

**SCHEME OF ARRANGEMENT  
BETWEEN  
ADLABS FILMS LIMITED  
AND  
RELIANCE UNICOM LIMITED  
AND  
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

This Scheme of Arrangement (“the Scheme”) is presented under Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 for the Demerger of Radio business of Adlabs Films Limited into Reliance Unicom Limited.

**The Scheme is divided into the following parts:**

1. PART A which deals with demerger of Radio Business;
2. PART B which deals with the Accounting Treatment and General Terms;
3. PART C which deals with other Terms and Conditions

**I DEFINITIONS**

In this Scheme, unless inconsistent with the subject, the following expression shall have the meanings respectively assigned against them:

- a) “Act” means the Companies Act, 1956 and shall include any statutory modification, re-enactment or amendments thereof for the time being in force.
- b) “AFL” or “the Demerged Company” means Adlabs Films Limited a company incorporated under the Act and having its registered office at Film City Complex, Goregaon (East), Mumbai – 400 065.
- c) “Appointed Date” means the 1<sup>st</sup> day of April, 2008 or such other date as may be approved by the High Court of Judicature at Bombay or any other appropriate authority.
- d) “Effective Date” means the date on which the certified or authenticated copy of the Orders of High Court of Judicature at Bombay or any other appropriate authority under Sections 391 and 394 of the Act sanctioning the Scheme is filed with the Registrar of Companies, Maharashtra at Mumbai.
- e) “Radio Business” means the Radio Business of the Demerged Company and includes the Undertaking comprising of:
  - i) All assets (whether movable or immovable, real or personal, corporeal or incorporeal, present, future or contingent, tangible or intangible) wherever situated pertaining thereto;
  - ii) All present and future liabilities (including contingent liabilities) arising out of the activities or operations of Radio Business, including loans, debts, current liabilities and provisions, duties and obligations relating to the Radio Business;
  - iii) Without prejudice to the generality of the above, the Radio Business shall include in particular:
    - a. all properties required for the Radio Business wherever situated, including all current assets, funds, offices, furniture, fixtures, office equipment, appliances, accessories, vehicles;
    - b. all permits, quotas, rights, entitlements, bids, tenders, letters of intent, expressions of interest, municipal and other statutory permissions, approvals, consents, licenses, including licenses to operate FM stations by the ministry of Information & Broadcasting, registrations, subsidies, concessions, exemptions, remissions, tax deferrals, tenancies in relation to office and/or residential property for the employees, offices, goodwill, intellectual property, investment, cash balances, the benefit of any deposit, financial assets, funds belonging to or proposed to be utilized for the Radio Business, bank balances and bank accounts relating to the day to day operations and specific to the working of Radio Business, privileges, all other rights and benefits, lease rights, licenses, patents, trade marks, domain names, copyrights, trade name and other intellectual property rights of any nature whatsoever and licenses in respect thereof, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of telephone, telexes, facsimile connection and installations, utilities, power lines, electricity and other services, provisions, funds, benefits of all agreements, subsidies, grants and incentive Schemes formulated by Central or State Government, if any, contracts and arrangements and all other interest in connection with or relating to the Radio Business;
    - c. all records, files, papers, computer programs, manuals, data, catalogues, quotations, sales and advertising materials, lists of present and former customers and suppliers, customer credit information, customer pricing

information, and other records, whether in physical form or electronic form in connection with or relating to the Radio Business;

- d. all duties and obligations which are relatable to Radio Business;
- e. all earnest moneys and/or security deposits, if any, paid or received by the Demerged Company in connection with or relating to the Radio Business;

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Radio Business include:

- a. the liabilities, which arise out of the respective activities or operations of the Radio Business;
- b. specific loans and borrowings raised, incurred and utilized solely for the respective activities or operation of the Radio Business;
- c. liabilities other than those referred to in sub-clauses (a) and (b) above, being the amounts of general or multipurpose borrowings of the Demerged Company, allocated to the Radio Business in the same proportion in which the value of the assets transferred under this Scheme bear to the total value of the assets of the Demerged Company immediately before giving effect to this Scheme;

Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Radio Business or whether it arises out of the activities or operations of the Radio Business shall be decided by mutual agreement between the Board of Directors of Demerged Company and Resulting Company;

- f) "Record Date" means the date to be fixed by the Board of Directors of the Demerged Company in consultation with the Board of Directors of the Resulting Company for the purpose of reckoning names of the equity shareholders of the Demerged Company, who shall be entitled to receive shares of the Resulting Company upon coming into effect of this Scheme;
- g) "Remaining Business of the Demerged Company" means all the undertakings, businesses, activities and operations of the Demerged Company other than the Radio Business;
- h) "RUL" or "the Resulting Company" means Reliance Unicom Limited, a company incorporated under the Act and having its registered office H Block, 1st floor, Dhirubhai Ambani Knowledge City, Thane Belapur Road, Navi Mumbai 400710
- i) "Scheme" or "the Scheme" or "this Scheme" means this Scheme of Arrangement in its present form or with any modification(s) made under clause 14 of the Scheme as approved or directed by the High Court of Judicature at Bombay.

## II DATE OF TAKING EFFECT AND OPERATIVE DATE

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

## III SHARE CAPITAL

- a) The share capital of AFL as at 31<sup>st</sup> March, 2008 is as under:

Particulars	Amount (Rs.)
<b>Authorised</b>	
60,000,000 equity shares of Rs.5 each	300,000,000
<b>Issued, Subscribed and Paid Up</b>	
46,126,170 equity shares of Rs.5 each fully paid up	230,630,850

Subsequent to 31<sup>st</sup> March, 2008, there is no change in the capital structure of AFL;

- b) The share capital of RUL as at 31<sup>st</sup> March, 2008 is as under:

Particulars	Amount (Rs.)
<b>Authorised</b>	
2,110,000 equity shares of Rs.5 each	10,550,000
<b>Issued, Subscribed and Paid Up</b>	
2,110,000 equity shares of Rs.5 each fully paid up	10,550,000

Subsequent to 31<sup>st</sup> March, 2008, there is no change in the capital structure of RUL;

## **PART A – DEMERGER OF RADIO BUSINESS**

### **1. TRANSFER AND VESTING OF UNDERTAKING OF THE DEMERGED COMPANY**

- 1.1. The Radio Business of the Demerged Company shall stand transferred to and vested in or deemed to be transferred to and vested in the Resulting Company, as a going concern, in accordance with Section 2(19AA) of the Income Tax Act, 1961 and in the following manner:
  - 1.1.1. With effect from the Appointed Date, the whole of the undertaking and properties of the Radio Business, shall pursuant to the provisions contained in Sections 391 to 394 and all other applicable provisions, if any, of the Act and 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 Resulting Company so as to vest in the Resulting Company all rights, title and interest pertaining to the Radio Business.
  - 1.1.2. With effect from the Appointed Date, all debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Demerged Company pertaining to Radio Business 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 Resulting Company, so as to become from the Appointed Date the debts, liabilities, contingent liabilities, duties and obligations of the Resulting 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.
  - 1.1.3. With effect from the Appointed Date and upon the Scheme becoming effective, any statutory licenses, permissions or approvals or consents held by the Demerged Company required to carry on operations of Radio Business shall stand vested in or transferred to the Resulting Company without any further act or deed, and shall be appropriately mutated by the statutory authorities concerned therewith in favour of the Resulting 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 Resulting Company as if they were originally obtained by the Resulting Company. In so far as the various incentives, subsidies, rehabilitation Schemes, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by the Demerged Company relating to the Radio Business, are concerned, the same shall vest with and be available to the Resulting Company on the same terms and conditions as applicable to the Demerged Company, as if the same had been allotted and/or granted and/or sanctioned and/or allowed to the Resulting Company.
  - 1.1.4. The transfer and vesting of Radio Business as aforesaid shall be subject to the existing securities, charges, mortgages and other encumbrances if any, subsisting over or in respect of the property and assets or any part thereof relating to Radio Business to the extent such securities, charges, mortgages, encumbrances are created to secure the liabilities forming part of the Radio Business.
  - 1.1.5. This Scheme has been drawn up to comply with the conditions relating to “Demerger” as specified under Section 2(19AA) of the Income-tax Act, 1961. If any terms or provisions of the Scheme is/are inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, the provisions of Section 2 (19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent necessary to comply with Section 2(19AA) of the Income-Tax Act, 1961; such modification to not affect other parts of the Scheme.

