SCHEME OF ARRANGEMENT

AMONG

DEEP INDUSTRIES LIMITED

AND

DEEP CH4 PRIVATE LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013)

PREAMBLE

This Scheme *(as defined hereinafter)* is presented under Sections 230 to 232 of the Act *(as defined hereinafter)*, together with Sections 13, 61, 64, 66 and other applicable provisions of the Act for demerger of the Oil and Gas Services Undertaking *(as defined hereinafter)* of Deep *(as defined hereinafter)* and transfer of the same to Deep CH4 *(as defined hereinafter)* which includes issuance of equity shares by Deep CH4 to the equity shareholders of Deep; reduction of paid-up equity share capital of Deep CH4 pursuant to cancellation of existing equity share capital of Deep CH4; and for matters consequential, supplemental and/or otherwise integrally connected therewith.

A. BACKGROUND OF THE COMPANIES

(i) Deep Industries Limited, the "**Demerged Company**," is a public listed company incorporated under the provisions of the Companies Act, 1956 on 1st January 1991 under the name and style of Deep Roadways Private Limited having its registered office at 12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058 in the state of Gujarat. Subsequently, the name was changed to Deep Industries Private Limited and thereafter the word Private was deleted by the virtue of the company being a Deemed Public Limited Company under the provisions of section 43A(1B) of the Companies Act, 1956 on 6th February 1997. The company became a Public Limited Company with effect from 2nd May 2002 and a fresh certificate of incorporation, consequent to change of name, was issued in the name of Deep Industries Limited on 2nd May 2002. The company has business interest in air and natural gas compression services, gas dehydration, work over and drilling rig services as well as oil and gas exploration and production. The business of air and natural gas compression services, gas dehydration, work over and drilling rig

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services is hereinafter referred to as **"Oil and Gas Services Business"**. The equity shares of Deep Industries Limited are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

(ii) Deep CH4 Private Limited, the "**Resulting Company**", is a private company incorporated under the provisions of the Companies Act, 1956 on 15th November 2006 under the name and style of Deep CH4 Private limited having its registered office at 14, Ground Floor, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058 in the state of Gujarat. The Resulting Company is in the process of converting into a public company and a special resolution of the members of the company has been passed on 22nd May 2018 for conversion of the company into a public company. The Resulting Company shall file the necessary documents with the RoC for the purpose of conversion into a public company. The Resulting Company has been incorporated with an objective to carry on the business of prospecting, exploring, developing, opening and working mines, drilling and to pump, refine, raise, dig and quarry coal bed methane, minerals and gases such as methane gas.

B. OVERVIEW AND OPERATION OF THIS SCHEME

This Scheme provides for:

(i) the demerger, transfer and vesting of the Oil and Gas Services Undertaking *(as defined hereinafter)* from the Demerged Company to the Resulting Company *(as defined hereinafter)* on a going concern basis, and the consequent issue of shares by the Resulting Company (*as defined hereinafter*) in the manner set out in this Scheme (*as defined hereinafter*) and other applicable provisions of Applicable Law *(as defined hereinafter)*;

(ii) the reduction of the share capital of the Resulting Company in the manner set out in this Scheme, and in accordance with Sections 230 to 232 read with Section 66, and other applicable provisions of the Act.

C. The Demerged Company will continue to pursue its interests in and carry on the Remaining Business (*as defined hereinafter*) as is presently being carried on.

D. PARTS OF THIS SCHEME

This Scheme is divided into the following parts:

(i) **PART A** deals with the definitions of capitalized terms used in this Scheme and the share capital of the Demerged Company and the Resulting Company;

(ii) **PART B** deals with the transfer and vesting of the Oil and Gas Services Undertaking from the Demerged Company into the Resulting Company and the consideration thereof;

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(iii) **PART C** deals with the reduction and cancellation of the existing equity share capital of the Resulting Company;

(iv) **PART D** deals with the general terms and conditions that would be applicable to this Scheme.

E. RATIONALE FOR THIS SCHEME

(i) Deep primarily operates in two business segments: (i) Oil and Gas Services Business comprising of air and natural gas compression services, gas dehydration, work over and drilling rig services; and (ii) oil and gas exploration and production. Each of the businesses carried on by Deep by itself and along with its subsidiaries including Oil and Gas Services Business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for Oil and Gas Services Business is separate and distinct from oil and gas exploration and production business. The Oil and Gas Services Business and oil and gas exploration and production business of Deep are capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which Oil and Gas Services Business and oil and gas exploration and production business of Deep are required to be handled and managed. In order to lend greater/enhanced focus to the operation of the said businesses, it is proposed to re-organize the Oil and Gas Services Undertaking by way of demerger and transfer of the same from Deep to Deep CH4. The proposed demerger would result in segregation of Oil and Gas Services Undertaking into Resulting Company and housing of active exploration and production assets relating to oil and gas exploration and production business with the Demerged Company.

(ii) The proposed segregation would enable greater/enhanced focus of the management in the Oil and Gas Services Business and oil and gas exploration and production business thereby facilitating the management to efficiently exploit opportunities for each of the said businesses.

(iii) The management believes that the proposed demerger will result in unlocking the true value of Oil and Gas Services Business thereby creating enhanced value for shareholders and will also allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders connected with Deep.

(iv) The proposed demerger will also provide scope for independent collaboration and expansion for each of the businesses as well as enable attracting investors and provide better flexibility in accessing capital for each of the businesses carried on by Deep.

