

**BEFORE THE NATIONAL COMPANY LAW TRIBUNAL,
MUMBAI BENCH
COMPANY SCHEME PETITION NO. C.P. (CAA)/ 147/ MB/ 2022
CONNECTED WITH
COMPANY SCHEME APPLICATION NO. C.A. (CAA) / 39 / MB/ 2021**

In the matter of Companies Act, 2013

AND

*In the matter of Sections 230 To 232
of the Companies Act, 2013 and other applicable provisions
of the Companies Act, 2013*

*AND **

*In the matter of Scheme of Arrangement of Music Broadcast Limited
("Petitioner Company") and their shareholders.*

MUSIC BROADCAST LIMITED,
CIN: L64200MH1999PLC137729
is a public listed company incorporated
under the Companies Act, 1956 having,
its registered office at 5th Floor, RNA,
Corporate Park, Off Western Express
Highway, Kalanagar, Bandra (East),
Mumbai - 400051



... **Petitioner Company**



NOTICE TO BSE LIMITED

[Pursuant to Section 230 (5) of the Companies Act, 2013 and Rule 8 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016]

To

The BSE Limited

Phiroze Jeejeebhoy Towers, Dalal Street,
Kala Ghoda, Fort, Mumbai, Maharashtra 400001
Mumbai- 400002

Notice is hereby given that the Bench of the National Company Law Tribunal at Mumbai (the 'Tribunal') comprising of Hon'ble Shyam Babu Gautam (Technical) and Hon'ble P.N Deshmukh (Judicial) by an order dated 29th July 2022 have admitted the Company Scheme Petition for sanctioning of the Scheme of Arrangement in respect of Music Broadcast Limited and its shareholders and is kept for Final Hearing on 29th August 2022.

Dated this 9th Day of August 2022

Place: Mumbai

FOR MUSIC BROADCAST LIMITED

Arpita Kapoor
Company Secretary
Membership Number F8842



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Corporate Park, Off Western Express
Highway, Kalanagar, Bandra (East),
Mumbai - 400051



... Petitioner Company



NOTICE TO THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED
*[Pursuant to Section 230 (5) of the Companies Act, 2013 and Rule 8 of the Companies
(Compromises, Arrangements and Amalgamations) Rules, 2016]*

To
The National Stock Exchange of India Limited
Exchange Plaza Block G, C 1, Bandra Kurla Complex,
G Block BKC, Bandra Kurla Complex, Bandra East,
Mumbai, Maharashtra 400051

Notice is hereby given that the Bench of the National Company Law Tribunal at Mumbai (the 'Tribunal') comprising of Hon'ble P.N Deshmukh (Judicial) and Hon'ble Shyam Babu Gautam (Technical) by an Order dated 29th July 2022 have admitted the Company Scheme Petition for sanctioning of the Scheme of Arrangement in respect of Music Broadcast Limited and its shareholders and is kept for Final Hearing on 29th August 2022.

Dated this 9th Day of August 2022

Place: Mumbai

FOR MUSIC BROADCAST LIMITED

Arpita

Arpita Kapoor
Company Secretary
Membership Number F8842



Enclosure:

1. Copy of Order of the Tribunal
2. Copy of the Scheme





**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 appli-

cable provisions of the

Companies Act, 2013;

And

In the matter of Scheme of

Arrangement between Mu-

sic Broadcast Limited and

its Shareholders.

MUSIC BROADCAST LIMITED,
CIN: L64200MH1999PLC137729

...Petitioner Company

Order pronounced on :- 29.07.2022

Coram:

Hon'ble Member (Judicial) : Justice P. N. Deshmukh (Retd.)

