



DEEP INDUSTRIES LIMITED

Regd. Office: 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058.
Dist : Ahmedabad, Gujarat, India.

Tel: 02717 - 298510, **Fax:** 02717 – 298520, **Website:** www.deepindustries.com, **CIN:** L63090GJ1991PLC014833

Court Convened Meeting of the Equity shareholders

COURT CONVENED MEETING:

Day	: Wednesday
Date	: 20 January, 2016
Time	: 10 : 00 A.M.
Venue	: Hotel Planet Landmark, Ambli Bopal Road, Off S.G. Road, Ahmedabad - 380058, Gujarat.

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**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 EQUITY SHAREHOLDERS OF DEEP INDUSTRIES LIMITED

To,
The Equity Shareholders of Deep Industries Limited
("Applicant Company" / "Transferee Company")

TAKE NOTICE that by an Order made on 9th day of December, 2015, in the above mentioned Company Application, the Hon'ble High Court of Gujarat at Ahmedabad has directed that a meeting of the Equity Shareholders of Deep Industries Limited, the Applicant Company, be 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 10.00 a.m., for the purpose of considering and if thought fit, approving with or without modifications, the proposed Scheme of Arrangement in 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.

TAKE FURTHER NOTICE that in pursuance of the said Order and as directed therein, a meeting of the Equity Shareholders of Deep Industries Limited, the Applicant Company, will be 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 10.00 a.m., at which place, day, date and time, when you are requested to attend.

TAKE FURTHER NOTICE that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form, duly signed by you or your authorised representative, is deposited at the Registered Office of the Applicant Company at 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058, not later than 48 hours before the scheduled time of the commencement of the said meeting. Please carry proper proof of identification at the meeting venue for the purpose of verification.



DEEP INDUSTRIES LIMITED

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

Sd/-
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.

Notes:

1. All alterations made in the Form of Proxy should be initialed.
2. Only registered equity shareholders of the Applicant Company may attend and vote (either in person or by proxy or by authorised representative under applicable provisions of the Companies Act, 1956 and Companies Act, 2013) at the Equity Shareholders' meeting.
3. The authorized representative of a body corporate which is a registered equity shareholder of the Applicant Company may attend and vote at the meeting, provided a certified true copy of the resolution of the Board of Directors or other governing body of the body corporate authorizing such representative to attend and vote at the Equity Shareholders' meeting is deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the meeting.
4. Foreign Institutional Investors (FIIs) who are registered equity shareholders of the Applicant Company would be required to deposit certified copies of custodial resolutions/power of attorney, as the case may be, authorizing the individuals named therein, to attend and vote at the meeting on its behalf. These documents must be deposited at the Registered Office of the Applicant Company not later than 48 hours before the scheduled time of the commencement of the meeting.
5. A registered equity shareholder of the Applicant Company entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be an equity shareholder of the Applicant Company. The Form of Proxy duly completed should, however be deposited at the Registered Office of the Applicant Company not less than 48 hours before the scheduled commencement time of the said meeting.
6. A registered equity shareholder or his Proxy is requested to bring copy of the notice to the meeting and produce at the entrance of the meeting venue, the attendance slip duly completed and signed.
7. Registered equity shareholders who hold shares in dematerialised form are requested to bring their Client ID and DP ID details for easy identification of the attendance at the meeting.
8. Registered equity shareholders are informed that in case of joint holders attending the meeting, only such joint holders whose name stands first in the Register of Members of the Applicant Company in respect of such joint holding will be entitled to vote and in his/her absence by the next named member of the Applicant Company in respect of such joint holding will be entitled to vote.

Encl.: As above



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ORIGINAL JURISDICTION
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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

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 EQUITY SHAREHOLDERS OF DEEP INDUSTRIES LIMITED AND NOTICE FOR POSTAL BALLOT AND E-VOTING

1. Pursuant to the order dated 9 December 2015 passed by the Hon'ble High Court of Gujarat at Ahmedabad, in the Company Applications filed by the above referred hereinabove meetings of Equity Shareholders 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 10.00 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. 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. Apart from the Court Convened Meeting of the Equity Shareholders of the Applicant Company, to seek their approval for the Scheme of Arrangement in the nature of Amalgamation 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 ("the Scheme") under section 391 to 394 of the Companies Act, 1956 and read with section 100 to 103 of the Companies Act, 1956, the approval of the Equity Shareholders of the Transferor Company is also separately sought for passing Resolution for approval of the Scheme as required pursuant to the circulars issued by the Securities and Exchange Board of India ("SEBI") bearing no. CIR/CFD/DIL/5/2013 dated 4 February 2013 and CIR/CFD/DIL/8/2013 dated 21 May 2013 (hereinafter collectively referred to as "SEBI Circulars"), through postal ballot and e-voting pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014.
3. In terms of the SEBI circulars, the Scheme shall be acted upon only if the votes cast by the public shareholders (i.e. shareholders other than promoter and promoter group shareholders) in favour of the proposal are more than the number of votes cast by the public shareholders against the proposal.
4. 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.
5. 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(IB) 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 registered office of the company is situate at 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058 in the state of Gujarat.
 - (b) 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.



