Specified Date.
- 8.10 Upon the issue of New Equity Shares on Demerger 1 in terms of the Scheme, the provisions of Section 81 (1A) of the Act shall be deemed to have been complied with and such issue shall be an integral part of this Scheme.
- 8.11 Upon coming into effect of this Scheme and with effect from the Appointed Date, the Memorandum of Association of Network18 shall be deemed to be amended to include therein the relevant clauses from the Memorandum of Association of Web18, enabling them to carry on the business of Web Undertaking. It is hereby clarified that such amendment shall be deemed to have been undertaken as an integral part of this Scheme and all relevant provisions of the Act, including the procedure prescribed under Section 17 of the Act shall be deemed to have been complied with and no additional steps are required.

Accordingly, upon coming into effect of the Scheme following clauses shall be deemed to be inserted in the main objects clause of MOA of Network18 related to carrying on of web and internet business -

- *To create, own, acquire and host web-sites on the Internet including internet Portal on the use and current affairs anywhere in the World for the Company, to conduct Electronic Commerce through buying and selling of goods, information and services either directly or on behalf of providers of these goods, information and services and to install, maintain and operate Internet, V-sat and Voice and Data Mail Services.*
- *To carry on in India and elsewhere either on its own or in alliance with any other Person/ Body/Bodies corporate incorporated in India or abroad either under a strategic alliance or Joint Venture or any other arrangement the business of providing/ operating Internet services, web based electronic commerce and other allied services.*
- *To establish and carry on in India and elsewhere either on its own or in alliance with any other Person/Body/Bodies corporate incorporated in India or abroad either under a strategic alliance or Joint Venture or any other arrangement the business of providing/operating Very Small Aperture Terminals (VSAT) Communications Services, Value Added Network Services (VANS), Electronic Data Interchange Services, Datacom Network Services, File Transfer and Protocol Conversion Services, Voice Network Services, Concert Packet Services, Electronic Transaction Services, Wireless Application Protocol Services, High Speed VSAT based Satellite communication Services, Video Conferencing Services, System Integration Services involving computers and Communications Products/ Technologies and to market and sell and support various types of Satellite/Data communications equipments and networks built using such like Routers Frame Relay Switches, ATMs.*

9. ACCOUNTING TREATMENT ON DEMERGER

Accounting for Demerger 1:

9.1 Treatment in the books of TV18

- (a) Upon the coming into effect of this Scheme, with effect from the Appointed Date, the book value of the assets and liabilities of the Demerged Undertaking 1, at the close of business of the day immediately preceding the Appointed Date, transferred to ibn18 shall be reduced from the book value of the assets and liabilities of TV18. In so far as the accounts representing common or multipurpose borrowings referred to in Clause 5.9 are concerned, they shall stand reduced by the amounts transferred to ibn18 in accordance with the provisions of this Scheme.
- (b) The aggregate of the net assets of the Demerged Undertaking 1 standing in the books of accounts of TV18 transferred to ibn18 at the close of business of the day immediately preceding the Appointed Date, shall be adjusted against the following, in the order specified:
- (i) Capital Reserve Account; and
 - (ii) Securities Premium Account.

9.2 Treatment in the books of ibn18

- (a) Upon the coming into effect of this Scheme, ibn18 shall record all the assets and liabilities of the Demerged Undertaking 1 transferred to it in pursuance of this Scheme at their respective book values thereof appearing in the books of account of TV18 immediately before the Appointed Date.
- (b) The difference between the assets and liabilities transferred pursuant to the demerger of the Demerged Undertaking 1 to ibn18, duly adjusted for expenses incurred in connection with the Scheme, face value of the New Equity Shares on Demerger 1 issued pursuant to Clause 8.1, shall be adjusted against the Capital Reserve Account.
- (c) The debit balance in the Profit & Loss Account of ibn18 to the extent of Rs 79,10,95,787 (Rupees Seventy Nine Crores, Ten Lacs, Ninety Five Thousand, Seven Hundred and Eighty Seven only) which would comprise only cash loss (i.e. accumulated loss less depreciation) as per the books of account as increased by the amount of Miscellaneous Expenditure of Rs 8,93,12,882 (Rupees Eight Crores, Ninety Three Lacs, Twelve Thousand, Eight Hundred and Eighty Two only) as on the Appointed Date, shall be written off against the balance in the Capital Reserve Account and/or the Securities Premium Account of an equivalent amount.

Accounting for Demerger 2

9.3 Treatment in the books of Web18

- (a) Upon the coming into effect of this Scheme, with effect from the Appointed Date, the book value of the assets and liabilities of the Demerged Undertaking 2, at the close of business of the day immediately preceding the Appointed Date, transferred to Network18 shall be reduced from the book value of the assets and liabilities of Web18. In so far as the accounts representing common or multipurpose borrowings referred to in Clause 6.9 are concerned, they shall stand reduced by the amounts transferred to Network18 in accordance with the provisions of this Scheme.
- (b) The aggregate of the net assets of the Demerged Undertaking 2 standing in the books of accounts of Web18 transferred to Network18 as increased by the debit balance of Profit and loss account of Web18 at the close of business of the day immediately preceding the Appointed Date, shall be adjusted against the following, in the order specified, to the extent required:
 - (i) General Reserve Account; and
 - (ii) Securities Premium Account.

9.4 Treatment in the books of Network18

- (a) Upon the coming into effect of this Scheme, Network18 shall record all the assets and liabilities of the Demerged Undertaking 2 transferred to it in pursuance of this Scheme at their respective book values thereof appearing in the books of account of Web18, at the close of business of the day immediately preceding the Appointed Date.
- (b) The difference between assets and liabilities transferred pursuant to the demerger of Web Undertaking to Network18 shall be written off by Network18, against the following, in the order specified, to the extent required:
 - i) Capital Reserve Account; and
 - ii) Share Premium Account
- (c) The debit balance in the Profit & Loss Account of Network18 at the close of business of the day immediately preceding the Appointed Date, shall be written off against the balance in the Capital Reserve Account and/or the Securities Premium Account of an equivalent amount.