For the purpose of this Scheme, it is clarified that liabilities pertaining to the Radio Business of AFL include:

- (a) The liabilities, which arise out of the activities or operations of Radio Business of AFL.
  - (b) Specific loans and borrowings raised, incurred and utilized solely for the activities or operation of the Radio Business of AFL.
  - (c) Liabilities other than those referred to in Sub-Clauses (a) and (b) above and not directly relating to the remaining business of AFL, being the amounts of general or multipurpose borrowings of AFL shall be allocated to the Radio Business of AFL in the same proportion which the value of the assets transferred under this Clause bears to the total value of the assets of AFL immediately before giving effect to this Scheme. The parties shall mutually agree upon the identification of the liabilities to be transferred to the Resulting Company as liabilities pertaining to the Radio Business.
- 1.1.6. Any question that may arise as to whether a specified asset or liability pertains or does not pertain to the Radio Business of AFL or whether it arises out of the activities or operations of Radio Business of AFL shall be decided by mutual agreement between the Board of Directors of AFL and RUL.

### **2. REMAINING BUSINESS OF THE DEMERGED COMPANY**

- 2.1. It is clarified that, the remaining Business of the Demerged Company shall continue with Demerged Company as follows:
  - 2.1.1. The Remaining Business of the Demerged Company and all the assets, liabilities and obligations pertaining thereto shall continue to belong to and be vested in and be managed by the Demerged Company.

- 2.1.2. All legal and other proceedings by or against the Demerged Company 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 the Demerged Company (including those relating to any property, right, power, liability, obligation or duty, of the Demerged Company in respect of the Remaining Business of the Demerged Company) shall be continued and enforced by or against the Demerged Company.
- 2.1.3. With effect from the Appointed Date and including the Effective Date –
- a. the Demerged Company shall be deemed to have been carrying on and to be carrying on all business and activities relating to the Remaining Business of the Demerged Company for and on its own behalf;
  - b. all profit accruing to the Demerged Company thereon or losses arising or incurred by it relating to the Remaining Business of the Demerged Company shall, for all purposes, be treated as the profit, or losses, as the case may be, of the Demerged Company.

