

June 24, 2015

To,

The Board of Directors,

Deep Industries Limited

12A & 14 Abhishree Corporate Park,

Ambli Bopal Road,

Ambli,

Ahmedabad - 380 058

Sub: Fairness Opinion on the report of M/s. Jayesh M Shah & Co., Chartered Accountants, Ahmedabad with respect to the proposed Amalgamation of Kanvel Finance Private Limited, Kanvel Oil and Gas Private Limited, Prabhavati Properties Private Limited, Savla Enterprises Private Limited and Yash Organochem Private Limited with Deep Industries Limited.

Dear Sirs,

Vivro Financial Services Private Limited ('Vivro', 'we', 'us', 'our'), refer to our engagement letter of Deep Industries Limited ('Deep', 'DIL', 'you', 'your') dated June 11, 2015 whereby you have appointed us as an Independent Merchant Banker for furnishing a "Fairness Opinion" on the valuation carried out by M/s. Jayesh M Shah & Co., Chartered Accountants, ("Valuer"), vide its Valuation Report dated June 22, 2015 pursuant to Clause 24(f) of the Listing Agreement for the proposed Scheme of Amalgamation of Kanvel Finance Private Limited (KFPL), Kanvel Oil and Gas Private Limited (KOGPL), Prabhavati Properties Private Limited (PPPL), Savla Enterprise Private Limited (SEPL) and Yash Organochem Private Limited (YOPL) with Deep Industries Limited (DIL) pursuant section 391-394 of the Companies Act, 1956.

1. SOURCE OF INFORMATION

We have relied on the following information made available to us by the management of all the Companies for purpose of this opinion:

1. Memorandum and Articles of Association of DIL, KFPL, KOGPL, PPPL SEPL and YOPL.
2. Audited Accounts of all the Companies i.e. DIL, KFPL, KOGPL, PPPL SEPL and YOPL for the Financial Year ended on March 31, 2015, March 31, 2014 and March 31, 2013.
3. Valuation Report prepared by M/s. Jayesh M Shah & Co., Chartered Accountants, dated June 22, 2015 for the purpose of ascertaining share exchange ratio for the proposed Scheme of Amalgamation of KFPL, KOGPL, PPPL SEPL and YOPL with DIL.
4. Draft Scheme of Arrangement in nature of Amalgamation between KFPL, KOGPL, PPPL SEPL, YOPL and DIL.

Vivro Financial Services Private Limited



5. Shareholding Pattern of all the Companies as on March 31, 2015.
6. Representation by the Management of all the Companies regarding Scheme of Amalgamation.
7. Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for purpose of carrying out this assignment.

2. DISCLAIMER

This Fairness Opinion Report is prepared by Vivro Financial Services Private Limited under an engagement from Deep Industries Limited on the basis of information, documents, papers, and explanations given by the management, officers and staff of KFPL, KOGPL, PPPL SEPL, YOPL and DIL to Vivro.

In preparing the Fairness Opinion Report, Vivro has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and financial data provided by all the Companies. Vivro has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.

Vivro has also considered the proposed Scheme of amalgamation as furnished. It is assumed that the proposed Scheme will be consummated in accordance with the expected terms.

Vivro shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly on account of the use of or reliance on the information set out herein in this report.

Vivro has not provided any accounting, tax or legal advice to any Company involved in the transaction. Fairness Opinion Report should not be construed as investment advice or any form of recommendation either for making or divesting investment in any of the companies involved in the transaction.

This Opinion is furnished on a strictly confidential basis. Neither this Opinion nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above or as may be required under applicable laws and regulation.

The fee for our services is not contingent upon the results of the proposed amalgamation. This opinion is subject to Laws of India.

This Report is necessarily based on various factors and conditions as of the date hereof, and the written and oral information made available to us until June 24th, 2015. It is understood



that subsequent developments may affect the conclusions of the Report and of the Opinion and that, in addition, Vivro has no obligation to update, revise, or reaffirm the Opinion.

