Mid-Day Multimedia Ltd.

Registered Office: Peninsula Centre, Dr.S.S. Rao Road, Near M.G. Hospital, Parel, Mumbai - 400 012.
Tel: +91 22 6701 7171, Fax: +91 22 2415 0009
Website: www.middaymultimedia.com Email: cs@mid-day.com

Court Convened Meeting of the equity shareholders of Mid-Day Multimedia Ltd.

Day : Wednesday

Date : August 11, 2010

Time : 3.30 p.m.

Venue : Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg,
226, Nariman Point, Mumbai – 400 021

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORIGINAL CIVIL JURISDICTION

COMPANY APPLICATION NO. 484 OF 2010

In the matter of The Companies Act, 1956

And

In the matter of Sections 391 to 394 of the Companies Act, 1956

And

In the matter of the Scheme of Arrangement between Mid-Day Multimedia Limited (Transferor Company/Demerged Company); and Jagran Prakashan Limited (Transferee Company); and their respective Shareholders And Creditors

Mid-Day Multimedia Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Peninsula Centre, Dr S. S. Rao Road, Parel, Mumbai –400012) ……..APPLICANT

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS OF MID-DAY MULTIMEDIA LIMITED

To,

The equity shareholder(s) of Mid-Day Multimedia Limited

TAKE NOTICE THAT by an order made on 9th July 2010 , the Hon'ble Bombay High Court at Mumbai has directed that a meeting of all the equity shareholders of Mid-Day Multimedia Limited be held at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021 on Wednesday, the 11th day of August, 2010 at 3.30 p.m. , for the purpose of considering, and, if thought fit, approving with or without modification, a Scheme of Arrangement between Mid-Day Multimedia Limited and Jagran Prakashan Limited and their respective shareholders and creditors (the "Scheme").

TAKE FURTHER NOTICE THAT in pursuance of the said order, a meeting of the equity shareholders of Mid-Day Multimedia Limited will be held at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai 400021 on Wednesday, the 11th day of August, 2010 at 3.30 p.m. , which you are requested to attend.

TAKE FURTHER NOTICE THAT you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you is deposited at the Registered Office of Mid-Day Multimedia Limited at Peninsula Centre, Dr S. S. Rao Road, Near M. G. Hospital, Parel, Mumbai – 400012, not later than 48 hours before the time of the aforesaid meeting.

The Court has appointed Mr. Khalid A.H. Ansari, Chairman of Mid-Day Multimedia Limited, and failing him, Mr. Tarique Ansari , Managing Director of Mid-Day Multimedia Limited to be the Chairman of the said meeting.

A copy of each of the said Scheme, the Statement under Section 393 of the Companies Act, 1956 and form of proxy are enclosed.

Dated this 12th day of July , 2010

Khalid A.H. Ansari
Chairman appointed for the meeting

Registered Office:
Peninsula Centre,
Dr S. S. Rao Road,
Parel, Mumbai – 400012

Notes:

1. All alterations made in the form of proxy should be initialed;

2. Only registered equity shareholders of Mid-Day Multimedia Limited may attend and vote (either in person or by proxy) at the equity shareholders meeting. The authorized representative of a body corporate which is a registered equity shareholder of Mid-Day Multimedia Limited may attend and vote at the equity shareholders meeting provided that a certified true copy of the resolution of the board of directors or other governing body of the body corporate authorizing such a representative to attend and vote at the equity shareholders' meeting is deposited at the registered office of Mid-Day Multimedia Limited not later than 48 hours before the meeting.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORIGINAL CIVIL JURISDICTION

COMPANY APPLICATION NO.484 OF 2010

In the matter of The Companies Act, 1956

And

In the matter of Sections 391 to 394 of the Companies Act, 1956

And

In the matter of the Scheme of Arrangement between Mid-Day Multimedia Limited (Transferor Company/Demerged Company); and Jagran Prakashan Limited (Transferee Company); and their respective Shareholders And Creditors

Mid-Day Multimedia Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Peninsula Centre, Dr S. S. Rao Road, Parel, Mumbai –400012	)	Transferor Company / Demerged Company
Jagran Prakashan Limited, a company incorporated under the Companies Act, 1956 and having its registered office at Jagran Building, 2, Sarvodaya Nagar, Kanpur-208005	)	Transferee Company

STATEMENT UNDER SECTION 393 OF THE COMPANIES ACT, 1956

1. In this statement, Mid-Day Multimedia Limited is referred to as the "Transferor Company" and Jagran Prakashan Limited is referred to as the "Transferee Company". The other definitions contained in the Scheme (as defined below), will also apply to this Statement.
2. Pursuant to the Order dated 9th July 2010 passed by the Hon'ble High Court of Bombay at Mumbai in Company Application No. 484 of 2010 , a meeting is being held at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400 021 on Wednesday, the 11th day of August, 2010 at 3.30 p.m. of the equity shareholders of the Transferor Company for the purpose of considering and, if thought fit, approving, with or without modification, the Scheme of Arrangement (hereinafter referred to as the "Scheme") which, inter alia provides for the demerger of the investment arm of the Transferor Company, holding investment in Midday Infomedia Limited ("MIFL"), comprising of the entire Print Business (as defined in the Scheme) and all the estate, assets, rights, claims, title, interest, licenses, liabilities and authorities including accretions and appurtenances of the Transferor Company pertaining to the Print Business (hereinafter collectively referred to as the "Demerged Undertaking") and transfer it to the Transferee Company.
3. Pursuant to the Order dated 9th July 2010 passed by the Hon'ble High Court of Bombay in the Company Application referred to above, on the requests of the Transferor Company, the Hon'ble High Court of Bombay has waived the requirement to hold the meeting of the unsecured creditors of the Transferor Company in connection with the Scheme .
4. The Transferor Company currently does not have any secured creditors and accordingly, the provisions relating to the meeting of secured creditors will not be applicable to it.

OVERVIEW

5. The proposed Scheme envisages, inter-alia, the demerger of the investment arm of the Transferor Company, holding investment in MIFL, comprising of the entire Print Business (as defined in the Scheme) and all the estate, assets, rights, claims, title, interest, licenses, liabilities and authorities including accretions and appurtenances of the Transferor Company pertaining to the Print Business and transfer it to the Transferee Company including any consequential or related matters thereto.

BACKGROUND

6. The Transferor Company was incorporated as a private limited company on March 12, 1981 under the Companies Act, 1956 under the name and style of "Mid-Day Publications Private Limited" with main object of printing and publishing of newspapers, magazines, books, journals etc and promoted by Ansari family. The Transferor Company became deemed public limited company under section 43A of the Companies Act and the name of the Company was changed from 'Mid-Day Publications Private Limited' to 'Mid-Day Publications Limited' on July 01, 1989. Further, the name of the Company was changed from 'Mid-Day Publications Limited' to 'Mid-Day Multimedia Limited' on July 07, 2000. In 2001 the Applicant Company undertook its Initial Public Offering and got its shares listed on Bombay Stock Exchange ("BSE") and National Stock Exchange ("NSE") (collectively referred to as the "Stock Exchanges").
7. The equity shares of the Transferor Company are currently listed on BSE and NSE.
8. The registered office of the Transferor Company is situated at Peninsula Centre, Dr S. S. Rao Road, Parel, Mumbai – 400012.

9. The capital structure of the Transferor Company as on June 30, 2010 is as under:

Particulars	Amount (Rs.)
Authorized share capital	
5,50,00,000 Equity shares of Rs.10 each	55,00,00,000
50,00,000 Preference shares of Rs.10 each	5,00,00,000
Issued, Subscribed and Paid Up	
5,22,98,776 Equity shares of Rs.10 each	52,29,87,760
5,28,35,276 Equity Shares including Equity Shares held by ESOP trust (Mid-day Exports Pvt. Ltd.)	52,83,52,760

10. Currently, the Main Objects of the Transferor Company as set out in the Memorandum of Association inter alia include the following:

10.1 To carry on business as printers and publishers of any newspapers, journals, magazines, books and other literary works, undertakings and publications including printings of reports, accounts, statements and stationary, calendars, pictures and works of arts.

10.2 To carry on the trade or business as manufacturers, suppliers, broadcasters, marketers, or in any other manner of audio programmes, audio commercials, in-flight audio for airlines, instore audio for retail business, tailor made audio programmes for local and export markets, for advertisers, and their agencies, audio programming for other parties, and for these purposes to apply for, bid, establish, expand and acquire by any means, radio stations, time slots on radio channels of All India radio ("AIR") and other channels under AIR's scheme to permit private operators to operate segments of AM/FM output on stations owned by government, AIR or any other persons or body.

11. The Transferee Company was incorporated under the Companies Act, 1956 on July 18, 1975 under the name and style of "Jagran Prakashan Private Limited" within the territorial jurisdiction of the Hon'ble High Court of Allahabad at Allahabad. Subsequently became a deemed public limited company under section 43A of the Companies Act, 1956. Therefore, the name of the Transferee Company was changed from Jagran Prakashan Private Limited to Jagran Prakashan Limited with effect from April 1, 1989. In 2000, upon amendment of section 43A, the Transferee Company chose to keep its status as a public limited company pursuant to shareholders resolution dated August 31, 2000. In 2004, the Transferee Company was again converted into a private limited company pursuant to shareholders resolution dated September 28, 2004. Hence the name was changed from Jagran Prakashan Limited to Jagran Prakashan Private Limited with effect from October 5, 2004. Further, on November 23, 2005 the Transferee Company was converted into a public limited company in light of the Initial Public Offering pursuant to a shareholders resolution passed on November 18, 2005. The name was again reconverted from Jagran Prakashan Private Limited to Jagran Prakashan Limited with effect from November 23, 2005.

12. The equity shares of the Transferee Company are listed on BSE and NSE

13. The registered office of the Transferee Company is situated at Jagran Building, 2, Sarvodaya Nagar, Kanpur-208005.

14. The capital structure of the Transferee Company as on June 30, 2010 is as set out below:

Particulars	Amount (Rs.)
Authorized	
37,50,00,000 Equity shares of Rs.2 each	75,00,00,000
Issued, Subscribed and Paid Up	
30,11,70,585 Equity shares of Rs.2 each	60,23,41,170

15. The Main Objects of the Transferee Company as set out in the Memorandum of Association inter alia include the following:

15.1 To own, undertake, manage, acquire and carry on business of publishing books, periodicals, journals, magazines, newspapers, pamphlets and other literary works and the like either as owners or lessors etc.

15.2 To carry on the business of transmission and broadcasting, telecasting, programming, audio-visual, production & marketing of audio-visual software like music cassettes, soap operas, serials, information & entertainment based programmes and all types of work related to electronic media information and technology and mass communication, software development and provision of IT related consultancy and other services.

RATIONALE AND BENEFITS

16. The proposed Scheme is aimed at achieving the following business and commercial objectives, and is expected to result in the following benefits for the Transferor Company, the Transferee Company, and their respective shareholders, creditors, employees and stakeholders:

16.1 The Scheme would enable the Transferor Company to streamline its operations by being focused in the Radio Business (as defined in the Scheme) and explore strategic options to grow the Radio Business and to rationalize its management, businesses and finances;

16.2 The Transferee Company's existing management expertise and quality system in the print media sector are expected to further enhance the performance of the Print Business.

16.3 The strong marketing network across the country of the Transferee Company is expected to bring to the Print Business new advertisers and thus increase the advertisement revenue.

16.4 The Transferee Company is expected to pass on the benefits of scale of economy to the Demerged Undertaking which along with the Transferee Company is also expected to benefit from various other synergies between the two resulting in cost savings.

