

Deepak Industries Limited

CIN No.: L63022WB1954PLC021638
Website : www.dil-india.com
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Regd. Office
62, Hazra Road, Kolkata 700 019
Phone: 033-4014 2222

Corp. Office
16, Hare Street, Kolkata- 700 001
Phone: 033-2248-2391/92/93

Date: 21st June, 2024

To
The Secretary
The Calcutta Stock Exchange Limited
7, Lyons Range,
Kolkata- 700 001

Dear Sir/Ma'am,

Scrip Code: 014084

Subject: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Update on the Composite Scheme of Arrangement between Lotus Auto Engineering Limited and Deepak Industries Limited

This is in furtherance to our earlier communication dated 7th February, 2024 with respect to approval granted by the Board of Directors of Deepak Industries Limited ("Transferee Company" or "Company") to the Composite Scheme of Arrangement of Lotus Auto Engineering Limited ("Transferor Company") with the Company and their respective shareholders and creditors under Sections 230 to 232 read with the provisions of section 52, 66 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder ("Scheme").

We are pleased to inform that, the Company Application No. CA (CAA) No. 43/KB/2024 filed jointly by the Transferor and the Transferee Company before the Hon'ble National Company Law Tribunal, Kolkata Bench ("Tribunal"), has been disposed of by the Hon'ble Tribunal vide its Order dated 20th June, 2024, uploaded on the NCLT website on 21st June, 2024 ("Order").

In terms of the said Order, inter alia, the Transferee Company is directed to convene and hold a meeting of unsecured creditors, on or before 8th September, 2024, for the purpose of considering, and if thought fit, approving with or without modification(s), the proposed Scheme.

Further, in view of the consent given by way of affidavits by the requisite majority of equity shareholders, unsecured creditors and debenture holder of the Transferor Company and equity shareholders and secured creditors of the Transferee Company, meetings of equity shareholders, unsecured creditor and debenture holder of the Transferor Company and equity shareholders and secured creditor of the Transferee Company are dispensed with in terms of Section 230(1) read with Section 232(1) of the Act. And in view of the fact that there



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are no secured creditors in the Transferor Company, the requirement of calling the meeting of the secured creditors of the Transferor Company does not arise.

A copy of the Order as uploaded on the website of the Hon'ble Tribunal is attached.

The Company will take necessary steps with regard to the above.

This is for your information and records.

Thanking You,

Yours faithfully,

For Deepak Industries Ltd

Nikita Puria

Nikita Puria
Company Secretary





**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (Court – I)
KOLKATA**

Company Application (CAA) No. 43/KB/2024

An application under Section 230(1) read with Section 232(1) read with section 52 and section 66 of the Companies Act, 2013 and the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, and other applicable provisions of the law

IN THE MATTER OF:

A Scheme of Amalgamation of (First Motion):

Lotus Auto Engineering Limited, an unlisted public limited company, having CIN: U74120WB2010PLC267057, incorporated On 25th November, 2010, under the provisions of the Companies Act, 1956 (Validly existing under the Companies Act, 2013) having its registered office at 62, Hazra Road, Ballygunge, Kolkata-700019, in the State of West Bengal

.....**Transferor Company / Applicant Company No. 1**

And

Deepak Industries Limited, a CSE listed public company, having CIN: L63022WB1954PLC021638, incorporated on 8th May, 1954, under the provisions of the Companies Act, 1956 (Validly existing under the Companies Act, 2013) having its registered office at 62, Hazra Road, Garcha Road, Kolkata -700019, in the State of West Bengal.

.....**Transferee Company/ Applicant Company No. 2**

In the matter of:

1. **Lotus Auto Engineering Limited**
2. **Deepak Industries Limited**

..... Applicants

Date of pronouncing the order: 20.06.2024

IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (Court – I)
KOLKATA

CA (CAA) No. 43/KB/2024



Coram:

Smt Bidisha Banerjee : Member (Judicial)
Shri Balraj Joshi : Member (Technical)

Authorized Representatives appearing for the Applicants:

Ms. Neha Malu, PCS

ORDER

Per: Bidisha Banerjee, Member (Judicial)

