

COMPOSITE SCHEME OF ARRANGEMENT
BETWEEN
ALEMBIC LIMITED
AND
SHRENO LIMITED
AND
NIRAYU PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS
UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 OF THE
COMPANIES ACT, 2013 AND OTHER APPLICABLE PROVISIONS OF THE
COMPANIES ACT, 2013 AND RULES FRAMED THEREUNDER

PREAMBLE

This Scheme (as defined hereinafter) is presented under the Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and rules framed thereunder for demerger of Demerged Undertaking 1 (defined below) of Alembic Limited into Shreno Limited and demerger of the Demerged Undertaking 2 (defined below) of Shreno Limited into Nirayu Private Limited and for matters consequential, supplemental and / or otherwise integrally connected therewith.

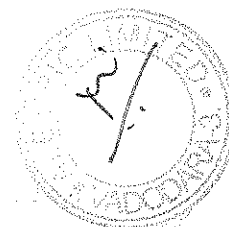
(A) DESCRIPTION OF COMPANIES:

- i. Alembic Limited ("First Demerged Company" or "Alembic") was originally incorporated as Alembic Chemical Works Company Limited on 30th July, 1907 under the Indian Companies Act, VI of 1882 in the State of Gujarat. The name of the First Demerged Company was changed to Alembic Limited w.e.f. 31st May, 1999 pursuant to the fresh certificate of incorporation obtained from the Registrar of Companies, Gujarat (CIN L26100GJ1907PLC000033). The



Registered Office of the First Demerged Company is situated at Alembic Road, Vadodara - 390003 in the State of Gujarat. It is, *inter alia*, engaged in the business of manufacturing and trading of active pharmaceutical ingredients and real estate development.

- ii. Shreno Limited ("First Transferee Company" or "Shreno") or (where the context so requires "Second Demerged Company") was originally incorporated under the Companies Act, 1913 on 19th December, 1944 at Vadodara in erstwhile Vadodara State, in the name and style of Alembic Glass Industries Limited. The First Transferee Company or the Second Demerged Company pursuant to and as part of the scheme of merger of erstwhile Shreno Limited with erstwhile Alembic Glass Industries Limited, approved by Hon'ble High Court of Gujarat vide its order dated 21st July 2006, changed its name to Shreno Limited and obtained fresh certificate of incorporation dated 19th September, 2006 (CIN U26100GJ1944PLC000345). The Registered Office of the First Transferee Company / Second Demerged Company is situated at Alembic Road, Vadodara - 390003 in the State of Gujarat. It is, *inter alia*, engaged in the business of manufacturing and trading of glassware items, machinery & equipment required for various industries, making investments and real estate development.
- iii. Nirayu Private Limited ("Second Transferee Company" or "Nirayu") is a company incorporated on 17th November 1971 under the provisions of Companies Act, 1956 in the State of Karnataka. The Registered Office of the Second Transferee Company was shifted to the State of Gujarat vide order passed by the Hon'ble Regional Director (SER) Hyderabad vide its Order dated 22nd June 2017 (CIN U51909GJ1971PTC098778). At present, the Registered Office of the Second Transferee Company is situated at FF-54, Avishkar Complex, Old Padra Road, Vadodara – 390015 in the State of Gujarat. It is currently holding investments in shares and securities of various entities.



(B) OVERVIEW OF BUSINESSES & RATIONALE FOR THE SCHEME OF ARRANGEMENT:

- i. The business of Alembic, the First Demerged Company comprises of following:
 - The real estate undertaking comprising of land, real estate development including residential and commercial construction, sale and lease of properties, project management and marketing consultancy.
 - The pharmaceuticals undertaking comprising of manufacturing and trading of active pharmaceutical ingredients.
- ii. The business of the First Transferee Company / Second Demerged Company comprises of following undertakings namely:
 - The engineering undertaking comprising of manufacturing and trading of various types of engineering products mainly fabrications of various tanks and vessels, providing services like Turnkey project executions and structural fabrication (“Engineering Division”).
 - The real estate undertaking comprising of land, real estate development including residential and commercial construction, sale and lease of properties (“Real Estate Division”).
 - The glass undertaking comprising of manufacturing and trading within India and international markets, all sorts of glass, glassware, bottles and other materials pertaining to glass industry (“Glass Division”).
 - The investment undertaking comprising of investment activities which includes investment in shares and securities of various entities (“Investment Division”).
- iii. The Second Transferee Company is a holding company having investments in shares and securities of various entities.

The following are rationale and benefits for the Scheme:

- i. Unlocking of value and creation of additional liquidity for the shareholders of Alembic, the First Demerged Company and Shreno, the Second Demerged Company, which is currently embedded in the value of Alembic, the First Demerged Company and Shreno, the Second Demerged Company, respectively;



- ii. Elimination of inter-company cross holdings;
- iii. Improved business efficiencies with transfer of project management and consultancy business, services of which are, inter alia, being provided by Alembic, the First Demerged Company to the First Transferee Company;
- iv. Achieve cost optimization and specialization for sustained growth;
- v. Enhancing operational efficiencies, ensuring synergies through pooling of the financial, managerial, and technical resources, personnel capabilities, skills, expertise and technologies; and
- vi. Enhancing shareholder value by creating leaner and focused organizations.

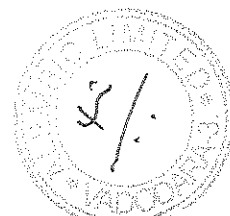
(C) TREATMENT OF THE SCHEME FOR THE PURPOSE OF THE INCOME-TAX ACT, 1961

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 of the terms or provisions of this Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(19AA) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(19AA) of the Income-tax Act, 1961. Such modification will however not affect the other parts of the Scheme.

(D) PARTS OF THE SCHEME

The Scheme is divided into the following parts:

- i. **Part I** deals with the definitions and the share capital.
- ii. **Part II** deals with the transfer and vesting of the Demerged Undertaking 1 from the First Demerged Company to the First Transferee Company.
- iii. **Part III** deals with the transfer and vesting of the Demerged Undertaking 2 from the Second Demerged Company to the Second Transferee Company.



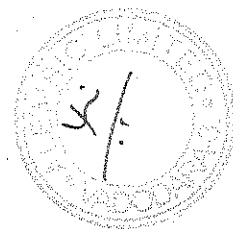
- iv. **Part IV** deals with the reorganization of the authorized share capital and amendment of Memorandum of Association of the First Transferee Company and the Second Transferee Company and Articles of Association of the Second Transferee Company.
- v. **Part V** deals with the general terms and conditions that would be applicable to this Scheme.

PART I

1. DEFINITIONS

In this scheme, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning mentioned herein below:

- 1.1 **“Act”** means the Companies Act, 2013 and rules and regulations made there under as may be applicable, including any statutory modification, re-enactments or amendments thereof.
- 1.2 **“Applicable Law”** means any statute, notification, bye laws, rules, regulations, guidelines, rule of common law, policy, code, directives, ordinance, orders or instructions having the force of law enacted or issued by any Appropriate Authority including any statutory modification or re-enactment thereof for the time being in force in India.
- 1.3 **“Appointed Date”** means 1st November 2018, or such other date as may be approved by the National Company Law Tribunal or any other Appropriate Authority.
- 1.4 **“Appropriate Authority” or “Governmental Authority”** means and includes any applicable Central, State or Local Government, legislative body, regulatory or administrative authority, Registrar of Companies, Regional Director, Securities and Exchange Board of India, Stock Exchanges, Reserve Bank of India, agency or commission or any court, tribunal, board, bureau or instrumentality thereof or arbitration or arbitral body having jurisdiction.



- 1.5 **“Board of Directors” or “Board”** means the respective Board of Directors of the each of the companies under the Scheme and shall include any committee or sub-committee thereof constituted or appointed and authorized for the purposes of matters pertaining to this Scheme and or any other matter relating thereto.
- 1.6 **“Demerged Undertaking 1”** shall mean the Identified Real Estate Undertaking of Alembic, the First Demerged Company along with all the related assets and liabilities, on a going concern basis, and shall include:
- i. All assets and properties, whether movable or immovable, tangible or intangible, whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, capital work in progress, advances, deposits, sundry debtors, inventories, cash and bank balances, shares, securities, bills of exchange, other fixed assets, trademarks, loans, inventory and work in progress wherever situated pertaining to the Identified Real Estate Undertaking;
 - ii. Investments in shares and other securities, if any, held by Alembic, the First Demerged Company pertaining to the Identified Real Estate Undertaking.
 - iii. Assets other than those referred to in sub-clause (i) above being general in nature, if any, allocated to the Identified Real Estate Undertaking in the manner as may be decided by the Board of Directors of Alembic, the First Demerged Company;
 - iv. All present and future liabilities arising out of the activities or operations of the Identified Real Estate Undertaking including loans, debts, current liabilities and provisions, duties and obligations relatable to the Identified Real Estate Undertaking;
 - v. Without prejudice to the generality of the above, the Demerged Undertaking 1 shall include in particular:
 - a. all movable and immovable properties, reserves, assets, including leasehold rights, tenancy rights, registrations, authorizations, trademarks, patents and other industrial and intellectual properties, electrical connections, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements, pending applications and all other interests, rights and powers of every kind, nature



- and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals in respect of the Identified Real Estate Undertaking.
- b. all quotas, rights and licenses, assignments and grants thereof, all permits, registrations, rights under any agreement, contracts, government contracts, applications, memorandum of understanding, letters of intent, tender (including open tender), or any other contracts, approvals, regulatory approvals, consents, entitlements, industrial and other licenses, municipal permissions, goodwill, cash balances, bank balances, bank accounts, privileges, benefit of any deposits, financial assets, corporate guarantees issued by Alembic, the First Demerged Company in relation to the Identified Real Estate Undertaking and the benefits of any bank guarantees issued in relation to the Identified Real Estate Undertaking for the benefit of Alembic, the First Demerged Company, deferred tax benefits, privileges, all other claims, rights, benefits and licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail of utilities, electricity, water and other services, provisions, funds, tenancies in relation to the office and/or residential properties for the employees, offices, patents, copyrights, investments and/or interest (whether vested, contingent or otherwise) in activities undertaken by the Identified Real Estate Undertaking, either solely or jointly with other parties, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Identified Real Estate Undertaking;
 - c. all books, records, files, papers, computer programs, manuals, data, catalogues, quotations, backup and other data and records whether physical or electronic form, directly or indirectly in connection with or relating to the Identified Real Estate Undertaking;
 - d. all contracts, agreements, understanding in connection with or pertaining to or relatable to the Identified Real Estate Undertaking;
 - e. all employees of Alembic, the First Demerged Company employed in and / or relatable to the Identified Real Estate Undertaking as on the Effective Date; and



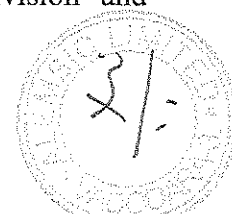
- f. all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by Alembic, the First Demerged Company, directly or indirectly in connection with or in relation to the Identified Real Estate Undertaking.
- vi. For the purpose of this Scheme, the liabilities pertaining to Demerged Undertaking 1 means and includes:
 - a. all liabilities (including contingent liabilities) arising out of the activities or operation of the Identified Real Estate Undertaking including in relation to or in connection with taxes or under or in relation to its contracts, other obligations, duties and sums owing;
 - b. specific loans and borrowings raised, if any, incurred and utilized solely for the activities or operations of the Identified Real Estate Undertaking;
 - c. liabilities other than those referred to in sub-clauses a and b above being the amounts of general or multipurpose borrowings, if any, of Alembic, the First Demerged Company as allocated to the Identified Real Estate Undertaking in the same proportion in which the book value of the assets transferred under this Clause bears to the total book value of the assets of Alembic, the First Demerged Company immediately before the Appointed Date of the Scheme as may be determined by the Board of Directors of Alembic, the First Demerged Company.