9.5 It is hereby clarified that all transactions during the period between the Appointed Date and Effective Date relating to the Demerged Undertaking 1 would be duly reflected in the financial statements of ibn18, upon the Scheme coming into effect. Similarly, all transactions during the period between the Appointed Date and Effective Date relating to the Demerged Undertaking 2 would be duly reflected in the financial statements of Network18, upon the Scheme coming into effect.

9.6 Notwithstanding anything contained in Clause 9 hereinabove, the Board of Directors of the companies are authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956.

9.7 To the extent that there are inter-corporate loans, other outstanding amounts or transactions between the Transferor Company and the Transferee Company, including those between Appointed Date and Effective Date, it is agreed by the Transferor Company and Transferee Company that all the requirements of the Act and any other applicable law with respect to such amounts shall be deemed to have been duly complied with.

PART VI – MERGER 1

10. TRANSFER OF 'MERGED UNDERTAKING 1' TO NETWORK18

10.1 With effect from the Appointed Date, the whole of the Merged Undertaking 1, 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, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in Network18 as a going concern so as to become as and from the Appointed Date the assets and liabilities of Network18 and to vest in Network18 all the rights, title, interest or obligations of Merging Companies therein. All assets acquired by Merging Companies after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in Network18 upon the coming into effect of the Scheme. As regards transfer of specified movable assets, Clauses 10.2 and 10.3 below provide for the physical mode of effecting transfer. Where any of the assets of Merging Companies as on the Appointed Date deemed to be transferred to Network18 have been sold or transferred by Merging Companies after the Appointed Date and prior to the Effective Date, such sale or transfer shall be deemed to have been for and on account of Network18.

10.2 In respect of such of the assets of the Merged Undertaking 1 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 Merging Companies and shall become the property of Network18 as an integral part of the Merged Undertaking 1 transferred to it. The aforesaid transfer shall be deemed to take effect from the Appointed Date without requiring any deed or instrument of conveyance for the same. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of Network18 and the Board of Directors of Merging Companies.

10.3 All debts, loans and advances recoverable in cash or in kind or for value to be received, deposits, outstanding and receivables of Merging Companies other than the movable assets specified in Clause 10.2 above, shall on and from the Appointed Date stand transferred to and vested in Network18 without any further actions or deed (although Network18 may, if it deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in Network18), and the debtors shall be obliged to make payments to Network18 on and after the Effective Date.

10.4 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of Merging Companies 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 Network18 so as to become as and from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of Network18.
- 10.5 The transfer and vesting of the Merged Undertaking 1 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 Merging Companies.
- Provided however that any reference in any security documents or arrangements (to which Merging Companies is a party) to the assets of Merging Companies 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 Merged Undertaking 1 of Merging Companies as are vested in Network18 by virtue of this Scheme, 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 Merging Companies or any of the assets of Network18.
- Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of Network18 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 Merging Companies vested in Network18.
- Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by Merging Companies which shall vest in Network18 by virtue of merger of Merging Companies into Network18; and Network18 shall not be obliged to create any further or additional security after the Scheme has become operative.
- 10.6 Where any of the liabilities and obligations of Merging Companies as on the Appointed Date deemed to be transferred to Network18 have been discharged by Merging Companies after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Network18, and all loans raised and used and all liabilities and obligations incurred by Merging Companies for the operations of the Merged Undertaking 1 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 Network18 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to Network18 and shall become its liabilities and obligations.
- 11. ISSUE OF SHARES ON TRANSFER OF MERGED UNDERTAKING 1**
- 11.1 Upon the coming into effect of the Scheme and in consideration of the merger of Demerged TV18 into Network18 pursuant to this Scheme, Network18 shall, without any further act or deed and without any further payment, issue and allot equity shares (hereinafter also referred to as the “**Network18 New Shares**”) at par on a proportionate basis to each member of the Demerged TV18 whose name is recorded in the register of members of the Demerged TV18 as holding equity shares on the Specified Date in the ratio of **13:100** i.e. 13 fully paid-up equity shares of Rs 5 each of Network18 to be issued for every 100 equity shares of Rs 5 each of the Demerged TV18, held by the member.
- In respect of equity shares held by Network18 or its subsidiaries in Demerged TV18 on the Specified Date, Network18 shall issue Network18 New Shares to a trust (or an individual trustee or board of trustees or corporate trustee herein after referred to as the “**Trustees**”) to have and hold such shares together with all additions and accretions thereto exclusively for the benefit of Network18 subject to the powers, provisions, discretions, rights and agreements contained in the instrument (the “**Trust Deed**”) establishing the aforesaid trust (the “**The Network18 Shareholders Trust**” or such other name as may be deemed appropriate). It is proposed that the Trustees shall, keeping in view the prevailing market conditions and other objectives, sell, transfer, hold or dispose off the trust shares at such time or times and in such manner as may be considered expedient and shall remit the proceeds thereof to Network18.
- Further, if a member of Demerged TV18 holds any partly paid-up equity shares of Demerged TV18 on the Specified Date, such partly paid up shares shall be consolidated to create fully paid up shares (based on the relevant share issue price), and thereafter such member shall be entitled to fully paid-up equity shares of Rs 5 each of Network18 to be issued as per the aforesaid entitlement ratio, unless the Board of Directors of Demerged TV18 and Network18 agree upon an appropriate alternate mechanism.
- 11.2 The share entitlement ratio specified in Clause 11.1 shall be suitably adjusted for changes in the capital structure of either Network18 or Demerged TV18 post the date of the Board Meeting approving the Scheme provided the changes relate to matters such as bonus issue, split of shares and consolidation of shares. All such adjustments to the share entitlement ratio shall be deemed to be carried out as an integral part of this Scheme upon agreement in writing by the Board of Directors of both Demerged TV18 and Network18.
- 11.3 In case any member's holding in Demerged TV18 is such that the member becomes entitled to a fraction of an equity share in Network18, Network18 shall not issue fractional shares to such member but shall consolidate such fractions and issue consolidated equity shares to separate trustees nominated by Network18 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 of Demerged TV18 in proportion to their fractional entitlements.
- 11.4 The Network18 New Shares will be issued in dematerialised form, provided that the members of Demerged TV18 shall have opened and maintained an account with a depository participant, and shall provide such other confirmation, information and details as may be required on or before such date as may be determined by the Board of Directors of the Transferee Company, failing which shares will be issued in physical form.
- 11.5 The Network18 New Shares issued pursuant to Clause 11.1 above shall subject to necessary approvals be listed and admitted to trading on the stock exchanges on which Network18 shares are presently listed.
- 11.6 The Network18 New Shares to be issued and allotted pursuant to Clause 11.1 shall be subject to the Memorandum and Articles of Association of Network18 and shall in all respects, rank *pari passu* with the existing equity shares of Network18, save and except in relation to dividends, if any, to which they may be entitled to, as and from the Appointed Date.
- 11.7 Upon the coming into effect of the Scheme and in consideration of the amalgamation of Network18 India, Care, TECC and RVT Investments into Network18 pursuant to this Scheme, Network18 shall not be required to issue new shares to shareholders of Network18 India, Care, TECC and RVT Investments since such shareholders may be subsidiaries of Network18 or since Network18 may own the entire share capital of the aforesaid Merging Companies.
- 12. ACCOUNTING TREATMENT ON MERGER 1**
- 12.1 Upon the Scheme becoming effective, Network18 shall record the Merger Undertaking 1 vested in it pursuant to the Scheme, at their respective book values as appearing in the financial statements of companies constituting Merger Undertaking 1 at the close of business of the day immediately preceding the Appointed Date in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956.
- 12.2 Network18 shall credit to its Share Capital Account in its books of account the aggregate face value of the Network18 New Shares issued by it to the shareholders of Demerged TV18 pursuant to Clause 11.1 of this Scheme.
- 12.3 In so far as the balances in “Reserves and Surplus” of Merging Companies are concerned, Network18 shall record the balances, if any, in the Profit and Loss Account, Share Premium Account, Capital Reserve Account, General Reserve Account and any other reserve in the same form and at the same values as they appear in the financial statements of Merging Companies at the close of business of the day immediately preceding the Appointed Date.

