

# RITVIK UPADHYA

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Chamber No. 28, High Court, Allahabad

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08-11-16

*Company Petition*

~~GMWP/SAFAFCR/CR/WP/BAIL/CR APPEAL/No.~~

*27*

OF 2016

*Jagran Prakashan Limited*

Petitioner

Versus

Respondents

DISTRICT *Kanpur Nagar*

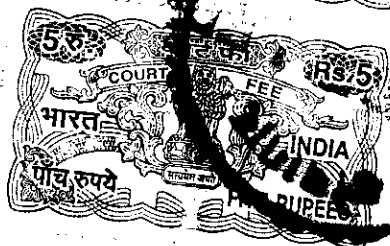
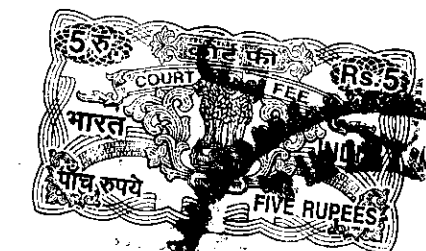
ORDER/JUDGMENT DATED *7/11/2016*

Date of Application *08-11-16*

Date of *10-11-16*

Date of *10-11-16*

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IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD  
ORIGINAL JURISDICTION

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IN THE MATTER OF THE COMPANIES ACT, 1956 AND THE COMPANIES  
ACT, 2013

AND

IN THE MATTER OF THE COMPOSITE SCHEME OF ARRANGEMENT  
INCLUDING AMALGAMATION BETWEEN

JAGRAN PRAKASHAN LIMITED.....Petitioner/Amalgamated Company

AND

CRYSTAL SOUND & MUSIC PRIVATE LIMITED

.....Transferor Company 1

AND

SPECTRUM BROADCAST HOLDINGS PRIVATE LIMITED

.....Transferor Company 2

AND DEMERGER OF

SHRI PURAN MULTIMEDIA LIMITED .....Demerged Company

WITH

MUSIC BROADCAST LIMITED .....Resulting Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956 READ

WITH SECTIONS 100 TO 103 OF THE COMPANIES ACT, 1956 AND

SECTION 52 OF THE COMPANIES ACT, 2013)

**COMPANY PETITION NO. 27 OF 2016**

CONNECTED WITH

**COMPANY APPLICATION NO. 12 OF 2016**

On behalf of

JAGRAN PRAKASHAN LIMITED.....Petitioner/Amalgamated Company

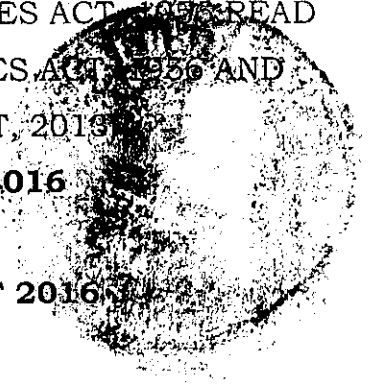
Before the Hon'ble Mr. Justice Pankaj Mithal

Dated: 22.09.2016

**ORDER ON PETITION**

The above petitions coming on for hearing on 22.09.2016, upon reading the petitions, the order dated 17.03.2016 whereby the meetings of the shareholders and the creditors of the petitioner/demerged company Shri

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Puran Multimedia were dispensed with and the order dated 17.03.2016 whereby this court dispensed with meeting of the creditors of the petitioner/amalgamated company Jagran Prakashan Limited and permitted the said company to hold e-voting and voting by postal ballots of its shareholders for the purpose of considering, and if thought fit, approving, with or without modification, the arrangement proposed to be made between the aforesaid companies and annexed to the affidavit of Shri Amit Jaiswal filed on the 4<sup>th</sup> day of July 2016 and the newspapers Dainik Jagran and Business Standard dated 17<sup>th</sup> May 2016 each containing the advertisement of the said notice of e-voting and postal ballot directed to be held by the said order dated 17.03.2016 filed the 4<sup>th</sup> day of July 2016 showing the publication and despatch of the notices convening the said e-voting and postal ballot, the report of the Chairman of the petitioner/amalgamated company Jagran Prakashan Limited dated 24.06.2016 as to the result of the said e-voting and postal ballot and upon hearing Shri V.K. Upadhyya, Senior Advocate, assisted by Shri Ritvik Upadhyya, Advocate, for the petitioner companies and it appearing from the report and the record of the petitions that the proposed Scheme of Arrangement has been approved by a majority of not less than three-fourth in value of the shareholders of the said petitioner companies as well as by the creditors of the said companies.

In view of the above this court doth sanction the Scheme of Arrangement filed with the said petitions in so far as it pertains to the amalgamation contained in Part III thereof and demerger as contained in Part II thereof.

AND THIS COURT DOTH FURTHER ORDER:-

That the parties to the said Scheme of Arrangement or other persons interested shall be at liberty to apply to this court for any direction that may be necessary in regard to the working of the sanctioned Scheme of Arrangement, and

That the said companies do file with the Registrar of Companies a certified copy of this order within 30 days from this date.

#### **SCHEDULE**

Scheme of Arrangement as sanctioned by the court—Annexed

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IN THE HIGH COURT OF JUDICATURE AT ALLAHABAD,  
ORIGINAL JURISDICTION

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**ANNEXURE NO.4 IN**  
**COMPANY PETITION NO. OF 2016**  
CONNECTED WITH COMPANY APPLICATION NO. 12 OF 2016  
(On behalf of)

JAGRAN PRAKASHAN LIMITED ---Petitioner / Amalgamated Company

**DISTRICT : KANPUR NAGAR**

IN THE MATTER OF THE COMPANIES ACT, 1956 AND  
COMPANIES ACT, 2013

AND

IN THE MATTER OF THE COMPOSITE SCHEME OF  
ARRANGMENT

INCLUDING AMALGAMATION BETWEEN

JAGRAN PRAKASHAN LIMITED .. Petitioner/Amalgamated Company

AND

CRYSTAL SOUND & MUSIC PRIVATE LIMITED

...Transferor Company 1

AND

SPECTRUM BROADCAST HOLDINGS PRIVATE LIMITED

....Transferor Company 2

AND DEMERGER OF

SHRI PURAN MULTIMEDIA LIMITED ..... Demerged Company

WITH

MUSIC BROADCAST LIMITED

....Resulting Company

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 1956  
READ WITH SECTIONS 100 TO 103 OF THE COMPANIES ACT,  
1956 AND SECTION 52 OF THE COMPANIES ACT, 2013)

**SCHEME OF ARRANGEMENT**

**BETWEEN**

**JAGRAN PRAKASHAN LIMITED (AMALGAMATED COMPANY)**

**AND**

**CRYSTAL SOUND & MUSIC PRIVATE LIMITED (TRANSFEROR COMPANY 1)**

**AND**

**SPECTRUM BROADCAST HOLDINGS PRIVATE LIMITED (TRANSFEROR COMPANY 2)**

**AND**

**SHRI PURAN MULTIMEDIA LIMITED (DEMERGED COMPANY)**

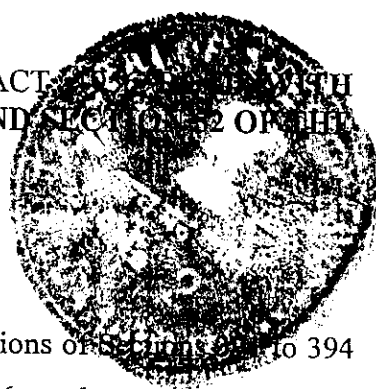
**AND**

**MUSIC BROADCAST LIMITED (RESULTING COMPANY)**

**AND**

**THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

UNDER SECTIONS 391 TO 394 OF THE COMPANIES ACT, 2013 AND WITH SECTIONS 100 TO 103 OF THE COMPANIES ACT 1956 AND SECTION 52 OF THE COMPANIES ACT 2013.



