

SCHEME OF AMALGAMATION

OF

AMBANI INDUSTRIES PRIVATE LIMITED : TRANSFEROR COMPANY 1

AND

RELIANCE HEALTH VENTURES LIMITED : TRANSFEROR COMPANY 2

WITH

AAA ENTERTAINMENT PRIVATE LIMITED : TRANSFEREE COMPANY

AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

PREAMBLE

(A) Purpose of the Scheme

This Scheme of Amalgamation is presented under Sections 391 to 394 of the Companies Act, 1956 for merger of Ambani Industries Private Limited (“AIPL” or “the Transferor Company 1”) and Reliance Health Ventures Limited (“RHVL” or “Transferor Company 2”) with AAA Entertainment Private Limited (“the Transferee Company” or “AAA”).

(B) Parts of the Scheme

The Scheme is divided into the following parts:

- (a) **PART 1** deals with the Definitions and Share Capital;
- (b) **PART 2** deals with the merger of AIPL and RHVL into AAA;
- (c) **PART 3** deals with Other Terms and Conditions.

PART 1

DEFINITIONS AND SHARE CAPITAL

1.1. DEFINITIONS

In this Scheme of Amalgamation, unless inconsistent with the subject or context, the following expressions shall have the following meaning:

- 1.1.1. **“AAA” or “the Transferee Company”** means AAA Entertainment Private Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 3rd Floor, Reliance Energy Centre, Santacruz (East), Mumbai – 400 055;
- 1.1.2. **“Act” or “the Act”** means the Companies Act, 1956, or any statutory modification or re-enactment thereof for the time being in force;
- 1.1.3. **“Appointed Date”** means April 1, 2011 or such other date as may be decided by the High Court;
- 1.1.4. **“Board of Directors”** means the Board of Directors of AIPL or RHVL or AAA or all as the context may require and includes a committee thereof.
- 1.1.5. **“Court” or “High Court”** means the High Court of Judicature at Bombay and shall include the National Company Law Tribunal, if applicable;
- 1.1.6. **“Effective Date”** means the last of the dates on which the certified copies of the High Court of Judicature at Bombay sanctioning the Scheme of Amalgamation is filed by the respective company with the Registrar of Companies, Maharashtra, Mumbai by AIPL, RHVL and AAA;
- 1.1.7. **“Scheme” or “the Scheme” or “this Scheme”** means this Scheme of Amalgamation in its present form as submitted to the Honorable High Court of Judicature at Bombay or this Scheme with such modification(s), if any made;
- 1.1.8. **“AIPL” or “the Transferor Company 1”** means Ambani Industries Private Limited, a company incorporated under the Companies Act, 1956, and having

its registered office at 3rd Floor, Reliance Energy Centre, Santacruz (East),
Mumbai – 400 055;

1.1.9. **“RHVL”** or **“the Transferor Company 2”** means Reliance Health Ventures Limited, a company incorporated under the Companies Act, 1956, and having its registered office at 3rd Floor, Reliance Energy Centre, Santacruz (East), Mumbai – 400 055;

1.1.10. **“Transferor Companies”** means AIPL and RHVL collectively.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulation Act, 1956, the Depositories Act, 1996 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.

1.2. SHARE CAPITAL

1.2.1. The authorized, issued, subscribed and paid-up share capital of AIPL as on March 31, 2011 is as under:

	Rupees
Authorised Capital	
10,00,000 Equity shares of Rs. 10 each	1,00,00,000
Total	1,00,00,000
Issued Subscribed & Paid Up Capital	
10,000 Equity shares of Rs.10 each fully paid up	1,00,000
Total	1, 00,000

The capital structure of AIPL post the above Balance Sheet Date has not under gone any change.

1.2.2. The authorized, issued, subscribed and paid-up share capital of RHVL as on March 31, 2011 is as under:

	Rupees
Authorised Capital	
32,50,000 Equity shares of Rs. 10 each	3,25,00,000
Total	3,25,00,000
Issued Subscribed & Paid Up Capital	
26,30,000 Equity shares of Rs.10 each fully paid up	2,63,00,000
Total	2,63,00,000

The capital structure of RHVL post the above Balance Sheet Date has not under gone any change.

