

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

This Letter of Offer is sent to you as a registered equity shareholder of Deepak Industries Limited (the “Company”) as on the Record Date in accordance with Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as amended. If you require any clarifications about the action to be taken, you should consult your Stock Broker or Investment Consultant or the Manager to the Buyback Offer (VC Corporate Advisors Pvt. Ltd.) or to the Registrar to the Buyback Offer (Maheshwari Datamatics Private Limited). Please refer to the section on “Definitions” for the definition of capitalized terms used therein.

DEEPAK INDUSTRIES LIMITED

CIN No.: L63022WB1954PLC021638

Registered Office & Correspondence Address: 16, Hare Street, 2nd Floor, Kolkata-700 001,

Contact Person: Mr. V D Mall, Company Secretary & Compliance Officer

Tel. No.: (033) 2248-2391/92/93, Fax No.: (033) 2248-9382,

Website:- www.dil-india.com, Email: secretary@dil-india.com

Cash offer to buyback not exceeding 11,00,000 (Eleven Lakhs) fully paid up equity shares of face value of Rs. 10/- each representing 21.76% of the total number of equity shares in the issued, subscribed, paid up equity share capital of the Company from all the existing shareholders/beneficial owners of the Company as on the record date i.e. 19.01.2018 on a proportionate basis through the tender offer route at a price of Rs. 310/- (Rupees Three Hundred Ten Only) per equity share for an aggregate amount Rs. 34,10,00,000/- (Rupees Thirty Four Crores Ten Lakhs Only).

- 1.1. The Buyback is in accordance with the provisions contained in the Article 5A of the Articles of Association of the Company, Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, 2013 (the “Companies Act”), the Companies (Share Capital and Debentures) Rules, 2014 (hereinafter referred to as the “Share Capital Rules”) and in compliance with Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 as amended from time to time (the “Buyback Regulations”), statutory modifications of re-enactments thereof, and such other approvals, permissions and exemptions as may be required, from time to time, from The Calcutta Stock Exchange Limited (the “CSE”) where the equity shares of the Company are listed and from any other statutory and /or regulatory authority, as may be required and which may be agreed to by the Board and/ or any other committee thereof. The Buyback would be undertaken in accordance with Circular No. CIR/CFD/POLICYCELL/1/2015 dated 13.04.2015 read with circular CFD/DCR2/CIR/P/2016/131 dated 09.12.2016 issued by the Securities and Exchange Board of India, which prescribes mechanism for acquisition of shares through Stock Exchange and in this regard, BSE Limited would be the “Designated Stock Exchange”.
- 1.2. The Buyback Offer Size is 15.18% of the fully paid-up equity share capital and free reserves as per audited accounts of the Company for the financial year ended 31.03.2017 and is within the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company.
- 1.3. The Letter of Offer will be sent to the Equity Shareholder(s)/Beneficial Owner(s) of Equity shares of the Company as on the Record Date i.e., 19.01.2018.
- 1.4. The procedure for Tender and Settlement is set out in paragraph 20 of this Letter of Offer. The Form of Acceptance-cum-Acknowledgement (“Tender Form”) is enclosed together with this Letter of Offer.
- 1.5. For mode of payment of consideration to the Equity Shareholders refer Paragraph 20.8 of this Letter of Offer.
- 1.6. A copy of the Public Announcement and this Letter of Offer (including Tender Form) will be available on the website of Securities and Exchange Board of India- www.sebi.gov.in.
- 1.7. Equity Shareholders are advised to refer to paragraph 17 (Details of Statutory Approvals) and paragraph 21 (Notes on Taxation) before tendering their Equity Shares in the Buyback.

BUYBACK OPENS ON: Wednesday, February 21, 2018

BUYBACK CLOSES ON: Wednesday, March 07, 2018

LAST DATE OF RECEIPT OF COMPLETED TENDER FORMS: Friday, March 09, 2018

All future correspondence in relation to Buyback, if any should be addressed to the Manager to the Buyback Offer or the Registrar to the Buyback Offer at the respective addresses mentioned below:



	MANAGER TO THE BUYBACK OFFER: VC Corporate Advisors Private Limited SEBIREGN NO: INM000011096 Validity of Registration: Permanent (Contact Person: Mr. Anup Kumar Sharma) 31 Ganesh Chandra Avenue, 2 nd Floor, Suite No –2C, Kolkata-700 013. Phone No : (033) 2225-3940 Fax : (033) 2225-3941 Email: mail@vccorporate.com Website: www.vccorporate.com		REGISTRAR TO THE BUYBACK OFFER: Maheshwari Datamatics Private Limited, SEBI REGN No : INR000000353 Validity of Registration: Permanent (Contact Person: Mr. S. Rajagopal) 23, R.N. Mukherjee Road, 5 th Floor, Kolkata – 700 001 Tel No.: (033) 2243 5809/5029 Fax No.: (033) 2248 4787 Email: mdpldc@yahoo.com Website: www.mdpl.in
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1. SCHEDULE OF ACTIVITIES OF THE OFFER

ACTIVITY	DATE	DAY
Date of Board Meeting Approving the Proposal of The Buyback	November 03, 2017	Friday
Date of declaration of results of the Postal ballot for special resolution by the equity shareholders of the Company, approving the Buyback Offer.	January 02, 2018	Tuesday
Date of Public Announcement for the buyback	January 04, 2018	Thursday
Record date for determining the Buyback entitlement and the names of the eligible shareholders	January 19, 2018	Friday
Date of Opening of the buyback Offer	February 21, 2018	Wednesday
Date of Closing of the Buyback Offer	March 07, 2018	Wednesday
Last Date Of Receipt Of Completed Tender Forms	March 09, 2018	Friday
Last Date of verification by the Registrar	March 14, 2018	Wednesday
Last date of providing acceptance to the Stock Exchange by the Registrar	March 15, 2018	Thursday
Last date of Settlement of Bids on the Stock Exchange	March 16, 2018	Friday
Last date of dispatch of Share certificate(s)/return of unaccepted demat shares by Stock Exchange to Selling Member	March 16, 2018	Friday
Last date of Extinguishment of equity shares	March 23, 2018	Friday

2. DEFINITION OF KEY TERMS:

Acceptance	Acceptance of Equity Shares, tendered by Eligible Persons in the Buyback Offer
Act/ Companies Act	The Companies Act, 2013 and subsequent amendments thereto, to the extant rules applicable and notified,
Acquisition Window	The separate window made available by BSE Limited to facilitate acquisition of Equity Shares through the stock exchange mechanism pursuant to an offer in accordance with the SEBI Circulars
Additional Shares / Additional Equity Shares	Eligible Equity Shares tendered by an Eligible Person over and above the Buyback Entitlement of such shareholder.
Company / the Company/ DIL	M/s. Deepak Industries Limited
Board of Directors/ Board	Board of Directors of the Company, or the Committee of Directors or Buyback Committee for the purpose of the Buyback.
BSE	BSE Limited
Buyback Committee	The Buyback Committee comprising of Mr. Yashwant Kumar Daga, Vice Chairman-cum-Joint Managing Director, Mr. Anand Prasad Agarwalla, Director, Mr. Om Prakash Dokania, Chartered Accountant, and Mr. Vithal Das Mall, Company Secretary constituted and authorized for the purpose of the Buyback Offer vide resolution dated 03.11.2017 of the Board of Directors of the Company
Buyback Entitlement	The number of Equity Shares that a Shareholder is entitled to tender in the Buyback Offer, based on the number of Equity Shares held by that Shareholder, on the Record date and the Ratio of Buyback applicable in the category, to which such Shareholder belongs to.
Buyback Offer/ Buyback / Offer	Offer by DIL to buy back not exceeding 11,00,000 fully paid-up Equity Shares of face value of Rs. 10/- each at a price of Rs. 310/- per equity share from all the equity shareholders/ beneficial owners of the Company through Tender Offer process, on a proportionate basis.
Buy back Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998
CDSL	Central Depository Services (India) Limited
Clearing Corporation	Indian Clearing Corporation Limited
CSE	The Calcutta Stock Exchange Limited
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited, collectively
DP	Depository Participant
Eligible Person(s)	Person(s) eligible to participate in the Buyback Offer and would mean all Equity Shareholders / Beneficial Owner(s) of Equity Shares of the Company as on the Record Date i.e., January 19, 2018.
Equity Shares/ Shares	Fully paid up Equity Shares of face value of Rs. 10/- each of the Company
Escrow Account	The Escrow Account opened with HDFC Bank
Form/ Tender Form	Form of Acceptance-cum-Acknowledgement
General Category	Equity shareholders other than Small Shareholders
HUF	Hindu Undivided Family
Income Tax Act	Income Tax Act,1961 as amended from time to time
LOF/ Offer Document	Letter of Offer
Manager to the Buyback	VC Corporate Advisors Private Limited
Non-Resident Shareholders	Includes Non-Resident Indians (NRI), Foreign Institutional Investors (FII) and Overseas Corporate Bodies (OCB)
NSDL	National Securities Depository Limited
Offer Period / Tendering Period	Period of ten working days from the date of opening of the Buyback Offer till its closure (both days inclusive)
Offer Price / Buyback Price	Price at which Equity Shares will be bought back from the Shareholders i.e. Rs. 310/- per fully paid up equity share, payable in cash
Offer Size / Buyback Size	Number of Equity Shares proposed to be bought back (i.e. 11,00,000 equity shares) multiplied by the Offer Price (i.e. Rs. 310/- per equity share) aggregating to 34,10,00,000/- (Rupees Thirty Four Crores Ten Lakhs Only).
PA / Public Announcement	Public Announcement regarding the Buyback dated 03.01.2018, which was published on 04.01.2018.
PAN	Permanent Account Number

RBI	Reserve Bank of India
Record Date	The date for the purpose of determining the entitlement and the names of the Shareholders, to whom the Letter of Offer and Tender Offer Form will be sent and who are eligible to participate in the proposed Buyback offer in accordance with the Regulations. The Record Date for the purpose of this Buy Back Offer is 19.01.2018.
Registrar to the Offer / Registrar to the Buyback	Maheshwari Datamatics Private Limited
Regulations / SEBI Regulations / SEBI Buyback Regulations / Buyback Regulations	Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 including any statutory modifications or re-enactments thereof
SEBI	The Securities and Exchange Board of India
Small Shareholder	Any equity shareholder who holds Equity Shares of the Company having market value, on the basis of closing price on CSE as on Record Date, of not more than Rs. 2,00,000/- (Rupees Two Lakhs Only). Presently, the equity shares of the Company are not traded on the CSE, thus the closing price for the same is not available. Hence, a shareholder who holds equity shares having market value on the basis of Buyback Offer Price, of not more than Rs. 2,00,000/- (Rupees Two Lakhs Only) is considered for determination of Small Shareholders in terms of this Buyback Regulations.
Stock Exchanges/Stock Exchange	CSE, being the Stock Exchange where the equity shares of the Company are listed and BSE Limited, being the Designated Stock Exchange for the usage of mechanism for acquisition of shares through the Stock Exchange.

3. DISCLAIMER CLAUSE:

As required, a copy of this Letter of Offer has been submitted to SEBI. It is to be distinctly understood that submission of the Letter of Offer to SEBI should not, in any way be deemed or construed that the same has been cleared or approved by SEBI. SEBI does not take any responsibility either for the financial soundness of the Company to meet the Buyback commitments of for the correctness of the statements or opinions expressed in the Offer document. The Manager to the Buyback Offer, M/s. VC Corporate Advisors Pvt. Ltd., has certified that the disclosures made in the Offer document are generally adequate and are in conformity with the provisions of Companies Act and Buyback Regulations. This requirement is to facilitate investors to take an informed decision for tendering their Equity Shares in the Buyback.

It should be clearly understood that while the Company is primarily responsible for the correctness, adequacy and disclosures of all relevant information in the Offer Document, the Manager to the Buyback Offer is expected to exercise due diligence to ensure that the Company discharges its duty adequately in this behalf and towards this purpose, the Manager to the Buyback Offer, M/s. VC Corporate Advisors Pvt. Ltd. has furnished to SEBI a Due Diligence Certificate dated 08.01.2018 in accordance with Buyback Regulations which read as follows:

“We have examined various documents and materials contained in the annexure to this letter, as part of the due-diligence carried out by us in connection with the finalization of the Public Announcement and the Letter of Offer. On the basis of such examination and the discussions with the Company, we hereby state that:

- The Public Announcement and the Letter of Offer are in conformity with the documents, materials and papers relevant to the Buyback offer;
- All the legal requirements connected with the said offer including SEBI (Buy Back of Securities) Regulations, 1998, as amended, have been duly complied with;
- The disclosures in the Public Announcement and the Letter of Offer are, to the best of our knowledge, true, fair and adequate in all material respects for the shareholders of the Company to make a well informed decision in respect of the captioned Buyback offer.
- Funds used for buy back shall be as per the provisions of the Companies Act.”

The filing of Offer Document with the SEBI does not, however, absolve the Company from any liabilities under the provisions of the Companies Act, 2013, as amended or from the requirement of obtaining such statutory or other clearances as may be required for the purpose of the proposed Buyback.

Promoters / Directors declare and confirm that no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and / or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and / or amounts to a mis-statement/ misrepresentation, the Promoters / Directors and the

Company shall be liable for penalty in terms of the provisions of the Companies Act, 2013 as amended and the SEBI (Buy Back of Securities) Regulations, 1998, as amended. Promoters / Directors also declare and confirm that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.