- 12.4 Upon the coming into effect of this Scheme, any inter-company investment in the books of Network18, representing equity shares of Merging Companies will stand cancelled and no shares or consideration shall be issued by Network18 in respect of such cancelled shares subject to the issuance of the Network18 New Shares to the Network18 Shareholders Trust as contemplated under Clause 11.1 of this Scheme.
- 12.5 The aggregate of the excess/ deficit of the value of the assets over the value of the liabilities of Merger Undertaking 1 vested in Network18 pursuant to this Scheme and as recorded in the books of account of Network18, shall after adjusting the value of investments cancelled in Clause 12.4, "Reserve and Surplus" as referred in Clause 12.3 and face value of Network18 New Shares shall be adjusted to the reserve accounts of Network18.
- 12.6 In case of any differences in accounting policy between Merging Companies and Network18, the impact of the same till the Appointed Date will be quantified and adjusted in the balance sheet of Network18 in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956, to ensure that the financial statements of Network18 reflect the financial position on the basis of consistent accounting policy.
- 12.7 **Post-Merger Accounting Treatment**
Subsequent to above Clause of the Scheme becoming effective, in-order to right size the balance sheet and enable true recognition of assets and liabilities in the balance sheet of Network18, it is considered desirable to value the assets and liabilities of Network18 at their respective fair values as may be identified and deemed appropriate by the Board of Directors of Network18. The difference between the book value and the fair value shall be adjusted against the Capital Reserve Account and/or the Securities Premium Account or such other reserve as may be deemed appropriate by the Board of Directors of Network18.
- 12.8 Network18 shall account for the book value of investments in the share capital of Demerged TV18 in respect of the shares of Demerged TV18 vested in the Network18 Shareholders Trust as per Clause 11.1 of the Scheme as 'Interest in Trust' at such book value; and pursuant to the Scheme becoming effective, such book value shall not be adjusted/ revalued/ restated on receipt of Network18 New Shares by the Network18 Shareholders Trust in lieu of its holding in Demerged TV18.
- 12.9 To the extent that there are inter-corporate loans or balances between and amongst Merging Companies and Network18, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of Network18 for the reduction of any assets or liabilities or other appropriate treatment, as the case may be. It is agreed by Merging Companies and Network18 that all the requirements of the Act and any other applicable law with respect to such amounts shall be deemed to have been duly complied with.
- 12.10 For the removal of doubts, it is hereby clarified that there would be no accrual of income including interest or other expenses/ charges in respect of any inter-company loans or balances between Demerged TV18 and Network18 India and Network18 during the period between the Appointed Date and Effective Date. It is also clarified that there would be no accrual of income or expense on account of any other transactions, including *inter alia* any transactions in the nature of sale or transfer of any goods or services between Demerged TV18 and Network18 India and Network18, during the period between the Appointed Date and the Effective Date.
- 12.11 The adjustment contemplated under Clause 12.5 in the reserve accounts of Network18 shall be made in following reserve accounts ie Capital Reserve Account, Securities Premium Account, General Reserve Account and Profit and Loss Account in such order and to such extent as may be deemed fit by the Board of Directors of Network18.
- 12.12 It is hereby clarified that pursuant to the provisions of Clause 10, all transactions during the period between the Appointed Date and Effective Date relating to the Merged Undertaking 1 would be duly reflected in the financial statements of Network18, upon the coming into effect of this Scheme.
- 12.13 Notwithstanding anything contained in this Clause 12, the Board of Directors of Network18 is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956.
- 13. MERGER OF AUTHORIZED SHARE CAPITAL OF TRANSFEROR COMPANIES WITH NETWORK18**
- 13.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of each of the Transferor Companies i.e. Merging Companies shall stand transferred to and be added with the authorized share capital of Network18, without any liability for payment of any additional fees (including registrar of companies fees) or stamp duty.
- 13.2 It is hereby clarified that the consent of the shareholders of each of the Transferor Company and Network18 to the Scheme shall be sufficient for purposes of effecting this amendment in the Memorandum of Association of Network18 and that no further resolution under Sections 16, and 94 or any other applicable provisions of the Act, would be required to be separately passed, nor any additional registration fee, stamp duty, etc, be payable by Network18.