**PREAMBLE**

This Scheme of Arrangement is presented pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956, and any corresponding provisions of the Companies Act, 2013 upon their notification (including any statutory modifications or re-enactments thereof) read with sections 100 to 103 of the Companies Act 1956 and section 52 of the Companies Act 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013 for the time being in force, between Jagran Prakashan Limited (hereinafter referred to as "JPL" or "Amalgamated Company"), Crystal Sound & Music Private Limited (hereinafter referred to as "Crystal" or "Transferor Company 1"), Spectrum Broadcast Holdings Private Limited (formerly known as IVF Holdings Private Limited and hereinafter referred to as "Spectrum" or "Transferor Company 2"), Shri Puran Multimedia Limited (formerly known as Shri Puran

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Finance and Leasing Limited and hereinafter referred to as "SPML" or "Demerged Company") and Music Broadcast Limited (formerly known as Music Broadcast Private Limited) (hereinafter referred to as "MBL" or "Resulting Company"). The scheme is for the amalgamation of Crystal Sound & Music Private Limited and Spectrum Broadcast Holdings Private Limited into JPL and demerger of Radio Business Undertaking of Shri Puran Multimedia Limited into Music Broadcast Limited.

## 1 INTRODUCTION AND OBJECTIVE OF THE SCHEME

### 1.1 INTRODUCTION

#### 1.1.1 Jagran Prakashan Limited

(i) Jagran Prakashan Limited ("JPL" or "Amalgamated Company") is a public limited company incorporated on 18th July, 1975. The equity shares of JPL are listed on the Bombay Stock Exchange Limited ("BSE") and the National Stock Exchange of India Limited ("NSE"). Its registered office is situated at Jagran Building, 2 Sarvodaya Nagar, Kanpur - 208 005, Uttar Pradesh.

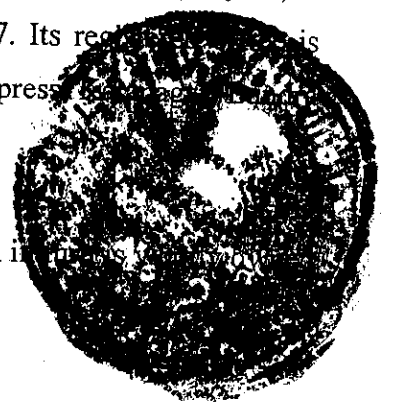
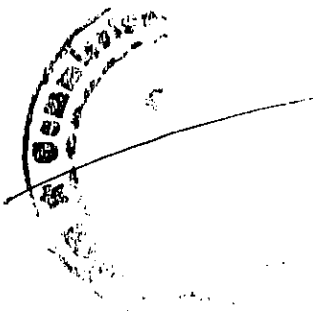
(ii) JPL is engaged in publication of newspapers, magazines, journals, outdoor advertisement, event management, ground activation and promotional business, value added services through mobile and maintaining and running various web portals.

#### 1.1.2 Crystal Sound & Music Private Limited

(i) Crystal Sound & Music Private Limited ("Crystal" or "Transferor Company 1") is a private limited company incorporated on 24<sup>th</sup> May, 2007. Its registered office is situated at 5th Floor, RNA Corporate Park, Off Western Express Road, Andheri (East), Mumbai-400051, Maharashtra.

(ii) The company is currently wholly owned by Spectrum which is owned by JPL. Crystal holds 21.48% of equity capital of MBL.

(iii) Crystal is engaged in event management, on ground activation and promotional business.



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**1.1.3 Spectrum Broadcast Holdings Private Limited**

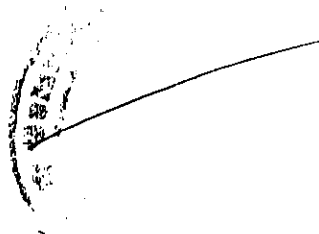
- (i) Spectrum Broadcast Holdings Private Limited (“Spectrum” or “Transferor Company 2”) is a private limited company incorporated on 09<sup>th</sup> September, 2005. Its registered office is situated at 5th Floor, RNA Corporate Park, Off Western Express Highway Kalanagar, Bandra (E), Mumbai - 400051, Maharashtra.
- (ii) Transferor Company 2 is currently a wholly owned subsidiary of JPL. Spectrum holds 71.34% of equity capital of MBL and 100% of equity capital of Crystal. Spectrum is the recognized largest Indian Shareholder under the guidelines issued by Government of India for owning, investing in and running the FM Radio Stations in the country.

**1.1.4 Shri Puran Multimedia Limited**

- (i) Shri Puran Multimedia Limited (“SPML” or “Demerged Company”) is a public limited company incorporated on 27<sup>th</sup> December, 1991. Its registered office is situated at 2, Sarvodaya Nagar, Kanpur - 208005, Uttar Pradesh.
- (ii) SPML is presently engaged in the business of operating private FM radio business since 2007 prior to which it was carrying on finance and leasing business. It operates 8 private FM Radio stations under the brand name Radio Mantra and activation business.
- (iii) The entire shareholding of SPML is held by the promoters of JPL and their family members.

**1.1.5 Music Broadcast Limited**

- (i) Music Broadcast Limited (“MBL” or “Resulting Company”) is a public limited company incorporated on 4<sup>th</sup> November, 1999. The Non-Convertible Debentures (NCD) of MBL are listed on the Bombay Stock Exchange Limited (BSE). Its registered office is situated at 5th Floor, RNA Corporate Park, Off Western Express Highway Kalanagar, Bandra (East), Mumbai – 400051, Maharashtra.
- (ii) The Company is inter alia engaged in operating FM radio stations across India under the brand name “Radio City 91.1FM”.



**1.2 RATIONALE OF THE SCHEME**

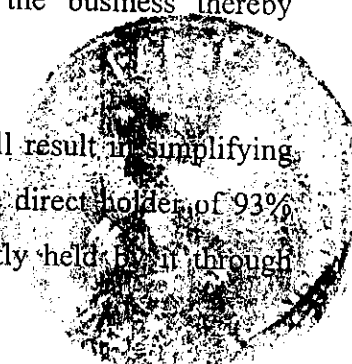
1.2.1 The circumstances that have necessitated or justified the proposed Scheme and its main benefits are inter alia, summarized as under: -

**a) Part II of the Scheme: -**

- (i) Demerger of Radio Business Undertaking into MBL would enable MBL to consolidate related business, bring cost synergies and have focused management attention towards the business thereby enabling better growth in revenues and profits.
- (ii) Demerger of the Radio Business Undertaking into MBL would more specifically help in increasing revenue and saving various administrative, managerial and other costs through various synergies besides improving organizational efficiency.

**b) Part III of the Scheme:**

- (i) The Amalgamated Company ("JPL") is engaged in the event, ground activation and promotional business amongst other businesses. The Transferor Company 1 is also engaged in same line of business as the Amalgamated Company. Consolidation of business of Transferor Company 1 would enable JPL to consolidate the related business, bring cost synergies and have focused management attention towards the business thereby enabling better growth in revenues and profits.
- (ii) Amalgamation of Transferor Companies into JPL will result in simplifying the ownership structure such that JPL would become direct holder of 93% approx. of equity capital of MBL, which is indirectly held by it through Transferor Companies.
- (iii) JPL acquired 100% equity capital of Transferor Company 2 with the intention to ultimately consolidate the businesses of Transferor Companies into itself and derive the benefit of synergies. The Transferor Company 2 holds the equity stake in MBL to the extent of 71.34% and equity stake in Transferor Company 1 to the extent of 100%. Further, the said amalgamation will give JPL a valuable right of owning and running FM Radio Station in the country.

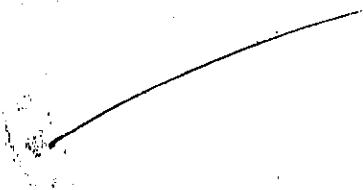


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- (iv) The Amalgamation will improve key financial ratios of JPL and will enable it to present healthier balance sheet
  
- (v) Consolidation of the business and asset of Transferor Company 1, Transferor Company 2 and JPL would help the three companies in saving various administrative, managerial and other costs and improving organizational efficiency.