4. TEXT OF THE RESOLUTION PASSED AT THE BOARD MEETING:

The Buy Back through Tender Offer was considered and approved by the Board of Directors of the Company at their meeting held on 03.11.2017. The extracts of the minutes of the Board Meeting are as follows:

“RESOLVED THAT pursuant to the provisions of Article 5A of the Articles of Association of the Company and the provisions of Section 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the **“Companies Act”**), the Companies (Share Capital and Debentures) Rules, 2014 (the **“Share Capital Rules”**) to the extent applicable, and in compliance with the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 1998, as amended from time to time (the **“Buyback Regulations”**), including any amendments, statutory modifications or re-enactments, for the time being in force and, subject to such other approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by the appropriate authorities while granting such approvals, permissions and sanctions, which may be agreed by the Board of Directors of the Company (hereinafter referred to as the **“Board”**, which expression shall include any Committee constituted by the Board to exercise its powers, including the powers conferred by this resolution) and subject to the approval of the shareholders of the Company by way of a Special Resolution, the Board hereby recommends for the buyback by the Company of its fully paid-up equity shares of Rs. 10/- each, not exceeding 11,00,000 (Eleven Lakhs) equity shares (representing 21.76% of the total number of equity shares in the paid up equity share capital of the Company) at a price of Rs. 310/- (Rupees Three Hundred Ten Only) per equity share (**“Buyback Offer Price”**) payable in cash for an aggregate amount of Rs. 34,10,00,000/- (Rupees Thirty Four Crores Ten Lakhs Only) (**“Buyback Offer Size”**) (excluding Company’s transaction cost such as brokerage, securities transaction tax, stamp duty and other applicable taxes etc) which is 15.18% of the fully paid up equity share capital and free reserves as per the audited accounts of the Company for the Financial year ended 31.03.2017 from the members of the Company on a proportionate basis through the **“Tender Offer”** route as prescribed under the Buyback Regulations (**“Buyback”**) provided that 15% of the number of equity shares which the Company proposes to buyback or the number of equity shares entitled as per the shareholding of small shareholders, as defined in the Buyback Regulations (**“Small Shareholders”**), as of the Record Date, whichever is higher, shall be reserved for Small Shareholders.”

“RESOLVED FURTHER THAT the Company, to the extent legally permissible, implement the Buyback using the **“Mechanism for acquisition of shares through Stock Exchange”** notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with SEBI Circular CFD/DCR2/CIR/P/2016/131 dated December 09, 2016.”

“RESOLVED FURTHER THAT the Company will implement the Buyback from its current surplus and/or cash balances and/or internal accruals of the Company and on such terms and conditions as the Board may be decide from time to time in the absolute discretion of the Board as it may deem fit.”

“RESOLVED FURTHER THAT the approval of the members by Postal Ballot be sought and the Buyback Committee (herein after defined) be and is hereby authorized to finalize the Notice for the Postal Ballot, the accompanying Explanatory Statement and carry out all incidental activities in connection with the obtaining approval of members by a Special Resolution.”

“RESOLVED FURTHER THAT the Company shall not buyback the locked-in-shares or other specified securities and non-transferable shares or other specified securities till the pendency of the lock-in or till the shares or other specified securities become transferable.”

“RESOLVED FURTHER THAT Shri Vithal Das Mall, Company Secretary be and is hereby appointed as the Compliance Officer for the Buyback.”

“RESOLVED FURTHER THAT the Buyback from non-resident members, Overseas Corporate Bodies (OCBs) and Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs) and members of foreign nationality, if any, etc. shall be subject to such approvals if, and to the extent necessary or required including approvals from the Reserve Bank of India under the applicable Foreign Exchange Management Act, 1999 and the rules, regulations framed there under, if any.”

“RESOLVED FURTHER THAT all of the shareholders of the Company who hold equity shares as of a record date to be subsequently determined by the Company will be eligible to participate in the Buy Back including promoters, promoter group and persons in control of the Company who hold equity shares of the Company as on that date.”

“RESOLVED FURTHER THAT the Board hereby confirms that it has made a full equity into the affairs and prospects of the Company and has formed the opinion:

- a) that immediately following the date of this Board Meeting and the date on which the Special Resolution is passed by the shareholders of the Company, there will be no grounds on which the Company could be found unable to pay its debts;
- b) that as regards the Company’s prospects for the year immediately following the date of this Board Meeting as well as for the year immediately following the date on which Special Resolution is passed by the shareholders of the Company approving the Buyback, and having regard to the Board’s intentions with respect to the management of the Company’s business during the year and to the amount and character of the financial resources which will, in the Board’s view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of this Board Meeting as well as within a period of one year from the date Special Resolution is passed by the shareholders of the Company.
- c) that in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act.”

“RESOLVED FURTHER THAT the Board hereby confirms that:

- a) All the equity shares for Buyback are fully paid-up;
- b) That the Company has noted that the Company shall not issue and allot any Equity Shares including by way of bonus, till the date of closure of this Buyback;
- c) That the Company, as per provisions of Section 68(8) of the Companies Act, shall not make further issue of the same kind of shares or other specified securities within a period of six months after the completion of the Buyback except by way of bonus shares.
- d) That the Company shall not buyback its shares from any person through negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- e) That there are no defaults subsisting in the repayment of term loans to any financial institutions or banks. and the Company does not hold any Deposits, debentures or preference shares
- f) that funds borrowed from Banks and Financial Institutions will not be used for the Buyback.
- g) That the aggregate amount of the Buyback i.e. Rs. 34,10,00,000/- (Rupees Thirty Four Crores Ten Lakhs Only) does not exceed 25% of the total paid-up equity capital and free reserves of the Company as on March 31, 2017;

- h) that the maximum number of shares proposed to be purchased under the Buyback i.e. 11,00,000 equity shares, does not exceed 25% of the total number of shares in the paid-up equity capital as per the audited balance sheet as on March 31, 2017;
- i) That the ratio of the aggregate of secured and unsecured debts owned by the Company shall not be more than twice the paid-up equity share capital and free reserves after the Buyback.”

“RESOLVED FURTHER THAT no information / material likely to have a bearing on the decision of investors has been suppressed / withheld and /or incorporated in the manner that would amount to mis-statement / misrepresentation and in the event of it transpiring at any point of time that any information / material has been suppressed / withheld and/or amounts to a mis-statement / mis-representation, the Board of Directors and the Company shall be liable for penalty in terms of the provisions of the Companies Act and the Buyback Regulations.”

“RESOLVED FURTHER THAT consent of the Board be and is hereby accorded to the appointment of:

1. V C Corporate Advisors Private Limited, be and is hereby appointed as the Manager to the Buyback.”
2. Shree Bahubali International Limited as the Broker to the Buy Back;
3. Maheshwari Datamatics Private Limited, Registrar and Transfer Agent, as the Registrar to the Buy Back Offer and as Investor Service Centre.
4. HDFC Bank Limited, Sarat Bose Road Branch as the Escrow Agent to enter into ESCROW agreement along with VC Corporate Advisors Private Limited as required under the Buy Back Regulations.

“RESOLVED FURTHER THAT a Committee (Buyback of Shares) (“Buyback Committee”) comprising of Shri Yashwant Kumar Daga, Vice Chairman and Joint Managing Director, Shri Anand Prasad Agarwalla, Director, Shri Om Prakash Dokania, Chartered Accountant, and Shri Vithal Das Mall, Company Secretary, be and are hereby authorized to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary , expedient, usual or proper, as the Buyback Committee may consider to be in the best interests of the members, including but not limited to :

- a) entering into escrow arrangements as required in terms of the Buyback Regulations;
- b) opening, operation and closure of all necessary accounts including bank accounts, depository accounts (including escrow account) for the purpose of payment and authorizing persons to operate the said accounts;
- c) the appointment and finalization of the scrutinizer, bankers, solicitors, escrow agents, brokers, registrars, lawyers, depository participants, advertising agencies and other advisors/consultants/intermediaries/agencies, as may be required, for the implementation of the Buyback;
- d) filing of the Public Announcement, the Draft Letter of Offer/Letter of Offer with the Securities and Exchange Board of India, the stock exchanges and other appropriate authorities.
- e) making all applications to the appropriate authorities for their requisite approvals.
- f) dealing with stock exchange (including their clearing corporations), where the equity shares of the Company are listed and BSE Limited, and to sign, execute, and deliver such documents as may be necessary or desirable in connection with implementing the Buyback using the “Mechanism for acquisition of shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated April, 13, 2015
- g) obtaining all necessary certificates and reports from statutory auditors and other third parties as required under applicable law;

- h) extinguishment of equity shares bought back by the Company and filing of certificates of extinguishment required to be filed in connection with the Buyback on behalf of the Company and/or the Board.
- i) Do all such acts, matters and things incidental and in connection with the buyback and sign, execute and deliver such documents as may be necessary or desirable and execution of documents under the Common Seal of the Company as may be required.”

“**RESOLVED FURTHER THAT** the Buyback Committee be and is hereby authorized to delegate all or any of the authorities conferred on it to any Director(s) / Officer(s) / Authorised Representative(s) of the Company.”

“**RESOLVED FURTHER THAT** the quorum for any meeting of the Buyback Committee for implementing the Buyback shall be any two members.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Buyback Committee be and is hereby authorized to give such directions as may be necessary or desirable and to settle any question or difficulties whatsoever that may arise in relation to the Buyback.”

“**RESOLVED FURTHER THAT** the Committee of Directors be and they are hereby authorised, for the purposes of the Buy Back, to do all such acts, deeds, matters and things, and to give such directions, as it may, in its absolute discretion, deem necessary, expedient, usual or proper, and to settle any question, difficulty or doubt, that may arise in this regard, in the best interest of the Company and its shareholders in connection with the Buy Back.”

“**RESOLVED FURTHER THAT** nothing contained herein shall confer any right on any member to offer and/or any obligation on the Company or the Board or the Buyback Committee to buyback any shares, and/or impair any power of the Company or the Board or the Buyback Committee to terminate any process in relation to such buyback, if so permissible by law”

5. DETAILS OF PUBLIC ANNOUNCEMENT:

The Public Announcement dated 03.01.2018 was made in the following newspapers, in accordance with Regulation 8(1) of the Buyback Regulations, within two working days from the date of passing of the Special Resolution by the equity shareholders of the Company approving the Buyback through Postal ballot, results of which were declared 02.01.2018.

Publication	Language	Edition
The Financial Express	English	All editions
Jansatta	Hindi	All editions
Kalantar	Bengali	Kolkata Bengali Daily Edition

For compliances with the requirements of the Buyback Regulations, The Company will publish further notices or corrigenda in the above 3 newspapers in the editions as mentioned above i.e., The Financial Express (English- All Editions), Jansatta (Hindi- All Editions) and Kalantar (Bengali Daily - Kolkata Edition).

The Public Announcement is available on the SEBI website- www.sebi.gov.in.

6. DETAILS OF THE BUYBACK:

The Board of Directors (the “**Board**”) of M/s. Deepak Industries Limited (“**DIL**” or the “**Company**”) on 03.11.2017 (“**Board Meeting**”) passed a resolution to buyback equity shares of the Company and sought approval of its shareholders, by a special resolution, through the Postal Ballot Notice dated 03.11.2017 (“**Postal Ballot Notice**”), the results of which were announced on 02.01.2018. Through the Postal Ballot, the shareholders of the Company have approved, by a special resolution, the buyback (the “**Buyback**”) of not exceeding 11,00,000 fully paid-up equity shares (representing 21.76% of the total number of equity shares in the fully paid up equity share capital of the Company) of face value of Rs. 10/- each (“**Equity Shares**”) from all the existing shareholders/ beneficial owners of Equity Shares of the Company, on a proportionate basis, through the **Tender Offer**” route at a price of Rs. 310/- (Rupees Three Hundred Ten Only) per equity share (“**Buyback Offer Price**”) payable in cash, for an aggregate amount of Rs. 34,10,00,000/- (Rupees Thirty Four Crores Ten Lakhs Only) (excluding Company’s transaction cost such as brokerage, securities transaction tax, stamp duty, goods

and service tax and other applicable taxes etc) (**“Buyback Offer Size”**) which represents 15.18% of the fully paid up equity share capital and free reserves as per the audited accounts of the Company for the Financial year ended 31.03.2017 from the shareholders of the Company on a proportionate basis through the “Tender Offer” route as prescribed under the Buyback Regulations from all the equity shareholders/ beneficial owners of the Company who hold equity shares as on the Record Date i.e., Friday, January 19, 2018 (**“Record Date”**).

The Buyback is in accordance with the provisions contained in the Article 5A of the Articles of Association of the Company, Sections 68, 69, 70, 110 and all other applicable provisions of the Companies Act, 2013 (**“Companies Act”**), if any, including any statutory modification or re-enactment thereof for the time being in force, and all other applicable provisions, if any, of the Companies Act and the provisions contained in the Buyback Regulations. The Buyback shall be implemented using the “Mechanism for acquisition of shares through Stock Exchange” as notified by the SEBI vide circular CIR/CFD/ POLICYCELL/1/2015 dated 13.04.2015 read with circular CFD/DCR2/CIR/P/2016/131 dated 09.12.2016 and on such terms and conditions as may be permitted by law from time to time. In this regard, the Company will request to the BSE Limited [**“BSE”**] to provide separate acquisition window to facilitate placing of sell orders by the eligible shareholders who wish to tender their equity shares in the Buyback. For the purpose of the captioned buyback, BSE would be the “Designated Stock Exchange”.

The Buyback Offer Size is 15.18% of the fully paid-up equity share capital and free reserve as per audited accounts of the Company for the financial year ended 31.03.2017 and is within the statutory limits of 25% of the fully paid-up equity share capital and free reserves as per the last audited accounts of the Company. The Buyback Offer Size does not include any expenses incurred or to be incurred for the buyback like SEBI filing fees, advisors fees, brokerage, Securities Transaction Tax, Public Announcement Publication expenses, printing and dispatch expenses, and other incidental and related expenses.

The Buy Back shall be undertaken on a proportionate basis from the Eligible Shareholders through the Tender Offer process prescribed under Regulation 4(1)(a) of the Buy Back Regulations. Additionally, the Buy Back shall be implemented by the Company using the “Mechanism for acquisition of shares through stock exchange” as specified by the SEBI Circulars. Please see paragraph 19.4 below for details regarding the Record Date and share entitlement for tender in the Buyback. Once the Buy Back is concluded, all Equity Shares purchased by the Company in the Buy Back will be extinguished.

