

IN THE HIGH COURT OF GUJARAT AT AHMEDABAD
ORIGINAL JURISDICTION
COMPANY APPLICATION NO. 376 OF 2015

In the matter of Scheme of Arrangement under Sections 391 to 394 read with Sections 100 to 103 of the Companies Act, 1956;

AND

In the matter of Deep Industries Limited.

A 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;

AND

In the matter of Scheme of Arrangement in the nature of amalgamation and restructure of share capital between Deep Industries Limited and Kanvel Finance Private Limited and Kanvel Oil and Gas Private Limited and Prabhavati Properties Private Limited and Savla Enterprise Private Limited and Yash Organochem Private Limited and their respective shareholders and creditors.

Deep Industries Limited.

A 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.....Applicant
Transferee Company

NOTICE CONVENING THE MEETING OF THE SECURED CREDITORS

To,
The Secured Creditors of Deep Industries Limited

TAKE NOTICE that by an Order made on 9th December, 2015, the High Court of Gujarat has directed that a meeting of the Secured Creditors of Deep Industries Limited, the Applicant Company, be convened and held on Wednesday, the 20th day of January, 2016 at 11:30 a.m., at Hotel Planet Landmark, Ambli - Bopal Road, Off. S.G. Road, Ahmedabad - 380058, in the state of Gujarat, for the purpose of considering, and if thought fit, approving, with or without modification(s), the proposed Scheme of Arrangement in the nature of amalgamation of Kanvel Finance Private Limited, Kanvel

Oil and Gas Private Limited, Prabhavati Properties Private Limited, Savla Enterprise Private Limited and Yash Organochem Private Limited with Deep Industries Limited and restructure of share capital of Deep Industries Limited; as proposed between the company and its shareholders and creditors.

TAKE FURHTER NOTICE that in pursuance of the said Order, and as directed therein a meeting of the Secured Creditors of the Applicant Company will be convened and held on Wednesday, the 20th day of January, 2016 at 11:30 a.m., at Hotel Planet Landmark, Ambli - Bopal Road, Off. S.G. Road, Ahmedabad - 380058, in the state of Gujarat, when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting by proxy, provided that the proxy in the prescribed form duly signed by you or by your authorized representative is deposited at the Registered Office of the Applicant Company at Ahmedabad, not later than forty-eight hours before the meeting.

The Hon'ble High Court of Gujarat at Ahmedabad has appointed Mr. Paras Savla, the Chairman and Managing Director of the Applicant Company, and failing him Mr. Rupesh Savla, the Managing Director of the Applicant Company, as Chairman of the said Meeting.

A copy of each of the Scheme of Arrangement, the Explanatory Statement under Section 393 of the Companies Act, 1956, Form of Proxy and Attendance Slip are enclosed.

Mr. Paras Savla
Chairman appointed for the meeting

Dated: 16th Day of December 2015

Registered Office:

12A and 14,
Abhishree Corporate Park,
Ambli Bopal Road,
Ambli, Ahmedabad – 380058,
Gujarat, India.

Note:

1. The said meeting can be attended either by an Authorised Representative or by Proxy appointed by the creditor.

EXPLANATORY STATEMENT UNDER SECTIONS 393(1)(a) of THE COMPANIES ACT, 1956 AND SECTION 102 OF THE COMPANIES ACT, 2013 TO THE NOTICE OF THE COURT CONVENED MEETING OF THE SECURED CREDITORS OF DEEP INDUSTRIES LIMITED

1. Pursuant to the order dated 9 December 2015 passed by the Hon'ble High Court of Gujarat at Ahmedabad, in the Company Application referred to hereinabove meeting of Secured Creditors of Deep Industries Limited, the applicant company is being convened and held at Hotel Planet Landmark, Ambli Bopal Road, Off S.G. Road, Ahmedabad - 380058 in the state of Gujarat on Wednesday, the 20th day of January 2016 at 11.30 a.m., for the purpose of considering and, if thought fit, approving with or without modification(s), the arrangement embodied in the scheme of Arrangement in the nature of Amalgamation and restructure of share capital between Deep Industries Limited, Kanvel Finance Private Limited, Kanvel Oil and Gas Private Limited, Prabhavati Properties Private Limited, Savla Enterprise Private Limited and Yash Organochem Private Limited and their respective shareholders and creditors. Notice of the said meetings together with the copy of the Scheme of Arrangement is sent herewith. This statement explaining the terms of the scheme of arrangement is being furnished as required under section 393(1)(a) of the Companies Act, 1956.

2. A copy of the Scheme setting out in detail the terms and conditions of the proposed Scheme which has been approved by the Board of Directors of the Company is enclosed herewith.

3. Background of Deep Industries Limited

(a) Deep Industries Limited, the Transferee Company was incorporated on January 1, 1991 in the name and style of Deep Roadways Private Limited under the provisions of Companies Act, 1956 with the Office of Registrar of Companies, Gujarat. Subsequently, the name was changed to Deep Industries Private Limited and the word Private was deleted by 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.

(b) The registered office of the company is situated at 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058 in the state of Gujarat.

(c) The objects for which the Company has been established are set out in its Memorandum of Association. The Company is primarily engaged in oil and gas exploration activities with business interest in air and natural gas compression services, work over and drilling rig services as well as oil and gas exploration and production.

(d) The Share Capital of the Transferee Company as per the latest Audited Balance Sheet as on 31st March, 2015 is as under:

Share Capital	Amount (in Rs.)
<u>Authorised Share Capital</u> 3,50,00,000 equity shares of Rs.10/- each	35,00,00,000
TOTAL	35,00,00,000
<u>Issued Subscribed and Paid Up share capital</u> 2,92,00,000 equity shares of Rs.10/- each	29,20,00,000
TOTAL	29,20,00,000

Subsequently, the authorized capital of the Company was increased from Rs.35,00,00,000 to Rs.43,00,00,000 by way of special resolution passed at Extraordinary General Meeting of the company held on 23rd October, 2015.

- (e) The Transferee Company is a public limited company and its shares are listed at the BSE Limited and National Stock Exchange of India Limited. The revenue from operations of the company for the financial year ended on 31st March 2015 has been Rs.101 crores (approx.) and the net profit has been nearly Rs.21 crores. The company has built up reserves and surplus of nearly Rs.190 crores. Thus, it is a profit making and dividend paying company with bright future prospects.

