Scheme of Arrangement between Mid-Day Multimedia Ltd and Jagran Prakashan Limited

Mid-Day Multimedia Ltd ("MML") will be merging its newspaper business with Jagran Prakashan Limited ("JPL").

MML's publication business which is run through its subsidiary Midday Infomedia Ltd. comprises the iconic afternoon newspaper Mid-Day (published from Mumbai, Pune, Bangalore and Delhi), Sunday Mid-Day, Gujarati Mid-Day and the largest read Urdu newspaper in the country, The Inquilab, and the rapidly growing website mid-day.com.

JPL is India's leading media and communications group, with the group's flagship brand, *Dainik Jagran*, being the most widely read newspaper in the country with a total readership of 54.2 million. Besides Dainik Jagran, JPL also has compact newspapers known as I-Next, a bilingual youth oriented city centric daily and City Plus, an English infotainment community weekly. *Dainik Jagran*, which publishes 37 editions and more than 200 sub-editions across 11 states, has maintained its position as India's widest read newspaper for the last six years. JPL has evolved as a leading end-to-end media solutions provider with interests across newspapers, outdoor advertising, below the line solutions, internet, magazines and mobile value added services. Its web portal jagran.com in association with yahoo is the most visited portal across all Indian languages and khojle.in is a recently launched classified portal.

As part of the Scheme of Arrangement which has been passed by the Board of Directors of both MML and JPL; the publishing business of Mid-Day Multimedia Ltd would be demerged and transferred to JPL. **For the Demerged publication business, the MML Shareholder will receive 2 shares of JPL for every 7 shares held as on the Record Date. Fractional entitlement shall be rounded off to the nearest whole number.** The current management of Midday Infomedia Ltd. would continue to run the publication business and grow the business to the next level, subject to overall control and superintendence of Board of Directors comprising of majority of JPL's nominees. The Ansari family will hold investment in the publishing business post completion of demerger.

As a result of this merger, JPL through its various publication brands and other media related businesses such as outdoor and event and the resources at its disposal will help in meeting more effectively the high intensity competition being faced by the publishing business and in rapid expansion of various publication brands in its existing as well as new markets, internet properties and other related activities of Mid-Day, thereby enhancing the value of brand Mid-Day and its own business for the benefit of all the stakeholders of both the companies.

Upon the coming into effect of the Scheme, MML will continue to carry on the Radio Business through its subsidiary Radio Mid-Day West (India) Ltd and the shares of MML will continue to remain listed on Bombay Stock Exchange Limited and National Stock Exchange of India Ltd.

MID-DAY MULTIMEDIA LTD. BOMBAY

The salient features of the Scheme are as under:

1. Appointed Date of the Scheme is April 1, 2010;

2. Effective Date of the Scheme is the date on which

   (i) 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

   (ii) the date on which the approval of Ministry of Information & Broadcasting, if required, is obtained,

   whichever is later;

3. Upon the coming into effect of the 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 or deed;

4. The Transferee Company would issues shares to the shareholders of MML, as on the Record Date, based on the swap ratio determined by the Independent Valuer, Ernst & Young Pvt Ltd, as under:

   Two (2) fully paid-up Equity Shares of Rs. 2 each of the Transferee Company for every **Seven (7)** Equity Shares of Rs. 10 each held in MML. **Fractional entitlement shall be rounded off to the nearest whole number.**



Rationale of the Scheme

Mid-Day Multimedia Limited ("MML") is engaged in Print and Radio business, which are carried on by its subsidiaries, Midday Infomedia Limited and Radio Mid-Day West (India) Limited respectively.

The Demerger of the Print Business would enable Mid-Day Multimedia Limited to streamline its operations by being focused on the Radio Business and explore strategic options to grow the Radio Business and to rationalize its management, businesses and finances. Further, the existing management expertise and quality system in the print media sector of Jagran Prakashan Limited ("Transferee Company") are expected to further enhance the performance of the Print Business.

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.

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.

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 Midday Infomedia Limited, thereby enhancing the value of Midday Infomedia Limited and its own business in the interest of all the stake holders of both the companies.

This will result in fulfilling the objectives of both the companies and in the growth and development of their respective businesses.