1. The Court is convened through hybrid mode.
2. The instant application has been filed in the first stage of the proceedings under Section 230(1) read with Section 232(1) read with section 52 and section 66 of the Companies Act, 2013 (“Act”) and allied rules made thereunder, for orders and directions with regard to meetings of shareholders and creditors in connection with the Composite Scheme of Arrangement (“Scheme”) between Lotus Auto Engineering Limited (hereinafter referred to as “Transferor Company”) and Deepak Industries Limited (hereinafter referred to “Transferee Company”), whereby and whereunder it is proposed to (a) amalgamate the Transferor Company with the Transferee Company from the Appointed Date, **viz 1st day of October, 2023** and (b) reduction of share capital of the Transferor Company pursuant to the writing off securities premium against the debit balance of the profit and loss account of the Transferor Company in terms of section 52 read with section 66 of the Act, in the manner and on the terms and conditions stated in the said Scheme. A copy of the proposed Scheme is annexed to the Application and marked as **Annexure “F”, @Pg. 165 to 193.**
3. It is submitted by the Ld. Authorised representative appearing for the Applicants that the shares of the Transferee Company are listed on the Calcutta Stock Exchange. However, since the Transferor Company is a wholly owned subsidiary of the Transferee Company, the requirement of seeking NOC from SEBI is not applicable in the present Scheme in terms of Reg. 37 (6) of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, and the requirement of SEBI Circular on Scheme of Arrangement dated 20th June, 2023 is also not applicable in the given case, however, the Transferee Company is required to submit draft Scheme with the stock exchange for the purpose of disclosure. It has been submitted that the Transferee Company has duly submitted the

**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (Court – I)
KOLKATA**

CA (CAA) No. 43/KB/2024

draft scheme with CSE on 7th February, 2024, copy of which is enclosed in the Application vide **Annexure- “P”, page 529-530.**

4. The Board of Directors of the Applicant Companies have, at their respective Board Meetings held on 3rd February, 2024, approved the proposed Scheme. The certified true copy of the Board Resolutions is collectively annexed to the Application and marked as **Annexure- “E”, page 161 to 164.**
5. It is submitted by Ld. Authorised representative that the Applicants have the following classes of shareholders and creditors as on 15th January, 2024:


Applicant No.	No. of Equity Shareholders	No. of Secured Creditors	No. of Unsecured Creditors	No. of Debenture Holder
Applicant Company No. 1	7	Nil	36	1
Applicant Company No. 2	72	14	738	Nil

6. Certificate by Independent Chartered Accountant certifying the aforesaid number of shareholders, creditors (secured and unsecured) and debenture-holders of the Transferor Company and the Transferee Company is enclosed as **Annexure-“H”, page 310 to 312 and Annexure-“K”, page 377 to 413.**
7. It is further submitted that the Transferee Company being Parent Company of the Transferor Company (holding 99.99% paid up share capital of the Transferor Company), has given consent for the proposed Scheme by way of an affidavit. Further, 93.34% shareholders of the Transferee Company have also given their consent w.r.t the proposed Scheme by way of affidavits. Copy of no objection certificate from the shareholders of both the Companies are enclosed herewith and collectively marked as **Annexure - “I”, page 313 - 317 and Annexure – “J”, page 318-376,** respectively.
8. Further, 90.61% unsecured creditors of the Transferor Company and 100% debenture holder of the Transferor Company have given their NOC vide affidavits for the proposed Scheme. Copies of NOCs from the unsecured creditors and debenture holder of the Transferor Company are enclosed as **Annexure “M”, Pg. 424 – 518.** It is further

**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (Court – I)
KOLKATA**

CA (CAA) No. 43/KB/2024

submitted that there are no secured creditors in the Transferor Company.

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9. It is also submitted that 99.99% secured creditors of the Transferee Company have given their no objection to the proposed Scheme by way of affidavits. Copy of NOCs received from the secured creditors of the Transferee Company, are enclosed as **Annexure “L”**, @ **pg. 414 - 423**.
 10. Directions are accordingly sought:
 - a. Dispensing with the meetings of Equity Shareholders of both the Applicant Companies;
 - b. Dispensing with the meetings of Secured Creditors of the Transferee Company;
 - c. Dispensing with the meeting of Unsecured Creditors and debenture holder of Transferor Company;
 - d. Holding the meeting of Unsecured Creditors of Transferee Company;
 11. Affidavits from directors of the Applicant Companies regarding pending proceedings, if any, are enclosed with the Application and collectively marked as **Annexure “R”**, **page 533 to 540**.
 12. It is submitted that in the present case, the Transferor Company is a wholly owned subsidiary of the Transferee Company. Therefore, there shall be no issuance of shares by the Transferee Company pursuant to the present Scheme. Report of a registered valuer, CA Sanjay Jhajharia certifying that no valuation is required in the present case is annexed to the Application and marked as **Annexure “O”**, @**pg. 521 to 528**.
 13. It is further stated that the Statutory Auditors of the Applicant Companies, have confirmed that accounting treatment mentioned in the Scheme is in conformity with the applicable accounting standards as per Section 133 of the Act, and other generally accepted accounting principles. Copies of the certificates have been annexed with the Application and marked as **Annexure “N”**, **page 517 to 520**.
 14. It is further represented that the Scheme does not contemplate any corporate debt restructuring exercise as contemplated under Section 230(2) of the Act. It is further

**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (Court – I)
KOLKATA**

CA (CAA) No. 43/KB/2024

represented that the Application filed by the Applicants is maintainable in view of Rule 3(2) of the Companies (Compromises, Arrangement and Amalgamations) Rules, 2016.