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F. TREATMENT OF THE SCHEME FOR THE PURPOSES OF INCOME-TAX ACT, 1961

The provisions of this Scheme have been drawn up to comply with the conditions relating to "Demerger" as defined under Section 2(19AA) of the Income-tax Act, 1961. If, at a later date, any of the terms or provisions of the Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, including as a result of an amendment of Applicable Law or the enactment of a new legislation or for any other reason whatsoever, the provisions of Section 2(19AA) of the Income-tax Act, 1961, or a corresponding provision of any amended or newly enacted Applicable Law, shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with Section 2(19AA) of the Income-tax Act, 1961 or the corresponding provision of any amended or newly enacted Applicable Law. Such modification(s) will, however, not affect the other provisions of the Scheme.

PART A

DEFINITIONS AND SHARE CAPITAL

1. DEFINITIONS

1.1 In this Scheme, unless inconsistent with the subject or context thereof (i) capitalised terms defined by inclusion in quotations and/ or parenthesis have the meanings so ascribed; (ii) subject to (iii) below, all terms and words not defined in this Scheme shall have the same meaning ascribed to them under Applicable Laws; and (iii) the following expressions shall have the following meanings:

"**Act**" means the Companies Act, 2013 and shall include any other statutory amendment or re-enactment and the rules and/ or regulations and/ or other guidelines or notifications made thereunder from time to time and shall include the provisions of the Companies Act, 1956, to the extent the corresponding provisions in the Companies Act, 2013 have not been notified.

"**Appointed Date**" means the 1st day of April 2017.

"**Applicable Law**" means any applicable central, provincial, local or other law including all applicable provisions of all (a) constitutions, decrees, treaties, statutes, laws (including the common law), codes, notifications, rules, regulations, policies, guidelines, circulars, directions, directives, ordinances or orders of any Appropriate Authority, statutory authority, court, tribunal having jurisdiction over the Companies; (b) permits; and (c) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any Appropriate Authority having jurisdiction over the Companies and shall include, without limitation, the listing agreement executed with the Stock Exchanges in the case of Demerged Company.

"**Appropriate Authority**" shall mean any national, state, provincial, local or similar government, governmental, statutory, regulatory or administrative authority, government department, agency, commission, board, branch,

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tribunal or court or other entity authorized to make laws, rules, regulations, standards, requirements, procedures or to pass directions or orders having the force of law, or any non-governmental regulatory or administrative authority, body or other organization to the extent that the rules, regulations and standards, requirements, procedures or orders of such authority, body or other organization have the force of law, SEBI *(as defined hereinafter)*, the Tribunal *(as defined hereinafter)* or any Stock Exchange *(as defined hereinafter)*.

"**Board**" in relation to the Demerged Company and the Resulting Company, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme.

"Companies" shall mean Demerged Company and Resulting Company.

"**Demerged Company**" or **"Deep"** means Deep Industries Limited, a public listed company incorporated under the Companies Act, 1956 and having its registered office at 12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad-380058 in the state of Gujarat.

"**Effective Date**" means the last of the date on which the conditions specified in Clause 20 of this Scheme are fulfilled with respect to the Scheme. References in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme being effective" shall mean the Effective Date.

"**Encumbrance**" means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term "**Encumber**" shall be construed accordingly.

"**Oil and Gas Services Undertaking**" means all the businesses, activities, properties, investments and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to Oil and Gas Services Business and shall include (without limitation):

(a) all immovable properties, if any, i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) currently being used for the purpose of and in relation to the Oil and Gas Services Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;

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(b) all assets, as are movable in nature pertaining to and in relation to the Oil and Gas Services Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including electrical fittings, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations and inventory), actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Appropriate Authority, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to goods and service tax input credits, CENVAT credits, value added/sales tax/entry tax/goods and service tax credits or set-offs, advance tax, tax deducted at source and tax refunds;

(c) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, essentiality certificate issued under Sr. No. 404 of Notification 50/2017-Customs, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Oil and Gas Services Business and undertaking constituting participating interest in Coal Bed Methane Block SR-CBM-2005/III located at Singrauli, Madhya Pradesh, India and its related assets and liabilities;

(d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Oil and Gas Services Business;

(e) all applications (including hardware, software, licenses, source codes, and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Oil and Gas Services Business;

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(f) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Demerged Company pertaining to or in connection with or relating to Demerged Company in respect of the Oil and Gas Services Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company and pertaining to the Oil and Gas Services Business;

(g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Oil and Gas Services Business;

(h) all debts, liabilities including contingent liabilities, duties, taxes and obligations of Demerged Company pertaining to the Oil and Gas Services Business and/or arising out of and/or relatable to the Oil and Gas Services Business including:

i. the debts, liabilities, duties and obligations of Demerged Company which arises out of the activities or operations of the Oil and Gas Services Business;

ii. specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Oil and Gas Services Business;

iii. in cases other than those referred to in sub-clause i. or sub-clause ii. above, so much of the amounts of general or multipurpose borrowings, if any, of Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the Demerger bears to the total value of the assets of Demerged Company immediately prior to the Effective Date;

(i) all employees of Demerged Company employed/engaged in the Oil and Gas Services Business as on the Effective Date; and

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(j) all legal or other proceedings of whatsoever nature that pertain to the Oil and Gas Services Business.

It is clarified that the question of whether a specified asset or liability or employee or legal proceeding pertains to the Oil and Gas Services Undertaking or arises out of the activities or operations of Oil and Gas Services Undertaking shall be decided by the Board of the Demerged Company.

"**Record Date**" means the date to be fixed by the Board of the Demerged Company in consultation with the Resulting Company for the purpose of determining the shareholders of the Demerged Company to whom shares of the Resulting Company shall be allotted pursuant to demerger under this Scheme.