16.5 The pan India presence of the Transferee Company through its various publication brands and other media related businesses and the resources at its

disposal will help in meeting more effectively the high intensity competition in Mumbai being faced by the Print Business and in rapid expansion of various publication brands, internet properties and other related activities of MIFL, thereby enhancing the value of MIFL and its own business in the interest of all the stake holders of both the companies.

16.6 The respective boards of directors feel that the Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of the Transferor Company as well as the Transferee Company and will enable both the companies to achieve and fulfill their objectives more efficiently and economically. The Scheme is expected to contribute in furthering and fulfilling the objectives of both the companies and in the growth and development of their respective businesses.

SALIENT FEATURES OF THE SCHEME

17. The salient features of the Scheme are as follows:-

The Scheme inter alia provides for the demerger of the investment arm of the Transferor Company, holding investment in MIFL, comprising of the entire Print Business (as defined in the Scheme) and all the estate, assets, rights, claims, title, interest, licenses, liabilities and authorities including accretions and appurtenances of the Transferor Company pertaining to the Print Business and transfer it to the Transferee Company pursuant to Sections 391 to 394 and other relevant provisions of the Companies Act, 1956 on a going concern basis in the manner provided for in the Scheme.

I. The Appointed Date for the Scheme is April 1, 2010;

II. Effective Date means the date on which the certified or authenticated copy of the order of the Bombay High Court or any other appropriate authority under sections 391 and 394 of the Act, sanctioning the Scheme is filed with the Registrar of Companies, Mumbai or the date on which the certified or authenticated copy of the order of the Allahabad High Court or any other appropriate authority under sections 391 and 394 of the Act, sanctioning the Scheme is filed with the Registrar of Companies, Uttar Pradesh & Uttarakhand at Kanpur or the date on which the approval, if any, from the Ministry of Information and Broadcasting is obtained, whichever is later;

III. Upon coming into effect of the Scheme on the Effective Date but with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest, liabilities and authorities including accretions and appurtenances of the Demerged Undertaking) shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company as a going concern without any further act, deed, matter or thing, in accordance with clause 7 of the Scheme and the provisions of Sections 391 to 394 of the Act and Sections 2(19AA) and 72A of the IT Act.

IV. All the employees of the Transferor Company who are part of the Demerged Undertaking shall be deemed to have become employees of the Transferee Company on the same terms and conditions on which they are engaged by the Transferor Company without any interruption in service as a result of the transfer of the Demerged Undertaking of the Transferor Company to the Transferee Company under the Scheme as provided in Clause 11 of the Scheme.

V. All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking to which the Transferor Company is a party or to the benefit of which the Transferor Company may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company in which the Demerged Undertaking vests by way of the demerger under the Scheme and may be enforced as fully and effectually as if, instead of the Transferor Company, the Transferee Company had been a party or beneficiary or obligee thereto as provided in Clause 7.2 of the Scheme.

VI. During the period between the Appointed Date and up to and including the Effective Date, the Transferor Company shall undertake all the operations and business activities relating to the Demerged Undertaking diligently and in good faith in accordance with Clause 12 of the Scheme;

VII. Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Transferee Company, the Transferee Company shall, without any further application or deed, for every seven (7) fully paid up equity shares of Rs. 10 of Transferor Company, issue and allot to each member of the Transferor Company whose name appears in the register of members of the Transferor Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, two (2) fully paid-up equity shares of Rs.2, of the Transferee Company as provided in Clause 17.2 of the Scheme.

VIII. The new equity shares of the Transferee Company, issued pursuant to this Scheme shall be listed and/or admitted to trading on all the stock exchanges on which the shares of the Transferee Company are listed and shall rank pari passu with the existing equity shares of the Transferee Company

IX. On the Scheme becoming effective, the Transferor Company and the Transferee Company shall respectively account for the demerger in their books as set out in Clauses 18 and 19 of the Scheme respectively.

X. The Scheme is conditional upon and subject to the approvals and/or sanctions detailed in Clause 21 of the Scheme.

N.B. - The members and the creditors are requested to read the entire text of the Scheme attached herewith to get fully acquainted with the provisions thereof. What is stated hereinabove, are brief salient features of the said Scheme.

GENERAL

18. The Scheme would not be prejudicial to the interests of the creditors (secured and unsecured) of either of the companies. The latest accounts of both the Transferor Company and the Transferee Company indicate that they are in a solvent position and would be able to meet all liabilities as they arise in the course of the business. There is no likelihood that any secured or unsecured creditor of either of the companies would lose or be prejudiced as a result of the Scheme being passed, since no sacrifice or waiver is at all called for from them nor are their rights sought to be modified in any manner. Hence, the Scheme will not cast any additional burden on the shareholders or creditors of either of the companies, nor will it adversely affect the interest of any of the

shareholders or creditors thereof. The net worth certificates of the Transferor Company and the Transferee Company, depicting the net worth of both the companies prior to the Scheme and after the Scheme becomes effective will be open for inspection by the members and creditors of the Transferee Company and Transferor Company at the Registered Offices of the Transferee Company and the Transferor Company respectively on any working day (except Saturday, Sunday and a Public Holiday) between 11.00 a.m. to 1.00 p.m. up to the date of the meeting.

19. The demerger of the Demerged Undertaking of the Transferor Company and transfer of the Demerged Undertaking to the Transferee Company under the Scheme will be effected under the provisions of Sections 391 to 394 of the Companies Act, 1956. The demerger under the Scheme complies with the provisions of Section 2(19AA) of the Income Tax Act, 1961, such that:

    (i) All the properties of the Demerged Undertaking, immediately before the demerger being transferred by the Transferor Company become the properties of the Transferee Company by virtue of the demerger under the Scheme;

    (ii) All the liabilities relatable to the Demerged Undertaking being transferred by the Transferor Company, immediately before the demerger become the liabilities of the Transferee Company by virtue of the demerger under the Scheme;

    (iii) The properties and the liabilities, if any, relatable to the Demerged Undertaking being transferred by the Transferor Company are transferred to the Transferee Company at the values appearing in the books of account of the Transferor Company immediately before the demerger under the Scheme;

    (iv) The Transferee Company issues shares to the shareholders of the Transferor Company in consideration of the demerger on a proportionate basis;

    (v) All eligible shareholders of the Transferor Company shall become the shareholders of the Transferee Company by virtue of the demerger under the Scheme; and

    (vi) The transfer of the Demerged Undertaking will be on a going concern basis under the Scheme.

20. The fair share issue ratio for the issue of equity shares of the Transferee Company to the equity shareholders of the Transferor Company in consideration of the demerger of the Demerged Undertaking of the Transferor Company into the Transferee Company was computed and recommended by Ernst & Young, Chartered Accountants, Mumbai who have submitted the Report dated May 05, 2010 containing their recommendations.

21. The Board of Directors of the Transferee Company and the Transferor Company have, based on and relying upon the aforesaid expert advice and on the basis of their independent evaluation and judgement, come to the conclusion that the proposed share issue ratio is fair and reasonable to the shareholders of the Transferor Company and the Transferee Company and have consequently accepted the said suggested share issue ratio. Accordingly, the Board of Directors of both the Transferor Company and the Transferee Company have at their meetings held on May 05, 2010 passed resolutions approving the share issue ratio under the Scheme.

22. The Bombay Stock Exchange Limited by its letter dated June 16, 2010 and National Stock Exchange of India Limited by its letter dated June 17, 2010 have granted their no-objection under Clause 24(f) of the Listing Agreement to the said Scheme.

23. No investigation proceedings have been instituted or are pending under Sections 235 to Section 251 of the Companies Act, 1956 against the Transferor Company or the Transferee Company.

24. The Directors of the Transferor Company and the Transferee Company may be deemed to be concerned and/or interested in the proposed Scheme to the extent of the shares that may be held by them or to the extent the companies, firms, institutions or trusts of which they are directors, partners, members or trustees hold shares in the Transferor Company or the Transferee Company, as the case may be.

25. The shares held by the Directors of the Transferor Company, either individually or jointly, as on June 30, 2010 are as follows:-

Name of Director	**Equity Shares of Rs.10/- each held in Transferor Company**	**Equity Shares held in Transferee Company**
Mr. Khalid A.H. Ansari	43,38,055	NIL
Mr. Tarique Ansari	43,37,298	NIL
Mr. Adille J. Sumariwalla	5,875	NIL

The shares held by the Directors of the Transferee Company, either individually or jointly, as on June 30, 2010 are as follows:-

S.No.	Name of Directors	Equity Shares held in Transferor Company	Equity Shares of Rs. 2/- each held in Transferee Company
1	MAHENDRA MOHAN GUPTA	NIL	23554927
2	SANJAY GUPTA	NIL	10697560
3	DHIRENDRA MOHAN GUPTA	NIL	18146355
4	SUNIL GUPTA	NIL	3565845
5	SHAILESH GUPTA	NIL	5348790
6	BHARATJI AGARWAL	NIL	NIL
7	DEVENDRA MOHAN GUPTA	NIL	18146355
8	GAVIN K. O' REILLY	NIL	NIL
9	KISHORE BIYANI	NIL	NIL
10	NARESH MOHAN	NIL	NIL
11	RAJENDRA KUMAR JHUNJHUNWALA	NIL	525
12	RASHID MIRZA	NIL	NIL
13	SHAILENDRA MOHAN GUPTA	NIL	18146355
14	SHASHIDHAR NARAIN SINHA	NIL	NIL
15	VIJAY TANDON	NIL	NIL
16	VIKRAM BAKSHI	NIL	NIL
17	RAHUL GUPTA, alternate director to Mr Gavin K. O' Reilly	NIL	3565865

26. There will be no change in the pre and post Scheme (expected) shareholding pattern of the Transferor Company. The change in the pre and post Scheme (expected) shareholding pattern of the Transferee Company is given herein below:

TRANSFEREE COMPANY - PRE ARRANGEMENT

Sl. No	Description	AS AT [30.06.2010] Nos.	Holding	% to Equity
1.	Promoter & Promoter Group	16	166651304	55.33
	Sub Total (A)	**16**	**166651304**	**55.33**
	Foreign and Non Resident Holding			
2	Foreign Institutional Investor	38	25563621	8.49
3	Non Residents	294	177295	0.06
4	FDI- Independent News and Media Investment Limited,Ireland	1	17143480	5.69
	Sub Total (B)	**333**	**42884396**	**14.24**
	Banks/Mutual Funds/Indian Financial Institutions			
5	Banks	3	6180	0.00
6	Mutual Funds	45	43808261	14.55
7	Financial Institutions	1	3092906	1.03
	Sub Total (C)	**49**	**46907347**	**15.58**
	Others			
8	Private Corporate Bodies	564	9387406	3.12
9	Indian Public/HUF	25369	35008636	11.63
10	Trusts & Clearing Members	64	331496	0.11
	Sub Total (D)	**25997**	**44727538**	**14.86**
	Grand Total (A+B+C+D)	**26395**	**301170585**	**100%**

TRANSFEREE COMPANY - POST ARRANGEMENT

Sl. No	Description	Post Arrangement (Expected) Nos.	Holding	% to Equity
1.	Promoter & Promoter Group	16	166651304	52.69
	Sub Total (A)	**16**	**166651304**	**52.69**
	Foreign and Non Resident Holding			
2	Foreign Institutional Investor	41	26084382	8.25
3	Non Residents	335	198681	0.06
4	FDI- Independent News and Media Investment Limited,Ireland	1	17143480	5.42
	Sub Total (B)	**377**	**43426543**	**13.73**
	Banks/Mutual Funds/Indian Financial Institutions			
5	Banks	4	16180	0.01
6	Mutual Funds	57	44023984	13.92
7	Financial Institutions	1	3092906	0.98
	Sub Total (C)	**62**	**47133070**	**14.91**
	Others			
8	Private Corporate Bodies	1204	13457749	4.26
9	Indian Public/HUF	51585	45132870	14.27
10	Trusts & Clearing Members	245	464842	0.15
	Sub Total (D)	**53034**	**59055461**	**18.68**
	Grand Total (A+B+C+D)	**53489**	**316266378**	**100%**

