



15/02/2019

To,
BSE Limited
Listing Department / Department of Corporate
Services
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai – 400 001

National Stock Exchange of India
Listing Department, Exchange Plaza, 5th Floor

**Oil & Gas Exploration
Production & Services**

Plot No. C/1, G. Block
Bandra – Kurla Complex
Bandra (E)
Mumbai – 400 051

Security Code: 532760

Symbol: DEEPIND

**Sub: Notice of the National Company Law Tribunal (“NCLT”) convened Meeting of Secured
Creditors of the Company**

Dear Sir,

The Hon'ble NCLT, Ahmedabad Bench, vide its order dated 19th September 2018, had directed meeting of the secured creditors of the Company to be convened at 12A and 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058 in the state of Gujarat, India on Tuesday, the 30th day of October 2018 at 10:00 a.m. The said meeting was adjourned by the Chairman to Thursday, the 29th day of November 2018 at 11.00 a.m. and further adjourned to Saturday, the 5th day of January 2019 at 11.00 a.m. The said meeting was adjourned by the Chairman to Thursday, the 7th day of

Further, the voting of the Secured Creditors of the Company shall be carried out through polling paper at the venue of the Meeting.

The above Notice along with the Explanatory Statement thereto are also available on the website of the Company at www.deepindustries.com

You are requested to take the same on your record.

Thanking you,

Yours faithfully,

For Deep Industries Limited


Akshit Soni

Company Secretary and Compliance Officer
Membership No. 34152

Encl: As above.



**MEETING OF THE SECURED CREDITORS OF
DEEP INDUSTRIES LIMITED**

**PURSUANT TO THE DIRECTIONS OF NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT AHMEDABAD**

NOTICE TO SECURED CREDITORS

Day Saturday
Date March 2, 2019
Time 11.00 a.m. (IST)
Venue 12A and 14, Abhishree Corporate Park, Ambli Bopal Road,
Ambli, Ahmedabad- 380 058 in the state of G

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BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
C A (CAA) NO. 103 OF 2018

In the matter of the Companies Act, 2013;

And

In the matter of Sections 230 to 232 read with
Section 66 and other applicable provisions of the
Companies Act, 2013;

And

In the matter of Scheme of Arrangement between
Deep Industries Limited and Deep CH4 Limited and
their respective shareholders and creditors

CIN: L63090GJ1991PLC014833

A company incorporated under the
provisions of the Companies Act,
1956 and having its registered
office at 12A & 14, Abhishree
Corporate Park, Ambli Bopal Road,
Ambli, Ahmedabad – 380058 in the
state of Gujarat

... Applicant De-merged
Company

To,

The Secured Creditors of Deep Industries Limited.

By an order dated 19th September 2018, the Ahmedabad Bench of the Hon'ble National Company Law Tribunal ("NCLT") had directed a meeting to be held of the Secured Creditors of the Applicant Company on 30 October 2018 at 10.00 a.m. at the registered office of the Company at 12A and 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058. The said meeting was adjourned by the Chairman to 29 November 2018 at 11.00 a.m. and further adjourned to 5 January 2019 at 11.00 a.m. The said meeting was adjourned by the Chairman to 7 February 2019 at 11.00 a.m. for the purpose of considering, and if thought fit, approving with or without modification(s), the Scheme of Arrangement in the nature of De-merger of Oil and Gas Services Undertaking of Deep Industries Limited into Deep CH4 Limited, as proposed between the companies and their respective shareholders and creditors. The meeting on 7 February 2019 was further adjourned by the Chairman due to lack of quorum in the said meeting. The adjourned meeting ("Meeting") will now be held on Saturday, 2nd March 2019 at 11.00 a.m. at the registered office of the Company at 12A and 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058 in the state of Gujarat.

TAKE FURTHER NOTICE that persons entitled to attend and vote at the Meeting may vote in person or through authorized representative or by proxy, provided that all proxies in the prescribed form are deposited at the registered office of the Applicant Company at Ahmedabad not later than 48 hours before the scheduled

time of the commencement of the Meeting of the Secured Creditors of the Applicant Company. Forms of proxy can also be obtained from the registered office of the Applicant Company.

Copies of the Scheme of Arrangement and of the Explanatory Statement under sections 230, 232(2) and 102 of the Companies Act, 2013 can be obtained free of charge at the registered office of the Applicant Company and/or at the office of the Advocate Mrs. Swati Soparkar at 301, Shivalik 10, Opp. SBI Zonal Office, Near Excise Chowky, S. M. Road, Ahmedabad 380 015, Gujarat.

NCLT has appointed Mr. Dhananjay Trivedi, a practicing Chartered Accountant and/or failing him, Mr. Jayesh M. Shah, a practicing Chartered Accountant, and/or failing him Mr. Kirit Joshi, the Independent Director of the Applicant Company as Chairman of the said Meeting including any adjournment thereof.

that copy of the Scheme, Explanatory Statement under Sections 230(3), 232(2) and 102 of the Companies Act, 2013 read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016, Form of Proxy, Attendance Slip and other annexures as stated in the Index are enclosed herewith. Copies of the Scheme and the Explanatory Statement can be obtained free of charge at the registered office of the Company.

The Scheme of Arrangement, if approved at the Meeting, will be subject to the subsequent approval of the NCLT.

Resolution:

“RESOLVED THAT pursuant to the provisions of Section 230 to Section 232 of the Companies Act, 2013 read with the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and other applicable provisions of the Companies Act, 2013 and the provisions of the Memorandum and Articles of Association of the Company and subject to the approval of the Ahmedabad Bench of the National Company Law Tribunal, and subject to such other approvals, permissions and sanctions of regulatory and other authorities, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by the Ahmedabad Bench of the National Company Law Tribunal or by any regulatory or other authorities, while granting such consents, approvals and permissions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the ‘Board’, which term shall be deemed to mean and include one or more Committee(s) constituted/to be constituted by the Board or any other person authorised by it to exercise its powers including the powers conferred by this Resolution), the arrangement embodied in the proposed Scheme of De-merger of Oil and Gas Services Business of Deep Industries Limited into Deep CH4 Limited, placed before this meeting and initialled by the Chairman of the Meeting for the purpose of identification, be and is hereby approved.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may, in its absolute discretion deem requisite, desirable, appropriate or necessary to give effect to this resolution and effectively implement the arrangement embodied in the Scheme and to accept such modifications, amendments, limitations and/or conditions, if any, which may be required and/or imposed by the National

Company Law Tribunal, Ahmedabad Bench while sanctioning the arrangement embodied in the Scheme or by any authorities under law, or as may be required for the purpose of resolving any doubts or difficulties that may arise in giving effect to the Scheme, as the Board may deem fit and proper.”

Dated this 7th Day of February 2019

Place: Ahmedabad

Dhananjay Trivedi

12A & 14, Abhishree Corporate Park,
Ambli Bopal Road, Ambli, Ahmedabad –
380058 in the state of Gujarat
(CIN: L63090GJ1991PLC014833)

1. A secured creditor entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself. Proxies in order to be effective must be deposited at the registered office of the company not less than 48 (forty-eight) hours before the meeting.
2. All alterations made in the Form of Proxy should be initialled. The form of proxy can be obtained free of charge from the registered office or corporate office of the Company or office of Advocate Mrs. Swati Soparkar.
3. During the period beginning 24 (twenty four) hours before the time fixed for the commencement of the Meeting and ending with the conclusion of the Meeting, a secured creditor would be entitled to inspect the proxies lodged at any time during the business hours of the Company, provided that not less than 3 (three) days of notice in writing is given to the Company.
4. Corporate creditors intending to send their authorised representative(s) to attend the Meeting are requested to send a duly certified copy of the resolution passed by the Board of Directors or other Governing Body, authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. Secured Creditor or his/her Proxy is requested to bring the copy of this Notice to the Meeting and produce the attendance slip, duly completed and signed, at the entrance of the venue of the Meeting.
6. The Notice, together with the documents accompanying the same, is being sent to all the secured creditors as on August 30, 2018. The Notice along with other documents will be displayed on the website of the Company at <http://www.deepindustries.com/Pages/Scheme%20of%20Arrangement%20in%20the%20nature%20of%20Demerger%20and%20reduction%20of%20capital.aspx>.
7. The quorum of the Meeting shall be 3 (three) secured creditors present in person.
8. In accordance with the provisions of Sections 230 to 232 of the Companies Act, 2013, the Scheme shall be acted upon only if a majority of persons representing three fourths in value of the secured creditors of the Company, voting in person or by proxy agree to the Scheme.
9. As directed by the Hon'ble Tribunal, Shri Premnarayan Tripathi (Membership No. F8851), Practicing Company Secretary, shall act as scrutinizer to scrutinize votes cast at the venue of the Meeting and shall submit a report on votes cast to the Chairman of the Meeting or to the person so authorised by him within 48 (forty eight) hours from the conclusion of the Meeting. The scrutinizer will submit his report to the Chairman of the meeting after completion of the scrutiny of the votes cast by the secured creditors of the Applicant Company at the venue of the meeting. The scrutinizer's decision on the validity of the votes shall be final.
10. The results of votes cast at the venue of the meeting will be announced on or before 6 March 2019, upon receipt of scrutinizer's report and same shall be displayed on the website of the Company at www.deepindustries.com.



IN THE NATIONAL COMPANY LAW TRIBUNAL, AHMEDABAD BENCH

COMPANY APPLICATION NO. CA (CAA) NO. 103/NCLT/AHM/2018

IN THE MATTER OF SECTION 230 TO 232 READ WITH SECTION 66 AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND IN THE MATTER OF SCHEME OF ARRANGEMENT BETWEEN DEEP INDUSTRIES LIMITED AND DEEP CH4 LIMITED AND THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

Deep Industries Limited.

A company incorporated under the Companies Act, 2013 and having its registered office at 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058 in the state of GujaratApplicant Demerged Company

EXPLANATORY STATEMENT UNDER SECTION 230(3) READ WITH SECTION 232(2) AND 102 OF THE COMPANIES ACT, 2013 READ WITH THE COMPANIES (COMPROMISES, ARRANGEMENT AND AMALGAMATIONS) RULES, 2016

1. By an order dated 19th September 2018, the Ahmedabad Bench of the Hon'ble National Company Law Tribunal ("NCLT") had directed a meeting to be held of the Secured Creditors of the Applicant Company on 30 October 2018 at 10.00 a.m. at the registered office of the Company at 12A and 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058 in the state of Gujarat. The said meeting was adjourned by the Chairman to 29 November 2018 at 11.00 a.m. and further adjourned to 5 January 2019 at 11.00 a.m. The said meeting was adjourned by the Chairman to 7 February 2019 at 11.00 a.m., for the purpose of considering and, if thought fit, approving with or without modification(s), the Scheme of Arrangement, inter alia, in the nature of demerger of Oil and Gas Services Undertaking ("Demerged Undertaking") from the Company to Deep CH4 Limited ("Resulting Company") and their respective shareholders and creditors under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme"). The meeting on 7 February 2019 was further adjourned by the Chairman due to lack of quorum in the said meeting. The adjourned meeting ("Meeting") will now be held on Saturday, 2nd March 2019 at 11.00 a.m. at the registered office of the Company at 12A and 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Company – 380058 in the state of Gujarat.
2. In terms of the said Order, the quorum for the meetings of Secured Creditors is prescribed as 3 (Three).
3. Further in terms of the said Order, NCLT has appointed Mr. Dhananjay Trivedi, an Independent Practicing Chartered Accountant and failing him Mr. Jayesh M Shah, an Independent Practicing Chartered Accountant and failing him Mr. Kirit Joshi, an Independent Director of the Applicant Demerged Company as the Chairman of all the meetings including for any adjournment or adjournments thereof.
4. This statement is being furnished as required under Sections 230(3), 232(1) and (2) and 102 of the Companies Act, 2013 ("Act") read with Rule 6 of the Companies (Compromises, Arrangements and Amalgamations) Rules, 2016 ("Rules").
5. In accordance with the provisions of Sections 230 – 232 of the Act, the Scheme shall be acted upon only if a majority of persons representing three fourths in value of the creditors of the Demerged Company, voting in person or by proxy is required agree to the Scheme.



1. Background of the Demerged Company

- (a) Deep Industries Limited, the Demerged Company was incorporated on January 1, 1991 in the name and style of Deep Roadways Private Limited under the provisions of Companies Act, 1956 with the Office of Registrar of Companies, Gujarat. Subsequently, the name was changed to Deep Industries Private Limited and the word Private was deleted by virtue of the company being a Deemed Public Limited Company under the provisions of section 43A(1B) of the Companies Act, 1956 on 6th February, 1997. The Company became a Public Limited Company with effect from 2nd May, 2002 and a fresh certificate of incorporation, consequent to change of name, was issued in the name of Deep Industries Limited on 2nd May, 2002. The registered office of the company is situated at 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058 in the state of Gujarat.
- (b) The company has business interest in air and natural gas compression services, gas dehydration, work over and drilling rig services as well as oil and gas exploration and production.
- (c) Corporate Identity Number (CIN): L63090GJ1991PLC014833
- (d) Permanent Account Number (PAN):AAACD6915E
- (e) Registered Office and e-mail address: 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058, Gujarat, India
E-mail address: cs@deepindustries.com
- (f) The equity shares of the Demerged Company are listed on BSE Limited and the National Stock Exchange of India Limited.
- (g) Names of the promoters and directors along with their addresses:

Details of Promoter and Promoter Group

Name of the Promoter	Address
Dharen Shantilal Savla	36, Basant Bahar Bunglows, Opp. Sterling Club, Bopal, Ahmedabad-380058
Priti Paras Savla	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058
Mita Manoj Savla	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058
Avani Dharen Savla	35/36, Basant Bahar Bunglows, Opp. Sterling Club, Bopal, Ahmedabad-380058
Manoj Shantilal Savla	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058
Paras Shantilal Savla	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058
Prabhaven Kantilal Savla	13, Krishna Society, Near Law Garden, Ellisbridge, Ahmedabad – 380006
Prabhaven Shantilal Savla	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058
Rupesh Kantilal Savla	13, Krishna Society, Near Law Garden, Ellisbridge, Ahmedabad – 380006
Shail M Savla	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058
Shantilal Murjibhai Savla	35/36, Basant Bahar Bunglows, Opp. Sterling Club, Bopal, Ahmedabad-380058
Shital Rupesh Savla	13, Krishna Society, Near Law Garden, Ellisbridge, Ahmedabad – 380006
Aarav Rupesh Savla	13, Krishna Society, Near Law Garden, Ellisbridge, Ahmedabad – 380006
Adinath Exim Resources Ltd.	12A, 3 rd Floor, Abhishree Corporate Park, Bopal Ambli Road, Ambli, Ahmedabad – 380058
Shantilal Savla Family Trust	12A, 3 rd Floor, Abhishree Corporate Park, Bopal Ambli Road, Ambli, Ahmedabad – 380058
Rupesh Savla Family Trust	11, Vikram Mansion, Plot No. 449, Mahila Ashram Road, King Circle, Matunga, Mumbai – 400019, Maharashtra

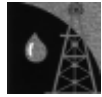


Details of Directors

Name of the Director	Designation	DIN	Address
Hemendrakumar Chamanlal Shah	Additional Director	00077654	F/701, Tulip Citadel, Opp. Esic Staff Quarters, Shreyas Tekra, Ambawadi, Ahmedabad – 380015
Rupeshbhai Kantilal Savla	Managing Director	00126303	13, Krishna Society, Near Law Garden, Ellisbridge, Ahmedabad – 380006
Parasbhai Shantilal Savla	Chairman and Managing Director	00145639	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058
Arun Narayan Mandke	Director	00587604	C2-102, Simplicity Autade, Handewadi, Autadwadi, Handewadi, Phursungi Haveli, Pune – 412308
Kirit Vaikunthrava Joshi	Director	05316488	501, Prasad Tower, Near Nehrunagar Circle, Ambawadi, Ahmedabad – 380015
Renuka Anjanikumar Upadhay	Director	07148637	A-504, Safal Parisar-2, Bopal, Ahmedabad – 380058

(h) The main objects of the Demerged Company as set out in its Memorandum of Association are as follows:

“To provide latest equipments like Air Compressor, Gas Compressor, rigs and other equipments, efficient services like operation and maintenance, man power deployment and execution of turnkey projects related to oil gas sector on charter hire basis and carry on business of transport operators, cartegers and haulage contractors, garage proprietors, owners, charterers and lessors of road vehicles of every description and to act as carriers of goods



- (e) Registered Office and e-mail address: 14, Ground Floor, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058, Gujarat, India
E-mail address: deepch4ltd@yahoo.com

- (f) Names of the promoters and directors along with their addresses:

Details of Promoters and Promoter Group

Name of the Promoter	Address
Paras Shantilal Savla	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058
Rupesh Kantilal Savla	13, Krishna Society, Near Law Garden, Ellisbridge, Ahmedabad – 380006
Dharen Shantilal Savla	36, Basant Bahar Bungalows, Opp. Sterling Club, Bopal, Ahmedabad-380058
Priti Paras Savla	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058
Avani Dharen Savla	36, Basant Bahar Bungalows, Opp. Sterling Club, Bopal, Ahmedabad-380058
Shital Rupesh Savla	13, Krishna Society, Near Law Garden, Ellisbridge, Ahmedabad – 380006
Shail M Savla	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058
Shanil Paras Savla	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058

Details of Directors

Name of the Director	Designation	DIN	Address
Rupeshbhai Kantilal Savla	Director	00126303	13, Krishna Society, Near Law Garden, Ellisbridge, Ahmedabad – 380006
Dharen Shantilal Savla	Additional Director	00145587	36, Basant Bahar Bungalows, Opp. Sterling Club, Bopal, Ahmedabad-380058
Parasbhai Shantilal Savla	Director	00145639	35/36, Basant Bahar 1, Opp. Sterling Club, Bopal, Ahmedabad-380058

- (g) The Share Capital of the Resulting Company as on 31 March 2018 is as follows:

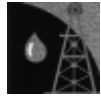
Particulars	INR
Authorized Share Capital	
66,000 equity shares of INR 10 each	6,60,000
Total	6,60,000
Issued, Subscribed and Paid-up Capital	
66,000 equity shares of INR 10 each	6,60,000
Total	6,60,000

Subsequent to the above date, there has not been any change in the share capital of the Resulting Company.

3. Corporate Approvals:

The proposed Scheme was placed before the Audit Committee of the Demerged Company at its meeting held on 26th May, 2018. The Audit Committee of the Demerged Company took into account the Draft Scheme of Arrangement between Deep Industries Limited and Deep CH4 Limited and their respective shareholders and creditors in accordance with the provisions of section 230 to 232 read with section 66 of the Companies Act, 2013, Certification obtained from the Statutory Auditor of the Demerged Company confirming that the accounting treatment in the Scheme is in conformity with the applicable accounting treatment prescribed under section 133 of the Companies Act, 2013 and other generally accepted accounting principles in India and the Audited financial statements of the Demerged Company and the Resulting Company for the last 3 years. The Audit Committee of the Demerged Company based on the aforesaid, inter alia, recommended the Scheme to the Board of Directors of the Demerged Company.

The Board of Directors of the Demerged Company (after taking on record the recommendations of the Audit Committee), and the Resulting Company at their respective Board Meeting held on 26th May, 2018 had approved the proposed Scheme of Arrangement.



A copy of the Scheme setting out in detail the terms and conditions of the arrangement approved by Board of Directors of the Demerged Company and the Resulting Company at their respective Board Meeting is annexed to this Notice as Annexure 1 and forms part of this statement.

Names of the directors who voted in favor of the resolution, who voted against the resolution and who did not vote or participate in such resolution:

a) Demerged Company

Name of the Directors	Designation	Voted in Favor	Voted Against	Absent from the meeting
Hemendrakumar Chamanlal Shah*	Additional Director	-	-	-
Rupeshbhai Kantilal Savla	Managing Director	Yes	-	-
Parasbhai Shantilal Savla	Chairman and Managing Director	Yes	-	-
Arun Narayan Mandke	Director	Yes	-	-
Kirit Vaikunthrava Joshi	Director	Yes	-	-
Renuka Anjanikumar Upadhay	Director	Yes	-	-
Prem Singh Mangatsingh Sawhney**	Non-Executive and Non-Independent Director	Yes	-	-
Sanjay Harkishandas Parekh***	Non-Executive and Independent Director	-	-	Yes
Dharen Shantilal Savla****	Whole-time Director	-	-	Yes

* Mr. Hemendrakumar Chamanlal Shah was appointed with effect from 26th June 2018.

** Mr. Prem Singh Mangatsingh Sawhney resigned as a director of the company with effect from 26th June 2018.

*** Mr. Sanjay Harkishandas Parekh was absent at the time of meeting and later resigned as a director of the company with effect from 26th June 2018.