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### 1.3 PARTS OF THE SCHEME

The Scheme is divided into the followings parts:

**Part I** – deals with Definitions, Interpretations and Share Capital

**Part II** – deals with the Demerger of Radio Business Undertaking of Demerged Company into Resulting Company

**Part III**– deals with the Merger of Transferor Company 1 and Transferor Company 2 with Amalgamated Company

**Part IV** – deals with the consideration for Part II and Part III of the Scheme

**Part V** – deals with General Terms and Conditions

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**Part I****2 DEFINITIONS, INTERPRETATION AND SHARECAPITAL****2.1 DEFINITIONS**

In this Scheme (as defined hereinafter), unless inconsistent with the subject or context, the following expressions shall have the meaning as mentioned herein below: -

- 2.1.1 **“Act” or “The Act”** means the Companies Act, 1956, and Rules made thereunder /or the corresponding provisions of the Companies Act 2013, (including any statutory modifications, amendments, or re-enactment thereof for the time being in force) as are applicable from time to time.
- 2.1.2 **“Amalgamated Company” or “JPL”** means Jagran Prakashan Limited.
- 2.1.3 **“Appointed Date”** means 1<sup>st</sup> January 2016 or such other date as may be agreed by the Transferor Companies, Amalgamated Company, Resulting Company and the Demerged company, and as approved by High Courts.
- 2.1.4 **“Board of Directors” or “Board”** shall mean the Board of Directors of **Amalgamated Company, Transferor Company 1, Transferor Company 2, Demerged Company or Resulting Company**, as the case may be, and includes any Committee of Directors or any person authorized by the Board of Directors or any person authorized by such Committee of Directors, for the purpose of this scheme.
- 2.1.5 **“Demerged Company” or “SPML”** means Shri Puran Multimedia Limited (formerly known as Shri Puran Finance and Leasing Limited).
- 2.1.6 **“Effective Date”** means, the date or the last of dates on which certified copies of the order of the Hon'ble High Court of Maharashtra and High Court of Uttar Pradesh sanctioning the scheme are filed with the Registrar of Companies, **OR** the last of the dates on which the last of the approvals in clause 26 of the Scheme are obtained, whichever is later. Any references in the Scheme by the words “upon the Scheme becoming effective” or “effectiveness of the Scheme” shall mean the “Effective Date”.

- 2.1.7 **“High Courts”** means the Hon’ble High Court of Uttar Pradesh at Allahabad having jurisdiction in relation to the Amalgamated Company and Demerged Company, and Hon’ble High Court of Maharashtra at Mumbai having jurisdiction in relation to the Transferor Company 1, Transferor Company 2 and Resulting Company, or such other competent authority or the National Company Law Tribunal or such other forum or authority, as may be vested with the power of the High Court for sanction of the scheme presently submitted under Sections 391 – 394 of the Act read with sections 100 to 103 of the Companies Act 1956 and section 52 of the Companies Act 2013 and other applicable provisions of the Companies Act, 1956 and Companies Act, 2013
- 2.1.8 **“IT Act”** means the Income-tax Act, 1961 including any statutory modifications, re-enactments or amendments thereof for the time being in force.
- 2.1.9 **“Radio Business Undertaking”** shall mean the Radio Business of the Demerged Company and shall include all the assets, liabilities and employees of Demerged Company related to such Radio Business and in particular includes the following:
- a. all assets and properties, tangible or intangible, including all rights, title and interest in connection with the land and buildings thereon whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, fixed or movable, and whether leased or otherwise, capital work in progress, other fixed assets, trademarks, brands, know-how, loans, advances, inventory and work in progress relating to the Radio Business of Demerged Company as on the Appointed Date.
  - b. all the debts, borrowings and liabilities, including contingent liabilities, present or future, whether secured or unsecured, pertaining to the Radio Business of Demerged Company as on the Appointed Date.
  - c. All statutory licenses including license to own and run FM Radio Station, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), relating to the Radio Business of Demerged Company as on the Appointed Date.

- d. all employees engaged in the Radio Business of Demerged Company.
- e. all earnest monies and/or security deposits in connection with or relating to the Radio Business of Demerged Company.
- f. all records, files, papers, engineering and process information, computer programs, manuals, data, quotations, sales and advertising materials, list of present and former customers and suppliers, customers credit information, customers pricing information and other records, whether in physical form or electronic form in connection with or relating to Radio Business of the Demerged Company.

2.1.10 **"Record Date"** means the date to be fixed by the Board of Directors of the Demerged Company for determining names of the equity shareholders of the Demerged Company, who shall be entitled to shares of the Demerged Company as specified under Clause 21.1 of this Scheme.

2.1.11 **"Resulting Company"** or **"MBL"** means Music Broadcast Limited.

2.1.12 **"Remaining Undertaking of Demerged Company"** shall mean and include the whole of assets, properties, liabilities and the undertaking(s) and entire business(s) of Demerged Company excluding the Radio Business Undertaking as defined in Clause 2.1.9 and specifically include the following (without limitation) other than those pertaining to the Radio Business Undertaking: -

- a. All the assets / properties of Demerged Company (other than those pertaining to the Radio Business Undertaking), whether movable or immovable, whether tangible or intangible including all rights, title, interest, covenant, including continuing rights, title and interest in connection with the land and the buildings thereon whether corporeal or incorporeal, leasehold or freehold, and includes all rights, titles, interest and covenant, undertakings, liability relating thereto, capital work in progress, other fixed assets, inventory and work in progress, investments in shares, all the loans and includes all rights, titles, interest and advances of Demerged Company (other than those pertaining to the Radio Business Undertaking) as on the Appointed Date.
- b. All the debts and liabilities, present or future, whether secured or unsecured of the Demerged Company (other than those pertaining to the Radio Business Undertaking) as on the Appointed Date.



- c. All statutory licenses, approvals, permissions, no-objection certificates, permits, consents, patents, trademarks, tenancies, offices, depots, quotas, rights, entitlements, privileges, benefits of all contracts / agreements (including, but not limited to, contracts / agreements with vendors, customers, government etc.), all other rights (including, but not limited to, right to use and avail electricity connections, water connections, environmental clearances, telephone connections, facsimile connections, telexes, e-mail, internet, leased line connections and installations, lease rights, easements, powers and facilities), of Demerged Company (other than those pertaining to the Radio Business Undertaking ) as on the Appointed Date.
- d. All staff, workmen, and employees engaged in Demerged Company (other than those pertaining to the Radio Business Undertaking );
- e. All records, files, papers, information, computer programs, manuals, data, catalogues, quotations, sales advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form of Demerged Company (other than those pertaining to the Radio Business Undertaking).

2.1.13 **“Scheme” or “this scheme” or “Composite Scheme of Arrangement”** means this Composite Scheme of Arrangement in its present form as submitted to the High Court of Maharashtra and High Court of Uttar Pradesh, with such modification(s), if any, as may be approved or imposed or directed by the High Courts.

2.1.14 **“SEBI”** means Securities and Exchange Board of India.

2.1.15 **“Transferor Company 1” or “Crystal”** means Crystal Sound & Music Private Limited.

2.1.16 **“Transferor Company 2” or “Spectrum”** means Spectrum Broadcast Holdings Private Limited.

2.1.17 **“Transferor Companies”** shall collectively refer to Transferor Company 1 and Transferor Company 2.

2.1.18 **“Undertaking”** means the entire business of the Transferor Companies on a going concern basis subject to clause 12.2 and includes the following

- a. all the assets, leasehold or freehold, tangible or intangible including trade marks and licences, real or personal, corporeal or incorporeal, in possession or



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reversion, present, future or contingent, of whatsoever nature and wherever situated, intellectual property rights and all other claims, estate, interest, goodwill, powers, properties, rights and titles of every description of, or relating to, the Transferor Companies as on the Appointed Date; and

- b. all the debts, duties liabilities and obligations of any and every description of or pertaining to the Transferor Companies as on the Appointed Date whether provided for or not in the books of account of the Transferor Companies and whether disclosed or undisclosed in their balance sheets.

2.2 The expressions which are used in this Scheme and not defined in this Scheme shall, unless repugnant or contrary to the context or meaning hereof, have the same meaning ascribed to them under the Act and / or other applicable laws, rules, regulations, bye-laws, as the case may be, including any statutory modification or re-enactment thereof, from time to time. In particular, wherever reference is made to the Hon'ble High Court(s) in this 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 any of the powers of a High Court under the Act.

### 2.3 DATE OF TAKING EFFECT AND OPERATIVE DATE

2.3.1 The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Courts, shall be effective from the Appointed Date, but shall be operative from the Effective Date.

### 2.4 SHARE CAPITAL OF THE COMPANIES

2.4.1 The Authorized, Issued, Subscribed and Paid-up share capital of JPL as on September 30, 2015 is as under :-

Particulars	Amount in Rupees
<b>Authorized Capital</b>	
375,000,000 Equity Shares of Rs.2 each	750,000,000
<b>TOTAL</b>	<b>750,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
326,911,829 Equity Shares of Rs.2 each fully paid-up	653,823,658
<b>TOTAL</b>	<b>653,823,658</b>

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Subsequent to the aforesaid date, there is no change in the Authorized, Issued, Subscribed and Paid-up share capital of JPL.