INSPECTION

27. Following documents will be open for inspection by the members and creditors of the Transferee Company and Transferor Company at the Registered Offices of the Transferee Company and the Transferor Company respectively on any working day (except Saturday, Sunday and a Public Holiday) between 11.00 a.m. to 1.00 p.m. upto the date of the meeting:

- Memorandum and Articles of Association of the Transferor Company and the Transferee Company.
- Annual Reports of the Transferor Company and the Transferee Company for the year 2009-10.
- Certified copy of the Order dated 9th July 2010 passed by the Hon'ble High Court of Bombay at Mumbai in Company Application No. 484 of 2010 for the Transferor Company.
- Copy of the Valuation Report dated May 05, 2010 of Ernst & Young Chartered Accountants, Mumbai.
- Register of Directors' shareholdings of the Transferor Company.
- Register of Directors' shareholdings of the Transferee Company.
- Copy of the letter dated June 16, 2010 received from the Bombay Stock Exchange Limited.
- Copy of the letter dated June 17, 2010 received from the National Stock Exchange of India Limited.
- Net worth Certificate (Pre/post Scheme) issued by the statutory auditor of the Transferor Company.
- Net worth Certificate (Pre/post Scheme) issued by the statutory auditor of the Transferee Company.

A copy of the Scheme, Statement under Section 393 of the Companies Act, 1956 and Form of Proxy may also be obtained from the Registered Office of the Transferor Company and the Transferee Company.

Place: Mumbai
Date: July 12, 2010

Khalid A.H. Ansari

Chairman appointed for the meeting

Registered Office:
Peninsula Centre,
Dr S. S. Rao Road,
Parel, Mumbai –400012

SCHEME OF ARRANGEMENT

BETWEEN

MID-DAY MULTIMEDIA LIMITED

AND

JAGRAN PRAKASHAN LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PART- I

INTRODUCTION, DEFINITIONS AND SHARE CAPITAL

1. INTRODUCTION

1.1 Mid-Day Multimedia Limited (hereinafter referred to as "**MML**"), a company incorporated under the Companies Act, 1956, and having its registered office at Peninsula Centre, Dr S. S. Rao Road, Near M. G. Hospital, Parel, Mumbai – 400012 is engaged in the Print Business (as defined below) and the Radio Business (as defined below). The equity shares of MML are currently listed on the Bombay Stock Exchange Limited ("**BSE**") and National Stock Exchange of India Ltd. ("**NSE**").

1.2 Jagran Prakashan Limited (hereinafter referred to as the "**Transferee Company**"), a company incorporated under the Companies Act, 1956 and having its registered office at Jagran Building, 2, Sarvodaya Nagar, Kanpur-208005 is inter-alia engaged in the business of publication of newspapers, magazines, journals etc., outdoor advertisement, event management, value added services through mobile and maintaining and running various web portals. The shares of the Transferee Company are listed on BSE and NSE.

2. The Print Business (as defined below) is currently being carried out through Midday Infomedia Ltd. ("**MIFL**"), a 100% subsidiary of MML and the Radio Business is being carried out by Radio Mid-Day West (India) Ltd., a 69.936% subsidiary of MML.

2.1 This Scheme proposes to demerge the investment arm of MML, holding investment in MIFL, comprising of the entire Print Business and all the estate, assets, rights, claims, title, interest, licenses, liabilities and authorities including accretions and appurtenances of MML pertaining to the Print Business ("**Demerged Undertaking**") and transfer it to the Transferee Company. The proposed demerger of the Demerged Undertaking envisaged in this Scheme, is aimed at achieving the following business and commercial objectives and is expected to result in the following benefits for MML and the Transferee Company:

2.1.1 Demerger of the Demerged Undertaking would enable MML to streamline its operations by being focused in the Radio Business and explore strategic options to grow the Radio Business and to rationalize its management, businesses and finances;

2.1.2 The Transferee Company's existing management expertise and quality system in the print media sector are expected to further enhance the performance of the Print Business.

2.1.3 The strong marketing network across the country of the Transferee Company is expected to bring to the Print Business new advertisers and thus increase the advertisement revenue.

2.1.4 The Transferee Company is expected to pass on the benefits of scale of economy to the Demerged Undertaking which along with the Transferee Company is also expected to benefit from various other synergies between the two resulting in cost savings.

2.1.5 The pan India presence of the Transferee Company through its various publication brands and other media related businesses and the resources at its disposal will help in meeting more effectively the high intensity competition in Mumbai being faced by the Print Business and in rapid expansion of various publication brands, internet properties and other related activities of MIFL, thereby enhancing the value of MIFL and its own business in the interest of all the stake holders of both the companies.

2.2 The respective boards of directors feel that the Scheme is beneficial to the respective shareholders, creditors, employees and all stakeholders of MML as well as the Transferee Company. The Scheme is expected to contribute in furthering and fulfilling the objects of both the companies and in the growth and development of their respective businesses.

2.3 The Scheme has been approved by the respective boards of MML and the Transferee Company and it has been decided that requisite application / petition before the respective High Courts for seeking the necessary directions and the sanction of this Scheme, shall be filed. The Scheme is also subject to the approval of the requisite majority of the respective shareholders' and/or creditors, as the case may be, of MML and the Transferee Company and / or such other statutory approvals/ clearances, if any, as more particularly set out in the Scheme.

2.4 The transfer of the Demerged Undertaking shall be on a going concern basis.

3. PARTS OF THE SCHEME

3.1 This Scheme of Arrangement is divided into the following parts:

3.1.1 PART I which deals with the introduction, definitions and share capital of MML and the Transferee Company;

3.1.2 PART II which deals with the demerger of the Demerged Undertaking to the Transferee Company;

3.1.3 PART III which deals with the Remaining Business (defined hereinafter) of MML;

3.1.4 PART IV which deals with the consideration for the demerger;

3.1.5 PART V which deals with accounting treatment for the demerger in the books of MML and the Transferee Company consequent to the demerger; and

3.1.6 PART VI which deals with general terms and conditions applicable to this Scheme.

4. DEFINITIONS

In this Scheme, unless repugnant to the subject or context or meaning thereof, the following expressions shall have the meanings as set out herein below:

4.1 "Act" means the Companies Act, 1956, including any statutory modifications, re-enactments or amendments thereof for the time being in force;

4.2 "Allahabad High Court" means the High Court of Judicature at Allahabad, or such other competent authority under the provisions of Sections 391 to 394 of the Act and shall include the National Company Law Tribunal, if applicable;

4.3 "Appointed Date" means April 01, 2010;

4.4 "Bombay High Court" means the High Court of Judicature at Mumbai or such other competent authority under the provisions of Sections 391 to 394 of the Act and shall include the National Company Law Tribunal, if applicable;

4.5 "Demerged Undertaking" means the investment arm of MML, holding investment in MIFL, comprising of the entire Print Business (as defined below), and all the estate, assets, rights, claims, title, interest, licenses, liabilities and authorities including accretions and appurtenances of MML pertaining to the Print Business being demerged from MML and transferred to the Transferee Company pursuant and subject to the provisions of this Scheme;

4.6 "Effective Date" means the date on which last of the certified or authenticated copy of the orders of respective High Courts or any other appropriate authority under sections 391 and 394 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Mumbai and the Registrar of Companies, Uttar Pradesh & Uttarakhand at Kanpur or the date on which the approval, if any, from the Ministry of Information and Broadcasting ("**MIB**") as provided in Clause 21 is obtained, whichever is later;

4.7 "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, instrumentality, judicial or arbitral body having jurisdiction over the territory of India;

4.8 "Print Business" means all the assets (including but not limited to intangible assets and claims), rights, contracts, undertaking, business, activities, investments and operations pertaining to the manufacturing, production, marketing, sale and distribution of newspapers, periodicals, magazines, editorials and such other print publications listed in **SCHEDULE A** collectively called as the Print Business being carried on by MIFL, the wholly owned subsidiary of MML and internet properties listed in **SCHEDULE B**. The term Print Business shall include the following:

4.8.1 All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) wherever situated and of whatever nature, required for carrying on the business, activities and operations relating solely to the Print Business;

4.8.2 All present and future liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, current liabilities and provisions, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the businesses activities and/or operations relating solely to the Print Business. All present liabilities (including borrowings and contingent liability) mean those listed in **SCHEDULE C**. Any undisclosed present liability of the Print Business not getting reflected in the financial statements of MML or MIFL as on March 31, 2010 is part of the Remaining Business (as defined below);

4.8.3 All future liabilities (including contingent liability, loans, debts etc) arising in relation to the Print Business after the Appointed Date including those arising out of or relating to litigations, disputes etc. listed in **SCHEDULE D**;

4.8.4 Without prejudice to the generality of the above, the Print Business shall also include in particular:

4.8.4.1 Land (freehold and leasehold properties), buildings, plant and machinery, equipments, furniture and fixture, vehicles and any other fixed asset in relation to the Print Business including those more particularly described in **SCHEDULE E**;

4.8.4.2 All current assets, inventory, stock-in-trade, account receivables, loans and advances, pre-paid expenses and other assets in relation to the Print Business including those more particularly described in **SCHEDULE F**;

4.8.4.3 Cash and cash equivalents, bank balances and bank accounts relating to the day to day operations of the Print Business including fixed deposits as more particularly described in **SCHEDULE G**;

4.8.4.4 Security deposits, advances, earnest monies, advance lease rentals or other payments made to or received from the lessors or suppliers or service providers in relation to the Print Business;

4.8.4.5 All agreements, rights including tenancy and easement rights, contracts, entitlements, permits, licences, registrations, insurance policies, approvals, consents, engagements, arrangements, subsidies, concessions, exemptions and all other privileges and benefits of every kind, nature and description whatsoever (including but not limited to benefits of tax relief including under the

Income Tax Act, 1961 ("**IT Act**") such as credit for advance tax, taxes deducted at source etc, unutilised deposits or credits, benefits under the VAT/ Sales Tax law, VAT/ sales tax set off, unutilised deposits or credits, benefits of any unutilized MODVAT/CENVAT/Service tax credits, etc.) relating to the Print Business;

4.8.4.6 All investments in relation to the Print Business including those more particularly described in **SCHEDULE H**;

4.8.4.7 All the deferred tax including those more particularly described in **SCHEDULE I**;

4.8.4.8 All the employees of MIFL and the employees of MML forming part of the Print Business as per **SCHEDULE J**;

4.8.4.9 All records, returns, files, documents, reports, papers, computer programs, manuals, data catalogues, quotations, sales and advertising materials, list of present and former customers and suppliers, customer credit information, customer pricing information and other records, whether in physical form or electronic form in connection with or relating to the Print Business;

4.8.4.10 All intellectual property rights owned or licensed, records, files, papers, data and documents relating to the Print Business, including brand names, internet sites domain names ("**Intellectual Property**");

4.8.4.11 All pending litigation or proceedings filed by or against MML / MIFL pertaining to the Print Business as described in **SCHEDULE D**.

4.8.4.12 All loans availed of by MML / MIFL for the purposes of the Print Business and other liabilities incurred in connection therewith as described in **SCHEDULE K**.