PART VII – MERGER 2

14. TRANSFER OF 'MERGED UNDERTAKING 2' TO IBN18

- 14.1 With effect from the Appointed Date, the whole of the Merged Undertaking 2, 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, without any further act or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in ibn18 as a going concern so as to become as and from the Appointed Date the assets and liabilities of ibn18 and to vest in ibn18 all the rights, title, interest or obligations of ibn18 Media and iNews.com therein. All assets acquired by ibn18 Media and iNews.com after the Appointed Date and prior to the Effective Date shall also stand transferred to and vested in ibn18 upon the coming into effect of the Scheme. Where any of the assets of ibn18 Media and iNews.com as on the Appointed Date deemed to be transferred to ibn18 have been sold or transferred by ibn18 Media and iNews.com after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of ibn18. As regards transfer of specified movable assets, Clauses 14.2 and 14.3 below provide for the physical mode of effecting transfer.
- 14.2 In respect of such of the assets of the Merged Undertaking 2 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 ibn18 Media and iNews.com shall become the property of ibn18 as an integral part of the Merged Undertaking 2 transferred to it. The aforesaid transfer shall be deemed to take effect from the Appointed Date without requiring any deed or instrument of conveyance for the same. Such delivery shall be made on a date mutually agreed upon between the Board of Directors of ibn18 and the Board of Directors of ibn18 Media and iNews.com.
- 14.3 All debts, loans and advances recoverable in cash or in kind or for value to be received, deposits, outstanding and receivables of ibn18 Media and iNews.com other than the movable assets specified in Clause 14.2 above, shall on and from the Appointed Date stand transferred to and vested in ibn18 without any further actions or deed (although ibn18 may, if it deems appropriate, give notice to the third party that the debts, outstanding and receivables do stand transferred to and vested in ibn18), and the debtors shall be obliged to make payments to ibn18 on and after the Effective Date.

- 14.4 With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of ibn18 Media and iNews.com 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 ibn18 so as to become as and from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of ibn18.
- 14.5 The transfer and vesting of the Merged Undertaking 2 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 ibn18 Media and iNews.com.
 Provided however that any reference in any security documents or arrangements (to which ibn18 Media and iNews.com is a party) to the assets of ibn18 Media and iNews.com 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 Merged Undertaking 2 of ibn18 Media and iNews.com as are vested in ibn18 by virtue of this Scheme, 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 ibn18 Media and iNews.com or any of the assets of ibn18.
 Provided further that the securities, charges and mortgages (if any subsisting) over and in respect of the assets or any part thereof of ibn18 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 ibn18 Media and iNews.com vested in ibn18.
 Provided always that this Scheme shall not operate to enlarge the security for any loan, deposit or facility created by ibn18 Media and iNews.com which shall vest in ibn18 by virtue of merger of ibn18 Media and iNews.com into ibn18 and ibn18 shall not be obliged to create any further or additional security after the Scheme has become operative.
- 14.6 Where any of the liabilities and obligations of ibn18 Media and iNews.com as on the Appointed Date deemed to be transferred to ibn18 have been discharged by ibn18 Media and iNews.com after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of ibn18, and all loans raised and used and all liabilities and obligations incurred by ibn18 Media and iNews.com for the operations of the Merged Undertaking 2 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 ibn18 and to the extent they are outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to ibn18 and shall become its liabilities and obligations.
- 15. ISSUE OF SHARES ON TRANSFER OF MERGED UNDERTAKING 2**
- 15.1 Upon the coming into effect of the Scheme and in consideration of the merger of ibn18 Media and iNews.com into ibn18 pursuant to this Scheme, ibn18 shall not issue any shares since ibn18 Media and iNews.com may be wholly owned by ibn18.
- 16. ACCOUNTING TREATMENT ON MERGER 2**
- 16.1 Treatment in the books of ibn18
- 16.1.1 Upon the Scheme becoming effective, ibn18 shall record the Merger Undertaking 2 vested in it pursuant to the Scheme, at their respective book values as appearing in the financial statements of ibn18 Media and iNews at the close of business of the day immediately preceding the Appointed Date in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956.
- 16.1.2 Upon the coming into effect of this Scheme, all inter-company investment in the books of ibn18, representing equity shares of ibn18 Media and iNews.com will stand cancelled and no shares shall be issued by ibn18 in respect of such cancelled shares.
- 16.1.3 In so far as the balances in "Reserves and Surplus" of ibn18 Media and iNews are concerned, ibn18 shall record the balances, if any, in the Profit and Loss Account, Share Premium Account, Capital Reserve Account, General Reserve Account and any other reserve in the same form and at the same values as they appear in the financial statements of ibn18 Media and iNews at the close of business of the day immediately preceding the Appointed Date.
- 16.1.4 The aggregate of the excess/ deficit of the value of the assets over the value of the liabilities of ibn18 Media and iNews vested in ibn18 pursuant to this Scheme and as recorded in the books of account of ibn18, shall after adjusting the value of investments cancelled in Clause 16.1.2 and "Reserve and Surplus" as referred in Clause 16.1.3 shall be adjusted to reserve accounts of ibn18.
- 16.1.5 In case of any differences in accounting policy between ibn18 Media and iNews.com and ibn18, the impact of the same till the Appointed Date will be quantified and adjusted in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956 to ensure that the financial statements of ibn18 reflect the financial position on the basis of consistent accounting policy.
- 16.2 To the extent that there are inter-corporate loans or balances between and amongst ibn18 Media and iNews.com and ibn18, the obligations in respect thereof shall come to an end and corresponding effect shall be given in the books of account and records of ibn18 for the reduction of any assets or liabilities or other appropriate treatment, as the case may be. It is agreed by ibn18 Media and iNews.com and ibn18 that all the requirements of the Act and any other applicable law with respect to such amounts shall be deemed to have been duly complied with.
- 16.3 For the removal of doubts, it is hereby clarified that there would be no accrual of income including interest or other expenses/ charges in respect of any inter-company loans or balances between ibn18 Media and iNews.com and ibn18 during the period between the Appointed Date and Effective Date. It is also clarified that there would be no accrual of income or expense on account of any other transactions, including inter alia any transactions in the nature of sale or transfer of any goods or services between ibn18 Media and iNews.com and ibn18, during the period between the Appointed Date and the Effective Date.
- 16.4 It is hereby clarified that pursuant to the provisions of Clause 16.3, all transactions during the period between the Appointed Date and Effective Date relating to the undertaking would be duly reflected in the financial statements of ibn18, upon the coming into effect of this Scheme.
- 16.5 **Post-Merger Accounting Treatment**
 Subsequent to above Clause of the Scheme becoming effective, in-order to right size the balance sheet and enable true recognition of assets and liabilities in the balance sheet of the ibn18, it is considered desirable to value the assets and liabilities of ibn18 at their respective fair values as may be identified and deemed appropriate by the Board of Directors of ibn18. The difference between the book value and the fair value shall be adjusted against the Capital Reserve Account and/or the Securities Premium Account as deemed appropriate by the Board of Directors of ibn18.
- 16.6 The adjustment contemplated under Clause 16.1.4 in the reserve accounts of ibn18 shall be made in following reserve accounts ie Capital Reserve Account, Securities Premium Account, General Reserve Account and Profit and Loss Account in such order and to such extent as may be deemed fit by the Board of Directors of ibn18.
- 16.7 Notwithstanding anything contained in this Clause 16, the Board of Directors of ibn18 is authorized to account for any of these balances in any manner whatsoever, as may be deemed fit, in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act, 1956.
- 17. MERGER OF AUTHORIZED SHARE CAPITAL OF TRANSFEROR COMPANIES WITH ibn18**