4. Background of the Transferor Companies

- 4.1 (a) Kanvel Finance Private Limited (KFPL) was incorporated on 3rd January, 1995 under the provisions of Companies Act, 1956 with the Office of Registrar of Companies, Gujarat. The registered office of the company is situated at 13, Krishna Society, Opp. Ellisbridge Gymkhana, Ellisbridge, Ahmedabad – 380006 in the state of Gujarat. The objects for which KFPL has been established are set out in its Memorandum of Association. It acts as an investment company and holds part of the shares of Deep Industries Limited. It is a profit making company.

- (b) The Share Capital of the Applicant Transferor Company as on 31st March 2015 is as under:

Share Capital	Amount (in Rs.)
<u>Authorized Share Capital</u> 47,50,000 equity shares of Rs.10 each	4,75,00,000
TOTAL	4,75,00,000
<u>Issued, subscribed and paid-up Share Capital</u> 47,10,560 equity shares of Rs.10 each	4,71,05,600
TOTAL	4,71,05,600

- 4.2 (a) Kanvel Oil and Gas Private Limited (KOGPL) was incorporated on 1st October, 2009 under the provisions of Companies Act, 1956 with the Office of Registrar of Companies, Gujarat. The registered office of the company is situated at 13, Krishna Society, Opp. Ellisbridge Gymkhana, Ellisbridge, Ahmedabad – 380006 in the state of Gujarat. The objects for which KOGPL has been established are set out in its Memorandum of Association. It is a wholly owned subsidiary of Kanvel Finance Private Limited, one of the Transferor companies. The company has nominal accumulated losses as on 31st March 2015.

- (b) The share capital of KOGPL as on 31st March 2015 is as under:

Share Capital	Amount (in Rs.)
<u>Authorized Share Capital</u> 10,000 equity shares of Rs.10 each	1,00,000
TOTAL	1,00,000
<u>Issued, subscribed and paid-up Share Capital</u> 10,000 equity shares of Rs.10 each	1,00,000
TOTAL	1,00,000

- 4.3 (a) Prabhavati Properties Private Limited (PPPL) was incorporated on 24th March, 2004 in the name and style of Prabhavati Properties Limited under the provisions of Companies Act, 1956 with the Office of Registrar of Companies, Gujarat. The company became a Private Limited Company with effect from 28th April, 2008. The registered office of the company is situated at 6th floor, Astron Tower, Opp. Fun Republic Cinema, Satellite, Ahmedabad – 380015 in the state of Gujarat. The objects for which PPPL has been established are set out in its Memorandum of Association. It was incorporated to undertake the business of leasing of land, properties and buildings. Presently, it holds shares of Deep Industries Limited. Although the company has made some losses during the financial year ended on

31st March 2015, it has built up reserves and surplus of Rs.11.26 crores as on 31st March 2015.

(b) The share capital of PPPL as on 31st March 2015 is as under:

Share Capital	Amount (in Rs.)
<u>Authorised Share Capital</u> 13,06,340 equity shares of Rs.10/- each	1,30,63,400
TOTAL	1,30,63,400
<u>Issued, Subscribed and Paid-up share capital</u> 13,06,340 equity shares of Rs.10/- each	1,30,63,400
TOTAL	1,30,63,400

4.4 (a) Savla Enterprise Private Limited (SEPL) was incorporated on 2nd April, 1985 in the name and style of Savla Electronics Private Limited under the provisions of Companies Act, 1956 with the Office of Registrar of Companies, Gujarat. Subsequently, its name was changed to Savla Enterprise Private Limited with effect from 1st August, 2008. The registered office of SEPL is situate at 601, 6th floor, Astron Tower, Opp. Fun Republic Cinema, Satellite, Ahmedabad - 380015 in the state of Gujarat. The objects for which SEPL has been established are set out in its Memorandum of Association. It was incorporated to engage in the business of manufacturing and trading of electronic goods. Presently it holds shares of Deep Industries Limited, the Transferee Company. Although it has made some losses during the last financial year ended on 31st March 2015, the company has built up reserves and surplus of Rs.1.88 crores as on 31st March 2015.

(b) The Share Capital of SEPL as on 31st March 2015 is as under:

Share Capital	Amount (in Rs.)
<u>Authorised Share Capital</u> 3,00,000 equity shares of Rs.100/- each 3,00,000 preference shares of Rs.100/- each	3,00,00,000 3,00,00,000
TOTAL	6,00,00,000
<u>Issued, Subscribed and Paid-up share capital</u> 2,93,128 equity shares of Rs.100/- each 2,78,000 preference shares of Rs.100/- each	2,93,12,800 2,78,00,000
TOTAL	5,71,12,800

4.5 (a) Yash Organochem Private Limited (YOPL) was incorporated on 24th August, 1999 under the provisions of Companies Act, 1956 with the Office of Registrar of Companies, Gujarat. The registered office of the company is situate at 6th Floor, Astron Tower, Opp. Iscon Temple, Gandhinagar Sarkhej Highway, Ahmedabad – 380015 in the state of Gujarat. The objects for which YOPL has been established are set out in its Memorandum of Association. It was incorporated to undertake commercial activities of oil exploration and allied activities. Presently it holds shares of Deep Industries Limited, the Transferee Company. It is a profit making company.

(b) The Share Capital of YOPL as on 31st March 2015 is as under:

Share Capital	Amount (in Rs.)
<u>Authorised Share Capital</u> 20,00,000 equity shares of Rs.10/- each 22,00,000 preference shares of Rs.10/- each	2,00,00,000 2,20,00,000
TOTAL	4,20,00,000
<u>Issued, Subscribed and Paid-up share capital</u> 16,77,700 equity shares of Rs. 10/- each fully paid up 21,50,000 preference shares of Rs.10/- each	1,67,77,000

	2,15,00,000
TOTAL	3,82,77,000

5. Rationale:

All the companies belong to the same group of management. Four of the Transferor Companies hold some part of the paid up share capital of the Transferee Company and have been declared to be the promoter companies in terms of the listing agreement by the Deep Industries, the Transferee Company. With a view to make the current holding structure more efficient, the Board of Directors of the Transferee Company thought it appropriate to streamline the current holding of the promoters in the Company. As a step towards such rationalization, it has been decided to merge the group companies with the Transferee Company. It is envisaged that the proposed re-organization would *interalia* achieve the following advantages:

- i) Streamlining the current organization structure;
- ii) Reduction in managerial overlaps due to operation of multiple entities
- iii) More focused leadership and enhanced management attention;
- iv) Reduction in multiplicity of legal and regulatory compliances, reduction in overheads including administrative, managerial and other expenditure;
- v) Consolidation of group's investments, operations and business;
- vi) Increase in organizational efficiency and optimal utilization of resources; and
- vii) Achieving cost savings from more focused operational efforts, efficient administration, rationalization, standardization and simplification of business processes.