3. LIMITATIONS -

Our report is subject to the scope limitations detailed hereinafter. The report should be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

1. In course of the present exercise, we were provided with both written and verbal information, including financial data. Our report is based on the information furnished to us being complete and accurate in all material respects. We have relied upon the historical financial statements and the information and representations furnished to us without carrying out any audit or other tests to verify the accuracy with limited independent appraisal. Also, we have been given to understand by the managements of the companies that they have not omitted any relevant facts and material factors. Accordingly, we do not express any opinion in any form of assurance regarding its accuracy and completeness. We assume no responsibility whatsoever for any errors in the above information furnished by the companies and their impact on the present exercise.
2. We have not conducted any independent valuation or appraisal of any of the assets or liabilities of the companies.
3. Our work does not constitute an audit or certification or due diligence of the past financials of KFPL, KOGPL, PPPL SEPL, YOPL and DIL used in the study and we have relied upon the information provided to us by the management of all the Companies as regards such working results.
4. We express no opinion whatsoever and make no recommendation at all to the companies underlying decision to effect the proposed Scheme or as to how the holders of equity shares or secured or unsecured creditors of the Companies should vote at their respective meetings held in connection with the proposed Scheme. We accept no responsibility as to the prices at which the equity shares of DIL will trade following the announcement of the proposed Scheme or as to the financial performance of DIL following the consummation of the proposed Scheme.
5. Our opinion is not, nor should it be construed as our opining or certifying the compliance of the proposed merger with the provisions of any law including companies, taxation and capital market related laws or as regards any legal implications or issues arising thereon, in their respective jurisdiction.



6. No investigation of the companies claim to the title of assets or property owned by the companies has been made for the purpose of the fairness opinion. With regard to the companies claim we have relied solely on representation, whether verbal or otherwise made, by the management to us for the purpose of this report.
7. Our analysis and results are also specific to the date of this report. An exercise of this nature involves consideration of various factors. This report is issued on the understanding that the companies have drawn our attention to all the matters, which they are aware of considering the financial position of the Companies, their businesses, and any other matter, which may have an impact on our opinion for the proposed amalgamation, including any significant changes that have taken place or are likely to take place in the financial position of the Companies or their businesses subsequent to the proposed Appointed Date of the proposed Scheme. We have no responsibility to update this report for events and circumstances occurring after the date of this report. We assume no responsibility for updating or revising our opinion based on circumstances or events occurring after the date hereof.

4. BACKGROUND OF COMPANIES

DEEP INDUSTRIES LIMITED (DIL)

- Deep Industries Ltd is a public company incorporated under the provisions of the Act on January 01, 1991 under the name and style of Deep Roadways Private Limited. Subsequently the name of the Company 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(IB) of the Companies Act 1956 on February 06, 1997. The Company became a Public limited Company w.e.f. May 02, 2002 and a fresh certificate of incorporation, consequent to change of name was issued in the name of Deep Industries Limited on May 02, 2002.
- The registered office of the Company is situated at 12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad 380 058, Gujarat.
- It is an Oil and Gas Exploration Company with business interest in air and natural gas compression services, work over and drilling rig services as well as oil and gas exploration and productions.
- The equity shares of DIL are listed on the BSE Limited and National Stock Exchange of India Ltd.
- DIL has an Authorized Share Capital of INR 3,500.00 Lacs divided into 3,50,00,000 equity shares of INR 10/- each and Paid up Share Capital of INR 2,920.00 Lacs comprising of 2,92,00,000 Equity Shares of Rs.10/- each.



- The Shareholding Patter of DIL as on March 31, 2015 is given below:

Category	No. of Shares	% of holding
Promoter	1,98,95,025	68.13
Public	93,04,975	31.87
Total	2,92,00,000	100.00

KANVEL FINANCE PRIVATE LIMITED:

- Kanvel Finance Private Limited was incorporated on January 03, 1995 under the provisions of the Companies Act, 1956.
- The registered office of the Company is situated at 13, Krishna Society, Opp. Ellisbridge Gymkhana, Ellisbridge, Ahmedabad, Gujarat.
- It acts as Investment holding company. It is a promoter company of Deep Industries Ltd and is shown in promoter category in the share holding pattern filed by Deep industries Limited in terms Clause 35 of the Listing Agreement.
- KFPL has an Authorized Share Capital of INR 475.00 Lacs divided into 47,50,000 equity shares of INR 10/- each and Paid up Share Capital of INR 471.06 Lacs comprising of 47,10,560 Equity Shares of Rs.10/- each.

KANVEL OIL AND GAS PRIVATE LIMITED:

- Kanvel Oil And Gas Private Limited was incorporated on October 01, 2009 under the provisions of the Companies Act, 1956.
- The registered office of the Company is situated at 13, Krishna Society, Near Law Garden, Ellisbridge, Ahmedabad -380006.
- It was incorporated to carry on the business of oil and gas exploration and production.
- Kanvel Finance Private Limited along with its nominees holds 100% of paid up equity share capital of Kanvel Oil and Gas Pvt. Ltd.
- KOGPL has an Authorized Share Capital of INR 1.00 Lac divided into 10,000 equity shares of INR 10/- each and Paid up Share Capital of INR 1.00 Lac comprising of 10,000 Equity Shares of Rs.10/- each.