1.7 **“Demerged Undertaking 2”** shall mean the Engineering Division and Investment Division of Shreno, the Second Demerged Company along with all the related assets and liabilities, on a going concern basis, and shall include:

- i. All assets and properties, whether movable or immovable, tangible or intangible, whether corporeal or incorporeal, leasehold or otherwise, plant and machinery, capital work in progress, advances, deposits, sundry debtors, inventories, cash and bank balances, shares, securities, bills of exchange, other fixed assets, trademarks, loans, inventory and work in progress wherever situated pertaining to the Engineering Division and Investment Division;

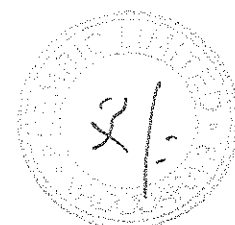


- ii. Investments in shares, debentures and other securities, if any, held by Shreno, the Second Demerged Company pertaining to the Engineering Division and Investment Division.
- iii. Assets other than those referred to in sub-clause (i) above being general in nature, if any, allocated to the Engineering Division and Investment Division in the manner as may be decided by the Board of Directors of Shreno, the Second Demerged Company;
- iv. All present and future liabilities arising out of the activities or operations of the Engineering Division and Investment Division including loans, debts, current liabilities and provisions, duties and obligations relatable to the Engineering Division and Investment Division;
- v. Without prejudice to the generality of the above, the Demerged Undertaking 2 shall include in particular:
 - a. all movable and immovable properties, reserves, assets, including leasehold rights, tenancy rights, registrations, permits, authorizations, trademarks, patents and other industrial and intellectual properties, electrical connections, telephones, telex, facsimile and other communication facilities and equipment, rights and benefits of all agreements, pending applications and all other interests, rights and powers of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals in respect of the Engineering Division and Investment Division.
 - b. all quotas, rights and licenses, assignments and grants thereof, all permits, registrations, rights under any agreement, contracts, government contracts, applications, memorandum of understanding, letters of intent, tender (including open tender), or any other contracts, approvals, regulatory approvals, consents, entitlements, industrial and other licenses, municipal permissions, goodwill, cash balances, bank balances, bank accounts, privileges, benefit of any deposits, financial assets, corporate guarantees issued by Shreno, the Second Demerged Company in relation to the Engineering Division and Investment Division and the benefits of any bank guarantees issued in relation to the Engineering Division and

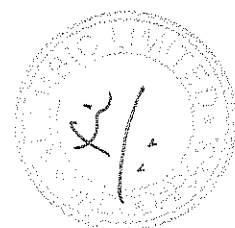


Investment Division for the benefit of Shreno, the Second Demerged Company, deferred tax benefits, privileges, all other claims, rights, benefits and licenses, powers and facilities of every kind, nature and description whatsoever, rights to use and avail utilities, water and other services, provisions, funds, tenancies in relation to the office and/or residential properties for the employees, offices, patents, copyrights, investments and/or interest (whether vested, contingent or otherwise) in activities undertaken by the Engineering Division and Investment Division, either solely or jointly with other parties, benefits of all agreements, contracts and arrangements and all other interests in connection with or relating to the Engineering Division and Investment Division;

- c. all books, records, files, papers, computer programs, manuals, data, catalogues, quotations, backup and other data and records whether physical or electronic form, directly or indirectly in connection with or relating to the Engineering Division and Investment Division;
 - d. all contracts, agreements, understanding in connection with or pertaining to or relatable to the Engineering Division and Investment Division;
 - e. all employees of Shreno, the Second Demerged Company employed in and / or relatable to the Engineering Division and Investment Division as on the Effective Date; and
 - f. all deposits and balances with Government, Semi-Government, local and other authorities and bodies, customers and other persons, earnest moneys and/ or security deposits paid or received by Shreno, the Second Demerged Company, directly or indirectly in connection with or in relation to the Engineering Division and Investment Division.
- vi. For the purpose of this Scheme, the liabilities pertaining to the Demerged Undertaking 2 means and includes:
- a. all liabilities (including contingent liabilities) arising out of the activities or operation of the Engineering Division and Investment Division including in relation or connection with taxes or under or in relation to its contracts, other obligations, duties and sums owing;

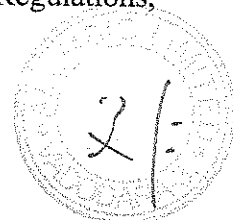


- b. specific loans and borrowings raised, if any, incurred and utilized solely for the activities or operations of the Engineering Division and Investment Division;
 - c. liabilities other than those referred to in sub-clauses a and b above being the amounts of general or multipurpose borrowings, if any, of Shreno, the Second Demerged Company as allocated to the Engineering Division and Investment Division in the same proportion in which the book value of the assets transferred under this Clause bears to the total book value of the assets of Shreno, the Second Demerged Company immediately before the Appointed Date of the Scheme as may be determined by the Board of Directors of Shreno, the Second Demerged Company.
- 1.8 **“Effective Date”** means the opening hours of the day on which the last of approvals/conditions specified in Clause 32 of this Scheme are obtained or complied with. Reference to **“coming into effect of this Scheme”** or **“effectiveness of this Scheme”** shall mean the Effective Date.
- 1.9 **“First Demerged Company” or “Alembic”** means Alembic Limited, having CIN L26100GJ1907PLC000033, a company governed under the Companies Act, 2013 and having its registered office at Alembic Road, Vadodara- 390 003, Gujarat.
- 1.10 **“First Transferee Company” or “Second Demerged Company” or “Shreno”** means Shreno Limited, having CIN U26100GJ1944PLC000345, a company governed under the Companies Act, 2013 and having its registered office at Alembic Road, Vadodara- 390 003, Gujarat.
- 1.11 **“Identified Real Estate Undertaking”** in relation to Alembic, the First Demerged Company shall mean a current residential real estate project on the land parcel more specifically described in Annexure 4, along with real estate interest held through investment in the First Transferee Company and ‘project management consultancy’ business.
- 1.12 **“7% Non-Convertible Cumulative Redeemable Preference Shares - I” or “Shreno Preference Shares”** means the preference shares issued by Shreno, the



First Transferee Company as a consideration pursuant to this Composite Scheme of Arrangement, on such terms as mentioned in Clause 5.5.

- 1.13 **“7% Non-Convertible Cumulative Redeemable Preference Shares - II” or “Nirayu Preference Shares”** means the preference shares issued by Nirayu, the Second Transferee Company as a consideration pursuant to this Composite Scheme of Arrangement, on such terms as mentioned in Clause 16.5.
- 1.14 **“Record Date”** in relation to (a) Part II of the Scheme means the date to be fixed by the Board of Directors of Alembic, the First Demerged Company in consultation with the Board of Directors of Shreno, the First Transferee Company for the purpose of determining the shareholders of Alembic, the First Demerged Company who shall be entitled to receive Shreno Preference Shares, pursuant to the Scheme; and (b) in relation to Part III of the Scheme means the date to be fixed by the Board of Directors of Shreno, the Second Demerged Company in consultation with the Board of Directors of Nirayu, the Second Transferee Company for the purpose of determining the shareholders of Shreno, the Second Demerged Company who shall be entitled to receive Nirayu Preference Shares, pursuant to the Scheme. It is clarified that different Record Dates may be declared for different parts of the Scheme.
- 1.15 **“Remaining Business of the First Demerged Company”** means all business activities of the First Demerged Company other than the Demerged Undertaking 1.
- 1.16 **“Remaining Business of the Second Demerged Company”** means all business activities of the Second Demerged Company other than the Demerged Undertaking 2.
- 1.17 **“SEBI”** means Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992, as amended from time to time.
- 1.18 **“SEBI Circular”** shall mean circulars issued by SEBI being Circular CFD/DIL3/CIR/2017/21 dated 10th March 2017 and any amendments or modifications thereof, and any other circular issued pursuant to Regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

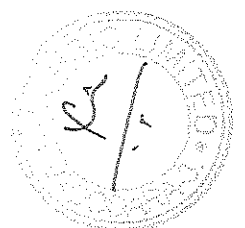


- 1.19 **“Second Transferee Company”** means Nirayu Private Limited, having CIN U51909GJ1971PTC098778, a company governed under the Companies Act, 2013 and having its registered office at FF-54, Avishkar Complex, Old Padra Road, Vadodara - 390 015, Gujarat.
- 1.20 **“Scheme” or “the Scheme” or “this Scheme”** means this Composite Scheme of Arrangement in its present form as submitted in accordance with the provisions of Sections 230 to 232 of the Act or with any modification(s), if any, made under Clause 31 of the Scheme or with such other modification/amendments as the NCLT or any other Governmental Authority may direct.
- 1.21 **“Small Shareholder”** means any person, not being a promoter / promoter group shareholder, holding Shreno Preference Shares or Nirayu Preference Shares, and who is entitled to receive an amount not exceeding an aggregate value of Rs. 2,00,000 (Two Lakh only) on redemption of such preference shares.
- 1.22 **“The Tribunal” or “NCLT”** means the National Company Law Tribunal having jurisdiction over Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company, as the case may be.

The expressions which are used in this Scheme and 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 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.

2. **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 NCLT, as the case may be, in terms of Clause 32 of the Scheme, shall be operative from the Effective Date and effective from Appointed Date.



3. SHARE CAPITAL

- 3.1 The share capital of Alembic, the First Demerged Company as on 31st March 2018, is as under: -

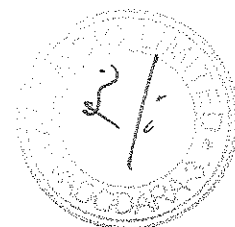
Share Capital	Rupees
<u>Authorized Share Capital</u>	
30,00,00,000 Equity Shares of Rs. 2/- each	60,00,00,000
Total	
<u>Issued, subscribed and paid-up Share Capital</u>	
26,70,31,828 Equity Shares of Rs. 2/- each	53,40,63,656
Total	53,40,63,656

As on 31st March 2018, Shreno, the First Transferee Company and Nirayu, the Second Transferee Company hold 13.76% and 41.12% of equity share capital of Alembic, the First Demerged Company respectively.

Subsequent to the above date, there has been a buy-back of 1,02,50,000 equity shares and accordingly there has been a corresponding decrease in the issued, subscribed and paid up capital of Alembic, the First Demerged Company.

Post the above referred buy-back of the equity shares and as on date, the share capital of Alembic, the First Demerged Company is as follows:

Share Capital	Rupees
<u>Authorized Share Capital</u>	
30,00,00,000 Equity Shares of Rs. 2/- each	60,00,00,000
Total	
<u>Issued, subscribed and paid-up Share Capital</u>	
25,67,81,828 Equity Shares of Rs. 2/- each	51,35,63,656



Share Capital	Rupees
Total	51,35,63,656

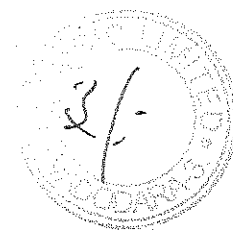
Post the buy-back and as on date, Shreno, the First Transferee Company and Nirayu, the Second Transferee Company hold 13.69% and 41.05% of equity share capital of Alembic, the First Demerged Company respectively.

- 3.2 The share capital of Shreno, the First Transferee Company / the Second Demerged Company as on 31st March 2018 is as under: -

Share Capital	Rupees
<u>Authorized Share Capital</u>	
59,50,000 Equity Shares of Rs. 100/- each	59,50,00,000
45,12,500 Preference Shares of Rs. 400/- each	180,50,00,000
Total	240,00,00,000
<u>Issued, subscribed and paid-up Share Capital</u>	
59,48,298 Equity Shares of Rs. 100/- each fully paid up	59,48,29,800
Total	59,48,29,800

There is no change in the capital structure of Shreno, the First Transferee Company / the Second Demerged Company after the aforesaid date.

As on 31st March 2018 and as on date, Alembic, the First Demerged Company and Nirayu, the Second Transferee Company hold 17.09% and 64.72% of equity share capital of Shreno, the First Transferee Company / the Second Demerged Company respectively.

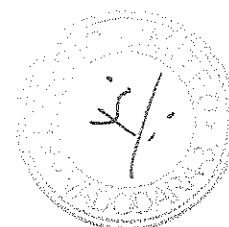


- 3.3 The share capital of Nirayu, the Second Transferee Company as on 31st March 2018 is as under: -

Share Capital	Rupees
<u>Authorized Share Capital</u>	
13,80,000 Equity shares of Rs. 100/- each	13,80,00,000
38,50,000 Preference Shares of Rs. 100/- each	38,50,00,000
Total	52,30,00,000
<u>Issued, subscribed and paid-up Share Capital</u>	
3,11,250 Equity Shares of Rs. 100/- each fully paid up	3,11,25,000
1,37,053 5% Redeemable Preference Shares of Rs. 100/- each fully paid	1,37,05,300
Total	4,48,30,300

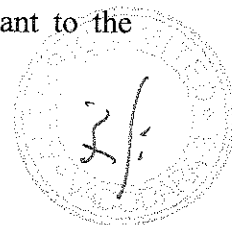
There is no change in the capital structure of Nirayu, the Second Transferee Company after the aforesaid date.

As on 31st March 2018 and as on date, Shreno, the Second Demerged Company holds 19.02% of equity share capital of Nirayu, the Second Transferee Company.



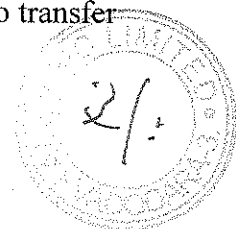
PART II**4. TRANSFER AND VESTING OF THE DEMERGED UNDERTAKING 1 TO SHRENO, THE FIRST TRANSFEREE COMPANY**

- 4.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, the Demerged Undertaking 1 of Alembic, the First Demerged Company as defined in Clause 1.6 thereof, shall pursuant to Sections 230 to 232 of the Act and other relevant provision of the Act and the order of the NCLT sanctioning the Scheme, without any further act, instrument or deed, be transferred to and vested in or deemed to be transferred to and vested in Shreno, the First Transferee Company, on a going concern basis, in accordance with Section 2(19AA) of the Income-tax Act, 1961, so as to vest in Shreno, the First Transferee Company all the rights, title and interest of Demerged Undertaking 1 therein, subject to the subsisting charges and pledges, if any.
- 4.2 Without prejudice to the provisions of Clause 4.1, assets and properties of Alembic, the First Demerged Company relating to the Demerged Undertaking 1, upon the coming into effect of this Scheme and with effect from the Appointed Date, under the provisions of Sections 230 to 232 of the Act, without any further act or deed or instrument or conveyance for the same shall deemed to be transferred to Shreno, the First Transferee Company and shall become the assets and properties of Shreno, the First Transferee Company. The order of the NCLT shall for all purposes be treated as the instrument conveying such properties and assets to Shreno, the First Transferee Company. It is however clarified that the same shall be subject to payment of applicable stamp duty.
- 4.3 In respect of assets such as intangible assets, actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities, bodies and customers, Alembic, the First Demerged Company shall if so required by Shreno, the First Transferee Company, issue notices in such form as Shreno, the First Transferee Company may deem fit and proper stating that pursuant to the



NCLT or such other competent authority having sanctioned this Scheme under Section 232 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of Alembic, the First Demerged Company, as the person entitled thereto, to the end and intent that the right of Alembic, the First Demerged Company to recover or realize the same stands transferred to Shreno, the First Transferee Company.