"**Remaining Business**" means all the undertakings, businesses, activities, operations, assets and liabilities of Demerged Company other than those comprised in the Oil and Gas Services Undertaking;

"**Resulting Company**" or **"Deep CH4"** means Deep CH4 Private Limited, a company incorporated under the provisions of the Companies Act, 1956 on 15th November, 2006 having its registered office at 14, Ground Floor, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058 in the state of Gujarat.

"**RoC**" means the Registrar of Companies, Gujarat.

"**Scheme**" means this scheme of arrangement, with or without any modification, approved or imposed or directed by the Tribunal.

"**SEBI**" means the Securities and Exchange Board of India.

"**SEBI Circular**" shall mean the circular issued by the SEBI, being circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, circular CFD/DIL3/CIR/2017/105 dated September 21, 2017 and Circular CFD/DIL3/CIR/2018/2 dated January 3, 2018, and any amendments thereof and modifications thereof, issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

"**Stock Exchanges**" means BSE Limited ("**BSE**") and National Stock Exchange of India Limited ("**NSE**").

"**Tribunal**" means the National Company Law Tribunal, Bench at Ahmedabad, which has jurisdiction over the Demerged Company and the Resulting Company.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting singular shall include plural and vice versa;

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1.2.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

1.2.3 references to the word "include" or "including" shall be construed without limitation;

1.2.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;

1.2.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;

1.2.6 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and

1.2.7 word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

2. SHARE CAPITAL

2.1 The share capital of the Demerged Company as on 31 March 2018 is as follows:

Particulars	INR
Authorised Share Capital	
5,42,66,340 equity shares of INR 10 each	54,26,63,400
50,00,000 preference shares of INR 10 each	5,00,00,000
Total	**59,26,63,400**
Issued, Subscribed and Paid Up Capital	
3,20,00,000 equity shares of INR 10 each	32,00,00,000
Total	**32,00,00,000**

The equity shares of the Demerged Company are listed on the Stock Exchanges.

Subsequent to the above date, there has not been any change in the share capital of the Demerged Company.

2.2 The share capital of the Resulting Company as on 31 March 2018 is as follows:

Particulars	INR
Authorised Share Capital	
66,000 equity shares of INR 10 each	6,60,000
Total	**6,60,000**
Issued, Subscribed and Paid-up Capital	
66,000 equity shares of INR 10 each	6,60,000
Total	**6,60,000**

Subsequent to the above date, there has not been any change in the share capital of the Resulting Company.

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3. DATE OF TAKING EFFECT AND IMPLEMENTATION OF THIS SCHEME

3.1 This Scheme as set out herein in its present form or with any modification(s), as may be approved or imposed or directed by the Tribunal or made as per Clause 19 of this Scheme, shall become effective from Appointed Date, but shall be operative from the Effective Date.

PART B

DEMERGER AND VESTING OF THE OIL AND GAS SERVICES UNDERTAKING

4. DEMERGER AND VESTING OF THE OIL AND GAS SERVICES UNDERTAKING

4.1 Upon the Scheme becoming effective and with effect from the opening business hours of Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Companies Act, 2013 and Section 2(19AA) of the Income-tax Act, 1961, the Oil and Gas Services Undertaking along with all its assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. shall, without any further act, instrument or deed, be demerged from Demerged Company and transferred to and be vested in or be deemed to have been vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. of the Resulting Company by virtue of, and in the manner provided in this Scheme.

4.2 In respect of such of the assets and properties forming part of the Oil and Gas Services Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/ or delivery, the same shall stand transferred by the Demerged Company upon coming into effect of this Scheme and shall, *ipso facto* and without any other order to this effect, become the assets and properties of the Resulting Company with effect from the Appointed Date.

4.3 Subject to Clause 4.4 below, with respect to the assets of the Oil and Gas Services Undertaking, other than those referred to in Clause 4.2 above, including all rights, title and interests in the agreements (including agreements for lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons and essentiality certificate issued under Sr. No. 404 of Notification 50/2017-Customs with respect to the assets forming part of Oil and Gas Services Undertaking shall, upon coming into effect of this Scheme, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law in favour of Resulting Company.

4.4 Without prejudice to the aforesaid, the Oil and Gas Services Undertaking, including all immoveable property, whether freehold or leasehold (including but not limited to land, buildings, sites, tenancy rights related thereto, and

immovable properties and any other document of title, rights, interest and easements in relation thereto) and all moveable property of the Oil and Gas Services Undertaking shall, upon coming into effect of this Scheme, stand transferred to and be vested in the Resulting Company, with effect from Appointed Date without any act or deed to be done or executed by the Demerged Company and/ or the Resulting Company.

4.5 Upon the Scheme coming into effect, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relatable to the Oil and Gas Services Undertaking ("**Oil and Gas Services Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and the Resulting Company shall meet, discharge and satisfy the same. The term "**Oil and Gas Services Liabilities**" shall include:

4.5.1 the debts, liabilities, obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Oil and Gas Services Undertaking;

4.5.2 the specific loans or borrowings (including debentures bonds, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Oil and Gas Services Undertaking); and

4.5.3 in cases other than those referred to in Clauses 4.5.1 or 4.5.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Oil and Gas Services Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.

4.6 Where any of the Oil and Gas Services Liabilities of Demerged Company as on the Appointed Date have been discharged by Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Resulting Company and all Oil and Gas Services Liabilities incurred by Demerged Company after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of Resulting Company and to the extent of their being outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to Resulting Company and shall become the liabilities and obligations of Resulting Company which shall meet, discharge and satisfy the same.

4.7 In so far as any Encumbrance in respect of Oil and Gas Services Liabilities is concerned, upon the Scheme becoming effective, such Encumbrance shall, without any further act, instrument or deed shall be extended to and operate over the assets of the Resulting Company. In so far as the Encumbrance in respect of the loans and other liabilities of Demerged Company relating to the Remaining Business of Demerged Company, if any, are concerned, such Encumbrance shall, without any further act, instrument or deed be continued with Demerged Company only on the assets remaining with Demerged Company.