2.4.2 The Authorized, Issued, Subscribed and Paid-up share capital of Crystal as on September 30, 2015 is as under :-

Particulars	Amount in Rupees
<b>Authorized Capital</b>	
400,000 Equity shares of Rs.10/- each	4,000,000
350,000 Preference shares of Rs.10/- each	3,500,000
<b>Total</b>	<b>7,500,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
73,708 Equity shares of Rs.10/- each fully paid-up	737,080
<b>Total</b>	<b>737,080</b>

All the above Equity Shares are held by Spectrum Broadcast Holdings Private Limited (formerly known as IVF Holdings Private Limited)

2.4.3 The Authorized, Issued, Subscribed and Paid-up share capital of Spectrum as on September 30, 2015 is as under :-

Particulars	Amount in Rupees
<b>Authorized Capital</b>	
2,000,000 Equity shares of Rs.10/- each	20,000,000
<b>Total</b>	<b>20,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
2,000,000 Equity shares of Rs.10/- each fully paid-up	20,000,000
<b>Total</b>	<b>20,000,000</b>

All the above Equity Shares are held by JPL.

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2.4.4 The Authorized, Issued, Subscribed and Paid-up share capital of SPML as on September 30, 2015 is as under : -

Particulars	Amount in Rupees
<b>Authorized Capital</b>	
3,50,00,000 Equity shares of Rs.10/- each	350,000,000
<b>Total</b>	<b>350,000,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
3,50,00,000 Equity shares of Rs.10/- each fully paid-up	350,000,000
<b>Total</b>	<b>350,000,000</b>

2.4.5 The Authorized, Issued, Subscribed and Paid-up share capital of MBL as on September 30, 2015 is as under : -

Particulars	Amount in Rupees
<b>Authorized Capital</b>	
42,000,000 Equity shares of Rs.10/- each	420,000,000
50,000 Convertible Redeemable Preference Shares of Rs.10/- each	500,000
<b>Total</b>	<b>420,500,000</b>
<b>Issued, Subscribed and Paid-up Capital</b>	
41,917,767 Equity shares of Rs.10/- each fully paid-up	419,177,670
<b>Total</b>	<b>419,177,670</b>

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PART II

DEMERGER OF RADIO BUSINESS UNDERTAKING OF DEMERGED  
COMPANY INTO RESULTING COMPANY

3 TRANSFER AND VESTING OF RADIO BUSINESS UNDERTAKING

- 3.1 Upon this Scheme becoming effective and with effect from the Appointed Date, all properties, assets, liabilities forming part of Radio Business Undertaking of the Demerged Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company under the provisions of Section 391 to 394 of the Act and in accordance with Section 2(19AA) of the Income-tax Act, 1961, without any further act, deed, matter or thing, be and stand transferred to and vested in and shall be deemed to be transferred to and vested in the Resulting Company on a going concern basis.
- 3.2 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all the assets of the Radio Business Undertaking of the Demerged Company (including specifically all licenses pertaining to the Radio Business Undertaking) as are movable in nature or are otherwise capable of transfer by manual delivery or by endorsement and delivery, shall stand vested in the Resulting Company, and shall become the property and an integral part of the Resulting Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties upon its transfer and vesting in Resulting Company.
- 3.3 In respect of movables other than those dealt with in Clause 3.2 above including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Resulting Company without any notice or other intimation to the debtors (although the Resulting Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or depositor, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Resulting Company).

- 3.4 Upon the coming into effect of this Scheme and with effect from the Appointed Date all liabilities relating to and comprised in the Radio Business Undertaking including all secured and unsecured debts, sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Demerged Company of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.
- 3.5 The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Radio Business Undertaking of Demerged Company.
- 3.6 All staff, workmen and employes as detailed under Clause 2.1.9 above in relation to the Demerged Company shall stand transferred to the Resulting Company, without any further act or deed to be done by the Demerged Company or the Resulting Company.
- 3.7 All items as detailed under Clause 2.1.9 in relation to the Demerged Company shall stand transferred to or vested in the Resulting Company, without any further act or deed done by the Demerged Company or the Resulting Company.
- 3.8 Pursuant to the scheme becoming effective, the Resulting Company shall, if so required under any law or otherwise, execute deeds of confirmation or other writings or arrangement with any party to any contract or arrangement relating to Radio Business Undertaking to which the Demerged Company is a party in order to give formal effect to the above provisions. The Resulting Company shall, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on part of the Demerged Company.
- 3.9 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternative Tax), Cenvat credit for excise/service tax VAT, sales tax, service tax etc relating to the Radio Business Undertaking to which Demerged Company is entitled to shall be available to and vest in the Resulting Company.



- 3.10 Pursuant to this Scheme becoming effective, the Resulting Company shall be entitled to secure the record of the change in the legal ownership upon the vesting of the assets of the Demerged Company relating to Radio Business Undertaking in accordance with the provisions of Sections 391 to 394 of the Act. The Demerged Company and the Resulting Company shall be jointly and severally authorized to execute any writings and / or carry out any formalities or compliance in this regard.
- 3.11 All the licenses, permits, quotas, approvals (including, but not limited to, statutory and regulatory approvals, permissions, registrations, incentives, accumulated tax losses, MAT Credit entitlement, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Demerged Company and all rights and benefits that have accrued or which may accrue to the Demerged Company, whether before or after the Appointed Date, relating to Radio Business Undertaking shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Resulting Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, accumulated tax losses, MAT Credit entitlement, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Resulting Company and shall remain valid, effective and enforceable on the same terms and conditions.
- 3.12 The Resulting Company may, at its discretion, but shall not be compulsorily required to, file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including, but not limited to, permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Demerged Company relating to the Radio Business Undertaking.

**4 LEGAL PROCEEDINGS**

- 4.1 If any suit, appeal or other proceedings of whatever nature by or against the Demerged Company relating to the Radio Business Undertaking is pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this demerger or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Resulting Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Demerged Company as if the Scheme had not been made.



4.2 On and from the Effective Date, the Resulting Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Radio Business Undertaking of the Demerged Company.

**5 CONTRACTS, DEEDS OTHER INSTRUMENTS**

5.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature relating to Radio Business Undertaking to which the Demerged Company is a party, or the benefit to which the Demerged Company may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favor of Resulting Company and may be enforced as fully and effectively as if instead of the Demerged Company, the Resulting Company had been a party or beneficiary thereto. Further, Resulting Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Demerged Company and to implement or carry out all formalities required on the part of the Demerged Company, to give effect to the provisions of this Scheme.

5.2 As a consequence of the demerger of the Radio Business Undertaking of the Demerged Company into Resulting Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Demerged Company to the Resulting Company, whether pertaining to any license, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.

**6 STAFF, WORKMEN, AND EMPLOYEES**

6.1 Upon the Scheme becoming effective, all staff, workmen and employees on the payrolls of the Demerged Company relating to Radio Business Undertaking, in service on the Effective Date shall be deemed to have become staff, workmen, and employees of Resulting Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting with reference to Demerged Company as on the said date.

6.2 As of the date of filing of this Scheme, the Demerged Company shall make contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees. The Resulting Company shall,



subsequent to the Effective Date, make appropriate contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme.

- 6.3 It is clarified that the services of all transferred staff, workmen and employees of the Demerged Company, to the Resulting Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Demerged Company shall also be taken into account by the Resulting Company, who shall pay the same if and when payable.

## 7 DIVIDEND

- 7.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Demerged Company from declaring and paying dividends, whether interim or final, to its equity shareholders.
- 7.2 The Resulting shall however not make any declaration of dividend between the date of filing of this Scheme and the Effective Date.
- 7.3 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Demerged Company and/or the Resulting Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Demerged Company and/or the Resulting Company and subject, wherever necessary, to the approval of the shareholders of the Demerged Company and/or the Resulting Company, respectively.

## 8 SAVING OF CONCLUDED TRANSACTIONS

- 8.1 The transfer of Radio Business Undertaking as above and the continuance of proceedings by or against the Demerged Company in relation to the Radio Business Undertaking, shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Resulting Company, accepts and adopts all acts, deeds and things done and executed by the

Demerged Company, in relation to the Radio Business Undertaking or in respect thereto as done and executed on behalf of the Resulting Company.