Hon'ble Member (Technical) : Shyam Babu Gautam

Appearances

For the Petitioner Companies

: Mr Hemant Sethi, Ms Devanshi Sethi

Ms Vidisha Poonja i/b Hemant

Sethi & Co., Advocates



**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 videoconference.
2. Learned Counsel for the Petitioner Companies states that in pursuance of the directions contained in order dated 12 May 2022 passed by this Tribunal in CA No. 177 of 2022 in CA (CAA) No 39 of 2021, the meetings of Equity shareholders of the Petitioner Companies was held on June 23, 2022 at 2:00pm under the Chairmanship of Mr. Harnam Singh IAS (Retd.). The present Scheme was approved by the requisite majority present and voting.
3. Learned Counsel for the Petitioner Company states that in pursuance of the directions contained in order dated 12 May 2022 passed by this Tribunal in CA No. 177 of 2022 in CA (CAA) No 39 of 2021, passed by this Tribunal in CA (CAA) No 39 of 2021 there are no Secured Creditors in the Petitioner Companies therefore, no meeting of Secured Creditors was convened.
4. Learned Counsel for the Petitioner Company states that in pursuance of the directions contained in order dated 12 May 2022 passed by this Tribunal in CA No. 177 of 2022 in CA (CAA) No 39 of 2021, passed by this Tribunal in CA (CAA) No 39 of 2021 the meetings of Unsecured Creditors was held on June 23, 2022 at 3:30 p.m. The present Scheme was approved by the requisite majority present and voting.\
5. Learned Counsel for the Petitioner Companies states that in pursuance of the directions contained in order dated 12 May 2022 passed by this Tribunal in CA No. 177 of 2022 in CA (CAA) No 39 of 2021, the Petitioner 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

as per the directions in said order served notices upon the (i) Income Tax Authority; (ii) Central Government through the concerned office of the Regional Director (iii) concerned Registrar of Companies in pursuance of section 230 (5) of the Companies Act, 2013 and as per Rule 8 of the Companies (Compromises, Arrangements & Amalgamations) Rules, 2016 and (iv) BSE Limited (v) National Stock Exchange of India Limited (vi) Securities and Exchange Board of India and (vii) Reserve Bank of India.

6. Hence the present Company Scheme Petition seeking sanction of the Scheme of Arrangement is admitted for hearing with the following directions;
7. The Petitioner Companies are directed to serve notices along with copy of the scheme upon:-
 - i. concerned Income Tax Authorities within whose jurisdiction the respective Petitioner Company's assessments are made;
 - ii. the Central Government through the office of Regional Director (Western Region), Ministry of Corporate Affairs, Mumbai;
 - iii. concerned Registrar of Companies
 - iv. BSE Limited
 - v. National Stock Exchange of India Limited
 - vi. Securities and Exchange Board of India
 - vii. Reserve Bank of India
8. At least 10 days before the date fixed for hearing, the Petitioner Companies to publish the notice of hearing of Petition in two local newspapers viz. '*Financial Express*' in English and translation thereof in '*Navshakti*' in



**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

Marathi, both having circulation in Maharashtra as per rule 16 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

9. The Petitioner Companies shall host notices along with the copy of the scheme on their respective websites, if any.
10. The Petitioner Companies shall file Compliance Report with the registry in lieu of customary affidavit of service in regard to the directions given by the Tribunal at least Three days before the date fixed for final hearing and do report to this Tribunal that the directions have been duly complied with.
11. List the matter on 29.08.2022.

Sd/-

**SHYAM BABU GAUTAM
MEMBER TECHNICAL**

Sd/-

**JUSTICE P.N. DESHMUKH
MEMEBR JUDICIAL**

SCHEME OF ARRANGEMENT

BETWEEN

MUSIC BROADCAST LIMITED
(THE “COMPANY”)

AND

ITS SHAREHOLDERS

A. Preamble:

This Scheme of Arrangement (“Scheme”) is presented under Sections 230 of the Companies Act, 2013, other relevant provisions thereof, and the rules made thereunder for the issuance of Non-convertible non-cumulative redeemable preference shares (“NCRPS”) to the non-promoter shareholders of Music Broadcast Limited (“MBL”) by way of bonus. The Scheme also provides for various other consequential matters or otherwise integrally connected herewith.

B. Background and Description of the Company:

- I. **Music Broadcast Limited (“MBL/the Company”) (CIN: L64200MH1999PLC137729)** is a public listed company incorporated under the Companies Act, 1956 having its registered office at 5th Floor, RNA Corporate Park, Off Western Express Highway, Kalanagar, Bandra (East), Mumbai - 400051, Maharashtra.
- II. The Equity shares of MBL are listed on BSE Limited & National Stock Exchange of India Limited.
- III. MBL is a widely held public listed company in which public shareholders hold 25.95 % of the issued, subscribed, and paid-up equity share capital of the Company.
- IV. MBL is a subsidiary of Jagran Prakashan Limited (“Promoter / Holding Company/JPL) holding 73.21 % shares in MBL i.e. 253,074,137 shares of ₹2/- (Rupees Two) each.
- V. MBL 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. MBL, 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.