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4.8 Upon the Scheme becoming effective, the Resulting Company may, provide guarantee to the Government of India, for an amount not exceeding the limit as prescribed under section 186(2) of the Act, for the purpose of ensuring business continuity of the Demerged Company. It is clarified that the approval of the respective members of the Demerged Company and the Resulting Company to the Scheme shall be deemed to be their consent / approval to such guarantee arrangement, as required under all the applicable provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and any other Applicable Law, and the Demerged Company and the Resulting Company shall not be required to seek separate consent / approval of their respective members for the same.

4.9 Upon the Scheme coming into effect, for the purpose of satisfying any eligibility criteria including technical and/or financial parameters for participating and qualifying in invitations for expression of interest(s) and/or bid(s) and/or tender(s) of any nature meant for any project(s) or contract(s) or work(s) or services or combination thereof, either related to oil and natural gas or pertaining to other than oil and natural gas, including related upstream/downstream ventures, in addition to its own technical experience and/or financial credentials including drawn through other arrangements such as consortium or joint venture etc., the Resulting Company shall have legal capacity, power and authority to claim experience considering works/jobs done in the past and current work in hand with respect to the Oil and Gas Services Undertaking of the Demerged Company. This shall also include benefit with respect to claim of financial credentials such as turnover, net worth and other financial ratios/parameters etc. and management experience and track record of Demerged Company.

4.10 Upon the Scheme coming into effect, taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to Oil and Gas Services Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.

4.11 Upon the Scheme coming into effect, if the Demerged Company is entitled to any unutilized credits (including balances or advances), benefits under the incentive schemes and policies including tax holiday or concessions relating to the Oil and Gas Services Undertaking under any tax laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such unutilised credits, benefit or incentives, as the case may be without any specific approval or permission.

4.12 Upon the Scheme becoming effective, subject to clause 4.2 and any other provisions of the Scheme, with respect to any refunds, benefits, incentives, grants, subsidies in relation to or in connection with the Oil and Gas Services Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grants, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred

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to the Resulting Company.

4.13 On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Oil and Gas Services Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Oil and Gas Services Undertaking, after the Effective Date, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.

5. CONTRACTS

5.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments in relation to the Oil and Gas Services Undertaking, to which the Demerged Company is a party and which is subsisting or having effect on or immediately before the Appointed Date shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party or beneficiary or obligee thereto. The Resulting Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above and, if required, cause such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above to be formally taken on record/ recognised by the Appropriate Authorities.

5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Oil and Gas Services Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. With effect from the Appointed Date, the Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company.

6. EMPLOYEES

6.1 With effect from the Effective Date, all employees of the Demerged Company engaged in or in relation to the Oil and Gas Services Undertaking shall become the employees of the Resulting Company without any interruption of service on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company

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undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retiral/ terminal benefits. The decision on whether or not an employee is part of the Oil and Gas Services Undertaking, shall be decided by the Demerged Company, and shall be final and binding on all concerned.

6.2 The accumulated balances, if any, standing to the credit of the aforesaid employees, in the existing provident fund, pension fund, gratuity fund superannuation fund or any other funds created by the Demerged Company, as the case may be, of which they are members, will be transferred respectively to such provident fund, pension fund, gratuity fund superannuation fund or any other funds nominated by the Resulting Company and/ or such new provident fund, pension fund, gratuity fund superannuation fund or any other funds to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, if applicable, by the Resulting Company. Pending the transfer as aforesaid, the dues of the said employees in respect of the above funds would be continued to be deposited in the existing provident fund, pension fund, gratuity fund superannuation fund or any other funds respectively of the Demerged Company.

7. LEGAL, TAXATION AND OTHER PROCEEDINGS

7.1 Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against Demerged Company and relating to the Oil and Gas Services Undertaking, under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against Resulting Company after the Effective Date. Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings against Resulting Company. Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Demerged Company.

7.2 If proceedings are taken against Demerged Company in respect of the matters referred to in Clause 7.1 above, it shall defend the same in accordance with the advice of Resulting Company and at the cost of Resulting Company, and the latter shall reimburse and indemnify Demerged Company against all liabilities and obligations incurred by Demerged Company in respect thereof.

7.3 Resulting Company undertakes to have all legal or other proceedings initiated by or against Demerged Company referred to in Clause 7.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against Resulting Company to the exclusion of Demerged Company. Each of the Companies shall make relevant applications in that behalf.

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8. CONSIDERATION

8.1 Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Oil and Gas Services Undertaking into Resulting Company pursuant to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent or instrument, issue and allot, on a proportionate basis to each shareholder of the Demerged Company, 1 (One) fully paid up equity share of face value of INR 10 (Indian Rupees Ten) each of the Resulting Company for every 1 (One) equity share of the Demerged Company held by such shareholder whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date. The equity shares of the Resulting Company to be issued and allotted as provided in Clause 8.1 shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company, including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of Resulting Company.

8.2 In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such shareholder but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated shares directly to a trustee nominated by the Board of Resulting Company in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of Demerged Company in proportion to their respective fractional entitlements so sold by the trustee.

8.3 The Resulting Company shall, if necessary and to the extent required, increase its Authorized Share Capital to facilitate issue of equity shares under this Scheme, by following the requisite procedure and on payment of applicable fees and duties and the approval of the members of the Resulting Company to this Scheme shall be deemed to be the approval for such increase in the authorized share capital of the Resulting Company.

8.4 The issue and allotment of equity shares as provided in Clause 8.1, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, pursuant to the aforesaid Clause 8.1.