(c) 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.)
Authorized Share Capital	
3,50,00,000 equity shares of Rs.10/- each	35,00,00,000
TOTAL	35,00,00,000
Issued Subscribed and Paid Up share capital	
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.

(d) 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.

6. Background of the Transferor Companies

6.1 (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 situate 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.)
Authorized Share Capital	
47,50,000 equity shares of Rs.10 each	4,75,00,000
TOTAL	4,75,00,000
Issued, subscribed and paid-up Share Capital	
47,10,560 equity shares of Rs.10 each	4,71,05,600
TOTAL	4,71,05,600

6.2 (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 situate 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.)
Authorized Share Capital	
10,000 equity shares of Rs.10 each	1,00,000
TOTAL	1,00,000
Issued, subscribed and paid-up Share Capital	
10,000 equity shares of Rs.10 each	1,00,000
TOTAL	1,00,000

6.3 (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 situate 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.)
Authorized Share Capital	
13,06,340 equity shares of Rs.10/- each	1,30,63,400
TOTAL	1,30,63,400
Issued, Subscribed and Paid-up share capital	
13,06,340 equity shares of Rs.10/- each	1,30,63,400
TOTAL	1,30,63,400



6.4 (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.)
Authorised Share Capital	
3,00,000 equity shares of Rs.100/- each	3,00,00,000
3,00,000 preference shares of Rs.100/- each	3,00,00,000
TOTAL	6,00,00,000
Issued, Subscribed and Paid-up share capital	
2,93,128 equity shares of Rs.100/- each	2,93,12,800
2,78,000 preference shares of Rs.100/- each	2,78,00,000
TOTAL	5,71,12,800

6.5 (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.)
Authorised Share Capital	
20,00,000 equity shares of Rs.10/- each	2,00,00,000
22,00,000 preference shares of Rs.10/- each	2,20,00,000
TOTAL	4,20,00,000
Issued, Subscribed and Paid-up share capital	
16,77,700 equity shares of Rs. 10/- each fully paid up	1,67,77,000
21,50,000 preference shares of Rs.10/- each	2,15,00,000
TOTAL	3,82,77,000

7. 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.

8. 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.

9. 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 lease-hold 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 TRANSFEREE 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 TRANSFEREE 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.

- 10. The abridged financial statements of Deep Industries for last three years are annexed to this Explanatory Statement.
- 11. The rights and interest of the members and the creditors of Deep Industries will not be prejudicially affected by the Scheme.
- 12. No investigation proceedings have been initiated or pending in relation to Deep Industries under Sections 235 to 250A of the Companies Act, 1956.
- 13. 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.
- 14. 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.
- 15. 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.
- 16. **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

17. 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



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18. The Directors of Deep Industries, 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 are common directors in the Companies, or to the extent the said directors 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 a 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 a 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. Premsingh 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 Upadhyay- 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	Rupeshbhai Kantilal 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.

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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 Industries Limited							
1	Mrs. Prabhaven 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. Prabhaven 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. Prabhaven S. Savla	Nil	Nil	Nil	Nil	104700	1	Nil
	YOPL							
1	Dharen S. Savla	400725	1.37	Nil	Nil	123510	60500	515000



DEEP INDUSTRIES LIMITED

19. 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.
20. 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):
 - (a) 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.
 - (b) 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.
 - (c) Memorandum and Articles of Association of all the companies.
 - (d) Latest Audited accounts of all the companies as at 31st March 2015.
 - (e) Limited Review Report on Financial Statements of all the Companies as on September 30, 2015
 - (f) 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.
 - (g) Copy of the Valuation Report and Exchange Ratio Certificate provided by Jayesh M. Shah & Co., Chartered Accountants dated 22 June 2015.
 - (h) Copy of the Fairness Report provided by Vivro Financial Services Private Limited dated 24 June 2015.
 - (i) Complaints Report dated 17 August 2015 submitted by the Company to the Stock Exchanges.
 - (j) 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
2. Copy of the observation letter dated 4th November 2015 issued by BSE
3. Copy of the observation letter dated 3rd November 2015 issued by NSE
4. Copy of the fairness opinion issued by Vivro Financial Services Private Limited dated 24 June 2015
5. Copy of the complaint report dated 17 August 2015 filed with BSE and NSE