Despite this, if any question arises as to whether a specified asset or liability pertains or does not pertain to the Print Business or whether it arises out of the activities or operations of the Print Business, it shall be decided by mutual agreement between the board of directors of MML and the Transferee Company.

4.9 "Radio Business" means the investment in subsidiary called Radio Mid-Day West (India) Ltd, which holds fm licenses for 7 cities in India;

4.10 "Record Date" means the date to be fixed by the board of directors of MML in consultation with the board of directors of the Transferee Company for the purpose of reckoning names of the equity shareholders of MML, who shall be entitled to receive shares of the Transferee Company upon coming into effect of this Scheme;

4.11 "Remaining Business / Radio Business" of MML shall mean all undertakings, businesses, activities and operations including assets and liabilities of MML other than the Print Business including its investment in Mid-Day Outdoor Limited, Radio Mid-Day West (India) Limited, Mid-Day Broadcasting South (India) Private Limited, Mid-Day Radio North (India) Ltd.;

4.12 "Scheme" means this Scheme of Arrangement between MML and Transferee Company and their respective shareholders and creditors, in its present form and with any modifications and amendments thereto;

4.13 "Stock Exchanges" shall mean BSE and NSE.

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 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 Bombay High Court and the Allahabad High Court shall be collectively referred to as High Courts in the Scheme.

5. DATE OF TAKING EFFECT AND OPERATIVE DATE

This Scheme set out herein in its present form or with any modifications approved or imposed or directed by the High Courts shall be effective from the Appointed Date but shall be operative from the Effective Date.

6. SHARE CAPITAL

6.1 The share capital of MML as on March 31, 2010 is as under:

Particulars	Amount (Rs.)
Authorised share capital	
5,50,00,000 Equity shares of Rs.10 each	55,00,00,000
50,00,000 Preference shares of Rs.10 each	5,00,00,000
Issued, Subscribed and Paid Up	
5,22,98,776 Equity shares of Rs.10 each	52,29,87,760
5,28,35,276 Equity Shares including Equity Shares held by ESOP trust (Mid-day Exports Ltd)*	528,352,760

* No of Equity Shares as per BSE & NSE

6.1.1 The equity shares of MML are listed on BSE and NSE.

6.2 The share capital of the Transferee Company as on 31st March, 2010 is as under:

Particulars	Amount (Rs.)
Authorised	
37,50,00,000 Equity shares of Rs.2 each	75,00,00,000
Issued, Subscribed and Paid Up	
30,11,70,585 Equity shares of Rs.2 each	60,23,41,170

6.2.1 The equity shares of the Transferee Company are listed on BSE and NSE.

PART – II

DEMERGED UNDERTAKING

7. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING

Upon the coming into effect of this Scheme and with effect from the Appointed Date, the Demerged Undertaking (including all the estate, assets, rights, claims, title, interest and authorities including accretions and appurtenances of the Demerged Undertaking) pursuant to the provisions of Sections 391 to 394 of the Act and Sections 2(19AA) and 72A of the IT Act shall stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company, as a going concern without any further act, deed, matter or thing in the following manner. It is hereby clarified that, after the Effective Date of the Scheme, the Print Business shall continue to be carried out by the Transferee Company through MIFL:

7.1 Assets

7.1.1 The whole of the Demerged Undertaking shall without any further act, deed, matter or thing, stand transferred to and vested in and / or be deemed to be transferred to and vested in the Transferee Company so as to vest in the Transferee Company all rights, title and interest pertaining to the Demerged Undertaking;

7.1.2 All assets, investments, right, title or interest acquired or disposed of by the Demerged Undertaking after the Appointed Date but prior to the Effective Date in relation to the Print Business shall be deemed to have been acquired or disposed of for and on account of the Transferee Company;

7.1.3 All assets, investments, right, title or interest acquired by MML after the Appointed Date but prior to the Effective Date in relation to the Demerged Undertaking shall without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act;

7.1.4 In respect of all the movable assets of MML in relation to the Demerged Undertaking and the assets which are otherwise capable of transfer by physical delivery or endorsement and delivery, including cash in hand, shall be so transferred to the Transferee Company and deemed to have been physically handed over by physical delivery or by endorsement and delivery, as the case may be, to the Transferee Company to the end and intent that the property and benefit therein passes to the Transferee Company with effect from the Appointed Date. Such delivery and transfer shall be made on a date mutually agreed upon between MML and the Transferee Company. However such date of delivery shall be within 30 (thirty) days from the Effective Date or such other date as may be mutually agreed upon by MML and the Transferee Company.

7.2 Contracts

7.2.1 All contracts, deeds, bonds, agreements, schemes, arrangements and other instruments of whatsoever nature in relation to the Demerged Undertaking to which MML is a party or to the benefit of which MML may be eligible, and which are subsisting or have effect immediately before the Effective Date, shall continue in full force and effect on or against or in favour of, as the case may be, the Transferee Company in which the Demerged Undertaking vests by way of the demerger hereunder and may be enforced as fully and effectually as if, instead of MML, the Transferee Company had been a party or beneficiary or obligee thereto or thereunder;

7.2.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Demerged Undertaking occurs by virtue of this Scheme itself, the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations or other writings or tripartite arrangements with any party to any contract or arrangement to which MML is a party or any writings as may be necessary in order to give formal effect to the provisions of this Scheme.

7.3 Liabilities

7.3.1 All debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description, present and future, of MML in relation to the Demerged Undertaking shall also, under the provisions of Sections 391 to 394 and all other applicable provisions, if any, of the Act, and without any further act or deed, be transferred to or be deemed to be transferred to the Transferee Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen in order to give effect to the provisions of this sub-clause;

7.3.2 Any undisclosed present liability in relation to the Demerged Undertaking not getting reflected in the financial statements of MML or MIFL as at March 31, 2010 is part of the Remaining Business and shall not stand transferred to the Transferee Company upon coming to effect of the Scheme;

7.3.3 Where any of the debts, loans raised and used, liabilities and obligations incurred, duties and obligations of MML in relation to the Demerged Undertaking as on the Appointed Date deemed to be transferred to the Transferee Company have been discharged by MML after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of the Transferee Company;

7.3.4 All loans raised and used and all liabilities and obligations incurred by MML for the operations of the Demerged Undertaking after the Appointed Date and prior to the Effective Date shall, subject to the terms of this Scheme and to the extent they are outstanding on the Effective Date, also without any further act or deed be and stand transferred to and be deemed to be transferred to the Transferee Company and shall become the debts, liabilities, duties and obligations of the Transferee Company which shall meet, discharge and satisfy the same.

7.4 Licences and Permissions

Any statutory licenses, permissions or approvals or consents received by MML for the purposes of carrying on the operations of the Demerged Undertaking shall stand vested in or transferred to the Transferee Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Transferee Company and the benefit of all statutory and regulatory permissions, environmental approvals and consents, registration or other licenses, and consents shall vest in and become available to the Transferee Company as if they were originally obtained by the Transferee Company. Necessary endorsements shall be made, if required, subsequent to the Effective Date, in the statutory licenses, permissions, approvals or consents received by MIFL to record the transfer of the Demerged Undertaking under this Scheme. In so far as the various incentives, subsidies, rehabilitation schemes, special status and other benefits or privileges enjoyed, granted by any Governmental Authority or by any other person, or availed of by MML relating to the Demerged Undertaking, are concerned, the same shall vest with and be available to the Transferee Company on the same terms and conditions as applicable to MML, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Transferee Company.

7.5 Intellectual Property Rights

All the Intellectual Property of MML in relation to the Demerged Undertaking including (i) all rights, title, and interest under any statute or under common law including patents; trademarks and service marks; copyrights including moral rights; and any similar rights in respect of Assets, anywhere in the world, whether negotiable or not; (ii) applications for any of the foregoing and the right to apply for them in any part of the world; (iii) right to obtain and hold appropriate registrations with respect to the Assets, (iv) all extensions and renewals thereof; (v) causes of action in the past, present or future, related thereto including the rights to damages and profits, due or accrued, arising out of past, present or future infringements or violations thereof and the right to sue for and recover the same and (vi) those more particularly described in **SCHEDULE L** shall without any further act, instrument or deed, be and stand transferred to and vested in and be deemed to have been transferred to and vested in the Transferee Company upon the coming into effect of this Scheme pursuant to the provisions of Sections 391 to 394 of the Act.

7.6 This Scheme is in compliance with the conditions relating to "Demerger" as specified under Sections 2(19AA) and 72A of the IT Act such that:

7.6.1 All the properties of the Demerged Undertaking being transferred by MML become the properties of the Transferee Company by virtue of the demerger;

7.6.2 All the liabilities relatable to the Demerged Undertaking being transferred by MML, immediately before the demerger become the liabilities of the respective Transferee Company by virtue of the demerger;

7.6.3 The properties and the liabilities, if any, relatable to the Demerged Undertaking being transferred by MML are transferred to the Transferee Company at the values appearing in the books of account of MML immediately before the demerger;

7.6.4 The Transferee Company shall issue shares to the shareholders of MML as consideration for the demerger on a proportionate basis, in accordance with the provisions of this Scheme;

7.6.5 All shareholders of MML shall become the shareholders of the Transferee Company by virtue of the demerger; and

7.6.6 The transfer of the Demerged Undertaking will be on a going concern.

7.7 If any terms or provisions of the Scheme is/are inconsistent with the provisions of Sections 2(19AA) and 72A of IT Act, the provisions of Section 2 (19AA) and 72A of the IT Act shall prevail and the Scheme shall stand modified to the extent necessary to comply with Sections 2(19AA) and 72A of the IT Act; such modification shall not affect other parts of the Scheme.

7.8 It is hereby clarified that upon coming into effect of the Scheme, MIFL shall become a wholly owned subsidiary of the Transferee Company and the Print Business shall be carried on by the Transferee Company through MIFL.

8. NON-COMPETE

MML and/or the promoters thereof shall not carry on or indulge in, directly or indirectly, any print business similar to the Print Business nor will they encourage any third party directly or indirectly to carry on or indulge in any print business similar to the Print Business for a period of 5 (five) years commencing from the Effective Date. However, this restriction shall not apply to carrying on the business of printing of newspapers, books and journals on job work and publications of books/journals (only with prior consent of JPL) through Inquilab Offset Printers Pvt. Ltd., a company incorporated under the Companies Act, 1956, and having its registered office at RBM Mill Compound, 156 – DJ Dadajee, Road Tardeo, Mumbai – 400 034.

9. SECURITY

9.1 The transfer and vesting of the Demerged Undertaking as aforesaid shall be subject to the existing securities, charges, mortgage and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof to the extent that such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Demerged Undertaking. It is agreed by and between MML and the Transferee Company, that pursuant to the demerger, necessary steps shall be taken in order to effect the change/ modification of charges, if any, in the records of the Registrar of Companies.

9.2 It is clarified that unless otherwise determined by the board of directors of the Transferee Company, in so far as the assets comprising the Demerged Undertaking are concerned:

9.2.1 the security or charge relating to loans or borrowings of MML, in relation to the Demerged Undertaking, shall without any further act or deed continue to relate to the said loans or borrowings after the Appointed Date and shall not relate to or be available as security in relation to any other borrowings of MML except the assets of the Demerged Undertaking created as security for the loans availed by the Radio Business from Axis Bank and Bank of Baroda as more particularly described in **SCHEDULE M**, shall continue as security for the said loan for a further period of six months from the Effective Date; and

9.2.2 the other assets of MML shall not relate to or be available as security in relation to the said borrowings of MML, in relation to the Demerged Undertaking;

9.3 The board of directors of MML may enter into such alternate arrangements with the lenders pursuant to the release of security as per the provisions mentioned in Clause 9.2 above as they may deem fit.