6. Restructure of Share Capital:

As a consequence of the amalgamation of the Transferor Companies with Deep Industries, there will be cancellation of the shares of Deep Industries as held by the Transferor Companies and shall result in the consequential reduction of the Paid up Share Capital of Deep Industries. However, considering the issue of new shares to the shareholders of these Transferor Companies as envisaged in Clause 10 of the Scheme, there shall not be any net reduction in the share capital of Deep Industries.

7. Salient Features of the Scheme:

“1. DEFINITIONS

- 1.2 **“Appointed Date”** means the 1st day of April, 2015 or such other date as may be approved by the High Court of Gujarat or any other appropriate authority.
- 1.5 **“Effective Date”** means the last of the date on which the conditions specified in Clause 19 of this Scheme are fulfilled with respect to a particular Part of 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.
- 1.10 **“Undertakings of Transferor Companies”** shall collectively mean the Undertaking of KFPL, Undertaking of KOGPL, Undertaking of PPPL, Undertaking of SEPL and Undertaking of YOPL, and shall include (without limitation) its entire business including:
 - (a) All the assets and properties of the Transferor Companies including, without limitation, offices, plant and machineries, equipment, interests, capital work-in-progress, installations, appliances, tools, accessories, freehold, leasehold and any other title, interests or right in such immovable assets, buildings and structures, offices, furniture, fixtures, office equipment, computers and all stocks on the Appointed Date;
 - (b) All the debts, liabilities, duties and obligations of the Transferor Companies as on the Appointed Date both present and future, whether provided for or not in the books of accounts or disclosed in the balance sheet, whether secured or unsecured, all guarantees, assurances, commitments and obligations of any kind, nature or description, whether fixed, contingent or absolute, asserted or unasserted, matured or unmatured, liquidated or unliquidated, accrued or not accrued, known or unknown, due or to become due, whenever or however arising pertaining to Transferor Companies;

- (c) Without prejudice to the generality of sub-clause (a) and (b) above, the Undertakings of the Transferor Companies shall include
- i. all movable and immovable properties, reserves, assets, including leasehold rights, tenancy rights, industrial and other licenses, registrations, permits, authorisations, 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 of the Transferor Companies;
 - ii. all current assets including inventories, sundry debtors, receivables, cash and bank accounts (including bank balances), fixed deposits, loans and advances, actionable claims, bills of exchanges and debit notes of the Transferor Companies;
 - iii. all agreements, contracts, arrangements, understandings, engagements, deeds and instruments including lease/license agreements, tenancy rights, equipment purchase agreements, and other agreements with the customers, purchase and other agreements/contracts with the supplier/manufacturer of goods/ service providers and all rights, title, interests, claims and benefits there under of the Transferor Companies;
 - iv. all application monies, advance monies, earnest monies and/or security deposits paid or deemed to have been paid and payments against other entitlements of the Transferor Companies;
 - v. all intellectual property rights (including applications for registrations of the same and the right to use such intellectual property rights), trade and service names and marks, patents, copyrights, and other intellectual property rights of any nature whatsoever, trade secrets, confidential information, domain names, books, records, files, papers, software licences (whether proprietary or otherwise), data, and all other records and documents, whether in physical or electronic form relating to the business activities and operations of the Transferor Companies; and
 - vi. all employees of the Transferor Companies.

4. TRANSFER AND VESTING OF UNDERTAKING OF TRANSFEROR COMPANIES

4.1 Upon the coming into effect of this Scheme, and with effect from the Appointed Date, and subject to the provisions of the Scheme in relation to the mode of transfer and vesting, the Undertaking of Transferor Companies shall, without any further act, instrument or deed, be and stand transferred to and vested in and/or be deemed to have been transferred to and vested in Transferee Company as a going concern so as to become on and from the Appointed Date, the estate, assets, rights, title, interests and authorities of Transferee Company, pursuant to Section 394 of the Act.

- (i) All assets and properties of Transferor Companies as are movable in nature or incorporeal property or are otherwise capable of transfer by delivery or possession or by endorsement and/or delivery, the same shall stand so transferred by Transferor Companies upon the coming into effect of this Scheme, to the end and intent that the property therein passes to Transferee Company and shall, become the assets and property of Transferee Company with effect from the Appointed Date pursuant to the provisions of Section 394 of the Act, without requiring any deed or instrument of conveyance for transfer of the same. However, the said transfer shall be subject to the necessary payment of applicable stamp duties;
- (ii) In respect of other assets pertaining to Transferor Companies including 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 and bodies and customers, the Transferee Company, may issue notices stating that, pursuant to this Scheme, the relevant debt, loan, advance, deposit or other asset, be paid or made good to, or be held on account of, Transferee Company as the person

entitled thereto, to the end and intent that the right of Transferor Companies to receive, recover or realize the same, stands transferred to Transferee Company and that appropriate entries should be passed in their respective books to record the aforesaid changes;

- (iii) any and all immovable properties (including land together with the buildings and structures standing thereon) of Transferor Companies, whether freehold or leasehold and any documents of title, rights and easements in relation thereto shall stand transferred to and be vested in Transferee Company, without any act or deed done by the Transferor Companies or the Transferee Company. With effect from the Appointed Date, Transferee Company shall be entitled to exercise all rights and privileges and be liable to pay ground rent, municipal taxes and fulfil all obligations, in relation to or applicable to such immovable properties. The mutation of title to the immovable properties in the name of Transferee Company shall be made and duly recorded by the appropriate authorities pursuant to the sanction of this Scheme by the High Court and this Scheme being effective in accordance with the terms hereof without any further act or deed on part of the Transferee Company;
- (iv) In respect of such of the assets belonging to Transferor Companies other than those referred to in sub-Clauses (i) to (iii), the same shall be transferred to and vested in and/or be deemed to be transferred to and vested in Transferee Company on the Appointed Date pursuant to the provisions of Section 394 of the Act.

