

December 23, 2022

1.	National Stock Exchange of India Ltd Exchange Plaza, 5 th Floor Plot No. C/1, G Block; Bandra (East), Mumbai 400 051	2.	BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai 400 001
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Ref: Scrip Code: NSE RADIOCITY/ BSE 540366 (ISIN: INE919I01024)

Sub: Intimation of receipt of order of the Scheme of Arrangement between Music Broadcast Limited (“the Company”) and its shareholders under Sections 230 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 for issuance of Non-Convertible Non-Cumulative Redeemable Preference Shares (“NCRPS”) to the non-promoter shareholders of the Company by way of Bonus (“Scheme”)

Ref: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 (“Listing Regulation”)

Dear Sir/Ma’am,

A. This is in furtherance to our letter dated February 08, 2021 informing the Stock Exchanges about the filing of the above mentioned Scheme with Hon’ble National Company Law Tribunal, Mumbai Bench (“NCLT”). We would like to inform that the NCLT has approved the Scheme and has issued an electronic copy of the Order sanctioning the Scheme on December 23, 2022. The electronic copy of the Order attached as **Annexure** to this letter. We are yet to receive the certified true copy of the Order.

In terms of the Scheme, the Company will issue and allot by way of bonus, 1 (one) fully paid-up NCRPS of the face value of INR 10 each at the premium of INR 90 each, for every 10 (ten) fully paid-up equity share of face value of INR 2 each, to the non-promoter shareholders of the Company whose names appear in the Register of Members of the Company as on the Record Date.

The Company will intimate to the Stock Exchanges once the Record Date is fixed, for the purpose of determining the eligibility of non-promoter shareholders to receive Bonus NCRPS as per the Scheme.

B. Further, consequent to the Scheme becoming effective, the Memorandum & Articles of Association are hereby amended as below, subject to requisite filings with the Registrar of Companies:



Altered Capital Clause V of Memorandum of Association:

“The Authorised Share Capital of the Company is increased from ₹80,05,00,000/- (Rupees Eighty Crores and Five Lakhs only) divided into 40,00,00,000 (Forty Crores) Equity Shares of ₹2/- each and 50,000 (Fifty Thousand) Convertible Redeemable Preference shares of ₹10/- each to ₹89,01,96,000 (Rupees Eighty-Nine Crores One Lakh Ninety-Six Thousand Only) divided into 40,00,00,000 (Forty Crores) Equity Shares of ₹2/- each, 50,000 (Fifty Thousand) Convertible Redeemable Preference Shares of ₹10 and 89,69,600 (Eighty-Nine Lakhs Sixty Nine Thousand and Six Hundred) Non-Convertible Non-Cumulative Preference Shares of ₹10/- each or such number of shares and amount as may be required at the time of issue of bonus Non-Convertible Non-Cumulative Redeemable Preference Shares to the non-promoter shareholder as on the Record Date as per the NCLT Order sanctioning the Scheme of Arrangement between Music Broadcast Limited and its shareholders.”

Altered Article 63.1 (“Capitalisation of Profits”) of Articles of Association:

“63.1 The Company by ordinary resolution in general meeting may, upon the recommendation of the Board, resolve —

- (a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company’s reserve accounts, or to the credit of the profit and loss account, or otherwise available for distribution; and*
- (b) that such sum be accordingly set free for distribution in the manner specified in clause (2) below amongst the members who would have been entitled thereto, if distributed by way of dividend, either in the same proportion or in any other proportion or only to the non-promoter shareholders”*

We request you to take the above disclosure on record.

Thanking you

Yours Faithfully

For Music Broadcast Limited

Arpita Kapoor
Company Secretary and Compliance Officer

Encl: As Above



IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

In the matter of
the Companies Act, 2013,
and
In the Matter of Sections 230-
232 and other applicable pro-
visions of the Companies Act,
2013;
And
In the matter of Scheme of
Arrangement between Music
Broadcast Limited and its
Shareholders.