9.4 Corporate guarantee given by MML relating to the Remaining Business and shall continue to remain related to the Remaining Business.

10. TRANSFER AT BOOK VALUES

All the assets, properties and liabilities of the Demerged Undertaking shall be transferred to the Transferee Company at the values appearing in the books of MML (at historical cost less depreciation) on the Appointed Date.

11. EMPLOYEES

11.1 On and from the Effective Date, all the employees as listed in **SCHEDULE J** relating to the Demerged Undertaking, as were employed by MML, immediately before such date, shall become the employees of MIFL with the benefit of continuity of service and without any break or interruption in service. All the current employees of MIFL shall continue to be in employment of MIFL on the same terms and conditions as were applicable to them immediately before the demerger. The Transferee Company undertakes to abide by any agreement/settlement, if any, entered into by MML / MIFL with any of its respective employees thereof. The Transferee Company further agrees that for the purpose of payment of retrenchment compensation, if any, such past services with MML shall be taken into account;

11.2 It is expressly provided that, on the Scheme becoming effective, the provident fund, gratuity fund, superannuation fund created or any other special fund existing for the benefit of the employees of MML including the Gratuity Trust Fund, in relation to the Demerged Undertaking shall become the funds of MIFL, for all purposes whatsoever in relation to the administration or operation of such fund(s) or in relation to the obligation to make contributions to the said fund(s) in accordance with the provisions thereof as per the terms provided in the respective trust deeds, if any, to the end and intent that all rights, duties, powers and obligations of MML, in relation to the Demerged Undertaking in relation to such fund(s) shall become those of MIFL. These funds shall, subject to the necessary approvals and permissions and at the discretion of the Transferee Company, either be continued as separate funds of MIFL for the benefit of the employees of the Demerged Undertaking or be transferred to and merged with other similar funds of MIFL. It is clarified that the services of the employees of MML, in relation to the Demerged Undertaking shall be treated as having been continuous for the purpose of the said fund(s).

12. BUSINESS AND PROPERTY DURING THE PERIOD BETWEEN THE APPOINTED DATE AND THE EFFECTIVE DATE

12.1 During the period between the Appointed Date and up to and including the Effective Date, MML shall undertake all the operations and business activities relating to the Demerged Undertaking diligently and in good faith;

12.2 During such period as provided in Clause 12.1 above, MML shall undertake such activities or make such decisions as specifically provided in **SCHEDULE N**, in relation to the Demerged Undertaking, only with prior consent of the Transferee Company;

12.3 All profits accruing to MML thereon or losses arising or incurred by it relating to the Demerged Undertaking shall, for all purposes, be treated as the profits, or losses, as the case may be, of the Transferee Company;

13. PENDING PROCEEDINGS

13.1 All legal, administrative and other proceedings, of whatsoever nature pending in any court or before any authority, judicial, quasi judicial or administrative and/or arising after the Appointed Date and relating to the Demerged Undertaking, or its respective properties, assets, debts, liabilities, duties and obligations shall be continued and/or enforced until the Effective Date by or against MML; and from the Effective Date, shall be continued and enforced by or against the Transferee Company in the same manner and to the same extent as would or might have been continued and enforced by or against MML, had the Scheme not been made. On and from the Effective Date, the Transferee Company shall have the right to initiate, defend, compromise or otherwise deal with any legal proceedings relating to the Demerged Undertaking, in the same manner and to the same extent as would or might have been initiated by MML as the case may be, had the Scheme not be made;

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

14. SAVING OF CONCLUDED TRANSACTIONS

14.1 The transfer of properties and liabilities and the continuance of proceedings by or against the Transferee Company, as envisaged under this Scheme, shall not affect any transaction or proceedings already concluded by MML, in relation to the Demerged Undertaking on, before or after the Appointed Date till the Effective Date, to the intent that the Transferee Company subject to Clause 12.2 accepts and adopts all acts, deeds and things done and executed by MML, in relation to the Demerged Undertaking, as done and executed on behalf of itself.

15. The Transferee Company, if so required by the authorities and/or under law shall be entitled to revise its Income Tax, Trade Tax or any other tax returns and use related tax deducted at source certifications and to claim refunds, advance tax credits etc. and its rights to make such revisions in the tax returns and the right to claim refunds, advance tax credits are expressly granted.

PART III
REMAINING BUSINESS

16. REMAINING BUSINESS OF MML

16.1 The Remaining Business of MML and all assets, liabilities, incentives, rights and obligations pertaining thereto, shall continue to be vested in and managed by MML in the manner as provided below.

16.2 All legal and other proceedings including any insurance claims by or against MML under any statute, whether pending on the Appointed Date or which may be instituted in future, whether or not in respect of any matter arising before the Effective Date and relating to the Remaining Business of MML (including those relating to any property, right, power, liability, obligation or duty, of MML in respect of the Remaining Business of MML) shall be continued and enforced by or against MML.

16.3 MML shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf.

16.4 MML may enter into such contracts as MML may deem necessary in respect of the Remaining Business.

16.5 All profits accruing to MML thereon or losses arising or incurred by it relating to the Remaining Business of MML shall, for all purposes, be treated as the profit, or losses, as the case may be, of MML.

16.6 All assets and properties acquired by MML in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in MML.

16.7 All liabilities (including contingent liabilities) loans, debts (whether secured or unsecured) raised or incurred, duties and obligations of every kind, nature and description whatsoever and howsoever arising or accruing in relation to the Remaining Business shall belong to and continue to remain vested in MML.

PART IV
CONSIDERATION AND CHANGE IN SHARE CAPITAL

17. CONSIDERATION

17.1 In consideration of the transfer and vesting of the Demerged Undertaking in accordance with the provisions of this Scheme, the share capital of the Transferee Company shall be increased in the manner set out in this Clause.

17.2 Upon the Scheme becoming effective and in consideration of the demerger including the transfer and vesting of the Demerged Undertaking in the Transferee Company, the Transferee Company shall, without any further application or deed, for every seven (7) fully paid up equity shares of Rs. 10 of MML, issue and allot to each member of MML whose name appears in the register of members of MML as on the Record Date ("**Eligible MML Shareholders**") or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, two (2) fully paid-up equity share of Rs.2, of the Transferee Company. For the purposes of the allotment referred to in this Clause, fractional entitlements shall be rounded-off to the nearest whole number.

17.3 The equity shares to be issued by the Transferee Company pursuant to Clause 17.2 above shall be issued:

17.3.1. In dematerialized form, if the shares are held in dematerialized form by the Eligible MML Shareholders, provided that such members of MML shall be required to provide details of their demat account maintained with a depository participant and such other confirmations as may be required.

17.3.2. In physical form, if the shares are held in physical form by the Eligible MML Shareholders. New share certificates shall be issued and delivered by registered post to such Eligible MML Shareholders for the number of shares entitled by them under the Scheme.

17.4 The equity shares of the Transferee Company to be issued to the members of MML pursuant to Clause 17.2 above shall be subject to the memorandum and articles of association of the Transferee Company and shall rank pari passu in all respects, including dividend, with the existing ordinary (equity) shares of Transferee Company.

17.5 The equity shares of the Transferee Company are listed and admitted to trading on the BSE and NSE. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the Stock Exchanges with respect to the issue of equity shares under this Scheme. On such formalities being fulfilled, the Stock Exchanges shall list and/or admit such equity shares issued pursuant to this Scheme, for the purpose of trading. The equity shares allotted pursuant to Clause 17.2 shall remain frozen in the depositories system till listing /trading permission is given by the Stock Exchanges, respectively and shall be subject to such lock-in as may be prescribed by the Stock Exchanges and/or other Governmental Authorities.

17.6 The issue and allotment of equity shares by the Transferee Company, to the shareholders of MML as provided hereunder is an integral part of the Scheme and shall be deemed to have been carried out as if the procedure laid down under Section 81 (1A) and any other applicable provisions of the Act were duly complied with.

17.7 For the purpose of issue of equity shares to the shareholders of MML, the Transferee Company shall, if and to the extent required, apply for and obtain the required statutory approvals.

17.8 The equity shares to be issued by the Transferee Company pursuant to this Scheme in respect of any equity shares of the Demerged Undertaking which are held in abeyance under the provisions of Section 206A of the Act or otherwise shall pending allotment or settlement of dispute by order of Court or otherwise, be held in abeyance by the Transferee Company.

PART V
ACCOUNTING TREATMENT

18. IN THE BOOKS OF MML

18.1 The assets and the liabilities of the Demerged Undertaking being transferred to the Transferee Company shall be at values appearing in the books of accounts of MML on the Appointed Date;

18.2 The difference between value of the assets and value of the liabilities transferred in accordance with the aforesaid Clause will be recorded in the profit and loss account in the books of MML;

19. IN THE BOOKS OF THE TRANSFEREE COMPANY

19.1 Upon the Scheme becoming effective, the Transferee Company shall:

19.1.1 record the assets and liabilities pertaining to the Demerged Undertaking, at the respective book values as appearing in the books of MML as on the Appointed Date;

19.1.2 credit to its share capital account, the aggregate face value of the equity shares issued by it pursuant to this Scheme and Clauses 17.2 above;

19.2 The excess of assets of the Demerged Undertaking as on the Appointed Date over the (i) book value of the liabilities of the Demerged Undertaking as on the Appointed Date and (ii) paid up value of the Equity Shares issued by the Transferee Company to the shareholders of MML (the amount credited as share capital), will be credited to the capital reserve account of the Transferee Company. In case of there being a shortfall, the same shall be debited to and carried forward as goodwill. Similar accounting treatment, as applicable, shall be reflected in the consolidated financial statements of the Transferee Company.

PART VI
OTHER TERMS & CONDITIONS

20. APPLICATION TO THE HIGH COURTS

20.1 MML and the Transferee Company shall make applications / petitions to the Bombay High Court and Allahabad High Court for sanction of this Scheme, under Sections 391 to 394 and other applicable provisions of the Act.

20.2 Any dispute arising out of this Scheme shall be subject to the jurisdiction of the Bombay High Court or the Allahabad High Court.

21. CONDITIONALITY OF THE SCHEME

21.1 This Scheme is and shall be conditional upon and subject to:

21.1.1 The Scheme being agreed to by the requisite majority of the respective members and / or creditors of MML as well as the Transferee Company;

21.1.2 The Scheme being approved by the Stock Exchanges;

21.1.3 The Scheme being approved by the Bombay High Court and Allahabad High Court under Sections 391 to 394 read with Sections 100 to 104 of the Act;

21.1.4 Requisite approvals, if any, being obtained from the MIB to give effect to this Scheme;

21.1.5 Requisite approvals being obtained from Reserve Bank of India / Foreign Investment Promotion Board, as may be applicable;

21.1.6 The authenticated certified copies of the orders of the High Courts, sanctioning this Scheme being filed with the Registrar of Companies, Maharashtra at Mumbai and Registrar of Companies, Uttar Pradesh and Uttarakhand at Kanpur;

22. MODIFICATION OR AMENDMENTS TO THE SCHEME

22.1 Each of MML and the Transferee Company (acting through their board of directors, committee thereof or any director authorized by the board of directors to this effect) may assent to any modifications or amendments to this Scheme, including pursuant to the orders of the High Courts and/or any other authorities may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme. Each of MML and the Transferee Company (acting through their board of directors, committee thereof or any director authorized by the board of directors to this effect) shall be and is hereby authorized to take such steps and do all acts, deeds and things as may be necessary, desirable or proper to give effect to this Scheme and to resolve any doubts, difficulties or questions whether by reason of any orders of the High Courts or of any directions given by any other appropriate authorities or for any reason otherwise arising out of this Scheme and/or any matters concerning or connected herewith.