- 4.4 All immovable properties, if any, (including land, building and any other immovable property) of the Demerged Undertaking 1 of Alembic, the First Demerged Company whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall automatically stand vested in Shreno, the First Transferee Company without the requirement of execution of any further documents for registering the name of Shreno, the First Transferee Company as the owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar, Municipality, etc. may rely on the Scheme along with the order passed by NCLT, to make necessary mutation entries and changes in the land or revenue records to reflect the name of Shreno, the First Transferee Company as the owner of the immovable properties. With effect from the Appointed Date, Shreno, the First Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. Alembic, the First Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to Shreno, the First Transferee Company.
- 4.5 If any asset relating to Demerged Undertaking 1 (including but not limited to any estate, rights, title, interest in or authorities relating to such asset) which Alembic, the First Demerged Company owns, cannot be transferred to Shreno, the First Transferee Company for any reason whatsoever, Alembic, the First Demerged Company shall, (i) hold such asset in trust for the sole benefit of Shreno, the First Transferee Company till the same is transferred and shall hold and deal with the same in accordance with the reasonable instructions as may be given by Shreno, the First Transferee Company in that regard; and (ii) make reasonable efforts to transfer



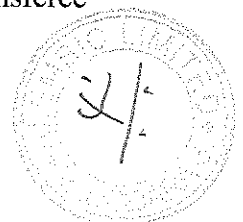
such asset to Shreno, the First Transferee Company (along with any benefits attached thereto) within the earliest possible period pursuant to the Scheme becoming effective.

- 4.6 All patents, patent rights applications, trademarks, trade names, knowhow, content, software, manuals, copyrights and other industrial properties and rights of any nature whatsoever and licenses assignments, grants in respect thereof, privileges, liberties, easements, contract advantages, benefits, goodwill, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile and other communication facilities, connections, equipment and installations, utilities, electricity and electronic devices and all other services of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements including but not limited to indemnities/ guarantees given by Alembic, the First Demerged Company in relation to the Demerged Undertaking 1, deposits, advances, recoverable and receivables whether from government, semi-government, local authorities or any other customs etc., benefits of any agreement to sell of immovable properties sold or purchased by Alembic, the First Demerged Company in relation to the Demerged Undertaking 1, and all other rights, interests, claims and powers of every kind, nature and description of and arising to them, cash and bank balances, all earnest monies and/ or deposits including security deposits paid by them, the entire business and benefits and advantages of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by Alembic, the First Demerged Company and relatable to the Demerged Undertaking 1, stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in Shreno, the First Transferee Company pursuant to the provisions of Section 232 of the Act so as to become as and from the Appointed Date, the estate, assets, right, title and interests of Shreno, the First Transferee Company.
- 4.7 Upon the coming into effect of this Scheme and with effect from the Appointed Date, any statutory licenses, permissions or approvals or consents held by Alembic, the First Demerged Company required to carry on operations of the Demerged Undertaking 1 shall stand transferred to and vested in Shreno, the First Transferee



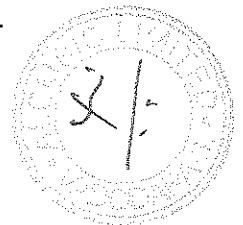
Company by virtue of order of NCLT sanctioning the Scheme, and without any further act or deed shall be appropriately mutated by the statutory authorities concerned therewith in favour of Shreno, the First Transferee Company. The benefit of all statutory and regulatory permissions, approvals and consents, registration or other licenses, and consents shall vest in and become available to Shreno, the First Transferee Company pursuant to the Scheme.

- 4.8 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all income, expenses, debts, liabilities, including, without limitation, all secured and unsecured debts, sundry creditors, contingent liabilities, duties, obligations and undertakings of Alembic, the First Demerged Company, in relation to the Demerged Undertaking 1, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the NCLT, as the case may be, and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to, and vested in, or be deemed to have been transferred to and vested in Shreno, the First Transferee Company and shall be assumed by Shreno, the First Transferee Company to the extent they are outstanding as on the Effective Date so as to become, as on and from the Appointed Date, the income, expenses, liabilities, debts, duties and obligations of Shreno, the First Transferee Company on the same terms and conditions as were applicable to Alembic, the First Demerged Company, and Shreno, the First Transferee Company shall meet, discharge and satisfy the liabilities 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 liabilities have arisen in order to give effect to the provisions of this clause.
- 4.9 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the debts, advances, liabilities and obligations pertaining to the Demerged Undertaking 1 of Alembic, the First Demerged Company shall, under the provisions of Sections 230 to 232 of the Act, without any further act or deed shall stand transferred to or be deemed to be transferred to Shreno, the First Transferee



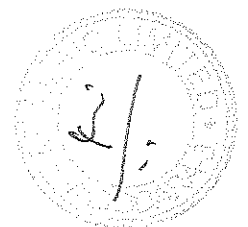
Company and shall become the debts, liabilities and obligations of Shreno, the First Transferee Company which it undertakes to meet, discharge and satisfy and it shall not be necessary to obtain the consent of any third party or other person who is a party to any contract or arrangement by virtue of which such debts, advances, liabilities and obligations have arisen in order to give effect to the provisions of this clause.

- 4.10 In so far as the assets comprised in the Demerged Undertaking 1 of Alembic, the First Demerged Company are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings not relating to Demerged Undertaking 1 shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to the liabilities, which are not related to Demerged Undertaking 1 of Alembic, the First Demerged Company. Alembic, the First Demerged Company may apply to the authorities for release of such assets and for modification of charges and encumbrances created on such assets, if required.
- 4.11 All taxes (including income tax, sales tax, excise duty, service tax, VAT, CGST, IGST, SGST, GST Compensation Cess, etc.) paid or payable by Alembic, the First Demerged Company in respect of the operations and/or the profits of the Demerged Undertaking 1 before the Appointed Date, shall be on account of Alembic, the First Demerged Company and, insofar as it relates to the tax payment (including without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, CGST, IGST, SGST, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by Alembic, the First Demerged Company in respect of the profits from activities of the Demerged Undertaking 1 after the Appointed Date, the same shall be deemed to be the corresponding item paid by Shreno, the First Transferee Company, and shall, in all proceedings, be dealt with accordingly.
- 4.12 Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between or amongst Alembic, the First Demerged Company and Shreno, the First Transferee Company, in so far as it relates to the Demerged Undertaking 1, shall be considered as intra-party transactions for all purposes.



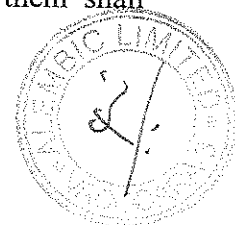
5. CONSIDERATION

- 5.1 Upon this Scheme becoming effective and in consideration of the Demerger and vesting of the Demerged Undertaking 1 into Shreno, the First Transferee Company in accordance with this Scheme, Shreno, the First Transferee Company shall issue and allot to every member of Alembic, the First Demerged Company (other than Shreno, the First Transferee Company in respect of shares held by it in Alembic, the First Demerged Company, if any) holding fully paid up Equity Shares in Alembic, the First Demerged Company and whose names appear in the register of members on the Record Date or to such of their heirs, executors, administrators or the successors-in-title, in the following manner:
- 1 (one) fully paid up 7% Non-Convertible Cumulative Redeemable Preference Shares - I or Shreno Preference Shares of Rs. 2/- each at a premium of Rs. 14.50/- per share of Shreno, the First Transferee Company for every 1 (one) fully paid up equity share of Rs. 2/- each held in Alembic, the First Demerged Company.
- 5.2 Notwithstanding anything contained in clause 5.1 above, in view of the provisions of the Applicable Laws (which does not permit issuance of Redeemable Preference Shares to non-residents shareholders / shareholders who are resident outside India, under automatic route), Shreno, the First Transferee Company, subject to the receipt of approval of the Appropriate Authority including the Reserve Bank of India ("RBI"), and fulfilment of such other conditions including declarations and undertakings as may be required and/or prescribed by the Appropriate Authority under Applicable Laws, shall issue and allot, to the members of Alembic, the First Demerged Company being non-residents in India and whose names appear in the register of members on the Record Date or to such of their heirs, executors, administrators or the successors-in-title, in consideration of the Demerger, 1 (one) 7% Non-Convertible Cumulative Redeemable Preference Shares - I or Shreno Preference Shares of Rs. 2/- each at a premium of Rs. 14.50/- per share of Shreno,



the First Transferee Company for every 1 (one) fully paid up equity share of Rs. 2/- each held in Alembic, the First Demerged Company.

- 5.3 If the requisite approval of the Appropriate Authority as mentioned in Clause 5.2 is not received, the members of Alembic, the First Demerged Company being non-resident shareholders / shareholders who are resident outside India and whose names appear in the register of members on the Record Date, in consideration of the Demerger shall, subject to receipt of approval of the Appropriate Authority including RBI, and fulfilment of such other conditions including declarations and undertakings as may be required and/or prescribed by the Appropriate Authority under Applicable Laws, receive cash, equivalent to the value of Shreno Preference Shares proposed to be issued under Clause 5.1.
- 5.4 If the requisite approval of the Appropriate Authority as mentioned in Clause 5.2 and Clause 5.3 is not received, the Board of Directors of Shreno, the First Transferee Company, subject to the approval of the Appropriate Authority, shall appoint a Category – I merchant banker ('Merchant Banker') to act on behalf of and as an agent and a trustee of the members of Alembic, the First Demerged Company being non-resident shareholders / shareholders who are resident outside India and whose names appear in the register of members on the Record Date, in respect of the Shreno Preference Shares to be allotted as stated in Clause 5.1, in the manner provided under:
- 5.4.1 Shreno, the First Transferee Company shall issue and allot Shreno Preference Shares to the Merchant Banker and the Merchant Banker shall, for and behalf of such members of Alembic, the First Demerged Company being non-resident shareholders / shareholders who are resident outside India, receive the aforesaid Shreno Preference Shares in an on-shore escrow account on such terms and conditions as may be acceptable to the Board of Directors of Shreno, the Second Transferee Company;
- 5.4.2 Immediately upon the allotment of the Shreno Preference Shares to the Merchant Banker, the promoters of the First Transferee Company and/ or their affiliates or any other person and/or entity identified by them shall



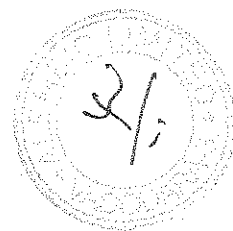
purchase the Shreno Preference Shares, from the Merchant Banker, for and on behalf of the non-resident shareholders / shareholders who are resident outside India, within 30 (thirty) days from the date of allotment of the Shreno Preference Shares, at the same issue price of Rs. 16.50/- per share as mentioned in Clause 5.1.

- 5.4.3 Upon receipt of the sale proceeds of the Shreno Preference Shares pursuant to Clause 5.4.2 above, the Merchant Banker shall distribute such proceeds (net of expenses) to the members of Alembic, the First Demerged Company being non-resident shareholders / shareholders who are resident outside India within 7 (seven) business days from the date of receipt of such proceeds, after deducting or withholding taxes or duties as may be applicable, in proportion to their entitlements.
- 5.5 The terms of issue of 7% Non-Convertible Cumulative Redeemable Preference Shares - I or Shreno Preference Shares have been specified in Annexure 1.
- 5.6 No fractional certificates shall be issued by Shreno, the First Transferee Company in respect of fractional entitlements, if any, to any member of Alembic, the First Demerged Company. The Board of Directors of Shreno, the First Transferee Company shall, instead consolidate all such fractional entitlements and thereupon issue and allot Shreno Preference Shares in lieu thereof to a Director or an officer of Shreno, the First Transferee Company or such other person as Shreno, the First Transferee Company shall appoint in this behalf who shall hold the shares in trust on behalf of the members entitled to fractional entitlements with the express understanding that such Director or Officer or person shall sell the same to such person or persons and at such prices as he deems fit, and pay to Shreno, the First Transferee Company, the net sale proceeds thereof, whereupon Shreno, the First Transferee Company shall distribute such net sale proceeds to the members of such Alembic, the First Demerged Company in proportion to their respective fractional entitlements. If while consolidating fractional entitlements for allotting share/s to such trustee as aforesaid, there arises any fraction the same shall be ignored. The unclaimed Shreno Preference Shares lying in such separate escrow/ suspense account shall be redeemed in accordance with the terms of issue specified in



Annexure 1. Upon receipt of the redemption proceeds of the Shreno Preference Shares, Shreno, the First Transferee Company shall distribute such proceeds (net of expenses) to the members of Alembic, the First Demerged Company being shareholders who have not claimed Shreno Preference Shares from the separate escrow/ suspense account, after deducting or withholding taxes or duties as may be applicable, in proportion to their entitlements.

- 5.7 Shreno Preference Shares shall be issued in dematerialized form to those members who are holding equity shares in dematerialized form in Alembic, the First Demerged Company as on the Record Date by Shreno, the First Transferee Company or committee constituted thereof. If Shreno, the First Transferee Company is unable to allot Shreno Preference Shares to any shareholders in dematerialized form due to any reason whatsoever (including non-receipt of relevant information/ details from shareholders currently holding shares in physical form), Shreno, the First Transferee Company shall issue such shares in trust in a separate escrow/ suspense account to be maintained by Shreno, the First Transferee Company for the benefit of such shareholders. Such Shreno Preference Shares shall be dealt with in accordance with the Applicable Laws and as the Board of Directors of Shreno, the First Transferee Company deems fit, including to enable allotment of such Shreno Preference Shares to the shareholders of Alembic, the First Demerged Company in proportion to their respective entitlement upon a valid claim being made thereon by the respective shareholder.
- 5.8 The issue and allotment of Shreno Preference Shares to the shareholders of Alembic, the First Demerged Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under the Act.
- 5.9 Upon this Scheme becoming effective, the equity shares held by Alembic, the First Demerged Company in the equity share capital of Shreno, the First Transferee Company shall stand cancelled and Shreno, the First Transferee Company shall not be required to issue any shares in lieu of such shares under the Scheme.