- 4.2 All permits, approvals, consents, quotas, rights, authorisations, entitlements, registrations, no-objection certificates and licences, including those relating to tenancies, privileges, powers and facilities of every kind and description of whatsoever nature, to which the Transferor Companies are a party or to the benefit of which the Transferor Companies may be entitled to use or which may be required to carry on the operations of the Transferor Companies, and which is subsisting or in effect immediately prior to the Effective Date, shall be, and remain, in full force and effect in favour of or against the Transferee Company and may be enforced as fully and effectually as if, instead of Transferor Companies, Transferee Company had been a party, a beneficiary or an obligee thereto and shall be appropriately mutated by the relevant statutory authorities in favour of the Transferee Company in accordance with law.
- 4.3 The entitlement to various benefits under incentive schemes and policies in relation to the Undertaking of Transferor Companies shall stand transferred to and be vested in and/or be deemed to have been transferred to and vested in Transferee Company together with all benefits, entitlements and incentives of any nature whatsoever. Such entitlements shall include incentives available under applicable laws in relation to the Undertaking of Transferor Companies to be claimed by Transferee Company with effect from the Appointed Date as if Transferee Company was originally entitled to all such benefits under such incentive scheme and/or policies, subject to continued compliance by Transferee Companies of all the terms and conditions subject to which the benefits under such incentive schemes were made available to Transferor Companies.
- 4.4 Transferee Company, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required under any law or otherwise, execute deeds, writings, confirmations or notices with, or in favour of, any other party to any contract or arrangement to which Transferor Companies is the party or any writings as may be necessary to be executed in order to give formal effect to the provisions of the Scheme. Transferee Company shall, under the provisions of this Scheme, be deemed to be authorised to execute any such writings on behalf of Transferor Companies and to implement or carry out all such formalities or compliance referred to above for and on behalf of Transferor Companies.
- 4.5 Upon the coming into effect of this Scheme and with effect from the Appointed Date, all liabilities, including, without limitation, all secured and unsecured debts

(whether in Indian rupees or foreign currency), sundry creditors, contingent liabilities, duties, obligations and Undertakings of Transferor Companies, of every kind, nature and description whatsoever and howsoever arising, raised, incurred or utilised for their business activities and operations, shall, pursuant to the sanction of this Scheme by the High Court and under the provisions of Sections 391 to 394 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, Transferee Company, and such liabilities shall be assumed by 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 liabilities, debts, duties and obligations of Transferee Company on the same terms and conditions as were applicable to Transferor Companies, and 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.

- 4.6 All debts, liabilities, duties and obligations of Transferor Companies shall, as on the Appointed Date, whether or not provided in the books of Transferor Companies, and all debts and loans raised and used, and duties, liabilities and obligations incurred or which arise or accrue to Transferor Companies on or after the Appointed Date till the Effective Date shall be deemed to be and shall become the debts, loans raised and used, duties, liabilities and obligations incurred by Transferee Company by virtue of this Scheme.
- 4.7 Where any such debts, liabilities, duties and obligations of Transferor Companies as on the Appointed Date have been discharged by Transferor Companies on or after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to be for and on account of Transferee Company upon the coming into effect of this Scheme.
- 4.8 All loans raised and utilised and all liabilities, duties and obligations incurred or undertaken by Transferor Companies on or after the Appointed Date and prior to the Effective Date shall be deemed to have been raised, used, incurred or undertaken for and on behalf of Transferee Company and to the extent they are outstanding on the Effective Date, shall, upon the coming into effect of this Scheme and under the provisions of Sections 391 to 394 of the Act, without any further act, instrument or deed be and stand transferred to and vested in and be deemed to have been transferred to and vested in Transferee Company and shall become the loans and liabilities, duties and obligations of Transferee Company which shall meet, discharge and satisfy the same.

5. LEGAL PROCEEDINGS

- 5.1 All suits, actions, and other proceedings including legal and taxation proceedings (including before any statutory or quasi-judicial authority or tribunal) of whatsoever nature by or against the Transferor Companies pending and/or arising before the Effective Date, shall not abate or be discontinued or be in any way prejudicially affected by reason of the Scheme or by anything contained in this Scheme but shall be continued and enforced by or against Transferee Company, as the case may be in the same manner and to the same extent as would or might have been continued and enforced by or against Transferor Companies.
- 5.2 Transferee Company shall have all legal or other proceedings initiated by or against Transferor Companies transferred into its name and to have the same continued, prosecuted and enforced by or against Transferee Company.

10. CONSIDERATION

10.1 Upon this Scheme becoming effective, Transferee Company shall without any further application or deed, issue and allot equity shares, credited as fully paid-up, to the extent indicated below to the shareholders of Transferor Companies holding shares in the Transferor Companies and whose name appear in the Register of Members on the Record Date or to such of their respective heirs, executors, administrators or other legal representatives or other successors in title as may be recognized by the respective Board of Directors in the following proportion:

- (a) 45,91,080 fully paid up Equity Shares of Rs.10/- each of Transferee Company shall be issued and allotted to all the shareholders of KFPL collectively, in the proportion to the number of shares held by them in KFPL against 45,91,080 Equity Shares held by KFPL in Transferee Company;
- (b) Since KOGPL is a wholly owned subsidiary of KFPL, upon amalgamation of KFPL with Transferee Company, KOGPL shall become a wholly owned subsidiary of Transferee Company. Consequently, upon amalgamation of KOGPL with Transferee Company, no equity shares of the Transferee Company shall be issued and allotted by the Transferee Company.
- (c) 22,82,500 fully paid up Equity Shares of Rs. 10/- each of Transferee Company shall be issued and allotted to all the shareholders of PPPL collectively, in the proportion to the number of shares held by them in PPPL against 22,82,500 Equity Shares held by PPPL in Transferee Company;
- (d) 31,21,000 fully paid up Equity Shares of Rs. 10/- each of Transferee Company shall be issued and allotted to all the shareholders of SEPL collectively, in the proportion to the number of shares held by them in SEPL against 31,21,000 Equity Shares held by SEPL in Transferee Company;
- (e) 12,63,500 fully paid up Equity Shares of Rs. 10/- each of Transferee Company shall be issued and allotted to all the shareholders of YOPL collectively, in the proportion to the number of shares held by them in YOPL against 12,63,500 Equity Shares held by YOPL in Transferee Company.