23. EFFECT OF NON-RECEIPT OF APPROVALS

23.1 In case the Scheme is not approved by the High Courts or any of the approvals or conditions enumerated in the Scheme have not been obtained or complied with, or for any other reason, if this Scheme cannot be implemented, then the board of directors of MML and the Transferee Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear their respective costs, charges and expenses in connection with this Scheme.

23.2 If any part of this Scheme hereof is invalid, held illegal by any court of competent jurisdiction, or unenforceable under any present or future laws, then it is the intention of the parties that such part shall be severable from the remainder of the Scheme, and the 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 parties shall attempt to bring about a modification in the Scheme, as will best preserve for the parties the benefits and obligations of the Scheme, including but not limited to such part.

24. COSTS, CHARGES AND EXPENSES

24.1 All costs, charges, expenses, taxes including duties, levies in connection with the Scheme and its implementation thereof, shall be borne by the respective companies.

SCHEDULE A

Print Publications of MIFL

#	Publication Name	#	Publication Name
1	MiD Day Mumbai	5	MiD Day Pune
2	MiD Day Sunday	6	MiD Day Delhi
3	MiD Day Gujarati	7	Inquilab
4	MiD Day Bangalore		

SCHEDULE B

Internet Properties of the Print Business

	Cyber-Domain		Net4
#	Domain Name		Domain Name
1	CHALOMUMBAI.COM	1	mid-day.co.in
2	GUJARATHIMIDDAY.COM	2	inquilab.in
3	GUJARATHIMID-DAY.COM	3	mid-day.in
4	GUJARATIMIDDAY.COM	4	inquilab.co.in
5	GUJARATIMID-DAY.COM	5	mid-dayclassifieds.in
6	HELLOMIDDAY.COM	6	mid-dayclassifieds.co.in
7	HELLOMID-DAY.COM	7	middayinfomedia.in
8	INQUILAB.COM	8	MIDDAYCLASSIFIEDS.in
9	MID-DAY.COM	9	MIDDAYCLASSIFIEDS.mobi
10	MIDDAYADRATES.COM		
11	MIDDAYADVERTISING.COM		
12	MIDDAYCLASSIFIED.COM		
13	MIDDAYCLASSIFIEDS.COM		
14	MID-DAYCLASSIFIEDS.COM		
15	MIDDAY-CLASSIFIEDS.COM		
16	MIDDAYCLASSIFIEDS.NET		
17	MIDDAYINFOMEDIA.COM		
18	MIDDAYMOBILE.COM		
19	MIDDAYMULTIMEDIA.COM		
20	MID-DAYMULTIMEDIA.COM		

SCHEDULE C

Present Liabilities of the Print Business

MIDDAY INFOMEDIA LTD.				**MIDDAY MULTIMEDIA LTD.**		
Liabilities as on Mar 31, 2010						
		Amount (Rs.)	Amount (Rs.)		Amount (Rs.)	Amount (Rs.)
1.	**Secured Loans**			**Loan Funds**		
	Cash Credit	10,48,50,143		**Unsecured Loans**		
	ECB Term Loan	2,25,16,283	12,73,66,426	Non Convertible Debentures (LIC MF NCD)	9,30,00,000	9,30,00,000
2.	**Unsecured Loan**			**Current Liabilities & Provisions**		
	Bank of India (Incl. Interest)	10,57,45,583	10,57,45,583	Current Liabilities	2,10,683	2,10,683
3.	**Sundry Creditors**	7,13,59,432	7,13,59,432	**Provisions**		
4.	**Purchase Consideration (to MML)**	16,86,37,080	16,86,37,080	Provision for leave encashment	11,13,428	
5.	**Trade Deposits**	89,02,127	89,02,127	Provision for Gratuity	4,307	11,17,735
6.	**Other Liabilities**					
	Advance From Customer	4,02,07,522				
	Outstanding Liabilities	3,30,30,383				
	Taxation	2,18,52,309				
	Staff related expenses payable	1,44,43,611				
	Contributors payable	28,91,351				
	TDS Payable	18,83,856				
	Service Tax Payable	9,90,810				
	Others	1,76,496				
	Cess Payable	1,63,192				
	Sales Tax Payable	1,15,322	11,57,54,852			
7.	**Provisions**					
	Provision for leave encashment	84,30,296				
	Provision for Gratuity	1,41,26,495				
	Provision for Incentive to Depot	74,12,030	2,99,68,821			
	Total		**62,77,34,321**	**Total**		**9,43,28,418**

Contingent Liabilities

8.	**MIDDAY INFOMEDIA LTD.**	**MIDDAY MULTIMEDIA LTD.**	
			Rs. in lacs
	Note :		
A	Claims against the Company in respect of various defamation suits and claims of employees, amount not ascertainable.	A	Corporate Guarantee issued to Bank of Baroda for External Commerical Borrowings facility in Midday Infomedia Limited.* 225
B	Tax liabilities arising out of inter-company transactions; like rent, sharing of common cost, etc.	B	Corporate Guarantee issued to Bank of India for Term Loan facility in Midday Infomedia Limited (Original Amount Rs. 1250 Lakh) 1,057
		C	Corporate Gurantee issued to Bank of Baroda for Cash Credit facility in Midday Infomedia Limited (sanction amount) 1,800
			Total **3,082**
		D	Claims against the company in respect of Various defamation suits and claims of employees, amount not ascertainable
		E	Tax liabilities arising out of inter-company transactions; like rent, sharing of common cost, etc.

SCHEDULE D
Pending Litigations/Disputes

List A: Legal Cases as on 1/4/2010

#	Case no	Court	Complainant	Accused	Subject	Brief about the case	Current status of the case	Complaint	I.P.C.
1	254//S/2005	26th Borivali Court	Attachayar Bhrashrachar Virodhi Samiti	Aakar Patel	Mid Day Mates	Publishing Mid day Mates photos in daily Mid day	for plea & warrant Pending	Criminal	292 &34
2	590/SW/2005	4th Girgaum Court	Pretia Zinta	Mr Khalid Ansari, Tariq Ansari, Rajesh Tahil, Akar Patel, Aziz Khatri, Krishna Warrer, Lajwanti D'Souza Latif Shaikh	Article In MMD On 3 Jun 05	A news story published in Mid day - Salman used bad words for pretia zinta, and we published same in our newspaper	For further Cross examination of P. Zinta	Defamation	500,501, 502,292 & 34
3	79/S/2004	37th ESPL Court	Prathibha Naithani	Rajesh Thawani And Aziz Khatri	Photos Of Swami Narayan Temple In GMD	A news story alongwith photos of temple priest with a woman in compromise position	For arguments on discharge application	Criminal	292 &34
4	159/PS/2006	37th ESPL Court	Sadani	Akar Patel, Aziz Khatri	Photo Getting Cheeky-MMD	Published photo - a hollywood director touches butts of his film heroin	For arguments on discharge application	Criminal	292 &34
5	19/PS/2006	37th ESPL Court	Prathibha Naithani	Krishna Warrier And Aziz Khatri	Free Entry Ad Md, GMD And INQ	An movie advertisement published in all publications	For arguments on discharge application	Criminal	292, &34
6	115/PS/2004	37th ESPL Court	Prathibha Naithani	Akar Patel, Aziz Khatri	Photos Of Kareena & Shahid- MMD	Kareena & shaeed kissing photos published in mid day	For arguments on discharge application	Criminal	292 & 34
7	727/PS/2006	37th ESPL Court	Prathibha Naithani	Krishna Warrier, Aziz Khatri	Your Life Photos- MMD	Published a women photos in shorts of upcoming fashion designers	For arguments on discharge application	Criminal	292 &34
8	174/PS/2007	37th ESPL Court	Prathibha Naithani	Krishna Warrier, Aziz Khatri	Football Kissing Photos	Published a kissing photos of football lovers during the match at ground	For arguments on discharge application	Criminal	292 &34

List A: Legal Cases as on 1/4/2010

#	Case no	Court	Complainant	Accused	Subject	Brief about the case	Current status of the case	Complaint	I.P.C.
9	1488/S/2000	16th Ballard Pier Court	K.K.Vasudeva Kurp	Mr Khalid Ansari, Akar Patel, T L Anthnoy, Sanjiya K Salian, Saira Menenzes, Keshwar Postmaster	Mid-Day Mates	Publishing a mid day mates in mid day newspaper	For further Cross examination of k k Kurup	Criminal	29, 292 (a) & 293
10	27/S/2005	40th Girgaum Court	R.R.Patil	Lajwanti D'Souza, Varsha Gopinathan, Shadab Khan	Entry At R R Patil Residence	A sting operation at R R Patil's residence after closer of dance bars	For evidence	Criminal	419,448, 451, 452, 109 R/W 5,34
11	557/PW/2006	49th Session Court	Bajrang Dal	Anish Trivedi, Aziz Khatri Alpna Sawai	Article On 30 Apr 06 MMD	An article by Anish in smd about sc/ st are shit of bunchs etc.	For framing charges	Criminal	Atrocity Act,3 (10) (9) (10) & 7(1) (a) (b)
12	5617/SS/2008	29th Bhoiwada Court	T.Choudhary	Lajwanti, Krishna, Anwer, Latif	Mid Day Story	Dcp son's forced the land owner to sale the land at throw away price.	For service of summon to other accused	Criminal	500 & 34
13	1159/SS/2009	29th Bhoiwada Court	Mohd Dossa	Anand, Lajwanti, Krishna Anwer, Latif	Mid Day Story	Mustaffa dossa runs illict activity from aurther road jail - story in mid day	For service to other accused	Criminal	12 (B), 500, 501, 502 R/w 34
14	630/2008	32 Session Court	Maria Susaraj	Editor	Mid Day Story	Published story before matter comes for court hearing	filed our reply and we are not concerned.	WITNESS	witness
15	3414/2007	Prothanary Officer High Court	City Traders	Lajwanti, Anwer	Mid Day Advertisement	Published advertisement on 27.06.2007 in mid day	For evidence	Defamation	500
16	2679/2008	High Court	New India Co-Op Housing Society Limited	Shailesh, Editor	Mid Day Story	Society collected Rs 1/- cr as flat transfer charges from flat owner	For evidence	Defamation	500
17	573/MISC/2007	9th Bandra Court	James Godwin	Akar Patel, Sanjivan K Salian, Manoj Nair	Mid Day Story	Published story in mid day about missing journalist from residence	For service of summon to other accused	Criminal	499, 500, 501,&502
18	224/SS/2009	32nd Bandra Court	Shanup Dharia	Rajesh, Viral, Anwer, Latif	GMD Story	Developer forced the member to sign consent for redevelopement of plot	for recording plea of other accused	Criminal	500 &34