- 5.10 Shreno, the First Transferee Company shall and to the extent required, increase its Authorized Share Capital to facilitate the issue of Shreno Preference Shares as the case may be under this Scheme.

6. ACCOUNTING TREATMENT

ACCOUNTING TREATMENT IN THE BOOKS OF ALEMBIC, THE FIRST DEMERGED COMPANY

On effectiveness of the Scheme and with effect from the Appointed Date, Alembic, the First Demerged Company shall account for the transfer and vesting of the Demerged Undertaking 1 in its books of accounts as per the applicable Accounting Standards notified under Section 133 of the Act read with the relevant rules issued thereunder.

ACCOUNTING TREATMENT IN THE BOOKS OF SHRENO, THE FIRST TRANSFEREE COMPANY

On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are under common control before and after the transaction, Shreno, the First Transferee Company shall account for the transfer and vesting of the Demerged Undertaking 1 as per the 'Pooling of interests' in its books of account in accordance with Appendix C 'Business combinations of entities under common control' of the Indian Accounting Standards (Ind AS) 103 for Business Combination prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other applicable accounting standards prescribed under the Act.

7. CANCELLATION OF SHARES OF SHRENO, THE FIRST TRANSFEREE COMPANY HELD BY ALEMBIC, THE FIRST DEMERGED COMPANY

- 7.1 Upon the Scheme becoming effective, 10,16,732 equity shares of Rs. 100/- each of Shreno, the First Transferee Company held by Alembic, the First Demerged Company, forming part of the Demerged Undertaking 1, shall without any



application or deed, stand cancelled without any payments to Alembic, the First Demerged Company. This cancellation shall amount to reduction of the capital of Shreno, the First Transferee Company to this limited extent.

Further since the aforesaid cancellation of the shares is consequential, and a prerequisite under the law and is proposed as an integral part of the Scheme, the same shall be effected as part of the order of the NCLT sanctioning the Scheme. In view of the specific explanation provided to the provisions of Section 230 of the Act, Shreno, the First Transferee Company shall not be required to undertake the compliance of Section 66 of the Act.

8. EMPLOYEES

- 8.1 On the Scheme becoming effective, all staff and employees of Alembic, the First Demerged Company, in relation to Demerged Undertaking 1, as on the Effective Date shall be deemed to have become staff and employees of Shreno, the First Transferee Company without any break or interruption in their services, on same terms and conditions of their employment with Alembic, the First Demerged Company. Shreno, the First Transferee Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past service with Alembic, the First Demerged Company, as the case may be, shall also be taken into account.
- 8.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund, Superannuation Fund or any other Special Fund or Trusts, if any, created or existing for the benefit of the staff and employees of Alembic, the First Demerged Company, in relation to Demerged Undertaking 1, or 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 Alembic, the First Demerged Company in relation to such Fund or Funds shall become those of Shreno, the First Transferee Company. It is clarified that Shreno, the First Transferee Company shall carry out such steps as may be necessary to register the employees of Alembic, the First Demerged Company, in relation to Demerged Undertaking 1, with its existing exempt Gratuity trust and exempt Provident Fund trust or Employee's Provident Fund Organization or any other government provident fund, as per the provisions of applicable regulations and the same shall be binding on all employees. It is clarified that the services of the staff and employees of Alembic, the First Demerged Company, in relation to Demerged Undertaking 1, will be treated as having been continuous for the purpose of the said Fund or Funds.

9. LEGAL PROCEEDINGS

- 9.1 All legal proceedings of whatsoever nature, whether pending or threatened, by or against Alembic, the First Demerged Company at the Appointed Date and or arising after the Appointed Date till the Effective Date, relating to the Demerged Undertaking 1 of Alembic, the First Demerged Company, as and from the Effective Date, shall be continued and enforced by or against Shreno, the First Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against Alembic, the First Demerged Company.
- 9.2 After the Appointed Date till the Effective Date, if any proceedings are taken against Alembic, the First Demerged Company in respect of the matters referred to in Clause 9.1 above, it shall defend the same at the cost of Shreno, the First Transferee Company and Shreno, the First Transferee Company shall reimburse and indemnify Alembic, the First Demerged Company against all liabilities and obligations incurred by Alembic, the First Demerged Company in respect thereof.
- 9.3 After the Effective Date, if any proceedings are taken or continued against Alembic, the First Demerged Company in respect of Demerged Undertaking 1 carried on by Shreno, the First Transferee Company, Shreno, the First Transferee Company shall

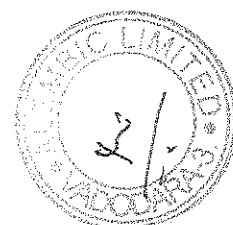


defend the same at its own cost; and, in respect of Demerged Undertaking 1 carried on by Shreno, the First Transferee Company after the Effective Date, Shreno, the First Transferee Company shall reimburse and indemnify Alembic, the First Demerged Company against all liabilities, costs and obligations incurred by Alembic, the First Demerged Company, if any, in respect thereof.

- 9.4 Shreno, the First Transferee Company undertakes to have all legal or other proceedings initiated by or against Alembic, the First Demerged Company referred to in Clause 9.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against Shreno, the First Transferee Company as the case may be, to the exclusion of Alembic, the First Demerged Company, after the Effective Date. In the event that Alembic, the First Demerged Company is required to be joined as a necessary party in any such proceedings, Alembic, the First Demerged Company shall be added as a necessary party to enable Shreno, the First Transferee Company to prosecute / defend such proceedings and Shreno, the First Transferee Company shall reimburse and indemnify Alembic, the First Demerged Company against all costs, liabilities and obligations incurred by Alembic, the First Demerged Company, if any, in respect thereof.

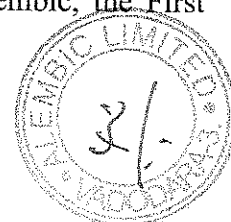
10. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

- 10.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments, whether pertaining to immovable properties or otherwise of whatsoever nature relating to Demerged Undertaking 1 and to which Alembic, the First Demerged Company are a party or to the benefit of which Alembic, the First Demerged 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 favor of, as the case may be, Shreno, the First Transferee Company and may be enforced as fully and effectually as if, instead of Alembic, the First Demerged Company, Shreno, the First



Transferee Company had been a party or beneficiary or obligee thereto or there under.

- 10.2 Without prejudice to the transfer and vesting of Demerged Undertaking 1 to and in Shreno, the First Transferee Company, Shreno, the First Transferee Company may, at any time after this Scheme becomes effective, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations with or in favor of any party to any agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments relating to Demerged Undertaking 1. Shreno, the First Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Alembic, the First Demerged Company and to implement or carry out all formalities required on the part of Alembic, the First Demerged Company to give effect to the provisions of this Scheme.
- 10.3 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licences, consents, registrations, approvals, municipal permissions, insurance policies, connections for water, electricity and drainage, sanctions, obligations/benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent), relating to Demerged Undertaking 1 shall stand transferred to and vested in or shall be deemed to be transferred to and vested in Shreno, the First Transferee Company as if the same were originally given or issued to or executed in favor of Shreno, the First Transferee Company, and the rights and benefits under the same shall be available to Shreno, the First Transferee Company.
- 10.4 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in relation to Demerged Undertaking 1, which Alembic, the First Demerged Company owns or to which Alembic, the First Demerged Company is a party and which cannot be transferred to the First Transferee Company for any reason whatsoever, Alembic, the First

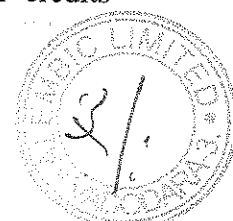


Demerged Company shall hold such asset or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Shreno, the First Transferee Company, in so far as it is permissible so to do till such time as the transfer is effected.

- 10.5 In pursuance of the Scheme, Alembic, the First Demerged Company and Shreno, the First Transferee Company shall agree to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents and enter into such arrangements as may be required for giving effect to this Scheme.

11. TAX CREDITS

- 11.1 The benefit of any tax credits whether central, state or local, availed by Alembic, the First Demerged Company, in relation to Demerged Undertaking 1, and the obligations, if any, for payment of the tax on any assets of Alembic, the First Demerged Company on their erection and/or installation, etc., shall be deemed to have been availed by Shreno, the First Transferee Company or as the case may be, deemed to be the obligations of Shreno, the First Transferee Company.
- 11.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by Alembic, the First Demerged Company, in relation to Demerged Undertaking 1, including all or any refunds/credit/MAT credit/claims relating thereto shall be treated as asset/liability or refunds/credit/claims, as the case may be, of Shreno, the First Transferee Company.
- 11.3 Shreno, the First Transferee Company and Alembic, the First Demerged Company are expressly permitted to revise their tax returns including tax deducted at source certificates/returns and to claim refunds, advance tax credits, excise and service tax credits, unutilized input tax credit of CGST, IGST, SGST, GST Compensation Cess, set off, etc. on the basis of the accounts of Alembic, the First Demerged Company, in relation to Demerged Undertaking 1, as vested with Shreno, the First Transferee Company upon coming into effect of this scheme and its right to make such revisions in the related tax returns and related certificates, as applicable, and the rights to claim refunds, adjustments, credits, set-offs, advance tax credits



pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

12. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

12.1 With effect from the Appointed Date and up to and including the Effective Date, Alembic, the First Demerged Company shall carry on the business of Demerged Undertaking 1 with reasonable diligence in the ordinary course of business. Alembic, the First Demerged Company shall not, without the prior written consent of the Board of Directors of Shreno, the First Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with, or dispose off, any of the assets of Demerged Undertaking 1 or any part thereof.

12.2 With effect from the Appointed Date and up to and including the Effective Date:

12.2.1 Alembic, the First Demerged Company, in relation to Demerged Undertaking 1, shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, Shreno, the First Transferee Company;

12.2.2 All profits and income accruing or arising to Alembic, the First Demerged Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), in relation to Demerged Undertaking 1, for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of Shreno, the First Transferee Company;

12.2.3 Any rights, powers, authorities or privileges exercised by Alembic, the First Demerged Company, in relation to Demerged Undertaking 1, shall be deemed to have been exercised by Alembic, the First Demerged Company for and on behalf of, and in trust for and as an agent of Shreno, the First



Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Alembic, the First Demerged Company, in relation to Demerged Undertaking 1, shall be deemed to have been undertaken for and on behalf of and as an agent for Shreno, the First Transferee Company;

12.2.4 All taxes (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, IGST, SGST, GST Compensation Cess, etc.) paid or payable by Alembic, the First Demerged Company in respect of the operations and/or the profits of Demerged Undertaking 1 before the Appointed Date, shall be on account of Alembic, the First Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, IGST, SGST, GST Compensation Cess, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by Alembic, the First Demerged Company in respect of the profits or activities or operation of Demerged Undertaking 1 after the Appointed Date, the same shall be deemed to be the corresponding item paid by Shreno, the First Transferee Company and, shall, in all proceedings, be dealt with accordingly; and

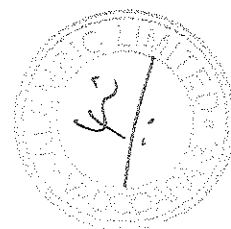
12.2.5 Alembic, the First Demerged Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees of Demerged Undertaking 1, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of Shreno, the First Transferee Company.

12.3 Shreno, the First Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which Shreno, the First Transferee Company may be required to carry on the business of Demerged Undertaking 1.



13. REMAINING BUSINESS OF THE FIRST DEMERGED COMPANY

- 13.1 The Remaining Business of the First Demerged Company and all the assets, liabilities and obligations other than Demerged Undertaking 1 shall continue to belong to and be vested in and be managed by the First Demerged Company.
- 13.2 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against the First Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business of the First Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Remaining Business of the First Demerged Company) shall be continued and enforced by or against the First Demerged Company after the Effective Date.
- 13.3 If proceedings are taken against Shreno, the First Transferee Company in respect of the matters referred to in Clause 13.2 above, Shreno, the First Transferee Company shall defend the same in accordance with the advice of Alembic, the First Demerged Company and at the cost and risk of Alembic, the First Demerged Company, and Alembic, the First Demerged Company shall reimburse and indemnify Shreno, the First Transferee Company against all liabilities and obligations incurred by Shreno, the First Transferee Company in respect thereof. In respect of such defence, Alembic, the First Demerged Company shall extend full and timely cooperation, including providing requisite information, personnel and the like, so as to enable Shreno, the First Transferee Company to defend the same.
- 13.4 With effect from the Appointed Date and upto and including the Effective Date:
- 13.4.1 Alembic, the First Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business of the First Demerged Company for and on its own behalf;
- 13.4.2 All profits accruing to Alembic, the First Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business of the First Demerged Company shall,

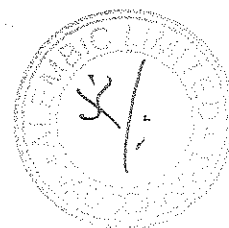


for all purposes, be treated as the profits or losses, as the case may be, of Alembic, the First Demerged Company; and

- 13.4.3 All assets and properties acquired by Alembic, the First Demerged Company in relation to the Remaining Business of the First Demerged Company on and after the Appointed Date shall belong to and continue to remain vested in Alembic, the First Demerged Company.

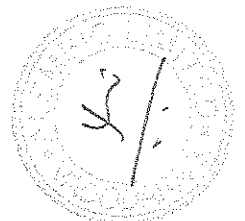
14. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 4 above and the continuance of the proceedings by or against Shreno, the First Transferee Company under Clause 9 above shall not affect any transaction or proceedings already concluded by Alembic, the First Demerged Company to the end and intent that Shreno, the First Transferee Company accepts and adopts all acts, deeds and things done and executed by Alembic, the First Demerged Company in respect thereto as done and executed on behalf of Shreno, the First Transferee Company.