C. The rationale for the Scheme:

This Scheme is presented under the provisions of Section 230 and other applicable provisions of the Companies Act, 2013, and in accordance with the regulations of the Foreign Exchange Management (Debt Instruments) Regulations, 2019 issued vide RBI Notification No. FEMA 396/2019-RB dated October 17, 2019. The Scheme provides for the following;

- 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 ₹ 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.
- 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 ₹10 (Rupees Ten) issued at a premium of ₹90 (Rupees Ninety) per NCRPS to be redeemed on expiry of 36 months at a premium of ₹20 (Rupees Twenty) 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 strengthens 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 fundraising requirement, if any, of JPL and MBL.

D. Parts of the Scheme:

This Scheme of Arrangement is divided into the following parts:

Part I - Deals with the Definitions and Share Capital;

Part II - Deals with the issuance of NCRPS to the non-promoter shareholders of MBL;

Part III - Deals with the accounting treatment; and

Part IV - Deals with the General Terms and Conditions.

**PART I
DEFINITIONS AND SHARE CAPITAL**

1. DEFINITIONS

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

- 1.1. **“Act”** means the Companies Act, 2013, the rules and regulations made thereunder and will include any statutory re-enactment or amendment(s) thereto, from time to time.
- 1.2 **“Appointed Date”** means the Effective date of this scheme.
- 1.3 **”Board of Directors”** or **”Board”** means the board of directors of MBL and shall include duly constituted committees of the Board and/or any person(s) duly authorized by the Board of Directors for the purpose of matters pertaining to the Scheme and/or any consequential or incidental matter in relation thereto.
- 1.4 **”Effective Date”** 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.
- 1.5 **“Free Reserve”** means General Reserve, Retained Earnings, and Other reserves as classified in the Audited Financial Statement of the Company as of March 31, 2020.
- 1.6 **”Governmental Authority”** means any applicable central, state or local government, legislative body, regulatory or administrative authority, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction over the territory of India including but not limited to Securities and Exchange Board of India (“SEBI”), Stock Exchanges, Registrar of Companies, and the NCLT.

- 1.7 **“Music Broadcast Limited” (“MBL/the Company”)** (CIN: L64200MH1999 PLC137729) is a public listed company incorporated under the Companies Act, 1956 having its registered office at 5th Floor, RNA Corporate Park, Off Western Express Highway, Kala Nagar, Bandra (East), Mumbai - 400051, Maharashtra.
- 1.8 **“NCLT”** means the National Company Law Tribunal, Mumbai Bench as constituted under the provisions of the Companies Act, 2013 having appropriate jurisdiction in relation to the matter of MBL.
- 1.9 **“Non- Promoter Shareholding”** means shareholding other than the Promoter and Promoter Group shareholding as defined under Regulation 2(1)(oo) and (pp) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended.
- 1.10 **“NCRPS”** means non-convertible non-cumulative redeemable preference shares of the Face Value of ₹ 10/- (Rupees Ten) issued at a premium of ₹ 90 (Rupees Ninety) per NCRPS carrying a dividend of 0.1 % (Zero point one percent) by way of bonus to non-promoter shareholders.
- 1.11 **“Other Reserves”** means reserve classified as such in the Audited Financial Statements of the Company as of March 31, 2020.
- 1.12 **“Other shareholder”** means shareholder other than shareholder residing outside India, Promoter and Promoter Group.
- 1.13 **“Promoter & Promoter group shareholding”** means 74.05% of total shares of MBL held by such persons as defined under Regulation 2(1)(oo) and (pp) of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- 1.14 **“Record date”** means the date as may be decided by the Board.
- 1.15 **“Registrar of Companies”** means the Registrar of Companies, Mumbai, Maharashtra.
- 1.16 **“RBI”** means the Reserve Bank of India.
- 1.17 **“Scheme”** means this Scheme of Arrangement in its present form (along with annexures annexed/attached hereto) with such modification(s) and amendment(s) if any as may be made from time to time, and with appropriate approvals and sanctions of the NCLT and such other relevant regulatory authorities, as may be required from time to time ;
- 1.18 **“SEBI”** means the Securities and Exchange Board of India; and
- 1.19 **“Stock Exchange”** means the National Stock Exchange of India Limited and BSE Limited.
- 1.20 All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Companies Act, 2013 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modification or re-enactment thereof from time to time. The words importing the singular include the plural; words importing any gender include every gender.