It is clarified that any positive net assets of the Transferor Companies as on the Appointed Date including all taxes paid and/or refunds/credits/claims receivable by the Transferor Companies, net of any adjustment(s) of any demand or liability thereof, if any, in respect of period prior to the Appointed Date, other than investment in the shares of Transferee Company, will not affect/alter the share exchange ratio as provided above and shall be treated as the asset or refunds/credit/claims, as the case may be, of the Transferee Company.

10.2 The equity shares to be allotted pursuant to Clause 10.1 shall rank *pari-passu* with the existing equity shares of Transferee Company subject to other provisions of this Scheme.

10.3 In case any equity shareholder / preference shareholder of Transferor Companies becomes entitled to a fraction of an equity share of the Transferee Company, Transferee Company shall not issue fractional share certificates to such shareholder but shall instead consolidate all such fractional entitlements and allot new equity shares in lieu thereof to a director or an officer of Transferee Company or such other person(s) as the Board of Directors of Transferee Company shall appoint in this regard who shall hold the new equity shares in trust on behalf of the equity shareholders entitled to such fractional entitlements with express understanding that such director or officer or person(s) shall sell the same in the market at such time or times and at such price or prices and to such person or persons, as it/he/they may deem fit, and pay to Transferee Company, the net sale proceeds thereof. Thereupon, Transferee Company shall distribute the net sale proceeds, after deduction of applicable taxes/duties/levies, if any, to the equity shareholders / preference shareholders entitled in proportion to their respective fractional entitlements. In case the number of such new shares to be allotted to the director or officer or person(s) by virtue of consolidation of fractional entitlements is a fraction, one additional equity share will be issued in Transferee Company to such director or officer or person(s).

- 10.4 Upon Scheme being effective and on allotment of new shares by Transferee Company, the share certificates representing shares held by KFPL, PPPL, SEPL and YOPL in the Transferee Company shall automatically stand cancelled.
- 10.5 The shares shall be issued by Transferee Company in dematerialized form to the shareholders, unless otherwise communicated by the shareholders.
- 10.6 The shares to be issued by the Transferee Company shall be subject to the Scheme and the Memorandum and Articles of Association of Transferee Company.
- 10.7 The Transferee Company shall, if necessary and to the extent required, increase its Authorized Share Capital to facilitate issue of shares under this Scheme.
- 10.8 The shares issued by Transferee Company pursuant to clause 10.1 of the Scheme to the shareholders of Transferee Company in lieu of the locked-in shares held by PPPL, SEPL and YOPL in the Transferee Company shall be subjected to lock-in for the balance lock-in period till May 27, 2017.
- 10.9 Where the new equity shares by Transferee Company are to be allotted, pursuant to clause 10.1 above, to heirs, executors or administrators or, as the case may be, to successors of deceased equity shareholders of Transferor Companies, the concerned heirs, executors, administrators or successors shall be obliged to produce evidence of title satisfactory to the Board of Directors of Transferee Company.
- 10.10 Approval of this Scheme by the equity shareholders of the Transferee Company shall be deemed to be the due compliance of the provisions of Sections 62 and 42 of the Companies Act, 2013 and other relevant and applicable provisions of the Act and Companies Act, 2013 for the issue and allotment of the new equity shares by the Transferee Company to the equity shareholders of Transferor Companies, as provided in this Scheme.
- 10.11 The new equity shares to be issued by the Transferee Company, in terms of clause 10.1 above, will be listed and/or admitted to trading on the BSE and NSE where the equity shares of Transferee Company are already listed in terms of the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and other applicable regulations. The Transferee Company shall enter into such arrangements and give such confirmations and/or undertakings as may be necessary in accordance with the applicable laws or regulations for complying with the formalities of the aforesaid stock exchanges. On such formalities being fulfilled the said stock exchanges shall list and /or admit such new equity shares also for the purpose of trading. The new equity shares allotted by the by Transferee Company, pursuant to clause 10.1 above, shall remain frozen in the depositories system till the listing / trading permission is given by the BSE and NSE.
- 10.12 The Transferee Company shall comply with the relevant and applicable rules and regulation including provision of Foreign Exchange Management Act, 1999 (FEMA), and guidelines of Reserve Bank of India to the extent applicable, to enable it to issue shares pursuant to this Scheme.
- 11. CANCELLATION OF EQUITY SHARES OF TRANSFEE COMPANY HELD BY KFPL, PPPL, SEPL and YOPL**
- 11.1 On the Scheme becoming effective and with effect from the Appointed Date, the investment held by KFPL, PPPL, SEPL and YOPL in the equity share capital of Transferee Company shall stand cancelled. Accordingly, the share capital of Transferee Company shall stand reduced to the extent of Rs.11,25,80,800/- being the face value of the aggregate number of shares held by KFPL, PPPL, SEPL and YOPL in Transferee Company and so cancelled.

- 11.2 The cancellation, as mentioned under clause 11.1 above, amounts to reduction of share capital of the Transferee Company. However, it being consequential, shall be effected as an integral part of the Scheme itself in accordance with the provisions of Sections 100 to 103 of the Act. Since the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid-up share capital, the provisions of Section 101(2) of the Act are not applicable and the order of the High Court sanctioning the Scheme shall also be deemed to be an order under Section 102 of the Act confirming such reduction.
- 11.3 However, considering the face value of new shares to be issued to the shareholders of the Transferor Companies, pursuant to clause 10.1 of the scheme to the extent of Rs.11,25,80,800/- being equivalent to the value of the Capital Reduced as envisaged in clause 11.1, there will not be Net Reduction of Share Capital. Hence provisions of Section 100 of the Act shall not be applicable to the present scheme.
- 11.4 Notwithstanding the reduction as mentioned in clause 11.1 above and considering the consequential issue of shares to shareholders of Transferor Companies pursuant to clause 10.1 above, Transferee Company shall not be required to add “and reduced” as a suffix to its name and Transferee Company shall continue in its existing name.