PRABHAVATI PROPERTIES PRIVATE LIMITED:

- Prabhavati Properties Private Limited was incorporated on March 24, 2004 under the provisions of the Companies Act, 1956.
- The registered office of the Company is situated at 6th Floor, Astron Tower, Opp. Fun Republic Cinema, Satellite, Ahmedabad.
- It is engaged in the business of leasing of land, properties and buildings.
- It is promoter Company of Deep Industries and is shown in promoter category in the share holding pattern filed by Deep industries Limited in terms Clause 35 of the Listing Agreement.

SAVLA ENTERPRISE PRIVATE LIMITED:

- Savla Enterprise Private Limited was incorporated on April 02, 1985 under the provisions of the Companies Act, 1956.
- The registered office of the Company is situated at 601, 6th floor, Astron tower, Opp. Fun Republic Cinema, Satellite, Ahmedabad.
- It is engaged in the business of oil and gas exploration and production.
- It is promoter Company of Deep Industries and is shown in promoter category in the share holding pattern filed by Deep industries Limited in terms Clause 35 of the Listing Agreement.

YASH ORGANOCEM PRIVATE LIMITED:

- Yash Organochem Private Limited was incorporated on August 24, 1999 under the provisions of the Companies Act, 1956.
- The registered office of the Company is situated at having its registered office at 6th Floor, Astron Tower, Opp. Iscon Temple, Gandhinagar Sarkhej Highway, Ahmedabad.
- It is engaged in the business of oil and gas exploration and production.
- It is promoter Company of Deep Industries and is shown in promoter category in the share holding pattern filed by Deep industries Limited in terms Clause 35 of the Listing Agreement.



5. SCOPE AND PURPOSE OF THIS REPORT

As per our discussion with the management of Deep Industries Limited and based on the Valuation report of M/s. Jayesh M. Shah & Co., we understand that the Board of Directors of DIL have considered and proposed a Scheme of Amalgamation of KFPL, KOGPL, PPPL, SEPL and YOPL with DIL, pursuant to the provisions of section 391 to 394 read with Section 100 to 103 and other relevant provisions of the Companies Act, 1956 and the applicable provisions of the Companies Act, 2013, in order to make the current shareholding structure more efficient. KFPL, KOGPL, PPPL, SEPL and YOPL are promoter companies of DIL. The promoters of KPPL, KOGPL, PPPL, SEPL and YOPL are also in turn promoters of DIL. The promoters of DIL are hence desirous of streamlining their current shareholding in DIL.

In order to comply with the requirements of the regulations, the Companies have appointed M/s. Jayesh M Shah & Co., Chartered Accountants, Ahmedabad as the Valuer.

The Management of Deep Industries Limited has engaged Vivro Financial Services Private Limited, a SEBI registered Category I Merchant Banker bearing registration number INM000010122, to submit a report on the Fairness of the Report provided by the Valuer. Our scope of work only includes forming an opinion on the fairness of the recommendation given by the Valuer on the exchange ratio arrived at for the purpose of the proposed Scheme of Arrangement and not on the fairness or economic rationale of the amalgamation per se.

This report is subject to the scope, assumptions, limitations and disclaimers detailed above. As such the report is to be ready in totality, not in parts and in conjunction with the relevant documents referred to herein. This report has been issued only for the purpose of facilitating the Amalgamation and as per the requirement of Clause 24(f) of the Listing Agreement and should not be used for any other purpose.

6. VALUER'S RECOMMENDATION

After reviewing the proposed Scheme of Amalgamation and other relevant information, it has been recommended by the Valuer that following number of shares shall be issued to the shareholders of all the Transferor Companies by the Transferee Company.

- **KFPL:**

4,591,080 Equity Shares of DIL (Face Value of Rs. 10/- each) to be issued and allotted to the shareholders of KFPL in proportion of their holdings in KFPL.

- **KOGPL:**

Since KOGPL is a wholly owned subsidiary of KFPL, upon amalgamation of KFPL with DIL, KOGPL shall become a wholly owned subsidiary of DIL. Consequently upon amalgamation of KOGPL with DIL, no equity shares of DIL shall be issued and allotted by DIL.