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

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



**SCHEME OF ARRANGEMENT
IN 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 ORGANOCEM PRIVATE LIMITED
AND
THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS**

PREAMBLE

This Scheme (*as defined hereinafter*) is presented under sections 391 to 394 read with sections 100 to 103 and other relevant provisions of the Act (*as defined hereinafter*) and section 13 and other relevant provisions of the Companies Act, 2013 for amalgamation of KFPL (*as defined hereinafter*), KOGPL (*as defined hereinafter*), PPPL (*as defined hereinafter*), SEPL (*as defined hereinafter*) and YOPL (*as defined hereinafter*) with Deep Industries (*as defined hereinafter*); merger of the authorised share capital of KFPL, KOGPL, PPPL, SEPL and YOPL with the authorised share capital of Deep Industries; and for matters consequential, supplemental and/or otherwise integrally connected therewith.

A. Description of the Companies

- (a) **Deep Industries Limited** is a public limited company incorporated under the provisions of the Act on 1st January, 1991 under the name and style of Deep Roadways Private Limited having its registered office at 12A & 14 Abhishree Corporate Park, AmbliBopal Road, Ambli, Ahmedabad - 380058 in the state of 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 February 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. 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 production. The equity shares of Deep Industries Limited are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').
- (b) **Kanvel Finance Private Limited** is a company incorporated under the provisions of the Act on 3rd January, 1995 having its registered office at 13, Krishna Society, Opp. Ellisbridge Gymkhana, Ellisbridge, Ahmedabad – 380006. It acts as investment holding company. It is a promoter company of Deep Industries and is shown as promoter in the shareholding pattern filed by Deep Industries in terms of listing agreement. It holds 15.72% of paid-up equity share capital of Deep Industries Limited.
- (c) **Kanvel Oil and Gas Private Limited** is a company incorporated under the provisions of the Act on 1st October, 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 Oil and Gas Private Limited is a wholly owned subsidiary of Kanvel Finance Private Limited.
- (d) **Prabhavati Properties Private Limited** is a company incorporated under the provisions of the Act on 24th March, 2004 in name of Prabhavati Properties Limited having its registered office at 6th floor, Astron Tower, Opp. Fun Republic Cinema, Satellite, Ahmedabad. The company became a Private Limited Company with effect from 28th April, 2008 and a fresh certificate of incorporation, consequent to change of name, was issued in the name of Prabhavati Properties Private Limited on 28th April, 2008. It is engaged in the business of leasing of land, properties and buildings. It is a promoter company of Deep Industries and is shown as promoter in the shareholding pattern filed by Deep Industries in terms of listing agreement. It holds 7.82% of paid-up equity share capital of Deep Industries Limited.
- (e) **Savla Enterprise Private Limited** is a company incorporated under the provisions of the Act on 2nd April, 1985 having its registered office at 601, 6th floor, Astron Tower, Opp. Fun Republic Cinema, Satellite, Ahmedabad. It was incorporated in name and style of Savla Electronics Private Limited. Subsequently, its name was changed to Savla Enterprise Private Limited with effect from 1st August, 2008. It is a promoter company of Deep Industries and is shown as promoter in the shareholding pattern filed by Deep Industries in terms of listing agreement. It holds 10.69% of paid-up equity share capital of Deep Industries Limited.
- (f) **Yash Organochem Private Limited** is a company incorporated under the provisions of the Act on 24th August, 1999 having its registered office at 6th Floor Astron Tower, Opp. Scon Temple, Gandhinagar Sarkhej Highway, Ahmedabad. It is a promoter company of Deep Industries and is shown as promoter in the shareholding pattern filed by Deep Industries in terms of listing agreement. It holds 4.33% of paid-up equity share capital of Deep Industries Limited.

B. Rationale and Purpose of the Scheme

Deep Industries, KFPL, KOGPL, PPPL, SEPL and YOPL belong to Deep Industries Group ('the Group'). KFPL, KOGPL, PPPL, SEPL and YOPL are promoter companies of Deep Industries. To make current holding structure more efficient, the promoters of Deep Industries are desirous of streamlining their current holding in Deep Industries. As a step towards such rationalization, it is proposed to merge the promoter companies of Deep Industries viz. KFPL, KOGPL, PPPL, SEPL and YOPL with Deep Industries. There will not be any increase in total promoter holding in Deep Industries pursuant to this Scheme.