12. ACCOUNTING TREATMENT IN THE BOOKS OF TRANSFEEE COMPANY

On the Scheme becoming effective and with effect from the Appointed Date, Transferee Company shall account for the amalgamation in its books as under:

- 12.1 In compliance with Accounting Standard-14, following the Purchase method of accounting, the assets and liabilities of Transferor Companies shall be recorded by Transferee Company in its books of accounts at their respective book values as appearing in the books of the Transferor Companies at the close of business on the day immediately preceding the Appointed Date;
- 12.2 The Transferee Company shall credit to the equity share capital account in its books of accounts, the aggregate face value of the equity shares issued and allotted under Clause 10.1 of the Scheme to equity shareholders / preference shareholders of the Transferor Companies;
- 12.3 Any inter-company payables, receivables (including loans and advances, etc.) and investments between Transferor Companies and Transferee Company shall be cancelled and Transferee Company shall not record any of such payables, receivables and investments in its books.
- 12.4 The difference being the value of net assets of Transferor Companies transferred to Transferee Company and face value of shares issued to the shareholders of Transferor Companies, after considering the adjustments mentioned in Clause 12.3 above shall be adjusted / recorded in Capital Reserve / Goodwill Account, as the case may be, of the Transferee Company.
- 12.5 Upon the Scheme being effective, the existing shareholding of KFPL, PPPL, SEPL and YOPL in Transferee Company shall stand cancelled as provided for in Clause 11.1 above. Upon cancellation, Transferee Company shall debit to its Equity Share Capital Account, the aggregate face value of existing equity shares held by KFPL, PPPL, SEPL and YOPL in Transferee Company which stands cancelled hereof.
- 12.6 If considered appropriate for the purpose of application of uniform accounting methods and policies between Transferor Companies and Transferee Company, Transferee Company may make suitable adjustments and reflect the effect thereof in the Capital Reserve / Goodwill of Transferee Company, as the case may be.

13. AGGREGATION OF AUTHORISED CAPITAL AND AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE TRANSFEREE COMPANY

13.1 As an integral part of the Scheme, and, upon the coming into effect of this Scheme, the Authorised Share Capital of Transferor Companies having the aggregate value of Rs.16,26,63,400 shall stand transferred to and be consolidated with the Authorised Share Capital of Transferee Company and that the Authorised Share Capital of Transferee Company shall automatically stand increased, without any further act, instrument or deed on the part of Transferee Company without any liability for payment of any stamp duty, fees and charges to the Registrar of Companies, Gujarat. For the purpose of the aforesaid increase in the Authorised Share Capital of Transferee Company, the Authorised share capital of Transferor Companies, without any further act, instrument or deed shall stand reclassified as consisting of only equity shares of Rs.10/- each. Consequently, upon the coming into effect of this Scheme, the Authorised Share Capital of Transferee Company shall be Rs.51,26,63,400/- (Rupees fifty one crores twenty six lacs sixty three thousand four hundred only) comprising of 5,12,66,340 (five crore twelve lacs sixty six thousand three hundred forty) equity shares of Rs.10/- (Rupees ten) each, without any further act or deed.

13.2 The Clause V of the Memorandum of Association of Transferee Company shall, upon the coming into effect of this Scheme and without any further act or deed, be replaced by the following Clause:

“The Authorised Share Capital of the Company is Rs. 51,26,63,400/- (Rupees fifty one crores twenty six lacs sixty three thousand four hundred only) divided into 5,12,66,340 (five crore twelve lacs sixty six thousand three hundred forty) equity shares of Rs.10/- (Rupees ten) each.”

13.3 Under the accepted principle of Single Window Clearance, it is hereby provided that the above referred amendment of the Memorandum of Association of the Transferee Company, viz. Change in the Capital Clause shall become operative on the scheme being effective by virtue of the fact that the shareholders of the Transferee Company, while approving the scheme as a whole, have approved and accorded the relevant consents as required respectively under sections 13 and 61 of the Companies Act, 2013 or any other provisions of the Act and shall not be required to pass separate resolutions as required under the Act.

16. WINDING UP OF TRANSFEROR COMPANIES

On and from the Effective Date, the Transferor Companies shall stand dissolved without being wound up pursuant to the provisions of Section 394 of the Act.”

The features set out above being only the salient features of the Scheme; the members are requested to read the entire text of the Scheme to get fully acquainted with the provisions thereof.

8. The abridged financial statements of Deep Industries for last three years are annexed to this Explanatory Statement.
9. The rights and interest of the members and the creditors of Deep Industries will not be prejudicially affected by the Scheme.
10. No investigation proceedings have been initiated or pending in relation to Deep Industries under Sections 235 to 250A of the Companies Act, 1956.
11. The financial position of Deep Industries will not be adversely affected by the Scheme. The financial position of the company will continue to remain strong and it will be able to meet and pay its debts as and when they arise in the ordinary course of business. The Net Worth Certificate confirming the same is available for inspection. Further, the rights and interests of the shareholders and creditors of Deep Industries shall not be prejudicially affected by the Scheme of Arrangement

as no sacrifice or waiver is, at all, called from them nor are their rights sought to be modified in any manner.

12. The Scheme of Arrangement was placed before the audit committee of the Company at its meeting held on 25 June 2015. The audit committee of the Company took into account the recommendations on the share exchange ratio by Jayesh M. Shah & Co., Chartered Accountants acting as independent chartered accountants and the fairness opinion provided by Vivro Financial Services Private Limited. The audit committee concluded that the Scheme of Arrangement would be to the benefit to the Company and also its shareholders and recommended the Scheme of Arrangement to the Board of Directors of the Company by its report dated 25 June 2015.
13. On the Scheme of Arrangement between these companies being approved by the shareholders and creditors of Deep Industries as per the requirements of Section 391 of the Act, all the companies will seek the sanction of the Honorable High Court of Gujarat at Ahmedabad.
14. The equity shareholding pattern of Deep Industries shall be as follows:

SHAREHOLDING PATTERN AS ON 11th December 2015

Particulars	Pre Scheme		Post Scheme	
	No. of shares held	%	No. of shares held	%
Promoters (including persons acting in concert)	20464535	70.08	20464535	70.08
Banks/ Financial Institutions, Insurance Companies	28879	0.099	28879	0.099
Mutual Funds and UTI	0	0	0	0
Non-Resident Indians/ Overseas Corporate Bodies, Foreign Financial Institutions, Foreign Institutional Investors and Foreign Companies	42190	0.14	42190	0.14
Private Corporate Bodies	2885612	9.88	2885612	9.88
Indian Public	5778784	19.79	5778784	19.79
Total	29200000	100	29200000	100

15. The details of Directors of Deep Industries Limited are as under:

LIST OF DIRECTORS AS ON 11th December 2015

Sr. No.	Name of Director	Designation	Age	Educational Qualifications
1	Mr. Paras S. Savla	Chairman and Managing Director	44	B.Com
2	Mr. Rupesh K. Savla	Managing Director	43	M.B.A.
3	Mr. Dharen S. Savla	Whole time Director	34	M.B.A.
4	Mr. Premsingh Sawhney	Whole time Director	56	B. Tech. (Chemical)
5	Mr. Harish Bhide	Director	75	B. Com.
6	Mr. Kirit Joshi	Director	64	B. Sc.