- 17.1 Upon the Scheme becoming effective and with effect from the Appointed Date, the authorized share capital of ibn18 Media and iNews.com shall stand transferred to and be added with the authorized share capital of ibn18, without any liability for payment of any additional fees (including registrar of companies fees) or stamp duty.
- 17.2 It is hereby clarified that the consent of the shareholders of ibn18 Media and iNews.com and ibn18 to the Scheme shall be sufficient for purposes of effecting this amendment in the Memorandum of Association of ibn18 and that no further resolution under Sections 16, and 94 or any other applicable provisions of the Act, would be required to be separately passed, nor any additional registration fee, stamp duty, etc, be payable by ibn18.
- 18. DISSOLUTION OF TRANSFEROR COMPANIES IN MERGER 1 AND MERGER 2**
Demerged TV18, Network18 India, iNews.com, ibn18 Media, TECC, Care and RVT Investments shall be dissolved without the process of winding up, upon the coming into effect of this Scheme, in accordance with the provisions of the Scheme, the Act and the rules made thereunder.
- 19. GENERAL**
- 19.1 Upon the coming into effect of this Scheme, Network18 shall be entitled to use all packaging, labels, point of sale material, sign board, samples, closures, video clips, other publicity material, etc, lying unused and which Demerged TV18, TECC and Care to use under any statutes/ regulations, till such time as all of such packaging, labels, closures, etc are exhausted. Similarly ibn18 shall be entitled to use all packaging, labels, point of sale material, sign board, samples, closures, video clips, other publicity material, etc, lying unused and which iNews.com, ibn18 Media are entitled to use under any statutes/ regulations, till such time as all of such packaging, labels, closures, etc are exhausted.
- 19.2 Upon the issue of Network18 New Shares on merger in terms of Clause 11, the provisions of Section 81 (1A) of the Act shall be deemed to have been complied with and such issue shall be an integral part of this Scheme.
- 19.3 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 Merging Companies which are being transferred to Network18; and iNews.com, ibn18 Media which are being transferred to ibn18 pursuant to the Scheme, such limits being incremental to the existing limits of ibn18 and Network18, with effect from the Appointed Date.