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8.5 The issue and allotment of the equity shares as provided in Clause 8.1 shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act and any other Applicable Law have been complied with.

8.6 The equity shares issued and/or allotted pursuant to Clause 8.1, in respect of such of the equity shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by Resulting Company.

8.7 The equity shares issued pursuant to Clause 8.1, which Resulting Company is unable to allot due to Applicable Laws (including, without limitation, the non-receipt of approvals of Appropriate Authority as required under applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Resulting Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of Directors of Resulting Company including to enable allotment and sale of such equity shares to a trustee as mentioned in Clause 8.2 above and thereafter make distributions of the net sales proceeds in lieu thereof (after deduction of taxes and expenses incurred) to the eligible shareholders of Demerged Company, in proportion to their entitlements as per the process specified in Clause 8.2 above. If the above cannot be effected for any reason, Resulting Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Laws. Resulting Company and/or the depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this regard and to enable actions contemplated therein.

8.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of Demerged Company, the Board of Directors of Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in Demerged Company as if such changes in registered holders were operative as on the Record Date. The Board of Directors of Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in Resulting Company on account of difficulties faced in the transition period.

8.9 The equity shares issued pursuant to Clause 8.1 shall be in dematerialized form unless otherwise notified in writing by a shareholder of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Demerged Company. In the event that such notice has not been received by Resulting Company in respect of any of the shareholders of Demerged Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that Resulting Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any

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shareholder do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue the equity shares in physical form to such shareholder or shareholders.

8.10 The equity shares issued pursuant to Clause 8.1 shall, in compliance with the Applicable Laws, be listed and admitted to trading on the Stock Exchanges pursuant to this Scheme and the SEBI Circular. Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it pursuant to Clause 8.1 above.

8.11 The equity shares allotted by the Resulting Company in terms of Clause 8.1 above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchanges.

8.12 Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.

8.13 Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable Resulting Company to issue and allot equity shares to the non-resident equity shareholders of Demerged Company. Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the Governmental Authorities including Reserve Bank of India, for the issue and allotment of equity shares under Clause 8.1 of the Scheme to the non-resident equity shareholders of Demerged Company.

9. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

Demerged Company shall account for the transfer and vesting of the Oil and Gas Services Undertaking in its books of account as per the applicable accounting standards notified under section 133 of the Act read with relevant rules issued thereunder and specifically in accordance with the accounting treatment mentioned below.

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9.1 Upon the Scheme coming into effect and with effect from the Appointed Date, the Demerged Company shall reduce the carrying value of assets and liabilities pertaining to the Oil and Gas Services Undertaking, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.

9.2 Loans and advances, receivables, payables and other dues outstanding between the Oil and Gas Services Undertaking and the Resulting Company, if any, will stand cancelled and there shall be no further obligation/ outstanding in that behalf.

9.3 The difference, being the excess / shortfall of carrying value of assets over the carrying value of liabilities of the Oil and Gas Services Undertaking shall be debited / credited to Goodwill or Capital Reserve account, as the case may be. The Board of Directors of the Demerged Company in consultation with Statutory Auditors, is authorised to account for such difference in any other manner, if such accounting treatment is considered more appropriate.

10. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

Resulting Company shall account for the transfer and vesting of the Oil and Gas Services Undertaking in its books of account as per the applicable accounting standards notified under section 133 of the Act read with relevant rules issued thereunder and specifically in accordance with the accounting treatment mentioned below.

10.1 Upon the Scheme coming into effect and with effect from the Appointed Date, the Resulting Company shall record the assets and liabilities pertaining to the Oil and Gas Services Undertaking, transferred to and vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Demerged Company.

10.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Oil and Gas Services Undertaking, if any, will stand cancelled and there shall be no further obligation / outstanding in that behalf.

10.3 The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the equity shares issued and allotted under Clause 8.1 above to the members of the Demerged Company. Rupees two hundred ninety will be accounted as Securities Premium in the books of Resulting Company for each equity share issued in accordance with Clause 8.1. The consideration is derived taking into account the intrinsic value of shares to be issued by the resulting Company and accordingly the Securities Premium will form part of consideration under Clause 8.1.

10.4 The excess / shortfall of Net Assets transferred from Demerged Company pursuant to Clause 10.1 over the aggregate of face value and securities premium of the equity shares allotted pursuant to Clause 8.1 above after giving effect to inter-company balances as per Clause 10.2 shall be adjusted in Capital Reserve / Goodwill, as the case may be, in compliance with applicable accounting standards / Generally Accepted Accounting Principles.

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10.5 Goodwill, if any, recognised in the books of accounts of the Resulting Company as per Clause 10.4 above, will be amortised in accordance with the amortisation policy formulated taking into consideration the Generally Applicable Accounting Principles or may be adjusted against the balance of Securities Premium Account or Capital Reserve Account or General Reserve Account or Profit and Loss Account, as may be decided by the Board of Directors of the Resulting Company.

10.6 To the extent, the balance in Securities Premium Account or Capital Reserve Account is utilised and/or adjusted as per Clause 10.5 above, there shall be reduction of Securities Premium Account or Capital Reserve Account, as the case may be, which shall be effected as an integral part of the Scheme itself and no separate approval shall be required under sections 52 and 66 and other applicable provisions of the Act.

10.7 The Board of Directors of the Resulting Company in consultation with Statutory Auditors, is authorised to adopt any other accounting treatment, if such accounting treatment is considered more appropriate.

For the purpose of this Clause 10, "Net Assets" would mean difference between the carrying value of assets and liabilities.