While, the proposed merger would not result in any direct / indirect increase in the holding of Promoters in Deep Industries, 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.

In view of the aforesaid, the Board of Directors of all the Companies have considered and proposed the Scheme of Arrangement and Amalgamation under the provisions of Section 391 to Section 394 read with Sections 100 to 103 of the Companies Act, 1956 and the applicable provisions of the Companies Act, 2013.

C. Treatment of the Scheme for the purpose of the Income-Tax Act, 1961

This Scheme has been drawn up to comply with the conditions relating to "Amalgamation" as specified under Section 2(1B) of the Income-tax Act 1961. If any of the terms or provisions of this Scheme is/are found or interpreted to be inconsistent with the provisions of Section 2(1B) of the Income-tax Act, 1961 at a later date including resulting from an amendment of law or for any other reason whatsoever, the provisions of Section 2(1B) of the Income-tax Act, 1961 shall prevail and the Scheme shall stand modified to the extent determined necessary to comply with the provisions of Section 2(1B) of the Income-tax Act, 1961.

DEFINITION, DATE OF TAKING EFFECT & SHARE CAPITAL

1. DEFINITIONS

In this scheme, unless inconsistent with the subject, the following expressions shall have the meanings respectively assigned against them:

- 1.1 "**Act**" means the Companies Act, 1956 and shall include any statutory modification, re-enactment or amendments thereof for the time being in force and shall also refer to corresponding sections of the Companies Act, 2013, the rules and regulations made there under, as and when such corresponding Sections and rules are notified by the Central Government.
- 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.
- 1.3 "**Court**" or "**High Court**" means the High Court of Gujarat and shall include the National Company Law Tribunal, if and when applicable, or such other forum or authority as may be vested with any of the powers of a High Court in relation to the Scheme.
- 1.4 "**Deep Industries**" or "**Transferee Company**" means Deep Industries Limited, a company incorporated under the Act and having its registered office at 12A & 14 Abhishree Corporate Park, AmbliBopal Road, Ambli, Ahmedabad - 380058 in the state of Gujarat.
- 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.
- 1.6 **Transferor Companies mean and include-**
 - (i) "**KFPL**" means Kanvel Finance Private Limited, a company incorporated under the Act and having its registered office at 13, Krishna Society, Opp. Ellisbridge Gymkhana, Ellisbridge, Ahmedabad – 380006 in the state of Gujarat.
 - (ii) "**KOGPL**" means Kanvel Oil and Gas Private Limited, a company incorporated under the Act and having its registered office at 13, Krishna Society, Near Law Garden, Ellisbridge, Ahmedabad – 380006 in the state of Gujarat.
 - (iii) "**PPPL**" means Prabhavati Properties Private Limited, a company incorporated under the Act and having its registered office at 6th floor, Astron Tower, Opp. Fun Republic Cinema, Satellite, Ahmedabad in the state of Gujarat.
 - (iv) "**SEPL**" means Savla Enterprise Private Limited, a company incorporated under the Act and having its registered office at 601, 6th floor, Astron Tower, Opp. Fun Republic Cinema, Satellite, Ahmedabad in the state of Gujarat.
 - (v) "**YOPL**" means YashOrganochem Private Limited, a company incorporated under the Act and having its registered office at 6th Floor Astron Tower, Opp. Iscon Temple, Gandhinagar Sarkhej Highway, Ahmedabad in the state of Gujarat.
- 1.7 "**Record Date**" means such date to be mutually fixed by the Board of Directors of Transferor Companies and Transferee Company or any committee / person duly authorized by the respective Board of Directors to determine the members of Transferor Company to whom equity shares of Transferee Company will be allotted pursuant to Part B of this Scheme.
- 1.8 "**Scheme**" or "**the Scheme**" or "**this Scheme**" means this Scheme of Arrangement and Amalgamation in its present form or with any modification(s) as approved or directed by the High Court of Gujarat.
- 1.9 "**Transferor Companies**" means collectively, KFPL, KOGPL, PPPL, SEPL and YOPL and the term "Transferor Company" means any of the Transferor Companies, as the context may require;
- 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 lease-hold 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.

All terms and words not defined in this Scheme shall, unless repugnant or contrary to the context or meaning thereof, have the same meaning ascribed to them under the Act, the Securities Contract Regulations Act, 1956, the SEBI Act, 1992, the Depositories Act, 1996 and other applicable laws, rules, regulations, bye-laws, as the case may be or any statutory modifications or re-enactment thereof from time to time.