**** Mr. Dharen Shantilal Savla was absent at the time of meeting and later resigned as a director of the company with effect from 26th June 2018.

b) Resulting Company

Name of the Directors	Designation	Voted in Favor	Voted Against	Absent from the meeting
Rupeshbhai Kantilal Savla	Director	Yes	-	-
Dharen Shantilal Savla	Additional Director	Yes	-	-
Parasbhai Shantilal Savla	Director	Yes	-	-

4. Rationale of the Scheme:

All the companies belong to the same group of management. The Demerged Company primarily operates in two business segments: (i) Oil and Gas Services Business comprising of air and natural gas compression services, gas dehydration, work over and drilling rig services; and (ii) Oil and Gas Exploration and Production. In order to lend greater / enhanced focus to the operation of the said businesses, it is proposed to re-organize the Oil and Gas Services Undertaking by way of demerger and transfer of the same from Deep Industries Limited to Deep CH4 Limited. The proposed demerger would result in segregation of Oil and Gas Services Undertaking into Resulting Company and housing of active exploration and production assets relating to oil and gas exploration and production business with the Demerged Company.

It is envisaged that the proposed demerger would result in the following advantages:

- To enable greater / enhanced focus of the management in the Oil and Gas Services business and facilitate to efficiently exploit opportunities for the said business.
- It is believed that the proposed demerger will result in unlocking the true value of Oil and Gas Services business thereby creating enhanced value for shareholders.



- To provide scope for independent collaboration and expansion for each of the businesses as well as attracting investors and provide flexibility in accessing capital for each of the businesses carried on by Demerged Company.

5. Salient Features of the Scheme:

The material provisions of the proposed Scheme of Arrangement as under:

1. "DEFINITIONS

- "Appointed Date" means the 1st day of April, 2017.
- "Effective Date" means the last of the date on which the conditions specified in the Scheme are fulfilled with respect to the Scheme. References in the Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme being effective" shall mean the Effective Date.
- "Oil and Gas Services Undertaking" means all the businesses, activities, properties, investments and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to Oil and Gas Services Business and shall include (without limitation):
 - (a) all immovable properties, if any, i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, leave and licensed, right of way, tenancies or otherwise) currently being used for the purpose of and in relation to the Oil and Gas Services Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
 - (b) all assets, as are movable in nature pertaining to and in relation to the Oil and Gas Services Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including electrical fittings, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations and inventory), actionable claims, current assets, earnest monies and sundry debtors, financial assets, outstanding loans and advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Appropriate Authority, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to goods and service tax input credits, CENVAT credits, value added/sales tax/entry tax/goods and service tax credits or set-offs, advance tax, tax deducted at source and tax refunds;
 - (c) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, essentiality certificate issued under Sr. No. 404 of Notification 50/2017-Customs, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Oil and Gas Services Business and undertaking constituting participating interest in Coal Bed Methane Block SR-CBM-2005/III located at Singrauli, Madhya Pradesh, India and its related assets and liabilities;
 - (d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Oil and Gas Services Business;
 - (e) all applications (including hardware, software, licenses, source codes, and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Oil and Gas Services Business;
 - (f) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging



to or in the ownership, power or possession and in control of or vested in or granted in favour of or enjoyed by Demerged Company pertaining to or in connection with or relating to Demerged Company in respect of the Oil and Gas Services Business and all other interests of whatsoever nature belonging to or in the ownership, power, possession or control of or vested in or granted in favour of or held for the benefit of or enjoyed by Demerged Company and pertaining to the Oil and Gas Services Business;

- (g) all books, records, files, papers, engineering and process information, software licenses (whether proprietary or otherwise), test reports, computer programmes, drawings, manuals, data, databases including databases for procurement, commercial and management, catalogues, quotations, sales and advertising materials, product registrations, dossiers, product master cards, lists of present and former customers and suppliers including service providers, other customer information, customer credit information, customer/supplier pricing information, and all other books and records, whether in physical or electronic form that pertain to the Oil and Gas Services Business;
- (h) all debts, liabilities including contingent liabilities, duties, taxes and obligations of Demerged Company pertaining to the Oil and Gas Services Business and/or arising out of and/or relatable to the Oil and Gas Services Business including:
 - the debts, liabilities, duties and obligations of Demerged Company which arises out of the activities or operations of the Oil and Gas Services Business;
 - specific loans and borrowings raised, incurred and utilized solely for the activities or operations of or pertaining to the Oil and Gas Services Business;
 - in cases other than those referred to in sub-clause i. or sub-clause ii. above, so much of the amounts of general or multipurpose borrowings, if any, of Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the Demerger bears to the total value of the assets of Demerged Company immediately prior to the Effective Date;
- (i) all employees of Demerged Company employed/engaged in the Oil and Gas Services Business as on the Effective Date; and
- (j) all legal or other proceedings of whatsoever nature that pertain to the Oil and Gas Services Business.

It is clarified that the question of whether a specified asset or liability or employee or legal proceeding pertains to the Oil and Gas Services Undertaking or arises out of the activities or operations of Oil and Gas Services Undertaking shall be decided by the Board of the Demerged Company

- "Remaining Business" means all the undertakings, businesses, activities, operations, assets and liabilities of Demerged Company other than those comprised in the Oil and Gas Services Undertaking;
- "Scheme" means this scheme of arrangement, with or without any modification, approved or imposed or directed by the Tribunal.
- "Tribunal" means the National Company Law Tribunal, Bench at Ahmedabad, which has jurisdiction over the Demerged Company and the Resulting Company

4. DEMERGER AND VESTING OF THE OIL AND GAS SERVICES UNDERTAKING

- 4.1. Upon the Scheme becoming effective and with effect from the opening business hours of Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Companies Act, 2013 and Section 2(19AA) of the Income-tax Act, 1961, the Oil and Gas Services Undertaking along with all its assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. shall, without any further act, instrument or deed, be demerged from Demerged Company and transferred to and be vested in or be deemed to have been vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. of the Resulting Company by virtue of, and in the manner provided in this Scheme.
- 4.2. In respect of such of the assets and properties forming part of the Oil and Gas Services Undertaking as are movable in nature or are otherwise capable of transfer by delivery or possession, or by endorsement and/ or delivery, the same shall stand transferred by the Demerged Company upon coming into effect of this Scheme and shall, ipso facto and without any other order to this effect, become the assets and properties of the Resulting Company with effect from the Appointed Date.
- 4.3. Subject to Clause 4.4 below, with respect to the assets of the Oil and Gas Services Undertaking, other than those referred to in Clause 4.2 above, including all rights, title and interests in the agreements (including agreements for



lease or license of the properties), investments in shares, mutual funds, bonds and any other securities, sundry debtors, claims from customers or otherwise, outstanding loans and advances, if any, recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with Government, semi-Government, local and other authorities and bodies, customers and other persons and essentiality certificate issued under Sr. No. 404 of Notification 50/2017-Customs with respect to the assets forming part of Oil and Gas Services Undertaking shall, upon coming into effect of this Scheme, without any further act, instrument or deed, be transferred to and vested in and/ or be deemed to be transferred to and vested in the Resulting Company, with effect from the Appointed Date by operation of law in favour of Resulting Company.

- 4.4. Without prejudice to the aforesaid, the Oil and Gas Services Undertaking, including all immoveable property, whether freehold or leasehold (including but not limited to land, buildings, sites, tenancy rights related thereto, and immovable properties and any other document of title, rights, interest and easements in relation thereto) and all moveable property of the Oil and Gas Services Undertaking shall, upon coming into effect of this Scheme, stand transferred to and be vested in the Resulting Company, with effect from Appointed Date without any act or deed to be done or executed by the Demerged Company and/ or the Resulting Company.
- 4.5. Upon the Scheme coming into effect, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relatable to the Oil and Gas Services Undertaking (“Oil and Gas Services Liabilities”) shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and the Resulting Company shall meet, discharge and satisfy the same. The term “Oil and Gas Services Liabilities” shall include:
 - 4.5.1. the debts, liabilities, obligations incurred and duties of any kind, nature or description (including contingent liabilities) which arise out of the activities or operations of the Oil and Gas Services Undertaking;
 - 4.5.2. the specific loans or borrowings (including debentures bonds, notes and other debt securities raised, incurred and utilized solely for the activities or operations of the Oil and Gas Services Undertaking); and
 - 4.5.3. in cases other than those referred to in Clauses 4.5.1 or 4.5.2 above, so much of the amounts of general or multipurpose borrowings, if any, of the Demerged Company, as stand in the same proportion which the value of the assets transferred pursuant to the demerger of the Oil and Gas Services Undertaking bear to the total value of the assets of the Demerged Company immediately prior to the Appointed Date.
- 4.6. Where any of the Oil and Gas Services Liabilities of Demerged Company as on the Appointed Date have been discharged by Demerged Company after the Appointed Date and prior to the Effective Date, such discharge shall be deemed to have been for and on account of Resulting Company and all Oil and Gas Services Liabilities incurred by Demerged Company after the Appointed Date and prior to the Effective Date shall be deemed to have been incurred for and on behalf of Resulting Company and to the extent of their being outstanding on the Effective Date, shall also without any further act or deed be and stand transferred to Resulting Company and shall become the liabilities and obligations of Resulting Company which shall meet, discharge and satisfy the same.
- 4.7. In so far as any Encumbrance in respect of Oil and Gas Services Liabilities is concerned, upon the Scheme becoming effective, such Encumbrance shall, without any further act, instrument or deed shall be extended to and operate over the assets of the Resulting Company. In so far as the Encumbrance in respect of the loans and other liabilities of Demerged Company relating to the Remaining Business of Demerged Company, if any, are concerned, such Encumbrance shall, without any further act, instrument or deed be continued with Demerged Company only on the assets remaining with Demerged Company.
- 4.8. Upon the Scheme becoming effective, the Resulting Company may, provide guarantee to the Government of India, for an amount not exceeding the limit as prescribed under section 186(2) of the Act, for the purpose of ensuring business continuity of the Demerged Company. It is clarified that the approval of the respective members of the Demerged Company and the Resulting Company to the Scheme shall be deemed to be their consent / approval to such guarantee arrangement, as required under all the applicable provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and any other Applicable Law, and the Demerged Company and the Resulting Company shall not be required to seek separate consent / approval of their respective members for the same.
- 4.9. Upon the Scheme coming into effect, for the purpose of satisfying any eligibility criteria including technical and/or financial parameters for participating and qualifying in invitations for expression of interest(s) and/or bid(s) and/or tender(s) of any nature meant for any project(s) or contract(s) or work(s) or services or combination thereof, either related to oil and natural gas or pertaining to other than oil and natural gas, including related upstream/downstream ventures, in addition to its own technical experience and/or financial credentials including drawn through other arrangements such as consortium or joint venture etc., the Resulting Company shall have legal capacity, power and authority to claim experience considering works/jobs done in the past and current work in hand with respect to



the Oil and Gas Services Undertaking of the Demerged Company. This shall also include benefit with respect to claim of financial credentials such as turnover, net worth and other financial ratios/parameters etc. and management experience and track record of Demerged Company.

- 4.10. Upon the Scheme coming into effect, taxes, if any, paid or payable by the Demerged Company after the Appointed Date and specifically pertaining to Oil and Gas Services Undertaking shall be treated as paid or payable by the Resulting Company and the Resulting Company shall be entitled to claim the credit, refund or adjustment for the same as may be applicable.
- 4.11. Upon the Scheme coming into effect, if the Demerged Company is entitled to any unutilized credits (including balances or advances), benefits under the incentive schemes and policies including tax holiday or concessions relating to the Oil and Gas Services Undertaking under any tax laws or Applicable Laws, the Resulting Company shall be entitled as an integral part of the Scheme to claim such unutilised credits, benefit or incentives, as the case may be without any specific approval or permission.
- 4.12. Upon the Scheme becoming effective, subject to clause 4.2 and any other provisions of the Scheme, with respect to any refunds, benefits, incentives, grants, subsidies in relation to or in connection with the Oil and Gas Services Undertaking, the Demerged Company shall, if so required by the Resulting Company, issue notices in such form as the Resulting Company may deem fit and proper stating that pursuant to the Tribunal having sanctioned this Scheme, the relevant refund, benefit, incentive, grants, subsidies, be paid or made good or held on account of the Resulting Company, as the person entitled thereto, to the end and intent that the right of the Demerged Company to recover or realise the same, stands transferred to the Resulting Company.
- 4.13. On and from the Effective Date and till such time that the name of the bank accounts of the Demerged Company, in relation to or in connection with the Oil and Gas Services Undertaking, have been replaced with that of the Resulting Company, the Resulting Company shall be entitled to maintain and operate the bank accounts of the Demerged Company, in the name of the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Oil and Gas Services Undertaking, after the Effective Date, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company

7. LEGAL, TAXATION AND OTHER PROCEEDINGS

- 7.1. Upon the coming into effect of this Scheme, all legal, taxation or other proceedings, whether civil or criminal (including before any statutory or quasi-judicial authority or tribunal), by or against Demerged Company and relating to the Oil and Gas Services Undertaking, under any statute, whether pending on the Appointed Date or which may be instituted any time thereafter, shall be continued and enforced by or against Resulting Company after the Effective Date. Demerged Company shall in no event be responsible or liable in relation to any such legal or other proceedings against Resulting Company. Resulting Company shall be added as party to such proceedings and shall prosecute or defend such proceedings in co-operation with Demerged Company.
- 7.2. If proceedings are taken against Demerged Company in respect of the matters referred to in Clause 7.1 above, it shall defend the same in accordance with the advice of Resulting Company and at the cost of Resulting Company, and the latter shall reimburse and indemnify Demerged Company against all liabilities and obligations incurred by Demerged Company in respect thereof.
- 7.3. Resulting Company undertakes to have all legal or other proceedings initiated by or against Demerged Company referred to in Clause 7.1 above transferred to its name as soon as is reasonably possible after the Effective Date and to have the same continued, prosecuted and enforced by or against Resulting Company to the exclusion of Demerged Company. Each of the Companies shall make relevant applications in that behalf

8. CONSIDERATION

- 8.1. Upon the coming into effect of this Scheme and in consideration of the transfer and vesting of the Oil and Gas Services Undertaking into Resulting Company pursuant to the provisions of this Scheme, the Resulting Company shall, without any further application, act, deed, consent or instrument, issue and allot, on a proportionate basis to each shareholder of the Demerged Company, 1 (One) fully paid up equity share of face value of INR 10 (Indian Rupees Ten) each of the Resulting Company for every 1 (One) equity share of the Demerged Company held by such shareholder whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date. The equity shares of the Resulting Company to be issued and allotted as provided in Clause 8.1 shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company and shall rank paripassu in all respects with any existing equity shares of



Resulting Company, including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of Resulting Company.

- 8.2. In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such shareholder but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and issue and allot the consolidated shares directly to a trustee nominated by the Board of Resulting Company in that behalf, who shall sell such shares in the market at such price or prices and on such time or times as the trustee may in its sole discretion decide and on such sale, shall pay to the Resulting Company, the net sale proceeds (after deduction of applicable taxes and other expenses incurred), whereupon the Resulting Company shall, subject to withholding tax, if any, distribute such sale proceeds to the concerned shareholders of Demerged Company in proportion to their respective fractional entitlements so sold by the trustee.
- 8.3. The Resulting Company shall, if necessary and to the extent required, increase its Authorized Share Capital to facilitate issue of equity shares under this Scheme, by following the requisite procedure and on payment of applicable fees and duties and the approval of the members of the Resulting Company to this Scheme shall be deemed to be the approval for such increase in the authorized share capital of the Resulting Company.
- 8.4. The issue and allotment of equity shares as provided in Clause 8.1, is an integral part hereof and shall be deemed to have been carried out under the orders passed by the Tribunal without requiring any further act on the part of the Resulting Company or the Demerged Company or their shareholders and as if the procedure laid down under the Act and such other Applicable Laws as may be applicable were duly complied with. It is clarified that the approval of the members and creditors of the Resulting Company and/ or the Demerged Company to this Scheme, shall be deemed to be their consent/ approval for the issue and allotment of equity shares, pursuant to the aforesaid Clause 8.1.
- 8.5. The issue and allotment of the equity shares as provided in Clause 8.1 shall be deemed to have been carried out as if the procedure laid down under Section 62 of the Act and any other applicable provisions of the Act and any other Applicable Law have been complied with.
- 8.6. The equity shares issued and/or allotted pursuant to Clause 8.1, in respect of such of the equity shares of Demerged Company which are held in abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by Resulting Company.
- 8.7. The equity shares issued pursuant to Clause 8.1, which Resulting Company is unable to allot due to Applicable Laws (including, without limitation, the non-receipt of approvals of Appropriate Authority as required under applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Resulting Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of Directors of Resulting Company including to enable allotment and sale of such equity shares to a trustee as mentioned in Clause 8.2 above and thereafter make distributions of the net sales proceeds in lieu thereof (after deduction of taxes and expenses incurred) to the eligible shareholders of Demerged Company, in proportion to their entitlements as per the process specified in Clause 8.2 above. If the above cannot be effected for any reason, Resulting Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Laws. Resulting Company and/or the depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this regard and to enable actions contemplated therein.
- 8.8. In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of Demerged Company, the Board of Directors of Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in Demerged Company as if such changes in registered holders were operative as on the Record Date. The Board of Directors of Demerged Company shall be empowered to remove such difficulties that may arise in the course of implementation of this Scheme and registration of new shareholders in Resulting Company on account of difficulties faced in the transition period.
- 8.9. The equity shares issued pursuant to Clause 8.1 shall be in dematerialized form unless otherwise notified in writing by a shareholder of the Demerged Company to the Resulting Company on or before such date as may be determined by the Board of Demerged Company. In the event that such notice has not been received by Resulting Company in respect of any of the shareholders of Demerged Company, the equity shares, shall be issued to such shareholders in dematerialized form provided that the shareholders of Demerged Company shall be required to have an account with a depository participant and shall be required to provide details thereof and such other confirmations as may be required. In the event that Resulting Company has received notice from any shareholder that the equity shares are to be issued in physical form or if any shareholder has not provided the requisite details relating to his/ her/ its account with a depository participant or other confirmations as may be required or if the details furnished by any



shareholder do not permit electronic credit of the shares of Resulting Company, then Resulting Company shall issue the equity shares in physical form to such shareholder or shareholders.

- 8.10. The equity shares issued pursuant to Clause 8.1 shall, in compliance with the Applicable Laws, be listed and admitted to trading on the Stock Exchanges pursuant to this Scheme and the SEBI Circular. Resulting Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it pursuant to Clause 8.1 above.
- 8.11. The equity shares allotted by the Resulting Company in terms of Clause 8.1 above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchanges.
- 8.12. Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- 8.13. Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable Resulting Company to issue and allot equity shares to the non-resident equity shareholders of Demerged Company. Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the Governmental Authorities including Reserve Bank of India, for the issue and allotment of equity shares under Clause 8.1 of the Scheme to the non-resident equity shareholders of Demerged Company.

9. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

Demerged Company shall account for the transfer and vesting of the Oil and Gas Services Undertaking in its books of account as per the applicable accounting standards notified under section 133 of the Act read with relevant rules issued thereunder and specifically in accordance with the accounting treatment mentioned below.

- 9.1. Upon the Scheme coming into effect and with effect from the Appointed Date, the Demerged Company shall reduce the carrying value of assets and liabilities pertaining to the Oil and Gas Services Undertaking, transferred to and vested in the Resulting Company from the carrying value of assets and liabilities as appearing in its books.
- 9.2. Loans and advances, receivables, payables and other dues outstanding between the Oil and Gas Services Undertaking and the Resulting Company, if any, will stand cancelled and there shall be no further obligation/ outstanding in that behalf.
- 9.3. The difference, being the excess / shortfall of carrying value of assets over the carrying value of liabilities of the Oil and Gas Services Undertaking shall be debited / credited to Goodwill or Capital Reserve account, as the case may be. The Board of Directors of the Demerged Company in consultation with Statutory Auditors, is authorised to account for such difference in any other manner, if such accounting treatment is considered more appropriate.

10. ACCOUNTING TREATMENT IN THE BOOKS OF RESULTING COMPANY

Resulting Company shall account for the transfer and vesting of the Oil and Gas Services Undertaking in its books of account as per the applicable accounting standards notified under section 133 of the Act read with relevant rules issued thereunder and specifically in accordance with the accounting treatment mentioned below.