Headings, Sub-headings, and bold typeface are only for convenience and shall not affect the construction or interpretation of this Scheme. The annexure to this scheme forms an integral and inseparable part of this scheme.

2. SHARE CAPITAL

The Authorised, Issued, Subscribed and Paid-up share capital of MBL as of March 31, 2020, is as under:

Particulars	Amount in ₹
Authorised:	
40,00,00,000 Equity Shares of ₹ 2/- each	80,00,00,000
50,000 Preference Shares of ₹ 10/- each	5,00,000
Total	80,05,00,000
Issued, Subscribed and Fully Paid up:	
34,56,85,625 Equity shares of ₹ 2 /- each	69,13,71,250
Total	69,13,71,250

Subsequent to March 31, 2020, there is no change in the Authorized, Issued, Subscribed, and Paid-up share capital of MBL.

Reserves and Surplus as per audited financials as of March 31, 2020, are as under.

Particulars	(₹in lakhs)
Capital Reserve	1,482.73
Capital Redemption Reserve	-
Securities Premium	34,002.35
Debenture Redemption Reserve	-
General Reserves	4,908.50
Retained Earnings	1,674.19
Other Reserves	14,197.34
Total other Equity	56,265.11

3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modifications approved or imposed or directed by NCLT shall be effective and operative from the Effective Date.

PART II

ISSUANCE OF NCRPS TO THE NON-PROMOTER SHAREHOLDERS OF MBL

4. ISSUE OF NON CONVERTIBLE REDEEMABLE PREFERENCE SHARES

- 4.1 The provisions of this clause 4 shall operate notwithstanding anything to the contrary in this Scheme or in any instrument, deed, or writing.
- 4.2 Upon coming into effect of this Scheme and with effect from the Appointed Date, pursuant to the sanction of this Scheme by the NCLT under and in accordance with the provisions of Sections 230 and other applicable provisions, if any, of the Act, MBL shall, issue and allot bonus NCRPS in the ratio of 1:10 i.e. one NCRPS for every Ten equity share as on Record Date of the Face Value of ₹ 10 (Rupees Ten) issued at a premium of ₹ 90 (Rupees Ninety) per NCRPS carrying a dividend of 0.1 % (Zero Point one percent) to Other Shareholders by utilizing Other Reserves and to the remaining non-promoter shareholders who are residing outside India by utilizing general reserves as required under regulation of Foreign Exchange Management (Debt Instruments) Regulations, 2019 issued vide RBI Notification No. FEMA 396/2019-RB dated October 17, 2019, by virtue of and in the manner provided in this Scheme.
- 4.3 In issue and allotment of NCRPS as aforesaid, the fractional entitlements of shares of any shareholders of the Company shall not be taken into account, but such shares representing fractional entitlements shall be allotted to such person as may be authorized the Board of MBL, who will as soon as possible sell such NCRPS at the prevailing market rate and the net sale proceeds of such NCRPS, after adjusting the cost and the expenses in respect thereof, be distributed among such Members who are entitled to such fractions in the proportion of their respective fractional entitlements. These shareholders who are entitled to the fractional entitlements will be responsible for any tax implication arising on the sale of such NCRPS in accordance with the provisions of the Income Tax Act, 1961.

5. TERMS AND CONDITIONS OF ISSUE

- 5.1 The NCRPS shall be issued on the terms and conditions consistent with the principal terms and conditions which have been set forth in **Annexure 1** to this Scheme and the Board of Directors are hereby authorized to formalize the detailed terms and conditions of the NCRPS in accordance with the applicable laws.