### **3. CONSIDERATION**

- 3.1. In consideration of the transfer and vesting of the Radio Business in accordance with the provisions of this Scheme and as an integral part of this Scheme, the share capital of the Resulting Company shall be increased in the manner set out in this Clause.
- 3.1.1. Upon the Scheme becoming effective and in consideration of demerger including the transfer and vesting of the undertaking of the Radio Business of the Demerged Company in the Resulting Company, the Resulting Company shall, without any further application or deed, issue and allot to all shareholders of the Demerged Company whose name appears in the Register of Members of the Demerged Company as on the Record Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, fully paid-up equity shares in the following ratio:
- In respect of every 1 (one) Equity Share of Rs. 5 each, held by the shareholders in the Demerged Company, 1 (one) Equity Share of the Resulting Company of Rs. 5 each fully paid up.
- 3.1.2. The Equity Shares to be issued by the Resulting Company pursuant to Clause 3.1.1 above shall be issued in dematerialized form by the Resulting Company, unless otherwise notified in writing by the shareholders of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Directors of the Resulting Company or a Committee thereof. In the event that such notice has not been received by the Resulting Company in respect of any of the members of the Demerged Company, the Equity Shares shall be issued to such members in dematerialized form provided that the members of the Demerged Company shall be required to have an account with a Depository Participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that the Resulting Company has received notice from any member that Equity Shares are to be issued in physical form or if any member has not provided the requisite details relating to his/her /its account with a depository participant or other confirmations as may be required or if the details furnished by any member do not permit electronic credit of the shares of the Resulting Company, then the Resulting Company shall issue equity shares in physical form to such member or members.
- 3.1.3. In the event of there being any pending share transfers with respect to any application lodged for transfer by any shareholder of the Demerged Company, the Board of Directors or any Committee thereof of the Demerged Company or failing which the Board of Directors or any committee thereof of the Resulting Company shall be empowered in appropriate cases, even subsequent to the Record Date to effectuate such a transfer in the Demerged Company as if such changes in registered holder were operative as on the Record Date, in order to remove any difficulties arising to the transferor or the transferee of the share(s) in the Resulting Company and in relation to the new shares after the Scheme becomes effective.
- 3.1.4. The Equity Shares in the Resulting Company to be issued to the members of the Demerged Company pursuant to Clause 3.1.1 above shall be subject to the Memorandum and Articles of Association of the Resulting Company and shall rank pari passu in all respects, including dividend, with the existing Equity Shares of Resulting Company.
- 3.1.5. Equity Shares of the Resulting Company issued in terms of Clause 3.1.1 of this Scheme will be listed and/or admitted to trading on the National Stock Exchange of India Limited and the Bombay Stock Exchange Limited where the shares of the Demerged Company are listed and/or admitted to trading in terms of the Securities and Exchange Board of India (Disclosure and Investor Protection) Guidelines, 2000. The Resulting 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 said Stock Exchange. On such formalities being fulfilled the said Stock Exchanges shall list and/or admit such Equity Shares also for the purpose of trading. The shares allotted pursuant to clause 3.1.1. shall remain frozen in the depositories system till listing / trading permission is given by National Stock Exchange of India Limited and Bombay Stock Exchange Limited. Further, there shall be no change in the shareholding pattern (Other than any issue or cancellation of shares pursuant to this Scheme) or control in the Resulting Company between the record date and the listing of shares pursuant to this clause which may affect the status of approval granted by the National Stock Exchange of India Limited and Bombay Stock Exchange Limited to this Scheme.
- 3.1.6. The Equity Shares to be issued by the Resulting Company pursuant to this Scheme in respect of any equity shares of the Demerged Company 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 Resulting Company.

- 3.1.7. For the purposes of Income-tax Act, 1961:
- a. the cost of acquisition of the shares of the Resulting Company in the hands of the shareholders of the Demerged Company shall be the amount which bears to the cost of acquisition of shares held by the shareholder in the Demerged Company the same proportion as the net book value of the assets transferred in the demerger to the Resulting Company bears to the net worth of the Demerged Company immediately before the demerger hereunder;
  - b. the period for which the shares(s) in Demerged Company were held by the shareholders shall be included in determining the period for which the shares in the Resulting Company have been held by the respective shareholder.
- 3.1.8. The issue and allotment of Equity Shares by Resulting Company to the shareholders of Demerged Company as provided in this Scheme is an integral part thereof 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.
- 3.2. The authorized share capital of the Resulting Company shall be increased to the extent necessary for issuing equity shares under this Scheme.
- 3.3. CANCELLATION OF EXISTING SHARE CAPITAL HELD BY AFL
- 3.3.1. The entire existing issued, subscribed and paid-up share capital of RUL is held by the Demerged Company. Upon allotment of shares pursuant to Clause 3.1.1, the entire existing issued, subscribed and paid-up share capital of RUL held by AFL whether in its own name or in the name of any nominee shall stand cancelled. Upon cancellation of shares pursuant to this clause, the share certificates, if any, and/or the shares in electronic form representing the shares held by AFL in RUL shall be deemed to be cancelled without any further act or deed for cancellation thereof by AFL.

## **PART B – ACCOUNTING TREATMENT AND GENERAL CLAUSES**

### **ACCOUNTING TREATMENT**

#### **4. IN THE BOOKS OF AFL, THE DEMERGED COMPANY**

- 4.1. The book value of all assets and liabilities pertaining to the Radio Business which cease to be the assets and liabilities of AFL shall be reduced by AFL at their book values. The difference that is the excess of the book value of assets pertaining to the Radio Business and demerged from AFL pursuant to this Scheme over the book value of the liabilities pertaining to the Radio Business and demerged from AFL pursuant to this Scheme after adjusting the investments of AFL in RUL which is cancelled in terms of Clause 3.3, shall, in case of a debit balance, be adjusted against the Securities Premium Account of AFL and in case of a credit balance, be credited to Capital Reserve Account of AFL.
- 4.2. The application and reduction, if any, of the Securities Premium Account of AFL as above, shall be effected as an integral part of the Scheme itself in accordance with the provisions of Sections 78 read with Sections 100 to 103 of the Act. However as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. Therefore no order under Section 102 of the Act confirming the reduction shall be required.