The aggregate shareholding of the Promoters, Promoter Group, the Directors of the Promoter where Promoter Group companies holding shares in the Company and of Directors and Key Managerial Personnel of the Company as on the date of the Public Announcement (i.e., 04.01.2018) is as follows:

(a) Shareholding of the Companies/entities forming part of the Promoter Group:

Sr. No.	Name	Total number of equity shares held	Total % of shareholding
1	Mrs. Asha Devi Daga	8,70,806	17.22
2	Mrs. Nandini Daga	10,71,625	21.19
3	M/s. Coplama Products Private Limited	5,54,531	10.97
4	Mr. Yashwant Kumar Daga	5,24,313	10.37
5	Pradip Kumar Daga-HUF	2,77,264	5.48
6	Yashwant Kumar Daga- HUF	2,50,000	4.94
7	Mr. Pradip Kumar Daga	2,07,700	4.11
8	M/s. Longview Tea Company Ltd	35,805	0.71
	Total	37,92,044	74.99

(b) Shareholding of the Directors of the Promoter Group Companies [mentioned in point (a) above] as on 04.01.2018:

- M/s. Longview Tea Company Limited

Sr. No.	Name	Total number of equity shares held	Total % of shareholding
1	Mr. Pradip Kumar Daga	2,07,700	4.11
2	Mr. Yashwant Kumar Daga	5,24,313	10.37

- M/s. Coplama Products Private Limited

Sr. No.	Name	Total number of equity shares held	Total % of shareholding
1	Mr. Rajendra Prasad Choudhary	100	Negligible
2	Mr. Pawan Kumar Parasrampur	100	Negligible

Note: Except from that stated above, none of the other Director of the Promoter Group Companies hold any equity shares in the Company.

(c) Except for the following, none of the other Directors or Key Managerial Personnel ["KMP"] of the Company holds any equity share in the Company as on 04.01.2018:

Sr. No.	Name	Total number of equity shares held	Total % of shareholding
1	Mr. Pradip Kumar Daga, Chairman & Managing Director	2,07,700	4.11
2	Mr. Yashwant Kumar Daga, Vice Chairman & Joint Managing Director	5,24,313	10.37
3	Mr. Vithal Das Mall, Company Secretary	100	Negligible

No equity shares of the Company have been purchased / sold by any member of the Promoter / Promoter Group including the Directors of the Companies forming part of the Promoter Group, directors and key managerial personnel of the Company during the period from six months preceding the date of notice conveying the Board Meeting at which the Buyback was considered and from the date of the Board Meeting till the date of the Public Announcement except the following:

Name	No. of Equity Shares acquired / (sold)	Nature of Transaction	Date of Transaction	Price (Rs.)
Yashwant Kumar Daga	11000	Inter-se Transfer (Gift from Mr. Shantanu Daga i.e., part of promoter group/ relative)	19.06.2017	N.A.
Nandini Daga	45000	Inter-se Transfer (Gift from Mr. Shantanu Daga i.e., part of promoter group/ relative)	19.06.2017	N.A.
Shantanu Daga	(56000)	Inter-se Transfer (Gift to Mr. Yashwant Daga & Mrs. Nandini Daga i.e., part of promoter group/ relative)	19.06.2017	N.A.

In terms of the Buyback Regulations, under the Tender Offer route, the Promoters/ Promoter Group of the Company have the option to participate in the Buyback. In this regard, the Promoters/ Promoter Group of the Company mentioned above have expressed their intention, all vide their individual letters dated 03.11.2017 to participate in the Buyback and offer upto an aggregate maximum of 37,92,044 equity shares or such lower number of equity shares as required in compliance with the Buyback Regulations / terms of the Buyback. Each promoter entity intends to offer upto their respective shareholding as on the Record Date, or such lower number of equity shares as required in compliance with the Buyback Regulations / terms of the Buyback. The details of date and average cost of acquisition of the equity shares that the Promoters intend to tender are stated below:

(a) Mrs. Asha Devi Daga

Date of Acquisition/ (Disposal)	Cumulative Holding	Average cost (Rs.)
Various	870806	7.18

(b) Mrs. Nandini Daga

Date of Acquisition/ (Disposal)	Cumulative Holding	Average cost (Rs.)
As on 01.04.2015	774625	6.79
31.01.2017	2,52,000	Not applicable*
19.06.2017	45,000	Not applicable*
TOTAL	10,71,625	

(c) M/s. Coplama Products Private Limited

Date of Acquisition/ (Disposal)	Cumulative Holding	Average cost (Rs.)
Various	5,54,531	0.44

(d) Mr. Yashwant Kumar Daga

Date of Acquisition/ (Disposal)	Cumulative Holding	Average cost (Rs.)
As on 01.04.2015	3,16,088	0.91
05.01.2017	(54,775)	(298.99)
31.01.2017	2,52,000	Not applicable*
19.06.2017	11,000	Not applicable*
TOTAL	5,24,313	

(e) Pradip Kumar Daga-HUF

Date of Acquisition/ (Disposal)	Cumulative Holding	Average cost (Rs.)
Various	2,77,264	0.39

(f) Yashwant Kumar Daga-HUF

Date of Acquisition/ (Disposal)	Cumulative Holding	Average cost (Rs.)
Various	2,50,000	10.00

(g) Mr. Pradip Kumar Daga

Date of Acquisition/ (Disposal)	Cumulative Holding	Average cost (Rs.)
As on 01.04.2015	1,87,860	0.37
17.01.2017	19,840	Not applicable*
TOTAL	2,07,700	

(h) M/s. Longview Tea Company Limited

Date of Acquisition/ (Disposal)	Cumulative Holding	Average cost (Rs.)
As on 01.04.2015	88,725	1.48
05.01.2017 & 06.01.2017	(52,920)	(300.81)
TOTAL	35,805	

*Not Applicable as the equity shares were transferred as gift through inter-se transfers amongst the Promoters

Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Eligible Shareholders up to their entitlement, the aggregate shareholding of the Promoter and Promoter Group Companies after the completion of the Buyback shall increase to 75.15% of the post-Buyback total paid-up equity share capital of the Company from 74.99% of the pre-Buyback total paid-up equity share capital of the Company and the aggregate shareholding of the public in the Company shall decrease to 24.85% of the post-Buyback total paid-up equity share capital of the Company from 25.01% of the pre-Buyback total paid-up equity share capital of the Company. The Promoters of the Company are already in control over the Company and therefore such further increase in shareholding/voting rights of the Promoters will not result in any change in control over the Company. In the event, after the completion of the Buyback, the non-promoter shareholding of the Company falls below the minimum level required as per the LODR Regulations the Company along with the Promoters' confirm that necessary steps will be taken to reduce the shareholding/voting rights of the promoters in accordance with the provisions contained under Rule 19A of the Securities Contract (Regulation) Rules, 1957, as amended, within a period of twelve months from the date of completion of the Buyback so that the Company is in due compliance of the minimum public shareholding requirement.

7. AUTHORITY FOR THE BUYBACK:

The Buyback is in accordance with the provisions contained in the Article 5A of the Articles of Association of the Company, Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, Share Capital Rules and in compliance with the Buyback Regulations, and such other approvals, permissions and exemptions as may be required, from time to time, from the CSE and from any other statutory and /or regulatory authority, as may be required and which may be agreed to by the Board and/ or any other committee thereof. The Buyback would be undertaken in accordance with Circular No. CIR/CFD/POLICYCELL/1/2015 dated 13.04.2015 read with circular CFD/DCR2/CIR/P/2016/131 dated 09.12.2016 issued by the Securities and Exchange Board of India, which prescribes mechanism for acquisition of shares through Stock Exchange. For the purpose of this Buyback, BSE Limited would be the Designated Stock Exchange.

On 03.11.2017, the Board of Directors of the Company passed a resolution to Buyback Equity shares of the Company and sought approval of its shareholders, as a special Resolution through the Postal Ballot notice dated 03.11.2017. The results of the Postal Ballot were announced on 02.01.2018 which is the date when the Special Resolution is deemed to have been passed by the Shareholders.

8. NECESSITY OF THE BUYBACK:

Share buyback is the acquisition by a company of its own shares. The objective is to return surplus cash to the Members holding equity shares of the Company. The Board at its meeting held on 03.11.2017, considered the increase in accumulated free reserves as well as the cash liquidity reflected in the audited accounts for the financial year ended 31.03.2017 and considering these, the Board decided to allocate a sum of Rs. 34,10,00,000/- (Rupees Thirty Four Crores Ten Lakhs Only) (excluding Company's transaction cost such as brokerage, securities transaction tax, stamp duty and other applicable taxes etc) ("**Buyback Offer Size**") for distributing to the Members holding equity shares of the Company through the Buyback. After considering several factors and benefits to the members holding equity shares of the Company, the Board decided to recommend Buyback of not exceeding 11,00,000 (Eleven Lakhs) equity shares (representing 21.76% of the total number of equity shares in the paid-up equity share capital of the Company) at a price of Rs. 310/- (Rupees Three Hundred Ten Only) per equity share for an aggregate consideration of Rs. 34,10,00,000/- (Rupees Thirty Four Crores Ten Lakhs Only) (excluding Company's transaction cost such as brokerage, securities transaction tax, stamp duty and other applicable taxes etc) being 15.18% of the fully paid-up equity share capital and free reserves as per the latest audited financial statements of the Company for the financial year ended 31.03.2017, (which is within 25% of the paid up share capital and free reserves of the company). Buyback is a more efficient form of distributing surplus cash to the Members holding equity shares of the Company, inter-alia, for the following reasons:

- (i). The Buyback will help the Company to distribute surplus cash to its Members holding equity shares broadly in proportion to their shareholding, thereby, enhancing the overall return to Members;
- (ii). The Buyback, which is being implemented through the Tender Offer route as prescribed under the Buyback Regulations, would involve allocation of 15% of the outlay to small shareholders. The Company believes that this reservation of 15% for small shareholders would benefit a large number of public shareholders, who would get classified as "small shareholder";
- (iii). The Buyback would help in improving return on equity, by reduction in the equity base, thereby leading to long term increase in shareholders' value;
- (iv). The Buyback gives an option to the Members holding equity shares of the Company, who can choose to participate and get cash in lieu of Equity Shares to be accepted under the Buyback Offer or they may choose to not participate and enjoy a resultant increase in their percentage shareholding, post the Buyback Offer, without additional investment;

9. MANAGEMENT DISCUSSION AND ANALYSIS OF THE LIKELY IMPACT OF THE BUYBACK ON THE COMPANY

9.1 The Buyback is not likely to cause any material impact on the profitability/earnings of the Company except a reduction in the investment income, which the Company could have otherwise earned on the amount distributed towards Buyback. Assuming there is full response to the Buyback, the funds deployed by the Buyback would be Rs. 34,10,00,000/- (Rupees Thirty Four Crores Ten Lakhs Only) (excluding Company's transaction cost such as

brokerage, securities transaction tax, stamp duty and other applicable taxes etc). This shall impact the investment Income earned by the Company, on account of the reduced amount of funds available for investments.

- 9.2 The Buyback will not in any manner impair the ability of the Company in meeting to pursue growth opportunities or meet its cash requirements for business operations.
- 9.3 In terms of the Buyback Regulations, under the Tender Offer route, the Promoters/ Promoter Group of the Company have the option to participate in the Buyback. In this regard, the Promoters/ Promoter Group of the Company mentioned above have expressed their intention, all vide their individual letters dated 03.11.2017 to participate in the Buyback and offer upto an aggregate maximum of 37,92,044 equity shares or such lower number of equity shares as required in compliance with the Buyback Regulations / terms of the Buyback. Each promoter entity intends to offer upto their respective shareholding as on the Record Date, or such lower number of equity shares as required in compliance with the Buyback Regulations / terms of the Buyback.
- 9.4 The Buyback of Equity shares of the Company will not result in a change in control or otherwise affect the existing management structure of the Company.
- 9.5 The Promoters/ Promoter Group of the Company states that they shall also comply with the Regulation 10(6) and 10(7) of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereto, as per the specified timelines therein, if applicable.
- 9.6 Pursuant to the proposed Buyback and depending on the response to the Buyback, the Voting Rights of the Promoter and Promoter Group in the Company may increase or decrease from their existing shareholding and Voting Rights in the Company
- 9.7 Consequent to the Buyback and based on the number of Equity shares bought back from the Non- resident Shareholders, Foreign Financial Investors, Banks, Indian Financial Institutions, Mutual Funds and the Public including other bodies corporate, their shareholding would undergo a change.
- 9.8 The debt-equity ratio post buyback will be compliant with the permissible limit of 2:1 prescribed by the Companies Act, even if the response to the buyback is to the extent of 100% (full acceptance).
- 9.9 The Promoters and Promoter Group of the Company shall not deal in the Equity Shares of the Company off market, including by way of inter-se transfer(s) of equity shares among the Promoters during the period from the date of passing the special resolution through Postal Ballot till the closing of the Offer.
- 9.10 The Company shall not issue any equity shares or other securities (including by way of Bonus) till the date of closure of buyback.
- 9.11 The Company shall not raise further capital for a period of one year from the closure of Buyback except in discharge of subsisting obligations.
- 9.12 Salient Financial Parameters consequent to the Buyback based on the latest audited results as on March 31, 2017 are as under:

Parameters	Pre- Buyback	Post- Buyback**
Networth [^] (Rs. in Lakhs)	22518.64	19108.64
Return on Networth [^]	7.27	8.57
Earnings Per Equity Share (net of tax) [Basic & Diluted] Rs.	32.40	41.41
Book value per share (Rs.) [^]	445.38	483.02
P/E based as on latest audited financial results ^{^^}	Not Ascertainable	Not Ascertainable
Total Debt/Equity Ratio	0.229	0.270

Notes:

[^]Pre and post Buy Back calculations are based on the financial numbers as on March 31, 2017. The post Buyback numbers are calculated by reducing the net worth by the proposed Buyback amount (assuming full acceptance) without factoring in any impact on the statement of profit & loss. Net worth used excludes revaluation reserves.