PART III**15. TRANSFER AND VESTING OF DEMERGED UNDERTAKING 2 TO NIRAYU, THE SECOND TRANSFeree COMPANY**

- 15.1 Upon coming into effect of this Scheme and with effect from the Appointed Date and subject to the provisions of this Scheme, Demerged Undertaking 2 of Shreno, the Second Demerged Company as defined in Clause 1.7 thereof, shall pursuant to Sections 230 to 232 of the Act and other relevant provision of the Act and the order of the NCLT sanctioning the Scheme, without any further act, instrument or deed, be transferred to and vested in or deemed to be transferred to and vested in Nirayu, the Second Transferee Company, on a going concern basis, in accordance with Section 2(19AA) of the Income-tax Act, 1961, so as to vest in Nirayu, the Second Transferee Company all the rights, title and interest of Demerged Undertaking 2 therein, subject to the subsisting charges and pledges, if any.
- 15.2 Without prejudice to the provisions of Clause 15.1, assets and properties of Shreno, the Second Demerged Company relating to Demerged Undertaking 2, upon the coming into effect of this Scheme and with effect from the Appointed Date, under the provisions of Sections 230 to 232 of the Act, without any further act or deed or instrument or conveyance for the same shall deemed to be transferred to Nirayu, the Second Transferee Company and shall become the assets and properties of Nirayu, the Second Transferee Company. The order of the NCLT shall for all purposes be treated as the instrument conveying such properties and assets to Nirayu, the Second Transferee Company.
- 15.3 In respect of assets such as intangible assets, actionable claims, sundry debtors, outstanding loans, advances recoverable in cash or kind or for value to be received and deposits with the Government, semi-Government, local and other authorities, bodies and customers, Shreno, the Second Demerged Company shall if so required by Nirayu, the Second Transferee Company, issue notices in such form as Nirayu, the Second Transferee Company may deem fit and proper stating that pursuant to the NCLT or such other competent authority having sanctioned this Scheme under



Section 232 of the Act, the relevant debt, loan, advance or other asset, be paid or made good or held on account of Shreno, the Second Demerged Company, as the person entitled thereto, to the end and intent that the right of Shreno, the Second Demerged Company to recover or realize the same stands transferred to Nirayu, the Second Transferee Company.

- 15.4 All immovable properties, if any, (including land, building and any other immovable property) of Demerged Undertaking 2 of Shreno, the Second Demerged Company whether freehold or leasehold, and any documents of title, rights and easements in relation thereto, shall automatically stand vested in Nirayu, the Second Transferee Company without the requirement of execution of any further documents for registering the name of Nirayu, the Second Transferee Company as the owner thereof and the regulatory authorities, including Sub-registrar of Assurances, Talati, Tehsildar, Municipality, etc. may rely on the Scheme along with the order passed by NCLT, to make necessary mutation entries and changes in the land or revenue records to reflect the name of Nirayu, the Second Transferee Company as the owner of the immovable properties. With effect from the Appointed Date, Nirayu, the Second Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay all taxes and charges, and fulfil all obligations, in relation to or applicable to such immovable properties. Shreno, the Second Demerged Company shall take all steps as may be necessary to ensure that lawful, peaceful and unencumbered possession, right, title, interest of its immovable property is given to Nirayu, the Second Transferee Company.
- 15.5 If any asset relating to Demerged Undertaking 2 (including but not limited to any estate, rights, title, interest in or authorities relating to such asset) which Shreno, the Second Demerged Company owns, cannot be transferred to Nirayu, the Second Transferee Company for any reason whatsoever, Shreno, the Second Demerged Company shall, (i) hold such asset in trust for the sole benefit of Nirayu, the Second Transferee Company till the same is transferred and shall hold and deal with the same in accordance with the reasonable instructions as may be given by Nirayu, the Second Transferee Company in that regard; and (ii) make reasonable efforts to transfer such asset to the Second Transferee Company (along with any benefits



attached thereto) within the earliest possible period pursuant to the Scheme becoming effective.

- 15.6 All patents, patent rights applications, trademarks, trade names, knowhow, content, software, manuals, copyrights and other industrial properties and rights of any nature whatsoever and licenses assignments, grants in respect thereof, privileges, liberties, easements, contract advantages, benefits, goodwill, quota rights, permits, approvals, authorisations, right to use and avail of telephones, telexes, facsimile and other communication facilities, connections, equipment and installations, utilities, electricity and electronic devices and all other services of every kind, nature and descriptions whatsoever, reserves, provisions, funds, benefit of all agreements, arrangements including but not limited to indemnities/ guarantees given by Shreno, the Second Demerged Company in relation to Demerged Undertaking 2, deposits, advances, recoverable and receivables whether from government, semi-government, local authorities or any other customs etc., benefits of any agreement to sell of immovable properties sold or purchased by Shreno, the Second Demerged Company in relation to Demerged Undertaking 2, and all other rights, interests, claims and powers of every kind, nature and description of and arising to them, cash and bank balances, all earnest monies and/ or deposits including security deposits paid by them, the entire business and benefits and advantages of whatsoever nature and where-so-ever situated belonging to or in the ownership, power or possession and in the control of or vested in or granted in favour of or enjoyed by Shreno, the Second Demerged Company and relatable to Demerged Undertaking 2, stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in Nirayu, the Second Transferee Company pursuant to the provisions of Section 232 of the Act so as to become as and from the Appointed Date, the estate, assets, right, title and interests of Nirayu, the Second Transferee Company.

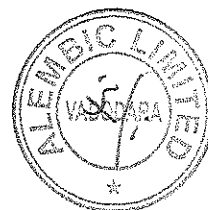
It is hereby clarified that upon the coming into effect of this Scheme and with effect from the Appointed Date, Nirayu, the Second Transferee Company shall be entitled to continue and carry on the business of the Engineering Division of Shreno, the Second Demerged Company in the name and style of 'Shreno Engineering, a division of Nirayu' or such other names as may be considered appropriate by it and



all such rights, titles or claims relatable thereto, shall stand transferred to and vested in and/ or be deemed to be and stand transferred to and vested in Nirayu, the Second Transferee Company.

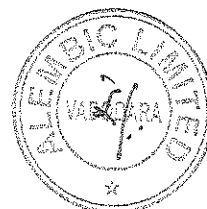
15.7 Upon the coming into effect of this Scheme and with effect from the Appointed Date, any statutory licenses, permissions or approvals or consents held by Shreno, the Second Demerged Company required to carry on operations of Demerged Undertaking 2 shall stand transferred to and vested in Nirayu, the Second Transferee Company by virtue of order of NCLT sanctioning the Scheme, and without any further act or deed shall be appropriately mutated by the statutory authorities concerned therewith in favour of Nirayu, the Second Transferee Company. The benefit of all statutory and regulatory permissions, approvals and consents, registration or other licenses, and consents shall vest in and become available to Nirayu, the Second Transferee Company pursuant to the Scheme.

15.8 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all income, expenses, debts, liabilities, including, without limitation, all secured and unsecured debts, sundry creditors, contingent liabilities, duties, obligations and undertakings of Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilized for its business activities and operations, shall, pursuant to the sanction of this Scheme by the NCLT, as the case may be, and under the provisions of Sections 230 to 232 and other applicable provisions, if any, of the Act, without any further act, instrument, deed, matter or thing being made, done or executed, be transferred to, and vested in, or be deemed to have been transferred to and vested in Nirayu, the Second Transferee Company and shall be assumed by Nirayu, the Second Transferee Company to the extent they are outstanding as on the Effective Date so as to become, as on and from the Appointed Date, the income, expenses, liabilities, debts, duties and obligations of Nirayu, the Second Transferee Company on the same terms and conditions as were applicable to Shreno, the Second Demerged Company, and Nirayu, the Second Transferee Company shall meet, discharge and satisfy the liabilities 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 liabilities have arisen in order to give effect to the provisions of this clause.

- 15.9 Upon the coming into effect of this Scheme and with effect from the Appointed Date, the debts, advances, liabilities and obligations pertaining to Demerged Undertaking 2 of Shreno, the Second Demerged Company shall, under the provisions of Sections 230 to 232 of the Act, without any further act or deed shall stand transferred to or be deemed to be transferred to Nirayu, the Second Transferee Company and shall become the debts, liabilities and obligations of Nirayu, the Second Transferee Company which it undertakes to meet, discharge and satisfy 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, advances, liabilities and obligations have arisen in order to give effect to the provisions of this clause.
- 15.10 In so far as the assets comprised in Demerged Undertaking 2 of Shreno, the Second Demerged Company are concerned, the security, existing charges, mortgages and encumbrances, if any, over or in respect of any of the assets or any part thereof or charge over such assets relating to any loans or borrowings not relating to Demerged Undertaking 2 shall, without any further act or deed, be released and discharged from the same and shall no longer be available as security in relation to the liabilities, which are not related to Demerged Undertaking 2 of Shreno, the Second Demerged Company. Shreno, the Second Demerged Company may apply to the authorities for release of such assets and for modification of charges and encumbrances created on such assets, if required.
- 15.11 All taxes (including income tax, sales tax, excise duty, service tax, VAT, CGST, IGST, SGST, GST Compensation Cess, etc.) paid or payable by Shreno, the Second Demerged Company in respect of the operations and/or the profits of Demerged Undertaking 2 before the Appointed Date, shall be on account of Shreno, the Second Demerged Company and, insofar as it relates to the tax payment (including without limitation, sales tax, excise duty, custom duty, income tax, service tax, VAT, CGST, IGST, SGST, etc.) whether by way of deduction at source, advance tax or otherwise howsoever, by Shreno, the Second Demerged Company in respect



of the profits from activities of Demerged Undertaking 2 after the Appointed Date, the same shall be deemed to be the corresponding item paid by Nirayu, the Second Transferee Company, and shall, in all proceedings, be dealt with accordingly.

15.12 Without prejudice to the above provisions, with effect from the Appointed Date, all inter-party transactions between or amongst Shreno, the Second Demerged Company and Nirayu, the Second Transferee Company, in so far as it relates to the Demerged Undertaking 2, shall be considered as intra-party transactions for all purposes.

16. CONSIDERATION

16.1 Upon this Scheme becoming effective and in consideration of the Demerger and vesting of Demerged Undertaking 2 into Nirayu, the Second Transferee Company in accordance with this Scheme, Nirayu, the Second Transferee Company shall issue and allot to every member of Shreno, the Second Demerged Company (other than Nirayu, the Second Transferee Company in respect of shares held by it in Shreno, the Second Demerged Company, if any and other than Alembic, the First Demerged Company whose shareholding in Shreno, the First Transferee Company, shall be cancelled upon the Scheme becoming effective, before such allotment) holding fully paid up Equity Shares in Shreno, the Second Demerged Company and whose names appear in the register of members on the Record Date or to such of their heirs, executors, administrators or the successors-in-title, in the following manner:

- 1 (One) fully paid up 7% Non-Convertible Cumulative Redeemable Preference Shares - II or Nirayu Preference Shares of Rs. 100/- each at a premium of Rs 3,050/- per share of Nirayu, the Second Transferee Company for every 1 (One) fully paid up equity share of Rs.100/- each held in Shreno, the Second Demerged Company.

It is expressly clarified that since every member of Alembic, the First Demerged Company (other than Shreno, the First Transferee Company in respect of shares held by it in Alembic, the First Demerged Company) holding fully paid up Equity



Shares in Alembic, the First Demerged Company and whose names appear in the register of members on the Record Date shall be issued Shreno Preference Shares under Part II of the Scheme (as above), no further consideration shall be discharged by Nirayu, the Second Transferee Company, under Part III of the Scheme, to such equity shareholders of Alembic, the First Demerged Company, as the same has been adequately factored in the entitlement ratio mentioned in Clause 5.1.

- 16.2 Notwithstanding anything contained in Clause 16.1 above, in view of the provisions of the Applicable Laws (which does not permit issuance of Redeemable Preference Shares to non-residents shareholders / shareholders who are resident outside India, under automatic route), Nirayu, the Second Transferee Company, subject to the receipt of approval of the Appropriate Authority including RBI, and fulfilment of such other conditions including declarations and undertakings as may be required and/or prescribed by the Appropriate Authority under Applicable Laws, shall issue and allot to every member of Shreno, the Second Demerged Company, being non-resident in India, holding fully paid up Equity Shares in Shreno, the Second Demerged Company and whose names appear in the register of members on the Record Date or to such of their heirs, executors, administrators or the successors-in-title, in consideration of the Demerger, 1 (One) 7% Non-Convertible Cumulative Redeemable Preference Shares - II or Nirayu Preference Shares of Rs. 100/- each at a premium of Rs. 3,050/- per share of Nirayu, the Second Transferee Company for every 1 (One) fully paid up equity share of Rs. 100/- each held in Shreno, the Second Demerged Company.
- 16.3 If the requisite approval of the Appropriate Authority as mentioned in Clause 0 is not received, the members of Shreno, the Second Demerged Company being non-resident shareholders / shareholders who are resident outside India, holding fully paid up Equity Shares in Shreno, the Second Demerged Company and whose names appear in the register of members as on the Record Date, in consideration of the Demerger shall, subject to the receipt of approval of the Appropriate Authority including RBI, and fulfilment of such other conditions including declarations and undertakings as may be required and/or prescribed by the Appropriate Authority



under Applicable Laws, receive cash, equivalent to the value of Nirayu Preference Shares proposed to be issued under Clause 16.1.