2. DATE OF TAKING EFFECT AND OPERATIVE DATE

The Scheme set out herein in its present form or with any modification(s) approved or imposed or directed by the High Court, shall be effective from the Appointed Date but shall be operative from the Effective Date.

3. SHARE CAPITAL

3.1 The share capital of KFPL as at March31, 2015 is as under:

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

3.2 The share capital of KOGPL as at March 31, 2015 is as under:

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

3.3 The share capital of PPPL as at March 31, 2015 is as under:

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



3.4 The share capital of SEPL as at March 31, 2015 is as under:

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

3.5 The share capital of YOPL as at March 31, 2015 is as under:

Share Capital	Amount (in Rs.)
Authorised Share Capital	
20,00,000 equity shares of Rs.10/- each	2,00,00,000
22,00,000 preference shares of Rs.10/- each	2,20,00,000
TOTAL	4,20,00,000
Issued, Subscribed and Paid-up share capital	
16,77,700 equity shares of Rs. 10/- each fully paid up	1,67,77,000
21,50,000 preference shares of Rs.10/- each	2,15,00,000
TOTAL	3,82,77,000

3.6 The share capital of Transferee Company as at March 31, 2015 is as under:

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

**MERGER OF KFPL, KOGPL, PPPL, SEPL AND YOPL
WITH DEEP INDUSTRIES**

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 fulfill 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.

6. CONTRACTS, DEEDS, ETC.

- 6.1 Notwithstanding anything to the contrary contained in the contract, deed, bond, agreement or any other instrument, but subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements and other instruments, if any, of whatsoever nature and subsisting or having effect on the Effective Date, shall continue in full force and effect against or in favour of Transferee Company and may be enforced effectively by or against Transferee Company as fully and effectually as if, instead of Transferor Companies, Transferee Company had been a party thereto.
- 6.2 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, enter into, or issue or execute deeds, writings, confirmations, novations, declarations, or other documents with, or in favour of any party to any contract or arrangement to which Transferor Companies are a party or any writings as may be necessary to be executed in order to give formal effect to the above provisions. Transferee Company shall, be deemed to be authorised to execute any such writings on behalf of Transferor Companies and to carry out or perform all such formalities or compliances required for the purposes referred to above on the part of Transferor Companies.

**7. STAFF, WORKMEN & EMPLOYEES**

- 7.1 Upon the coming into effect of this Scheme, all employees of Transferor Companies and who are in such employment as on the Effective Date shall become the employees of Transferee Company from Appointed Date or their respective joining date, whichever is later and, subject to the provisions of this Scheme, on terms and conditions not less favorable than those on which they are engaged by Transferor Companies and without any interruption of or break in service as a result of the amalgamation of the Transferor Companies. For the purpose of payment of any compensation, gratuity and other terminal benefits, the past services of such employees with Transferor Companies and such benefits to which the employees are entitled in Transferee Companies shall also be taken into account, and paid (as and when payable) by Transferee Company.
- 7.2 In so far as the existing provident fund, gratuity fund and pension and/or superannuation fund, trusts, retirement fund or benefits and any other funds or benefits, if any, created by Transferor Companies for its employees (collectively referred to as the "Funds"), the Funds and such of the investments made by the Funds being transferred to Transferee Company, in terms of the Scheme shall be transferred to Transferee Company and shall be held for their benefit pursuant to this Scheme in the manner provided hereinafter. The Funds shall, subject to the necessary approvals and permissions and at the discretion of Transferee Company, either be continued as separate funds of Transferee Company for the benefit of the employees of Transferor Companies or be transferred to and merged with other similar funds of Transferee Company. In the event that Transferee Company does not have its own funds in respect of any of the above, Transferee Company may, subject to necessary approvals and permissions, continue to contribute to relevant funds of Transferor Companies, until such time that Transferee Company creates its own fund, at which time the Funds and the investments and contributions pertaining to the employees of Transferor Companies shall be transferred to the funds created by Transferee Company. Subject to the relevant law, rules and regulations applicable to the Funds, the Board of Directors or any committee thereof of Transferee Company may decide to continue to make the said contributions to the Funds of Transferor Companies. It is clarified that the services of the employees of Transferor Companies will be treated as having been continuous and not interrupted for the purpose of the said fund or funds.
- 7.3 In relation to those employees for whom Transferor Companies are making contributions to the government provident fund, if any, Transferee Company shall stand substituted for Transferor Companies, as the case may be, for all purposes whatsoever, including relating to the obligation to make contributions to the said fund in accordance with the provisions of such fund, bye laws, etc. in respect of such employees.