MUSIC BROADCAST LIMITED,
CIN: L64200MH1999PLC137729

....Petitioner Company

Order delivered on :- 23.12.2022

Coram:

Justice P.N. Deshmukh : **Member (Judicial)**
Shyam Babu Gautam : **Member (Technical)**

Appearances (via videoconferencing):

For the Petitioner(s): Mr. Hemant Sethi, Ms Vidisha Poonja, Ms
Devanshi Sethi i/b. Hemant Sethi & Co.,

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

ORDER

Per :- Shyam Babu Gautam, Member Technical

1. The Court is convened by video-conference today.
2. Heard the counsel for the Petitioner Company. No objector has come before the Tribunal to oppose the Petition nor any party has controverted any averments made in the Petition.
3. The sanction of this Tribunal is sought under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ('Act') and in the matter of Scheme of Arrangement between Music Broadcast Limited and its Shareholders(" Scheme").
4. The Learned Counsel for the Petitioner Company submits that the Petitioner Company is *inter alia* engaged in operating FM radio stations across India under the brand of "Radio City" It is India's first and leading FM Radio Station which started its operations in India in the year 2001. MBL currently has 39 stations. The Applicant Company over the years, has consistently come up with tools and initiatives to raise social awareness over a spectrum of issues including but not limited to Women Empowerment, Voter Awareness, Road Safety, etc. and also acts as a medium to spread the awareness about government campaigns such as Covid -19 awareness program of public interest.

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

5. The background, circumstances, rationale and benefits of the Scheme are that:

- 1) *MBL is a subsidiary company of Jagran Prakashan Limited (“Promoter / Holding Company/ JPL”) which holds 73.21% of the equity shares of MBL. JPL is one of the leading media groups in India with interests spanning across print, radio, digital, out of home and brand activations. JPL is a public limited company and its equity shares are listed on BSE and NSE. JPL has a corporate governance framework that ensures transparency in all its dealings and the functioning of its Management and the Board. JPL enjoys the reputation of being extremely investor-friendly and has been consistent in rewarding its shareholders meaningfully. It has been its philosophy to enrich the shareholders to the extent possible in all the circumstances. It was this reputation that helped MBL close successfully its initial public offering in 2017 at a premium which was over 32 times of the then face value of Rs. 10 each.*
- 2) *The radio industry is undergoing a transformation right now and the turn of event in the industry has also impacted MBL. In the recent past, its performance has not been commensurate to the potential of the company and is reflected in its market performance as well.*

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

- 3) *MBL intends to ensure that it continues to get the support of its esteemed public shareholders who have supported the company so far.*
- 4) *In view of the above, the Board of Directors of MBL has formulated this Scheme of Arrangement for issuance of non-convertible non-cumulative redeemable preference shares (“NCRPS”) to its non-promoter shareholders on a preferential basis by way of bonus. The face value of such NCRPS will be Rs.10 (Rupees Ten) each issued at a premium of Rs.90 (Rupees Ninety) per NCRPS to be redeemed on expiry of 36 months at a premium of Rs.20 (Rupees Twenty) each pursuant to the provisions of Section 230 and other relevant provisions of the Companies Act, 2013.*
- 5) *The Company has a strong net worth with no debt. MBL is also confident in running the business profitably and generating sufficient cash to meet its future requirements. However, it is considered prudent to conserve the cash to meet any unforeseen requirement that may arise during and aftermath of the Covid 19 pandemic which has created an unprecedented challenging business environment.*
- 6) *The above-mentioned Scheme is beneficial to MBL, its promoter (JPL being the holding company of MBL), and non-promoter shareholders as it strengthen the image of MBL as well as JPL in the market as it commits itself for higher distributions going forward. This will also augur well for future*

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

fundraising requirement, if any, of JPL and MBL.

6. The Petitioner Company has approved the Scheme by passing Board Resolution dated 22 October 2020 and have approached the Tribunal for sanction of the Scheme.
7. Learned Counsel for the Petitioner Company submits that the Petition has been filed in consonance with the order dated 31 March 2022 read with modified Order dated 12 May 2022 passed by this Tribunal in CA(CAA)/39/MB/2021.
8. The Learned Counsel for the Petitioner Company states that the Petitioner Company has complied with all requirements as per directions of the Tribunal.
9. The Learned Counsel for the Petitioner Company states that the Equity Shares of the Petitioner Company are listed on BSE and NSE.
10. The Regional Director has filed a Report dated 29 September, 2022 ('Report') praying that this Tribunal may pass such orders as it thinks fit, save and except as stated in paragraph IV (a) to (h). In response to the observation made by the Regional Director, the Petitioner Company have also given necessary undertakings and clarification vide their rejoinder affidavit dated 4 October 2022. The observations made by the Regional Director and the clarifications and undertakings given by the Petitioner Company are summarised in the table below:

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

Sr . N o.	<i>RD Report / Observation</i>	Response of the Petitioner Company
(a)	<i>In compliance of AS-14 (IND AS-103) the Petitioner Company shall pass such accounting entries which are necessary in connection with the scheme to comply with other applicable Accounting Standards such as AS-5 (IND AS-8) etc.;</i>	As regards the observation made in Paragraph 2 (a) of the said Report it is concerned, it is submitted that in addition to compliance with applicable accounting standards in connection with the Scheme, the Petitioner Company shall pass such accounting entries which are necessary to comply with all other applicable Accounting Standards to the extent applicable.