- 10.1 Upon the Scheme coming into effect and with effect from the Appointed Date, the Resulting Company shall record the assets and liabilities pertaining to the Oil and Gas Services Undertaking, transferred to and vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Demerged Company.
- 10.2 Loans and advances, receivables, payables and other dues outstanding between the Demerged Company and the Resulting Company relating to the Oil and Gas Services Undertaking, if any, will stand cancelled and there shall be no further obligation / outstanding in that behalf.
- 10.3 The Resulting Company shall credit to its share capital in its books of account, the aggregate face value of the equity shares issued and allotted under Clause 8.1 above to the members of the Demerged Company. Rupees two hundred ninety will be accounted as Securities Premium in the books of Resulting Company for each equity share issued in accordance with Clause 8.1. The consideration is derived taking into account the intrinsic value of shares to be issued by the resulting Company and accordingly the Securities Premium will form part of consideration under Clause 8.1.
- 10.4 The excess / shortfall of Net Assets transferred from Demerged Company pursuant to Clause 10.1 over the aggregate of face value and securities premium of the equity shares allotted pursuant to Clause 10.1 above after giving effect to inter-company balances as per Clause 10.2 shall be adjusted in Capital Reserve / Goodwill, as the case may be, in compliance with applicable accounting standards / Generally Accepted Accounting Principles.



10.5 Goodwill, if any, recognised in the books of accounts of the Resulting Company as per Clause 10.4 above, will be amortised in accordance with the amortisation policy formulated taking into consideration the Generally Applicable Accounting Principles or may be adjusted against the balance of Securities Premium Account or Capital Reserve Account or General Reserve Account or Profit and Loss Account, as may be decided by the Board of Directors of the Resulting Company.

10.6 To the extent, the balance in Securities Premium Account or Capital Reserve Account is utilised and/or adjusted as per Clause 10.5 above, there shall be reduction of Securities Premium Account or Capital Reserve Account, as the case may be, which shall be effected as an integral part of the Scheme itself and no separate approval shall be required under sections 52 and 66 and other applicable provisions of the Act.

10.7 The Board of Directors of the Resulting Company in consultation with Statutory Auditors, is authorised to adopt any other accounting treatment, if such accounting treatment is considered more appropriate.

For the purpose of this Clause 10, "Net Assets" would mean difference between the carrying value of assets and liabilities.

11. TRANSFER OF AUTHORISED SHARE CAPITAL OF THE DEMERGED COMPANY AND AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE DEMERGED COMPANY AND RESULTING COMPANY

11.1 Capital Clause

Upon coming into effect of this Scheme, authorised equity share capital of INR 22,26,63,400 and authorised preference share capital of INR 5,00,00,000 of the Demerged Company shall stand transferred to and get combined with the authorised capital of the Resulting Company without any further act or deed and without any further payment of the stamp duty or the registration fees. The authorised capital so transferred to Resulting Company shall stand reclassified as 2,72,66,340 equity shares of INR 10 each. Accordingly, Clause V of the Memorandum of Association of the Resulting Company shall automatically stand amended so as to read as under:

"The Authorised Share Capital of the Company is Rs. 27,33,23,400 [Rupees Twenty Seven Crore Thirty Three Lakh Twenty Three Thousand Four Hundred Only] divided into 2,73,32,340 [Two Crore Seventy Three Lakh Thirty Two Thousand Three Hundred and Forty] Equity Shares of Rs. 10/- [Rupees Ten Only] each.

Further, Clause V of the Memorandum of Association of the Demerged Company shall automatically stand amended so as to read as under:

The Authorised Share Capital of the Company is Rs.32,00,00,000 [Rupees Thirty Two Crore Only] divided into 3,20,00,000 [Three Crore Twenty Lakh] Equity Shares of Rs.10/- [Rupees Ten Only] each.

11.2 Objects Clause

Upon the Scheme coming into effect, the main object of the Demerged Company, as outlined herein below, shall be added to the Main Objects of the Resulting Company and Clause III of the Memorandum of Association of Resulting Company shall stand amended as under:

"To provide latest equipments like Air Compressor, Gas Compressor, rigs and other equipments, efficient services like operation and maintenance, man power deployment and execution of turnkey projects related to oil gas sector on charter hire basis and carry on business of transport operators, cartegers and haulage contractors, garage proprietors, owners, charterers and lessors of road vehicles of every description and to act as carriers of goods by road, rail, water, air cartage contractors, forwarding, transporting and commission, agents, custom agents, wharfingers, cargo superintendents, packers, warehouseman, store-keeper and job-masters and carry on anywhere in India and out of India the business of running of transportation of all kinds on such lines/routes as the Company may deem fit and to transport all types of goods and generally to carry on the business of the common carriers."

11.3 It is clarified that the approval of the members of the Demerged Company and the Resulting Company to the Scheme shall be deemed to be their consent / approval also to the aforesaid alteration of the Memorandum of Association of the Demerged Company and the Resulting Company as mentioned in Clause 11.1 and Clause 11.2 and the Demerged Company and the Resulting Company shall not be required to seek separate consent / approval of their shareholders for such alteration of the Memorandum of Association as required under Sections 13, 61 and 64 of the Act and other applicable provisions of the Act.

11.4 Change of name

11.4.1 Upon coming into effect of this Scheme, the name of the Demerged Company shall be altered and changed to "Deep Energy Limited" or any other similar name, as considered appropriate by the Board of Directors of the Demerged Company and as approved by the Registrar of Companies.



11.4.2 Further, upon the coming into effect of this Scheme, and subject to clause 11.4.1, the name of the Resulting Company shall be altered and changed to "Deep Industries Limited" or any other similar name as considered appropriate by the Board of Directors of the Resulting Company and as approved by the Registrar of Companies.

11.4.3 It is clarified that the approval of the respective members of the Demerged Company and the Resulting Company to the Scheme shall be deemed to be their consent / approval, as required under section 13 and other applicable provisions of the Act, also to the alteration and change of the name of the Demerged Company and / or Resulting Company as provided in Clause 11.4.1 and Clause 11.4.2 above and the approval of this Scheme by the Tribunal shall be considered as specific direction from the competent authority as required under Rule 8 of Companies (Incorporation) Rules, 2014. The Demerged Company and the Resulting Company shall not be required to seek separate consent / approval of their respective members for the alteration of the name of the Demerged Company and the Resulting Company as required under sections 13 and other applicable provisions of the Act.

12 REDUCTION AND CANCELLATION OF EQUITY SHARES OF THE RESULTING COMPANY

12.1 Upon allotment of equity shares by the Resulting Company and with effect from the Effective Date, in order to ensure that the shareholding pattern of the Resulting Company be the same as the shareholding pattern of the Demerged Company, the paid up equity share capital of Rs.6,60,000 of the Resulting Company as mentioned in Clause 6 shall stand cancelled, extinguished and annulled on and from the Effective Date and the paid up equity capital of the Resulting Company to that effect shall stand cancelled and reduced, which shall be regarded as reduction of equity share capital of the Resulting Company, pursuant to Section 66 of the Act as also any other applicable provisions of the Act. Pursuant to such cancellation of shares, the Resulting Company shall pay an amount not exceeding Rs.6,60,000 to the shareholders of the Resulting Company whose name appear in the register of members of the Resulting Company as on the date of approval of this Scheme by the Board of Directors of the Resulting Company in the proportion of their shareholding on such date.

12.2 The aforesaid reduction of the share capital of the Resulting Company shall be effected as an integral part of this Scheme itself, without having to follow the process under Section 66 of the Act separately and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.

12.3 Upon the cancellation of shares as provided in Clause 12.1, the Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the shares of Resulting Company that are cancelled pursuant to Clause 12.1.

12.4 The excess of the amount of share capital cancelled over the amount paid to the shareholders as per Clause 12.1 above, if any, shall be credited to Capital Reserve account.

13 REMAINING BUSINESS

13.1 The Remaining Business and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company.

13.2 All legal, taxation and/ or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced against the Demerged Company.

13.3 If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 13.2 above relating to the Remaining Business, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.

13.4 Up to and including the Effective Date:

- (a) Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;
- (b) all profits accruing to Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of Demerged Company; and
- (c) all assets and properties acquired by Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in Demerged Company.



14 DIVIDENDS

14.1 The Demerged Company and Resulting Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending 31 March 2018 and such future accounting periods consistent with the past practice or in ordinary course of business, whether interim or final.

14.2 It is clarified that the aforesaid provisions in respect of declaration of dividends (whether interim or final) are enabling provisions only and shall not be deemed to confer any right on any shareholder of the Demerged Company and/ or the Resulting Company to demand or claim or be entitled to any dividends which, subject to the provisions of the said Act, shall be entirely at the discretion of the respective Boards of the Demerged Company and/ or the Resulting Company, as the case may be, and subject to approval, if required, of the shareholders of the Demerged Company and/ or the Resulting Company as the case may be.

12 Observation Letters from BSE Limited ("BSE") and the National Stock Exchange of India Limited ("NSE") dated 29 August, 2018 conveying no objection to the Scheme are enclosed herewith as Annexure 2 and 3 respectively. Complaints Report dated 13 July, 2018 and 2 August, 2018 submitted by the Company to BSE and NSE are enclosed herewith as Annexure 4 and 5 .

13 The audited financial statements of the Demerged Company and the Resulting Company for the year ended 31 March 2018 are enclosed as Annexure 6 and 7 respectively.

14 Abridged prospectus including certificate of Nirbhay Capital Services Private Limited, SEBI Registered Merchant Banker, confirming accuracy and adequacy of the information contained therein, as required under the SEBI Circular, is enclosed herewith as Annexure 8.

15 Applicability of Valuation Report and Summary of Fairness Opinion

The Applicant Company had obtained a certificate from Dhananjay Trivedi & Associates, Chartered Accountants stating that considering that the post scheme shareholding pattern of the Resulting Company would be same as that of the Demerged Company and every shareholder in the resulting Company would hold equity shares in the same proportion as held by it in the Demerged Company, in view of provisions of Para I(A)(4)(b) of Annexure-I of the SEBI Circular dated 10 March 2017, the requirement of obtaining valuation report is not applicable. The said certificate is enclosed as Annexure 9. Further, the Applicant has obtained a certificate from Nirbhay Capital Services Private Limited, SEBI Registered Merchant Banker stating that the conclusion of Dhananjay Trivedi & Associates, Chartered Accountants that the requirement of valuation report is not applicable for the Scheme pursuant to Para I(A)(4)(b) of Annexure-I of the SEBI Circular dated 10 March 2017 is fair. The said certificate is enclosed as Annexure 10 . The Company has also obtained a certificate from Walker Chandio & Co. LLP Independent Chartered Accountants recommending share entitlement ratio of one equity share of Resulting Company of face value of Rs.10 each for everyone equity share of Demerged Company of face value of Rs.10 in consideration of demerger and vesting of Oil and Gas Services Undertaking from Demerged Company into Resulting Company. The share entitlement ratio is based considering that the shareholders of Demerged Company shall hold shares in Resulting Company in the same proportion as in Demerged Company and the proposed demerger will be value neutral to the shareholders of Demerged Company. The said certificate is enclosed as Annexure 11 .

16 Amounts due to unsecured creditors as on 30th August, 2018:

Demerged Company		Resulting Company	
Number	Amount	Number	Amount
477	Rs.13.58 crores	-	-

17 Effect of the Scheme on various parties

In compliance with the provisions of Section 232(2)(c) of the Act, the Board of Directors of the Demerged Company and the Resulting Company in their meetings held on 26 May 2018 have adopted a report, inter alia, explaining the effect of the Scheme on each class of shareholders, key managerial personnel, promoter and non-promoters shareholders amongst others. Copy of the reports adopted by the respective Board of Directors of the Demerged Company and the Resulting Company are enclosed as Annexure 12 and 13 .

A. Key Managerial Personnel (KMPs) and Directors

None of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Resulting Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Demerged Company and/or the Resulting Company and/or to the extent that the two directors of Resulting Company, namely, Mr. Paras Savla and Mr. Rupesh Savla are also the directors of Demerged Company and/or to the extent that the relatives of the said

directors hold shares in the respective companies and/or to the extent the directors and their respective relatives are the beneficiaries / trustees of the trust that hold shares in the respective companies.

Details of the shares held by the present Directors and KMPs of the Demerged Company and the Resulting Company either individually or jointly as first holder or second holder or as a nominee, in the respective companies are as under:

Demerged Company

Sr. No.	Name of the Director / KMPs	Designation	Number of equity shares held as on 30 th June 2018
1.	Hemendrakumar Chamanlal Shah	Additional Director	-
2.	Rupeshbhai Kantilal Savla*	Managing Director	100
3.	Parasbhai Shantilal Savla**	Managing Director	100
4.	Arun Narayan Mandke	Director	-
5.	Kirit Vaikunthraya Joshi	Director	-
6.	Renuka Anjanikumar Upadhyay	Director	-
7.	Rohan Vasantkumar Shah	Chief Financial Officer	-
8.	Akshit Nandkishor Soni	Company Secretary	-

* In addition to holding 100 shares in individual capacity, Mr. Rupesh Savla also holds 1,00,76,908 shares of Deep Industries Limited in capacity of a trustee of Rupesh Savla Family Trust along with the other trustee of the trust (being Mrs. Shital Savla).

** In addition to holding 100 shares in individual capacity, Mr. Paras Savla also holds 35,68,474 shares in Deep Industries Limited in capacity of a trustee of Shantilal Savla Family Trust along with other trustees of the trust (being Mr. Manoj Savla and Mr. Dharen Savla).

Resulting Company

Sr. No.	Name of the Director / KMPs	Designation	Number of equity shares held as on 30 th June 2018
1.	Rupeshbhai Kantilal Savla	Director	16,500
2.	Dharen Shantilal Savla	Additional Director	5,500
3.	Parasbhai Shantilal Savla	Director	5,500

B. Promoter and Non-Promoter Equity Shareholders of the Demerged Company and the Resulting Company

Upon the Scheme coming into effect, there will not be any change in the shareholding pattern of Deep Industries Limited.

Pursuant to the scheme, the Resulting Company shall issue to each shareholder (promoter as well as non-promoter equity shareholders) of the Demerged Company, 1 fully paid up equity share of face value of INR 10 each of the Resulting Company for every 1 equity share held by such shareholder in the Demerged Company. Upon such allotment of equity shares by the Resulting Company and with effect from the Effective Date, in order to ensure that the shareholding pattern of the Resulting Company be the same as the Demerged Company, the existing paid up equity share capital of the Resulting Company of Rs. 6,60,000 shall stand cancelled, extinguished and annulled on and from the Effective Date, which shall be regarded as reduction of equity share capital of the Resulting Company, pursuant to section 66 of the Act as also any other applicable provisions of the Act.

C. Depositors

None of the companies involved in the Scheme have accepted any public deposits and thus, the effect of the Scheme on any such Public Depositor or Deposit trustee does not arise.

D. Creditors and Debenture-Holders

The proposed Scheme does not involve any compromise or arrangement with the creditors, debenture holders or debenture trustee of any of the companies involved in the Scheme. The rights of the creditors, debenture holders



or debenture trustee shall not be affected by the Scheme. There will be no reduction in their claims on account of the Scheme. The creditors will be paid in the ordinary course of business as and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned.

E. Employees

- a) With effect from the Effective Date, all employees of the Demerged Company engaged in or in relation to the Oil and Gas Services Undertaking shall become the employees of the Resulting Company without any interruption of service on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retirement/ terminal benefits. The decision on whether or not an employee is part of the Oil and Gas Services Undertaking, shall be decided by the Demerged Company, and shall be final and binding on all concerned.
- b) The accumulated balances, if any, standing to the credit of the aforesaid employees, in the existing provident fund, pension fund, gratuity fund superannuation fund or any other funds created by the Demerged Company, as the case may be, of which they are members, will be transferred respectively to such provident fund, pension fund, gratuity fund superannuation fund or any other funds nominated by the Resulting Company and/ or such new provident fund, pension fund, gratuity fund, superannuation fund or any other funds to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, if applicable, by the Resulting Company. Pending the transfer as aforesaid, the dues of the said employees in respect of the above funds would be continued to be deposited in the existing provident fund, pension fund, gratuity fund superannuation fund or any other funds respectively of the Demerged Company.

18 Capital Structure pre and post scheme

The Pre-Scheme capital structure of the Demerged Company and the Resulting Company are detailed in clause 1 and 2 above.

The Post-Scheme capital structure is as follows:

Demerged Company

There will no new issue of shares by the Demerged Company on account of the Scheme. The Post-Scheme capital structure will remain unchanged and will be same as pre scheme capital structure. The shareholding pattern of the Demerged Company as on 30 June 2018 is as under.

Shareholding Pattern under Regulation 31 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

1.	Name of Listed Entity: Deep Industries Limited		
2.	Scrip Code/Name of Scrip/Class of Security: 532760		
3.	Share Holding Pattern Filed under: Reg. 31(1)(a)/Reg. 31(1)(b)/Reg.31(1)(c)		
	a.	If under 31(1)(b) then indicate the report for Quarter ending	
	b.	If under 31(1)(c) then indicate date of allotment/extinguishment	
4.	Declaration: The Listed entity is required to submit the following declaration to the extent of submission of information:-		
	Particulars	Yes*	No*
1	Whether the Listed Entity has issued any partly paid up shares?		No
2	Whether the Listed Entity has issued any Convertible Securities or Warrants?		No
3	Whether the Listed Entity has any shares against which depository receipts are issued?		No
4	Whether the Listed Entity has any shares in locked-in?		No
5	Whether any shares held by promoters are pledge or otherwise encumbered?		No
	* If the Listed Entity selects the option 'No' for the questions above, the columns for the partly paid up shares, Outstanding Convertible Securities/Warrants, depository receipts, locked-in shares, No of shares pledged or otherwise encumbered by promoters, as applicable, shall not be displayed at the time of dissemination on the Stock Exchange website. Also wherever there is 'No' declared by Listed Entity in above table the values will be considered as 'Zero' by default on submission of the format of holding of specified securities.		
GENERATED ON :04/07/2018 NSDL : 30/06/2018 CDSL :30/06/2018			

Table I - Summary Statement holding of specified securities

Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Locked in shares No. (a)	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
							Class eg: X	Class eg: Y				No. (a)	As a % of total Shares held (b)	
(I)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v)+(vi)	(viii) As a % of	(ix)	(x)	(xi) = (vii)+(x) / (A+B+C2)	(xii)	(xiii)	(xiv)		
(A) Promoter & Promoter Group	16	20316847	0	0	20316847	63.4901	20316847	0	63.4901	0	0	0.0000	0	20316847
(B) Public	20285	11683153	0	0	11683153	36.5099	11683153	0	36.5099	0	0	NA	NA	11682892
(C) Non Promoter - Non Public				0	0		0	0		0	0	NA	NA	
(C1) Shares Underlying DRs	0	0	0	0	0	0.0000	0	0	0.0000	0	0	NA	NA	0
(C2) Shares Held By Employee Trust	0	0	0	0	0	0.0000	0	0	0.0000	0	0	NA	NA	0
Total	20301	32000000	0	0	32000000	100.0000	32000000	0	100.0000	0	0	0.0000	0	31999739

GENERATED ON :04/07/2018

NSDL : 30/06/2018

CDSL :30/06/2018

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category and Name of the shareholder	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total share nos. held	Total Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2)	Number of Voting Rights in each class eg: X eg: Y	Total as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Locked in shares No. (a)	Number of Shares pledged or encumbered No. (a)	As a % of total Shares held (b)	Number of equity shares held in dematerialised form
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii) = (iv)+(v) + (vi)	(viii) As a % of (A+B+C2)	(ix)	(x)	(xi) = (vii) + (x) As a % of (A+B+C2) (vii)+(x)	(xii)	(xiii)	(xiv)	(xv)	
(a) Indian Individuals / Hindu Undivided Family															
Dharen Shantilal Savia	AADPS0172Q	13	5443465	0	0	5443465	17.0108	0	5443465	17.0108	0	0	0.0000	0	5443465
Priti Paras Savia	AADPS0168C	1	2058822	0	0	2058822	6.4338	0	2058822	6.4338	0	0	0.0000	0	2058822
Mifa Manoj Savia	AADPS0167P	1	2052625	0	0	2052625	6.4145	0	2052625	6.4145	0	0	0.0000	0	2052625
Rupesh Kamtilal Savia	AACP56257P	1	1331021	0	0	1331021	4.1594	0	1331021	4.1594	0	0	0.0000	0	1331021
Paras Shantilal Savia	AADPS0170N	1	100	0	0	100	0.0003	0	100	0.0003	0	0	0.0000	0	100
Manoj Shantilal Savia	AADPS0171P	1	100	0	0	100	0.0003	0	100	0.0003	0	0	0.0000	0	100
Prabhaben S Savia	ABEPS9706L	1	100	0	0	100	0.0003	0	100	0.0003	0	0	0.0000	0	100
Shantilal M Savia	ACJPS1988B	1	100	0	0	100	0.0003	0	100	0.0003	0	0	0.0000	0	100
Shital Rupesh Savia	ADHPK2176R	1	100	0	0	100	0.0003	0	100	0.0003	0	0	0.0000	0	100
Avani Dharen Savia	AKGPS1637K	1	100	0	0	100	0.0003	0	100	0.0003	0	0	0.0000	0	100
Prabhaben K Savia	AGPPS1908L	1	100	0	0	100	0.0003	0	100	0.0003	0	0	0.0000	0	100
Shail M Savia	BHTPS8652P	1	100	0	0	100	0.0003	0	100	0.0003	0	0	0.0000	0	100
Aarav Rupesh Savia	GVDPS1062L	1	97	0	0	97	0.0003	0	97	0.0003	0	0	0.0000	0	97
(b) Central Government / State Government(s) / Financial Institutions / Banks															
(c) Any Other (Specify)															
Bodies Corporate		1	1228000	0	0	1228000	3.8375	0	1228000	3.8375	0	0	0.0000	0	1228000
Adinath Exim Resources Ltd	AADCA7119A	1	1228000	0	0	1228000	3.8375	0	1228000	3.8375	0	0	0.0000	0	1228000
Rupesh Savia Family Trust	AACTR8898K	2	13645382	0	0	13645382	42.6418	0	13645382	42.6418	0	0	0.0000	0	13645382
Shantilal Savia		1	10076908	0	0	10076908	31.4903	0	10076908	31.4903	0	0	0.0000	0	10076908