- **PPPL:**
2,282,500 Equity Shares of DIL (Face Value of Rs. 10/- each) to be issued and allotted to the shareholders of PPPL in proportion of their holdings in PPPL.
- **SEPL:**
3,121,000 Equity Shares of DIL (Face Value of Rs. 10/- each) to be issued and allotted to the shareholders of SEPL in proportion of their holdings in SEPL.
- **YOPL:**
1,263,500 Equity Shares of DIL (Face Value of Rs. 10/- each) to be issued and allotted to the shareholders of YOPL in proportion of their holdings in YOPL.

7. OUR OPINION ON THE VALUER REPORT

The fairness opinion has been prepared based on the Valuer's report and our analysis of the various factors relevant to the Companies, having regard to the information submitted, management representations, key underlying assumptions and limitations.

All the Transferor Companies belong to the Promoter category, as per shareholding pattern filed by the Company in terms of Clause 35 of the Listing Agreement.

In view of the above mentioned discussion and analysis, it is our opinion that the Valuer's recommendation of the exchange ratio for the proposed Scheme of Amalgamation of Kanvel Finance Private Limited, Kanvel Oil and Gas Private Limited, Prabhavati Properties Private Limited, Savla Enterprises Private Limited and Yash Organochem Private Limited with Deep Industries Limited is Fair.

For, Vivro Financial Services Private Limited


Jayesh Vithlani
(Sr. Vice President & Co. Secretary)



Date: June 24, 2015

Place: Ahmedabad



June 22, 2015

**The Board of Directors,
Deep Industries Limited**

12A & 14 Abhishree Corporate Park,
Ambli Bopal Road,
Ambli, Ahmedabad 380 058,
Gujarat

**The Board of Directors,
Kanvel Finance Private Limited**

13, Krishna Society,
Opp. Ellisbridge Gymkhana,
Ellisbridge, Ahmedabad,
Gujarat

**The Board of Directors,
Kanvel Oil And Gas Private Limited**

13, Krishna Society,
Near Law Garden,
Ellisbridge,
Ahmedabad -380006

**The Board of Directors,
Prabhavati Properties Private Limited**

6th Floor, Astron Tower,
Opp. Fun Republic Cinema,
Satellite,
Ahmedabad

**The Board of Directors,
Savla Enterprise Private Limited**

601, 6th floor, Astron tower,
Opp. Fun Republic Cinema,
Satellite,
Ahmedabad

**The Board of Directors,
Yash Organochem Private Limited**

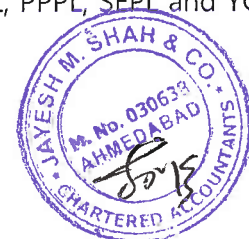
6th Floor, Astron Tower,
Opp. Iscon Temple,
Gandhinagar Sarkhej Highway,
Ahmedabad

Dear Sirs,

Sub: Recommendation for Share Exchange Ratio report for the purpose of Amalgamation of Kanvel Finance Private Limited, Kanvel Oil and Gas Private Limited, Prabhavati Properties Private Limited, Savla Enterprises Private Limited and Yash Organochem Private Limited with Deep Industries Limited

CONTEXT AND PURPOSE:

We have been requested by the Board of Directors of Deep Industries Limited (hereinafter referred to as "DIL" or "Transferee Company"), Kanvel Finance Private Limited (KFPL), Kanvel Oil and Gas Private Limited (KOGPL), Prabhavati Properties Private Limited (PPPL), Savla Enterprises Private Limited (SEPL) and Yash Organochem Private Limited (YOPL) (hereinafter collectively referred to as the "Transferor Companies") to recommend fair share exchange ratio in connection with the proposed scheme of amalgamation of KFPL, KOGPL, PPPL, SEPL and YOPL with DIL with April 01, 2015 as the Appointed Date.



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Share Exchange Ratio is defined as the number of equity shares of the Transferee Company to which a shareholder of Transferor Company would be entitled to in proportion to his/hers/its existing shareholding in the Transferor Company.

RATIONALE AND PURPOSE OF THE SCHEME:

DIL, KFPL, KOGPL, PPPL, SEPL and YOPL belong to Deep Industries Group. KFPL, KOGPL, PPPL, SEPL and YOPL are promoter companies of DIL. We have been given to understand that in order to make current holding structure more efficient, the promoters of DIL are desirous of streamlining their current share-holding in DIL. Accordingly to simplify the shareholding structure of DIL and reduce shareholding tiers for the promoters of DIL, it is proposed that KFPL, KOGPL, PPPL, SEPL and YOPL shall amalgamate into DIL in accordance with the provisions of Sections 391 to 394 read with Sections 100 to 103 and other relevant provisions of the Companies Act, 1956 and sections 13 and other relevant provisions of the Companies Act, 2013. The Scheme provides that there will not be any increase in total promoter holding in DIL pursuant to the Scheme.