List A: Legal Cases as on 1/4/2010

#	Case no	Court	Complainant	Accused	Subject	Brief about the case	Current status of the case	Complaint	I.P.C.
19	481/SS/2009	City civil court	Mid day	Gulabchand Hiranandani	Cheque dishonoured for Rs.5,00,000/-	Refund of Security Deposit	For cross examination of Latif	Negotiable instrument act	138
20	096/2007	High Court - Delhi	Sabherwal	Vitusha, Tayal, Irfan Akhtar	Mid Day Story	published story in mid day chief justice son using govt bunglow to run business	High Court orderd 3 months improsement for accused, however supreme court stay on order	Criminal	501 (a) (b)
21	3201/2009	High Court - Delhi	Manisha Shah	Mid day, Daipan, Paresh Somuya, Mona Sharma	Mid Day Story	Published story titled Mom's day out	Summons to serve the other accused	Criminal	172 R/W 151
22	98/2007	High Court-Bangalore	Pawan Kumar	Vishnu, Suseelan, MNS & Zaheer	Mid Day Story	Published story - cheat fund pawan kumar Kaun Hai	For framing charges	Defamation	499,500, 34 & b120/B
23	17204/2009	Metropolitan Court- Bangalore	Phannirah Kashap	Shivshankar, Ramakrishna, Suseelan	Mid Day Story	Published story -BU's quicke re-evaluation 3000 papers in one week	For framing charges	Defamation	500,501, 502,R/W 130-B
24	08/2009	High Court-Bangalore	Phannirah Kashap	Shivshankar, Ramakrishna, Suseelan	Mid Day Story	published story- BU's quicke re-evaluation 3000 papers in one week	to plea guilty	Comtempt of court	CPC procedure
25	No case No. for arbitration case	High Court-Mumbai	Media2win India Pvt. Ltd.	Mid-Day Multimedia Limited	www.mid-day.com	additional features on onilne portal	Court has ordered to go for arbitration		
26	T.S No. 122/2006	Patna Court	Mid day	Premier Vigyapan	Non payment of advertisement	The Agency has not paid the amount for advertisment			CPC procedure

List B: Status of litigations relating to Income Tax as on 1/4/2010

Mid Day Multimedia Ltd

List of Pending Income Tax Litigation

Assessment Year	Case no.	Nature of Expense/ Deduction Disallowed	Authoirty with whom pending	Tax effect on ITAT Appeal Filed by Department	Tax effect on ITAT Appeal Filed by Company
				Amt (RS.)	**Amt (RS.)**
2001-02	ITA 9141/M/04	Double Entry Income	ITAT	-	1,038,528
	ITA 9149/M/04	Depriciation on Press	ITAT	1,797,921	
	ITA 9149/M/04	Repairs & Maintenance	ITAT	1,288,678	
	ITA 9149/M/04	Leave Encashment	ITAT	272,623	
	ITA 9149/M/04	Deferred Revenue expenses	ITAT	2,301,429	
	ITA 9141/M/04	Profesional Fees	ITAT	-	859,091
	ITA 9149/M/04	Deduction U/s. 80IA/80IB	ITAT	1,703,559	
				7,364,209	**1,897,619**
2001-02	ITA 3221/M/07	Penalty - Double Entry income & professional Fees	ITAT	1,897,619	-
2002-03	ITA 1864/M/06	Deferred Revenue expenses	ITAT	5,283,740	-
	1483/Mum-2006	Prior Period expenditure	ITAT	-	703,613
				5,283,740	**703,613**
2003-04	787/Mum-2007	Deferred Revenue expenses	ITAT	-	694,575
	787/Mum-2007	Prior Period expenditure	ITAT	-	1,860,247
	ITA/1214/M/07	Deduction U/s. 80IA/80IB	ITAT	265,048	-
				265,048	**2,554,822**
2004-05	ITA 2212/M/08	Foreign Travelling expenses	ITAT	1,416,343	-
	ITA 2212/M/08	Deduction U/s. 80IA/80IB	ITAT	1,169,782	-
				2,586,125	**-**
2005-06	ITA 3379/M/08	Foreign Travelling expenses	ITAT	912,122	-
				659,399	**-**
				912,122	-
2006-07	Not Available	Foreign Travelling expenses	ITAT(intimation not recd.)	659,399	-
				659,399	**-**
2007-08	Not Available	Foreign Travelling expenses	CIT Appeal	-	160,346
				-	**160,346**

b. Midday Infomedia Ltd

No Assessment proceedings started till date.

List C: Employee related cases as on 1/4/2010

#	Case No	Case	Advocate	Current Status	Facts & history
1	IDA / 20 / 2000	CALLIGRAPHERS V/S MID DAY	ADV. MITRA DAS	submission of Affadavit by witness (Mr. Aziz Khatri)	This is the case of calligraphers for restoring the same work & service condition as on 16/11/98. Presently we have filed an application for overtaking the stage.
2	IDA / 928 / 1989	HAROON EFROZ V/S MID DAY	ADV. K. T. RAI	Pending for Order for Amendment in Statement of Claim	This workment was given PTI report for translation in Urdu which he had wrongly done, he was dismissed after conducting Enquiry. Workmen challenged the dismissal. The court have passed the interim order stating that the Enquiry was fair & Proper. Presently the cross- examination of Mr. Salian is to be done.
3	ULP / 76 / 2001	R.K.SINGH V/S MID DAY	ADV. K. T. RAI	Submitted past records of R. K. Singh - Cross Examination by our Advocate	He is s printer responsible for the printing in the press, the colour in one of the advertisement was wrongly printed thus he was chargesheeted and dismissed.
4	IDA / 194 /2008	B. RANE V/S MID DAY	ADV. MITRA DAS	Final Order by Court	Claims that her employment was orally terminated, whereas, our stand is that she submitted her ID card at her own will and abstained from reporting on duty.

MIDDAY INFOMEDIA LTD

FIXED ASSETS AS AT APRIL 2010

SCHEDULE - E

Rs.

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As At 1.4.2009	Additions	Deductions	As at 31.03.2010	As at 1.4.2009	For the period	Deductions	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
TANGIBLE ASSETS										
Leasehold Land	1,69,77,800	-	-	1,69,77,800	1,40,055	1,86,551	-	3,26,606	1,66,51,194	1,68,37,745
Plant & Machinery	64,89,767	8,50,000	2,15,493	71,24,274	12,16,811	13,97,187	80,492	25,33,506	45,90,768	52,72,956
Press (Machinery)	13,57,57,879	10,84,950	-	13,68,42,829	48,40,806	64,74,213	-	1,13,15,019	12,55,27,810	13,09,17,073
Factory Premises	15,23,23,451	62,62,070	-	15,85,85,521	37,77,847	52,61,808	-	90,39,655	14,95,45,866	14,85,45,604
Office Premises	2,76,01,177	-	2,97,603	2,73,03,574	3,37,722	4,49,475	8,082	7,79,115	2,65,24,459	2,72,63,455
Photographic Equipments	46,37,940	-	-	46,37,940	5,07,073	6,19,654	-	11,26,727	35,11,213	41,30,867
Air Conditioners	49,48,612	-	3,28,815	46,19,797	5,57,225	6,55,011	77,074	11,35,162	34,84,635	43,91,387
Office Equipments	35,43,212	49,019	-	35,92,231	3,97,162	4,78,538	-	8,75,700	27,16,531	31,46,050
Furniture & Fixtures	84,86,550	7,16,228	24,21,930	67,80,848	11,51,761	13,38,109	6,75,711	18,14,159	49,66,689	73,34,788
Vehicles	14,47,514	-	-	14,47,514	2,81,336	3,01,927	-	5,83,263	8,64,251	11,66,178
Fire Fighting System	3,12,296	-	-	3,12,296	32,599	38,907	-	71,506	2,40,790	2,79,697
Electric Installation	2,25,69,502	3,39,805	4,73,118	2,24,36,189	23,56,717	28,22,129	1,03,333	50,75,513	1,73,60,676	2,02,12,785
Computers	1,12,77,836	4,39,783	14,332	1,17,03,287	31,64,976	33,15,746	5,563	64,75,159	52,28,128	81,12,860
Capital work in progress (Including capital advances)	2,00,00,000	2,31,09,486	2,26,54,186	2,04,55,300	-	-	-	-	2,04,55,300	2,00,00,000
INTANGIBLE ASSETS										
Licence & Marketing Rights	29,66,743	-	-	29,66,743	2,22,709	2,96,674	-	5,19,383	24,47,360	27,44,034
Computers Software	1,14,39,384	35,45,950	-	1,49,85,334	16,82,709	29,11,096	-	45,93,805	1,03,91,529	97,56,675
TOTAL	**43,07,79,663**	**3,63,97,291**	**2,64,05,477**	**44,07,71,477**	**2,06,67,508**	**2,65,47,025**	**9,50,255**	**4,62,64,278**	**39,45,07,199**	**41,01,12,155**
Previous Year	-	46,26,73,285	3,18,93,623	43,07,79,663	-	2,07,57,706	90,198	2,06,67,508	41,01,12,155	-

Brief description of Machinery and Press included in above table:

Details on Printing Press:

Sr No.	Description	Capacity P.H.	Make	Output	Location	Year Of Purchase
1	Citi Line	35,000 to 42,000 Copies	Manugraph	36 Colour + 4 B/W (Tabloid)	Rabale	2005-06
2	Hi Line	35,000 to 42,000 Copies	Manugraph	32 Colour + 4 B/W (Tabloid)	Rabale	2005-06
3	News Line	35,000 to 42,000 Copies	Manugraph	12 Colour + 12 B/W (Tabloid)	Tardeo	1997-98

Details on Land & Building

Company has a press at; Plot No. R-847/3, T.T.C. Industrial Area, Rabale, Navi Mumbai; has an area of 6,755 sq mt.

Details on CTP Machines

Company has two machines:

Make	Model	Plate Output	Capacity	
KRAUSE		LSJET CTP	Plate output – 45 panoroma plates / hour	Exposing size is 590 X 720 mm (plate size)

SCHEDULE F

CURRENT ASSETS & RECEIVABLES OF THE PRINT BUSINESS

MIDDAY INFOMEDIA LTD.

Current Assets as on April 1, 2010

		Amount (Rs.)	Amount (Rs.)
1.	**Inventories**		
	Newsprint	2,65,14,540	
	Consumables (Printing, Packing and Other Materials)	20,11,308	2,85,25,848
2.	Sundry Debtors	16,20,10,580	16,20,10,580
3.	Cash & Bank Balance (details in Sch G)	1,13,14,492	1,13,14,492
4.	Loans and Advances	7,68,26,000	7,68,26,000
	Total		**27,86,76,920**

MID-DAY MULTIMEDIA LTD.

Other Current Assets, Loans & Advances

	Amount (Rs.)	Amount (Rs.)
Other Current Assets		
Sales Consideration Receivable from Midday Infomedia Ltd.	16,86,37,080	16,86,37,080
Loans and Advances		
LIC Interest Prepaid	9,04,452	9,04,452
Advance Income Tax (net of provision)		1,11,27,267
Total		**18,06,68,799**

SCHEDULE G

LIQUID ASSETS OF THE PRINT BUSINESS

MIDDAY INFOMEDIA LTD.