PART VIII –TERMS AND CONDITIONS FOR RESTRUCTURING

- 20. SEQUENCE OF EFFECTIVENESS OF PART III, PART IV, PART VI AND PART VII**
Upon the Sanction of the Scheme and upon the scheme becoming effective, with effect from the Appointed Date the following shall be deemed to have occurred and become effective and operative only in the sequence and the order mentioned hereunder:
- (i) Demerger of 'News Business Undertaking' from TV18 into ibn18
 - (ii) Merger of iNews.com and ibn18 Media into ibn18
 - (iii) Merger of Demerged TV18 into Network18
 - (iv) Demerger of 'Web Undertaking' from Web18 into Network18
 - (v) Merger of TECC, Care, RVT Investments and Network18 India into Network18
- 21. CONTRACTS AND DEEDS**
- 21.1 Upon the coming into effect of this Scheme and subject to other provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, engagements, arrangements and other instruments of whatsoever nature in relation to the Merged Undertakings and Demerged Undertakings to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or having effect immediately before the Effective Date, shall be in full force and effect by or against or in favour, as the case may be, of the Transferee Company and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto.
- 21.2 Without prejudice to other provisions of the Scheme and notwithstanding that vesting of the Merged Undertakings/ Demerged Undertakings with the Transferee Company occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or if it is otherwise considered necessary or expedient, execute deeds, confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which the Transferor Company was a party or any writings as may be necessary to be executed merely in order to give formal effect to the above provisions. The Transferor will, if necessary, also be a party to the above to the extent permissible. The Transferee Company shall be deemed to be authorized to execute any such deeds, writings or confirmations and to implement or carry out all formalities required on the part of the Transferor Company to give effect to the provisions of this Scheme.
- 22. LEGAL PROCEEDINGS**
- 22.1 Upon the coming into effect of this Scheme, all legal or other proceedings (including before any statutory or quasi-judicial authority or tribunal) by or against the Transferor Company under any statute, whether pending on the Appointed Date, or which may be instituted any time in the future (relating to any period prior to the appointed date) and in each case relating to the relevant Merged Undertakings/ Demerged Undertakings shall be continued and enforced by or against the Transferee Company after the Effective Date and shall not abate or be discontinued nor be in any way prejudicially affected by reason of the demerger of the relevant Merged Undertakings/ Demerged Undertakings or anything contained in the Scheme. In the event of any difference or difficulty in determining whether any specific legal or other proceeding relates to a given Merged Undertakings/ Demerged Undertakings or not, the decision of the Board of Directors of the Transferor Company in this regard shall be conclusive evidence of the relationship with the relevant Merged Undertakings/ Demerged Undertakings.
- 22.2 The Transferee Company undertakes to have all legal proceedings initiated by or against the Transferor Company referred to in Clause 22.1 above 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. The respective companies shall make relevant applications in that behalf to the extent permissible. All costs and consequences of such proceeding shall be borne by the Transferee Company.
- 22.3 In the event that the legal proceedings referred to herein require the Transferor Company to be jointly treated as party thereto, the Transferee Company shall prosecute or defend such proceedings in co-operation with the Transferor Company at its cost and consequence.
- 22.4 Notwithstanding the above, in case the proceedings referred to in Clause 22.1 above cannot be transferred for any reason, or the transfer takes time, till such transfer the Transferor Company shall defend the same in accordance with the advice of the relevant Transferee Company and at the cost and consequences of the Transferee Company, and the relevant Transferee Company shall reimburse, indemnify and hold harmless the Transferor Company against all liabilities and obligations incurred by the Transferor Company in respect thereof.
- 22.5 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 of any nature whatsoever, whether under contract or law or otherwise, of the Transferor Company in the same manner and to the same extent as would or might have been initiated by the Transferor Company.

23. CONDUCT OF BUSINESS/ EMPLOYEES

23.1 With effect from the Appointed Date and up to and including the Effective Date, the Transferor Company:

(a) shall be deemed to have been carrying on all business and activities relating to the Merged Undertakings/ Demerged Undertakings and stand possessed of all assets, rights, title, interest and authorities of the Merged Undertakings/ Demerged Undertakings for and on account of, and in trust for, the Transferee Company; and

(b) all profits accruing to the Transferor Company, or losses arising or incurred by them (including the effect of taxes, if any, thereon), relating to the Merged Undertakings/ Demerged Undertakings shall for all purposes, be treated as the profits, taxes or losses, as the case may be, of the Transferee Company.

23.1 The Transferor Company undertakes that it will from the date of approval of the Scheme by its Board of Directors and also from approval of the Board of Directors of the Transferee Company, or the Appointed Date, whichever is earlier, and up to and including the Effective Date preserve and carry on the Merged Undertakings/ Demerged Undertakings with diligence and prudence and agree that it will not, in any material respect, without the prior written consent of the relevant Transferee Company, alienate, charge or otherwise deal with or dispose off the Merged Undertakings/ Demerged Undertakings or any part thereof except in the ordinary course of business or undertake substantial expansion of the Merged Undertakings/ Demerged Undertakings, other than expansions which have already been commenced.

23.2 The Transferee Company undertakes to engage, such employees as are determined under Clause 1 of this Scheme, as being substantially engaged in the relevant Merged Undertakings/ Demerged Undertakings and who are in the employment of the Transferor Company immediately preceding the Effective Date, on terms and conditions not less favourable than those on which they are engaged by the Transferor Company, without any interruption of service as a result of the transfer of Merged Undertakings/ Demerged Undertakings to the Transferee Company. The Transferee Company agree that for the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with the Transferor Company shall also be taken into account, and agree and undertake to pay the same as and when payable in accordance with prevailing law.

23.3 Upon the Scheme coming into effect, the accounts of the employees, who are employed by the Transferor Company and who fall under Clause 23.3 above, relating to the Provident Fund, Gratuity Fund and Pension and/or Superannuation Fund and any other Fund, shall be identified, determined and transferred to the respective funds of the Transferee Company and the employees shall be deemed to have become members of such trusts/ respective funds set up by the Transferee Company or set up under any statutory provisions/ schemes framed by Life Insurance Corporation or any other qualified insurer. The Transferor Company and the Transferee Companies shall co-operate and take all such steps as may be necessary to give effect to the provisions of this Clause, with the end and intent that the interests of employees are protected. The Transferor Company agrees to stand in and support the Transferee Company, during the period that the Funds or employee benefit arrangements of Transferee Company are set up, subject to applicable law.

23.4 Notwithstanding anything else contained in this Scheme, during the pendency of the Scheme, Network18, ibn18 and TV18 are expressly authorized to raise capital for the purpose of funding growth or any other purpose, in any manner as considered suitable by their Board of Directors, whether by means of rights issue, preferential issue, public issue or any other manner whatsoever. Further, such funds may be raised by means of any instrument considered suitable by their respective Board of Directors, including equity/ equity linked instruments, convertible/ non convertible bonds, debentures, debt, ADRs/ GDRs etc. Provided that any such capital raising exercise shall be approved in writing by the Board of Directors of all three companies (Network18, ibn18 and TV18) to preserve the interests of their respective shareholders.

23.5 In respect of the stock entitlements granted by the Transferor Company, if any, under any of the employees stock options scheme or other employee compensation plans to eligible participants which have not been exercised and are outstanding on the Effective Date, the said eligible participants shall, in lieu of the stock entitlements held by them in Transferor Company ("Transferor Company Stock Options"), receive corresponding stock entitlements in the Transferee Company determined in accordance with the share exchange ratio (as defined in Clause 8.1 and Clause 11.1 hereinbefore) or as may be determined by the Compensation Committee of ibn18/ Network18 with the objective of preserving the interest of the employees. It is hereby clarified that the period of vesting shall for the stock options received in ibn18/ Network18 shall be counted from the date of grant of stock options in the Transferor Company.