#### **5. IN THE BOOKS OF RUL, THE RESULTING COMPANY**

- 5.1. Upon the Scheme becoming effective:
- 5.1.1. The Resulting Company shall record the assets and liabilities pertaining to Radio Business, at the respective book values as appearing in the books of AFL as on the Appointed Date;
  - 5.1.2. The Resulting Company shall credit to its share capital account, the aggregate face value of the Equity Shares issued by it pursuant to this Scheme;
  - 5.1.3. The difference being excess of assets over liabilities recorded by the Resulting Company, over the amount credited as share capital after adjusting the cancellation of the existing share capital of RUL held by AFL will be deemed to comprise and be credited to the extent of Rs.100 crores to the Securities Premium Account and the balance, if any, shall be deemed to be and shall be treated as general reserve arising (not created) on acquisition of business pursuant to Demerger of the Transfer or Company and such General Reserve shall be considered to be available for any purpose including but not limited to declaration of dividends and meeting specified expenses, losses and / or charges whether by way of depreciation or otherwise, as the Board may consider appropriate. In case of there being a shortfall, the same shall be debited to and carried forward as Goodwill.
  - 5.1.4. On allotment of shares by the Resulting Company in terms of Clause 3.1.1, the existing shareholding of AFL, the Demerged Company, in the equity share capital of the Resulting Company shall stand cancelled as an integral part of this Scheme in accordance with the provisions of Section 100 to 103 of the Act. However as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101 of the Act are not applicable. Therefore no order under Section 102 of the Act confirming the reduction shall be required.

## **GENERAL CLAUSES**

### **6. BUSINESS AND PROPERTY IN TRUST**

- 6.1. During the period between the Appointed Date and the Effective Date,
- (a) AFL, in relation to the Radio Business shall carry on and deemed to have carried on its business and activities and shall stand possessed of its entire business and undertakings, in trust for RUL and shall account for the same to RUL.
  - (b) All the income or profits accruing or arising to AFL, in relation to the Radio Business and all costs, charges, expenses or losses incurred by AFL, in relation to the Radio Business shall for all purposes be treated the income, profits, costs, charges, expenses and losses as the case may be of RUL.
  - (c) AFL, in relation to the Radio Business shall carry on its business and activities with reasonable diligence and business prudence and shall not alter or diversify its respective businesses nor venture into any new businesses, nor alienate, charge, mortgage, encumber or otherwise deal with the assets or any part thereof except in the ordinary course of business without the prior consent of RUL or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme.
- 6.2. AFL, in relation to the Radio Business shall not utilise the profits or income thereof for the purpose of declaring or paying any dividend or for any other purpose in respect of the period falling on and after the Appointed Date, without the prior written consent of RUL.
- 6.3. RUL shall be entitled, pending the sanction of the Scheme, to apply to the Central/State Government(s) and all other agencies, departments and authorities concerned as are necessary under any law for such consents, approvals and sanctions which RUL, may require to carry on the Radio Business.

### **7. PENDING SUITS, ETC.**

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

### **8. CONTRACTS, DEEDS AND OTHER INSTRUMENTS**

- 8.1. Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which, any of AFL, in relation to the Radio Business is a party subsisting or having effect immediately before the Scheme coming into effect shall be in full force and effect against or in favour of RUL, and may be enforced as if, instead of AFL, in relation to the Radio Business, RUL had been a party thereto.

### **9. SAVING OF CONCLUDED TRANSACTIONS**

- 9.1. The transfer of properties and liabilities above and the continuance of proceedings by or against RUL above shall not affect any transaction or proceedings already concluded in AFL, in relation to the Radio Business on or after the Appointed Date till the Effective Date, to the end and intent that RUL accept and adopt all acts, deeds and things done and executed by AFL, in relation to the Radio Business in respect thereto as done and executed on behalf of itself.