8. TAX CREDITS

- 8.1 Notwithstanding anything to the contrary contained in the provisions of this Scheme, Transferee Company shall be entitled to carry forward, avail of, or set-off any unabsorbed tax losses, tax depreciation, credits for minimum alternate tax and input tax credits of Transferor Companies that remain unutilized as on the Effective Date.
- 8.2 Upon the Scheme being effective, Transferee Company shall be entitled to claim refunds or credits, including input tax credits, with respect to taxes paid by, for, or on behalf of, Transferor Companies under applicable laws, including but not limited to income tax, sales tax, value added tax, entry tax, central sales tax, service tax, CENVAT or any other tax, whether or not arising due to any inter se transaction, even if the prescribed time limits for claiming such refunds or credits have lapsed.
- 8.3 Transferor Companies and Transferee Company are expressly permitted to file or revise its corporate income tax, TDS/TCS, wealth tax, service tax, excise, VAT, entry tax, professional tax or any other returns, statements or documents, upon the Scheme being effective, and where necessary to give effect to the Scheme, even if the prescribed time limits for filing or revising such returns have lapsed. Transferee Company is expressly permitted to amend, if required, its TDS/TCS or other statutory certificates and shall have the right to claim refunds, tax credits, set-offs and/or adjustments relating to its income or transactions entered into by it with effect from the Appointed Date. The taxes or duties paid by, for, or on behalf of, Transferor Companies relating to the period on or after the Appointed Date shall be deemed to be the taxes or duties paid by Transferee Company and Transferee Company shall be entitled to claim credit or refund for such taxes or duties paid.

9. SAVING OF CONCLUDED TRANSACTIONS

Subject to the terms of the Scheme, the transfer and vesting of the Undertaking of Transferor Companies shall not affect any transaction or proceedings already concluded in/ by the Transferor Companies on or before the Appointed Date or after the appointed date till the Effective Date, to the end and intent that Transferee Company accepts and adopts all acts, deeds and things done and executed by Transferor Companies in respect thereto as done and executed on its behalf.

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:
- 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;
 - 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.
 - 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;
 - 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 TRANSFEREE 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 TRANSFEREE 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.

14. CONDUCT OF BUSINESS UNTIL THE EFFECTIVE DATE

- 14.1 With effect from the Appointed Date and up to and including the Effective Date, Transferor Companies shall carry on its business with reasonable diligence and except in the ordinary course of business. Transferor Companies shall not, without the prior written consent of the Board of Directors of Transferee Company or pursuant to any pre-existing obligation, sell, transfer or otherwise alienate, charge, mortgage, encumber or otherwise deal with, or dispose off, any of the assets of the Undertaking of Transferor Companies or any part thereof.
- 14.2 With effect from the Appointed Date and up to and including the Effective Date:
 - (i) Transferor Companies shall carry on and be deemed to have carried on all business and activities and shall hold and stand possessed of and shall be deemed to hold and stand possessed of all its estates, assets, rights, title, interest, authorities, contracts, investments and strategic decisions for and on account of, and in trust for, Transferee Company;
 - (ii) all profits and income accruing or arising to Transferor Companies, and losses and expenditure arising or incurred by it (including taxes, if any, accruing or paid in relation to any profits or income) for the period commencing from the Appointed Date shall, for all purposes, be treated as and be deemed to be the profits, income, losses or expenditure (including taxes), as the case may be, of Transferee Company;
 - (iii) any of the rights, powers, authorities or privileges exercised by Transferor Companies shall be deemed to have been exercised by Transferor Companies for and on behalf of, and in trust for and as an agent of Transferee Company. Similarly, any of the obligations, duties and commitments that have been undertaken or discharged by Transferor Companies shall be deemed to have been undertaken for and on behalf of and as an agent for Transferee Company;
 - (iv) all taxes (including, without limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.) paid or payable by Transferor Companies in respect of the operations and/or the profits of the Undertaking of Transferor Companies before the Appointed Date, shall be on account of Transferor Companies and, insofar as it relates to the tax payment (including, without



limitation, income tax, wealth tax, sales tax, excise duty, customs duty, service tax, VAT, etc.), whether by way of deduction at source, advance tax or otherwise howsoever, by Transferor Companies in respect of the profits or activities or operation of the Undertaking of Transferor Companies with effect from the Appointed Date, the same shall be deemed to be the corresponding item paid by Transferee Company, and, shall, in all proceedings, be dealt with accordingly; and

14.3 Transferee Company shall be entitled, pending the sanction of the Scheme, to apply to any governmental authority, if required, under any law for such consents and approvals which Transferee Company may require to carry on the business of Transferor Companies.