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

(b)	<p><i>As per Definition of the Scheme, "Appointed Date" means the Effective date of this Scheme..... And "Effective Date" means the date on which the order approving the Scheme is passed by the National Company Law Tribunal ("NCLT"). All references in this Scheme to the date of "coming into effect of this Scheme" or "effectiveness of this Scheme" or "Scheme taking effect" shall mean the Effective Date.</i></p> <p><i>In this regard, it is submitted that Section 232(6) of the Companies Act 2013 states that the scheme under this section shall clearly indicate an appointed date from which it shall be effective and the scheme shall be deemed to be effective from such date and not at a date subsequent to the appointed date. However, this aspect may be decided by the Hon'ble Tribunal</i></p>	<p>As regards the observation made in Paragraph 2 (b) of this Report is concerned, the Petitioner Company confirm that the Appointed Date is the effective date as mentioned in the Scheme which is in compliance with Section 232(6) of the Companies Act, 2013 and the Scheme shall take effect from such Appointed Date and the same is in compliance with MCA circular No.7/12/2019/CL-I dated 21.08.2019 issued by the Ministry of Corporate Affairs.</p>
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**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

<p><i>taking into account its inherent powers. The Petitioner's may be asked to comply with the requirements as clarified vide circular No. F.No.7/12/2019/CL-I, dated 21.08.2021 issued by the Ministry of Corporate Affairs.</i></p>	
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**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

(c)	<i>The Hon'ble Tribunal may kindly seek the undertaking that this Scheme is approved by the requisite majority of members and creditors as per Section 230(6) of the Act in meetings duly held in terms of Section 230(1) read with 7 subsection (3) to (5) of Section 230 of the Act and the Minutes thereof are duly placed before the Tribunal.</i>	As regards the observation made in Paragraph 2 (c) of this Report is concerned, the Petitioner Company submits that the meeting of the Shareholders and Unsecured Creditors were duly convened and the scheme was approved by requisite majority present and voting at the meeting. Further there are no Secured Creditors in the Petitioner Company.
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**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

(d)	<i>Applicant Company is a listed company therefore Petitioner Company may be directed to issue prior notice to the NSE and/or BSE/ and SEBI.</i>	As regards the observation made in Paragraph 2 (d) of this Report is concerned, the Petitioner Company clarifies that the notices have already been issued to the NSE/BSE and SEBI and No objection Letters dated January 29, 2021 have been received by NSE and BSE which is attached to the Company Scheme Application as Annexure F. For the sake of brevity copy of the same is attached to the Affidavit-in-Rejoinder as “ Annexure - A ”
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**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

(e)	<i>As per the Scheme the applicant company shall issue NCRPS shares as bonus shares to the non-promoters including non-resident shareholders as well, therefore, petitioner company may be directed to place on record the approval of RBI and also satisfy the compliance of Section 62 & 63 of CA, 2013.</i>	As regards the observation made in Paragraph 2 (e) of this Report is concerned, the Petitioner Company clarify that in view of Regulation 6 of Foreign Exchange Management (Debt Instruments) Regulation, 2019 any Indian Company may issue non-convertible redeemable preference shares by way of bonus to non-resident shareholders so as long as the said issue is in accordance with the provisions of the Companies Act 2013, and the terms and conditions stipulated in the Scheme have been duly complied with. There is no separate requirement to obtain approval from RBI to that extent. Copy of Foreign Exchange Management (Debt Instruments)
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**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

		<p>Regulation, 2019 are attached as "Annexure-B" to the Affidavit-in-Rejoinder. Though the Petitioner Company has served the copy of the Notice to RBI vide its letter dated 10 August 2022 and copy whereof is attached to the Affidavit-in-Rejoinder as "Annexure- C"</p>
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**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

(f) <i>The Petitioner Companies under the provisions of Section 230(5) of the Companies Act, 2013 have served notices to concerned authorities which are likely to be affected by the Amalgamation or arrangement. Further, the approval of the Scheme by the Hon'ble Tribunal may not deter such authorities to deal with any of the issues arising after giving effect to the Scheme. The decision of such authorities shall be binding on the Petitioner companies concerned.</i>	As regards the observation made in Paragraph 2 (f) of the said Report is concerned, the Petitioner Company confirm that notices have been duly served upon all the concerned authorities viz., the concerned Income Tax Authorities, the office of Regional Director, Registrar of Companies, the Stock Exchanges both BSE and NSE, SEBI and RBI. Further the Affidavits proving the dispatch of the notices has been filed with this Tribunal.
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**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