- 5.2 Subject to receipt of necessary regulatory approvals and with a view to providing liquidity to NCRPS holders, as soon as practicable after the issuance of the NCRPS and in any case within the time period prescribed under the applicable laws, MBL shall take necessary steps towards the listing of the NCRPS on both or any of the Stock Exchange in accordance with the Applicable SEBI regulations.
- 5.3 The NCRPS allotted to the Members pursuant to this Scheme shall be allotted in the dematerialized form to the Members who are holding equity shares of the Company in dematerialized form, or from whom the Company has received a notice in writing prior to the Record Date of details of their Demat account with a depository participant and who have provided such other confirmation and details as may be required, by direct credit to the account of each Member. In case of Members whose equity shares are lying in suspense/pool account due to any reason or whose Demat details are incomplete/incorrect, the NCRPS will be credited to a pool account specifically opened by the Company for the credit of such NCRPS
- 5.4 Subject to receipt of the requisite approvals, if any, the NCRPS shall be issued within a period of 30 (thirty) days from the Record Date to the Members eligible to receive the same.
- 5.5 Issue of NCRPS in the manner contemplated in this Scheme will not entail declaration or payment of any dividend for any purposes including for the purposes of section 123 of the Act or any other relevant provision of the Act and accordingly the provisions pertaining to the Companies (Declaration and Payment of Dividend) Rules, 2014 are not applicable.
- 5.6 The issuance of NCRPS does not involve any release of assets by the Company to its shareholders.
- 5.7 The issuance of NCRPS in terms of this Scheme in regard to any equity shares of the Company which are held in abeyance under the provisions of section 126 of the Act or any other relevant provisions of the Act shall pending allotment or settlement dispute by order of a court or otherwise and subject to applicable laws, be held in abeyance by the Company. In case any Member is ineligible by virtue of provisions of the Articles of Association of the Company, the Act, rules, regulations, and guidelines formulated by SEBI or RBI or the provisions of any other applicable laws to hold, acquire or accept NCRPS, then such a Member is solely responsible for liquidating the said NCRPS and ensure compliance with such applicable laws if he holds, acquires or accepts any NCRPS.
- 5.8 Regulations of the Foreign Exchange Management (Debt Instruments) Regulations, 2019 issued vide RBI Notification No. FEMA 396/2019-RB dated October 17, 2019, have permitted Indian Companies to issue non-convertible non-cumulative redeemable preference shares to non-resident Members including by way of distribution as a bonus from its general reserves under a scheme of arrangement approved by the National Company Law Tribunal/Competent Authority in India under the provisions of the Act, as applicable, subject to the terms and conditions of the aforesaid 'RBI Notification' that will be complied with by the Company. The allotment of the NCRPS to the Members in terms of this Scheme shall be made in accordance with the provisions of applicable laws including the applicable RBI Notification and accordingly the Company is not required to procure a specific approval from the

RBI in regard to allotment of NCRPS to non-resident Members. The Members shall be responsible for complying with the laws of India, including the regulatory requirement of RBI and SEBI, and the laws of their country of residence at the time of the sale of NCRPS or repatriation of money received from the sale of such NCRPS and the Company shall not be responsible or liable for the same in any manner whatsoever.

- 5.9 The Scheme does not involve “conveyance” or “transfer” of any property to any person.

6. Increase in the Authorised Share Capital

- 6.1 Upon Scheme becoming effective, the authorized share capital shall automatically stand increased from current ₹80,05,00,000 (Rupees Eighty Crores and Five Lakhs only) to ₹89,01,96,000 (Rupees Eighty-Nine Crores One Lakh Ninety-Six Thousand Only) 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 detailed in clause 6.2 below, without any further act, instrument or deed on the part of MBL under Single Window Clearance System and only by filing requisite statutory forms and/or any other documents as required with the Registrar of Companies. Further, upon sanctioning of the Scheme payment of any fees/stamp duty on increased Authorized Capital shall be borne and paid by MBL and the Memorandum and Articles of Association shall without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting amendment, and, no further resolutions under Sections 13, 14, 61, 64 of the Companies Act, 2013 or any other applicable provisions of the Companies Act, 2013 would be required to be separately passed.

6.2 Revised Capital Structure upon Scheme becoming effective

Particulars	Amount in ₹
Authorised:	
40,00,00,000 Equity Shares of ₹2/- each	80,00,00,000
50,000 Preference Shares of ₹10/- each	5,00,000
89,69,600 Non-Convertible Non-Cumulative Redeemable Preference Shares of ₹10/- each	8,96,96,000
Total	89,01,96,000

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.

6.3 Amendment in Memorandum and Articles of Association of MBL

- 1) Consequently, Clause V of the Memorandum of Association of the MBL shall without any act, instrument or deed be and stand altered, modified and substituted pursuant to Section 13 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as set out below;

“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.”