1.2.3. The authorized, issued, subscribed and paid-up share capital of AAA as on March 31, 2011 is as under:

	Rupees
Authorised Capital	
2,50,00,000 Equity shares of Rs.10 each	25,00,00,000
2,50,00,000 Preference shares of Rs.10 each	25,00,00,000
Total	50,00,00,000
Issued Subscribed & Paid Up Capital	
10,000 Equity shares of Rs.10 each fully paid up	1,00,000

10,000 6% Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up	1,00,000
39,50,000 10% Non- cumulative Compulsorily Convertible Preference Shares of Rs. 10 each fully paid up	3,95,00,000
25,15,000 10% Non-Cumulative Redeemable Preference Shares of Rs. 10 each fully paid up	2,51,50,000
Total	6,48,50,000

The capital structure of AAA post the above Balance Sheet Date has not undergone any change.

1.3. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme, set out herein in its present form or with any modifications(s) shall be effective from the Appointed Date.

PART 2

MERGER OF AIPL AND RHVL INTO AAA

2.1. TRANSFER AND VESTING OF UNDERTAKING

2.1.1. With effect from the opening of the business as on the Appointed Date, the entire business and whole of the undertakings of the Transferor Companies including all their properties and assets (whether movable or immovable, tangible or intangible) of whatsoever nature such as investments, licenses, permits, quotas, approvals, lease, tenancy rights, permissions, incentives if any, and all other rights, title, interest, contracts, consents, approvals or powers of every kind, nature and descriptions whatsoever shall under the provisions of Sections 391 to 394 of the Act and pursuant to the orders of the High Court of Judicature at Bombay or any other appropriate authority sanctioning this Scheme and without further act, instrument or deed, but subject to the charges if any, affecting the same as on the Effective Date shall stand transferred and/or deemed to be transferred to and vested in the Transferee Company so as to become the properties and assets of the Transferee Company.

2.1.2. The transfer and vesting as aforesaid shall be subject to the existing charges / hypothecation / mortgages, if any, as may be subsisting and agreed to be created over or in respect of the said assets or any part thereof, provided however, any reference in any security documents or arrangements to which the Transferor Companies are party wherein the assets of the Transferor Companies have been or are offered or agreed to be offered as security for any financial assistance or obligations shall be construed as reference only to the assets pertaining to the Transferor Companies and vested in the Transferee Company by virtue of this Scheme to the end and intent that the charges shall not extend or deemed to extend to any assets of the Transferee Company.

Provided that the Scheme shall not operate to enlarge the security for the said liabilities of the Transferor Companies which shall vest in the Transferee Company by virtue of the Scheme and the Transferee Company shall not be

obliged to create any further, or additional security thereof after the merger has become effective or otherwise.

2.1.3. The liabilities shall also, without any further act, instrument or deed be transferred to and vested in and assumed by and/or deemed to be transferred to and vested in and assumed by the Transferee Company pursuant to the provisions of Sections 391 to 394 of the Act, so as to become the liabilities of the Transferee Company and further that 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 liabilities have arisen, in order to give effect to the provisions of this Clause.

2.2. CONSIDERATION

2.2.1. Upon the Scheme becoming effective and in consideration of transfer and vesting of the undertaking of the Transferor Companies into the Transferee Company, the Transferee Company shall, without any further application or deed, issue and allot, to the shareholders of the Transferor Companies whose name appears in the Register of Members of the Transferor Companies as on the Effective Date or to his/her heirs, executors, administrators or the successors-in-title, as the case may be, fully paid-up Preference Shares terms and conditions of Preference Shares are given in Schedule I) in the following ratio:

- 1 (One) preference Share of the Transferee Company of Rs. 10 each fully paid up in respect of every 1 (One) Equity Share of Rs.10 each fully paid up held in AIPL.
- 14 (Fourteen) Preference Shares of the Transferee Company of Rs. 10 each fully paid up in respect of every 1 (One) Equity Shares of Rs.10 each fully paid up held in RHVL.

- 2.2.2. Any fraction arising on issue of Preference Shares as above will be rounded off to the nearest integer.
- 2.2.3. The Shares to be issued by the Transferee Company pursuant to Clause 2.2.1 above shall be issued in physical form by the Transferee Company.
- 2.2.4. The Preference Shares in the Transferee Company to be issued to the members of the Transferor Companies pursuant to Clause 2.2.1 above shall be subject to the Memorandum and Articles of Association of the Transferee Company.
- 2.2.5. The Transferee Company shall take necessary steps to increase or alter or re-classify, if necessary, its Authorized Share Capital suitably to enable it to issue and allot the Preference Shares required to be issued and allotted by it under this Scheme.
- 2.2.6. The approval of this Scheme by the shareholders of the Transferee Company shall be deemed to be due compliance of all applicable provisions of the Act for the issue and allotment of Shares by the Transferee Company to the shareholders of the Transferor Companies, as provided in this Scheme.