Return on net worth is computed as profit after tax for the relevant year divided by closing net worth as at March 31, 2017.

Earnings per share is calculated as profit after tax for the relevant year divided by total number of shares pre Buyback and total number of shares post Buyback.

*Book value per Share is calculated as pre Buyback net worth divided by total number of shares pre Buyback and post Buyback net worth divided by total number of shares post Buyback.
Total debt/equity ratio is calculated as total debt divided by net worth
^P/E Ratio based on the closing market price as on date. As there is no trading in the equity shares of the Company on the CSE on 31.03.2017, the market price of shares is not available.
** The Post buyback numbers are calculated by reducing the net worth by the proposed buyback amount (assuming full acceptance).*

10. BASIS OF CALCULATING THE BUYBACK PRICE:

- **Trends in the market price of the equity shares of the Company:** Since there is no trading in the equity shares of the Company for the last many years at the Calcutta Stock Exchange Limited (“CSE”), i.e., the only Stock Exchange where the equity shares of the Company are listed, the same is not applicable to us.
- **The closing market price of the equity shares as on date of intimation of the date of intimation of the date of board meeting for considering the Buyback to the Stock Exchanges:** There has been no trading in the equity shares on the Company as on the date of intimation of the date of board meeting for considering the Buyback at the CSE, the same is not applicable to us.
- **Book Value:** The Book Value per share of the Company as on 31.03.2017 (pre buyback) is Rs. 445.38
- **EPS:** the EPS of the Company as on 31.03.2017 is Rs. 32.40/- per equity share.
- **Return on Net Worth:** The pre buyback return on net worth based on profit after tax for the year ended 31.03.2017 and net worth as on 31.03.2017 arrives at 7.27%

As there has not been any trading in the equity shares of the Company since many years, the minimum justified price for the buyback was arrived in the manner specified in other relevant SEBI regulations and more specifically SEBI (SAST) Regulations 2011 as under:

- a. Book Value per share 445.38
- b. Price earning capacity value method: Rs. 219.02 (calculated after taking average of the EPS of the last three financial year ended 31.03.2017, 31.03.2016 and 31.03.2015 which arrive at Rs. 32.85 and further applying a capitalization factor of 15%, the value arrives at Rs. 219.02 per share.
- c. Final value arrived as weighted average of the aforesaid value Rs. 294.47 per share.

The Buyback price of Rs. 310/- per equity share offer a premium of 5.27% on the price so arrived.

11. SOURCES OF FUNDS FOR THE BUYBACK

- 11.1 Assuming full acceptances, the funds that will be employed by the Company for the purpose of Buyback of 11,00,000 equity shares would be Rs. 34,10,00,000/- (Rupees Thirty Four Crores Ten Lakhs Only) (excluding Company’s transaction cost such as brokerage, securities transaction tax, stamp duty and other applicable taxes etc).
- 11.2 The funds for the Buyback will be sourced from cash balances available with the Company and/or liquidation of financial instruments held by the Company. These funds have been generated through internal accruals. The Company does not intend to raise additional debt for the explicit purposes of the Buyback. Accordingly, borrowed funds will not be used for the Buyback. However, if required, the Company may borrow funds in the ordinary course of its business.

12. DETAILS OF THE ESCROW ACCOUNT AND THE AMOUNT DEPOSITED THEREIN

- 12.1 In accordance with the Regulation 10 of the Buyback Regulations, an Escrow Agreement has been entered in due course of time between the Company, VC Corporate Advisors Private Limited and HDFC Bank Limited (“**Escrow Agent**”) having its branch at Central Plaza, 2/6 Sarat Bose Road, Kolkata- 700 020.
- 12.2 In accordance with the Escrow agreement, the Company has opened an Escrow Account in the name and style “**DIL- Buyback Offer Escrow Account**” bearing Account No: 57500000143331 with HDFC Bank Limited

(“Escrow Agent”) having its branch at Central Plaza, 2/6 Sarat Bose Road, Kolkata- 700 020. In accordance with Regulation 10 of the Buyback Regulations, the Company has deposited in cash an amount of Rs. 8,53,50,000/- (Rupees Eight Crores Fifty Three Lakhs Fifty Thousand Only) in the Escrow Account. The Merchant Banker is empowered to operate the Escrow account in terms of the Buyback Regulations.

12.3 CA R P Nandy (Membership No. 051027, Firm Registration No. 302017E), Partner of M/s. Nandy Halder & Ganguli, Chartered Accountants, having its Registered address at 18, Netaji Subhas Road, Kolkata- 700 001, Telefax. No.- (033) 2230 0008, 2210 5018, E-mail: nandyhalderganguli1973@gmail.com, vide their certificate dated 02.01.2018 have certified that the Company has adequate funds for the purposes of buyback of 11,00,000 equity shares at Rs. 310/- per share.

12.4 Based on the aforementioned certificate, the Manager to the Buyback Offer has satisfied itself in regard to the ability of the Company to implement the Buyback Offer in accordance with the Buyback Regulations.

13. CAPITAL STRUCTURE AND SHAREHOLDING PATTERN

13.1 The capital Structure of the Company as on the date of the Public Announcement is as follows:

Particulars	No. of Shares	Amount
Authorized Equity Share Capital	55,00,000	5,50,00,000/-
Issued, Subscribed and Paid-up Equity Shares	50,56,063	5,05,60,630/-

13.2 Details of buyback programmes undertaken by the Company in the last three years are given below:

Sl. No.	Opening Date	Closing Date	Method of Buyback	Equity Shares Bought Back
1	February 09, 2016	February 23, 2016	Tender Offer Process	2,42,032

13.3 As on the date of the Public Announcement there are no outstanding preference shares, partly paid-up equity shares or outstanding convertible instruments or calls in arrears.

13.4 The shareholding pattern of the Company pre- buyback, taken on 19.01.2018 (Record Date), as well as Post Buyback shareholding pattern, is as shown below:

Particulars	Pre- Buyback		Post Buyback	
	No. of equity shares	% of existing equity share capital	No. of equity shares	% of Post- Buyback equity share capital
Promoters and Promoters Group (Collectively “the Promoters”)	37,92,044	74.99	29,72,847	75.15
Foreign Investors (Including Non Resident Indians, FIIs and Foreign Mutual Funds)	0	0.00		
Financial Institutions/Banks & Mutual Funds promoted by Banks/Institutions	1,42,188	2.82	9,83,216	24.85
Others (Public, Public Bodies Corporate etc.)	11,21,831	22.19		
TOTAL	50,56,063	100.00	39,56,063	100.00

In the scenario, assuming full acceptance to the buyback Offer by all shareholders of the Company, the public shareholding in the Company will fall marginally below (24.8534%) the minimum public shareholding requirement as per the Securities Contract (Regulation) Rules, 1957 as amended. The Promoters undertake that they will take necessary steps to facilitate compliances of the Company with the relevant provisions of the Securities Contract (Regulation) Rules, 1957 as amended, provisions of SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015 and will reduce the non-public shareholding within the period mentioned therein.

13.5 Assuming 100% response to the Buyback Offer, the Issued, Subscribed and Paid-up Equity Share Capital of the Company after the completion of the Buyback Offer is as follows:

Particulars	No. of shares	Amount(Rs.)
Issued, Subscribed and Paid up equity share capital	39,56,063	3,95,60,630/-

13.6 Assuming response to the Buyback is 100% (full acceptance) from all the equity shareholders upto their entitlement, the aggregate shareholding of the Promoters/ Promoter Group, Post Buyback, will increase to 75.15% of the Post Buyback equity share capital of the Company.

14. BRIEF INFORMATION ABOUT THE COMPANY

14.1 Deepak Industries Limited was originally incorporated under the provisions of the Indian Companies Act VII of 1913 on 08.05.1954 as a Public Limited Company with the Registrar of Companies, West Bengal. The CIN of DIL is L63022WB1954PLC021638 and its registered office is situated at 16, Hare Street Kolkata- 700 001.

14.2 The Company is engaged in the business of Automobile Gears, Industrial Gears and other allied products.

14.3 As per audited financial statements for the financial years ended March 31, 2017, 2016 and 2015, the Company recorded total income of Rs. 33892.30 lakhs, Rs. 31727.99 lakhs and Rs. 32021.87 lakhs respectively, and Profit after Tax of Rs. 1638.07 lakhs, Rs. 1622.66 lakhs and Rs. 1804.88 lakhs respectively

14.4 The equity shares of DIL are listed on the Calcutta Stock Exchange Limited only.

14.5 The Buyback will not result in any benefit to any Directors of the Company / Promoters / Promoter Group of the Company except to the extent of their intention to participate in the Buyback and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to a reduction in the Equity Share capital post Buy Back.

14.6 The details of the changes in share capital of the company as on date of the Public Announcement:

Date of allotment of shares	Shares issued		Face Value	Cumulative paid-up share capital		Mode of allotment	Identity allottees (Promoters/ Others)
	No.	% to share capital		No.	% to share capital		
Upto 31/03/1976	250000	4.94	10/-	250000	4.94	-	-
01/04/1976	237500	4.70	10/-	487500	9.64	Bonus Shares	Promoters/ Others
15/12/1976	50000	0.99	10/-	537500	10.63	Other than Cash to ICICI	Others
01/05/1978	403125	7.97	10/-	940625	18.60	Bonus shares	Promoters/ Others
21/01/1983	58789	1.16	10/-	999414	19.76	Right shares	Others
01/04/1993	2248681	44.48	10/-	3248095	64.24	Bonus share	Promoters/ Others
09/09/2008	2050000	40.55	10/-	5298095	104.79	Preferential Issue	Promoters
02.03.2016	(2,42,032)	(4.79)	10/-	50,56,063	100.00	Buyback of Equity Shares	Promoters and Others
Total	50,56,063						

14.7 The details of the Board of Directors as on the Public Announcement:

Sl. No.	Name, Occupation, Qualifications & Age of the Directors	Address	Designation (Date of appoint.)	DIN No.	Other Directorships
1.	Pradip Kumar Daga Qualification: B.Com (Hons) Occupation: Industrialist Age: 80 years	5, Merlin Park, Gariahat Kolkata-700019	Chairman cum Managing Director 16/12/2008	00040692	1. Deepak Spinners Ltd 2. Century Textile And Industries Limited 3. Longview Tea Co Ltd 4. Deepak Gears Ltd

Sl. No.	Name, Occupation, Qualifications & Age of the Directors	Address	Designation (Date of appoint.)	DIN No.	Other Directorships
2.	Yashwant Kumar Daga Qualification: B.Com (Hons) Occupation: Industrialist Age: 57 years	5, Merlin Park, Gariahat, Kolkata-700019	Vice- Chairman cum Joint Managing Director 15/11/2014	00040632	1. Deepak Spinners Ltd 2. Brua Hydrowatt Private Limited 3. Longview Tea Co Ltd 4. H G I Industries Limited 5. Mint Investments Ltd 6. Narsingh Holdings Pvt.Ltd. 7. Merlin Holdings Private Limited 8. Contransys Private Limited 9. Deepak Gears Ltd 10. Solding Hydrowatt Private Limited 11. Magadh Sugar & Energy Limited
3.	Sujit Chakravorti Qualification: B.Com (Hons), FCA, FICWA Occupation: Professional Age: 74 years	17/7, James Long Sarani (Formerly: 17/7, Nafar Chandra Das Road, Behala, S 24 PGS, Kolkata- 700034	Non-Executive Independent Director 30/10/2007	00066344	1. Sarda Plywood Industries Ltd 2. Durgapur Chemicals Ltd 3. Infusions (India) Ltd 4. Parcon (India) Pvt. Ltd 5. Webfil Ltd
4.	Anand Prasad Agarwalla Qualification: B.Com (Hons), LLB Occupation: Professional Age: 66 years	38A, Sarat Bose Road, Kolkata-700 029	Non-Executive Independent Director 30/03/2002	00312652	Nil
5.	Meera Dokania Qualification: Under Graduate Occupation: Teaching Age: 64 years	14, Lake Place, Tollygunge, Kolkata-700029	Non-Executive Independent Director 01/04/2015	07094376	Nil

14.8 The details of changes in the Board of Directors in the last three years are as under:

Sl. No.	Name	Appointment/ Cessation/ Re-appointment/ Change in designation	Effective Date	Reasons
1.	Yashwant Kumar Daga	15.11.2014	15.11.2014	Appointed as Joint Managing Director
2.	Meera Dokania	01.04.2015	01.04.2015	Appointed as women director
3.	Suresh Chand Mohta	24.08.2016	24.08.2016	Resigned

15. FINANCIAL INFORMATION ABOUT THE COMPANY:

15.1 The salient financial information of the Company, as extracted from the audited results for the last three financial years and un-audited and certified for 6 months is detailed below:

(Amount Rs. In Lakhs)

For the Year Ended	For the six months period ended 30.09.2017 (Unaudited) @	For the year ended 31.03.2017 (Audited)	For the year ended 31.03.2016 (Audited)	For the year ended 31.03.2015 (Audited)
Revenue from Operations (net)	20252.73	32534.28	30297.34	30811.84
Other Income	856.38	1358.02	1430.65	1210.03
Total Income	21109.11	33892.30	31727.99	32021.87
Total Expenditure	16542.93	27938.74	26448.03	26126.91

For the Year Ended	For the six months period ended 30.09.2017 (Unaudited) @	For the year ended 31.03.2017 (Audited)	For the year ended 31.03.2016 (Audited)	For the year ended 31.03.2015 (Audited)
Interest	561.27	1233.63	1226.06	1130.44
Depreciation	1108.28	2173.57	2108.51	2203.55
Exceptional Items	0.00	0.00	0.00	0.00
Profit/ (Loss) before Tax	2896.63	2546.36	1945.39	2560.97
Provision for Tax (including deferred tax)	1052.98	908.29	322.73	756.09
Profit/ (Loss) after tax	1843.65	1638.07	1622.66	1804.88
Other Comprehensive Income Net of Tax	(7.19)	NA	NA	NA
Total Comprehensive Income	1836.46	NA	NA	NA
Paid-up Equity Share capital of the Company	505.61	505.61	505.61	529.81
Reserves & Surplus#	23540.16	22013.03	20374.96	21852.98
Net Worth#	24045.77	22518.64	20880.57	22382.79
Debt	4705.30	5163.39	5151.88	4754.19

#Excluding Revaluation Reserves.