16.4 If the requisite approval of the Appropriate Authority as mentioned in Clause 0 and Clause 16.3 is not received, the Board of Directors of Nirayu, the Second Transferee Company, subject to the approval of the Appropriate Authority, shall appoint a Category – I merchant banker ('Merchant Banker') to act on behalf of and as an agent and trustee of the members of Shreno, the Second Demerged Company being non-resident shareholders / shareholders who are resident outside India and whose names appear in the register of members on the Record Date, in respect of the Nirayu Preference Shares to be allotted as stated in Clause 16.1, in the manner provided under:

16.4.1 Nirayu, the Second Transferee Company shall issue and allot Nirayu Preference Shares to the Merchant Banker and the Merchant Banker shall, for and behalf of such members of Shreno, the Second Demerged Company being non-resident shareholders / shareholders who are resident outside India, receive the aforesaid Nirayu Preference Shares in an on-shore escrow account on such terms and conditions as may be acceptable to the Board of Directors of Nirayu, the Second Transferee Company;

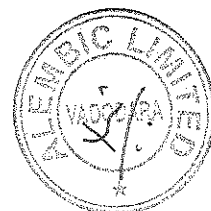
16.4.2 Immediately upon the allotment of the Nirayu Preference Shares to the Merchant Banker, the promoters of the Second Transferee Company and/ or their affiliates or any other person and/or entity identified by them shall purchase the Nirayu Preference Shares, from the Merchant Banker, for and on behalf of the non-resident shareholders / shareholders who are resident outside India, within 30 (thirty) days from the date of allotment of the Nirayu Preference Shares, at the same issue price of Rs. 3,150/- per share as mentioned in Clause 16.1;

16.4.3 Upon receipt of the sale proceeds of the Nirayu Preference Shares pursuant to Clause 16.4.2 above, the Merchant Banker shall distribute such proceeds (net of expenses) to the members of Shreno, the Second Demerged Company being non-resident shareholders / shareholders who are resident outside India



within 7 (seven) business days from the date of receipt of such proceeds, after deducting or withholding taxes or duties as may be applicable, in proportion to their entitlements.

- 16.5 The terms of issue of 7% Non-Convertible Cumulative Redeemable Preference Shares - II or Nirayu Preference Shares have been specified in Annexure 2.
- 16.6 No fractional certificates shall be issued by Nirayu, the Second Transferee Company in respect of fractional entitlements, if any, to any member of Shreno, the Second Demerged Company. The Board of Directors of Nirayu, the Second Transferee Company shall, instead consolidate all such fractional entitlements and thereupon issue and allot Nirayu Preference Shares in lieu thereof to a Director or an Officer of Nirayu, the Second Transferee Company or such other person as Nirayu, the Second Transferee Company shall appoint in this behalf who shall hold the shares in trust on behalf of the members entitled to fractional entitlements with the express understanding that such Director or Officer or person shall sell the same to such person or persons and at such prices as he deems fit, and pay to Nirayu, the Second Transferee Company, the net sale proceeds thereof, whereupon Nirayu, the Second Transferee Company shall distribute such net sale proceeds to the members of such Shreno, the Second Demerged Company in proportion to their respective fractional entitlements. If while consolidating fractional entitlements for allotting share/s to such trustee as aforesaid, there arises any fraction the same shall be ignored.
- 16.7 Nirayu Preference Shares shall be issued in dematerialized form to those members who are holding equity shares in dematerialized form in Shreno, the Second Demerged Company as on the Record Date by Nirayu, the Second Transferee Company or committee constituted thereof. If Nirayu, the Second Transferee Company is unable to allot Nirayu Preference Shares to any shareholders in dematerialized form due to any reason whatsoever (including non-receipt of relevant information/ details from shareholders currently holding shares in physical form), Nirayu, the Second Transferee Company shall issue such shares in trust in a separate escrow/ suspense account to be maintained by Nirayu, the Second Transferee Company for the benefit of such shareholders. Such Nirayu Preference



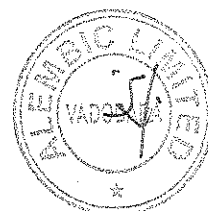
Shares shall be dealt with in accordance with the Applicable Laws and as the Board of Directors of Nirayu, the Second Transferee Company deems fit, including to enable allotment of such Nirayu Preference Shares to the shareholders of Shreno, the Second Demerged Company in proportion to their respective entitlement upon a valid claim being made thereon by the respective shareholder. The unclaimed Nirayu Preference Shares lying in such separate escrow/ suspense account shall be redeemed in accordance with the terms of issue specified in Annexure 2. Upon receipt of the redemption proceeds of the Nirayu Preference Shares, Nirayu, the Second Transferee Company shall distribute such proceeds (net of expenses) to the members of Shreno, the Second Demerged Company being shareholders who have not claimed Nirayu Preference Shares from the separate escrow/ suspense account, after deducting or withholding taxes or duties as may be applicable, in proportion to their entitlements.

- 16.8 The issue and allotment of Nirayu Preference Shares to the shareholders of Shreno, the Second Demerged Company, as provided in this Scheme, shall be deemed to be made in compliance with the procedure laid down under the Act.
- 16.9 Upon this Scheme becoming effective, the equity shares held by Shreno, the Second Demerged Company in the equity share capital of Nirayu, the Second Transferee Company shall stand cancelled and Nirayu, the Second Transferee Company shall not be required to issue any shares in lieu of such shares under the Scheme.
- 16.10 Nirayu, the Second Transferee Company shall and to the extent required, after taking on account Clause 27 of the Scheme, increase its Authorized Share Capital to facilitate the issue of Nirayu Preference Shares as the case may be under this Scheme.

17. ACCOUNTING TREATMENT

ACCOUNTING TREATMENT IN THE BOOKS OF SHRENO, THE SECOND DEMERGED COMPANY

On effectiveness of the Scheme and with effect from the Appointed Date, Shreno, the Second Demerged Company shall account for the transfer and vesting of the



Demerged Undertaking 2 in its books of accounts as per the applicable Accounting Standards notified under Section 133 of the Act read with the relevant rules issued thereunder.

ACCOUNTING TREATMENT IN THE BOOKS OF NIRAYU, THE SECOND TRANSFEREE COMPANY

On effectiveness of the Scheme and with effect from the Appointed Date, since the transaction involves entities which are under common control before and after the transaction, Nirayu, the Second Transferee Company shall account for the transfer and vesting of the Demerged Undertaking 2 as per the 'Pooling of interests' in its books of account in accordance with Appendix C 'Business combinations of entities under common control' of the Indian Accounting Standards (Ind AS) 103 for Business Combination prescribed under Section 133 of the Companies Act, 2013, as notified under the Companies (Indian Accounting Standards) Rules, 2015 and other applicable accounting standards prescribed under the Act.

18. CANCELLATION OF SHARES OF NIRAYU, THE SECOND TRANSFEREE COMPANY HELD BY SHRENO, THE SECOND DEMERGED COMPANY

- 18.1 Upon the Scheme becoming effective, 59,212 equity shares of Rs. 100/- each of Nirayu, the Second Transferee Company held by Shreno, the Second Demerged Company, forming part of Demerged Undertaking 2, shall without any application or deed, stand cancelled without any payments to Shreno, the Second Demerged Company. This cancellation shall amount to reduction of the Capital of Nirayu, the Second Transferee Company to this limited extent.
- 18.2 Further since the aforesaid cancellation of the shares is consequential, and a prerequisite under the law and is proposed as an integral part of the Scheme, the same shall be effected as part of the order of the NCLT sanctioning the Scheme. In view of the specific explanation provided to the provisions of Section 230 of the



Act, Nirayu, the Second Transferee Company shall not be required to undertake the compliance of Section 66 of the Act.

- 18.3 In case there is any utilization of the Share Premium Account of Shreno, the Second Demerged Company, due to any reason whatsoever (including but not limited to, for the purpose of giving effect to Clause 17 above), then the same shall be effected as an integral part of this Scheme without having to follow the process under Section 52 read with Section 66 of the Act separately and the order of the NCLT sanctioning the Scheme shall be deemed to be also the order under Section 52 read with Section 66 of the Act for the purpose of the confirming the reduction. The reduction would not involve either a diminution of liability in respect of unpaid share capital or payment of paid-up share capital and hence the provisions of Section 66 of the Act will not be applicable. Shreno, the Second Demerged Company shall not be required to add words "and reduced" as a suffix to its name consequent upon such reduction.

19. EMPLOYEES

- 19.1 On the Scheme becoming effective, all staff and employees of Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, as on the Effective Date shall be deemed to have become staff and employees of Nirayu, the Second Transferee Company without any break or interruption in their services, on same terms and conditions of their employment with Shreno, the Second Demerged Company. Nirayu, the Second Transferee Company further agrees that for the purpose of payment of any retirement benefit/compensation, such immediate uninterrupted past service with Shreno, the Second Demerged Company, as the case may be, shall also be taken into account. Nirayu, the Second Transferee Company undertakes to continue to abide by the terms of agreement/settlement entered into by Shreno, the Second Demerged Company with employees' union/employee or association as the case may be.
- 19.2 It is expressly provided that, on the Scheme becoming effective, the Provident Fund, Gratuity Fund or any other Special Fund or Trusts, if any, created or existing



for the benefit of the staff and employees of Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, or 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 Shreno, the Second Demerged Company in relation to such Fund or Funds shall become those of Nirayu, the Second Transferee Company. It is clarified that Nirayu, the Second Transferee Company shall do all things necessary to apply and obtain registration of Gratuity trust as exempt and shall carry out such steps as may be necessary to register the employees of Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, with the Employee's Provident Fund Organization or any other government provident fund, as per the provisions of applicable regulations and the same shall be binding on all employees. It is clarified that the services of the staff and employees of Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, will be treated as having been continuous for the purpose of the said Fund or Funds.

20. LEGAL PROCEEDINGS

- 20.1 All legal proceedings of whatsoever nature, whether pending or threatened, by or against Shreno, the Second Demerged Company at the Appointed Date and or arising after the Appointed Date till the Effective Date, relating to Demerged Undertaking 2 of Shreno, the Second Demerged Company, as and from the Effective Date, shall be continued and enforced by or against Nirayu, the Second Transferee Company in the manner and to the same extent as would or might have been continued and enforced by or against Shreno, the Second Demerged Company.
- 20.2 After the Appointed Date till the Effective Date, if any proceedings are taken against Shreno, the Second Demerged Company in respect of the matters referred to in Clause 20.1 above, it shall defend the same at the cost of Nirayu, the Second Transferee Company and Nirayu, the Second Transferee Company shall reimburse



and indemnify Shreno, the Second Demerged Company against all liabilities and obligations incurred by Shreno, the Second Demerged Company in respect thereof.

20.3 After the Effective Date, if any proceedings are taken or continued against Shreno, the Second Demerged Company in respect of Demerged Undertaking 2 carried on by Nirayu, the Second Transferee Company, Nirayu, the Second Transferee Company shall defend the same at its own cost; and, in respect of Demerged Undertaking 2 carried on by Nirayu, the Second Transferee Company after the Effective Date, Nirayu, the Second Transferee Company shall reimburse and indemnify Shreno, the Second Demerged Company against all liabilities, costs and obligations incurred by Shreno, the Second Demerged Company, if any, in respect thereof.

20.4 Nirayu, the Second Transferee Company undertakes to have all legal or other proceedings initiated by or against Shreno, the Second Demerged Company referred to in Clause 20.1 above, transferred into its name and to have the same continued, prosecuted and enforced by or against Nirayu, the Second Transferee Company as the case may be, to the exclusion of Shreno, the Second Demerged Company, after the Effective Date. In the event that Shreno, the Second Demerged Company is required to be joined as a necessary party in any such proceedings, Shreno, the Second Demerged Company shall be added as a necessary party to enable Nirayu, the Second Transferee Company to prosecute / defend such proceedings and Nirayu, the Second Transferee Company shall reimburse and indemnify Shreno, the Second Demerged Company against all costs, liabilities and obligations incurred by Shreno, the Second Demerged Company, if any, in respect thereof.

21. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

21.1 Upon the coming into effect of this Scheme and subject to the provisions of this Scheme, all contracts, deeds, bonds, agreements, schemes, insurance policies, indemnities, guarantees, arrangements and other instruments, whether pertaining to immovable properties or otherwise of whatsoever nature relating to Demerged Undertaking 2 and to which Shreno, the Second Demerged Company are a party or



to the benefit of which Shreno, the Second Demerged 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 favor of, as the case may be, Nirayu, the Second Transferee Company and may be enforced as fully and effectually as if, instead of Shreno, the Second Demerged Company, Nirayu, the Second Transferee Company had been a party or beneficiary or obligee thereto or there under.

- 21.2 Without prejudice to the transfer and vesting of Demerged Undertaking 2 to and in Nirayu, the Second Transferee Company, the Second Transferee Company may, at any time after this Scheme becomes effective, if so required or becomes necessary, enter into and/or issue and/or execute deeds, writings or confirmations or enter into any tripartite arrangements, confirmations or novations with or in favor of any party to any agreements, contracts, arrangements, understandings, bonds, engagements, deeds and instruments relating to Demerged Undertaking 2. Nirayu, the Second Transferee Company shall be deemed to be authorised to execute any such deeds, writings or confirmations on behalf of Shreno, the Second Demerged Company and to implement or carry out all formalities required on the part of Shreno, the Second Demerged Company to give effect to the provisions of this Scheme.
- 21.3 For the avoidance of doubt, it is clarified that upon the coming into effect of this Scheme, all permits, authorizations, licences, consents, registrations, approvals, municipal permissions, insurance policies, connections for water, electricity and drainage, sanctions, obligations/benefits arising out of bank guarantees given with respect to any appeals with the relevant authorities, privileges, easements and advantages, facilities, rights, powers and interests (whether vested or contingent), relating to Demerged Undertaking 2 shall stand transferred to and vested in or shall be deemed to be transferred to and vested in Nirayu, the Second Transferee Company as if the same were originally given or issued to or executed in favor of Nirayu, the Second Transferee Company, and the rights and benefits under the same shall be available to Nirayu, the Second Transferee Company.
- 21.4 It is clarified that if any assets (estate, claims, rights, title, interest in or authorities relating to such assets) or any contracts, deeds, bonds, agreements, schemes,



arrangements or other instruments of whatsoever nature in relation to Demerged Undertaking 2, which Shreno, the Second Demerged Company owns or to which Shreno, the Second Demerged Company is a party and which cannot be transferred to the Second Transferee Company for any reason whatsoever, Shreno, the Second Demerged Company shall hold such asset or any contracts, deeds, bonds, agreements, schemes, arrangements or other instruments of whatsoever nature in trust for the benefit of Nirayu, the Second Transferee Company, in so far as it is permissible so to do till such time as the transfer is effected.