15. RESOLUTIONS

Upon the coming into effect of this Scheme, the resolutions, if any, of Transferor Companies, which are valid and subsisting on the Effective Date, shall continue to be valid and subsisting and be considered as resolutions of Transferee Company and if any such resolutions have any monetary limits approved under the provisions of the Act, or any other applicable statutory provisions, then the said limits shall be added to the limits, if any, like resolutions are passed by Transferee Company and shall constitute the aggregate of the said limits in Transferee Company.

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.

17. DECLARATION OF DIVIDEND

For the avoidance of doubt it is hereby clarified that nothing in this Scheme shall prevent Transferee Company from declaring and paying dividends, whether interim or final, to its equity shareholders as on the record date for the purpose of any such dividend.

GENERAL TERMS & CONDITIONS**18. APPLICATIONS TO THE HIGH COURT**

The Transferor Companies and the Transferee Company shall, with all reasonable dispatch, make applications/ petitions, under Sections 391 to 394 and other applicable provisions of the Act to the High Court of Gujarat for seeking sanction of this Scheme.

19. CONDITIONALITY OF THE SCHEME

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

- (a) the requisite consent, approval or permission from BSE and NSE and/or Securities and Exchange Board of India, which by law or otherwise may be necessary for the implementation of this Scheme;
- (b) the scheme being approved by resolution of shareholders of the Transferee Company passed by way of postal ballot and e-voting in terms of para 5.6 of Securities and Exchange Board of India Circular CIR/CFD/DIL/5/2013 dated 4 February 2013 read with Circular CIR/CFD/DIL/8/2013 dated 21 May 2013; provided that the same shall be acted upon only if the votes cast by public shareholders of the Transferee Company in favour of the proposal are more than the number of votes cast by public shareholders against it;
- (c) the Scheme being approved by the requisite majority in number and value of such classes of persons including the respective members and/or creditors of Transferor Companies and Transferee Company as may be directed by the High Court;
- (d) the sanction of the High Court under Sections 391 to 394 of the said Act read with Sections 100 to 103 of the Companies Act, 1956 in favour of Transferor Companies and Transferee Company under the said provisions and to the necessary Order under Section 394 of the said Act being obtained;
- (e) certified or authenticated copy of the Order of the High Court sanctioning the Scheme being filed with the Registrar of Companies, Gujarat by Transferor Companies and Transferee Company as may be applicable.
- (f) the requisite consent, approval or permission of the Government Authority or any other statutory authority, which by law may be necessary for the implementation of this scheme.

20. MODIFICATION OR AMENDMENTS TO THE SCHEME

20.1 Transferor Companies and Transferee Company by their respective Board of Directors or any duly authorised committee may make or consent to any modifications or amendments to the Scheme or to any conditions or limitations that the Court or any other authority may deem fit to direct or impose or which may otherwise be considered necessary, desirable or appropriate by them and solve all difficulties that may arise for carrying out the Scheme and do all acts, deeds and things necessary for putting the Scheme into effect.

20.2 Transferor Companies and Transferee Company shall be at liberty to withdraw from this Scheme, in case of any condition or alteration imposed by the Hon'ble High Court or any other authority or any bank or financial institution is unacceptable to them or otherwise if so mutually agreed.

21. EFFECT OF NON-RECEIPT OF APPROVALS

In the event of any of the approvals or conditions enumerated in the Scheme not being obtained or complied, or for any other reason, this Scheme cannot be implemented, then the Board of Directors of Transferor Companies and Transferee Company shall mutually waive such conditions as they consider appropriate to give effect, as far as possible, to this Scheme and failing such mutual agreement the Scheme shall become null and void and each party shall bear and pay their respective costs, charges and expenses in connection with this Scheme.



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

FORM OF PROXY

I/We _____, the undersigned, being the Equity Shareholder of Deep Industries Limited, do hereby appoint Mr. / Ms. _____ of _____ and failing him/her _____ of _____ as my/our Proxy to act for me/us at the Court convened meeting of the Equity Shareholders of the Applicant Company to be held on Wednesday, the 20th day of January, 2016 at 10.00 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 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 (collectively referred to as 'Transferor Companies') with Deep Industries Limited (the Applicant Transferee Company) and restructure of share capital of Deep Industries Limited (the "Scheme of Arrangement"), and at such meeting and any adjournment/ adjournments thereof, to vote, for me/us and in my/our name _____ (here, "if for" insert "for", "if against" insert "against" and in the latter case, strike out the words below after the word "Scheme") the said Scheme either with or without modification(s) as my/our proxy may approve.