- 2) In addition to the above, Article 63.1 (“Capitalisation of Profits”) of the Articles of Association of the MBL shall without any act, instrument or deed be and stand altered, modified, and substituted pursuant to Section 14 of the Companies Act, 2013 and other applicable provisions of the Companies Act, 2013, as set out below;

“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”

PART III

ACCOUNTING TREATMENT

7. ACCOUNTING TREATMENT IN THE BOOKS OF MBL

- 7.1 Notwithstanding anything to the contrary contained in any other clause of the Scheme, MBL shall recognize the financial liability for the issuance of NCRPS as bonus shares, when the bonus issue is appropriately authorized and is no longer at the discretion of MBL. On the said date, MBL shall recognize the present value of the redemption amount of the NCRPS as a financial liability with an adjustment to equity as per Ind AS 32. Subsequently, the NCRPS shall be measured as per Ind AS 109 at amortised cost using the effective interest rate method. The interest expense on the financial liability shall be recognised in the statement of profit and loss.

- 7.2 The NCRPS issued to the shareholders residing outside India will be issued out of General Reserve as required under RBI Notification No. FEMA 396/2019-RB dated October 17, 2019.
- 7.3 The NCRPS will be issued to Other Shareholders by utilizing Other Reserves.
- 7.4 The present value of the premium payable on redemption of the NCRPS will be adjusted out of Securities Premium balance.
- 7.5 MBL may transfer within equity from General Reserve/ Other Reserves/ Securities Premium to retained earnings or undertake any other transfer of reserves within equity, as may be required, in compliance with the requirements of the Companies Act, 2013.
- 7.6 MBL shall ensure that an adequate reconciliation is included as part of the notes to the financial statements in respect of matters which have been dealt with in accordance with the Ind-AS as mentioned above, to synchronise with the requirements of Sections 43 and 52 of the Companies Act, 2013.

PART IV

GENERAL TERMS AND CONDITIONS

8. General Terms and Conditions

- 8.1 MBL acting through its Board of Directors or any director/ executives or any committee authorized on that behalf (hereinafter referred to as the "Delegate") may assent to any modification(s) or amendments to this Scheme, which NCLT and/ or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for the purpose of resolving any doubts or difficulties that may arise in carrying out this Scheme. MBL acting through Board of Directors or Delegates are authorized to do and execute all acts, deeds, matters, and things necessary for bringing this Scheme into effect or review the position relating to the satisfaction of the conditions of this Scheme and if necessary, waive any of such conditions (to the extent permissible under law) for bringing this Scheme into effect, and/or give such consents as may be required in terms of this Scheme. In the event that any conditions are imposed by NCLT or any Governmental Authorities, which the Board of Directors of MBL find unacceptable for any reason, then MBL shall be at liberty to withdraw the Scheme.
- 8.2 For the purpose of giving effect to this Scheme or to any modification(s) thereof or addition(s) thereto, the Delegates of MBL may give and are authorized to determine and give all such directions as are necessary for settling or removing any question of doubt or difficulty that may arise under this Scheme or in regard to the meaning or interpretation of any provision of this Scheme or implementation thereof or in any matter whatsoever connected therewith (including any question or difficulty arising in connection with any deceased or insolvent shareholders or depositors, if any or to review the position relating to the satisfaction of various conditions of this Scheme and if necessary, to waive any such conditions (to the extent permissible in law) and such determination or directions or waiver, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme. For the avoidance of doubt it is clarified that where this Scheme requires the approval of the Board of Directors of MBL to be obtained for any matter, the same may be given through their Delegates.

- 8.3 Even upon the issue of NCRPS which is not entailing any release of the Company's resources, the Company would have sufficient cash resources to discharge its liabilities towards its creditors on time and in the ordinary course of its business.
- 8.4 The NCRPS are to be rated by credit rating agency registered with SEBI in compliance with public issue of NCRPS under SEBI (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013.
- 8.5 To the extent applicable, the Company shall comply with the provisions of SEBI Circular No. CIR/CFD/DIL/2017/21 dated March 10, 2017, as modified, while inter alia procuring the approval of the Members of the Company.
- 8.6 The Company shall ensure that the Scheme being approved by the shareholders of the Company provides for voting through e-voting, after disclosure of all material facts in the explanatory statement sent to the shareholders in relation to such resolution, in terms of Para (I)(A)(9)(a) of Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017; provided that the same shall be acted upon only if the votes cast by the shareholders in favor of the proposal are more than the number of votes cast by the shareholders against it.