- 21.5 In pursuance of the Scheme, Shreno, the Second Demerged Company and Nirayu, the Second Transferee Company shall agree to execute suitable agreements, deeds, affidavits, consent letters, power of attorney, applications and other documents and enter into such arrangements as may be required for giving effect to this Scheme.

22. TAX CREDITS

- 22.1 The benefit of any tax credits whether central, state or local, availed by Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, and the obligations, if any, for payment of the tax on any assets of Shreno, the Second Demerged Company on their erection and/or installation, etc., shall be deemed to have been availed by Nirayu, the Second Transferee Company or as the case may be, deemed to be the obligations of Nirayu, the Second Transferee Company.
- 22.2 With effect from the Appointed Date and upon the Scheme becoming effective, all taxes, duties, cess payable/receivable by Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, including all or any refunds/credit/MAT credit/claims relating thereto shall be treated as asset/liability or refunds/credit/claims, as the case may be, of Nirayu, the Second Transferee Company.
- 22.3 Nirayu, the Second Transferee Company and Shreno, the Second Demerged Company are expressly permitted to revise their tax returns including tax deducted at source certificates/returns and to claim refunds, advance tax credits, excise and service tax credits, unutilized input tax credit of CGST, IGST, SGST, GST



Compensation Cess, set off, etc. on the basis of the accounts of Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, as vested with Nirayu, the Second Transferee Company upon coming into effect of this scheme and its right to make such revisions in the related tax returns and related certificates, as applicable, and the rights to claim refunds, adjustments, credits, set-offs, advance tax credits pursuant to the sanction of this Scheme and the Scheme becoming effective is expressly reserved.

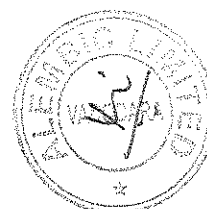
23. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

23.1 With effect from the Appointed Date and up to and including the Effective Date, Shreno, the Second Demerged Company shall carry on the business of Demerged Undertaking 2 with reasonable diligence in the ordinary course of business. Shreno, the Second Demerged Company shall not, without the prior written consent of the Board of Directors of Nirayu, the Second Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with, or dispose off, any of the assets of Demerged Undertaking 2 or any part thereof.

23.2 With effect from the Appointed Date and up to and including the Effective Date:

23.2.1 Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, Nirayu, the Second Transferee Company;

23.2.2 All profits and income accruing or arising to Shreno, the Second Demerged Company, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income), in relation to Demerged Undertaking 2, for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the



profits, income, losses or expenditure (including taxes), as the case may be, of Nirayu, the Second Transferee Company;

23.2.3 Any rights, powers, authorities or privileges exercised by Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, shall be deemed to have been exercised by Shreno, the Second Demerged Company for and on behalf of, and in trust for and as an agent of Nirayu, the Second Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, shall be deemed to have been undertaken for and on behalf of and as an agent for Nirayu, the Second Transferee Company;

23.2.4 All taxes (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, IGST, SGST, GST Compensation Cess, etc.) paid or payable by Shreno, the Second Demerged Company in respect of the operations and/or the profits of Demerged Undertaking 2 before the Appointed Date, shall be on account of Shreno, the Second Demerged Company and, insofar as it relates to the tax payment (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, IGST, SGST, GST Compensation Cess, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by Shreno, the Second Demerged Company in respect of the profits or activities or operation of Demerged Undertaking 2 after the Appointed Date, the same shall be deemed to be the corresponding item paid by Nirayu, the Second Transferee Company and, shall, in all proceedings, be dealt with accordingly; and

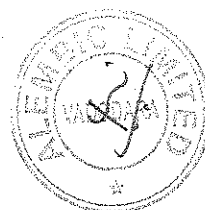
23.2.5 Shreno, the Second Demerged Company shall not vary the terms and conditions of service of the employees or conclude settlements with unions or employees of Demerged Undertaking 2, except in the ordinary course of business or consistent with past practice or pursuant to any pre-existing obligation without the prior written consent of the Board of Directors of Nirayu, the Second Transferee Company.



- 23.3 Nirayu, the Second Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any Governmental Authority, if required, under any law for such consents and approvals which Nirayu, the Second Transferee Company may be required to carry on the business of Demerged Undertaking 2.

24. REMAINING BUSINESS OF THE SECOND DEMERGED COMPANY

- 24.1 The Remaining Business of the Second Demerged Company and all the assets, liabilities and obligations other than Demerged Undertaking 2 shall continue to belong to and be vested in and be managed by Shreno, the Second Demerged Company.
- 24.2 All legal, taxation or other proceedings whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal) by or against Shreno, the Second Demerged Company under any statute, whether pending on the Appointed Date or which may be instituted at any time thereafter, and in each case relating to the Remaining Business of the Second Demerged Company (including those relating to any property, right, power, liability, obligation or duties of Shreno, the Second Demerged Company in respect of the Remaining Business of the Second Demerged Company) shall be continued and enforced by or against Shreno, the Second Demerged Company after the Effective Date.
- 24.3 If proceedings are taken against Nirayu, the Second Transferee Company in respect of the matters referred to in Clause 24.2 above, Nirayu, the Second Transferee Company shall defend the same in accordance with the advice of Shreno, the Second Demerged Company and at the cost and risk of Shreno, the Second Demerged Company, and Shreno, the Second Demerged Company shall reimburse and indemnify Nirayu, the Second Transferee Company against all liabilities and obligations incurred by Nirayu, the Second Transferee Company in respect thereof. In respect of such defence, Shreno, the Second Demerged Company shall extend full and timely cooperation, including providing requisite information, personnel and the like, so as to enable Nirayu, the Second Transferee Company to defend the same.



24.4 With effect from the Appointed Date and upto and including the Effective Date:

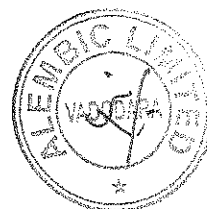
24.4.1 Shreno, the Second Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business of the Second Demerged Company for and on its own behalf;

24.4.2 All profits accruing to Shreno, the Second Demerged Company thereon or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business of the Second Demerged Company shall, for all purposes, be treated as the profits or losses, as the case may be, of Shreno, the Second Demerged Company; and

24.4.3 All assets and properties acquired by Shreno, the Second Demerged Company in relation to the Remaining Business of the Second Demerged Company on and after the Appointed Date shall belong to and continue to remain vested in Shreno, the Second Demerged Company.

25. SAVING OF CONCLUDED TRANSACTIONS

The transfer of properties and liabilities under Clause 15 above and the continuance of the proceedings by or against Nirayu, the Second Transferee Company under Clause 20 above shall not affect any transaction or proceedings already concluded by Shreno, the Second Demerged Company to the end and intent that Nirayu, the Second Transferee Company accepts and adopts all acts, deeds and things done and executed by Shreno, the Second Demerged Company in respect thereto as done and executed on behalf of Nirayu, the Second Transferee Company.



PART IV

26. REORGANIZATION OF AUTHORIZED SHARE CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION OF SHRENO, THE FIRST TRANSFEREE COMPANY

Memorandum of Association:

26.1 Capital Clause:

26.1.1 Upon the Scheme coming into effect and from Appointed Date, the authorized share capital of Shreno, the First Transferee Company / Second Demerged Company shall stand amended as under:

- i. Out of the total unissued preference share capital of Rs. 180,50,00,000/- (i.e. 45,12,500 preference shares of Rs. 400/- each);
 - a. The unissued preference share capital of Rs. 100,00,00,000/- (Rupees One Hundred Crore only) shall stand amended from 25,00,000 (Twenty Five Lakh only) preference shares of Rs. 400/- each to 50,00,00,000 (Fifty Crore only) preference shares of Rs. 2/- each; and
 - b. The balance unissued preference share capital of Rs. 80,50,00,000/- (Rupees Eighty Crore Fifty Lakh only) shall stand transferred to Nirayu, the Second Transferee Company in the form of 80,50,000 (Eighty Lakh Fifty Thousand only) preference shares of Rs. 100/- each (as mentioned in clause 27.1.1).

Pursuant to the Scheme becoming effective, the authorized share capital of Shreno, the First Transferee Company / Second Demerged Company will be as under:

Particulars	Amount (Rs.)
<u>Authorised Capital</u>	
59,50,000 Equity Shares of Rs. 100/- each	59,50,00,000
50,00,00,000 Preference Shares of Rs. 2/- each	100,00,00,000
Total	<u>159,50,00,000</u>



26.1.2 Clause V of the Memorandum of Association of Shreno, the First Transferee Company / Second Demerged Company relating to the authorized share capital shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61 and 230 to 232 of the Act and other applicable provisions of the Act, as the case may be and be amended accordingly.

It is clarified that the approval of the members of Shreno, the First Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum of Association of Shreno, the First Transferee Company as may be required under the Act.

27. REORGANIZATION OF AUTHORISED CAPITAL AND AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION OF NIRAYU, THE SECOND TRANSFEREE COMPANY

Memorandum of Association

27.1 Capital Clause:

27.1.1 Upon the Scheme coming into effect and from Appointed Date, the Authorized Share Capital of Nirayu, the Second Transferee Company shall stand increased by Rs. 80,50,00,000/- (Rupees Eighty Crore and Fifty Lakh only), divided into 80,50,000 (Eighty Lakh Fifty Thousand only) preference shares of Rs. 100/- each, which shall stand transferred from the Authorized Share Capital of Shreno, the Second Demerged Company to Nirayu, the Second Transferee Company, without any further act or deed and without any further payment of the stamp duty or the registration fees and accordingly the Memorandum of Association of Nirayu, the Second Transferee Company (relating to the Authorised Share Capital) shall, without any further act, instrument or deed, be and stand altered, modified and amended.

Pursuant to the Scheme becoming effective the Authorized Share Capital of Nirayu, the Second Transferee Company will be as under:



Particulars	Amount (Rs.)
<u>Authorised Capital</u>	
13,80,000 Equity Shares of Rs. 100/- each	13,80,00,000
1,19,00,000 Preference Shares of Rs. 100/- each	119,00,00,000
Total	<u>132,80,00,000</u>

27.1.2 Clause V of the Memorandum of Association of Nirayu, the Second Transferee Company relating to the Authorized Share Capital shall, without any further act, instrument or deed, be and stand altered, modified and amended pursuant to Sections 13, 61 and 230 to 232 of the Act and other applicable provisions of the Act, as the case may be and be amended accordingly.

27.1.3 It is clarified that the approval of the members of Nirayu, the Second Transferee Company to the Scheme shall be deemed to be their consent/approval also to the alteration of the Memorandum of Association of Nirayu, the Second Transferee Company as may be required under the Act.

27.2 Conversion of Nirayu, the Second Transferee Company and Change in Name Clause:

27.2.1 Upon Scheme being effective and upon the issue of Nirayu Preference Shares by Nirayu, the Second Transferee Company to the shareholders of Shreno, the Second Demerged Company pursuant to Clause 16 hereinabove, Nirayu, the Second Transferee Company shall cease to be a private limited company. Consequently, the name of the Company would change from 'Nirayu Private Limited' to 'Nirayu Limited' and the word 'Private' shall be deleted from the name of the Company. Since this is consequential change and proposed as an integral part of the Scheme, it is clarified that there will be no need to pass a separate resolution as required under Section 13, 18 and other applicable provisions of the Act.



27.2.2 Clause I of the Memorandum of Association of Nirayu, the Second Transferee Company shall be substituted with the following clause:

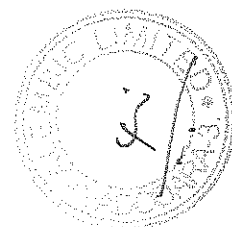
“I. The name of the Company is Nirayu Limited.”

27.2.3 Pursuant to the provisions of Section 14 of the Companies Act, 2013, the Articles of Association of Nirayu, the Second Transferee Company be altered by deleting the existing name of the Company wherever appearing and substituting it with the new name of the Company.

27.3 Object Clause:

27.3.1 In order to enable Nirayu, the Second Transferee Company to carry on the activities currently being carried on by Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, upon the Scheme coming into effect and from Appointed Date, the main objects of Shreno, the Second Demerged Company, in relation to Demerged Undertaking 2, shall be added to the Main Objects of Nirayu, the Second Transferee Company and Clause III[A] of the Memorandum of Association of Nirayu, the Second Transferee Company shall stand amended as per Annexure 3.

27.4 Upon the approval of the Scheme by the members of Shreno, the Second Demerged Company and Nirayu, the Second Transferee Company pursuant to Sections 230 to 232 of the Act, it shall be deemed that the members of Nirayu, the Second Transferee Company have also resolved and accorded all relevant consents under Section 13 of the Act or any other provisions of the Act for the commencement of any business or activities currently being carried on by Shreno, the Second Demerged Company in relation to Demerged Undertaking 2, as contained in the object clause of the Memorandum of Association of Nirayu, the Second Transferee Company, to the extent the same may be considered applicable. In particular, Nirayu, the Second Transferee Company would be allowed to commence the new business added as above with effect from the Appointed Date. It is clarified that there will be no need to pass a separate resolution as required under Section 13 of the Act.