11. TRANSFER OF AUTHORISED SHARE CAPITAL OF THE DEMERGED COMPANY AND AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE DEMERGED COMPANY AND RESULTING COMPANY

11.1 Capital Clause

Upon coming into effect of this Scheme, authorised equity share capital of INR 22,26,63,400 and authorised preference share capital of INR 5,00,00,000 of the Demerged Company shall stand transferred to and get combined with the authorised capital of the Resulting Company without any further act or deed and without any further payment of the stamp duty or the registration fees. The authorised capital so transferred to Resulting Company shall stand reclassified as 2,72,66,340 equity shares of INR 10 each. Accordingly, Clause V of the Memorandum of Association of the Resulting Company shall automatically stand amended so as to read as under:

The Authorised Share Capital of the Company is Rs.27,33,23,400 [Rupees Twenty Seven Crore Thirty Three Lakh Twenty Three Thousand Four Hundred Only] divided into 2,73,32,340 [Two Crore Seventy Three Lakh Thirty Two Thousand Three Hundred and Forty] Equity Shares of Rs.10/- [Rupees Ten Only] each.

Further, Clause V of the Memorandum of Association of the Demerged Company shall automatically stand amended so as to read as under:

The Authorised Share Capital of the Company is Rs.32,00,00,000 [Rupees Thirty Two Crore Only] divided into 3,20,00,000 [Three Crore Twenty Lakh] Equity Shares of Rs.10/- [Rupees Ten Only] each.

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11.2 **Objects Clause**

Upon the Scheme coming into effect, the main object of the Demerged Company, as outlined herein below, shall be added to the Main Objects of the Resulting Company and Clause III of the Memorandum of Association of Resulting Company shall stand amended as under:

"To provide latest equipments like Air Compressor, Gas Compressor, rigs and other equipments, efficient services like operation and maintenance, man power deployment and execution of turnkey projects related to oil gas sector on charter hire basis and carry on business of transport operators, cartegers and haulage contractors, garage proprietors, owners, charterers and lessors of road vehicles of every description and to act as carriers of goods by road, rail, water, air cartage contractors, forwarding, transporting and commission agents, custom agents, wharfingers, cargo superintendents, packers, warehouseman , store-keeper and job-masters and carry on anywhere in India and out of India the business of running of transportation of all kinds on such lines/routes as the Company may deem fit and to transport all types of goods and generally to carry on the business of the common carriers."

11.3 It is clarified that the approval of the members of the Demerged Company and the Resulting Company to the Scheme shall be deemed to be their consent / approval also to the aforesaid alteration of the Memorandum of Association of the Demerged Company and the Resulting Company as mentioned in Clause 11.1 and Clause 11.2 and the Demerged Company and the Resulting Company shall not be required to seek separate consent / approval of their shareholders for such alteration of the Memorandum of Association as required under Sections 13, 61 and 64 of the Act and other applicable provisions of the Act.

11.4 **Change of name**

11.4.1 Upon coming into effect of this Scheme, the name of the Demerged Company shall be altered and changed to "Deep Energy Limited" or any other similar name, as considered appropriate by the Board of Directors of the Demerged Company and as approved by the Registrar of Companies.

11.4.2 Further, upon the coming into effect of this Scheme, and subject to clause 11.4.1, the name of the Resulting Company shall be altered and changed to "Deep Industries Limited" or any other similar name as considered appropriate by the Board of Directors of the Resulting Company and as approved by the Registrar of Companies.

11.4.3 It is clarified that the approval of the respective members of the Demerged Company and the Resulting Company to the Scheme shall be deemed to be their consent / approval, as required under section 13 and other applicable provisions of the Act, also to the alteration and change of the name of the Demerged Company and / or Resulting Company as provided in Clause 11.4.1 and Clause 11.4.2 above and the approval of this Scheme by the Tribunal shall be considered as specific direction from the competent authority as required under Rule 8 of Companies (Incorporation) Rules, 2014. The Demerged Company and the Resulting Company shall not be required to seek

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separate consent / approval of their respective members for the alteration of the name of the Demerged Company and the Resulting Company as required under sections 13 and other applicable provisions of the Act.

PART C

REDUCTION AND REORGANISATION OF SHARE CAPITAL OF THE RESULTING COMPANY

12. REDUCTION AND CANCELLATION OF EQUITY SHARES OF THE RESULTING COMPANY

12.1 Upon allotment of equity shares by the Resulting Company and with effect from the Effective Date , in order to ensure that the shareholding pattern of the Resulting Company be the same as the shareholding pattern of the Demerged Company, the paid up equity share capital of Rs.6,60,000 of the Resulting Company as mentioned in Clause 2.2 shall stand cancelled, extinguished and annulled on and from the Effective Date and the paid up equity capital of the Resulting Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of equity share capital of the Resulting Company, pursuant to Section 66 of the Act as also any other applicable provisions of the Act. Pursuant to such cancellation of shares, the Resulting Company shall pay an amount not exceeding Rs.6,60,000 to the shareholders of the Resulting Company whose name appear in the register of members of the Resulting Company as on the date of approval of this Scheme by the Board of Directors of the Resulting Company in the proportion of their shareholding on such date.

12.2 The aforesaid reduction of the share capital of the Resulting Company shall be effected as an integral part of this Scheme itself, without having to follow the process under Section 66 of the Act separately and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.

12.3 Upon the cancellation of shares as provided in Clause 12.1, the Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the shares of Resulting Company that are cancelled pursuant to Clause 12.1.

12.4 The excess of the amount of share capital cancelled over the amount paid to the shareholders as per Clause 12.1 above, if any, shall be credited to Capital Reserve account.

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PART D

GENERAL TERMS AND CONDITIONS

13. REMAINING BUSINESS

13.1 The Remaining Business and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company.

13.2 All legal, taxation and/ or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced against the Demerged Company.

13.3 If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 13.2 above relating to the Remaining Business, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.