9. SCHEME CONDITIONAL UPON SANCTIONS, ETC.

This Scheme is conditional upon and subject to the Scheme being agreed to by the requisite majority of the members of MBL as required under the Act and the requisite orders of the NCLT being obtained;

10. FILING OF NCLT ORDER WITH ROC

The certified copies of the orders of the NCLT sanctioning this Scheme shall be filed with the Registrar of Companies, Mumbai, Maharashtra.

11. DECLARATION OF DIVIDEND

Nothing contained herein shall be construed as restricting MBL from being entitled to declare and pay dividends, whether interim or final, to its members whether during the pendency of this Scheme or otherwise and the holders of the Shares of MBL shall, save as expressly provided otherwise in this Scheme, continue to enjoy their existing rights under the Articles of Association of MBL, including the right to receive dividends. It is clarified that any provisions in respect of the declaration of dividend are enabling provisions only and shall not be deemed to confer any right on any member of MBL to demand or claim any dividends which, subject to the provisions of the Act, as applicable shall be entirely at the discretion of the Board of Directors and subject to the approval if required of the members of MBL.

12. SEVERABILITY

- 12.1 The Provisions contained in this Scheme are inextricably interlinked with the other provisions and the Scheme constitutes an integral whole. The Scheme would be given effect to only if it is approved in its entirety unless specifically agreed otherwise by the Board of Directors of MBL.
- 12.2 If any part of this Scheme is found to be unworkable for any reason whatsoever, the same shall not, subject to the decision of MBL affect the validity or implementation of the other parts and/or provisions of this Scheme.

13. COSTS, CHARGES, EXPENSES, STAMP DUTY, AND TAX

All costs, charges, fees, and expenses incurred or payable in relation to or in connection with this Scheme and incidental to the completion of this Scheme, on the orders of NCLT, if any and to the extent applicable and payable, shall be borne and paid by the MBL. For the avoidance of doubt, it is clarified that Members will be required to bear and pay all taxes as may be applicable to them in relation to NCRPS.

14. WITHDRAWAL OF THIS SCHEME

Notwithstanding anything else to the contrary in the Scheme, MBL, acting through its Board of Directors, shall be at liberty to withdraw this Scheme for any reason whatsoever including but not limited to inordinate delays or any condition/alteration imposed by NCLT or any other authority being not acceptable to it. In case of withdrawal of this Scheme by MBL, the entire Scheme shall become null and void and in that event, no rights and liabilities shall accrue to or be incurred by the MBL or its members or any other person, and MBL shall bear and pay the costs, charges and expenses for and/or in connection with this Scheme.

15. BINDING EFFECT

This Scheme when sanctioned by the NCLT and upon effectiveness shall be binding on MBL, all its members, and all other persons, notwithstanding anything to the contrary in any other instrument, deed, or writing.

Annexure-1

Principal Terms and Conditions for issuance of Bonus NCRPS

Issuer	Music Broadcast Limited
Réipients	Non-promoter shareholders
Type of Instrument	Non-Convertible Non-Cumulative Redeemable Preference Shares
Issue size	Issue size of 89,69,597 NCRPS amounting to ₹89,69,59,700 (Rounded off) 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.
Face Value	₹ 10 /- per NCRPS
Premium	₹ 90/- per NCRPS
Coupon Rate	0.1%
Premium at the time of Redemption	₹ 20/- per NCRPS
Redemption/Maturity	The NCRPS shall be redeemed on expiry of 36 months from the date of allotment.
Listing	Proposed to be listed on the Stock Exchanges subject to approval thereof
Credit Ratings	To be rated by a rating agency appointed by the Board of Directors.
Market Lot	One Bonus NCRPS.
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited.
Taxation	<p>1. Tax at applicable rates will be deducted by the Company on payment of dividend and/or from the consideration to be paid on redemption/buyback (as the case may be) of NCRPS.</p> <p>2. Issue, Redemption, Buyback of NCRPS are subject to tax implications under the applicable provisions of Income Tax Act as amended from time to time. Réipients are advised to consult their tax advisors for tax consequences. MBL shall not be responsible for any tax consequences on NCRPS holders.</p>

Lock-in Period	There is no Lock-In Period.
Voting Rights	In accordance with the provisions of Section 47 of the Companies Act, 2013.