2.3. ACCOUNTING TREATMENT

- 2.3.1. All assets and liabilities of the Transferor Companies shall be recorded in the books of the Transferee Company at their respective fair values as may be determined by the Board of Directors;
- 2.3.2. Shares allotted pursuant to clause 2.2.1 above shall be recorded as Share Capital;
- 2.3.3. Inter-company balances, if any, between the Transferee Company and the Transferor Companies will stand cancelled.
- 2.3.4. The difference between the amount of assets & liabilities taken over and recorded by the Transferee Company after making adjustments for clause 2.3.2

and 2.3.3 above be debited or credited to the Goodwill or Capital Reserve Account respectively, of AAA.

2.4. AGGREGATION OF AUTHORISED CAPITAL

2.4.1. The provisions of this Clause 2.4 shall operate notwithstanding anything to the contrary in any other instrument, deed or writing.

2.4.2. Upon sanction of this Scheme, the authorised share capital of the Transferee Company shall automatically stand increased without any further act, instrument or deed on the part of the Transferee Company including payment of stamp duty and fees payable to Registrar of Companies, by the authorised share capital of the Transferor Companies as on the Effective Date and the Memorandum of Association and Articles of Association of the Transferee Company (relating to the authorized share capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended, and the consent of the shareholders to the Scheme shall be deemed to be sufficient for the purposes of effecting this amendment, and no further resolution(s) under Section 16, Section 31, Section 94 or any other applicable provisions of the Act, would be required to be separately passed. For this purpose, the filing fees and stamp duty already paid by the Transferor Companies on its authorised share capital shall be utilized and applied to the increased share capital of the Transferee Company, and shall be deemed to have been so paid by the Transferee Company on such combined authorised share capital and accordingly, the Transferee Company shall not be required to pay any fees / stamp duty on the authorised share capital so increased.

2.5. BUSINESS AND PROPERTY IN TRUST FOR THE TRANSFEEE COMPANY

2.5.1. During the period between the Appointed Date and the Effective Date,

- (a) The Transferor Companies shall carry on and deemed to have carried on its business and activities and shall stand possessed of their entire business and undertakings, in trust for the Transferee Company and shall account for the same to the Transferee Company.
- (b) All the income or profits accruing or arising to the Transferor Companies and all costs, charges, expenses or losses incurred by the Transferor Companies shall for all purposes be treated the income, profits, costs, charges, expenses and losses as the case may be of the Transferee Company.
- (c) The Transferor Companies shall carry on their business and activities with reasonable diligence and business prudence and shall not alter or diversify their 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 the Transferee Company or pursuant to any pre-existing obligation undertaken prior to the date of acceptance of the Scheme by the respective Boards of Directors of the Transferor Companies and the Transferee Company.

2.5.2. The Transferee Company 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 the Transferee Company may require to carry on the business of the Transferor Companies.

2.6. PENDING SUITS, ETC.

2.6.1. If any suit, appeal or other proceeding of whatever nature by or against the Transferor Companies is pending, the same shall not abate or be discontinued or be in any way prejudicially affected by reason of the amalgamation by anything contained in this Scheme, but the said suit, appeal or other legal 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 the Transferor Companies as if this Scheme had not been made.

2.7. CONTRACTS, DEEDS AND OTHER INSTRUMENTS

2.7.1. Subject to the other provisions contained in this Scheme, all contracts, deeds, bonds, agreements and other instruments of whatever nature to which, the Transferor Companies are party subsisting or having effect immediately before the Scheme coming into effect shall be in full force and effect against or in favour of the Transferee Company, and may be enforced by or against the Transferee Company as fully and effectually as if, instead of the Transferor Companies, the Transferee Company had been a party thereto.

2.8. SAVING OF CONCLUDED TRANSACTIONS

2.8.1. The transfer of properties and liabilities under Clause 2.1 above and the continuance of proceedings by or against the Transferee Company under Clause 2.6 above shall not affect any transaction or proceedings already concluded by the Transferor Companies on or after the Appointed Date till the Effective Date, to the end and intent that the Transferee Company accepts and adopts all acts, deeds and things done and executed by the Transferor Companies in respect thereto as done and executed on behalf of itself.

2.9. STAFF, WORKMEN & EMPLOYEES

2.9.1. On the Scheme becoming operative, all staff, workmen and employees of the Transferor Companies in service on the Effective Date shall be deemed to have become staff, workmen and employees of the Transferee Company without any break in their service and on the basis of continuity of service, and the terms

and conditions of their employment with the Transferee Company shall not be less favourable than those applicable to them with reference to the Transferor Companies on the Effective Date.