@Prepared in accordance with IND AS

ii) **Financial Ratios are as under:**

Particulars	For the six months period ended 30.09.2017 (Unaudited)	For the year ended 31.03.2017 (Audited)	For the year ended 31.03.2016 (Audited)	For the year ended 31.03.2015 (Audited)
Basic Earnings Per Share (EPS) (Rs.)	36.46*	32.40	32.09	34.07
Diluted Earnings Per Share (EPS) (Rs.)	36.46*	32.40	32.09	34.07
Debt Equity Ratio	0.196:1	0.229:1	0.247:1	0.212:1
Book Value (Rs. per share)	475.58	445.38	412.98	423.14
Return on Networth (In %)	7.67*	7.27	7.77	8.05
Total Debt/ Networth	0.196	0.229	0.247	0.212

*Not Annualized.

The Financial Ratios have been computed as follow:

Key Ratios	Basis of Calculation
Debt	Total Debt comprises of Long Term Borrowings, Long Term Finance Lease, current maturities of Long Term Borrowings and Finance Lease
Equity	Paid up Share Capital
Net Worth	Paid up Share Capital and Reserves and Surplus excluding Revaluation Reserves
Basic & Diluted Earnings per Share (Rs.)	Net profit after tax attributable to equity shareholders/ weighted average number of equity shares outstanding during the year
Book value per Share (Rs.)	Net Worth/ No. of equity shares at the end of the year
Return on Net worth	Net profit after tax attributable to equity shareholders / Net worth
Debt-Equity	Debt (Long term Borrowings + Long term Liabilities + Short Debt/ Equity
Total Debt/ Net Worth	Debt/ Net Worth

15.2 The Company will comply with SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, wherever and if applicable. The Company hereby declares that it has complied with Section 68(2)(c), 68(2)(d), 70(1) and 70(2) of the Companies Act.

16. STOCK MARKET DATA:

16.1 The Company's equity shares are listed on The Calcutta Stock Exchange Limited. There has been no trading in the equity shares of the Company on the CSE for more than last 4-5 years. Hence, the information regarding high, low and average market prices for the last three years and the monthly high, low and average market prices for the six months preceding the date of Public Announcement and their corresponding volumes on stock exchange is not available.

16.2 The Board of Directors of the Company at its meeting held on 03.11.2017 along with the approval of the by the shareholders of the Company passed by Special Resolution approved the proposal for the Buy-back. The equity shares were not traded on CSE on 02.11.2017 i.e., the working day previous to the date of resolution of the Board of Directors approving the Buy-back.

16.3 The equity shares were not traded on the CSE on 01.01.2018, i.e., the working day previous to the date of resolution passed by the shareholders at their meeting held on 02.01.2018 approving the Buyback.

17. DETAILS OF THE STATUTORY APPROVALS

17.1 The Buyback offer is subject to approval, if any required, under the provisions of Companies Act, FEMA, Buyback Regulations, approval from the stock exchanges and/or such other rules and regulations for the time being in force.

17.2 Non- Resident Shareholders (excluding OCBs) permitted under general permissions under the consolidated Foreign Direct Investment Policy issued by the Government of India read with applicable FEMA Regulations, are not required to obtain approvals from RBI.

17.3 As of date, there are no other statutory or regulatory approvals required to implement the Buyback Offer other than the mentioned above. If any statutory or Regulatory approval becomes applicable subsequently, the Buyback Offer will be subject to such statutory or regulatory approval(s). In the event of any delay in the receipt of statutory or regulatory approval, the changes in the time table of the Buyback offer, if any, shall be intimated to the CSE.

18. DETAILS OF THE REGISTRAR TO THE BUYBACK

Eligible persons who wish to tender their equity shares in the Buyback offer can hand deliver the Tender form and the TRS generated by the Exchange Bidding System along with all the relevant documents at the below mentioned address of the Registrar to the Buyback offer in accordance with the procedure set out in this Letter of Offer. Equity shareholders are advised to ensure that Tender forms and the other documents including TRS are complete in all respect; otherwise the same are liable to be rejected.

Maheshwari Datamatics Private Limited,

Contact Person: Mr. S. Rajagopal,
23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001
Tel No.: (033) 2243 5809/5029, Fax No.: (033) 2248 4787
Email: mdpldc@yahoo.com, Website: www.mdpl.in

Equity shareholders who cannot hand deliver the tender form, TRS and other documents at the above mentioned address may send the same by Speed post/ Registered post/Recognized Courier at their own risk, by super subscribing the envelope as “Deepak Industries Limited Buyback Offer 2017” to the Registrar to the Buyback at their abovementioned Office address, so the same are received not later than two days from the Closing of the Buyback Offer.

In case of any query, the shareholders may contact the Registrar on any day except holidays between 10.00 A.M. and 5.00 P.M.

The TRS and other documents should not be sent to the Company or the Manager to the Buyback Offer.

19. PROCESS AND METHODOLOGY FOR THE BUYBACK

19.1 The Company proposes to Buyback not exceeding 11,00,000 Equity Shares of the Company from all the existing equity shareholders/beneficial owners of Equity shares of the Company as on the Record Date, on a proportionate basis, through the Tender Offer route, at a price of Rs. 310/- per equity share for an aggregate amount of Rs. 34,10,00,000 (Rupees Thirty Four Crores Ten Lakhs Only). The maximum number of Equity shares proposed to be bought back represents 21.76% of the total number of equity shares in the paid-up equity share capital of the Company. The Buyback is in accordance with the provisions contained in the Article 5A of the Articles of Association of the Company, Sections 68, 69, 70, 110 and all other applicable provisions, if any, of the Companies Act, the Share Capital Rules and in compliance with the Buyback Regulations, and such other approvals, permissions and exemptions as may be required, from time to time, from the CSE and from any other statutory and /or regulatory authority, as may be required and which may be agreed to by the Board and/ or any other committee thereof. The aggregate Buyback Offer Price represents 15.18% of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended 31.03.2017.

19.2 The aggregate shareholding of the Promoters/ Promoter Group is 37,92,044 equity shares which represents 74.99% of the existing equity share capital of the Company. In terms of the Buyback regulations, under the Tender Offer Route, the Promoters of the Company have the option to participate in the proposed buyback. In this regard, the promoter entities as detailed in paragraph 6 of this Letter of Offer have expressed their intention, all vide their individual letters dated 03.11.2017, to participate in the Buyback and offer upto an aggregate maximum of 37,92,044 equity shares or such lower number of equity shares as required in compliance with the Buyback Regulations / terms of the Buyback. Each promoter entity intends to offer upto their respective shareholding as on the Record Date, or such lower number of equity shares as required in compliance with the Buyback Regulations / terms of the Buyback.

19.3 Assuming response to the Buyback is to the extent of 100% (full acceptance) from all the Equity Shareholders upto their entitlement, the aggregate shareholding of the Promoters/ Promoter Group, post Buyback will increase to 75.15% from 74.99% (Pre Buyback shareholding) and the aggregate shareholding of the Public shareholders in the Company shall decrease] to 24.85% (Post Buyback shareholding) from 25.01% (Pre Buyback shareholding).

19.4 Record Date, ratio of Buyback and entitlement of each shareholder.

19.4.1. The Buyback Committee has fixed January 19, 2018 as the Record Date for the purpose of determining the entitlement and the names of the shareholders who are eligible to participate in the Buyback offer.

19.4.2. The equity shares proposed to be bought back shall be divided into two categories:

- Reserved category for small shareholders (“Reserved Category”).
- General category for all shareholders other than small shareholders (“General Category”).

19.4.3. As defined in the Buyback Regulations, a “small shareholder” means any equity shareholder who holds equity shares of the Company having market value, on the basis of closing price on CSE as on Record Date, of not more than Rs. 2,00,000/- (Rupees Two Lakhs Only). Presently, the equity shares of the Company are not traded on the CSE, thus the closing price for the same is not available. Hence, a shareholder who holds equity shares having market value on the basis of Buyback Offer Price, of not more than Rs. 2,00,000/- (Rupees Two Lakhs Only) is considered for determination of Small Shareholders in terms of this Buyback Regulations.

19.4.4. Based on the above definition, there are 40 Small Shareholders with aggregate shareholding of 9821 equity shares as on the Record Date, which constitutes 0.1942% of outstanding paid up equity share capital of the company and 0.8928 % of the equity shares which the Company proposes to Buyback as a part of this Buyback Offer.

19.4.5. In compliance with Regulation 6 of the Buyback Regulations, the reservation for small shareholders will be 9,821 equity shares which is higher of the following subject to aggregate holding of Small Shareholders being more than the equity shares so arrived:

- 15% of the number of equity shares which the company proposes to buyback i.e., 15% of 11,00,000 Equity shares which works out to 1,65,000 Equity shares;
- The number of Equity shares entitled as per their holding as on the Record Date [i.e. (9821/5056063*11,00,000) which works out to be 2136 Equity Shares.

All the outstanding Equity Shares have been used for computing entitlement of Small Shareholders since the Promoters/ Promoter Group also intends to Offer equity shares held by them in the Buyback Offer.

19.4.6. Since the total no of equity shares held by the Small Shareholders on the Record Date is less than higher of point (e), the maximum number of equity shares reserved for Small Shareholders will be restricted to the total no. of equity shares held by Small Shareholders as on the Record Date. i.e. 9821 equity shares.

19.4.7. Accordingly, General Category shall consist of 50,46,242 equity shares and shares available for general shareholder shall be 10,90,179..

19.4.8. Based on the above the entitlement ratio of Buyback for both categories is decided as below:

Category	Entitlement ratio of buyback
Reserved Category	1 (One) equity share out of every 1 (One) fully paid-up equity shares held on the Record date
General Category	221 (Two Hundred Twenty One) equity share out of every 1023 (One thousand Twenty Three) fully paid-up equity shares held on the Record date

19.5 Fractional Entitlements

If the entitlement under Buyback, after applying the abovementioned ratios to the Equity Shares held on Record Date, is not a round number (i.e. not in the multiple of 1 Equity Share) then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback Offer, for both categories of Shareholders.

Basis of acceptance of equity shares validly tendered in the Reserved Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the Shares tendered in the Buyback Offer by the Small Shareholders in the Reserved Category in the following order of priority:

- a) Full acceptance of Shares from Small Shareholders in the Reserved Category who have validly tendered their Shares, to the extent of their Buyback Entitlement, or the number of Shares tendered by them, whichever is less.
- b) Post the acceptance as described in paragraph 19.6 (a), in case, there are any Shares left to be bought back in the Reserved Category, the Small Shareholders who were entitled to tender zero Shares (on account of ignoring the fractional entitlement), and have tendered Additional Shares, shall be given preference and one Equity Share each from the Additional Shares tendered by these Small Shareholders shall be bought back in the Reserved Category.
- c) Post the acceptance as described in paragraph 19.6 (a) and (b), in case there are any validly tendered unaccepted shares in the Reserved Category (“**Reserved Category Additional Shares**”) and shares left to be bought back in the Reserved Category, the Reserved Category Additional Shares shall be accepted in a proportionate manner and the acceptances shall be made in accordance with the Buyback Regulations, i.e. valid acceptances per Shareholder shall be equal to the Reserved Category Additional Shares by the Shareholder divided by the total Reserved Category Additional Shares and multiplied by the total number of Shares remaining to be bought back in Reserved Category. For the purpose of this calculation, the Reserved Category Additional Shares taken into account for such Small Shareholders, from whom one Equity Share has been accepted in accordance with paragraph 19.6 (b), shall be reduced by one.
- d) Adjustment for Fractional results in case of proportionate acceptance, as described in Paragraph 19.6 (c), will be made as follows:
 - For any shareholder, if the number of additional shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to the next higher integer.
 - For any shareholder, if the number of additional shares to be accepted, calculated on a proportionate basis is not in the multiples of 1 and the Fractional acceptance is less than 0.50, then the Fraction shall be ignored.

19.6 Basis of acceptance of equity shares validly tendered in the General Category

Subject to the provisions contained in this Letter of Offer, the Company will accept the shares tendered in the Buyback Offer by shareholders (other than the small shareholders) in the General category in the following order of priority:

- a. Full acceptance of shares from shareholders in the General Category who have validly tendered their shares, to the extent of their Buyback entitlement, or the number of shares tendered by them, whichever is less.
- b. Post the acceptance as described in paragraph 19.7(a), in case there are any validly tendered unaccepted shares in the General Category (“**General Category Additional Shares**”) and shares left to be bought back in

General Category, the General Category shares will be accepted in a proportionate manner and the acceptances shall be made in accordance with Buyback Regulations, i.e., valid acceptances per shareholders shall be equal to General Category additional shares by the shareholders divided by the total General Category Additional shares and multiplied by the total number of additional shares remaining to be bought back in the General Category.

- c. Adjustment for Fractional Results in case of proportionate acceptance as described in paragraph 19.7 (b) will be made as follows:
- For any shareholder, if the number of additional shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to next higher integer.
 - For any shareholder, if the number of additional shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than equal to 0.50, then the fraction shall be ignored.