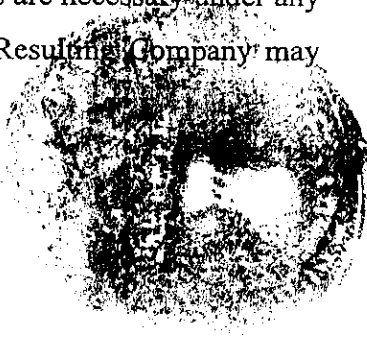
**9 CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**

During the period between the Appointed Date and the Effective Date:

9.1 The Demerged Company shall carry on and be deemed to have carried on business and activities in relation to the Radio Business Undertaking, and shall hold and deal with all assets and properties and stand possessed of all rights, title, interest and authorities of the Radio Business Undertaking, for and on account of and in trust for the Resulting Company.

9.2 Any profit accruing or arising to or loss incurred by the Demerged Company in relation to the Radio Business Undertaking and all costs, charges, expenses and losses, arising or incurred by the Demerged Company in relation to the Radio Business Undertaking shall for all purposes including but not limited to for tax purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the Resulting Company.

9.3 The Demerged Company shall, pending the sanction of the Scheme by the High Courts, apply to the Central Government or any State Government and all other ministries, agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to own and carry on the Radio Business Undertaking.



**10 ACCOUNTING TREATMENT**

**10.1 IN THE BOOKS OF RESULTING COMPANY**

10.1.1 Upon coming into effect of this Scheme, Resulting Company shall record the assets and liabilities of the Radio Business Undertaking at the respective book values appearing in the books of Demerged Company at the close of business on the day immediately preceding the Appointed Date.

10.1.2 The Resulting Company shall record the assets and liabilities (including receivables and payables) of the Radio Business Undertaking at their respective values

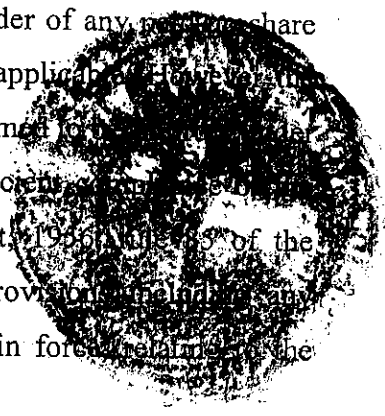
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(ignoring revaluation, if any), as appearing in the books of account of the Demerged Company at the close of the business of the day immediately preceding the Appointed Date. The Resulting Company shall credit the aggregate face value of the new equity shares to be issued by the Resulting Company to the shareholders of the Demerged Company pursuant to this Scheme to the Share Capital Account in its books of account.

10.1.3 The difference between the aggregate of the recorded value of assets in the books of accounts of the Resulting Company over the aggregate of the recorded value of the liabilities in the books of accounts of the Resulting Company (i.e net assets) and the aggregate face value of the equity shares allotted by the Resulting Company under Clause 10.1.2 shall be adjusted in the Securities Premium account directly in the Balance Sheet of MBL.

10.1.4 Expenses incurred in connection with the Scheme and to put it into operation and any other expenses or charges attributable to the implementation of the Scheme (including but not limited to share issue expenses, stamp duty, re-registration expenses, shareholders / Creditors meeting expenses , legal and advisory fees ) shall be written-off against Securities Premium account.

The adjustment of the Securities Premium Account in Clauses 10.1.3 and 10.1.4 above, shall be effected in terms of this Scheme and in accordance with the provisions of Section 52 of the Companies Act, 2013 read with Sections 78, 100 to 104 of the Act and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any part of share capital, the provisions of Section 101 of the Act are not applicable. The order of the High Court sanctioning the Scheme shall be deemed to be in compliance with Section 102 of the Act confirming the reduction and sufficient compliance with the provisions of Sections 100 to 103 of the Companies Act, 2013 and the provisions of the Companies (Court) Rules, 1959, and other applicable provisions of the Companies Act, 2013 and any modifications or re-enactment thereof for the time being in force relating to the reduction of share capital.



10.1.5 Notwithstanding the reduction as mentioned above, the Resulting Company shall not be required to add "and reduced" as a suffix to its name and shall continue in its existing name.

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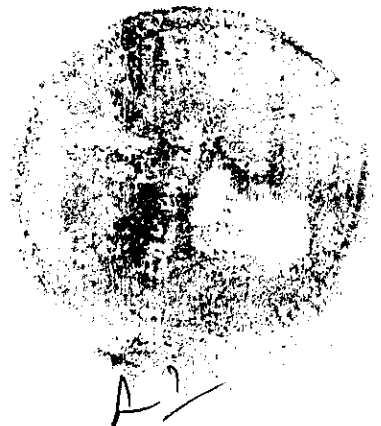
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**10.2 IN THE BOOKS OF DEMERGED COMPANY**

- 10.2.1 Upon the coming into effect of this Scheme, the book value of assets and liabilities transferred to the Resulting Company shall be reduced from the book value of assets and liabilities of Demerged Company.
- 10.2.2 The difference between the amount of assets and liabilities so transferred in accordance with the aforesaid clause will be adjusted in the securities premium account directly in the Balance Sheet of SPML.
- 10.2.3 The adjustment of the Securities Premium Account in Clause 10.2.2 above, shall be effected in terms of this Scheme and in accordance with the provisions of Sections 78, 100 to 104 of the Act and as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. However the order of the High Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.

**11 REMAINING UNDERTAKING OF THE DEMERGED COMPANY**

- 11.1 The Remaining Undertaking of the Demerged Company as defined in Clause 2.1.12 after demerger of Radio Business Undertaking shall continue to belong to and be vested in and be managed by the Demerged Company.



**PART-III**

**MERGER OF TRANSFEROR COMPANY 1 AND TRANSFEROR COMPANY 2  
WITH AMALGAMATED COMPANY**

**12 TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR  
COMPANIES WITH AMALGAMATED COMPANY**

12.1 Upon this Scheme becoming effective and with effect from the Appointed Date and subject to Clause 12.2, all properties, assets including investments licences and other intangibles, and liabilities of the Undertaking of the Transferor Companies shall stand transferred to and vested in or deemed to be transferred to and vested in the Amalgamated Company as a going concern, under the provisions of Section 391 to 394 and all other applicable provisions, if any, of the Act, without any further deed or act, subject to existing charges or liens pending, if any thereon, in favor of banks / financial institutions.

12.2(a) In order to ensure efficient realization / liquidation, as the case may be, of the trade receivables, trade payables, balances due to and due from MBL and liability for expenses of the Transferor Company 1, the same have been agreed to be taken over by MBL by way of a separate assignment deed which would be executed within 30 days from the date of filing of this Scheme, but before the Effective Date. The appropriate consideration, as may be mutually agreed, will be paid by MBL to the Amalgamated Company.

(b) Since the loans given to SPFL Commodities Private Limited and loans taken from Jagran Media Network Investment Private Limited, along with unpaid interest, if any, by the Transferor Company 2, are not directly related to the Amalgamated Company's business, the same have been agreed to be transferred to and taken over by Sarvodaya Finadvisory Services Private Limited by way of a separate assignment deed which would be executed within 30 days from the date of filing of this Scheme, but before the Effective Date and appropriate consideration, as may be mutually agreed, will be paid by Sarvodaya Finadvisory Services Private Limited to the Amalgamated Company.

12.3 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date and subject to Clause 12.2 all the assets of the Undertaking of Transferor Companies as are movable in nature or are otherwise capable of transfer by

manual delivery or by endorsement and delivery, shall stand vested in the Amalgamated Company, and shall become the property and an integral part of the Amalgamated Company. The vesting pursuant to this sub-clause shall be deemed to have occurred by manual delivery or endorsement and delivery, as appropriate to the property being vested, and the title to such property shall be deemed to have transferred and vested accordingly. No stamp duty shall be payable on the transfer of such movable properties (including shares and other investments, which are in dematerialized form) upon its transfer and vesting in Amalgamated Company.

12.4 In respect of movables other than those dealt with in Clause 12.2 above and subject to Clause 12.2 including sundry debts, receivables, bills, credits, loans and advances, if any, whether recoverable in cash or in kind or for value to be received, bank balances, investments, earnest money and deposits with any Government, quasi government, local or other authority or body or with any company or other person, the same shall on and from the Appointed Date stand transferred to and vested in the Amalgamated Company without any notice or other intimation to the debtors (although the Amalgamated Company may, without being obliged, and if it so deems appropriate, at its sole discretion, give notice in such form as it may deem fit and proper, to each person, debtor, or deposited, as the case may be, that the said debt, loan, advance, balance or deposit stands transferred and vested in the Amalgamated Company).