2.9.2. 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 the Transferor Companies shall become the trusts/ funds of the Transferee Company 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 the Transferor Companies in relation to such Fund or Funds shall become those of the Transferee Company. It is clarified that the services of the staff, workmen and employees of the Transferor Companies will be treated as having been continuous for the purpose of the said Fund or Funds.

2.10. DISSOLUTION OF THE TRANSFEROR COMPANIES

2.10.1. On the Scheme becoming effective, the Transferor Companies shall stand dissolved without being wound up.

PART 3

OTHER TERMS AND CONDITIONS

3.1. APPLICATIONS TO HIGH COURT

3.1.1. The Transferor Companies and the Transferee Company shall as may be required make applications and/or petitions under Sections 391 to 394 of the Act and other applicable provisions of the Act to the High Court of Judicature at Bombay for sanction of this Scheme and all matters ancillary or incidental thereto.

3.2. MODIFICATION OR AMENDMENTS TO THE SCHEME

3.2.1. The Transferor Companies and the Transferee Company by their respective Board of Directors may assent to any modifications/amendments to the Scheme or to any conditions or limitations that the Court and/or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them (i.e. the Board of Directors). The Transferor Companies and the Transferee Company by their respective Board of Directors be and are hereby authorized to take all such steps as may be necessary, desirable or proper to resolve any doubts, difficulties or questions whether by reason of any directive or orders of any other authorities or otherwise howsoever arising out of or under or by virtue of the Scheme and/or any matter concerned or connected therewith.

3.3. CONDITIONALITY OF THE SCHEME

3.3.1. This Scheme is and shall be conditional upon and subject to:

3.3.2. The Scheme being approved by the requisite majorities in number and value of such classes of persons including the members and / or creditors of the Transferor Companies and the Transferee Company as may be directed by the Hon'ble High Court of Judicature at Bombay or any other competent authority, as may be applicable.

3.3.3. The Scheme being sanctioned by the Hon'ble High Court of Judicature at Bombay or any other authority under Sections 391 to 394 of the Act.

3.3.4. Certified copies of the Orders of the High Court of Judicature at Bombay sanctioning the Scheme being filed with Registrar of Companies, Maharashtra at Mumbai by the Transferor Companies and the Transferee Company.

3.4. EFFECT OF NON-RECEIPT OF APPROVALS

3.4.1. In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/ or the Scheme not being sanctioned by the High Court of Judicature at Bombay or such other competent authority and / or the Order not being passed as aforesaid before March 31, 2013 or within such further period or periods as may be agreed upon between the Transferor Companies and the Transferee Company by their Boards of Directors (and which the Boards of Directors of the companies are hereby empowered and authorised to agree to and extend the Scheme from time to time without any limitation), this Scheme shall stand revoked, cancelled and be of no effect, save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights and/ or liabilities which might have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out as is specifically provided in the Scheme or as may otherwise arise in law. Each party shall bear and pay its respective costs, charges and expenses for and or in connection with the Scheme.

3.5. COSTS, CHARGES & EXPENSES

3.5.1. All costs, charges, taxes including duties, levies and all other expenses, if any (save as expressly otherwise agreed) arising out of, or incurred in carrying out and implementing this Scheme and matters incidental thereto, shall be borne by the Transferee Company.

SCHEDULE – I

KEY TERMS AND CONDITIONS FOR ISSUE OF PREFERENCE SHARES

Issuer	AAA Entertainment Private Limited
Instrument	10% Optionally Convertible, Non Cumulative Redeemable Preference Shares
Face value	Rs. 10 per Preference Share issued
Redemption	To be redeemed at par at the end of 20 years from the date of allotment
Conversion	AAA Entertainment Private Limited will have an option to convert the Preference Shares with the written consent of the Preference Shareholders at any time after the end of 12 months from the date of allotment and after giving prior notice of 2 months. One Preference Share shall be converted into one Equity Share.
Call option	<p>AAA Entertainment Private Limited will have an option to redeem the Preference Shares at any time after the end of 12 months from the date of allotment. If AAA Entertainment Private Limited exercises its call option, it will be liable to pay the amount of the face value of the Preference Shares along with dividend declared and unpaid, if any, up to the date on which it exercises the call option (“Redemption Amount”).</p> <p>In case AAA Entertainment Private Limited exercises the call option, its liability to the Preference Shareholders shall stand extinguished from the date of dispatch of the cheques / pay order for the Redemption Amount.</p>