24. TAXES

Each of the Transferor Company and the Transferee Company is expressly permitted to file/ revise their respective income tax, service tax, sales tax/ value added tax, excise, customs and other statutory returns and filings, consequent to the scheme becoming effective notwithstanding that the period of filing/ revising such returns may have lapsed. Further, each of the Transferor Company and the Transferee Company are expressly permitted to amend their TDS certificates and shall have the right to claim refund, advance tax credits, withholding tax credits, set offs, benefit of compliances and adjustments relating to their respective incomes/ transactions from the Appointed Date. It is specifically declared that the taxes/ duties paid by the Transferor Company or withheld on its behalf in relation to the Merged Undertakings/ Demerged Undertakings shall be deemed to be taxes/ duties paid by the Transferee Company and the Transferee Company shall be entitled to claim credit of such taxes deducted/ paid against its tax/ duty liability notwithstanding that the certificates/ challans or other documents for payment of such taxes/ duties are in the name of Transferor Company.

25. SAVING OF CONCLUDED TRANSACTIONS

Transfer and vesting of the assets, liabilities, rights and obligations of the Merged Undertakings/ Demerged Undertakings and continuance of the proceedings by or against the Transferee Company shall not in any manner affect any transaction or proceedings already completed by the Transferor Company on or before the Appointed Date to the end and intent that the Transferee Company accept all such acts, deeds and things done and executed by and/ or on behalf of the Transferor Company as acts, deeds and things done and executed by and on behalf of the Transferee Company.

26. APPLICATIONS TO HIGH COURT/ OTHER AUTHORITY

26.1 The Transferor Company and Transferee Company shall, with all reasonable dispatch, make applications to the relevant Hon'ble High Court seeking orders for dispensing with or convening, holding and conducting of the meetings of the respective classes of the members and/ or creditors as may be directed by the said Hon'ble High Court.

26.2 On the Scheme being agreed to by the requisite majorities of the classes of the members and/ or creditors of the Transferor Company and Transferee Company as directed by the Hon'ble High Court, the Transferor Company and Transferee Company shall, with all reasonable dispatch, apply to the relevant Hon'ble High Court, for sanctioning the Scheme under Sections 391 and 394 of the Act, and for such other order or orders, as the said Hon'ble High Court or such other authority having jurisdiction under law may deem fit for carrying this Scheme into effect.

26.3 For the purpose of issue of equity shares pursuant to the Scheme, the Transferee Company may obtain such approvals and clearances

as may be required under applicable law. Where necessary, with respect to a shareholder or class of shareholders, as may be appropriate, without prejudice to Clause 3 of this Scheme, the Transferee Company shall be entitled to make such other arrangements as may be required for the issue and allotment of shares, including the setting up of a trust to hold and/ or to dispose off the shares with the understanding that the interests of shareholders shall be protected at all times subject to applicable law and taxes.

27. MODIFICATION OR CLARIFICATION

27.1 The Transferor Company (by their Directors or their committee thereof) and the Transferee Company (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 or any other body 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 or other reason and the Transferor Company (by their Directors or their committee thereof) and the Transferee Company (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.

27.2 For the purpose of issue and allotment of shares pursuant to the Scheme, ibn18 and Network18 shall, if and to the extent required, apply for and obtain the necessary approvals from the appropriate regulatory authority, for the issue and allotment of equity shares of ibn18 and Network18 to the shareholders of TV18.

27.3 If any part 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 the Transferor Company and Transferee Company, affect the adoption or validity or interpretation of the other parts and/ or provisions of this Scheme. It is hereby clarified that the Board of Directors of the Transferor Company and Transferee Company 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.

27.4 All steps for reorganizing share capital of the companies under this Scheme, shall be undertaken as an integral part of this Scheme in accordance with the provisions of Sections 391-394 and other applicable provisions of the Act including Sections 78, 94, 100, 102, 103 of the Act, and no other steps or procedures would need to be undertaken by the concerned companies to give effect to the same. Consequential changes shall also apply with respect to the existing issued, subscribed and paid up capital of the Transferor Company and the Transferee Company.

27.5 Pursuant to the provisions of this Scheme and Section 78, 100 and all other applicable provisions of the Act, the reduction in Capital Reserve Account and/or Securities Premium Account arising out of adjustments pursuant to Clause 9.1(b). in respect of TV18 and Clause 9.3 (b) in respect of Web18, Clause 9.4, Clause 12.7 and Clause 12.11 in respect of Network18 and Clause 9.2 and Clause 16.5 and Clause 16.6 in respect of ibn18 as the case may be, shall be effected as an integral part of this Scheme only, as the same does not involve either diminution of liability in respect of unpaid capital or payment to any shareholder of any amount paid in respect of shares issued and the order of the Courts sanctioning this Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

The necessary approvals/consents to be obtained by Web18, TV18, Network18 and ibn18 from its shareholders and creditors, as required, for the Scheme shall always be deemed to include the approval/consents required to be obtained under Section 100 and Web18, TV18, Network18 and ibn18 shall not be, nor shall be obliged to call a separate meeting of its shareholders and creditors for obtaining their approval sanctioning the reduction of Securities Premium, as the case may be, as contemplated herein.

Notwithstanding the reduction in capital of Network18 and ibn18 or any other company being a party to the Scheme as aforesaid, in view of the financial position of Network18 and ibn18, or any other company it shall not be required to add "and reduced" as suffix to its name.