12.5 Upon the Scheme coming into effect on the Effective Date and with effect from the Appointed Date, all existing and future incentives, unavailed credits and exemptions, benefit of carried forward losses and other statutory benefits, including in respect of income tax (including Minimum Alternative Tax), CENVAT credit for exercise/service tax, VAT, sales tax, service tax etc to which Transferor Companies are entitled shall be available to and vest in the Amalgamated Company.

All the licenses, permits, quotas, approvals (including, but not limited to, environmental, statutory and regulatory approvals and consents), permissions, registrations, incentives, tax deferrals, brought forward business losses, unabsorbed depreciation and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges enjoyed or conferred upon or held or availed of by the Transferor Company and all rights and benefits that have accrued or which may accrue to the Transferor Company, whether before or after the Appointed Date, shall, under the provisions of Sections 391 to 394 of the Act and all other applicable provisions, if any, without any further act, instrument or deed, cost or charge be and stand transferred to and vest in or be deemed to be transferred to and vested in and be available to the Amalgamated

Company so as to become as and from the Appointed Date licenses, permits, quotas, approvals, permissions, registrations, incentives, tax deferrals and benefits, subsidies, concessions, grants, rights, claims, leases, tenancy rights, liberties, special status and other benefits or privileges of the Amalgamated Company and shall remain valid, effective and enforceable on the same terms and conditions.

12.6 With effect from the Appointed Date, all letters of intent, requests for proposal, pre-qualifications, bid acceptances, tenders, contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Transferor Companies to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be eligible, shall remain in full force and effect against or in favor of the Amalgamated Company and may be enforced as fully and effectually as if, instead of the Transferor Companies, the Amalgamated Company had been a party or beneficiary or obligee thereto.

12.7 Upon the coming into effect of this Scheme and with effect from the Appointed Date and subject to Clause 12.2, all liabilities relating to and comprised in the Undertaking of the Transferor Companies, including all secured and unsecured debts (whether in Indian rupees or foreign currency), sundry creditors, liabilities (including contingent liabilities), duties and obligations and undertakings of the Transferor Companies of every kind, nature and description whatsoever and howsoever arising, raised or incurred or utilized for its business activities and operations, shall, stand transferred to and vested in or deemed to be transferred to and vested in the Amalgamated Company under the provisions of Sections 391 to 394 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing.

12.8 The transfer and vesting as aforesaid shall be subject to subsisting charges, if any, in respect of any assets of Transferor Companies.

12.9 Upon this Scheme becoming effective, the Amalgamated Company is expressly permitted to prepare consolidated financial statements/ accounts and the consolidated tax returns (prepared in the same manner as would have been prepared had this Scheme been effective on the Appointed Date itself) and to file for the first time and/or revise, as the case may be, returns along with the prescribed forms, filings and annexures thereto under the Income Tax Act, 1961 (including for minimum alternate tax purposes), service tax law, and other tax laws and also to claim refunds and/ or credits for all taxes paid (including minimum alternate tax), if any, irrespective of the statutory due date of filing the return as provided under the Applicable Law in force.

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12.14 The Amalgamated Company may, at its discretion, but shall not be compulsorily required to, file relevant intimations, for the record of the statutory authorities signifying the transfer of the assets / properties including, but not limited to, permissions, approvals, consents, sanctions, remissions, special reservations, incentives, concessions and other authorizations of the Transferor Companies.

**13 LEGAL PROCEEDINGS**

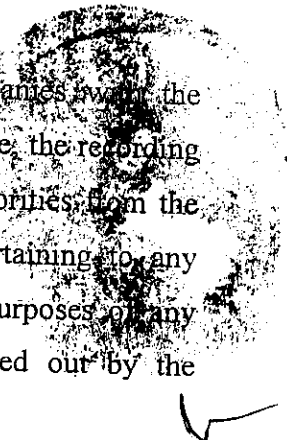
13.1 If any suit, appeal or other proceedings of whatever nature by or against the Transferor Companies are pending, the same shall not abate or be discontinued or in any way be prejudicially affected by reason of this amalgamation or by anything contained in this Scheme, but the said suit, appeal or other legal proceedings may be continued, prosecuted and enforced by or against the Amalgamated Company in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Transferor Companies as if the Scheme had not been made.

13.2 On and from the Effective Date, the Amalgamated Company shall, and may, if required, initiate, continue any legal proceedings in relation to the Transferor Companies.

**14 CONTRACTS, DEEDS OTHER INSTRUMENTS**

14.1 Subject to the other provisions of the Scheme, all contracts, deeds, bonds, agreements and other instruments of whatsoever nature to which the Transferor Companies are a party, or the benefit to which the Transferor Companies may be eligible, subsisting or operative immediately on or before the Effective Date, shall be in full force and effect against or in favor of Amalgamated Company and may be enforced as fully and effectively as if instead of the Transferor Companies, the Amalgamated Company had been a party or beneficiary thereto. Further, Amalgamated Company shall be deemed to be authorized to execute any such deeds, writings or confirmations on behalf of the Transferor Companies and to implement or carry out all formalities required on the part of the Transferor Companies, to give effect to the provisions of this Scheme.

14.2 As a consequence of the amalgamation of the Transferor Companies with the Amalgamated Company in accordance with or pursuant to this Scheme, the recording of change in name in the records of the statutory or regulatory authorities from the Transferor Companies to the Amalgamated Company, whether pertaining to any license, permit, approval or any other matter, or whether for the purposes of any transfer, registration, mutation or any other reason, shall be carried out by the concerned statutory or regulatory or any other authority.



14.3 For removal of doubts, it is expressly made clear that the dissolution of the Transferor Companies without the process of winding up as contemplated hereinafter, shall not, except to the extent set out in the Scheme, affect the previous operation of any contract, agreement, deed or any other instrument or beneficial interest to which the Transferor Companies is a party thereto and shall not affect any right, privilege, obligations or liability, acquired, or deemed to be acquired prior to Appointed Date and all such references in such agreements, contracts and instruments to the Transferor Companies shall be construed as reference only to the Amalgamated Company with effect from the Appointed Date.

**15 STAFF, WORKMEN, AND EMPLOYEES**

15.1 Upon the Scheme becoming effective, all staff, workmen and employees on the payrolls of the Transferor Companies, in service on the Effective Date shall be deemed to have become staff, workmen, and employees of Amalgamated Company on such date without any break or interruption in their service and on the terms and conditions of their employment not less favorable than those subsisting with reference to Transferor Companies as on the said date.

15.2 As of the date of filing of this Scheme, the Transferor Companies shall make contributions to the government maintained provident fund and / or other funds in relation to all its staff, workmen and employees. The Amalgamated Company shall subsequent to the Effective Date make appropriate contributions towards such provident fund and / or other funds in respect of the staff, workmen and employees taken over by it pursuant to this Scheme.

15.3 It is clarified that the services of all transferred staff, workmen and employees of the Transferor Companies, to the Amalgamated Company will be treated as having been continuous for the purpose of the aforesaid employee benefits and / or liabilities. For the purpose of payment of any retrenchment compensation, gratuity, and / or other terminal benefits, and / or any other liability pertaining to staff, workmen and employees, the past services of such staff, workmen and employees with the Transferor Companies shall also be taken into account by the Amalgamated Company, who shall pay the same if and when payable.



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**16 SAVING OF CONCLUDED TRANSACTIONS**

16.1 The transfer of Undertaking as above and the continuance of proceedings by or against the Transferor Companies, shall not affect any transaction or proceedings already concluded on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company, accepts and adopts all acts, deeds and things done and executed by the Transferor Companies as done and executed on behalf of the Transferee Company.

**17 CONDUCT OF BUSINESS UNTIL EFFECTIVE DATE**

During the period between the Appointed Date and the Effective Date:

17.1 The Transferor Companies shall carry on and be deemed to have carried on activities and shall hold and deal with all assets and properties and stand possessed of all rights, title, interest and authorities, for and on account of and in trust for the Transferee Company.

However, this clause shall not be applicable to the assignment of assets and liabilities existing on Appointed Date and detailed in clause 12.2.