Cash & Bank Balances as on Mar 31, 2010

		Amount (Rs.)	Amount (Rs.)
1.	**Current Accounts with scheduled banks**		
	Bank of Baroda-Tardeo-00777	83,48,718	
	Bank of Baroda-Goa	15,119	
	Bank of Baroda-Pune	2,64,218	
	Bank of Baroda-Delhi	11,13,138	
	Bank of Baroda-Bangalore (Indira Nagar)	43,039	
	Bank of Baroda-Chennai	78,340	
	Bank of Baroda-Delhi	11,063	
	Bank of Baroda-Pune	12,775	
	Bank of Baroda-Goa	11,303	
	Bank of Baroda-Bangalore	15,328	
	Bank of Baroda-Chennai	11,155	
	Bank of India	1,085	
	ABN Amro Bank	5,60,680	
	HDFC Bank-Fort	14,334	1,05,00,296
2.	**Cash in Hand**	6,00,466	6,00,466
3.	**Fixed Deposits with scheduled Banks**		
	Bank of Baroda-FD	1,30,000	
	ICICI-Term Deposit	83,731	2,13,731
	Total		**1,13,14,492**

SCHEDULE H

Investments of the Print Business

Midday Infomedia Ltd.		**Mid-Day Multimedia Ltd.**	
	Amount (Rs.)		Amount (Rs.)
Investment in Naaptol Online Shopping Pvt. Ltd.	2,00,00,000	Investment (Midday Infomedia Ltd.)	8,86,15,000
Total	**2,00,00,000**	**Total**	**8,86,15,000**

SCHEDULE I

Deferred Tax

Midday Infomedia Ltd.		**Mid-Day Multimedia Ltd.**	
	Amount (Rs.)		Amount (Rs.)
Deferred Tax	60,65,971	Deferred Tax Asset (Leave Encashment)	3,78,454
Total	**60,65,971**	**Total**	**3,78,454**

SCHEDULE J

Employees of MML relating to the Demerged Undertaking

MID-DAY MULTIMEDIA LTD		
MARCH 31st 2010		
SR. NO.	**NAME**	**DESIGNATION**
1	MR. TARIQUE ANSARI	MANAGING DIRECTOR
2	MR. MANAJIT GHOSHAL	CHIEF FINANCIAL OFFICER
3	MS. VIDYA SHEMBEKAR	GROUP COMPANY SECRETARY

SCHEDULE K

Loans availed for the Print Business

Midday Infomedia Ltd.				**Mid-Day Multimedia Ltd.**		
Liabilities as on March 31, 2010				**Other Current Assets, Loans & Advances**		
		Amount (Rs.)	Amount (Rs.)		Amount (Rs.)	Amount (Rs.)
1.	**Secured Loans**			**Loan Funds**		
	Cash Credit	10,48,50,143		**Unsecured Loans**		
	ECB Term Loan	2,25,16,283	12,73,66,426	Non Convertible Debentures (LIC MF NCD)	9,30,00,000	9,30,00,000
2.	**Unsecured Loan**					
	Bank of India (Incl. Interest)	10,57,45,583	10,57,45,583			
	Total		**23,31,12,009**	**Total**		**9,30,00,000**

SCHEDULE L

Intellectual Property of the Demerged Entity

Sr.No.	Trademark	Class	Date	Sr.No.	Trademark	Class	Date
1	MID DAY	16	29-Jul-94	35	MID DAY RACE FOR PACE (Device)	16	20-Jun-03
2	SUNDAY MID DAY	16	29-Jul-94	36	RACE FOR PACE (Device)	16	20-Jun-03
3	BUSINESS DAY	16	15-Nov-94	37	SUNDAY MID-DAY	16	17-Nov-03
4	MS	16	15-Nov-94	38	MID-DAY (Label)	16	17-Nov-03
5	WOMAN & HOME	16	15-Nov-94	39	THE INQUILAB (DEVICE)	16	17-Nov-03
6	MID DAY SPORTS SPECIAL	16	15-Nov-94	40	M MID-DAY OUTDOOR (Label)	35	8-Dec-03
7	SHOWBIZ	16	15-Nov-94	41	HELLO MID-DAY (Label)	42	8-Dec-03
8	KID DAY	16	15-Nov-94	42	WHASSUP?	38	8-Dec-03
9	JM JUNIOR MID DAY	16	15-Nov-94	43	MID DAY MONEY	16	25-Mar-04
10	FUNDAY	16	15-Nov-94	44	HIT LIST (Label)	16	3-Dec-04
11	7 DAYS (Label)	16	15-Nov-94	45	YOUR LIFE (Label)	16	24-May-06
12	NEWSDAY	16	15-Nov-94	46	CLASSIFIEDS (Label)	16	24-May-06
13	PORTFOLIO	16	15-Nov-94	47	QUICK BREAK (Label)	16	24-May-06
14	MID DAY (Device)	16	Regd	48	MID DAY (Image)	16	6-May-08
15	MID DAY	16	Regd	49	YUMPI (Label)	16	6-May-08
16	THE INQUILAB	16	Regd	50	ZING (Label)	16	6-May-08
17	SUNDAY MID DAY	16	Regd	51	HAPPY HOURS WORK (Label)	16	6-May-08
18	MID DAY (GUJARATI LETTERS)	16	Regd	52	MID DAY (Label)	16	6-May-08
19	MOMENTUM	16	13-Aug-99	53	MID DAY	38	28-May-08
20	MID DAY IS MUMBAI	16	13-Aug-99	54	MID DAY TV	41	28-May-08
21	THE LIST	16	13-Aug-99	55	MID DAY TELEVISION	41	29-May-08
22	MID DAY FUNDAY	16	18-Apr-00	56	MID DAY (Label)	16	15-Sep-08
23	FUNDAY	16	18-Apr-00	57	HMX (Logo)	16	15-Sep-08
24	WANTED YESTERDAY (Dev of Rock)	16	18-Apr-00	58	MID DAY	16	15-Sep-08
25	MONKEY (Device)	16	18-Apr-00	59	MID DAY HOT WHEEL (Label)	16	1-Oct-08
26	ORROSCOPE	16	23-Jun-00	60	MID DAY - HOT Property (Label)	16	1-Oct-08
27	SURFBOAD	16	18-Aug-00	61	CLASSIFIEDS (Label)	16	25-Nov-08
28	MID DAY MUMBAI MALL	16	8-Sep-00	62	WWW.MID-DAY.COM (Label)	41	31-Dec-08
29	MID DAY MALL	16	8-Sep-00	63	WWW.MID-DAY.COM (Label)	38	31-Dec-08
30	ASK MID DAY	16	8-Sep-00	64	WWW.MID-DAY.COM (Label)	9	31-Dec-08
31	DESK PILOT (Label)	16	29-Jan-01	65	MiD DAY FUN @ WORK AWARDS (Label)	16	12-Mar-09
32	MUMBAI MERI JAAN	9	28-Aug-02	66	MIDDAY CCL TEN 10 (Label)	16	12-Mar-09
33	MUMBAI MERI JAAN	16	28-Aug-02	67	CENTER STAGE	16	10-Nov-09
34	MIDDAY MUMBAI MARATHAN	16	3-Oct-02	68	ODHONI FOUNDATION	41	10-Nov-09

SCHEDULE M

Loans availed by MML from Bank of Baroda & Axis Bank

MID-DAY MULTIMEDIA LTD.

[For Radio Mid-day West (India) Ltd.]		Rs. in lacs
1.	Corporate Guarantee to Bank of Baroda for Cash Credit facility in Radio Mid-Day West (India) Limited	140
2.	Corporate Guarantee to Bank of Baroda for Bank Guarantee issued to Ministry of information & Broadcasting for Radio Mid-Day West (India) Limited	332
3.	Counter Guarantee issued to Axis Bank Limited for Term Loan Facility in Radio Mid-Day West (India) Limited (Original Amount Rs. 5000 lakh)	3,000
4.	Counter Guarantee issued to Axis Bank Limited for Cash Credit Facility in Radio Mid-Day West (India) Limited	500

SCHEDULE N

Activities / decisions to be taken by MML in relation to the Demerged Undertaking only with prior approval of the Transferee Company:

1. Any capital expenditure beyond Rs. 2 crores either singly or cumulatively;
2. Additional borrowing beyond Rs.50 lakhs whether secured or unsecured except for renewal of existing working capital limits;
3. Any new business including opening of any new edition;
4. Giving or extending any corporate guarantee for any third party or the Remaining Business;
5. Further issuance, reorganization, division, sub-division of shares or any other corporate structuring;
6. Declaration of any dividend;
7. Taking or incurring any obligation other than in normal course of business;
8. Foregoing any claim or debt exceeding Rs.10 lakhs;
9. Closure of any existing business or publication or editions;
10. Removal or appointment of any key employee;
11. Entering into or renewing any contract with related parties;
12. Any amendment in memorandum and articles of association;
13. Acceptance of resignation by any employee a level below Chief Executive Officer, Chief Financial Officer, director and auditors;
14. Alteration of terms of appointment of whole time director, chief executive officer, company secretary, chief financial officer and any employee a level below chief executive officer/whole time director;
15. Any action/plan to increase the circulation of any publication outside Mumbai beyond the following thresholds:
    (i) Delhi- 35,000
    (ii) Pune- 12,000
    (iii) Bangalore-15,000
16. Disposal of any assets exceeding Rs.5 lakhs in value;
17. Any action which is not in normal course of business.

FORM OF PROXY

I/ We, the undersigned equity shareholders of Mid-Day Multimedia Limited, the abovenamed Transferor Company do hereby appoint Mr. _____ of _____ and failing him/ her _____of _____as my / our Proxy, to act for me/ us at the meeting of the equity shareholders of Mid-Day Multimedia Limited to be held at 3.30 p.m. on Wednesday 11th August 2010 , at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, Nariman Point, Mumbai – 400 021 for the purpose of considering, and if thought fit, to approve, with or without modification, the Scheme of Arrangement between Mid-Day Multimedia Limited and Jagran Prakashan Limited and their respective shareholders and creditors ("Scheme of Arrangement") and at such meeting any adjournment/ adjournments thereof to vote, for me/ us and in my/ our name(s) _____*(Please insert here, "if for" insert "for", "if against" insert "against" and in the latter case, strike out the words below after "Arrangement") the said Scheme of Arrangement either with or without modification as my proxy may approve.

*(Strike out what is not necessary)

Dated this _____ day of _____, 2010 Signature _____

Name:

_____

Address:

_____

Regd: Folio no. / DP ID/ Client ID No._____

No. of Shares held:_____

Note:

1. All alterations made in the Form of Proxy should be initialed.
2. Please affix appropriate revenue stamp before putting signature(s) should be done across the face of the revenue stamp.
3. The Proxy must be deposited at the registered office of the Transferor Company at Peninsula Centre, Dr S. S. Rao Road, Parel, Mumbai – 400012
4. In case of shares held by companies, partnership firms, trusts, societies etc. the duly completed Form should be accompanied by a certified true copy of the Board resolution/ authority, with the signature of authorised signatory (ies) duly attested.
5. In case of multiple proxies, proxy later in time shall be accepted.

ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the meeting hall

Ledger Folio/ DP & Client ID No. _____ No. of Shares held _____

Name and Address of the Equity Shareholder(s) (in Block Letters)

_____

_____

_____

Name and Address of the Proxy holder

(in Block Letters, to be filled-in by the Proxy holder attending instead of the Equity Shareholder)

_____

_____

_____

I hereby record my presence at the meeting of the equity shareholders of Mid-Day Multimedia Limited having its registered office at Peninsula Centre, Dr S. S. Rao Road, Parel, Mumbai – 400012, convened pursuant to the order dated 9th July 2010 of the High Court of Judicature of Bombay at Mumbai at Kamalnayan Bajaj Hall, Bajaj Bhavan, Jamnalal Bajaj Marg, 226, Nariman Point, Mumbai – 400021, on Wednesday, August 11, 2010 at 3.30 p.m.

Member ☐

Proxy ☐

Member's signature_____

Proxy's signature_____

*Applicable for Investor holding shares in physical form.

Notes:

1. Shareholder(s)/ proxies are requested to bring this attendance slip with them when they come to the meeting. Duplicate slips will not be issued at the entrance of the venue of the meeting.
2. Shareholder(s) attending the meeting in person or by proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting place.

BOOK POST / U.C.P.

To,

If undelivered, please return to :

Link Intime India Private Limited
Unit: **Mid-Day Multimedia Ltd.**
C-13, Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup-West,
Mumbai - 400 078.
Tel No. +91 22 2596 3838 Fax No. +91 22 2594 6969