28. CONDITIONALITY OF SCHEME

The Scheme is conditional upon and subject to:

- (a) the Scheme being agreed to (either at the meetings or by consent letters) by the respective requisite majorities of the various classes of members and creditors (where applicable), of the Transferor Company and Transferee Company as required under the Act and the requisite sanction and orders of the Hon'ble High Court being obtained; and
- (b) the certified copies of the above orders of the Hon'ble High Court being filed with the jurisdictional Registrar of Companies by Transferor Company and Transferee Company.

29. CHANGE OF NAME OF COMPANY

Upon coming into effect of this Scheme, the name of ibn18 Broadcast Limited shall stand changed to "TV18 Limited" or such other similar name as may be made available by appropriate authority, without any further act or deed. Accordingly, all approvals as required under Section 13, 16, 21 and 31 of the Act and such other applicable provisions of the Act read with relevant rules and regulations made thereunder from the Board of Directors, Shareholders or any regulatory authority shall be deemed to have been obtained by ibn18 Broadcast Limited.

30. COSTS, CHARGES AND EXPENSES

All costs and expenses arising out of or incurred in carrying out and implementing this Scheme shall be equally split and paid by ibn18 & Network18. Notwithstanding the aforesaid, stamp duty costs and transfer charges (if any) shall be borne by Network18 (for Merger 1 and Demerger 2) and ibn18 (for Merger 2 and Demerger 1). All the aforesaid expenses shall be referred to as "Expenses of Scheme".

31. EFFECT OF NON-APPROVALS

In the event no part of this Scheme takes effect finally by December 31, 2011 or by such later date as may be agreed upon by the respective Boards of Directors of the Transferor Company and Transferee Company, this Scheme shall become 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 as may be mutually agreed.

**IN THE HIGH COURT OF DELHI AT NEW DELHI
ORIGINAL JURISDICTION
COMPANY APPLICATION (M) NO 180 OF 2010**

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 Television Eighteen India Limited, Web18 Software Services Limited, IBN18 Media & Software Limited, iNews.com Limited, Television Eighteen Commoditiescontrol.com Limited, RVT Investments Private Limited, Network18 India Holdings Private Limited, Care Websites Private Limited, ibn18 Broadcast Limited and Network18 Media & Investments Limited

AND

In the matter of Television Eighteen India Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The First Transferor Company/
The First Demerged Company/
Applicant Company

AND

In the matter of Web18 Software Services Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Second Transferor Company/
The Second Demerged Company/
Applicant Company

AND

In the matter of IBN18 Media & Software Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Third Transferor Company/
Applicant Company

AND

In the matter of iNews.com Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Fourth Transferor Company/
Applicant Company

AND

In the matter of Television Eighteen Commoditiescontrol.com Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Fifth Transferor Company/
Applicant Company

AND

In the matter of RVT Investments Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Sixth Transferor Company/
Applicant Company

AND

In the matter of Network18 India Holdings Private Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The Seventh Transferor Company/
Applicant Company

AND

In the matter of ibn18 Broadcast Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001

The First Transferee Company/
The First Resulting Company/
Applicant Company

Contd.

AND

In the matter of Network18 Media & Investments Limited, a company incorporated under the Companies Act, 1956, having its registered office at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110001

The Second Transferee Company/
The Second Resulting Company/
Applicant Company

FORM OF PROXY

I/We _____ the undersigned equity shareholder(s) of Television Eighteen India Limited, ("the First Transferor Company"), hereby appoint _____ of _____ and failing him/ her _____ of _____ as my/ our Proxy to act for me/ us at the meeting of equity shareholder(s) of Television Eighteen India Limited, to be held at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi - 110001 on Tuesday, December 21, 2010 at 11.30 am for the purpose of considering and, if thought fit, approving, with or without modifications, the proposed Scheme of Arrangement between Television Eighteen India Limited, Web18 Software Services Limited, IBN18 Media & Software Limited, iNews.com Limited, Television Eighteen Commoditiescontrol.com Limited, RVT Investments Private Limited, Network18 India Holdings Private Limited, Care Websites Private Limited, ibn18 Broadcast Limited and Network18 Media & Investments Limited, and their respective shareholder and creditors 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 of _____ 2010.

Name:

Address:

.....

(For Demat holding)

DP ID No.: Client ID No.:

(For Physical holding)

Folio No.: No. of shares held:

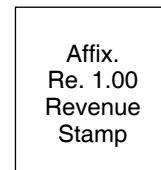
Signature of Shareholders: Sole holder/ First holder:

Second holder:

Signature of Proxy holder (across the revenue stamp)

NOTE:

1. The proxy must be deposited at the registered office of ibn18 Broadcast Limited at 503, 504 & 507, 5th Floor, Mercantile House, 15 Kasturba Gandhi Marg, New Delhi- 110 001, not later than 48 hours before 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.
4. Please affix Revenue Stamp before putting signature.
5. Proxy need not to be a shareholder of the First Transferor Company.



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 equity shareholders of Television Eighteen India Limited ("the First Transferor Company") to be held at FICCI Golden Jubilee Auditorium, Federation House, Tansen Marg, New Delhi - 110001 on Tuesday, December 21, 2010, at 11:30 am for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme of Arrangement between Television Eighteen India Limited, Web18 Software Services Limited, IBN18 Media & Software Limited, iNews.com Limited, Television Eighteen Commoditiescontrol.com Limited, RVT Investments Private Limited, Network18 India Holdings Private Limited, Care Websites Private Limited, ibn18 Broadcast Limited and Network18 Media & Investments Limited and their respective shareholders and creditors and at such meeting and at any adjournment/ adjournments thereof.

Signature of Member/ Proxyholder

Name:

Signature of Joint holder 1

Signature of Joint holder 2

Address:

.....

Folio No/ DP & Client ID No.:

No. of shares held:

NOTES:

1. Members/ proxy holders 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. Members who come to attend the meeting are requested to bring their own copy of Scheme of Arrangement with them.

UPC/BOOK POST

TV18 *If undelivered please return to:*
TELEVISION EIGHTEEN INDIA LIMITED
503,504 & 507, 5th Floor, Mercantile House,
15 Kasturba Gandhi Marg, New Delhi- 110 001