28. PRINCIPLE OF SINGLE WINDOW CLEARANCE

Under the accepted principle of single window clearance, it is hereby provided that the above referred amendment in the Memorandum of Association of Shreno, the First Transferee Company / Second Demerged Company and the Memorandum and Articles of Association of Nirayu, the Second Transferee Company, viz. Change in the Capital Clause as mentioned in Clause 27.1 above, Change in Name Clause as mentioned in Clause 27.2 above and Change in Object Clause as mentioned in Clause 27.3 above shall become operative on the scheme being effective, without any further act or deed. The approval granted to the Scheme as a whole by the shareholders of Shreno, the First Transferee Company / Second Demerged Company and by the shareholders of Nirayu, the Second Transferee Company, at their respective meetings, shall amount to their approval to all the above amendments, as envisaged under Sections 13, 14, 18, 55, 61, 62 & 64 of the Act or any other provisions of the Act, as may be applicable and Shreno, the First Transferee Company / Second Demerged Company and Nirayu, the Second Transferee Company shall not be required to pass separate resolutions as required under the Act, nor any additional fees (including fees and charges to the relevant Registrar of Companies) or stamp duty, shall be payable by Nirayu, the Second Transferee Company.



PART – V**29. APPLICATIONS TO NCLT OR OTHER APPROPRIATE AUTHORITIES**

- 29.1 Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company shall, with all reasonable dispatch, make necessary applications under Sections 230 to 232 of the Act and/or other applicable provisions of the Act to the NCLT or such other Appropriate Authority, where the registered offices of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company are situated, for seeking order for dispensing with or convening, holding and conducting of meeting of the members and/or creditors of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company, as may be directed by the NCLT or such other Appropriate Authority for approval of this Scheme and all matters ancillary or incidental thereto.
- 29.2 On the Scheme being approved by the requisite majorities of the members and/or creditors of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company whether at a meeting or by consents, as prescribed under the law and/or as directed by the NCLT or such other Appropriate Authority, Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company shall, with all reasonable dispatch, apply to the NCLT, Bench at Ahmedabad for sanctioning of the Scheme under Sections 230 to 232 of the Act, and for such other order or orders, as the NCLT or such other authority may deem fit for carrying this Scheme into effect.

30. DIVIDENDS

- 30.1 Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company shall be entitled to declare and pay dividends to their respective shareholders in respect of

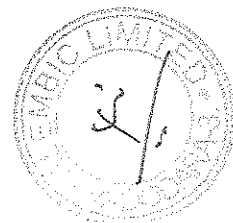


the accounting period ending 31st March 2019 consistent with the past practice or in ordinary course of business, whether interim or final. Any other dividend shall be recommended / declared only by the mutual consent of the concerned parties....

- 30.2 It is clarified that the aforesaid provisions in respect of declaration of dividends are enabling provisions only and shall not be deemed to confer any right on any shareholder of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company to demand or claim or be entitled to any dividends which, subject to the provisions of the Act, shall be at the discretion of the respective Boards of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company, and subject to approval, if required, of the shareholders of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company respectively.

31. MODIFICATIONS OR AMENDMENTS TO THE SCHEME

- 31.1 Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, may make and/or consent to any modifications/amendments to the Scheme or to any conditions or limitations that the NCLT or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them. Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company by their respective Board of Directors or such other person or persons, as the respective Board of Directors may authorize including any committee or sub-committee thereof, shall be 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. In case, post approval of the Scheme by the NCLT, there is any confusion in interpreting any clause of this Scheme, or otherwise, Board of Directors of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company will have complete power to take the most sensible interpretation so as to render the Scheme operational.

- 31.2 For the purpose of giving effect to this Scheme or to any modifications or amendments thereof or additions thereto, the Board of Directors of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company may give and are hereby authorized to determine and give all such directions as are necessary including directions for settling or removing any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on all parties, in the same manner as if the same were specifically incorporated in this Scheme.

32. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

- 32.1 The Scheme is and shall be conditional upon and subject to the following:

- 32.1.1 Obtaining no-objection /observation letter from the stock exchanges, where the equity shares of Alembic, the First Demerged Company are listed, in relation to the Scheme under Regulation 37 of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- 32.1.2 Approval of the Scheme by requisite majority of each class of shareholders and creditors of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company and such classes of persons of the said Companies, if any, as applicable or as may be required under the Act and/or as may be directed by the Tribunal;



- 32.1.3 Compliance with the other provisions of the SEBI Circular, including seeking approval of the shareholders of Alembic, the First Demerged Company through e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders of Alembic, the First Demerged Company are more than the votes cast by the public shareholders against it as required by the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts Regulation Rules, 1957;
- 32.1.4 The Scheme being sanctioned by the NCLT under Sections 230 to 232 of the Act; and
- 32.1.5 Certified or authenticated copy of the final Order of the NCLT, sanctioning this Scheme under the provisions of Sections 230 to 232 of the Act, being filed with the Registrar of Companies, Gujarat at Ahmedabad either by way of filing required e-forms with Ministry of Corporate Affairs portal or otherwise.
- 32.2 It is hereby clarified that submission of the Scheme to the Tribunal and to the Appropriate Authorities for their respective approval is without prejudice to all rights, interests, titles or defences that Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company may have under or pursuant to all Applicable Laws.
- 32.3 On the approval of this Scheme by the shareholders of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company and such other classes of Persons of the said Companies, if any, pursuant to Clause 32.1.2, such shareholders and classes of Persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise to the same extent applicable in relation to the Demerger and capital reduction set out in this Scheme, related matters and this Scheme itself.

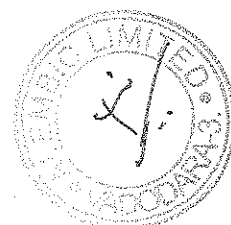


33. EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In the event of any of the said sanctions and approvals referred to in the preceding clause not being obtained and/or complied with and/or satisfied and/or this Scheme not being sanctioned by the NCLT or such other competent authority and/or Order or Orders not being passed as aforesaid, this Scheme shall stand revoked, cancelled and be of no effect and in that event, no rights and liabilities whatsoever shall accrue to or be incurred inter se between Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company or their respective shareholders or creditors or employees or any other person and save and except in respect of any act or deed done prior thereto as is contemplated hereunder or as to any rights, liabilities or obligations which have arisen or accrued pursuant thereto and which shall be governed and be preserved or worked out in accordance with the Applicable Law and in such case, each party shall bear its own costs unless otherwise mutually agreed.

34. COSTS, CHARGES & EXPENSES

All costs, charges, taxes including duties, levies and all other expenses including stamp duty and registration fee of any deed, document, instrument and/or Order passed by the NCLT including this Scheme or in relation to or in connection with negotiations leading up to the Scheme and of carrying out and implementing the terms and provisions of this Scheme and incidental to the completion of arrangement in pursuance of this Scheme, if any (save as expressly otherwise agreed) of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company shall be borne in the manner as may be mutually agreed to between the Board of Directors or persons authorised by the Board of Directors of Alembic, the First Demerged Company, Shreno, the First Transferee Company / the Second Demerged Company and Nirayu, the Second Transferee Company.



Annexure 1:**Terms of issue of 7% Non-Convertible Cumulative Redeemable Preference Shares – I or Shreno Preference Shares:****(a) Face value, Issue price and other terms**

Shreno Preference Shares issued shall have a face value of Rs. 2/- each and be issued at a premium of Rs. 14.50/- per share. Further, the Shreno Preference Shares to be issued pursuant to the Scheme are not proposed to be listed on any Stock Exchange.

(b) Coupon

Shreno Preference Shares shall subject to the provisions of the Articles of Association of Shreno, the First Transferee Company and the Act confer the holders thereof a right to fixed preferential dividend of 7% per annum on issue price of Rs 16.50/- each in priority to the equity shares. Dividend shall be payable annually by Shreno, the First Transferee Company.

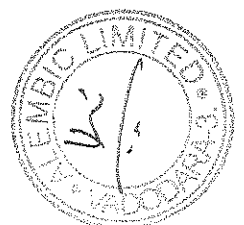
(c) Voting Rights

The holder of Shreno Preference Shares shall have the right to vote in general meeting of Shreno, the First Transferee Company in accordance with Section 47 (2) of the Companies Act 2013.

(d) Redemption

Each Shreno Preference Shares shall be redeemable at a premium of Rs 14.50/- per share i.e. Rs. 16.50/- per share, redeemed in one or more tranche anytime on or before the expiry of 5 years from the date of allotment.

Provided that the Shreno Preference shares held by the Small Shareholders shall be redeemed any time, at the discretion of Shreno, the First Transferee Company, on or before the expiry of 2 years from the date of allotment.



Provided further that non-promoter public shareholders shall be given first preference in redemption of Shreno Preference Shares.

Provided further that, in case Shreno Preference Shares are not redeemed by Shreno, the First Transferee Company within the aforesaid period of 2 or 5 years, as the case may be, Nirayu, the Second Transferee Company, being the holding company of Shreno, the First Transferee Company, shall purchase such shares from the non-promoter public shareholders at a value equivalent to the redemption price of Rs. 16.50/- per share and arrears of dividend accumulated over the tenure, if any.

(e) Winding-up

In the event of winding up of Shreno, the First Transferee Company, the holders of Shreno Preference Shares shall have a right to receive the issue price, i.e. Rs. 16.50/- per share and arrears of dividend, whether declared or not, up to the commencement of winding up, in priority to any paid-up capital on the equity shares out of the surplus but shall not have any further rights to participate in the profits of the assets of Shreno, the First Transferee Company.



Annexure 2:**Terms of issue of 7% Non-Convertible Cumulative Redeemable Preference Shares - II or Nirayu Preference Shares:****(a) Face value, Issue price and other terms**

Nirayu Preference Shares issued shall have a face value of Rs. 100/- each and be issued at a premium of Rs. 3,050/- per share. Further, the Nirayu Preference Shares to be issued pursuant to the Scheme are not proposed to be listed on any Stock Exchange.

(b) Coupon

Nirayu Preference Shares shall subject to the provisions of the Articles of Association of Nirayu, the Second Transferee Company and the Act confer the holders thereof a right to fixed preferential dividend of 7% per annum on issue price of Rs. 3,150/- per share each, in priority to the equity shares. Dividend shall be payable annually by Nirayu, the Second Transferee Company.

(c) Voting Rights

The holder of Nirayu Preference Shares shall have the right to vote in general meeting of Shreno, the First Transferee Company in accordance with Section 47 (2) of the Companies Act 2013.

(d) Redemption

Each Nirayu Preference Shares shall be redeemable at a premium of Rs. 3,050/- per share i.e. Rs. 3,150/- per share, redeemed in one or more tranche anytime on or before the expiry of 5 years from the date of allotment.

Provided that the Nirayu Preference shares held by the Small Shareholders shall be redeemed any time, at the discretion of Nirayu, the Second Transferee Company, on or before the expiry of 2 years from the date of allotment.



Provided that non-promoter public shareholders shall be given first preference in redemption of Nirayu Preference Shares.

Provided further that, in case Nirayu Preference Shares are not redeemed by Nirayu, the Second Transferee Company within the aforesaid period of 2 or 5 years, as the case may be, the promoters of Nirayu, the Second Transferee Company, shall purchase such shares from the non-promoter public shareholders at a price equivalent to the redemption price of Rs. 3,150/- per share and arrears of dividend accumulated over the tenure, if any.

(e) Winding-up

In the event of winding up of Nirayu, the Second Transferee Company, the holders of Nirayu Preference Shares shall have a right to receive the issue price, i.e. Rs. 3,150/- per share and arrears of dividend, whether declared or not, up to the commencement of winding up, in priority to any paid-up capital on the equity shares out of the surplus but shall not have any further rights to participate in the profits of the assets of Nirayu, the Second Transferee Company.



Annexure 3: Objects Clause of the Second Demerged Company pertaining to the Demerged Undertaking 2:

In Clause III (A) of the existing Memorandum of Association of the Company, after sub-clause 1, the following clauses shall be inserted as clause 1A, 1B & 1C respectively:

- 1A. To carry on the business as Mechanical Engineers, Electrical Engineers, Chemical Engineers, General Engineers and Contractors, to take up various types of Engineering works and to deal in all kinds of Engineering products as well as to establish workshops and to undertake and carry on work of design, patterns, castings, moulds and moulds equipments, fabrication and manufacture of equipments and to work as die makers.
- 1B. To fabricate and manufacture equipments and machinery for various industries such as pharmaceutical, heavy chemicals, glass manufacturing and petrochemical industries, other machinery, tool makers, brass founders, metal workers, boiler-makers, iron and steel converters, etc.
- 1C. To buy, sell, manufacture, repair, convert, alter, let on hire and deal in all kinds of plants, conveyor plants, mechanical handling equipments, automation equipments, factory auxillary equipments, precision instruments, machinery appliances, machine tools, apparatus, accessories, machine appliances, machine parts, electroplated goods and in machinery, components parts. Accessories and fittings of all kinds and all articles and things used in or capable of being used, in connection with the manufacture, maintenance and working thereof, implements, rolling stock and hardware of all kinds.



Annexure 4: Details of the land parcel on which the demerged residential real estate project is situated:

All that piece and parcel of non-agricultural land situate, lying and being at Mouje: Chhani, Taluka: Chhani, District: Vadodara, bearing Survey No. 256/2, part admeasuring approx. 4,500 square meters comprised in Town Planning Scheme No. 13 by Final Plot No. 78, Plot no-2, Vadodara, 390024 the said land is bounded as follows:-

- On or towards East by : 40.mt wide Ahmedabad-Vadodara Main Road.
On or towards West by : F.P. No 78 Plot no-1
On or towards North by : 18.mt T.P.Road
On or towards South by : F.P. No. 78 Plot no-1