19.7 Basis of acceptance of equity shares between the two Categories

- a. After acceptance of tenders, as mentioned in paragraph 19.6 and 19.7, in case there are any shares left to be bought back in one category (“**Partially Filled Category**”) and there are additional unaccepted validly tendered shares (“**Further Additional Shares**”) in the second category (“**Over Tendered Category**”), then the further additional shares in the over tendered category shall be accepted in a proportionate manner i.e., valid acceptances per shareholder shall be equal to further additional shares validly tendered by the shareholder in the over tendered category divided by the total further additional shares in the over tendered category and multiplied by the total shares left to be bought back in the partially filled category.
- b. If the Partially Filled Category is the General Category and the Over Tendered Category is the Reserved Category, then any Small Shareholder who has received a Tender Form with zero Buyback Entitlement and who has tendered Additional Shares shall be eligible for priority acceptance of one Equity Share before acceptance in paragraph 19.8(a) out of the Shares left to be bought back in the Partially Filled Category provided no acceptance could take place from such Shareholder in accordance with paragraph 19.6.
- c. Adjustment for Fractional Results in case of proportionate acceptance as described in paragraph 19.8(b) will be made as follows:
- For any shareholder, if the number of additional shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is greater than or equal to 0.50, then the fraction would be rounded off to next higher integer.
 - For any shareholder, if the number of additional shares to be accepted, calculated on a proportionate basis is not in the multiple of 1 and the fractional acceptance is less than equal to 0.50, then the fraction shall be ignored.

19.8 For avoidance of doubt, it is clarified that:

- the Equity Shares Accepted under the Buyback from each Eligible Person, in accordance with clauses above, shall not exceed the number of Equity Shares tendered by the respective Eligible Person;
- the Equity Shares Accepted under the Buyback from each Eligible Person, in accordance with clauses above, shall not exceed the number of Equity Shares held by respective Eligible Person as on the Record Date; and
- the Equity Shares tendered by any Eligible Person over and above the number of Equity Shares held by such Eligible Person as on the Record Date shall not be considered for the purpose of Acceptance in accordance with the clauses above.

20. PROCEDURE FOR TENDER/OFFER AND SETTLEMENT

20.1 The Buyback is open to all equity shareholders/ beneficial owners of the Company holding Equity Shares either in physical and/or electronic form on the Record Date.

20.2 The Buyback shall be implemented using the “Mechanism for Acquisition of Shares through Stock Exchange” notified by SEBI vide circular CIR/CFD/POLICYCELL/1/2015 dated 13.04.2015 read with Circular No. CFD/DCR2/CIR/P/2016/131 dated December 09, 2016 and following the procedure prescribed in the Companies Act and the Buyback Regulations and as may be determined by the board (including the committee authorized to

complete the formalities of the buyback) and on such terms and conditions as may be permitted by law from time to time.

20.3 For implementation of the Buyback, the Company has appointed Shree Bahubali International Limited as the registered broker of the Company (the “**Company’s Broker**”) through whom the purchases and settlement on account of the Buyback would be made by the Company. The contact details of the Stock Broker are as follows:

Shree Bahubali International Limited,
12, India Exchange Place, 3rd Floor,
Kolkata-700 001,
Tel: No.: 033-3028-5732/33 Fax no.: 033-2231-1579
E-Mail: backoffice@bahubali.in, Website: www.bahubali.in
Contact Person: Mr. Amit Jain

20.4 The Company will request to the BSE to provide the separate Acquisition Window to facilitate placing of sell orders by shareholders who wish to tender Equity Shares in the Buyback. BSE would be the Designated Stock exchange for this Buyback.

20.5 In the event Selling Member of any Eligible Shareholder is not registered with BSE trading member / stock broker, then that Eligible Shareholder can approach any BSE registered stock broker and can register himself by using quick unique client code (UCC) facility through that BSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable law). In case the Eligible Shareholder is unable to register himself by using quick UCC facility through any other BSE registered stock broker, then that Eligible Shareholder may approach the Company’s Broker, viz. Shree Bahubali International Limited, to register himself by using quick UCC facility.

20.6 During the tendering period, the order for selling the shares will be placed in the Acquisition Window by eligible sellers through their respective stock brokers during normal trading hours of the secondary market. The stock brokers (“**Seller Member(s)**”) can enter orders for demat shares as well as physical shares.

20.7 Procedure to be followed by Registered Equity Shareholders holding Equity shares in the dematerialized form:

- a. Shareholders who desire to tender their Equity Shares in the electronic form under the Buyback would have to do so through their respective Seller Member by indicating to their broker the details of Equity Shares they intend to tender under the Buyback.
- b. The Seller members would be required to place an order/bid on behalf of the Shareholders who wish to tender Equity Shares in the Buyback using the acquisition window of the BSE. Before placing the bid, the concerned Seller Member would be required to transfer the number of Equity Shares by using the settlement number and the procedure prescribed by the Indian Clearing Corporation Limited (“**Clearing Corporation**”) by using the settlement number and the procedure prescribed by the Clearing Corporation. This shall be validated at the time of order/bid entry.
- c. The details of the Special Account of the Clearing Corporation shall be informed in the issue opening circular that will be issued by BSE Limited/Clearing Corporation.
- d. For Custodian Participant orders for demat Equity Shares early pay-in is mandatory prior to confirmation of order by custodians. The custodian shall either confirm or reject the orders not later than the closing of the Trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed Custodian Participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.
- e. Upon placing the bid, the Seller member shall provide a Transaction Registration Slip (“**TRS**”) generated by the Exchange Bidding System to the Shareholder. TRS will contain the details of order submitted like Bid ID No., Application No., DP ID., Client ID, No. of equity Shares tendered etc.

20.8 Procedure to be followed by Registered Equity Shareholders holding Equity shares in the Physical Form:

- a. Shareholders who are holding Physical Equity Shares and intend to participate in the Buyback will be required to approach the Seller Member along with the complete set of Documents for verification procedures to be carried out including the i) original share certificate(s), ii) valid share Transfer Form(s) duly filled and signed by the transferors (i.e. by all registered shareholders in same order and as per the specimen signatures registered with the Company) and duly witnessed at the appropriate place authorizing the transfer in favour of the Company, iii) self-attested copy of the shareholder’s PAN Card, iv) any other relevant documents such as

Power of Attorney, corporate authorization (including board resolution/specimen signature), notarized Copy of Death Certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Shareholder has undergone a change from the address registered in the register of Members of the Company, the Shareholder would be required to submit a self-attested copy of address proof consisting of any one of the following documents: valid Aadhar Card, Voter Identity card, bank statement not older than two months or Passport.

- b. Based on these documents, the Seller Member shall place bids on behalf of the eligible shareholder holding equity shares in physical form who wishes to tender their equity shares in the Buyback using the Acquisition Window. Upon placing the bid, the Seller Member shall provide a TRS generated by the Exchange Bidding System to the shareholder. TRS will contain the details of order submitted like Folio No., Certificate No., Distinctive No., No. of Equity Shares tendered etc.
- c. The Seller Member has to deliver the original Share Certificate(s) & documents (as mentioned in paragraph 20.7.a above) along with the TRS either by registered post or Courier or Hand Delivery to the Registrar and Transfer Agent (“RTA”) (at the address mentioned in Paragraph 12 below or the collection centres of the RTA details of which will be included in the Letter of Offer) within 2 (two) days of bidding by Seller member. The envelope should be super scribed as the “Deepak Industries Limited Buyback Offer 2017”. One copy of the TRS will be retained by the RTA and it will provide acknowledgement of the same to the Seller Member/Shareholder.
- d. Shareholders holding Physical Equity Shares should note that physical Equity shares shall not be accepted unless the complete set of documents is submitted. Acceptance of the physical Equity Shares for Buyback by the company shall be subject to verification as per the Buyback Regulations and any further directions issued in this regard. RTA will verify the bids based on the documents submitted on a daily basis and till such time the BSE Limited shall display such bids as “unconfirmed physical Bids”. Once, RTA confirms the Bids it will be treated as “Confirmed Bids”.
- e. Modification/ cancellation of the orders will be allowed during the Tendering period of the Buyback.
- f. The cumulative quantity tendered shall be made available on BSE Limited’s website- www.bseindia.com throughout the Trading session and will be updated at specific intervals during the tendering period.

20.9 METHOD OF SETTLEMENT:

Upon Finalization of the basis of acceptance as per Buyback Regulations:

- a. The settlement of Trades shall be carried out in the manner similar to the settlements of Trade in the secondary markets.
- b. The Company will pay the consideration to the Clearing Corporation on or before the pay-in date for settlement for Equity Shares accepted under the Buyback, the shareholders whose equity shares have been accepted in the Buyback will receive funds payout in their settlement bank account from Clearing Corporation and in case of physical shares the Clearing Corporation will release the funds to the Seller Members as per the secondary market payout mechanism.
- c. The equity shares bought back in the demat form would be transferred directly to the escrow account of the Company (the “**Demat Escrow Account**”) provided it is indicated by the Company’s Broker or it will be transferred by the Company’s Broker to the Demat Escrow Account on receipt of the Equity Shares from the Clearing and Settlement Mechanism of the BSE.
- d. The Eligible Shareholders will have to ensure that they keep the depository participant (“DP”) account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non acceptance.
- e. Excess Demat equity shares or unaccepted demat Equity Shares, if any, tendered by the Shareholders would be returned to the Selling Member by Clearing Corporation in payout. Any excess physical Equity Shares pursuant to Proportionate acceptance/rejection will be returned back to the shareholders directly by the RTA. The Company is authorized to split the share certificate and issue new consolidated share certificate for the unaccepted Equity Shares, in case the Equity Shares accepted by the Company are less than the Equity Shares tendered in the Buyback by Eligible Sellers holding Equity Shares in the physical form.

- f. The Clearing Corporation would settle the trades by making direct funds payout to the Eligible Shareholders and the Seller Member would issue contract note. Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback. If Eligible Sellers bank account details are not available or if the fund transfer instruction is rejected by Reserve Bank of India or bank, due to any reasons, then the amount payable to Eligible Shareholders will be transferred to the Seller Member for onward transfer to the Eligible Sellers.
- g. Eligible Shareholders who intend to participate in the Buyback should consult their respective Seller Member for payment to them of any cost, applicable taxes, charges and expenses (including brokerage) that may be levied by the Seller Member upon the selling shareholders for Tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the selling Shareholders from their respective Seller Member, in respect of accepted equity shares, could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred by the selling shareholders.
- h. The Equity Shares lying to the credit of the Demat Escrow Account and the equity shares bought back and accepted in physical form will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

20.10 In case of Non- Receipt of this letter of Offer

- a. **In case the equity shares are in Dematerialized form:** An eligible person may participate in the offer by downloading the Tender form from the website of the Company www.dil-india.com or by providing their application in writing on plain paper, signed by all joint shareholders, stating name and address of shareholder(s), number of equity shares held as on the record date, Client ID Number, DP name/ID, beneficiary account number, and number of equity shares tendered for the Buyback.
- b. **In case the Equity shares are in Physical Form:** An eligible person may participate in the Offer by providing their application in writing on plain paper signed by all joint shareholders stating name, address, folio number, number of equity shares held, share certificate number, number of equity shares tendered for the Buyback offer and the distinctive numbers thereof, enclosing the Original share certificate(s), copy of Equity shareholder(s) PAN card(s) and executed share transfer form in favour of the Company. The transfer form SH-4 can be downloaded from the Company's website www.dil-india.com. Equity shareholders must ensure that the traded form, along with the TRS and requisite documents (as mentioned in paragraph 20.7.(a), reach the collection centres before 5.00 PM (IST) on the closing date. If the signature(s) of the Equity Shareholders provided in the plain paper application differs from the specimen signature(s) recorded with the Registrar of the Company or not in the same order (although attested), such applications are liable to be rejected under this Buyback offer.

Please note that Eligible Person(s) who intend to participate in the Buyback will be required to approach their respective Seller Member (along with the complete set of documents for verification procedures) and have to ensure that their bid is entered by their respective Seller Member or broker in the electronic platform to be made available by BSE before the Closing Date.

The Company shall accept Equity Shares validly tendered by the Shareholder(s) in the Buyback on the basis of their shareholding as on the Record Date and the Buyback Entitlement. Eligible Person(s) who intend to participate in the Buyback using the 'plain paper' option as mentioned in this paragraph are advised to confirm their entitlement from the Registrar to the Buyback Offer, before participating in the Buyback.

- 20.11 Non receipt of this Letter of Offer by, or accidental omission to dispatch the Letter of Offer to, any Eligible Person shall not invalidate the Buyback Offer in any way.
- 20.12 The acceptance of the Buyback Offer made by the Company is entirely at the discretion of the Equity shareholders of the Company. The Company does not accept any responsibility for the decision of any equity shareholder to either participate or not to participate in the buyback offer. The Company will not be responsible in any manner for any loss of share Certificate(s) and other documents during transit and the Equity shareholders are advised to adequately safeguard their interest in this regard.

21. NOTES ON TAXATION

Disclosures in this paragraph are based on expert opinion sought by the Company.

SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE ASSESSING OFFICERS IN THEIR CASE, AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE COMPANY DOES NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF SUCH ADVICE.

Given below is a broad summarization of the applicable sections of the Income-tax Act, 1961 relating to treatment of income-tax in case of buyback of listed equity shares on the stock exchange, which is provided only as a guidance.

21.1 CLASSIFICATION OF SHARES AND SHAREHOLDERS:

21.2.1 **Based on the provisions of the Income Tax Act, shares can be classified under the following two categories:**

- a. Shares held as investment (Income from transfer taxable under the head “Capital Gains”)
- b. Shares held as stock-in-trade (Income from transfer taxable under the head “Profits and Gains from Business or Profession”)

21.2.2 **Based on the provisions of the Income Tax Act, shareholders can be classified under the following categories:**

- a. **Resident Shareholders being:**
 - Individuals, HUF, AOP and BOI
 - Others
- b. **Non- Resident shareholders being:**
 - NRIs
 - FIIs
 - Others: Company; other than company

21.2 SHARES HELD AS INVESTMENT

21.2.1 For Non-Residents, taxability of capital Gains would be subject to beneficial provisions of applicable DTAA.

21.2.2 The taxability as per the provisions of the Income Tax Act is discussed below.

21.2.2.1 Nature of Capital Gains as per the provisions of the Income Tax Act.

As per the provisions of the Income Tax Act, for the purpose of determining as to whether the capital gains are short term or long term in nature:

- a. Where a capital asset, being listed equity shares of the company being bought back, is held for a period of less than or equal to 12 months prior to the date of transfer, the same shall be treated as a short term capital asset, and the gains arising therefrom shall be taxable as short term capital gains (STCG).
- b. Similarly, where the listed equity shares are held for a period of more than 12 months prior to the date of transfer, the same shall be treated as a long- term capital asset, and the gains arising therefrom shall be taxable as long-term capital gains (LTCG).