Dated this _____ day of _____ 2015

Signature _____

Affix Re. 1 Revenue Stamp

Name : _____

Address: _____

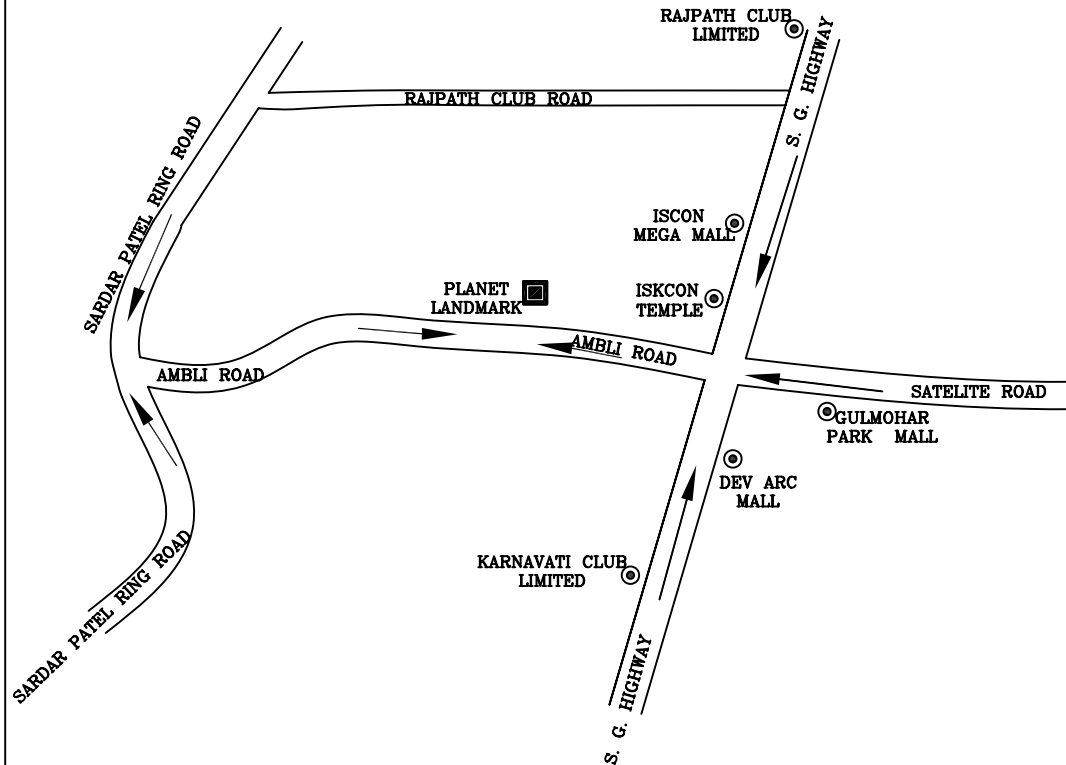
Notes :

- 1. The Form of Proxy must be deposited at the Registered Office of the Company at 12A and 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058, in the State of Gujarat, not less than forty eight hours before the time of holding the aforesaid meeting.
2. If you are a body corporate, as the equity shareholder, a copy of the Resolution of the Board of Directors or the governing body authorizing such person to act as its representative/proxy at the meeting and certified to be a true copy by a Director, the manager, the secretary or any other authorised officer of such body corporate be lodged with the company at its registered office not later than 48 hours before the meeting.
3. A proxy need not be a equity shareholder of Deep Industries Limited.
4. All alterations made in the Form of Proxy should be initialled.



ROUTE MAP OF VENUE OF EGM

HOTEL PLANET LANDMARK
AMBLI BOPAL ROAD,
AHMEDABAD,
GUJARAT, INDIA.





ATTENDANCE SLIP

PLEASE FILL THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL.

NAME AND ADDRESS OF THE EQUITY SHAREHOLDER OR PROXY HOLDER

I/We hereby record my presence at the meeting of the Equity Shareholders of the Company convened pursuant to the Order dated 9th December, 2015 of the Hon'ble High Court of Judicature at Gujarat on 20th day of January, 2016 at 10:00 am at Hotel Planet Landmark, Ambli Bopal Road, Off S.G. Road, Ahmedabad – 380058, India.

SIGNATURE OF THE EQUITY SHAREHOLDER
OR PROXY

Note:

Equity Shareholders who come to attend the meeting are requested to bring with them copy of the Scheme of Arrangement.

Book-Post



DEEP INDUSTRIES LIMITED

Registered Office :

12A &14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058

Tel (02717) 298510 **Fax** (02717) 298520

CIN: L63090GJ1991PLC014833

E-mail: info@deepindustries.com **Website:** www.deepindustries.com