Table III - Statement showing shareholding pattern of the Public Shareholders

Category and Name of the Shareholders	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total shares held (VII) = (V)+(VI)	Shareholding % calculated as a % of SCBP (A+B+C2) as a % of (A+B+C2)	Number of Voting Rights held in each class of securities eg. X		No. of Shares Underlying Outstanding Securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (% of (A+B+C2) / (VII) * X)	Locked in shares (No. (a) as a % of total Shares held (b))	Number of Shares pledged or otherwise encumbered (No. (a) as a % of total Shares held (b))	Number of equity shares held in dematerialised form
								Class eg. X	total as a % of (A+B+C)					
1 Institutions														
(a) Mutual Fund		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
(b) Venture Capital Funds		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
(c) Alternate Investment Funds		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
(d) Foreign Venture Capital Investors		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
(e) Investor		9	1134768	0	0	1134768	3.5462	1134768	3.5462	0	3.5462	0	NA	1134768
Heshika Growth Fund	AAHFH7500B	1	384263	0	0	384263	1.2008	384263	1.2008	0	1.2008	0	NA	384263
Financial Institutions / Banks		2	52650	0	0	52650	0.1645	52650	0.1645	0	0.1645	0	NA	52650
(g) Insurance Companies		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
(h) Provident Funds/ Pension Funds		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
(i) Any Other (Specify)		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
Sub Total (B)(1)		11	1187418	0	0	1187418	3.7107	1187418	3.7107	0	3.7107	0	NA	1187418
2 Central Government/ State Government(s)/ President of India		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
Sub Total (B)(2)		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
3 Non-institutions														
(a) Individuals		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		18691	5218843	0	0	5218843	16.3089	5218843	16.3089	0	16.3089	0	NA	5218582
Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		24	1883897	0	0	1883897	5.8872	1883897	5.8872	0	5.8872	0	NA	1883897
Rakesh R Aggarwal	AABPA0963H		372000	0	0	372000	1.1625	372000	1.1625	0	1.1625	0	NA	372000
(b) NBFCs registered with RBI		3	1625	0	0	1625	0.0051	1625	0.0051	0	0.0051	0	NA	1625
(c) Employee Trusts		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
(d) Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	NA	0
(e) IEPF		1556	3391370	0	0	3391370	10.5980	3391370	10.5980	0	10.5980	0	NA	3391370
Foreign Nationals		1	1751	0	0	1751	0.0055	1751	0.0055	0	0.0055	0	NA	1751
Hindu Undivided Family		563	426422	0	0	426422	1.3326	426422	1.3326	0	1.3326	0	NA	426422
Non Resident Indians (Non Repat)		159	109516	0	0	109516	0.3422	109516	0.3422	0	0.3422	0	NA	109516
Non Resident Indians (Repat)		482	328080	0	0	328080	1.0253	328080	1.0253	0	1.0253	0	NA	328080
Clearing Member		132	194217	0	0	194217	0.6069	194217	0.6069	0	0.6069	0	NA	194217
Bodies Corporate		218	2331358	0	0	2331358	7.2855	2331358	7.2855	0	7.2855	0	NA	2331358
R L Tradecom Pvt Ltd	AAFQR5028M	1	1279213	0	0	1279213	3.9975	1279213	3.9975	0	3.9975	0	NA	1279213
Sub Total (B)(3)		20274	10495735	0	0	10495735	32.7992	10495735	32.7992	0	32.7992	0	NA	10495474
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		20285	11683153	0	0	11683153	36.5099	11683153	36.5099	0	36.5099	0	NA	11682892

Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder															
Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Sharehold- ing % calculated as per SCRR, 1957 as a % of (A+B+C2)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Share- holding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares	Number of Shares pledged or otherwise encumbered		Number of equity shares held in demateria- lised form
								Class eg: X	Class eg: Y				Total	Total as a % of (A+B+C)	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V) + (VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI) = (VII) + (X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)		
1 Custodian/DR Holder		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	NA	NA	0
2 Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	NA	NA	0
Total Non-Promoter- Non Public Shareholding (C) = (C)(1)+(C)(2)		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	NA	NA	0

Resulting Company

Pursuant to the scheme, the Resulting Company shall issue to each shareholder of the Demerged Company, 1 fully paid up equity share of face value of INR 10 each of the Resulting Company for every 1 equity share held by such shareholder in the Demerged Company. Upon such allotment of equity shares by the Resulting Company and with effect from the Effective Date, in order to ensure that the shareholding pattern of the Resulting Company be the same as the Demerged Company, the existing paid up equity share capital of the Resulting Company of Rs. 6,60,000 shall stand cancelled, extinguished and annulled on and from the Effective Date, which shall be regarded as reduction of equity share capital of the Resulting Company, pursuant to section 66 of the Act as also any other applicable provisions of the Act.

Post Scheme Share Capital of Deep CH4 Limited

Particulars	INR
Authorised Share Capital	
3,20,00,000 equity shares of INR 10 each	32,00,00,000
Total	32,00,00,000
Issued, Subscribed and Paid-up Capital	
3,20,00,000 equity shares of INR 10 each	32,00,00,000
Total	32,00,00,000

The pre scheme shareholding pattern of the Resulting Company as on 30 June 2018 is as under:

Particulars	Number of shares	Shareholding (%)
Promoter and Promoter Group	66,000	100%
Public	-	-
Custodian	-	-
Total	66,000	100%

The post scheme shareholding pattern of the Resulting Company (based on the shareholding pattern of Demerged Company as on 30 June 2018) is as under:

Deep CH4 Limited - Post scheme shareholding pattern (based on shareholding pattern of Deep Industries Ltd as on 30 June 2018)

Category of shareholder	Nos. of share holders	No. of fully paid up equity shares held	No. of Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957)	Number of Voting Rights held in each class of securities		No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming conversion of convertible securities (as a percentage of diluted share capital)	Number of Locked in shares (No. (a) As a % of total Shares held (b))	Number of Shares pledged or otherwise encumbered		Number of equity shares held in dematerialised form
							Class eg: X	Class eg: Y				No. (a)	As a % of total Shares held (b)	
(I) (II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V)+	(VII) As a % of	(IX)	(X)	(XI) = (VII)+(X) (A+B+C2)	(XII)	(XIII)	(XIV)		
(A) Promoter & Promoter Group	16	20316847	0	0	20316847	63.4901	20316847	0	63.4901	0	0.0000	0	0.0000	20316847
(B) Public	20285	11683153	0	0	11683153	36.5099	11683153	0	36.5099	0	0.0000	NA	NA	11682892
(C) Non Promoter - Non Public				0				0			0.0000	NA	NA	
(C1) Shares Underlying DRs	0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	NA	NA	0
(C2) Shares Held By Employee Trust	0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	NA	NA	0
Total	20301	32000000	0	0	32000000	100.0000	32000000	0	100.0000	0	0.0000	0	0.0000	31999739

Table II - Statement showing shareholding pattern of the Promoter and Promoter Group

Category and Name of the shareholder	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held	Total Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2)	Number of Voting Rights in each class eg: X Class eg: Y	Total Rights held as a % of (A+B+C)	No. of Shares Underlying Outstanding convertible securities (including Warrants)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital)	Locked in shares No.(a)	Number of Shares pledged or otherwise encumbered No.(a)	As a % of total Shares held(b)	Number of equity shares held in dematerialised form
		(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V) + (VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI) = (VII) + (X) As a % of (A+B+C2)	(XII)	(XIII)	(XIV)
1 Indian (a) Individuals / Hindu Undivided Family		13	5443465	0	0	5443465	17.0108	5443465	17.0108	5443465	0	5443465	0	5443465	



Table III - Statement showing shareholding pattern of the Public Shareholders

Category and Name of the Shareholders	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of shares underlying Depository Receipts	Total nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding % calculated as per SCRR, 1957, as a % of (A+B+C2)	Number of Voting Rights held		No. of Shares Underlying convertible securities (including Warrants)	Shareholding as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) / (A+B+C2) * 100	Number of Locked in shares (a) As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered (a) As a % of total Shares held (b)	Number of equity shares held in dematerialised form
								Class eg: X	Class eg: Y					
1 Institutions														
(a) Mutual Fund		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(b) Venture Capital Funds		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(c) Alternate Investment Funds		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(d) Foreign Venture Capital Investors		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(e) Foreign Portfolio Investor		9	1134768	0	0	1134768	3.5462	1134768	3.5462	0	0.0000	0	0.0000	1134768
Heshika Growth Fund	AAHFH7500B	1	384263	0	0	384263	1.2008	384263	1.2008	0	0.0000	0	0.0000	384263
(f) Financial Institutions / Banks		2	52650	0	0	52650	0.1645	52650	0.1645	0	0.0000	0	0.0000	52650
(g) Insurance Companies		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(h) Provident Funds/ Pension Funds		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(i) Any Other (Specify)		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(l) Sub total (B)(1)		11	1187418	0	0	1187418	3.7107	1187418	3.7107	0	0.0000	0	0.0000	1187418
2 Central Government/ State Government(s)/ President of India		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
3 Non-institutions		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(a) Individuals		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(i) Individual shareholders holding nominal share capital up to Rs. 2 lakhs.		18691	5218843	0	0	5218843	16.3089	5218843	16.3089	0	0.0000	0	0.0000	5218582
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs.		24	1883897	0	0	1883897	5.8872	1883897	5.8872	0	0.0000	0	0.0000	1883897
(b) NRFCs registered with RBI		3	1625	0	0	1625	0.0051	1625	0.0051	0	0.0000	0	0.0000	1625
(c) Employee Trusts		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(d) Overseas Depositories (holding DRs) (balancing figure)		0	0	0	0	0	0.0000	0	0.0000	0	0.0000	0	0.0000	0
(e) IEPF		1556	3391370	0	0	3391370	10.5980	3391370	10.5980	0	0.0000	0	0.0000	3391370
Foreign Nationals		1	1751	0	0	1751	0.0055	1751	0.0055	0	0.0000	0	0.0000	1751
Hindu Undivided Family		1	26	0	0	26	0.0001	26	0.0001	0	0.0000	0	0.0000	26
Non Resident Indians (Non Repat)		563	426422	0	0	426422	1.3326	426422	1.3326	0	0.0000	0	0.0000	426422
Non Resident Indians (Non Repat)		159	109516	0	0	109516	0.3422	109516	0.3422	0	0.0000	0	0.0000	109516
Non Resident Indians (Repat)		482	328080	0	0	328080	1.0253	328080	1.0253	0	0.0000	0	0.0000	328080
Clearing Member		132	194217	0	0	194217	0.6069	194217	0.6069	0	0.0000	0	0.0000	194217
Bodies Corporate		218	2331358	0	0	2331358	7.2855	2331358	7.2855	0	0.0000	0	0.0000	2331358
R.L. Tradecom Pvt Ltd	AAFQR5028M	1	1279213	0	0	1279213	3.9975	1279213	3.9975	0	0.0000	0	0.0000	1279213
(l) Sub total (B)(3)		20274	10495735	0	0	10495735	32.7992	10495735	32.7992	0	0.0000	0	0.0000	10495474
Total Public Shareholding (B) = (B)(1)+(B)(2)+(B)(3)		20285	11683153	0	0	11683153	36.5099	11683153	36.5099	0	0.0000	0	0.0000	11682892

Deep CH4 Limited - Post scheme shareholding pattern (based on shareholding pattern of Deep Industries Ltd as on 30 June 2018)

Table IV - Statement showing shareholding pattern of the Non Promoter - Non Public Shareholder															
Category & Name of the shareholders	PAN	Nos. of share holders	No. of fully paid up equity shares held	Partly paid-up equity shares held	No. of underlying shares Depository Receipts	Total nos. shares held	Shareholding % calculated as per SCRR, 1957 as a % of (A+B+C2)	Number of Voting Rights held in each class of securities			No. of Shares Underlying Outstanding convertible securities (including Warrants)	Share-holding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI) = (VII) + (X) As a % of (A+B+C2)	Number of Locked in shares No. (a) As a % of total Shares held (b)	Number of Shares pledged or otherwise encumbered No. (a) As a % of total Shares held (b)	Number of equity shares held in dematerialised form
								Class eg: X	Class eg: Y	Total					
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII) = (IV)+(V) + (VI)	(VIII) As a % of (A+B+C2)	(IX)	(X)	(XI)	(XII)	(XIII)	(XIV)		
1 Custodian/DR Holder		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	NA	0	
2 Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	NA	0	
Total Non-Promoter-Non Public Shareholding (C) = (C)(1)+(C)(2)		0	0	0	0	0	0.0000	0	0	0.0000	0	0.0000	NA	0	



19 Investigation or proceedings, if any, pending against the Company under the Companies Act, 2013

No investigation proceedings have been instituted or are pending in relation to the Demerged Company and the Resulting Company under Section 210 to 229 of Chapter XIV of the Act or under the corresponding provisions of the Companies Act, 1956. Further, no proceedings are pending under the Act or under the corresponding provisions of the Companies Act, 1956 against any of the aforementioned companies.

To the knowledge of the Demerged Company and the Resulting Company, no winding proceedings have been filed or are pending against them under the Act or the corresponding provisions of the Companies Act, 1956.

20 Approvals / Sanctions / No-Objections from Regulatory or any Governmental Authorities

Unless otherwise decided (or waived) by the relevant Parties, the Scheme is conditional upon and subject to the following conditions precedent:

- i. obtaining no-objection / observation letter from the Bombay Stock Exchange Limited and National Stock Exchange of India Limited in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015;
- ii. approval of the Scheme by the requisite majority of each class of shareholders and creditors of the Demerged Company and the Resulting Company and such other classes of the said Companies, if any, as applicable or as may be required under the Act and as may be directed by the National Company Law Tribunal;
- iii. the Demerged Company complying with other provisions of the SEBI Circular, including seeking approval of the shareholders of the Demerged Company through e-voting, as applicable. The Scheme shall be acted upon only if the votes cast by the public shareholders in favour of the proposal are more than the number of votes cast by the public shareholders, of the Demerged Company, against it as required under the SEBI Circular. The term 'public' shall carry the same meaning as defined under Rule 2 of Securities Contracts (Regulation) Rules, 1957;
- iv. the sanctions and orders of the Tribunal, under Section 230 to 232 read with Section 66 of the Act being obtained by the Demerged Company and the Resulting Company; and
- v. certified / authenticated copies of the orders of the Tribunal, sanctioning the Scheme, being filed with the ROC having jurisdiction over the Parties.
- vi. such approvals and sanctions including sanction of any Appropriate Authority, if any, as may be required by Applicable Law in respect of the Scheme, being obtained.

21 Inspection

The following documents will be open for inspection by the equity shareholders of Demerged Company and the Resulting Company at their registered office at 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058, Gujarat, India and 14, Ground Floor, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058, Gujarat, India, respectively, between 10:00 am to 5:00 pm on all days (except Sundays and public holidays) upto the date of the meeting:

- i. Scheme of arrangement
- ii. Certificate dated 25 May 2018 issued by Walker Chandiok & Co. LLP Chartered Accountants on share exchange ratio
- iii. Certificate dated 6 July 2018 issued by Dhananjay Trivedi and Associates
- iv. Fairness opinion dated 12 July 2018 issued by Nirbhay Capital Services Private Limited
- v. Copy of the order passed by the NCLT in the above mentioned Company Application no. 103 of 2018, dated 19 September 2018 directing the Demerged Company to convene the meetings of its secured creditors;
- vi. Copy of the Memorandum and Articles of Association of both the companies;
- vii. Copy of the annual reports of both the companies for the financial year ended 31st March 2018;
- viii. Observation letter to the Scheme of Arrangement received from BSE Limited and National Stock Exchange of India Limited each dated 29 August 2018
- ix. Complaints report submitted by Deep Industries Limited to BSE Limited on 13 July 2018 and National Stock Exchange of India Limited on 2 August 2018



- x. Copy of the Statutory Auditors' Certificate dated 5th September, 2018 issued by Dhirubhai Shah & Co. LLP for Deep Industries Limited and copy of Statutory Auditors' Certificate dated 31st August, 2018 issued by Dhirubhai Shah & Co LLP for Deep CH4 Limited, to the effect that the accounting treatment, if any, proposed in the Scheme of compromise or arrangement is in conformity with the Accounting Standards prescribed under Section 133 of the Companies Act 2013;
 - xi. Other documents displayed on the stock exchange and website of the Applicant Company in terms of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017;
 - xii. Copies of the resolutions passed by the respective Board of Directors of the Applicant Company and Resulting Company approving the Scheme of Arrangement; and
 - xiii. Copy of Audit Committee report dated 26 May 2018 recommending Scheme of Arrangement.
- 22 This statement may be treated as an Explanatory Statement under Section 230(3), 232(1) and (2) and 102 of the Act read with Rule 6 of the Rules. A copy of the Scheme, Explanatory Statement and Form of Proxy shall be furnished by all the companies involved in the Scheme to its creditors, free of charge, within 1 (one) day (except Sundays and public holidays) on a requisition being so made for the same by the creditors of the respective companies.
- 23 The proposed Scheme has been already approved by all the Equity Shareholders of Deep CH4 Limited, the Resulting Company and there are no Secured and/or Unsecured Creditors of the Resulting Company. Further the proposed Scheme has been approved by requisite majority of Equity Shareholders and unsecured creditors of Deep Industries Limited , The Demerged Company. After the Scheme is approved by the Secured Creditors of the De-merged company, it will be subject to the approval / sanction by NCLT.

Sd/-

Chairman appointed for the meeting

Dated this ____ day of ____, 2018

Registered office:
12A & 14, Abhishree Corporate Park,
Ambli Bopal Road, Ambli, Ahmedabad - 380058

SCHEME OF ARRANGEMENT

AMONG

DEEP INDUSTRIES LIMITED

AND

DEEP CH4 LIMITED

AND

THEIR RESPECTIVE SHAREHOLDERS AND CREDITORS

**(UNDER SECTIONS 230 TO 232 READ WITH SECTION 66 AND OTHER
APPLICABLE PROVISIONS OF
THE COMPANIES ACT, 2013)**

PREAMBLE

This Scheme (as defined hereinafter) is presented under Sections 230 to 232 of the Act (as defined hereinafter), together with Sections 13, 61, 64, 66 and other applicable provisions of the Act for demerger of the Oil and Gas Services Undertaking (as defined hereinafter) of Deep (as defined hereinafter) and transfer of the same to Deep CH4 (as defined hereinafter) which includes issuance of equity shares by Deep CH4 to the equity shareholders of Deep; reduction of paid-up equity share capital of Deep CH4 pursuant to cancellation of existing equity share capital of Deep CH4; and for matters consequential, supplemental and/or otherwise integrally connected therewith.