### **10. STAFF, WORKMEN & EMPLOYEES**

- 10.1. On the Scheme becoming operative, all staff, workmen and employees of AFL, in relation to the Radio Business in service on the Effective Date shall be deemed to have become staff, workmen and employees of RUL without any break in their service and on the basis of continuity of service, and the terms and conditions of their employment with RUL shall not be less favourable than those applicable to them with reference to AFL, in relation to the Radio Business respectively on the Effective Date.
- 10.2. It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts created or existing for the benefit of the staff, workmen and employees of AFL, in relation to the Radio Business shall become the trusts/ funds of RUL for all purposes whatsoever in relation to the administration or operation of such Fund or Funds or in relation to the obligation to make contributions to the said Fund or Funds 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 AFL, in relation to the Radio Business in relation to such Fund or Funds shall become those of RUL. It is clarified that the services of the staff, workmen and employees of AFL, in relation to the Radio Business will be treated as having been continuous for the purpose of the said Fund or Funds.

### **11. PERMISSIONS**

- 11.1. Any statutory licenses, permissions, approvals or consents to carry on the operations of AFL, in relation to the Radio Business, shall stand vested in or transferred to RUL without any further act or deed and shall be appropriately mutated by the Statutory Authorities concerned in favour of RUL and AFL respectively upon the vesting and transfer of the

Undertakings pursuant to this Scheme. In so far as they relate to the Radio Business, the benefit of all statutory and regulatory permissions, licenses, environmental approvals and consents, sales tax registrations or other licenses and consents shall vest in and become available to RUL pursuant to this Scheme. In so far as the various incentives, subsidies, special status and other benefits or privileges enjoyed, granted by any Government body, local authority or by any other person, or availed of by AFL, in relation to the Radio Business, are concerned, the same shall vest with and be available to RUL, on the same terms and conditions. In particular and without prejudice to the generality of the foregoing, benefit of all balances relating to CENVAT or Service Tax or VAT being balances pertaining to the Radio Business, shall stand transferred to and vested in RUL as if the transaction giving rise to the said balance or credit was a transaction carried out by RUL. The assets and properties pertaining to the Radio Business of AFL, shall not be required to be and shall not be physically transferred from any premises or location relating to the Radio Business and consequently or otherwise, there shall be no withdrawal of or obligation to pay or refund any CENVAT, VAT, Service Tax or other tax or duty pursuant to vesting of Radio Business in RUL in accordance with the Scheme.

## **12. SECURITY**

- 12.1. It is clarified that unless otherwise determined by the Board of Directors of RUL, in so far as the assets comprising the undertaking of AFL, in relation to the Radio Business are concerned:
- 12.1.1. the security or charge relating to loans, debentures or borrowings of AFL, in relation to the Radio Business, shall without any further act or deed continue to relate to the said assets after the Appointed Date and shall not relate to or be available as security in relation to any other borrowings of AFL; and
- 12.1.2. the other assets of AFL shall not relate to or be available as security in relation to the said borrowings of AFL, in relation to the Radio Business.

## **PART C – OTHER TERMS & CONDITIONS**

### **13. CONDITIONALITY OF THE SCHEME**

- 13.1. This Scheme is and shall be conditional upon and subject to:
- (a) The Scheme being sanctioned by the Bombay High Court or any other authority under Sections 391 to 394 and other applicable provisions of the Act.
- (b) The certified copies of the Orders of High Court of Judicature at Bombay under Sections 391 and 394 of the Act sanctioning the Scheme are filed with the Registrar of Companies, Maharashtra at Mumbai.
- (c) All statutory and other approvals necessary for the Scheme to be given effect to being received

### **14. MODIFICATION OR AMENDMENTS TO THE SCHEME**

- 14.1. AFL and RUL by their respective Board of Directors or any duly authorised Committee may make or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

### **15. EFFECT OF NON-RECEIPT OF APPROVALS**

- 15.1. In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of AFL and RUL 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 and pay their respective costs, charges and expenses in connection with this Scheme.

### **16. COSTS, CHARGES AND EXPENSES**

- 16.1. RUL shall bear and pay all costs, charges, expenses, taxes including duties, levies in connection with the Scheme.