7	Mr. Arun Mandke	Director	67	B.E. (Mechanical)
8	Mr. Sanjay Parekh	Director	53	B. Com.
9	Mrs. Renuka Upadhyay	Director	33	CS

16. The directors, manager, key managerial personnel of the Companies forming part of the Scheme and their respective relatives, may be deemed to be concerned and/or interested in the scheme only to the extent of their shareholding in the Companies, or to the extent the said directors, manager and key managerial personnel are directors in the Companies, or to the extent the said directors, manager and key managerial personnel are partners, directors, members of the companies, firms, association of persons, bodies corporate and/or beneficiary of trust that hold shares in any of the Companies. The details of their shareholding in the companies forming part of the Scheme are as under. Their interest in these companies shall not be treated in any way differently than the other shareholders of the companies.

The details of shareholding of Directors, manager and key managerial personnel of the Companies forming part of the Scheme as on 11th December 2015 are as under:

Sr. No.	Name of the Directors	No. of Shares held in Deep	% of Shares held in Deep	No. of shares held in KFPL	No. of Shares held in KOGPL	No. of Shares held in PPPL	No. of Shares held in SEPL	No. of Shares held in YOPL
	KMP / Directors of Deep Industries Limited							
1	Mr. Paras S. Savla [@] Chairman & Managing Director	400550	1.37	Nil	Nil	86410	1100	100
2	Mr. Rupesh K. Savla Managing Director*	2516842	8.62	2443930	Nil	Nil	Nil	Nil
3	Mr. Dharen S. Savla [@] Whole-time director	400725	1.37	Nil	Nil	123510	60500	515000
4	Mr. Prem Singh Sawhney Whole-time director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
5	Mr. Harish Bhide Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
6	Mr. Kirit Joshi Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7	Mr. Arun Mandke Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8	Mr. Sanjay Parekh Additional Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil

9	Mrs. Renuka U padhyay Additional Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Directors of KFPL							
1	Urmila Sisodia Harsukhsingh Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	Shital Rupesh Savla Director	327000	1.12	700500	Nil	Nil	Nil	Nil
3	Prabhaben Kantilal Savla Director	514000	1.76	688850	Nil	Nil	Nil	Nil
	Directors of KOGPL							
1	Mr. Rupesh K. Savla Director	2516842	8.62	2443930	Nil	Nil	Nil	Nil
2	Shital Rupesh Savla Director	327000	1.12	700500	Nil	Nil	Nil	Nil
	Directors of PPPL							
1	Mr. Manoj S. Savla Director	200000	0.68	Nil	Nil	88210	113401	582600
2	Mr. Shantilal M. Savla Director	26500	0.09	Nil	Nil	10010	825	Nil
	Directors of SEPL							
1	Mr. Paras S. Savla Director	400550	1.37	Nil	Nil	86410	1100	100
2	Mrs. Mita Manoj Savla Director	302771	1.04	Nil	Nil	316600	48000	Nil
3	Mr. Manoj S. Savla Director	200000	0.68	Nil	Nil	88210	113401	582600
4	Mrs. Avani Dharen Savla Director	277046	0.95	Nil	Nil	282400	21000	Nil
	Directors of YOPL							
1	Mr. Shantilal M. Savla Director	26500	0.09	Nil	Nil	10010	825	Nil
2	Mr. Paras S. Savla Director	400550	1.37	Nil	Nil	86410	1100	100
3	Mr. Priti P. Savla Director	277221	0.95	Nil	Nil	294500	70500	580000
4	Mr. Manoj S. Savla Director	200000	0.68	Nil	Nil	88210	113401	582600

®Also, Paras Savla and Dharen Savla (directors of Deep Industries Limited) hold 3,90,000 equity shares as Trustee of Shantilal Savla Family Trust along with Manoj Savla.

**Mr. Rupesh Savla holds 100 equity shares of KOGPL as nominee of KFPL.*

Adinath Exim Resources Limited, a company in which Paras Savla (director of Deep Industries Limited) is a director, holds 12,28,000 equity shares of Deep Industries Limited.

The details of shareholding of relatives of directors or manager or KMP in the companies forming a part of the Scheme:

Sr. No.	Name of the Relative of Director / Manager / KMP	No. of Shares held in Deep	% of Shares held in Deep	No. of shares held in KFPL	No. of Shares held in KOGPL	No. of Shares held in PPPL	No. of Shares held in SEPL	No. of Shares held in YOPL
Deep								
1	Mrs. Prabhaben S. Savla	Nil	Nil	Nil	Nil	104700	1	Nil
2	Mr. Shantilal M. Savla	26500	0.09	Nil	Nil	10010	825	Nil
3	Mrs. Avani D Savla	277046	0.95	Nil	Nil	282400	21000	Nil
4	Mrs. Shital R Savla	327000	1.12	700500	Nil	Nil	Nil	Nil
5	Mr. Manoj S. Savla	200000	0.68	Nil	Nil	88210	113401	582600
6	Mrs. Mita M. Savla	302771	1.04	Nil	Nil	316600	48000	Nil
7	Mrs. Priti P Savla	277221	0.95	Nil	Nil	294500	70500	580000
8	Mrs. Rita Keval Shah	50000	0.17	100100	Nil	Nil	Nil	Nil
9	Mr. Shail Manoj Savla	175000	0.06	Nil	Nil	Nil	Nil	Nil
KFPL								
1	Mr. Rupesh K. Savla	2516842	8.62	2443930	Nil	Nil	Nil	Nil
2	Mr. Kantilal K. Savla	Nil	Nil	279100	Nil	Nil	Nil	Nil
3	Mrs. Rita K. Shah	50000	0.17	100100	Nil	Nil	Nil	Nil
4	Mr. Sanjay Karani	Nil	Nil	100	Nil	Nil	Nil	Nil
5	Aarav R. Savla	Nil	Nil	100	Nil	Nil	Nil	Nil
KOGPL								
N.A.								
PPPL								
1	Mrs. Prabhaben S. Savla	Nil	Nil	Nil	Nil	104700	1	Nil
2	Mrs. Mita M. Savla	302771	1.04	Nil	Nil	316600	48000	Nil
3	Mr. Paras Shantilal Savla	400550	1.37	Nil	Nil	86410	1100	100
4	Mrs. Avani Dharen Savla	277046	0.95	Nil	Nil	282400	21000	Nil
5	Mr. Dharen S. Savla	400725	1.37	Nil	Nil	123510	60500	515000
6	Mrs. Priti P. Savla	277221	0.95	Nil	Nil	294500	70500	580000
SEPL								
1	Mr. Dharen S. Savla	400725	1.37	Nil	Nil	123510	60500	515000
2	Mrs. Priti P. Savla	277221	0.95	Nil	Nil	294500	70500	580000