A. BACKGROUND OF THE COMPANIES

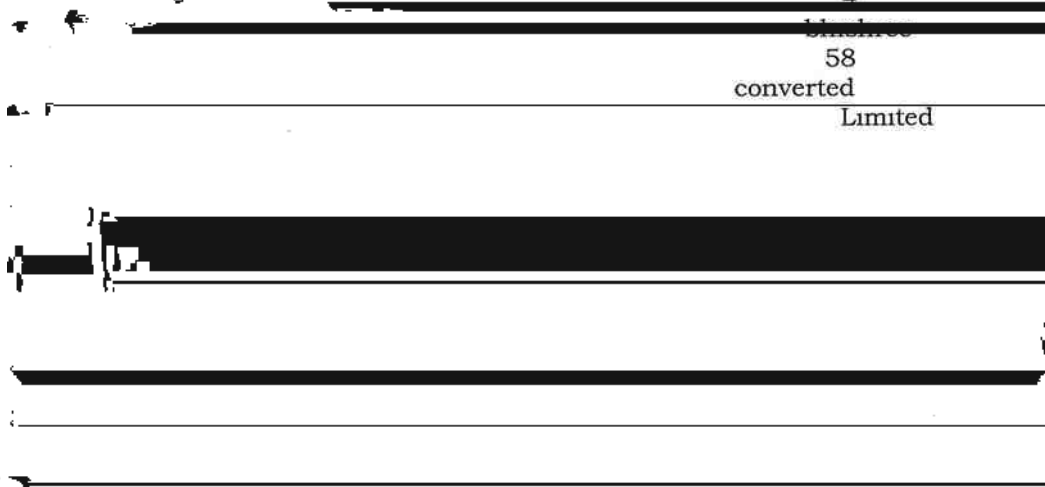
- (i) Deep Industries Limited, the "**Demerged Company**," is a public listed company incorporated under the provisions of the Companies Act, 1956 on 1st January 1991 under the name and style of Deep Roadways Private Limited having its registered office at 12A & 14 Abhishek Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058 in the state of Gujarat. Subsequently, the name was changed to Deep Industries Private Limited and thereafter the word Private was deleted by the virtue of the company being a Deemed Public Limited Company under the provisions of section 43A(1B) of the Companies Act, 1956 on 6th February 1997. The company became a Public Limited Company with effect from 2nd May 2002 and a fresh certificate of incorporation, consequent to change of name, was issued in the name of Deep Industries Limited on 2nd May 2002. The company has business interest in air and natural gas compression services, gas dehydration, work over and drilling rig services as well as oil and gas exploration and production. The business of air and natural gas compression services, gas dehydration, work over and drilling rig





services is hereinafter referred to as "Oil and Gas Services Business". The equity shares of Deep Industries Limited are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE').

(ii) Deep CH4 Limited, the "Resulting Company", is a public company incorporated under the provisions of the Companies Act, 1956 on 15th June 2016 under the name and state of Deep CH4 Private Limited



having its registered office at 14, Ground Floor, A with Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 3800 in the state of Gujarat. Subsequently, the company was into a public company and the name was changed to Deep CH4. A fresh certificate of incorporation, consequent to change of name, was issued in the name of Deep CH4 Limited on 11 June 2016. The Resulting Company has been incorporated with an objective to carry on the business of prospecting, exploring, developing, opening and working mines, drilling and to pump, refine, raise, dig and quarry coal bed methane, minerals and gases such as methane gas.

B. OVERVIEW AND OPERATION OF THIS SCHEME

This Scheme provides for:

(i) the demerger, transfer and vesting of the Oil and Gas Services Undertaking (as defined hereinafter) from the Demerged Company to the Resulting Company (as defined hereinafter) on a going concern basis, and the consequent issue of shares by the Resulting Company (as defined hereinafter) in the manner set out in this Scheme (as defined hereinafter) and other applicable provisions of Applicable Law (as defined hereinafter);



(ii) the reduction of the share capital of the Resulting Company in the

- (iv) **PART D** deals with the general terms and conditions that would be applicable to this Scheme.

E. RATIONALE FOR THIS SCHEME

- (i) Deep primarily operates in two business segments; (i) Oil and Gas Services Business comprising of air and natural gas compression services, gas dehydration, work over and drilling rig services; and (ii) oil and gas exploration and production. Each of the businesses carried on by Deep by itself and along with its subsidiaries including Oil and Gas Services Business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for Oil and Gas Services Business is separate and distinct from oil and gas exploration and production business. The Oil and Gas Services Business and oil and gas exploration and production business of Deep are capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which Oil and Gas Services Business and oil and gas exploration and production business of Deep are required to be handled and managed. In order to lend greater/enhanced focus to the operation of the said businesses, it is proposed to re-organize the Oil and Gas Services Undertaking by way of demerger and transfer of the same from Deep to Deep CH4. The proposed demerger would result in segregation of Oil and Gas Services Undertaking into Resulting



Scheme are found or interpreted to be inconsistent with the provisions of Section 2(19AA) of the Income-tax Act, 1961, including as a result of an amendment of Applicable Law or the enactment of a new legislation or for

Tribunal (as defined hereinafter) or any Stock Exchange (as defined hereinafter).

"Board" in relation to the Demerged Company and the Resulting Company, as the case may be, means the board of directors of such company, and shall include a committee of directors or any person authorized by the board of directors or such committee of directors duly constituted and authorized for the purposes of matters pertaining to this Scheme.

"Companies" shall mean Demerged Company and Resulting Company.

"Demerged Company" or **"Deep"** means Deep Industries Limited, a public listed company incorporated under the Companies Act, 1956 and having its registered office at 12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad-380058 in the state of Gujarat.

"Effective Date" means the last of the date on which the conditions specified in Clause 20 of this Scheme are fulfilled with respect to the Scheme. References in this Scheme to the date of "coming into effect of this Scheme" or "upon the Scheme being effective" shall mean the Effective Date.

"Encumbrance" means (i) any charge, lien (statutory or other), or mortgage, any easement, encroachment, right of way, right of first refusal or other encumbrance or security interest securing any obligation of any person; (ii) pre-emption right, option, right to acquire, right to set off or other third party right or claim of any kind, including any restriction on use, voting, selling, assigning, pledging, hypothecating, or creating a security interest in, place in trust (voting or otherwise), receipt of income or exercise; or (iii) any equity, assignments hypothecation, title retention, restriction, power of sale or other type of preferential arrangements; or (iv) any agreement to create any of the above; the term **"Encumber"** shall be construed accordingly.

"Oil and Gas Services Undertaking" means all the businesses, activities, properties, investments and liabilities, of whatsoever nature and kind and wheresoever situated, pertaining to Oil and Gas Services Business and shall include (without limitation):

- (a) all immovable properties, if any, i.e. land together with the buildings and structures standing thereon (whether freehold, leasehold, lease and licensed, right of way, tenancies or otherwise) currently being used for the purpose of and in relation to the Oil and Gas Services Business and all documents (including panchnamas, declarations, receipts) of title, rights and easements in relation thereto and all rights, covenants, continuing rights, title and interest in connection with the said immovable properties;
- (b) all assets, as are movable in nature pertaining to and in relation to the Oil and Gas Services Business, whether present or future or contingent, tangible or intangible, in possession or reversion, corporeal or incorporeal (including electrical fittings, furniture, fixtures, appliances, accessories, office equipments, communication facilities, installations and inventory), actionable claims, current assets, earnest monies and sundry debtors, financial assets, ~~and~~ outstanding loans and



advances, recoverable in cash or in kind or for value to be received, provisions, receivables, funds, cash and bank balances and deposits including accrued interest thereto with Appropriate Authority, banks, customers and other persons, the benefits of any bank guarantees, performance guarantees and tax related assets, including but not limited to goods and service tax input credits, CENVAT credits, value added/sales tax/entry tax/goods and service tax credits or set-offs, advance tax, tax deducted at source and tax refunds;

- (c) all permits, licenses, permissions including municipal permissions, right of way, approvals, clearances, consents, benefits, registrations, rights, entitlements, credits, certificates, awards, sanctions, allotments, quotas, no objection certificates, exemptions, concessions, subsidies, essentiality certificate issued under Sr. No. 404 of Notification 50/2017-Customs, liberties and advantages including those relating to privileges, powers, facilities of every kind and description of whatsoever nature and the benefits thereto that pertain exclusively to the Oil and Gas Services Business and undertaking constituting participating interest in Coal Bed Methane Block SR-CBM-2005/III located at Singrauli, Madhya Pradesh, India and its related assets and liabilities;
- (d) all contracts, agreements, purchase orders/service orders, operation and maintenance contracts, memoranda of understanding, memoranda of undertakings, memoranda of agreements, memoranda of agreed points, minutes of meetings, bids, tenders, expression of interest, letter of intent, hire and purchase arrangements, lease/licence agreements, tenancy rights, agreements/panchnamas for right of way, equipment purchase agreements, agreement with customers, purchase and other agreements with the supplier/manufacturer of goods/service providers, other arrangements, undertakings, deeds, bonds, schemes, concession agreements, insurance covers and claims, clearances and other instruments of whatsoever nature and description, whether written, oral or otherwise and all rights, title, interests, claims and benefits thereunder pertaining to the Oil and Gas Services Business;
- (e) all applications (including hardware, software, licenses, source codes, and scripts), registrations, goodwill, licenses, trade names, service marks, copyrights, patents, domain names, designs, intellectual property rights (whether owned, licensed or otherwise, and whether registered or unregistered), trade secrets, research and studies, technical knowhow, confidential information and all such rights of whatsoever description and nature that pertain exclusively to the Oil and Gas Services Business;
- (f) all rights to use and avail telephones, telexes, facsimile, email, internet, leased line connections and installations, utilities, electricity and other services, reserves, provisions, funds, benefits of assets or properties or other interests held in trusts, registrations, contracts, engagements, arrangements of all kind, privileges and all other rights, easements, liberties and advantages of whatsoever nature and wheresoever situated belonging to or in the ownership, power or possession and in



employee or legal proceeding pertains to the Oil and Gas Services Undertaking or arises out of the activities or operations of Oil and Gas Services Undertaking shall be decided by the Board of the Demerged Company.

“Record Date” means the date to be fixed by the Board of the Demerged Company in consultation with the Resulting Company for the purpose of determining the shareholders of the Demerged Company to whom shares of the Resulting Company shall be allotted pursuant to demerger under this Scheme.

“Remaining Business” means all the undertakings, businesses, activities, operations, assets and liabilities of Demerged Company other than those comprised in the Oil and Gas Services Undertaking;

“Resulting Company” or **“Deep CH4”** means Deep CH4 Limited, a company incorporated under the provisions of the Companies Act, 1956 on 15th November, 2006 having its registered office at 14, Ground Floor, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058 in the state of Gujarat.

“RoC” means the Registrar of Companies, Gujarat.

“Scheme” means this scheme of arrangement, with or without any modification, approved or imposed or directed by the Tribunal.

“SEBI” means the Securities and Exchange Board of India.

“SEBI Circular” shall mean the circular issued by the SEBI, being circular CFD/DIL3/CIR/2017/21 dated March 10, 2017, circular CFD/DIL3/CIR/2017/105 dated September 21, 2017 and Circular CFD/DIL3/CIR/2018/2 dated January 3, 2018, and any amendments thereof and modifications thereof, issued pursuant to regulations 11, 37 and 94 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.

“Stock Exchanges” means BSE Limited (**“BSE”**) and National Stock Exchange of India Limited (**“NSE”**).

“Tribunal” means the National Company Law Tribunal, Bench at Ahmedabad, which has jurisdiction over the Demerged Company and the Resulting Company.

1.2 In this Scheme, unless the context otherwise requires:

1.2.1 words denoting singular shall include plural and vice versa;

1.2.2 headings and bold typeface are only for convenience and shall be ignored for the purposes of interpretation;

1.2.3 references to the word “include” or “including” shall be construed without limitation;



- 1.2.4 a reference to an article, clause, section, paragraph or schedule is, unless indicated to the contrary, a reference to an article, clause, section, paragraph or schedule of this Scheme;
- 1.2.5 unless otherwise defined, the reference to the word "days" shall mean calendar days;
- 1.2.6 reference to a document includes an amendment or supplement to, or replacement or novation of, that document; and
- 1.2.7 word(s) and expression(s) elsewhere defined in this Scheme will have the meaning(s) respectively ascribed to them.

2. SHARE CAPITAL

- 2.1 The share capital of the Demerged Company as on 31 March 2018 is as follows:

Particulars	INR
Authorised Share Capital	
5,42,66,340 equity shares of INR 10 each	54,26,63,400
50,00,000 preference shares of INR 10 each	-



PART B

DEMERGER AND VESTING OF THE OIL AND GAS SERVICES UNDERTAKING

4. DEMERGER AND VESTING OF THE OIL AND GAS SERVICES UNDERTAKING

4.1 Upon the Scheme becoming effective and with effect from the opening business hours of Appointed Date, and subject to the provisions of this Scheme and pursuant to Sections 230 to 232 of the Companies Act, 2013 and Section 2(19AA) of the Income-tax Act, 1961, the Oil and Gas Services Undertaking along with all its assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. shall, without any further act, instrument or deed, be demerged from Demerged Company and transferred to and be vested in or be deemed to have been vested in the Resulting Company as a going concern so as to become as and from the Appointed Date, the assets, liabilities, contracts, arrangements, employees, permits, licences, records, approvals, etc. of the Resulting Company, in

the manner provided in this Scheme.

and in the manner provided in this Scheme.



- 4.5 Upon the Scheme coming into effect, all debts, liabilities, loans, obligations and duties of the Demerged Company as on the Appointed Date and relating to the Oil and Gas Services Undertaking ("**Oil and Gas Services Liabilities**") shall, without any further act or deed, be and stand transferred to and be deemed to be transferred to the Resulting Company to the extent that they are outstanding as on the Effective Date and the Resulting Company shall meet, discharge and satisfy the same. The term "**Oil and Gas Services Liabilities**" shall include:

under all the applicable provisions of the Act, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 and any other Applicable Law, and the Demerged Company and the Resulting Company shall not be required to seek separate consent / approval of their respective members for the same.

- 4.9 Upon the Scheme coming into effect, for the purpose of satisfying any eligibility criteria including technical and/or financial parameters for participating and qualifying in invitations for expression of interest(s) and/or bid(s) and/or tender(s) of any nature meant for any project(s) or contract(s) or work(s) or services or combination thereof, either related to oil and natural gas or pertaining to other than oil and natural gas, including related upstream/downstream ventures, in addition to its own technical experience and/or financial credentials including drawn through other arrangements such as consortium or joint venture etc., the Resulting Company shall have legal capacity, power and authority to claim experience considering works/jobs done in the past and current work in hand with respect to the Oil and Gas Services Undertaking of the Demerged Company. This shall also include benefit with respect to claim of financial credentials such as turnover, net worth and other financial ratios/parameters etc. and management experience and track record of Demerged Company.

- 4.10 Upon the Scheme coming into effect, taxes, if any, paid or payable by the

the Demerged Company for such time as may be determined to be necessary by the Resulting Company. All cheques and other negotiable instruments, payment orders received or presented for encashment which are in the name of the Demerged Company, in relation to or in connection with the Oil and Gas Services Undertaking, after the Effective Date, shall be accepted by the bankers of the Resulting Company and credited to the account of the Resulting Company, if presented by the Resulting Company.

5. CONTRACTS

5.1 Subject to the other provisions of this Scheme, all contracts, deeds, bonds, agreements, arrangements and other instruments in relation to the Oil and Gas Services Undertaking, to which the Demerged Company is a party and which is subsisting or having effect on or immediately before the Appointed Date shall remain in full force and effect against or in favour of the Resulting Company and shall be binding on and be enforceable by and against the Resulting Company as fully and effectually as if the Resulting Company had at all material times been a party or beneficiary or obligee thereto. The Resulting Company will, if required, enter into a novation agreement in relation to such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above and, if required, cause such contracts, deeds, bonds, agreements, arrangements and other instruments as stated above to be formally taken on record/ recognised by the Appropriate Authorities.

5.2 Without prejudice to the other provisions of this Scheme and notwithstanding the fact that vesting of the Oil and Gas Services Undertaking occurs by virtue of this Scheme, the Resulting Company may, at any time after the coming into effect of this Scheme, in accordance with the provisions hereof, if so required under any Applicable Law or otherwise, take such actions and execute such deeds (including deeds of adherence), confirmations, other writings or tripartite arrangements with any party to any contract or arrangement to which the Demerged Company is a party or any writings as may be necessary in order to give effect to the provisions of this Scheme. With effect from the Appointed Date, the Resulting Company shall under the provisions of this Scheme, be deemed to be authorized to execute any such writings on behalf of the Demerged Company to carry out or perform all such formalities or compliances referred to above on the part of the Demerged Company.

6. EMPLOYEES

6.1 With effect from the Effective Date, all employees of the Demerged Company engaged in or in relation to the Oil and Gas Services Undertaking shall become the employees of the Resulting Company without any interruption of service on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any





retrenchment compensation, gratuity and other retiral/ terminal benefits. The decision on whether or not an employee is part of the Oil and Gas Services Undertaking, shall be decided by the Demerged Company, and shall be final and binding on all concerned.

6.2 The accumulated balances, if any, standing to the credit of the aforesaid

employees, in the aforesaid provident fund, pension fund, gratuity fund or other funds created by the Demerged Company, shall be transferred to the transferee company as the case may be in which they are members and shall be transferred respectively to such provident fund, pension fund, gratuity fund or superannuation fund or any other fund nominated by the transferee company for such new provident fund, pension fund, gratuity fund or superannuation fund or any other fund to be established in accordance with applicable law and custom and usage in India and approved to be recognized by the appropriate authority in India. Pending the transfer of such funds, the said employees in respect of the aforesaid funds shall be deemed to be members of the existing provident fund, pension fund or any other fund existing in the transferee company.

issue and allot, on a proportionate basis to each shareholder of the Demerged Company, 1 (One) fully paid up equity share of face value of INR 10 (Indian Rupees Ten) each of the Resulting Company for every 1 (One) equity share of the Demerged Company held by such shareholder whose name is recorded in the register of members and records of the depository as members of the Demerged Company as on the Record Date. The equity shares of the Resulting Company to be issued and allotted as provided in Clause 8.1 shall be subject to the provisions of the memorandum of association and articles of association of the Resulting Company, and shall rank *pari passu* in all respects with any existing equity shares of Resulting Company, including with respect to dividend, bonus, right shares, voting rights and other corporate benefits attached to the equity shares of Resulting Company.

- 8.2 In case any shareholder's shareholding in the Demerged Company is such that such shareholder becomes entitled to a fraction of an equity share of the Resulting Company, the Resulting Company shall not issue fractional share certificate to such shareholder but shall consolidate such fractions and round up the aggregate of such fractions to the next whole number and

issue and allot the consolidated shares to the shareholder concerned by

the board of directors of the Resulting Company in that behalf, who shall sell such shares in

the market at such price as may be determined by the board of directors of the Resulting Company

and the proceeds of such sale shall be distributed to the shareholder concerned by

the board of directors of the Resulting Company in that behalf, who shall sell such shares in

the market at such price as may be determined by the board of directors of the Resulting Company

and the proceeds of such sale shall be distributed to the shareholder concerned by the board of directors of the Resulting Company in that behalf, who shall sell such shares in

the market at such price as may be determined by the board of directors of the Resulting Company

abeyance under the provisions of Section 126 of the Act shall, pending settlement of dispute by order of court or otherwise, be held in abeyance by Resulting Company.

- 8.7 The equity shares issued pursuant to Clause 8.1, which Resulting Company is unable to allot due to Applicable Laws (including, without limitation, the non-receipt of approvals of Appropriate Authority as required under applicable Law) or any regulations or otherwise shall, pending allotment, be held in abeyance by Resulting Company and shall be dealt with in the manner as may be permissible under the Applicable Law and deemed fit by the Board of Directors of Resulting Company including to enable allotment and sale of such equity shares to a trustee as mentioned in Clause 8.2 above and thereafter make distributions of the net sales proceeds in lieu thereof (after deduction of taxes and expenses incurred) to the eligible shareholders of Demerged Company, in proportion to their entitlements as per the process specified in Clause 8.2 above. If the above cannot be effected for any reason, Resulting Company shall ensure that this does not delay implementation of the Scheme; and shall, take all such appropriate actions as may be necessary under Applicable Laws. Resulting Company and/or the depository shall enter into such further documents and take such further actions as may be necessary or appropriate in this regard and to enable actions contemplated therein.

- 8.8 In the event of there being any pending share transfers, whether lodged or outstanding, of any shareholders of Demerged Company, the Board of Directors of Demerged Company shall be empowered prior to or even subsequent to the Record Date, to effectuate such transfers in Demerged Company as if such changes in registered holders were operative as on the

Company shall make all requisite applications and shall otherwise comply with the provisions of the SEBI Circular and Applicable Law and take all steps to procure the listing of the equity shares issued by it pursuant to Clause 8.1 above.

- 8.11 The equity shares allotted by the Resulting Company in terms of Clause 8.1 above, pursuant to the Scheme, shall remain frozen in the depository system till listing/ trading permission is given by the Stock Exchanges.
- 8.12 Resulting Company shall enter into such arrangements and give such confirmations and/ or undertakings as may be necessary in accordance with Applicable Law for complying with the formalities of the Stock Exchanges.
- 8.13 Resulting Company shall comply with the relevant and applicable rules and regulations including the provisions of Foreign Exchange Management Act, 1999, if any, to enable Resulting Company to issue and allot equity shares to the non-resident equity shareholders of Demerged Company. Resulting Company shall, if and to the extent required to, apply for and obtain any approvals from the Governmental Authorities including Reserve Bank of India, for the issue and allotment of equity shares under Clause 8.1 of the Scheme to the non-resident equity shareholders of Demerged Company.