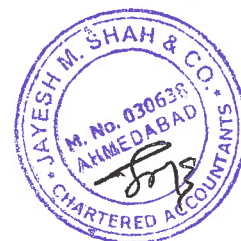
BACKGROUND OF THE COMPANIES

Transferee Company

Deep Industries Ltd is a public company incorporated under the provisions of the Act on January 01, 1991 under the name and style of Deep Roadways Private Limited. Subsequently the name of the Company 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(IB) of the Companies Act 1956 on February 06, 1997. The Company became a Public Ltd Company w.e.f. May 02, 2002 and a fresh certificate of incorporation, consequent to change of name was issued in the name of Deep Industries Limited on May 02, 2002.

The registered office of the Company is situated at 12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad 380 058, Gujarat.

It is an Oil and Gas Exploration Company with business interest in air and natural gas compression services, work over and drilling rig services as well as oil and gas exploration and productions. The equity shares of DIL are listed on the BSE Limited and National Stock Exchange of India Ltd.





Transferor Companies

KANVEL FINANCE PRIVATE LIMITED:

The Company was incorporated on January 03, 1995 having its registered office at 13, Krishna Society, Opp. Ellisbridge Gymkhana, Ellisbridge, Ahmedabad, Gujarat. It acts as investment holding Company. It is a promoter company of Deep Industries Ltd and is shown in the Promoter Category of the Share-holding pattern filed by Deep industries Limited in terms of Clause 35 of the Listing Agreement. It holds 15.72% of paid up capital of DIL.

KANVEL OIL AND GAS PRIVATE LIMITED:

The Company was incorporated on October 01, 2009 having its registered office at 13, Krishna Society, Near Law Garden, Ellisbridge, Ahmedabad -380006. It is incorporated to carry on the business of oil and gas exploration and production. Kanvel Finance Private Limited along with its nominees holds 100% of paid up equity share capital of Kanvel Oil and Gas Pvt. Ltd.

PRABHAVATI PROPERTIES PRIVATE LIMITED:

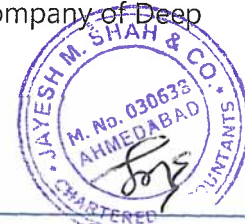
The Company was incorporated on March 24, 2004 having its registered office at 6th Floor, Astron Tower, Opp. Fun Republic Cinema, Satellite, Ahmedabad. It is engaged in the business of leasing of land, properties and buildings. It is a promoter company of Deep Industries Ltd and is shown in the Promoter Category of the Share-holding pattern filed by Deep industries Limited in terms of Clause 35 of the Listing Agreement. It holds 7.82% of paid up capital of DIL.

SAVLA ENTERPRISE PRIVATE LIMITED:

The Company was incorporated on April 02, 1985 having its registered office at 601, 6th floor, Astron tower, Opp. Fun Republic Cinema, Satellite, Ahmedabad. It is engaged in the business of oil and gas exploration and production. It is a promoter company of Deep Industries Ltd and is shown in the Promoter Category of the Share-holding pattern filed by Deep industries Limited in terms of Clause 35 of the Listing Agreement. It holds 10.69% of paid up capital of DIL.

YASH ORGANOCEM PRIVATE LIMITED:

The company was incorporated on August 24, 1999 having its registered office at 6th Floor, Astron Tower, Opp. Iscon Temple, Gandhinagar Sarkhej Highway, Ahmedabad. It is engaged in the business of oil and gas exploration and production. It is a promoter company of Deep





Industries Ltd and is shown in the Promoter Category of the Share-holding pattern filed by Deep industries Limited in terms of Clause 35 of the Listing Agreement. It holds 4.33% of paid up capital of DIL.

As per the draft scheme of arrangement in the nature of Amalgamation, the management of all the Companies proposes to merge all the Transferor Companies into DIL, with effect from April 01, 2015 which is the Appointed Date as per the Scheme of Arrangement.