21.2.2.2 Capital Gains on Buyback of shares are governed by the provision of Section 46A of the Income Tax Act. As per the provisions of Section 46A, Buyback of shares held as Investment, would attract capital gains in the hands of shareholders as per the provisions of Section 48 of the Income Tax Act.

Buyback of Shares through a Recognized Stock exchange

21.2.3 Where transaction for transfer of such equity shares (i.e buyback) is entered into through a recognized stock exchange and such transaction is chargeable to Securities Transaction Tax (STT), the taxability is as under (for all categories of shareholders):

- a. LTCG arising from such transaction would be exempt under Section 10(38) of the Income tax Act; and
- b. STCG arising from such transaction would be subject to tax @ 15% under section 111A of the Income tax Act.

Further, in case of resident Individual or HUF, the benefit of maximum amount which is not chargeable to income tax is considered while computing the tax on such STCG.

In addition to the above STCG tax, Surcharge, Education Cess and Secondary and Higher Education CESS are leviable as under:

- In case of foreign companies and FIIs: Surcharge @ 5% is leviable where the total income exceeds Rs. 10 crores and @ 2% where the total income exceeds Rs. 1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.

- In case of other non resident assesseees (ie other than foreign companies): Surcharge @ 12% is leviable where the total income exceeds Rs. 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- In case of domestic companies: Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crores and @ 7% where the total income exceeds Rs. 1 crore. Further, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- In case of resident assesseees (ie other than domestic companies): Surcharge @ 12% is leviable where the total income exceeds Rs. 1 crore. Also, Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable.
- In addition to the above, MAT implications may also get triggered for domestic companies.

21.3 SHARES HELD AS STOCK IN TRADE

- If the shares are held as stock-in-trade by any of the Shareholders of the Company, then the gains would be characterized as business income. In such a case, the provisions of section 46A of the Income Tax Act would not apply.
- Resident Shareholders**
 - For individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - For persons other than individuals, HUF, AOP, BOI profits would be taxable @ 30%.
No benefit of indexation by virtue of period of holding would be available in any case. In addition to the above, in the case of domestic companies, Surcharge @ 12% is leviable where the total income exceeds Rs. 10 crores and @ 7% where the total income exceeds Rs. 1 crore. In all other cases, Surcharge @ 12% is leviable where the total income exceeds Rs. 1 crore. Education Cess @ 2% and Secondary and Higher Education Cess @ 1% is leviable in all cases.
- Non- Resident Shareholders**
 - Non-resident shareholders can avail benefits of the DTAA between India and the respective country of which the said shareholder is tax resident subject to satisfying relevant conditions (including non-applicability of GAAR) and providing and maintaining necessary information and documents as prescribed under the IT Act..
 - Where DTAA provisions are not applicable:
 - For non-resident individuals, HUF, AOP, BOI, profits would be taxable at slab rates.
 - For foreign companies, profits would be taxed in India @ 40%.
 - For other non-Resident shareholders, such as foreign firms, profit would be taxed @ 30%.
In addition to the above, in the case of foreign companies, surcharge, education cess and secondary and higher education cess are leviable.

21.4 TAX DEDUCTION AT SOURCE

- In case of Resident Shareholders**
 - In absence of any specific provision under the Income Tax Act, the Company shall not deduct tax on the consideration payable to resident shareholders pursuant to the said Buyback.
- In case of Non- Resident Shareholders**
 - Since the buyback is through the stock exchange, the responsibility of discharge of the tax due on the gains (if any) is on the non-resident shareholder. It is therefore recommended the non-resident shareholder may consult their custodians/ authorized dealers/ tax advisors appropriately.

21.5 THE TAX RATES AND OTHER PROVISIONS MAY UNDERGO CHANGES

22. DECLARATION BY THE BOARD OF DIRECTORS:

Declaration as required under Clause (ix) and (x) of the Schedule II, Part A to the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998, as under:

- The Board of Director confirms there are no defaults subsisting repayment of deposits, interest payable thereon, redemption of debentures & interest payable thereon, redemption of preference or payment of dividend due to any shareholder or repayment of any loans and interest payable thereon to any financial institution or banking company.
- The board of Directors confirm that based on a full enquiry conducted into the affairs and prospects of the Company and taking into account all the liabilities including prospective and Contingent liabilities payable as if the Company were being wound up under the companies Act, the board of Directors have formed an opinion that:

- i) that immediately following the date of the Board Meeting held on 03.11.2017 and the date on which the results of the Postal Ballot will be declared, there will be no grounds on which the Company could be found unable to pay its debts;
- ii) that as regards the Company's prospects for the year immediately following the date of the Board Meeting as well as for the year immediately following the date on which the results of the Postal Ballot will be declared approving the Buyback, and having regard to the Board's intentions with respect to the management of the Company's business during the year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting or within a period of one year from the date on which the results of the Postal Ballot will be declared.
- iii) that in forming its opinion aforesaid, the Board has taken into account the liabilities (including prospective and contingent liabilities) as if the Company was being wound up under the provisions of the Companies Act."

This declaration is made and issued pursuant to the resolution passed at the meeting of the Board of Directors held on 03.11.2017.

For and on behalf of the Board of Directors of Deepak Industries Limited

Sd/-
Yashwant Kumar Daga
 Vice- Chairman-cum- Joint
 Managing Director

Sd/-
Anand Prasad Agarwalla
 Non-Executive
 Independent Director

Sd/-
Vithal Das Mall
 Company Secretary &
 Compliance Officer

23. AUDITOR CERTIFICATE:

Report addressed to the Board of Directors by the Company's Auditor on the permissible capital payment and the opinion formed by Directors regarding insolvency:

The text of the Report dated 03.11.2017 received from Lodha & Co., Chartered Accountants; the Statutory Auditor of the Company, addressed to the Board of Directors of the Company is reproduced below:

QUOTE
 03rd November, 2017

The Board of Directors,
 Deepak Industries Limited
 16, Hare Street,
 Kolkata-700 001

Auditor's Report on buyback of equity shares pursuant to the requirements of the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ("Buyback Regulations")

1. This Report is issued in accordance with the terms of our engagement letter dated November 3rd, 2017.
2. We have been engaged by Deepak Industries Limited ("the Company") to perform a reasonable assurance engagement on determination of the amount of permissible capital repayment in connection with the proposed buy back by the Company of its equity shares in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013, as amended (the "Act") and rules specified in the Securities and Exchange Board of India (Buy Back of Securities) Regulations, 1998 (as amended) ("Buyback Regulations").

3. The accompanying statement of permissible capital payment (**Annexure A**) as at 31st March 2017 (hereinafter referred together as the ‘Statement’) is prepared by the management, which we have initialled for identification purposes only.

Management's Responsibility

4. The preparation of the Statement in accordance with Section 68(2)(c) of the Companies Act, 2013 and the compliance with the Buyback Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment, the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

5. Pursuant to the requirement of the Buyback Regulations, it is our responsibility to provide a reasonable assurance that:
 - i. We have inquired into the state of affairs of the Company in relation to its latest audited financial statements as at 31st March 2017.
 - ii. The amount of capital payment for the buy back **as stated in Annexure A** is within the permissible limit computed in accordance with the provisions of Section 68 of the Act considering the audited financial statements for the year ended 31st March 2017.
 - iii. The Board of Directors in their meeting held on 3rd November 2017 has formed the opinion, as specified in Clause (x) of Part A of Schedule II to the Buyback Regulations, on reasonable grounds that the Company having regard to its state of affairs will not be rendered insolvent within a period of one year from the aforesaid date and from the date on which the results of the shareholders resolution with regard to the proposed buy back are declared.
6. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence so as to reduce the engagement risk to an acceptably low level for arriving at positive form of expression of conclusion. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the assignment. Within the scope of our work, we performed the following procedures:
 - i. Examined authorisation for buy back from the Articles of Association of the Company;
 - ii. Examined that the amount of capital payment for the buy-back is within the permissible limit computed in accordance with the provisions of Section 68 of the Act;
 - iii. Examined that the ratio of the secured and unsecured debt owed by the Company, if any, is not more than twice the paid-up capital and its free reserves after such buy-back;
 - iv. Examined that all the shares for buy-back are fully paid-up;
 - v. Inquired into the state of affairs of the Company with reference to the audited financial statements of the Company as at and for the year ended March 31, 2017 (the “Audited Financial Statements”); and analysed for broad consistency the budgets and projections prepared by the Management;
 - vi. Examined minutes of the meetings of the Board of Directors;
 - vii. Examined Directors' declarations for the purpose of buy-back and solvency of the Company; and
 - viii. Obtained appropriate representations from the Management of the Company.
7. The financial statements referred to in paragraph 6(v) above, have been audited by the predecessor auditor who expressed unmodified opinion vide their report dated 30th May 2017 and we have placed reliance on the balances and other information extracted from the audited financial statements.

8. We, having regard to para 7 above, have conducted examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

10. Based on enquiries conducted and our examination as above, we report that:

- a. The amount of permissible capital payment towards the proposed buyback of equity shares as computed in the Annexure A attached herewith, is properly determined in our view in accordance with Section 68 of the Act.
- b. The Board of Directors in their meeting held on 3rd November 2017 has formed the opinion, as specified in Clause (x) of Part A of Schedule II of the SEBI Buy Back Regulations, on reasonable grounds and the same has been communicated to us that the Company having regard to its state of affairs (as per the budgets and projections submitted and representation made to us and in absence of anything to indicate that the opinion expressed by the Board of Directors as to any of the matters mentioned in the declaration is unreasonable as on this date) will not be rendered insolvent within a period of one year from date on which the results of the shareholders resolution with regard to the proposed buy back will be declared.

Restrictions on Use

11. Our work was performed solely to assist the Board of Directors for meeting its responsibilities with reference to the Act (including Regulations thereon). Our obligations in respect of this report are distinct from, and our responsibility and liability is in no way affected by any other role we may have (or may have had) as auditors of the Company or otherwise. Nothing in this report, nor anything said or done in the course of or in connection with the services that are the subject of this report, will extend our duty which we may have in our capacity as auditors of the Company.
12. This report is addressed to and provided to the Board of Directors of the Company pursuant to the requirements of the Act solely to enable the Board of Directors of the Company to include in the following and should not be used for any other purpose:
 - i. For filing information in the Explanatory statement to the Notice for special resolution and in connection with the proposed Buy back of Equity shares of the Company in pursuance to the provisions of section 68 and other applicable provisions of the Companies Act, 2013 and the SEBI Buy Back Regulations.
 - ii. The letter of offer to be given to the shareholders;
 - iii. Submission to various regulatory bodies such as SEBI, Stock Exchanges etc,

Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report or the voting in general meeting or the draft letter of offer or letter of offer which includes our report, is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

For Lodha & Co.

Chartered Accountants
Firm's ICAI Registration No. 301051E
H K Verma
Partner
Membership No. 055104

Place: Kolkata
Date: 3rd November, 2017

Annexure A – Statement of permissible capital payment

Deepak Industries Limited
CIN No: L63022WB1954PLC021638

Computation of amount of permissible capital payment towards buyback of equity shares in accordance with section 68(2)(c) of the Companies Act, 2013 (“the Act”) based on audited standalone financial statements as at and for the year ended 31st March, 2017:

(Amount in Rs. Lakhs)

Particulars	Amount	Total Amount
Paid-up Share Capital as on 31/03/2017 (A)	505.61	505.61
Free Reserves as on 31/03/2017:		
Surplus	21953.47	
Total Free Reserves (B)		21953.47
Total(A + B)		22459.08
Maximum amount permitted for buyback, i.e. 25% of total fully paid up share capital and free reserves		5614.77

For Deepak Industries Limited
Sd/-
Yashwant Kumar Daga
Vice-Chairman Cum Joint Managing Director
DIN: 00040632

UNQUOTE

24. DOCUMENTS FOR INSPECTION:

The following material documents are available for inspection by the shareholders of the Company at their Registered Office at 16, Hare Street, 2nd Floor, Kolkata-700 001 from to 11:00 A.M. to 1:00 P.M. on any day except Saturdays, Sundays and public holidays, during the Tendering Period.

- (i). Copy of the Certificate of Incorporation and the Memorandum and Articles of Association of Deepak Industries Limited.
- (ii). Copy of the Annual Reports of Deepak Industries Limited for the year ended 31.03.2017, 31.03.2016 and 31.03.2015 and un-audited certified financial statements for the half year ended 30.09.2017.
- (iii). Copy of the Resolution passed by the Board of Directors at its meeting held on 03.11.2017 approving proposal for Buyback.
- (iv). Copy of the Certificate dated 03.11.2017 received from M/s. Lodha & Co., the Statutory Auditor of the Company, in terms of Clause (xi) of Part A to Schedule II of the Buyback Regulations.

- (v). Copy of the Postal Ballot notice to the equity shareholders dated 03.11.2017, along with the Explanatory Statement.
- (vi). Copy of the Special Resolution passed by the equity shareholders of the Company by Postal Ballot, the results of which were announced on 02.01.2018.
- (vii). Copy of the Declaration of Solvency and an Affidavit in form SH-9 as prescribed under section 68(6) of the Companies Act.
- (viii). Copy of the Escrow Agreement dated 24.01.2018 with HDFC Bank Limited.
- (ix). Copy of the Certificate from CA Nandy Halder & Ganguli, Chartered Accountants, certifying that the Company has adequate funds for the purposes of buyback of not exceeding 11,00,000 equity shares @ Rs. 310/- each,
- (x). Copy of the Public Announcement published in the newspapers on 04.01.2018.
- (xi). Copy of SEBI observation letter.