9. ACCOUNTING TREATMENT IN THE BOOKS OF DEMERGED COMPANY

Demerged Company shall account for the transfer and vesting of the Oil and Gas Services Undertaking in its books of account as per the applicable accounting standards notified under section 133 of the Act read with relevant rules issued thereunder and specifically in accordance with the accounting treatment mentioned below.

- 9.1 Upon the Scheme coming into effect and with effect from the Appointed Date, the Demerged Company shall reduce the carrying value of assets and liabilities pertaining to the Oil and Gas Services Undertaking, transferred to and vested in the Resulting Company from the carrying value of assets and



relevant rules issued thereunder and specifically in accordance with the accounting treatment mentioned below.

- 10.1 Upon the Scheme coming into effect and with effect from the Appointed Date, the Resulting Company shall record the assets and liabilities pertaining to the Oil and Gas Services Undertaking, transferred to and vested in it pursuant to this Scheme at their respective carrying values as appearing in the books of the Demerged Company.

COMPANY AND AMENDMENT TO MEMORANDUM OF ASSOCIATION OF THE DEMERGED COMPANY AND RESULTING COMPANY

11.1 Capital Clause

Upon coming into effect of this Scheme, authorised equity share capital of INR 22,26,63,400 and authorised preference share capital of INR 5,00,00,000 of the Demerged Company shall stand transferred to and get combined with the authorised capital of the Resulting Company without any further act or deed and without any further payment of the stamp duty or the registration fees. The authorised capital so transferred to Resulting Company shall stand reclassified as 2,72,66,340 equity shares of INR 10 each. Accordingly, Clause V of the Memorandum of Association of the Resulting Company shall automatically stand amended so as to read as under:

The Authorised Share Capital of the Company is Rs.27,33,23,400 [Rupees Twenty Seven Crore Thirty Three Lakh Twenty Three Thousand Four Hundred Only] divided into 2,73,32,340 [Two Crore Seventy Three Lakh Thirty Two Thousand Three Hundred and Forty] Equity Shares of Rs.10/- [Rupees Ten Only] each.

Further, Clause V of the Memorandum of Association of the Demerged Company shall automatically stand amended so as to read as under:

The Authorised Share Capital of the Company is Rs.32,00,00,000 [Rupees Thirty Two Crore Only] divided into 3,20,00,000 [Three Crore Twenty Lakh] Equity Shares of Rs.10/- [Rupees Ten Only] each.

11.2 Objects Clause

Upon the Scheme coming into effect, the main object of the Demerged Company, as outlined herein below, shall be added to the Main Objects of the Resulting Company and Clause III of the Memorandum of Association of the Resulting Company shall stand amended as under:

the Resulting Company shall not be required to seek separate consent / approval of their shareholders for such alteration of the Memorandum of Association as required under Sections 13, 61 and 64 of the Act and other applicable provisions of the Act.

11.4 Change of name

11.4.1 Upon coming into effect of this Scheme, the name of the Demerged Company shall be altered and changed to "Deep Energy Limited" or any other similar name, as considered appropriate by the Board of Directors of the Demerged Company and as approved by the Registrar of Companies.

11.4.2 Further, upon the coming into effect of this Scheme, and subject to clause 11.4.1, the name of the Resulting Company shall be altered and changed to "Deep Industries Limited" or any other similar name as considered appropriate by the Board of Directors of the Resulting Company and as approved by the Registrar of Companies.

11.4.3 It is clarified that the approval of the respective members of the Demerged Company and the Resulting Company to the Scheme shall be deemed to be their consent / approval, as required under section 13 and other applicable provisions of the Act, also to the alteration and change of the name of the Demerged Company and / or Resulting Company as provided in Clause 11.4.1 and Clause 11.4.2 above and the approval of this Scheme by the Tribunal shall be considered as specific direction from the competent authority as required under

Resulting Company shall pay an amount not exceeding Rs.6,60,000 to the shareholders of the Resulting Company whose name appear in the register of members of the Resulting Company as on the date of approval of this Scheme by the Board of Directors of the Resulting Company in the proportion of their shareholding on such date.

- 12.2 The aforesaid reduction of the share capital of the Resulting Company shall be effected as an integral part of this Scheme itself, without having to follow the process under Section 66 of the Act separately and the order of the Tribunal sanctioning this Scheme shall be deemed to be an order under Section 66 of the Act confirming the reduction.
- 12.3 Upon the cancellation of shares as provided in Clause 12.1, the Resulting Company shall debit its share capital account in its books of account with the aggregate face value of the shares of Resulting Company that are cancelled pursuant to Clause 12.1.
- 12.4 The excess of the amount of share capital cancelled over the amount paid to the shareholders as per Clause 12.1 above, if any, shall be credited to Capital Reserve account.

PART D

GENERAL TERMS AND CONDITIONS

13. REMAINING BUSINESS

- 13.1 The Remaining Business and all the assets, investments, liabilities and obligations of the Demerged Company, shall continue to belong to and be vested in and be managed by the Demerged Company.
- 13.2 All legal, taxation and/ or other proceedings by or against the Demerged Company under any statute, whether pending on the Effective Date or which may be instituted at any time thereafter, and relating to the Remaining Business of the Demerged Company (including those relating to any property, right, power, liability, obligation or duties of the Demerged Company in respect of the Remaining Business) shall be continued and enforced against the Demerged Company.
- 13.3 If proceedings are taken against the Resulting Company in respect of matters referred to in Clause 13.2 above relating to the Remaining Business, it shall defend the same in accordance with the advice of the Demerged Company and at the cost of the Demerged Company, and the latter shall reimburse and indemnify the Resulting Company, against all liabilities and obligations incurred by the Resulting Company in respect thereof.
- 13.4 Up to and including the Effective Date:
- (i) Demerged Company shall carry on and shall be deemed to have been carrying on all business and activities relating to the Remaining Business for and on its own behalf;





- (ii) all profits accruing to Demerged Company or losses arising or incurred by it (including the effect of taxes, if any, thereon) relating to the Remaining Business shall, for all purposes, be treated as the profits or losses, as the case may be, of Demerged Company; and
- (iii) all assets and properties acquired by Demerged Company in relation to the Remaining Business on and after the Appointed Date shall belong to and continue to remain vested in Demerged Company.

14. DIVIDENDS

14.1 The Demerged Company and Resulting Company shall be entitled to declare and pay dividends, to their respective shareholders in respect of the accounting period ending 31 March 2018 and such future accounting periods consistent with the past practice or in ordinary course of business,



to its business and affairs and operations other than that in the ordinary course of business; (ii) any agreement or transaction (other than an agreement or transaction in the ordinary course of business); and (iii) any new business, or discontinue any existing business or change the capacity of facilities other than that in the ordinary course of business, except with the written concurrence of the Resulting Company.

15.1.3 The Demerged Company with respect to Oil and Gas Services Undertaking shall not vary the terms and conditions of employment of any of its employees, except in the ordinary course of business or pursuant to any pre-existing obligation undertaken except with the written concurrence of the Resulting Company.

15.1.4 The Resulting Company shall be entitled, pending the sanction of the Scheme, to apply to the Appropriate Authorities concerned as are necessary under any law for such consents, approvals and sanctions which the Resulting Company may require to carry on the business of the Oil and Gas Services Undertaking and to give effect to the Scheme.

15.2 For the purpose of giving effect to the order passed under Sections 230 to 232 read with Section 66 and other applicable provisions of the Act in respect of this Scheme by the Tribunal, the Resulting Company shall, at any time pursuant to the orders approving this Scheme, be entitled to get the recordal of the change in the legal right(s) upon the demerger of the Oil and Gas Services Undertaking in accordance with the provisions of Sections 230, 231 and 232 read with Section 66 of the Act.



Requirements) Regulations, 2015 and that no separate approval of the Board or audit committee or shareholders shall be required to be sought by the Demerged Company or Resulting Company.

Ind. Gas Services including 'spare' and
nts/ guarantees have been provided in
by the Resulting Company.

subsisting in adequate arrange
by the Resulting Company.



Scheme and do all acts, deeds and things necessary for putting this Scheme into effect.

- 19.2 For the purpose of giving effect to this Scheme or to any modification thereof the Boards of the Demerged Company and the Resulting Company acting themselves or through authorized persons may jointly but not individually, give and are jointly authorised to give such directions including directions for settling any question of doubt or difficulty that may arise and such determination or directions, as the case may be, shall be binding on both Companies, in the same manner as if the same were specifically incorporated in this Scheme. It is clarified that individual companies acting themselves or through authorized persons may individually approach the Tribunal or any other Appropriate Authority to seek clarifications for implementation of the Scheme.
- 19.3 It is clarified that if any modifications are required post satisfaction of the conditions precedent mentioned in Clause 20 and the Scheme having been made effective, the Effective Date shall not be affected by any such modifications that might be required to be made and the Effective Date for such modified Scheme shall be same as the date on which Scheme was made effective prior to the modifications.

20. CONDITIONS PRECEDENT

- 20.1 Unless otherwise decided (or waived) by the Demerged Company and/or the Resulting Company, the Scheme is conditional upon and subject to the following conditions precedent:

20.1.1 obtaining no-objection/ observation letter from the Stock Exchanges in relation to the Scheme under Regulation 37 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

20.1.2 approval of the Scheme by requisite majority of each class of shareholders and creditors of the Demerged Company and the Resulting Company as may be required under the Act and as may be

... subscribed by the Tribunal.

- 20.1.6 such approvals and sanctions including sanction of any Appropriate Authority, if any, as may be required by Applicable Law in respect of the Scheme, being obtained.
- 20.2 Without prejudice to Clause 20.1 and subject to the satisfaction or waiver of the conditions mentioned in Clause 20.1 above, the Scheme shall be made effective in the order as contemplated below:
- 20.2.1 Part B of the Scheme shall be made effective subject to the satisfaction or waiver of conditions mentioned in Clause 20.1;
- 20.2.2 Part C of the Scheme shall be made effective simultaneously with the implementation of Part B of the Scheme.
- 20.3 On the approval of this Scheme by the shareholders of the Demerged Company and the Resulting Company and such other classes of persons of the said Companies, if any, pursuant to Clause 20.1, such shareholders and classes of persons shall also be deemed to have resolved and accorded all relevant consents under the Act or otherwise, to the extent applicable, in relation to the demerger and capital reduction set out in this Scheme and related matters and to this Scheme itself.



23.2 All taxes (including income tax, goods and service tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) paid or payable by the Demerged Company in respect of the operations and/or profits of the Oil and Gas Services Undertaking before the Appointed Date, shall be on account of the Demerged Company and, in so far as it relates to the tax payment (including income tax, goods and service tax, sales tax, excise duty, custom duty, service tax, VAT, etc.) by the Demerged Company in respect of the profits or activities or operations of Oil and Gas Services Undertaking after the Appointed Date, the same shall be deemed to be the corresponding item paid by the Resulting Company (except as specifically provided in relation to the Remaining Business) and shall, in all proceedings, be dealt with accordingly.

23.3 Upon coming into effect of this Scheme, the Demerged Company and



DCS/AMAL/SD/R37/1241/2018-19

August 29, 2018

The Company Secretary,
DEEP INDUSTRIES LTD.
 12A & 14, Abhishree Corporate Park,
 Ambli Bopal Road, Ambli,
 Ahmedabad, Gujarat- 380058

Sir,

Sub: Observation letter regarding the Draft Composite Scheme of Arrangement in the nature of demerger and reduction of capital between Deep Industries Ltd and Deep CH4 Private Ltd.

We are in receipt of Draft Composite Scheme of Arrangement in the nature of demerger and reduction of capital between Deep Industries Ltd and Deep CH4 Private Ltd and their respective shareholders and Creditors filed as required under SEBI Circular No. GFD/CIL3/CIR/2017/21 dated March 10, 2017; SEBI vide its letter dated August 28, 2018, has inter alia given the following comment(s) on the draft scheme of arrangement:

- "Company shall ensure that additional information, if any, submitted by the Company, after filing the Scheme with the Stock Exchange, from the date of receipt of this letter is displayed on the websites of the listed company."
- "Company shall duly comply with various provisions of the Circulars."
- "Company is advised that the observations of SEBI/Stock Exchanges shall be incorporated in the petition to be filed before National Company Law Tribunal (NCLT) and the company is obliged to bring the observations to the notice of NCLT."
- "It is to be noted that the petitions are filed by the company before NCLT after processing and communication of comments/observations on draft scheme by SEBI/stock exchange. Hence, the company is not required to send notice for representation as mandated under section 230(5) of Companies Act, 2013 to SEBI again for its comments / observations / representations."

Accordingly, based on aforesaid comment offered by SEBI, the company is hereby advised:

- To provide additional information, if any, (as stated above) along with various documents to the Exchange for further dissemination on Exchange website.
- To ensure that additional information, if any, (as stated aforesaid) along with various documents are disseminated on their (company) website
- To duly comply with various provisions of the circulars.

In light of the above, we hereby advise that we have no adverse observations with limited reference to those matters having a bearing on listing/de-listing/continuous listing requirements within the provisions of Listing Agreement, so as to enable the company to file the scheme with Hon'ble NCLT. Further, where applicable in the explanatory statement of the notice to be sent by the company to the shareholders, while seeking approval of the scheme, it shall disclose information about unlisted companies involved in the format prescribed for abridged prospectus as specified in the circular dated March 10, 2017.



BSE Limited (Formerly Bombay Stock Exchange Ltd.)
 Registered Office: Plot 23, P.J. Towers, Colaba Street, Mumbai-400 001, India
 T: +91 22 2272 1234/3111 F: corp.compl@bseindia.com | www.bseindia.com
 Corporate Identity Number: U67120MH40005910



(2)

Kindly note that as required under Regulation 37(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the validity of this Observation Letter shall be six months from the date of this Letter, within which the scheme shall be submitted to the NCI T

The Exchange reserves its right to withdraw its 'No adverse observation' at any stage if the information submitted to the Exchange is found to be incomplete / incorrect / misleading / false or for any contravention of Rules, Bye-laws and Regulations of the Exchange, Listing Agreement, Guidelines/Regulations issued by statutory authorities.

Please note that the aforesaid observations does not preclude the Company from complying with any other requirements

Yours faithfully,


Nitinkumar Pujari
Senior Manager





India Limited

August 29, 2018

Mr. Rupesh Savla

Agreement in the nature of demerger and reduction of capital of Deep CH4 Private Limited and their respective

Agreement in the nature of demerger and reduction of capital of Deep CH4 Private Limited and their respective companies dated June 15, 2018.

Agreement dated July 16, 2018 submitted to SEBI under Circular CIR/2017/21 dated March 10, 2017 ('Circular'), and the following comments:



Continuation Sheet

The validity of this “Obs



Date: 13/07/2018

To,
The Department of Listing Obligations,
 BSE Limited,
 P. J. Towers, Dalal Street,
 Mumbai-400 001

Scrp Code: 532760

Subject: Filing of Compliant Report

Ref No: Application under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 for the Scheme of arrangement between Deep Industries Limited and Deep CH4 Limited

Dear Sir,

We refer to the captioned application dated 15 June 2018 with your good office.

As per Para I(A)(6)(b) of Annexure I of SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017, a report, in the prescribed format as per Annexure III of the Circular, showing status of complaints as on date is enclosed herewith as Annexure I.

We request you to take above on record and oblige.

If you require any further information / clarifications, we would be happy to provide the same.

For Deep Industries Limited


 Akshat Soni
 Company Secretary



Encl. As above



Registered Office:
 12A & 14 Abhishek Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad-380058
 Gujarat, India. Tel # 02717 296510, +91 98256 00533 | Fax # 02717 296520
 Email: info@deepindustries.com | Website: http://www.deepindustries.com
 CIN - L33090GJ1891PLC014833



ANNEXURE 1

Scheme of Arrangement among Deep Industries Limited and Deep CH4 Limited and their respective shareholders and creditors

COMPLAINTS REPORT
For the period from 21 June 2018 to 13 July 2018

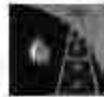
Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange / SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved / Pending)
1.	Not Applicable	Not Applicable	Not Applicable





**DEEP
Industries
Limited**

**Oil & Gas Exploration
Production & Services**

Date: 03/08/2018

To,
National Stock Exchange of India Limited
Exchange Plaza,
Plot No. C/1, G-Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400051

Subject: Filing of Complaint Report

Ref No: Application under Regulation 37 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 read with Annexure I of SEBI Circular No. CFD/DIL3/CIR/2017/21 dated 10 March 2017 for the Scheme of arrangement between Deep Industries Limited and Deep CH4 Limited.

Dear Sir,

We refer to the captioned application dated 15 June 2018 with your good office.

As per Para I(A)(6)(b) of Annexure I of SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017, a report, in the prescribed format as per Annexure III of the Circular, showing status of complaints as on date is enclosed herewith as Annexure 1.

We request you to take above on record and oblige.

If you require any further information / clarifications, we would be happy to provide the same.

For, **Deep Industries Limited**


Rupesh Savia
Managing Director



Encl: As above



Registered Office:
12A & 14 Ashistree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad-380058
Gujarat, India. Tel # 02717 299510. +91 98256 00533 | Fax # 02717 299520
Email: info@deepindustries.com | Website: <http://www.deepindustries.com>
DIN : L63090G11991PLC014833



ANNEXURE I

Scheme of Arrangement among Deep Industries Limited and Deep CH4 Limited and their respective shareholders and creditors

COMPLAINTS REPORT
For the period from 12 July 2018 to 03 August 2018

Part A

Sr. No.	Particulars	Number
1.	Number of complaints received directly	Nil
2.	Number of complaints forwarded by Stock Exchange / SEBI	Nil
3.	Total Number of complaints/comments received (1+2)	Nil
4.	Number of complaints resolved	Not Applicable
5.	Number of complaints pending	Not Applicable

Part B

Sr. No.	Name of complainant	Date of complaint	Status (Resolved / Pending)
1.	Not Applicable	Not Applicable	Not Applicable





BOARD'S REPORT

To
The Members
Deep Industries Limited,
Ahmedabad

Your Directors have pleasure in presenting 28th Annual Report together with the audited financial statement of your Company for the Financial Year ended 31st March, 2018.

FINANCIAL RESULTS:

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013, read with Rule 7 of the (Companies Accounts) Rules, 2014.

The standalone and consolidated financial performance of the Company, for the Financial Year ended on 31st March, 2018 are summarized below:

Particulars	(` In Lakhs)			
	Standalone		Consolidated	
	2017-18	2016-17	2017-18	2016-17
Revenue from Operations	30049.25	27738.05	31267.54	27738.05
Other Income	668.71	928.79	698.32	929.40
Total Income	30717.96	28666.84	31965.86	28667.45
Less: Total Expenses	18989.42	17740.58	20097.06	17740.55
Profit Before Tax	11728.54	10926.26	11868.80	10926.90
Less: Tax Expenses	4126.48	3406.99	4124.00	3406.93
Profit/(Loss) for the Year	7602.06	7519.26	7744.80	7519.96
Other Comprehensive Income/ (Loss) for the year	4.83	(14.85)	4.82	(14.85)
Total Comprehensive Income/ (Loss) for the year	7606.89	7504.41	7745.42	7030.15
Earning per Equity Share (Basic and Diluted)	23.76	25.05	24.19	23.47

COMPANY PERFORMANCE (STANDALONE & CONSOLIDATED BASIS):

1. The Company's Standalone revenues from operations increased to ` 30049.25 Lakhs in the year 2017-18 from ` 27738.05 Lakhs in 2016-17 showing growth of 8.33 % compared to the previous year, while Consolidated revenues from operations increased to ` 31267.54 Lakhs in the year 2017-18 from ` 27738.05 Lakhs for the year 2016-17.
2. Company's Standalone net profit increased to ` 7602.06 Lakhs in the year 2017-18 from ` 7519.26 Lakhs in the year 2016-17 showing growth of 1.10 % as compared to previous year.

However, your Directors are expecting to achieve better results in time to come and to continue the position of market leader in coming years.

Subsidiary Performance:

Deep Industries Limited has five subsidiaries as follows as Deep Natural Resources Limited, Prabha Energy Private Limited, Deep Energy LLC, Deep Onshore Drilling Services Private Limited and Deep International DMCC.