SOURCE OF INFORMATION

We have relied on the following information made available to us by the management of the Company for the purpose of this report:

1. Memorandum and Articles of Association of all the Companies.
2. Audited Accounts of all the Companies i.e. DIL, KFPL, KOGPL, PPPL SEPL and YOPL for the Financial Year ended on March 31, 2015, March 31, 2014 and March 31, 2013.
3. Brief History, Present Activities and Business Profile of all the Companies.
4. Shareholding Pattern of all the Companies as on March 31, 2015.
5. Draft Scheme of Arrangement in nature of Amalgamation between KFPL, KOGPL, PPPL SEPL, YOPL and DIL.
6. Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for purpose of carrying out this assignment.

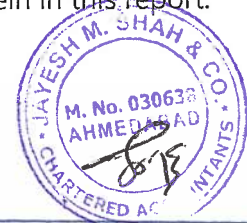
DISCLAIMER

This Share Exchange Report is prepared by us on the basis of information, documents, papers, representations and explanations given by the management, officers and staff of the Company.

This document is to facilitate the management of the Companies to arrive at the share exchange ratio for the Scheme of Amalgamation.

In the execution of this assignment, we have elaborated our analysis based on the valuation methodologies discussed herein for all the Companies and have reached conclusions contained in the final paragraph of this Share Exchange Report.

We shall not be liable for any losses whether financial or otherwise or expenses arising directly or indirectly out of the use of or reliance on the information set out herein in this report.





This Share Exchange Report is furnished on strictly confidential basis. Neither this Report nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above.

This Share Exchange Report is necessarily based on various factors and conditions as of the date hereof, and the written and oral information made available to us until June 23, 2015. It is understood that subsequent developments may affect the conclusions of this report and we have no obligation to update, revise or reaffirm the Exchange Ratio arrived at as per this report.

BASIS FOR DETERMINATION OF RATIO

We have been informed by the management of KFPL, KOGPL, PPPL, SEPL and YOPL that they hold shares in DIL as follows:

Name of the Company	No. of Shares held in DIL
Kanvel Finance Private Limited	4,591,080
Prabhavati Properties Private Limited	2,282,500
Savla Enterprises Private Limited	3,121,000
Yash Organochem Private Limited	1,263,500
Total	11,258,080

We have also been informed that apart from the above shares held in DIL, they do not hold any other investment in the shares or debentures of any other company other than Investments held in KOGPL by KFPL and in SEPL by YOPL which are Promoter Companies that are part of the Scheme of Arrangement in the nature of Amalgamation and are getting amalgamated with DIL. It is proposed that as of the Effective date KFPL, KOGPL, PPPL, SEPL and YOPL will not have any Net Assets on its books other than DIL Shares. The Net Assets (other than investments in the DIL Shares) of KFPL, KOGPL, PPPL, SEPL and YOPL prior to the Effective Date will be utilized to meet the costs, fees and expenses in relation to the proposed Merger and /or payment of any dividend. As per the scheme no shares shall be issued against any excess Net Assets as on the Effective Date. Further we understand in the event KFPL, KOGPL, PPPL, SEPL and YOPL is unable to bear any such expenses due to lack of available funds, the shareholders of KFPL, KOGPL, PPPL, SEPL and YOPL will bear such expenses.





Share Exchange Ratio

Based on above, we recommend a fair exchange ratio as follows:

- **KFPL:**

4,591,080 Equity Shares of DIL (Face Value of Rs. 10/- each) to be issued and allotted to the share holders of KFPL in proportion of their holdings in KFPL.

- **KOGPL:**

Since KOGPL is a wholly owned subsidiary of KFPL, upon amalgamation of KFPL with DIL, KOGPL shall become a wholly owned subsidiary of DIL. Consequently upon amalgamation of KOGPL with DIL, no equity shares of DIL shall be issued and allotted by DIL.

- **PPPL:**

2,282,500 Equity Shares of DIL (Face Value of Rs. 10/- each) to be issued and allotted to the share holders of PPPL in proportion of their holdings in PPPL.

- **SEPL:**

3,121,000 Equity Shares of DIL (Face Value of Rs. 10/- each) to be issued and allotted to the share holders of SEPL in proportion of their holdings in SEPL.

- **YOPL:**

1,263,500 Equity Shares of DIL (Face Value of Rs. 10/- each) to be issued and allotted to the share holders of YOPL in proportion of their holdings in YOPL.

We believe that the above ratio is fair and equitable considering that all the shareholders of KFPL, KOGPL, PPPL, SEPL and YOPL are and will, upon the proposed amalgamation, remain ultimate beneficial owners in the proposed amalgamated company and in the same ratio (inter se) as before the proposed amalgamation.

For Jayesh M. Shah & Co.
Chartered Accountants
F.R.N. 104173W

Jayesh M. Shah
Proprietor
M.No. 30638