(g)	<i>The Hon'ble NCLT may kindly direct the Petitioner Company to submit approval from SEBI/Stock Exchange.</i>	As regards the observation made in Paragraph 2 (g) of the said Report is concerned, the Petitioner Company clarifies that No Objection letters dated 29 January 2021 have been filed with this Tribunal and the copies are attached to the Affidavit-in-Rejoinder as Annexure – D.
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**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

(h)	<p><i>That on examination of the report of the Registrar of Companies, Mumbai dated 24.06.2022 (Annexed as Annexure A-1 to the Report) that all the Petitioner Companies fall within the jurisdiction of ROC, Mumbai. It is submitted that no complaint and/or representation regarding the proposed scheme of Amalgamation has been received against the Petitioner Companies. Further, the petitioner companies have filed Financial Statements up to 31.03.2021 further observations in ROC report are as under-</i></p> <p><i>i. That the ROC Mumbai in his report dated 24.06.2022 has stated that no Inquiry, inspection, investigation & prosecution is pending against the subject Petitioner companies.</i></p>	<p>As regards the observation made in Paragraph 2 (h)(i) of the said Report is concerned, it is submitted that the observation made by the ROC is merely factual in nature and no further response is required to that extent.</p>
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**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

<p>(i) <i>i. Interest of the Creditors should be protected.</i></p> <p><i>ii. Petitioner Company may be directed to file form MGT -14 being as a Public Company, which is necessary for updation of ROC record.</i></p> <p><i>iii. Transferor Company is listed. Hence NOCE from BSE & NSE is to be obtained</i></p> <p><i>iv. May be decided on its merits.</i></p>	<p>As regards the observation made in Paragraph 2 (h)(ii) of the said Report is concerned, the Petitioner Company hereby undertake and confirm that the interest of all the Creditors shall be duly protected. Under the scheme there is no compromise or arrangement with the creditors and all creditors are being paid off in the ordinary course of business.</p> <p>As regards the observation made in Paragraph 2 (h)(iii) of the said Report is concerned, the Petitioner Company has filed Form MGT-14 on July 8, 2022 of the Special Resolutions passed by the Shareholders and Unsecured Creditors at their Meeting held on June 23, 2022, the copy of the Form MGT 14 along with challan</p>
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**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

		<p>is attached to the Affidavit-in-Rejoinder as Annexure – E. Other necessary filings including Form MGT-14 will be completed with ROC for updation of records.</p> <p>As regards the observation made in Paragraph 2 (h)(iv) of the said Report is concerned, the Petitioner Company is a listed Company and the No Objection letters dated 29 January 2021 by NSE and BSE have been filed with this Tribunal and as mentioned earlier.</p>
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**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

12. The clarifications and undertakings given by the Petition Company is accepted by this Tribunal.
13. From the material on record, the Scheme appears to be fair and reasonable and is not violative of any provisions of law and is not contrary to public policy.
14. Since all the requisite statutory compliances have been fulfilled, CP(CAA)/147/MB-/2022 filed by the Petitioner Company is made absolute in terms of prayer clauses of the said Company Scheme Petition.
15. The Scheme is sanctioned hereby, and the Appointed Date of the scheme is Effective Date.
16. The Petitioner Company are directed to file a certified copy of this Order along with the copy of Scheme with the concerned Registrar of Companies, electronically in e-form INC-28 within 30 days from the date of receipt of the Order duly certified by the designated Registrar of this Tribunal. The Scheme will become effective on filing of the copy of this certified order with the concerned Registrar of Companies.

**IN THE NATIONAL COMPANY LAW TRIBUNAL
MUMBAI BENCH-COURT - II**

C.P. (C.A.A.) / 147 / 2022

IN

C.A. (CAA) No. 39 of 2021

17. All concerned regulatory authorities to act on a copy of this Order along with Scheme duly certified by the Deputy Registrar or the Assistant Registrar, National Company Law Tribunal, Mumbai Bench.

18. Any person interested shall be at liberty to apply to this Tribunal in the above matter for any directions that may be necessary.

19. Any concerned authorities are at liberty to approach this Tribunal for any further clarification as may be necessary.

20. Ordered accordingly.

Sd/-

**SHYAM BABU GAUTAM
MEMBER TECHNICAL**

Sd/-

**JUSTICE P.N. DESHMUKH
MEMBER JUDICIAL**