3	Mr. Shantilal M. Savla	26500	0.09	Nil	Nil	10010	825	Nil
4	Mrs. Prabhaben S. Savla	Nil	Nil	Nil	Nil	104700	1	Nil
	YOPL							
1	Dharen S. Savla	400725	1.37	Nil	Nil	123510	60500	515000

17. There are no loans given by any of the Directors, managers or KMP or relatives of Directors, managers or KMP of any of the companies to any of the companies in the proposed scheme and hence, none of the Directors, managers or KMP are creditors of any of these companies.
18. Inspection of the following documents may be had at the Registered Office of Deep Industries Limited up to one day prior to the date of the meeting between 11.00 am and 4.00 pm on all working days (except Saturdays and Sundays):
- Certified copy of the Order dated 9 December 2015 of the High Court of Gujarat passed in Company application No. 376 of 2015, directing the convening of the separate meetings of the Equity Shareholders and Secured Creditors of Deep Industries Limited and dispensing with the meeting of Unsecured Creditors of Deep Industries Limited.
 - Certified copy of the orders dated 9 December 2015 of the High Court passed in Company Applications No. 377, 378, 379, 380 and 381 of 2015, dispensing with the meetings of Equity Shareholders for the Transferor Companies.
 - Memorandum and Articles of Association of all the companies.
 - Latest Audited accounts of all the companies as at 31st March 2015.
 - Limited Review Report on Financial Statements of all the Companies as on September 30, 2015
 - Letter under Clause 24(f) of Listing Agreement dated of BSE and NSE respectively dated 4th November 2015 and 3rd November 2015 approving the Scheme.
 - Copy of the Valuation Report and Exchange Ratio Certificate provided by Jayesh M. Shah & Co., Chartered Accountants dated 22 June 2015.
 - Copy of the Fairness Report provided by Vivro Financial Services Private Limited dated 24 June 2015.
 - Complaints Report dated 17 August 2015 submitted by the Company to the Stock Exchanges.
 - Copies of the resolutions passed by the respective Board of Directors of Deep Industries Limited and all the Transferor companies approving the Scheme of Arrangement.

This statement may be treated as an Explanatory Statement under section 393 of the Companies Act, 1956.

A copy of the Scheme and Explanatory Statement may be obtained from the registered office of Deep Industries Limited at its registered office at 12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058 in the state of Gujarat.

Dated this 16th Day of December 2015
Ahmedabad

Sd/-
Paras Savla
Chairman appointed for the meeting

**Registered Office:
12A & 14 Abhishree Corporate Park, Ambli Bopal Road,
Ambli, Ahmedabad – 380058 in the state of Gujarat.**

Enclosures:

1. The abridged financial statements of Deep Industries Limited for last three years

Deep Industries Limited

Abridged Balance Sheets:

Years/Period ended on	31-03-2015 Rs. (in lacs)	31-03-2014 Rs. (in lacs)	31-03-2013 Rs. (in lacs)
SOURCES OF FUNDS			
1. SHAREHOLDERS FUNDS:			
a. Capital	2920.00	2625.00	2625.00
b. Reserve & Surplus	19042.23	16731.44	14571.40
2. LOAN FUNDS :			
a. Secured Loans	7371.56	8394.65	7313.53
b. Unsecured Loans	0.00	0.00	0.00
c. Long term Provisions	153.36	149.59	9.86
Deferred Tax Liability	2903.06	2353.69	1735.72
TOTAL	32390.21	30254.37	26255.51
APPLICATION OF FUNDS :			
1.Fixed Assets			
Gross Block	33274.41	28742.98	23499.39
Less : Depreciation	6187.56	4963.01	3764.44
Net Block	27086.85	23779.97	19734.95
Capital Work in Progress	5000.11	5145.73	4982.69
2. INVESTMENTS :	28.71	28.71	28.71
3. Long Term Loans and advances:	390.86	335.15	507.47
4. Deferred tax assets	0.00	0.00	0.00
5.Current Assets, Loans & Advances :			
Current Investments	103.84	414.98	371.76
Inventories	586.70	405.02	475.73
Land held for Sale	0.00	0.00	0.00
Sundry Debtors	2602.98	1667.41	1359.87
Cash and Bank Balances	1094.37	1113.41	657.16
Other Current Assets	159.45	218.42	148.67
Loans & Advances	1306.24	2671.29	1641.10
Less : Current Liabilities and Provisions			
Liabilities	778.58	628.72	612.57
Provisions	1190.41	2193.50	1722.95
Short Term borrowing	4040.93	2782.64	1435.34
NET CURRENT ASSETS :	(156.34)	885.67	883.43
Miscellaneous Expenditure	40.02	79.14	118.26
TOTAL	32390.21	30254.37	26255.51

Deep Industries Limited

Abridged Profit and Loss Accounts:

Years/Period ended on	31-03- 2015 Rs. (in lacs)	31-03- 2014 Rs. (in lacs)	31-03- 2013 Rs. (in lacs)
Income			
Sales and Operating Income	10125.27	9076.76	6508.59
Other Income	132.35	121.35	180.57
Total	10257.62	9198.11	6689.16
Expenses			
Raw Materials Consumed	2628.01	2172.68	1687.15
Purchased of Finished Goods	0.00	0.00	0.00
Employee Emoluments	1325.47	928.50	676.91
Others	854.38	690.51	592.66
Interest & Finance Cost (Net)	1076.59	852.97	642.88
Depreciation/Impairment	1214.80	1204.47	1006.84
(Increase) in Stocks	(181.64)	70.71	(43.31)
Profit before Tax for the year	3340.01	3278.27	2126.01
Less : Current Tax	663.58	655.98	425.00
Less : Deferred Tax	549.36	617.97	487.41
Profit for the year	2127.07	2004.32	1213.60
Balance carried to Balance Sheet	1776.68	1458.75	880.41