13.4 Up to and including the Effective Date:

(i) Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;

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

(iii) all assets and properties acquired by Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in Demerged Company.

14. DIVIDENDS

14.1 The Demerged Company and Resulting Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending 31 March 2018 and such future accounting periods consistent with the past practice or in ordinary course of business, whether interim or final.

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14.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Demerged Company and/ or the Resulting Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Demerged Company and/ or the Resulting Company, as the case may be, and subject to approval, if required, of the shareholders of the Demerged Company and/ or the Resulting Company as the case may be.

15. CONDUCT OF BUSINESS UPTO THE EFFECTIVE DATE

15.1 With effect from the date of approval of this Scheme by the respective Boards of the Companies and up to and including the Effective Date:

15.1.1 The Demerged Company with respect to the Oil and Gas Services Undertaking shall carry on its business with reasonable diligence and business prudence and in the same manner as it had been doing hitherto, and shall not undertake any additional financial commitments of any nature whatsoever, borrow any amounts or incur any other liabilities or expenditure, issue any additional guarantees, indemnities, letters of comfort or commitment either for themselves or on behalf of its respective affiliates or associates or any third party, or sell, transfer, alienate, charge, mortgage or encumber or deal in any of its properties/assets, except:

(a) when the same is expressly provided in this Scheme; or

(b) when the same is in the ordinary course of business; or

(c) when written consent of the Resulting Company has been obtained in this regard.

15.1.2 The Demerged Company with respect to Oil and Gas Services Undertaking shall not undertake (i) any material decision in relation to its business and affairs and operations other than that in the ordinary course of business; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and (iii) any new business, or discontinue any existing business or change the capacity of facilities other than that in the ordinary course of business, except with the written concurrence of the Resulting Company.

15.1.3 The Demerged Company with respect to Oil and Gas Services Undertaking shall not vary the terms and conditions of employment of any of its employees, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken except with the written concurrence of the Resulting Company.

15.1.4 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business of

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the Oil and Gas Services Undertaking and to give effect to the Scheme.

15.2 For the purpose of giving effect to the order passed under Sections 230 to 232 read with Section 66 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Oil and Gas Services Undertaking, in accordance with the provisions of Sections 230 to 232 read with Section 66 of the Act. The Resulting Company shall always be deemed to have been authorized to execute any pleadings, applications, forms, etc., as may be required to remove any difficulties and facilitate and carry out any formalities or compliances as are necessary for the implementation of this Scheme. For the purpose of giving effect to the vesting order passed under Section 232 of the Act in respect of this Scheme, the Resulting Company shall be entitled to exercise all rights and privileges, and be liable to pay all taxes and charges and fulfil all its obligations, in relation to or applicable to all immovable properties, including mutation and/ or substitution of the ownership or the title to, or interest in the immovable properties which shall be made and duly recorded by the Appropriate Authority(ies) in favour of the Resulting Company as the case may be pursuant to the sanction of the Scheme by the Tribunal and upon the effectiveness of this Scheme in accordance with the terms hereof, without any further act or deed to be done or executed by the Resulting Company as the case may be. It is clarified that the Resulting Company shall be entitled to engage in such correspondence and make such representations, as may be necessary, for the purposes of the aforesaid mutation and/ or substitution.

16. FACILITATION PROVISIONS

16.1 It is clarified that approval of the Scheme by the shareholders of Demerged Company and Resulting Company under sections 230 to 232 read with Section 66 of the Act shall be deemed to be their approval under Section 188 and other applicable provisions of the Act and Regulation 23 and other applicable regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that no separate approval of the Board or audit committee or shareholders shall be required to be sought by the Demerged Company or Resulting Company.

16.2 It is clarified that all guarantees provided by the Demerged Company in respect of the Oil and Gas Services Undertaking shall be valid and subsisting till adequate arrangements/ guarantees have been provided in respect of the same by the Resulting Company.

17. PROPERTY IN TRUST

17.1 Notwithstanding anything contained in this Scheme, upon the Scheme coming into effect, until any property, asset, license, approval, permission, contract, agreement and rights and benefits arising therefrom and pertaining to the Oil and Gas Services Undertaking are transferred, vested, recorded, effected and/ or perfected, in the records of the Appropriate Authority(ies), regulatory bodies or otherwise, in favour of the Resulting Company, the Resulting Company shall be deemed to be authorized to enjoy the property,

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asset or the rights and benefits arising from the license, approval, permission, contract or agreement as if it were the owner of the property or asset or as if it were the original party to the license, approval, permission, contract or agreement. It is clarified that till entry is made in the records of the Appropriate Authority(ies) and till such time as may be mutually agreed by the Demerged Company and the Resulting Company, the Demerged Company will continue to hold the property and / or the asset, license, permission, approval, as the case may be, in trust on behalf of the Resulting Company.

18. APPLICATIONS/ PETITIONS TO THE TRIBUNAL

18.1 The Companies shall dispatch, make and file all applications and petitions under Sections 230 to 232 read with Section 66 and other applicable provisions of the Act before the Tribunal for sanction of this Scheme under the provisions of Applicable Law, and shall apply for such approvals as may be required under Applicable Law.

18.2 The Companies shall be entitled, pending the sanction of the Scheme, to apply to any Appropriate Authority, if required, under any Applicable Law for such consents and approvals which the Demerged Company and Resulting Company may require to own the assets and/ or liabilities of the Oil and Gas Services Undertaking, as the case may be, and to carry on the business of the Oil and Gas Services Undertaking, as the case may be.