- Deep Natural Resources Limited has earned total revenue of ` 8365.00 in the year 2017-18 as compared to revenue earned of ` 9643.00 in the year 2016-17. And it has earned total profit of ` 355.70 in the year 2017-18 as compared to total profit earned of ` 2852.00 in the year 2016-17.
- Prabha Energy Private Limited has earned total revenue of ` 29.48 Lakhs in the year 2017-18 as compared to revenue earned of ` 0.44 Lakhs in the year 2016-17. And it has earned total profit of ` 8.72 Lakhs in the year 2017-18 as compared to total profit earned of ` 0.16 Lakhs in the year 2016-17.
- Deep Onshore Drilling Private Limited has earned total revenue of ` 4732.00 in the year 2017-18 And it has earned total profit of ` 2547.00 in the year 2017-18
- Deep Energy LLC has loss of ` 0.008 Lakhs in the year 2017-18 as compared to loss of ` 0.5 Lakhs incurred in the year 2016-17.
- Deep Intenational DMCC has Profit of ` 136.45 Lakhs in the year 2017-18.



DIVIDEND:

Your Directors have recommended final dividend of ` 1.5/- (15%) per Equity Share each of ` 10/- for financial year ended on 31st March, 2018, the Proposal is subject to the approval of shareholders at the ensuing Annual General Meeting will be paid to (i) those Equity Shareholders whose name appear in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 18th September, 2018 (Record Date) and (ii) to those members whose particulars as beneficial owners are furnished for this purpose, by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited.

TRANSFER TO RESERVES:

The Board has not transferred the amount to General Reserves and an amount of ` 27,090.47 Lakhs is retained as surplus in the Statement of profit and Loss of Standalone financials.

FIXED DEPOSITS:

During the year under review, your Company has not accepted any fixed deposits within the meaning of Chapter V of the Companies Act, 2013.

SHARE CAPITAL:

The paid up Equity Share Capital as on March 31, 2018 was ` 32.00 Crore. During the period under review, the Company has not granted any stock options nor sweat equity. The Company has also not purchased of its own shares by employees or by trustees for the benefit of employees.

Your Company's equity shares are available for dematerialization through National Securities Depository Limited and Central Depository Services (India) Limited. As of March 31, 2018, 99.99% of the equity shares of your Company were held in demat form.

PARTICULARS OF LOANS, GURANTEES OR INVESTMETS:

During the year under review, the Company has not given any loan and provided any guarantee. The Company has made investment under the provisions of Section 186 of Companies Act, 2013. The said details are given in the notes to the Financial Statements.

EXTRACT OF ANNUAL RETURN:

The details forming part of the extract of the Annual Return in Form MGT- 9, as required under Section 92 of the Companies Act, 2013 is annexed to this Report as Annexure- A and forms integral part of this report.

SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANY:

Your Company has total 5 subsidiaries as on 31st March, 2018 as under

- 1) Prabha Energy Pvt. Ltd.
- 2) Deep Natural Resources Ltd.
- 3) Deep Energy LLC
- 4) Deep Onshore Drilling Services Pvt. Ltd.
- 5) Deep International DMCC

The annual financial statements and related detailed information of the subsidiary companies shall be made available to the shareholders of the holding and seeking such information on all working days during business hours. The financial statements of the subsidiary companies shall be kept for inspection by any shareholder/s during working hours at the Company's registered office and that of the respective subsidiary companies concerned. As provided under Section 129(3) of the Companies Act, 2013 and rules made thereunder a statement containing the salient features of the financial statement of its subsidiaries in AOC-1 format under the rules is attached to the financial statements .

SCHEME OF ARRANGEMENT:

The Board of Directors of the Company at its meeting held on 26 May, 2018 have, inter alia, considered and approved the draft Scheme of Arrangement in the nature of Demerger in accordance with the provisions of section 230 to 232 and other applicable provisions of the Companies Act, 2013 between Deep Industries Limited (Demerged Company) and Deep CH4 Limited (Resulting Company) and their respective shareholders and creditors.

The Scheme of Arrangement provides for transfer and vesting of Oil and Gas Services Undertaking from the Demerged Company into the Resulting Company. The Oil and Gas Exploration and Production business shall continue to be carried on by the Demerged Company.



Pursuant to the Scheme becoming effective, the Resulting Company shall issue shares to the shareholders of the Demerged Company and subsequently such shares shall be listed on Bombay Stock Exchange Limited ('BSE') and National Stock Exchange Limited ('NSE'). Pursuant to such issuance of shares by Resulting Company, the shareholders of the Demerged Company shall become shareholders in Resulting Company in the same ratio (inter se) as they hold shares in the Demerged Company.

The Scheme as aforesaid is subject to necessary approvals by the Stock Exchanges, Securities and Exchange Board of India, shareholders and creditors of the companies, Ahmedabad Bench of the National Company Law Tribunal and such other statutory and regulatory approvals as may be required.

DIRECTORS:

Appointment:

During the year under review, there was no appointment and resignation of any directors. However, Mr. Prem Singh Mangatsingh Sawhney, Mr. Dharen Shantilal Savla, Mr. Sanjay Harkishandas Parekh has been resigned from the post of Directorship and Mr. Hemendrakumar Chamanlal Shah has been appointed as an Additional Independent Director with effect from 26.06.2018.

Directors Retire by Rotation:

In accordance with the provisions of section 152[6] of the Act and in terms of the Articles of Association of the Company, Mr. Rupesh Kantilal Savla (DIN:00126303), Managing Director will retire by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment. The Board recommends his re-appointment.

Independent Directors:

The terms and conditions of appointment of Independent Directors are in accordance with the applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and also as per the provisions of the Companies Act, 2013 ("Act") read with Schedule IV to the Act.

Your Company has received annual declarations from all the Independent Directors of the Company under sub - section (7) of section 149 confirming that they meet with the criteria of Independence as provided in Section 149(6) of the Companies Act, 2013.



Manner of evaluation of board, its committees and individual directors

The evaluation of Board, its Committees and Individual Directors was carried out as per the process and criteria laid down by the Board of Directors based on the recommendation of the Nomination and Remuneration Committee.

The obtaining and consolidation of feedback from all Directors for the evaluation of the Board and its Committees, Individual Directors (i.e. Independent and Non Independent Directors), were co-ordinated by the Chairman of the Board and the feedback received was discussed in the meeting in case of evaluation of the Board and Committee and was discussed with Individual Directors in case of their evaluation.

The evaluation of Chairperson was co-ordinated by the Chairman of the Independent Directors meeting.

DETAILS OF MEETINGS OF THE BOARD AND ITS COMMITTEES:

The details of the number of meeting of Board of Directors and its Committees, held during the financial year indicating the number of meetings attended by each directors are given in the Corporate Governance Report which forms a part of this report.

COMPOSITION OF AUDIT COMMITTEE:

The board has constituted audit committee which comprise two non-executive Independent Directors namely Mr. Kirit Joshi (Chairman), Mr. Arun Mandke (Member) and One Executive Non- Independent Director, Mr. Paras Savla(Member). More details are given under Corporate Governance Report.

DIRECTOR'S RESPONSIBILITY STATEMENT:

In terms of section 134[3][c] of the Companies Act, 2013, in relation to the financial statements of the Company for the year ended 31st March, 2018, the board of Directors state that :

- (a) in preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any,
- (b) such accounting policies have been selected and applied consistently and judgments and estimates made that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31, 2018 and of the profit of the Company for the year ended on that date,
- (c) proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for prevention and detection of fraud and other irregularities,
- (d) the annual financial statements have been prepared on going concern basis,
- (e) proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and
- (f) the systems to ensure compliance with the provisions of all applicable laws were in place and were adequate and operating effectively.

INTERNAL FINANCIAL CONTROL SYSTEM AND THIER ADEQUACY:

The details in respect of internal financial control and their adequacy are included in the Management and Discussion & Analysis, which forms part of this report.

RISK MANAGEMENT:

The Company manages, and monitors on the principal risks and uncertainties that can impact its ability to achieve its objectives. Pursuant to section 134 (3) (n) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, The Company has framed Risk Management Policy. At present the company has not identified any element of risk which may threaten the existence of the company.

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks. The Company has formally framed a Risk Management Policy to identify and assess the key risk areas, monitor and report compliance and effectiveness of the policy and procedure.

Discussion on risks and concerns are covered in the Management Discussion and Analysis Report, which forms part of this Annual Report.

CORPORATE SOCIAL RESPONSIBILITY(CSR):

The Company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a CSR Policy. The brief details of CSR Committees are provided in the Corporate Governance Report. The Annual Report on CSR activities is provided in Annexure-B.



DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company is committed to creating a healthy & conducive working environment that enables women employees to work without fear of prejudice, gender and sexual harassment and/or any such orientation in implicit or explicit form. The Company considers sexual harassment as a gross misconduct. Pursuant to the provisions of "The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed there under, the Company has adopted a "Policy on Protection of Women against Sexual Harassment at Work Place". Through this Policy, the Company seek to provide protection to its women employees against sexual harassment at work place and thereby provide mechanism for redressal of complaints relating to matters connected therewith or incidental thereto.

The following is a summary of sexual harassment complaints received and disposed off during the year.

- No. of complaints received. - NIL
- No. of complaints disposed off – Not Applicable

INDUSTRIAL RELATIONS:

The Company is committed to nurturing, enhancing and retaining top talent through superior Learning and Organizational Management.

During the year under review, your Company enjoyed cordial relationship with workers and employees at all levels.

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Separate reports on Corporate Governance compliance along with the required Certificate from Practicing Company Secretary of the Company regarding compliance of the conditions of Corporate Governance and Management Discussion and Analysis as stipulated by SEBI (Listing Obligation & Disclosures Requirement) Regulations, 2015 forms part of this Annual Report.

PROHIBITION OF INSIDER TRADING

The Company has adopted a Code of Conduct for Prohibition of Insider Trading with a view to regulate trading in securities by the Directors and designated employees of the Company. The Code requires preclearance for dealing in the Company's shares and prohibits the purchase or sale of Company shares by the Directors and the designated employees while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed. The Company has formulated the Code of Practices and Procedures for Fair Disclosure in terms of the requirements of SEBI (Prohibition of Insider Trading) Regulations, 2015. The Board is responsible for implementation of the Code. The Policy is available on our website. www.deepindustries.com.

RELATED PARTY TRANSACTIONS:

All contracts/arrangement/transactions entered into by the Company during the Financial Year with related parties were on an arm's length basis and were in the ordinary course of business and were placed before the audit committee for their approval, wherever applicable. Your Company had not entered into any transactions with related parties which could be considered material in terms of Section 188 of the Companies Act, 2013. Accordingly, the disclosure of related party transactions as required under Section 134(3) (h) of the Companies Act, 2013 in Form AOC- 2 is as attached in Annexure- C .

MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENT RELATE AND THE DATE OF THE REPORT:

There have been no material changes and commitments, affecting the financial position of the Company since the close of financial year i.e. since 31st March, 2018 Further, it is confirmed that there has been no change in the nature of business of the Company.

SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS OF THE COMPANY:

There are no significant and material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and the Company's future operations.

AUDITORS:

Statutory Auditors and their Report:

M/s Dhirubhai Shah & Co. LLP, Chartered Accountants, Ahmedabad [Firm Registration No. 102511W] were appointed as Statutory Auditors of your Company at the 26th Annual General Meeting held on September 22, 2016 for a term of five consecutive years from conclusion of 26th Annual General Meeting till the conclusion of Thirty First Annual General Meeting to be held in the year 2021.



The Company has received written consent letter along with certificate from Auditor under the provisions of the Companies Act, 2013, to the effect that their appointment, if made, would be within the prescribed limits and are not disqualified for appointment and further they are independent of management.

The Board has duly reviewed the Statutory Auditors' Report on the Accounts. The observations and comments, appearing in the Auditors' Report are self-explanatory and do not call for any further explanation / clarification by the Board of Directors as provided under section 134 of the Act.

Secretarial Auditors & Secretarial Audit Report:

Pursuant to provisions of section 204 of the Act and the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014, the Board has appointed M/s Shilpi Thapar & Associates, a firm of Company Secretaries in Whole-Time Practice to undertake the Secretarial Audit of the Company for the financial year 2017-18.

The Secretarial Audit Report for the Financial Year 2017-18 carried out by M/s Shilpi Thapar and Associates, (CP No.:6779, FCS: 5492), in the form "MR-3" is annexed herewith as Annexure - D . The Secretarial Audit Report does not contain any major qualification, reservations or adverse remarks which call for explanation.

Internal Auditors:

The board has Re-appointed M/s R.R Khandol & Co., Chartered Accountant (FRN: 0112488) as an Internal Auditors of the Company for F.Y 2018-19.

REPORTING OF FRAUDS BY AUDITORS:

During the year under review, the Statutory Auditors and the Secretarial Auditor have not reported any instances of frauds committed in the Company by its Officers or Employees to the Audit Committee under section 143(12) of the Companies Act, 2013.

WHISTLE BLOWER POLICY/ VIGIL MECHANISM:

The Company promotes ethical behavior in all its business activities and has established a vigil mechanism for its Directors, Employees and Stakeholders associated with the Company to report their genuine concerns. The Vigil Mechanism as envisaged in the Companies Act, 2013 and the Rules prescribed thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is implemented through the Whistle Blower Policy, to provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the Chairperson of the Audit Committee.

The Whistle Blower Policy has been appropriately communicated within the Company and has also been posted on the Website of the Company <http://www.deepindustries.com/Pages/Policies.aspx>.

LISTING OF SHARES:

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) with scrip code No. 532760 and on National Stock Exchange of India Limited (NSE) with scrip code of DEEPIND. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2018-19 have been paid.

INSURANCE:

All movable properties as owned by the Company continued to be adequately insured against risks.

PARTICULARS OF EMPLOYEES:

The information required under Section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are provided in the separate annexure forming part of this Report as Annexure- E.

There was no employee drawing salary as prescribed under Section 197 of the Companies Act, 2013 read with rule 5(2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

HUMAN RESOURCES:

The well disciplined workforce which has served the Company lies at the very foundation of the Company's major achievements and shall well continue for the years to come. The success of the Company and good track record are largely attributable to the remarkable commitment, dedication and hard work of the employees. The Company has strongly embedded core values and all employees are trained and encouraged to use these values in their daily operations and the bases for making decisions. The management has always carried out systematic appraisal of performance and imparted training at periodic intervals. The Company has always recognized talent and has judiciously followed the principle of rewarding performance. This has helped to ensure all employees are aligned and focused on key objectives and key performance indicators critical for the Company's performance. Remuneration and performance are strongly linked together through bonus schemes and increments.



CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNING AND OUTGO:

The information to be disclosed under Section 134 (3) (m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014, are set out in Annexure- F to this Report.

AKNOWLEDGEMENTS:

Your Directors wish to place on record their deep sense of appreciation for the commitment displayed by all the employees of the Company resulting in successful performance during the year under review.

Our Directors also take this opportunity to place on record the co-operation, assistance and continued support extended by the Banks, Government Authorities, Vendors and Shareholders during the year under review.

ANNEXURE A TO THE BOARD'S REPORT

Form No.MGT -9

EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2018

[Pursuant to section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	L63090GJ1991PLC014833
ii.	Registration Date	01/01/1991
iii.	Name of the Company	Deep Industries Limited
iv.	Category/Sub-Category of the Company	Company Limited by Shares/Indian Non Govt. Company
v.	Address of the Registered office and contact details	12A & 14, Abhishree Corporate park, Ambli Bopal Road, Ambli, Ahmedabad - 380058 Contact Details: Tel (02717) 298510. E-mail- info@deepindustries.com
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	Link Intime India Pvt. Ltd. 506-508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near ST Xavier's College Corner Off C G Road , Ellisbridge, Ahmedabad 380006. Tel No : +91 79 26465179 /86 / 87 Email: ahmedabad@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turn over of the company shall be stated:-

Sr. No.	Name and Description of main products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Support activities for petroleum and natural gas mining	0910	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of Shares held	Applicable Section
1.	Deep Natural Resources Limited	U11200GJ2009PLC057871	Subsidiary	70%	Section 2(87)
2.	Prabha Energy Private Limited	U40102GJ2009PTC057716	Subsidiary	78.45%	Section 2(87)
3.	Deep Energy LLC	N.A.	Subsidiary	90%	Section 2(87)
4.	Deep Onshore Drilling Services Private Limited	U11200GJ2016PTC092985	Subsidiary	99%	Section 2(87)
5.	Deep International DMCC	N.A.	Subsidiary	100%	Section 2(87)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-Wise Share Holding

Category of Shareholders	No. of Shares at the beginning of the year 31/03/2017				No. of Shares at the end of the year 31/03/2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Shareholding of									
Promoter & Promoter Group									
1) Indian									
a) Individual/HUF	19172990	194	19173184	59.9162	5443465	0	5443465	17.0108	-42.9054
b) Central Govt/ State Govt(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Financial Institutions/Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Any Other (Specify)									
Bodies Corporate	1291351	0	1291351	4.0355	1228000	0	1228000	3.8375	-0.1980
Trust	0	0	0	0.0000	13645382	0	13645382	42.6418	-42.6418
Sub-total(A)(1):-	20464341	194	20464535	63.9517	20316847	0	20316847	63.4901	-0.4616

2) Foreign										
a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(b) Government	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(c) Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(d) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(e) Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000	
Sub-total(A)(2):-	0	0	0	0.0000	0	0	0	0.0000	0.0000	
Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	20464341	194	20464535	63.9517	20316847	0	20316847	63.4901	-0.4616	
B. Public Shareholding										
1. Institutions										
a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(b) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(c) Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(d) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(e) Foreign Portfolio Investor	2550348	0	2550348	7.9698	1918742	0	1918742	5.9961	-1.9737	
(f) Financial Institutions / Banks	67205	0	67205	0.2100	20853	0	20853	0.0652	-0.1448	
(g) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(h) Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(i) Any Other (Specify)	0	0	0	0	0	0	0	0	0	
Sub-total (B)(1)	2617553	0	2617553	8.1799	1939595	0	1939595	6.0612	-2.1187	
[2] Central Government/ State Government(s)/ President of India	0	0	0	0.0000	1751	0	1751	0.0055	0.0055	
Sub Total (B)(2)	0	0	0	0.0000	1751	0	1751	0.0055	0.0055	
3. Non Institutions										
a) Individuals										
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	3666374	361	3666735	11.4585	4649446	261	4649707	14.5303	3.0718	
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2234300	0	2234300	6.9822	2054691	0	2054691	6.4209	-0.5613	
(b) NBFCs registered with RBI	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(c) Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000	
(e) Any Other (Specify)										
Foreign Nationals	0	0	0	0.0000	26	0	26	0.0001	0.0001	
Hindu Undivided Family	322083	0	322083	1.0065	399574	0	399574	1.2487	0.2422	
NRI (Non Repat)	78496	0	78496	0.2453	74163	0	74163	0.2318	-0.0135	
NRI (Repat)	399156	0	399156	1.2474	311760	0	311760	0.9743	-0.2731	
Foreign Portfolio Investor (Individual)	3550	0	3550	0.0111	0	0	0	0.0000	-0.0111	
Clearing Member	147460	0	147460	0.4608	198666	0	198666	0.6208	0.1600	
Bodies Corporate	2066132	0	2066132	6.4567	2053220	0	2053220	6.4163	-0.0404	
Sub Total (B)(3)	8917551	361	8917912	27.8685	9741546	261	9741807	30.4431	-2.5746	
Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	11535104	361	11535465	36.0483	11682892	261	11683153	36.5099	0.4616	
Total (A)+(B)	31999445	555	32000000	100.0000	31999739	261	32000000	100.0000	0.0000	
(C) Non Promoter - Non Public										
[1] Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000	
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000	
Total (A)+(B)+(C)	31999445	555	32000000	100.0000	31999739	261	32000000	100.0000	0.0000	

ii. Shareholding of Promoter

Sr. No.	Shareholder's Name	Shareholders at the beginning of the year - 2017			Shareholding at the end of the year - 2018			% Change in shareholding during the year
		No. of Shares held	% of total Share of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares held	% of total Share of the company	% of Shares Pledged/ encumbered to total shares	
1.	RUPESH KANTILAL SAVLA	2516842	7.8651	0.0000	100	0.0003	0.0000	-7.8648
2	SHITAL RUPESH SAVLA	6015098	18.7972	0.0000	100	0.0003	0.0000	-18.7969
3	ADINATH EXIM RESOURCES LTD	1228000	3.8375	0.0000	1228000	3.8375	0.0000	0.0000
4	KANTILAL VELJI SAVLA- HUF	967820	3.0244	0.0000	0	0.0000	0.0000	-3.0244
5	PRABHABEN KANTILAL SAVLA	611561	1.9111	0.0000	100	0.0003	0.0000	-1.9108
6	DHAREN SHANTILAL SAVLA	3164048	9.8877	0.0000	2058822	6.4338	0.0000	-3.4539
7	PARAS SHANTILAL SAVLA	400580	1.2518	0.0000	100	0.0003	0.0000	-1.2515
8	SHANTILAL SAVLA FAMILY TRUST (MANOJ SHANTILAL SAVLA BENIFICIARY)	390000	1.2188	0.0000	3568474	11.1515	0.0000	9.9327
9	MITA MANOJ SAVLA	1633792	5.1056	0.0000	1331021	4.1594	0.0000	0.9462
10	PRITI PARAS SAVLA	2346298	7.3322	0.0000	2052625	6.4145	0.0000	-0.9177
11	AVANI DHAREN SAVLA	277046	0.8658	0.0000	100	0.0003	0.0000	-0.8655
12	MANOJ SHANTILAL SAVLA	241199	0.7537	0.0000	100	0.0003	0.0000	-0.7534
13	SHAIL M SAVLA	175000	0.5469	0.0000	100	0.0003	0.0000	-0.5466
14	SHANTILAL MURJIBHAI SAVLA	88755	0.2774	0.0000	100	0.0003	0.0000	-0.2771
15	MANOJ SHANTILAL SAVLA- HUF	118688	0.3709	0.0000	0	0.0000	0.0000	-0.3709
16	SHANTILAL MURJIBHAI SAVLA- HUF	117286	0.3665	0.0000	0	0.0000	0.0000	-0.3665
17	KANVEL SHARE BROKERS PVT LTD	63351	0.1980	0.0000	0	0.0000	0.0000	-0.1980
18	PRABHABEN SHANTILAL SAVLA	58880	0.1840	0.0000	100	0.0003	0.0000	-0.1837
19	AARAV SAVLA	97	0.0003	0.0000	97	0.0003	0.0000	0.0000
20	RUPESH SAVLA HUF	97	0.0003	0.0000	0	0.0000	0.0000	-0.0003
21	RUPESH SAVLA FAMILY TRUST	0	0.0000	0.0000	10076908	31.4903	0.0000	31.4903
	Total	20464535	63.9518	0.0000	20316847	63.4901	0.0000	28.0397

Note: * Changes occurs due to Inter-se transfer of Shares among promoter Groups on 26th September, 2017 & 27th September, 2017.