15. It is further stated in the Application that the circumstances which justify and/or necessitates the said Scheme are as follows:
- i. The proposed amalgamation will simplify the corporate structure, which will provide several benefits including streamlined group structure by reducing number of legal entities, reducing multiplicity of legal and regulatory compliances, and rationalising costs.
 - ii. The independent operation of the Transferor Company and the Transferee Company leads to incurrence of significant costs and the amalgamation would enable economies of scale by achieving cost saving. The amalgamation will thus eliminate a multi-layered structure and reduce managerial overlaps, which are necessarily involved in running multiple entities.
 - iii. The proposed Scheme will provide pooling of the managerial, technical and financial resources of the Transferor Company and Transferee Company, which will help in increasing the competitiveness of the Transferee Company.
 - iv. Reduction of capital by writing off securities premium will provide true and correct picture of the financials of the Companies.
 - v. The scheme will have beneficial results for all the Applicant Companies, their shareholders, employees and concerned.
16. Heard the Ld. Authorised Representative for the Applicant Companies and upon perusing the records and documents in the instant proceedings and considering the submissions made on behalf of the Applicants, we allow the instant application and make the following orders:
- a. **Meeting dispensed:**
 - i. In view of the consent given by way of affidavits by the requisite majority of shareholders of the Transferor and Transferee Company, meetings of Equity Shareholders of the Transferor and Transferee Company are dispensed with under Section 230(1) read with Section 232(1) of the Act.
 - ii. In view of the consent given by way of affidavits by the requisite majority of



**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (Court – I)
KOLKATA**

CA (CAA) No. 43/KB/2024

unsecured creditors and debenture holder of the Transferor Company and secured creditors of the Transferee Company, meetings of unsecured creditor and debenture holder of the Transferor Company and secured creditor of the Transferee Company are dispensed with in terms of Section 230(1) read with Section 232(1) of the Act.

- iii. In view of the fact that there are no secured creditors in the Transferor Company, the requirement of calling the meeting of the secured creditors of the Transferor Company does not arise.

b. Meeting to be held:

Meeting of the unsecured creditors of the Transferee Company be convened or held **through video conferencing and/or other audio-visual means (VC/OVAM), on or before 08.09.2024 at 11.30 a.m.** or any adjourned dates thereof during normal business hours for the purpose of considering, and, if though fit, approving the said Scheme, with or without modification, in compliance with the applicable provisions of the Companies Act, 2013, read with circulars issued by Ministry of Corporate Affairs from time to time.

c. Mode of the Meeting:

In view of provisions of Section 230(4) read with Section 108 of the Companies Act, 2013, meeting of the unsecured creditors of the Transferee Company to be held through video conferencing and/or other audio-visual means (VC/OVAM). The remote e-voting facility prior to the meeting and e-voting facility during the meeting for the unsecured creditors of the Transferee Company shall be provided in compliance with the conditions specified under applicable laws including the provisions of the Companies Act, 2013.

d. Advertisement:

At least 30 (thirty) clear days before the meeting(s) to be held, as aforesaid, an advertisement of the notice of meeting, stating that copies of the Scheme and the statement containing necessary details required to be filed pursuant to section 230 of the Companies Act, 2013 read with the companies (Compromise, Arrangements and Amalgamations) Rules, 2016 is being sent with the notice of meeting, be published once each in the “**Financial Express**” in English and “**Sukhabar**” in Bengali as per



**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (Court – I)
KOLKATA**

CA (CAA) No. 43/KB/2024

Rule 7 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016.