17.2 Any profit accruing or arising to or loss incurred by the Transferor Companies and all costs, charges, expenses and losses, arising or incurred by the Transferor Companies shall for all purposes including but not limited to for tax purposes be treated as the income, profits, costs, charges, expenses and losses, as the case may be, of the Transferee Company.

17.3 All the transactions, including but not limited to transactions of sale of any asset/ assignment of any liability, profits and cash accruing to or losses arising or incurred (including the effect of taxes if any thereon) by Transferor Companies, shall for all purposes, be treated as the profits/ cash, taxes or losses, as the case may be, of Transferee Company.

17.4 The Transferor Companies shall, pending the sanction of the Scheme by the High Courts, apply to the Central Government or any State Government and all other ministries, agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Transferee Company may require to own and carry on activity of Transferor Companies.

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## 18 DISSOLUTION WITHOUT WINDING UP

18.1 Upon this Scheme becoming effective, the Transferor Companies shall be dissolved without winding up pursuant to the provisions of Section 394 of the Act.

## 19 ACCOUNTING TREATMENT

### 19.1 IN THE BOOKS OF AMALGAMATED COMPANY:

Upon this Scheme becoming effective, Amalgamated Company shall follow the method of accounting as prescribed under purchase method referred to in Accounting Standard 14- (AS 14) issued by the Institute of Chartered Accountants of India as notified by the Companies (Accounting Standards) Rules, 2006 as under: -

- 19.1.1 The Amalgamated Company shall record investments, assets and liabilities (subject to Clause 12.2) at respective book value as appearing in the books of the Transferor Companies. Certain adjustments as deemed appropriate by Board of Directors may be made to the book values of assets and liabilities of Transferor Companies.
- 19.1.2 The Amalgamated Company shall not record the reserves (whether capital or revenue or arising on revaluation) other than statutory reserve of the Transferor Companies in its books of accounts
- 19.1.3 The balance of the Profit and Loss Account of the Transferor Companies shall be ignored and shall not be recorded in its books.
- 19.1.4 Inter-corporate deposits / Investments / loans and advances outstanding between Transferor Companies and Amalgamated Company (if any) shall stand cancelled and there shall be no further obligation/ outstanding in that behalf and the difference if any shall be adjusted by debit or credit as the case may be to the Capital Reserve.
- 19.1.5 The carrying cost of the investment in the Transferor Companies which shall stand canceled on the Scheme becoming effective, shall be recognized as goodwill arising on amalgamation.

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19.1.6 In case of any difference in accounting policy between the Transferor Company 1 and the Amalgamated Company, or any difference in accounting policy between the Transferor Company 2 and the Amalgamated Company, the accounting policy followed by the Amalgamated company shall prevail and the difference till the Appointed date will be quantified and adjusted in accordance with Accounting Standard 5, i.e. 'Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies' as specified under section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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**PART-IV**

**CONSIDERATION AND ISSUE OF SHARES FOR PART II AND PART III OF THE SCHEME**

**20 NO CONSIDERATION FOR PART III AND CANCELLATION OF EQUITY SHARES HELD BY AMALGAMATED COMPANY IN THE TRANSFEROR COMPANIES**

20.1 For the purpose of this Scheme, it is hereby clarified that since the Transferor Company 1 is a wholly owned subsidiary of Transferor Company 2, which in turn is a wholly owned subsidiary of the Amalgamated Company, therefore there would be no issue of shares by the Amalgamated Company to the shareholders of the Transferor Company 1 in this regard.

20.2 Upon the Scheme becoming effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company 1 in the Amalgamated Company in terms of this Scheme, the entire paid up share capital in the Transferor Company 1 held by Transferor Company 2 and/or its nominee(s) on the Effective Date, shall be extinguished and shall stand extinguished and all such equity shares of the Transferor Company 2, held by the Amalgamated company either in its own name or in the name of its nominee(s) shall be cancelled and shall be deemed to be cancelled on the Effective Date without any further application, act or deed. Further, all investments, loans, advances, debentures, inter-corporate deposit, receivables, payables or any other deposit/balances of whatsoever nature, given by Transferor Company 1 to Transferor company 2, or vice versa, and all such balances between the Transferor companies and Amalgamated company, shall stand cancelled and shall be deemed to be cancelled on the Effective Date without any further application, act or deed.

20.3 For the purpose of this Scheme, it is hereby clarified that since the Transferor Company 2 is a wholly owned subsidiary of the Amalgamated Company, therefore there would be no issue of shares by the Amalgamated Company to the shareholders of the Transferor Company 2 in this regard.

20.4 Upon the Scheme becoming effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company 1 in the Amalgamated Company in terms of this Scheme, the entire paid up share capital in the Transferor Company 1 fully held by the Amalgamated Company and/or its nominee(s) on the Effective Date, shall be



extinguished and shall stand extinguished and all such equity shares of the Transferor Company 1, held by the Amalgamated Company either in its own name or in the name of its nominee(s) shall be cancelled and shall be deemed to be cancelled on the Effective Date without any further application, act or deed.

20.5 The Amalgamated Company shall not receive any payment or other consideration pursuant to the cancellation of the shares of the Transferor Companies.

**21 CONSIDERATION AND ISSUE OF SHARES FOR PART II OF THE SCHEME BY THE RESULTING COMPANY TO THE DEMERGED COMPANY**

21.1 Upon the Scheme becoming effective and in consideration of the demerger and transfer of the Demerged Undertaking, Resulting company shall, without further application, issue and allot to the shareholders of Demerged company whose names shall appear in the Register of Members of Demerged company as on a Record Date to be fixed by Resulting company in consultation with Demerged company, 10 Equity Shares of Rs.10/- each in resulting company, credited as fully paid up for every 112 Equity Shares of Rs 10/-each held by them in demerged company.

21.2 All the Equity Shares to be issued and allotted by resulting company to the Equity Shareholders of demerged company under this Scheme shall rank paripassu in all respects with the existing Equity Shares of resulting company.

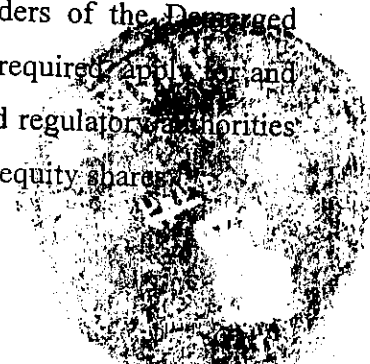
**22 APPROVALS**

For the purpose of issue of equity shares to the shareholders of the Demerged Company, the Resulting Company shall, if and to the extent required, apply for and obtain the required statutory approvals of the other concerned regulatory authorities for the issue and allotment by the Resulting Company of such equity shares.

**23 DIVIDEND**

23.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Amalgamated Company from declaring and paying dividends, whether interim or final, to its equity shareholders.

23.2 The Transferor Companies shall not make any declaration of dividend between the date of filing of this Scheme and the Effective Date.



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23.3 It is clarified that the aforesaid provisions in respect of declaration of dividends, whether interim or final, are enabling provisions only and shall not be deemed to confer any right on any member of the Transferor Companies and/or the Amalgamated Company to demand or claim any dividends which, subject to the provisions of the Act, shall be entirely at the discretion of the respective Boards of Directors of the Transferor Companies and the Amalgamated Company and subject, wherever necessary, to the approval of the shareholders of the Transferor Companies and the Amalgamated Company, respectively.

**24 FUND RAISING BY ISSUE OF SHARES / OTHER INSTRUMENTS BY AMALGAMATED COMPANY**

24.1 For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent the Amalgamated Company from raising funds by issue of new equity shares and / or preference shares and / or any convertible / non-convertible instruments.