19. MODIFICATION OR AMENDMENTS TO THIS SCHEME

19.1 On behalf of the Demerged Company and the Resulting Company, the Board of the respective companies acting themselves or through authorized persons, may consent jointly but not individually, on behalf of all persons concerned, to any modifications or amendments of this Scheme at any time and for any reason whatsoever, or to any conditions or limitations that the Tribunal or any other Appropriate Authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by all of them (i.e. the Boards of the Demerged Company and the Resulting Company) and solve all difficulties that may arise for carrying out this Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

19.2 For the purpose of giving effect to this Scheme or to any modification thereof the Boards of the Demerged Company and the Resulting Company acting themselves or through authorized persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on both Companies, in the same manner as if the same were specifically incorporated in this Scheme. It is clarified that individual companies acting themselves or through authorized persons may individually approach the Tribunal or any other Appropriate Authority to seek clarifications for implementation of the Scheme.

19.3 It is clarified that if any modifications are required post satisfaction of the conditions precedent mentioned in Clause 20 and the Scheme having been made effective, the Effective Date shall not be affected by any such

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modifications that might be required to be made and the Effective Date for such modified Scheme shall be same as the date on which Scheme was made effective prior to the modifications.

20. CONDITIONS PRECEDENT

20.1 Unless otherwise decided (or waived) by the Demerged Company and/or the Resulting Company, the Scheme is conditional upon and subject to the following conditions precedent:

20.1.1 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;

20.1.2 approval of the Scheme by requisite majority of each class of shareholders and creditors of the Demerged Company and the Resulting Company as may be required under the Act and as may be directed by the Tribunal;

20.1.3 the Demerged Company complying with provisions of the SEBI Circular, including seeking approval of the shareholders of the Demerged Company through e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders, of the Demerged Company, against it as required under the SEBI Circulars. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;

20.1.4 the sanction and order of the Tribunal, under Sections 230 to 232 read with Section 66 of the Act being obtained by the Demerged Company and the Resulting Company;

20.1.5 certified/ authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the RoC;

20.1.6 such approvals and sanctions including sanction of any Appropriate Authority, if any, as may be required by Applicable Law in respect of the Scheme, being obtained.

20.2 Without prejudice to Clause 20.1 and subject to the satisfaction or waiver of the conditions mentioned in Clause 20.1 above, the Scheme shall be made effective in the order as contemplated below:

20.2.1 Part B of the Scheme shall be made effective subject to the satisfaction or waiver of conditions mentioned in Clause 20.1;

20.2.2 Part C of the Scheme shall be made effective simultaneously with the implementation of Part B of the Scheme.

20.3 On the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company and such other classes of persons of the said Companies, if any, pursuant to Clause 20.1, such shareholders and

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classes of persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise, to the extent applicable, in relation to the demerger and capital reduction set out in this Scheme and related matters and to this Scheme itself.

21. EFFECT OF NON-RECEIPT OF PERMITS AND MATTERS RELATING TO REVOCATION/ WITHDRAWAL OF THIS SCHEME

21.1 The Demerged Company and the Resulting Company acting through their respective Boards shall each be at liberty to withdraw from this Scheme: (a) in case any condition or alteration imposed by any Appropriate Authority is unacceptable to any of them; or (b) they are of the view that coming into effect of the respective parts to this Scheme could have adverse implications on the respective companies.

21.2 If this Scheme is not effective within such period as may be mutually agreed upon between the Demerged Company and the Resulting Company through their respective Boards or their authorised representative, this Scheme shall become null and void and each Company shall bear and pay its respective costs, charges and expenses for and/ or in connection with this Scheme.

22. RECONSTRUCTION OF ACCOUNTS

Upon coming into effect of this Scheme, the accounts of the Demerged Company and Resulting Company, as and from the Appointed Date, shall be reconstructed in accordance with and pursuant to the terms of this Scheme.

23. TAXES

23.1 Resulting Company will be the successor of the Demerged Company vis-à-vis the Oil and Gas Services Undertaking. Hence, it will be deemed that the benefits of any tax credits, whether, central, state, or local, availed vis-à-vis the Oil and Gas Services Undertaking and the obligations, if any, for the payment of taxes relating to the Oil and Gas Services Undertaking shall be deemed to have been availed by Resulting Company, or as the case may be, deemed to be the obligation of Resulting Company.

23.2 All taxes (including income tax, goods and service tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Demerged Company in respect of the operations and/or profits of the Oil and Gas Services Undertaking before the Appointed Date, shall be on account of the Demerged Company and, in so far as it relates to the tax payment (including income tax, goods and service tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) by the Demerged Company in respect of the profits or activities or operations of Oil and Gas Services Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company (except as specifically provided in relation to the Remaining Business) and shall, in all proceedings, be dealt with accordingly.

23.3 Upon coming into effect of this Scheme, the Demerged Company and Resulting Company shall file / revise their income tax returns, TDS certificates, TDS returns, and other statutory returns, if required, and shall have the right to claim refunds, credit of tax deducted at source, credit of

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foreign taxes paid/withheld, etc., if any (except as specifically provided in relation to the Remaining Business), as may be required consequent to implementation of this Scheme. Such returns shall be filed based on reconstructed accounts, as mentioned in Clause 22 above, drawn up with effect from Appointed Date and any tax including Minimum Alternate Tax shall be computed accordingly. Further, the Demerged Company and Resulting Company shall have the right to revise and file the aforesaid returns, notwithstanding that the statutory period for such revision and filing may have expired.

24. COSTS

24.1 Subject to Clause 21 above, all costs, charges, levies and expenses (including, but not limited to, stamp duty, etc.) in relation to or in connection with the Scheme and incidental to the completion of the Scheme and of carrying out the terms of this Scheme shall be borne as mutually agreed by the Board of Directors of Demerged Company and Resulting Company.

For, Deep Industries Ltd.

Company Secretary