25. COMPLIANCE OFFICER

Mr. Vithal Das Mall, Company Secretary,
16, Hare Street, 2nd Floor, Kolkata-700 001,
Tel. No.033-2248-2391/92/93, Fax No. 033-2248-9382
Website: www.dil-india.com Email: secretary@dil-india.com

26. DETAILS OF THE REMEDIES AVAILABLE TO THE SHAREHOLDERS/BENEFICIAL OWNERS

- a) In case of any Grievance related to the buyback Offer (i.e. non receipt of the buyback consideration, Share certificate, Demat Credit, etc) the investors can approach the compliance officer/or the Manager to the buyback Offer/or The Registrar to the buyback for redressal.
- b) If the Company makes any default in complying with the provisions of Section 68(6) of the companies Act or any rules made thereunder or any regulation or under clause (f) of sub- section (2) of the Companies Act, the company or any officer of the Company who is in default shall be punishable for a term and its limit or with a fine or its limit or with both in terms of Companies Act.
- c) The address of the Concerned office of the Registrar of Companies is as follows:
Registrar of Companies, West Bengal, Nizam Palace, 2nd MSO Building, 2nd Floor, 234/4, A.J.C. Bose Road, Kolkata - 700020

27. DETAILS OF THE INVESTOR SERVICE CENTRES

Maheshwari Datamatics Private Limited,

Contact Person: Mr. S. Rajagopal,
23, R. Mukherjee Road, 5th Floor, Kolkata – 700 001
Tel No.: (033) 2243 5809/5029
Fax No.: (033) 2248 4787
Email: mdpldc@yahoo.com,
Website: www.mdpl.in

In case of any clarifications or to address investor grievance, the shareholders may contact the Compliance Officer, from Monday to Friday between 10:00 a.m. and 5:00 p.m on all working days, at the above mentioned address.

28. MANAGER TO THE BUYBACK OFFER



VC Corporate Advisors Private Limited,
SEBI Regn No: INM000011096
(Contact Person: Mr. Anup Kumar Sharma)
31, Ganesh Chandra Avenue, 2nd Floor,
Suite No.– 2C, Kolkata - 700 013
Tel. No : (033) 2225-3940
Fax : (033) 2225-3941
Email: mail@vccorporate.com
Website: www.vccorporate.com

29. DECLARATION BY THE DIRECTORS REGARDING AUTHENTICITY OF THE INFORMATION IN THE OFFER DOCUMENT

As per Regulation 19(1)(a) of the Buyback regulations, the Board of Directors of the Company accept full responsibility for the information contained in this Letter of Offer. The Letter of Offer is issued under the authority of the Board of Directors by the Buyback Committee through resolution passed by the buyback committee meeting held on 07.02.2018.

For and on behalf of the Board of Directors of M/s. Deepak Industries Limited

Sd/-
Yashwant Kumar Daga
Vice- Chairman-cum- Joint
Managing Director

Sd/-
Anand Prasad Agarwalla
Non-Executive
Independent Director

Sd/-
Vithal Das Mall
Company Secretary &
Compliance Officer

Place: Kolkata

Date: 07.02.2018

Enclosure: Form of Acceptance-cum- Acknowledgement

Enclosures:

1. Tender Form for shareholder holding shares in Dematerialised Form.
2. Tender Form for shareholders holding shares in Physical Form along with Form SH4.

**FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT
TENDER /OFFER FORM
(FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALIZED FORM)**

BUYBACK OFFER			
Opens On	Wednesday, February 21, 2018		
Closes On	Wednesday, March 07, 2018		
For Registrar/ Collection Centre Use			
Centre Code	Inward No.	Date	Stamp
Status: Please tick Appropriate			
	Individual		FII
	Foreign Company		Non Resident Indian/OCB
	Body Corporate		Bank/Financial Institution

To,
The Board of Directors
Deepak Industries Limited,
C/o Maheshwari Datamatics Private Limited.
23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001
Tel : (033) 2243 5809/5029 Fax : (033) 2248 4787
Email: mdplde@yahoo.com, Website: www.mdpl.in

Dear Sirs,

Date _____

Ref: Letter of Offer dated February 07, 2018 to Buyback Shares upto 11,00,000 Equity shares of Rs. 10/- each of Deepak Industries Limited at a price of Rs. 310/- per equity share

- I/ We (having read and understood the Letter of Offer dated February 07, 2018 hereby tender / offer my/our shares in response to the Buyback Offer on the terms and conditions set out below and in the Letter of Offer.
- I/ We authorize the Company to buy back the shares offered (as mentioned below) and to issue instruction to Maheshwari Datamatics Private Limited to extinguish the shares.
- I/ We hereby warrant that the shares comprised in this tender offer are offered for the Buyback by me/ us free from all liens, equitable interest, charges and encumbrance.
- I/ We declare that there are no restraints / injunctions or other order of any nature which limits / restricts in any manner my / our right to tender shares for the Buyback and that I / we am / are legally entitled to tender the shares for the Buyback.
- I/We agree that the consideration for the accepted shares will be paid to the Seller Members as per secondary market mechanism.
- I/We agree to receive, at my own risk, the invalid/unaccepted equity shares under the Buy Back Offer in the demat a/c from where I/we have tendered the equity shares in the Buyback. In case if for any reason the equity shares cannot be credited to the above demat account, I/we agree to receive a single share certificate for the unaccepted equity shares in physical form.
- I/ We undertake to return to the Company any Buyback consideration that may be wrongfully received by me/us
- I/ We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Regulations.
- Details of shares held and offered/tendered for the Buyback:

	In Figures	In Words
Number of Shares held as on Record Date		
Number of shares Entitled for buyback (buyback entitlement)		
Number of Shares offered for the Buy Back		

Note: An Eligible Person may tender equity shares over and above his/her Buyback entitlement. Number of equity shares validly tendered by any Eligible Person up to Buy Back entitlement of such eligible person shall be accepted to the full extent. The equity shares tendered by any eligible person over and above the Buyback entitlement of such eligible person shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity shares tendered by any equity shareholders over and above the number of equity shares held by such eligible person as on the Record Date shall not be considered for the purpose of Acceptance.

10) Details of account with Depository Participant

Name of the Depository (tick whichever is applicable)	• NSDL	• CDSL
Name of the Depository Participant		
DP ID		
Client ID with the DP		

-----Tear along this line-----

Acknowledgment Slip: Deepak Industries Limited Buyback Offer

(to be filled by equity shareholder) (subject to verification)

Folio No./DP ID: -----Client ID: -----

received From Mr./Ms./M/s. -----

Stamp of Broker

Form of Acceptance-cum-acknowledgement, Original TRS along with:
No. of equity shares offered for Buyback (in figures)

(in words)

11) Shareholder(s) Details

	Sole/First Shareholder	Second Shareholder (if any)	Third Shareholder (if any)
Name in Full			
Signature*			
PAN			
Address of the Sole/First Shareholder			
Telephone No/ E-mail id			

* Corporate must affix Rubber Stamp

This Tender Offer form has to be read along with the Letter of Offer and is Subject to the terms and Conditions mentioned in the Letter of Offer and this Tender/ Offer Form

1. This Offer will open on February 21, 2018 and close on March, 07, 2018.
2. The equity shares in the offer shall be rejected if the Eligible person is not a shareholder of the Company as on Record Date, if there is a name mismatch in the demat account of the shareholder.
3. The Shareholders will have to ensure that they keep the DP Account active and unblocked to receive credit in case of return of equity shares due to rejection or due to prorated buy back as decided by the Company.
4. Eligible Persons to whom the Offer is made are free to tender equity shares to the extent of their entitlement in whole or in part or in excess of their entitlement.
5. Eligible Shareholders have to fill up the EVENT number issued by Depository in the column for settlement details along with the market type as "Buyback", ISIN, Quantity of equity shares and CM BP ID of broker and execution date in the Delivery Instruction Slips (DIS) so that equity shares can be tendered for buyback offer.
6. All documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to safeguard adequately their interests in this regard.

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUY-BACK OFFER SHOULD BE ADDRESSED TO THE REGISTRAR TO THE BUYBACK, MAHESHWARI DATAMATICS PRIVATE LIMITED, QUOTING YOUR CLIENT ID & DP ID.

INVESTOR SERVICE CENTRE, DEEPAK INDUSTRIES LIMITED BUYBACK OFFER

M/s. Maheshwari Datamatics Private Limited
23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001
Tel : (033) 2243 5809/5029 Fax : 2248 4787
Email id: mdpldc@yahoo.com.

**FORM OF ACCEPTANCE CUM ACKNOWLEDGEMENT
TENDER/OFFER FORM
(FOR SHAREHOLDERS HOLDING IN PHYSICAL FORM)**

BUYBACK OFFER			
Opens On		Wednesday, February 21, 2018	
Closes On		Wednesday, March 07, 2018	
For Registrar/ Collection Centre Use			
Centre Code	Inward No.	Date	Stamp
Status: Please tick Appropriate			
	Individual		FII
	Foreign Company		Non Resident Indian/OCB
	Body Corporate		Bank/Financial Institution

To,
The Board of Directors
Deepak Industries Limited,
C/o Maheshwari Datamatics Private Limited,
23, R. N. Mukherjee Road, 5th Floor, Kolkata – 700 001
Tel : (033) 2243 5809/5029 Fax : (033) 2248 4787
Email: mdpldc@yahoo.com, Website: www.mdpl.in

Dear Sirs,

Date _____

Ref: Letter of Offer dated February 07, 2018 to Buyback Shares upto 11,00,000 Equity shares of Rs. 10/- each of Deepak Industries Limited at price of Rs. 310/- per equity share

- 1) I/We (having read and understood the Letter of Offer dated February 07, 2018) hereby tender / offer my/our shares in response to the Buyback Offer on the terms and conditions set out below and in the Letter of Offer.
- 2) I / We authorise the Company to buy back the shares offered and as a consequence to extinguish the share certificates.
- 3) I / We hereby warrant that the shares comprised in this tender / offer are offered for the Buyback by me / us free from all liens, equitable interest, charges and encumbrance.
- 4) I / We declare that there are no restraints / injunctions or other order of any nature which limits / restricts in any manner my / our right to tender shares for the Buyback and that I / we am / are legally entitled to tender the shares for the Buyback.
- 5) I/We agree that the consideration for the accepted shares will be paid to the Seller Members as per secondary market mechanism
- 6) I / We agree that the Company is not obliged to accept any shares offered for the Buyback where loss of share certificates has been notified to the Company.
- 7) I / We agree that the Company will pay any Buyback consideration only after due verification of the validity of the documents and signatures and that the consideration may be paid to the first named shareholder.
- 8) I / We undertake to return to the Company any Buyback consideration that may be wrongfully received by me/us.
- 9) I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my / our tender / offer and agree to abide by any decision that may be taken by the Company to effect the Buyback in accordance with the Act and the Regulations.
- 10) I/ We authorize the company to split the share certificate and issue new consolidated certificate for the unaccepted shares in case the shares accepted by the Company are less than the shares tendered in the Buyback due to oversubscription.
- 11) Details of shares held and offered for the Buyback:

	In Figures	In Words
Number of Shares held as on Record Date		
Number of shares Entitled for buyback (buyback entitlement)		
Number of Shares offered for Buy-Back		

Note: An Eligible Person may tender equity shares over and above his/her Buyback entitlement, Number of equity shares validly tendered by any Eligible Person up to Buy Back entitlement of such eligible person shall be accepted to the full extent. The equity shares tendered by any eligible person over and above the Buyback entitlement of such eligible person shall be accepted in accordance with Paragraph 19 of the Letter of Offer. Equity shares tendered by any equity shareholders over and above the number of equity shares held by such eligible person as on the Record Date shall not be considered for the purpose of Acceptance.

Tear along this line

Acknowledgment Slip: Deepak Industries Limited Buyback Offer
(to be filled by equity shareholder) (subject to verification)

Folio No. ----- Received From Mr./Ms./M/s. -----

Stamp of Collection Centre

**Form of Acceptance- cum- acknowledgement, Original TRS along with: No. Of equity shares offered for Buyback (in figures) -----
----- (in words) -----**

12) Details of Share Certificate(s) Enclosed
Total No. of Share Certificates submitted

Sr. No	Folio No.	Share Certificate No.	Distinctive Nos		No. of Shares
			From	To	
1.					
2.					
3.					
4.					
5.					
Total					

In case the number of folios and share certificates enclosed exceed 3 nos., please attach a separate sheet giving details in the same format as above.

13) Details of Other Documents (please tick appropriately), if any, enclosed:

- Corporate Authorizations
 Death Certificate
 Succession Certificate
 Power of Attorney
 Specimen signature of all holders attested by Bank
 Any Other, Please specify _____

14) Shareholder(s) Details (Signature(s) as per specimen recorded with the Company):

	Sole/First Shareholder	Second Shareholder (if any)	Third Shareholder (if any)
Name in Full			
Signature*			
PAN			
Address of the Sole/First Shareholder			
Telephone No/ E-mail id			

* Corporate must affix Rubber Stamp.

This Tender Offer form has to be read along with the Letter of Offer and is Subject to the terms and Conditions mentioned in the Letter of Offer and this Tender/ Offer Form

1. This Offer will open on February 21, 2018 and close on March, 07, 2018.
2. For procedure to be followed by equity shareholders for tendering in the Buyback Offer. Please refer to section 20 of the Letter of Offer.
3. All documents sent by shareholders will be at their own risk. Shareholders of the Company are advised to safeguard adequately their interests in this regard.

ALL FUTURE CORRESPONDENCE IN CONNECTION WITH THIS BUY-BACK OFFER SHOULD BE ADDRESSED TO THE REGISTRAR TO THE BUYBACK, MAHESHWARI DATAMATICS PRIVATE LIMITED. QUOTING YOUR FOLIO NO.

INVESTOR SERVICE CENTRE, DEEPAK INDUSTRIES LIMITED BUYBACK OFFER

M/s. Maheshwari Datamatics Private Limited
 23, R.N. Mukherjee Road, 5th Floor, Kolkata – 700 001
 Tel: (033) 2243 5809/5029 Fax : 2248 4787
 Email id: mdplde@yahoo.com.