e. **Individual Notice:**

At least 30 (thirty) clear days before the date of the meeting(s) to be held, as aforesaid, a notice convening the said meeting, indicating the date and time aforesaid, containing instructions with regard to remote e-voting prior to the meeting and e-voting during the meeting to be held over VC/OAVM, together with a copy of the Scheme, a copy of the Statement required to be sent to each of the unsecured creditors of the Transferee Company as per Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, through email. Hard copy of the Notice may be sent to those unsecured creditors who request for the same

f. **Chairperson:**

Ms. Meenakshi Manot having **Mobile No 9831129050** and **email id: meenakshi.manot@gmail.com** is appointed as Chairperson of the meeting of the unsecured creditors of the Transferee Company, to be held as aforesaid, at a consolidated fees of Rs. 90000/- (Rupees Ninety thousand) for conducting the aforesaid meeting.

g. **Scrutinizer:**

Ms. Swati Bajaj PCS having **Mobile No. 9830073273** and **e-mail id swatibajaj1975@gmail.com** is appointed as Scrutinizer of the meeting of unsecured creditors of the Transferee Company to be held as aforesaid, at a consolidated fee of Rs. 80000/-(Rupees Eighty thousand only) for acting as Scrutinizer.

h. **Quorum and Attendance:**

That the quorum of the aforesaid meeting of the unsecured creditors of the Transferee Company shall be as prescribed under Section 103 of the Companies Act, 2013. Unsecured creditors attending the meeting through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. In case the required quorum as stated above is not present at the commencement of the meeting, the meeting shall be adjourned by 30 (thirty) minutes and thereafter the persons present shall be deemed to constitute the quorum.



**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (Court – I)
KOLKATA**

CA (CAA) No. 43/KB/2024



i. Cut off date:

The cut-off date for determining the eligibility of unsecured creditors who will be entitled to vote and value of their votes shall be 31.03.2024 or any other date as per the scheme and the value of the votes cast shall be reckoned and scrutinized with reference to the said date.

j. Mode of voting:

The Voting shall be conducted electronically through e-voting as the meeting would be held through VC/OAVM.

(i) votes cast shall be scrutinized by the Scrutinizer. The Scrutinizer shall prepare and submit the report on the meeting held along with all papers relating to the voting to the Chairperson of the meeting within 2 working days of the conclusion of the meeting.

(ii) The resolution for approval of the Scheme put to meeting shall, if passed by a majority in number representing three-fourths in value of the unsecured creditors of the Transferee Company casting their votes, as aforesaid, shall be deemed to have been duly passed on the date of such meeting under Section 230(1) read with Section 232(1) of the Companies Act, 2013.

(iii) The Chairperson shall report to this Tribunal the results of the said meeting within two weeks from the date of the conclusion of the said meeting. Such report shall be in Form No. CAA 4 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, verified by affidavit.

17. The Applicant Companies shall serve Notice under Section 230(5) of the Companies Act, 2013 read with Rule 8 of the Companies (Compromise, Arrangements and Amalgamations) Rules, 2016, with suitable changes, along with all accompanying documents, including a copy of the aforesaid Scheme and statement under the provisions of the Companies Act, 2013 to the following authorities :

- a. Regional Director, Eastern Region, Ministry of Corporate Affairs, Kolkata;
- b. Registrar of Companies, West Bengal;
- c. Official Liquidator, High Court Calcutta;
- d. Income Tax Department having jurisdiction over the Applicants;
- e. Calcutta Stock Exchange;

**IN THE NATIONAL COMPANY LAW TRIBUNAL
KOLKATA BENCH (Court – I)
KOLKATA**

CA (CAA) No. 43/KB/2024



- f. Securities and Exchange Board of India.
- g. Any other statutory authorities like Jurisdictional GST authorities
18. These notices shall be sent by hand delivery through special messenger or by Regd AD /Speed post with tracking report and also by email within two weeks from the date of receiving this order. The notice shall specify that representation, if any, should be filed before this Tribunal within 30 days from the date of receipt of the notice with a copy of such representation being simultaneously sent to the Authorized Representative of the said Applicant(s).
- Such notice shall be sent pursuant to Section 230(5) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Compromises, Arrangements and Amalgamations) Rules 2016 in Form No. CAA 3 of the said Rules with necessary variations, incorporating the directions herein.
19. If no such representation is received by the Tribunal within such period, it shall be presumed that such authorities have no representation to make on the said Scheme of Amalgamation. The Applicant(s) to file an affidavit proving service of notice and compliance of all directions contained herein at least a week before the meeting(s) to be held.
20. The application being Company Application (CAA) No. 43/KB/2024 is **disposed of** accordingly.
21. Urgent certified copy of this order, if applied for, be supplied to the parties, subject to compliance with all requisite formalities.

Balraj Joshi
Member (Technical)

Bidisha Banerjee
Member (Judicial)

This Order Signed on 20.06.2024

SSG