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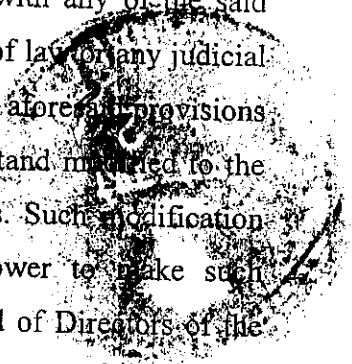


**PART- V**

**GENERAL TERMS AND CONDITIONS**

**25 CONSEQUENTIAL MATTERS RELATING TO TAX AND COMPLIANCE WITH LAW**

- 25.1 Upon the Scheme becoming effective, the Amalgamated Company, the Transferor companies, the Demerged company and the Resulting Company are expressly permitted to revise their income-tax returns, sales tax returns, excise & CENVAT returns, service tax returns, other tax returns, and to restore as input credit of service tax adjusted earlier or claim refunds / credits.
- 25.2 The Amalgamated Company, the Demerged company and the Resulting Company are also expressly permitted to claim refunds, credits, including restoration of input CENVAT credit for excise / service tax, tax deduction in respect of nullifying of any transaction between or amongst the Demerged Company and Resulting Company, or Transferor Companies and Amalgamated Company, or Resulting Company and Amalgamated Company, as the case may be.
- 25.3 Part II of this Scheme has been drawn up to comply with the conditions relating to "Demerger" as specified under the tax laws, including section 2(19AA) and other relevant sections of the Income tax Act, 1961. If any terms or provisions of Part II of this 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. Part II of this Scheme shall then stand modified to the extent determined necessary to comply with the said provisions. Such modification will however not affect other parts of the Scheme. The power to make such amendments as may become necessary shall vest with the Board of Directors of the Demerged company and the Resulting Company, which power shall be exercised reasonably in the best interests of the companies concerned.
- 25.4 Upon the Scheme becoming effective, the Amalgamated Company, the Demerged Company, Transferor Companies and the Resulting Company are expressly permitted to revise their financial statements to give effect to the provisions of the Scheme.



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## 26 SCHEME CONDITIONAL ON APPROVAL / SANCTIONS

### 26.1 The Scheme is conditional upon and subject to:

- 26.1.1 Approval by requisite majority of the members, and creditors of the Demerged company, Transferor Companies, Amalgamated Company and the Resulting Company as may be directed by the High Court of Maharashtra and High Court of Uttar Pradesh at Allahabad
- 26.1.2 Without prejudice to the generality of foregoing Clause 26.1.1, approval of the Public Shareholders of Amalgamated company by a Resolution passed through Postal Ballot and E- voting (after disclosure of all material facts in the Explanatory Statement sent to the Shareholders in relation to such Resolution) in which the votes cast by such Shareholders in favour of the proposal are more than the number of votes cast by such Shareholders against it in accordance with clause 5.16 of SEBI circular no. CIR/CFD/DIL/5/2013 dated February 04, 2013 as modified vide SEBI circular no. CIR/CFD/DIL/8/2013 dated May 21, 2013 and further subject to such modification, if any, carried out by any subsequent circulars that may be issued by SEBI from time to time.
- 26.1.3 Approval of the Scheme by the High Court of Maharashtra at Mumbai and High Court of Uttar Pradesh at Allahabad;
- 26.1.4 Certified copies of the orders of the High Court of Maharashtra and High Court of Uttar Pradesh at Allahabad, sanctioning the Scheme being filed with the respective Registrar of Companies.
- 26.1.5 Approval by Ministry of Information and Broadcasting and such other authority as may be applicable for demerger of Radio business undertaking from the Demerged company into the resulting company;
- 26.1.6 Compounding by Reserve Bank of India for approval filed by MBL and shareholders of Spectrum;
- 26.2 In the event of this Scheme failing to take effect finally, this Scheme shall become null and void and in that case 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.

26.3 If any part of this Scheme is invalid, ruled illegal by any Court of competent jurisdiction, or unenforceable under present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of this Scheme, and this Scheme shall not be affected thereby, unless the deletion of such part shall cause this Scheme to become materially adverse to any party, in which case the Board of Directors of the companies involved in the Scheme shall attempt to bring about a modification in this Scheme, as will best preserve for the parties the benefits, and obligations of this Scheme, including, but not limited to, such part.

## 27 APPLICATION TO THE HIGH COURT

27.1 The Transferor Companies, Amalgamated Company, Demerged company and Resulting Company shall, with all reasonable dispatch, make applications to the Hon'ble High Court, under Sections 391 to 394 and other applicable provisions of the Act, seeking orders for dispensing with or convening, holding and conducting of the meetings of the classes of their respective members and / or creditors and for sanctioning this Scheme, with such modifications as may be approved by the Hon'ble High Court.

27.2 Upon this Scheme being approved by the requisite majority of the respective members and creditors of the Demerged Company, Transferor Companies, Amalgamated Company and Resulting Company (as may be directed by the Hon'ble High Court), the Demerged Company, the Transferor Companies, the Amalgamated Company and the Resulting Company shall, with all reasonable dispatch, apply to the Hon'ble High Court, for sanction of this Scheme under Sections 391 to 394 and other applicable provisions of the Act, and for such other order or orders, as the Hon'ble High Court may deem fit for carrying this Scheme into effect.

27.3 Upon this Scheme becoming, effective, the respective shareholders of the Transferor Companies, the Amalgamated Company, the Demerged Company and the Resulting Company shall be deemed to have also accorded their approval under the relevant provisions of the Act for giving effect to the provisions contained in this Scheme.

## 28 MODIFICATIONS / AMENDMENTS TO THE SCHEME

28.1 Transferor Companies, Amalgamated Company, Demerged Company and Resulting Company represented by their respective Board of Directors, may make and / or consent to any modifications / amendments to the Scheme or to any conditions or limitations that the High Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors).

28.2 The Transferor Companies, the Amalgamated Company, the Demerged Company and the Resulting Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Hon'ble High Court or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

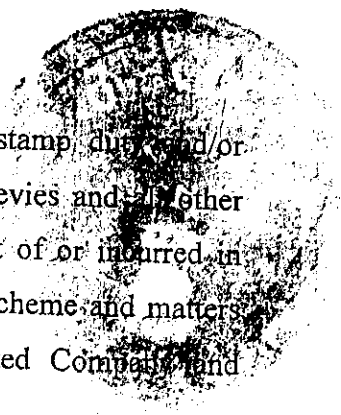
28.3 The Transferor Companies, the Amalgamated Company, the Demerged Company and the Resulting Company by their respective Board of Directors shall be authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or order of any other authority or otherwise however arising out of or under or by virtue of the Scheme and / or any matter concerned or connected therewith.

**29 EFFECT OF NON-RECEIPT OF APPROVALS/ SANCTIONS**

29.1 In the event of any of the said sanctions approvals not being obtained and / or the Scheme not being sanctioned by the High Court of Maharashtra or High Court of Uttar Pradesh at Allahabad, this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and / or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law.

**30 COST, CHARGES, AND EXPENSES**

30.1 All costs, charges, fees, taxes including duties (including the stamp duty and/or transfer charges, if any, applicable in relation to this Scheme), levies and other expenses, if any (save as expressly otherwise agreed) arising out of or incurred in carrying out and implementing the terms and conditions of this Scheme and matters incidental thereto shall be borne and paid by the Amalgamated Company and Resulting company in case of Part III and Part II respectively.



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31 MISCELLANEOUS

31.1 It is the intention of the Parties that any Part of the Scheme, as may be mutually decided by the Board of each of Parties, shall be severable from the remainder of the Scheme, and the Scheme shall not be affected by such alteration.

31.2 The Parties to the Scheme also intend that in the event that any of the Part II or Part III of Scheme is withdrawn, the remaining part of the two parts as mentioned above shall not be affected and shall continue in the normal course.

31.3 On 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 in the order mentioned hereunder: -

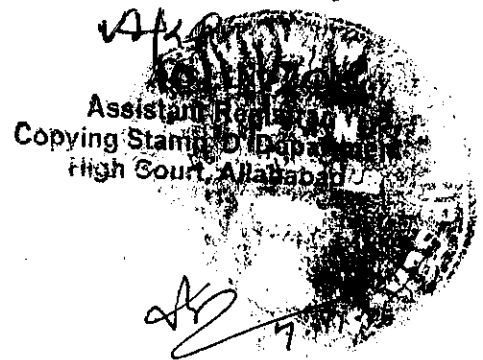
1. The transfer by way of demerger of the Radio Business Undertaking from Demerged Company into Resulting Company; and
2. Amalgamation of Transferor Companies with the Amalgamated Company.

Dated this 7<sup>th</sup> day of November, 2016.

(By the Court)

*Compared by*  
*[Signature]*  
*10/11/16*

**TRUE COPY**



Assistant Registrar  
Copying Stamp Department  
High Court, Allahabad

*[Signature]*  
Registrar General

*[Signature]*  
27.10.16

*[Signature]*  
27.10.16  
*[Signature]*

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