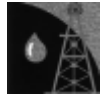
iii. Change in Promoters' Shareholding (please specify, if there is no change)

Sr.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
1	RUPESH SAVLA FAMILY TRUST	0	0.0000			0	0.0000
	Transfer			26 Sep 2017	6335630	6335630	19.7988
	Transfer			27 Sep 2017	63351	6398981	19.9968
	By way of Gift			27 Sep 2017	3677927	10076908	31.4903
	AT THE END OF THE YEAR					10076908	31.4903
2	SHANTILAL SAVLA FAMILY TRUST (MANOJ SHANTILAL SAVLA BENIFICIARY)	390000	1.2188			390000	1.2188
	Transfer			26 Sep 2017	3178474	3568474	11.1515
	AT THE END OF THE YEAR					3568474	11.1515
3	DHAREN SHANTILAL SAVLA	3164048	9.8877			3164048	9.8877
	Transfer			26 Sep 2017	(1105226)	2058822	6.4338
	AT THE END OF THE YEAR					2058822	6.4338

4	PRITI PARAS SAVLA	2346298	7.3322			2346298	7.3322
	Transfer			26 Sep 2017	(293673)	2052625	6.4145
	AT THE END OF THE YEAR					2052625	6.4145
5	MITA MANOJ SAVLA	1633792	5.1056			1633792	5.1056
	Transfer			26 Sep 2017	(302771)	1331021	4.1594
	AT THE END OF THE YEAR					1331021	4.1594
6	ADINATH EXIM RESOURCES LTD	1228000	3.8375			1228000	3.8375
	AT THE END OF THE YEAR					1228000	3.8375
7	PRABHABEN SHANTILAL SAVLA	58880	0.1840			58880	0.1840
	Transfer			26 Sep 2017	(58780)	100	0.0003
	AT THE END OF THE YEAR					100	0.0003
8	SHANTILAL MURJIBHAI SAVLA	88755	0.2774			88755	0.2774
	Transfer			26 Sep 2017	(88655)	100	0.0003
	AT THE END OF THE YEAR					100	0.0003
9	SHITAL RUPESH SAVLA	6015098	18.7972			6015098	18.7972
	Transfer			23 Jun 2017	(97560)	5917538	18.4923
	Transfer			07 Jul 2017	(1)	5917537	18.4923
	Transfer			26 Sep 2017	(2337071)	3580466	11.1889
	By way of Gift			27 Sep 2017	(3580366)	100	0.0003
	AT THE END OF THE YEAR					100	0.0003
10	AVANI DHAREN SAVLA	277046	0.8658			277046	0.8658
	Transfer			26 Sep 2017	(276946)	100	0.0003
	AT THE END OF THE YEAR					100	0.0003
11	PARAS SHANTILAL SAVLA	400580	1.2518			400580	1.2518
	Transfer			26 Sep 2017	(400450)	130	0.0004
	Transfer			27 Sep 2017	(30)	100	0.0003
	AT THE END OF THE YEAR					100	0.0003
12	MANOJ SHANTILAL SAVLA	241199	0.7537			241199	0.7537
	Transfer			26 Sep 2017	(241099)	100	0.0003
	AT THE END OF THE YEAR					100	0.0003
13	RUPESH KANTILAL SAVLA	2516842	7.8651			2516842	7.8651
	Transfer			26 Sep 2017	(2516742)	100	0.0003
	AT THE END OF THE YEAR					100	0.0003
14	PRABHABEN KANTILAL SAVLA	611561	1.9111			611561	1.9111
	Transfer			26 Sep 2017	(513900)	97661	0.3051
	By way of Gift			27 Sep 2017	(97561)	100	0.0003
	AT THE END OF THE YEAR					100	0.0003
15	SHAIL M SAVLA	175000	0.5469			175000	0.5469
	Transfer			26 Sep 2017	(174900)	100	0.0003
	AT THE END OF THE YEAR					100	0.0003
16	AARAV RUPESH SAVLA	97	0.0003			97	0.0003
	AT THE END OF THE YEAR					97	0.0003
17	KANTILAL VELJI SAVLA HUF	967820	3.0244			967820	3.0244
	Transfer			26 Sep 2017	(967820)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
18	MANOJ SHANTILAL SAVLA HUF	118688	0.3709			118688	0.3709
	Transfer			26 Sep 2017	(118688)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
19	SHANTILAL MURJIBHAI SAVLA HUF	117286	0.3665			117286	0.3665
	Transfer			26 Sep 2017	(117286)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
20	KANVEL SHARE BROKERS PVT LTD	63351	0.1980			63351	0.1980
	Transfer			27 Sep 2017	(63351)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
21	RUPESH SAVLA HUF	97	0.0003			97	0.0003
	Transfer			26 Sep 2017	(97)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

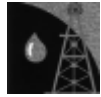
iv Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of shares held	& of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	& of total Shares of the Company
1	R L TRADECOM PRIVATE LIMITED	1279213	3.9975			1279213	3.9975
	AT THE END OF THE YEAR					1279213	3.9975
2	OLD MUTUAL GLOBAL INVESTORS SERIES PUBLIC LIMITED COMPANY	632282	1.9759			632282	1.9759
	Transfer			26 May 2017	203333	835615	2.6113
	Transfer			09 Jun 2017	(6190)	829425	2.5920
	Transfer			06 Oct 2017	(14721)	814704	2.5460
	Transfer			27 Oct 2017	(20525)	794179	2.4818
	Transfer			22 Dec 2017	(13000)	781179	2.4412
	Transfer			29 Dec 2017	(53000)	728179	2.2756
	Transfer			05 Jan 2018	(12000)	716179	2.2381
	Transfer			23 Feb 2018	(4376)	711803	2.2244
	Transfer			02 Mar 2018	(4266)	707537	2.2111
	Transfer			09 Mar 2018	(1296)	706241	2.2070
	AT THE END OF THE YEAR					706241	2.2070
3	HESHIKA GROWTH FUND	409263	1.2789			409263	1.2789
	Transfer			21 Apr 2017	(25000)	384263	1.2008
	AT THE END OF THE YEAR					384263	1.2008
4	RAKESH RAJKRISHAN AGGARWAL	372000	1.1625			372000	1.1625
	AT THE END OF THE YEAR					372000	1.1625
5	RAJULDEVI G CHOWDHARY	0	0.0000			0	0.0000
	Transfer			22 Sep 2017	244949	244949	0.7655
	AT THE END OF THE YEAR					244949	0.7655
6	AUCTOR INVESTMENTS LIMITED	259250	0.8102			259250	0.8102
	Transfer			21 Apr 2017	(25000)	234250	0.7320
	AT THE END OF THE YEAR					234250	0.7320
7	PLUTUS TERRA INDIA FUND	418588	1.3081			418588	1.3081
	Transfer			21 Apr 2017	(65000)	353588	1.1050
	Transfer			28 Apr 2017	(62275)	291313	0.9104
	Transfer			19 May 2017	(100000)	191313	0.5979
	Transfer			28 Jul 2017	8000	199313	0.6229
	Transfer			05 Jan 2018	(8000)	191313	0.5979
	Transfer			16 Mar 2018	20000	211313	0.6604
	AT THE END OF THE YEAR					211313	0.6604
8	JIGNESH P SHAH	273844	0.8558			273844	0.8558
	Transfer			29 Dec 2017	(40000)	233844	0.7308
	Transfer			12 Jan 2018	(35000)	198844	0.6214
	AT THE END OF THE YEAR					198844	0.6214
9	KUNAL RAKESH AGGARWAL	150000	0.4688			150000	0.4688
	Transfer			03 Nov 2017	(100000)	50000	0.1563
	Transfer			26 Jan 2018	100000	150000	0.4688
	AT THE END OF THE YEAR					150000	0.4688
10	RITA KEVAL SHAH	50000	0.1563			50000	0.1563
	Transfer			07 Apr 2017	97561	147561	0.4611
	AT THE END OF THE YEAR					147561	0.4611
11	ANTARA INDIA EVERGREEN FUND LTD	259250	0.8102			259250	0.8102
	Transfer			21 Apr 2017	(50000)	209250	0.6539
	Transfer			28 Apr 2017	(25000)	184250	0.5758



DEEP INDUSTRIES LIMITED

	Transfer			05 May 2017	(25000)	159250	0.4977
	Transfer			19 May 2017	(88000)	71250	0.2227
	Transfer			04 Aug 2017	30000	101250	0.3164
	AT THE END OF THE YEAR						
12	NOMURA SINGAPORE LIMITED	434361	1.3574			434361	1.3574
	Transfer			07 Apr 2017	(75000)	359361	1.1230
	Transfer			21 Apr 2017	(159361)	200000	0.6250
	Transfer			12 May 2017	(59055)	140945	0.4405
	Transfer			19 May 2017	(17757)	123188	0.3850
	Transfer			16 Jun 2017	50000	173188	0.5412
	Transfer			30 Jun 2017	50000	223188	0.6975
	Transfer			21 Jul 2017	(66792)	156396	0.4887
	Transfer			04 Aug 2017	50000	206396	0.6450
	Transfer			12 Jan 2018	(106396)	100000	0.3125
	AT THE END OF THE YEAR						
13	JM FINANCIAL SERVICES LIMITED	9125680	28.5178			9125680	28.5178
	Transfer			07 Apr 2017	(9026708)	98972	0.3093
	Transfer			14 Apr 2017	1752	100724	0.3148
	Transfer			21 Apr 2017	662	101386	0.3168
	Transfer			28 Apr 2017	(1962)	99424	0.3107
	Transfer			05 May 2017	1005	100429	0.3138
	Transfer			12 May 2017	(837)	99592	0.3112
	Transfer			19 May 2017	546	100138	0.3129
	Transfer			26 May 2017	(2439)	97699	0.3053
	Transfer			02 Jun 2017	(75)	97624	0.3051
	Transfer			09 Jun 2017	1216	98840	0.3089
	Transfer			16 Jun 2017	389	99229	0.3101
	Transfer			23 Jun 2017	(99040)	189	0.0006
	Transfer			30 Jun 2017	377	566	0.0018
	Transfer			07 Jul 2017	1569	2135	0.0067
	Transfer			14 Jul 2017	(2049)	86	0.0003
	Transfer			21 Jul 2017	64	150	0.0005
	Transfer			28 Jul 2017	135	285	0.0009
	Transfer			04 Aug 2017	149758	150043	0.4689
	Transfer			11 Aug 2017	(145785)	4258	0.0133
	Transfer			18 Aug 2017	(1240)	3018	0.0094
	Transfer			25 Aug 2017	(2454)	564	0.0018
	Transfer			01 Sep 2017	8218	8782	0.0274
	Transfer			08 Sep 2017	12558	21340	0.0667
	Transfer			15 Sep 2017	(18997)	2343	0.0073
	Transfer			22 Sep 2017	555	2898	0.0091
	Transfer			29 Sep 2017	63447	66345	0.2073
	Transfer			06 Oct 2017	(62435)	3910	0.0122
	Transfer			13 Oct 2017	73657	77567	0.2424
	Transfer			20 Oct 2017	(66812)	10755	0.0336
	Transfer			27 Oct 2017	4969	15724	0.0491
	Transfer			03 Nov 2017	(4106)	11618	0.0363
	Transfer			10 Nov 2017	849	12467	0.0390
	Transfer			17 Nov 2017	(3164)	9303	0.0291
	Transfer			24 Nov 2017	(142)	9161	0.0286
	Transfer			01 Dec 2017	(7217)	1944	0.0061
	Transfer			08 Dec 2017	(891)	1053	0.0033
	Transfer			15 Dec 2017	(231)	822	0.0026
	Transfer			22 Dec 2017	655	1477	0.0046
	Transfer			29 Dec 2017	1814	3291	0.0103
	Transfer			30 Dec 2017	(1000)	2291	0.0072



DEEP INDUSTRIES LIMITED

Transfer			05 Jan 2018	(471)	1820	0.0057
Transfer			12 Jan 2018	10593	12413	0.0388
Transfer			19 Jan 2018	(8222)	4191	0.0131
Transfer			26 Jan 2018	(3488)	703	0.0022
Transfer			02 Feb 2018	277	980	0.0031
Transfer			09 Feb 2018	239	1219	0.0038
Transfer			16 Feb 2018	(712)	507	0.0016
Transfer			23 Feb 2018	625	1132	0.0035
Transfer			02 Mar 2018	220	1352	0.0042
Transfer			09 Mar 2018	706	2058	0.0064
Transfer			16 Mar 2018	1218	3276	0.0102
Transfer			23 Mar 2018	(2502)	774	0.0024
Transfer			31 Mar 2018	631	1405	0.0044
AT THE END OF THE YEAR					1405	0.0044

v Shareholding of Directors & Key Managerial Personnel:

Sr.	Name & Type of Transaction	Shareholding at the beginning of the year - 2017		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of shares held	& of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	& of total Shares of the Company
1	PARAS SHANTILAL SAVLA	400580	1.2518			400580	1.2518
	Transfer			26 Sep 2017	(400450)	130	0.0004
	Transfer			27 Sep 2017	(30)	100	0.0003
	AT THE END OF THE YEAR					100	0.0003
2	RUPESH KANTILAL SAVLA	2516842	7.8651			2516842	7.8651
	Transfer			26 Sep 2017	(2516742)	100	0.0003
	AT THE END OF THE YEAR					100	0.0003
3	DHAREN SHANTILAL SAVLA	3164048	9.8877			3164048	9.8877
	Transfer			26 Sep 2017	(1105226)	2058822	6.4338
	AT THE END OF THE YEAR					2058822	6.4338
4	SANJAY HARKISHANDAS PAREKH	1350	0.0042			1350	0.0042
	Transfer			21 April 2017	2000	3350	0.0104
	Transfer			29 Sep 2017	1000	4350	0.0136
	AT THE END OF THE YEAR					4350	0.0136

V. INDEBTEDNESS

(` in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	25364.12	NIL	N.A	25364.12
ii) Interest due but not paid	16.00			16.00
iii) Interest accrued but not due				
Total (i+ii+iii)	25380.12	NIL	N.A	25380.12
Change in Indebtedness during the financial year				
- Addition	11849.09	NIL	N.A	11849.09
- Reduction	15474.39	NIL	N.A	15474.39
Net Change	3625.30	NIL	N.A	3625.30
Indebtedness at the end of the financial year				
i) Principal Amount	21738.86	NIL	N.A	21738.86
ii) Interest due but not paid	15.96	NIL	N.A	15.96
iii) Interest accrued but not due				
Total (i+ii+iii)	21754.82	NIL	N.A	21754.82



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

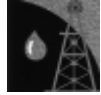
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(` in Crore)

Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Paras Savla Chairman & Managing Director	Mr. Rupesh Savla Managing Director	Mr. Dharen Savla Wholetime Director	
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	0.30	0.30	0.30	0.90
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	—	—	0.01	0.01
	c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	—	—	—	
2	Stock Option	—	—	—	
3	Sweat Equity	—	—	—	
4	Commission	—	—	—	
5	Others, please specify	—	—	—	
	Total (A)	0.31	0.30	0.31	0.91
	Ceiling as per the Act		10% Net Profit is ` 7.61 Crore		

B. Remuneration to other directors:

Particulars of Remuneration		Mr. Kirit Joshi	Mr. Arun Mandke	Mrs. Renuka Upadhyay	Mr. Sanjay Parekh	Total
1.	Independent Directors					
	a) Fee for attending board, committee meetings	20000	20000	30000	—	70000
	b) Commission	—	—	—	—	—
	c) Other, Please Specify	—	—	—	—	—
	Total (1)	20000	20000	30000	—	70000
2.	Other Non Executive Directors					
	a) Fee for attending board, committee meetings	—	—	—	—	—
	b) Commission	—	—	—	—	—
	c) Other, Please Specify	—	—	—	—	—
	Total (2)	—	—	—	—	—
	Total (1)+(2)					70000



C. Remuneration to Key Managerial Personnel Other Than MD /Manager/WTD (` In Lakhs)

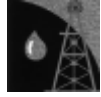
Sr. No.	Particulars of Remuneration	Mr. Rohan Shah (CFO)	Mr. Akshit Soni (CS)	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	14.16	4.36	18.52
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	
2.	Stock Option	—	—	
3.	Sweat Equity	—	—	
4.	Commission			
	- as % of profit			
	- others, specify...	—	—	
5.	Others, please specify	—	—	
6.	Total	14.16	4.36	18.52

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY Penalty Punishment Compounding					
B. DIRECTORS Penalty Punishment Compounding			NIL		
C. OTHER OFFICERS IN DEFAULT Penalty Punishment Compounding					

for and on behalf of the Board of Directors

Date : August 10, 2018
Place : AhmedabadPARAS SAVLA
Chairman & Managing Director
DIN:00145639



ANNEXURE B TO THE BOARD'S REPORT

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES AS PER SECTION 135 OF THE COMPANIES ACT, 2013.

1. Brief outline of the Company's CSR Policy, including overview of the projects or programmes proposed to be undertaken and a reference to a web-link to the CSR Policy and projects or programmes:-

DIL's CSR policy is aimed at demonstrating care for the community through its focus on education & skill development, eradicating hunger, health & wellness and environmental sustainability.

The Company has framed a CSR Policy in compliance with the provisions of section 135 of the Companies Act, 2013 and the same is placed on the website of the Company. Visit the web link <http://deepindustries.com/uploads/Corporate%20Social%20Responsibility%20Policy.pdf>

The Company has outlined the following thrust areas in the CSR Policy:

- i) Swasthya – Health, Safety and Environment,
- ii) Shiksha and Sodh – Education, Knowledge Enhancement and Research, and
- iii) Saath – Social care, concern and outreach in times of emergencies.

The Board of Directors, on the recommendation of CSR Committee, approved the CSR spending. CSR activities focus on community healthcare, medical & research, education and knowledge enhancement including allied activities, poverty, social care and concern including old age homes.

2. Composition of CSR Committee:

- Mr. Paras Savla – Chairman
- Mr. Rupesh Savla - Member
- Mr. Kirit Joshi – Member

3. Average Net profit of the Company for last three years:

₹ 60,15,54,299/-

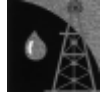
4. Prescribed CSR expenditure [2% of the amount as in item No. 3 above].

₹ 1,20,31,086/-

5. Details of CSR spend for the financial year:

- a) Total amount spent for the financial year: ₹ 1,20,38,174/-
- b) Amount unspent, if any: NIL
- c) Manner in which amount spent during financial year is detailed below.

Sr. No.	CSR Projects / Activities	Sector in which projects are covered	Location of the Projects / Programme	Amount Budgeted	Amount spent: on project	Cumulative expenditure upto the reporting period	Amount spent direct/ Implementing Agency
1.	Contribution towards Education	Education	Ahmedabad, Gujarat	1,65,000/-	1,65,000/-	1,65,000/-	Riverside Education Foundation
2	Contribution towards implementation of digital smart classroom for government schools.	Education	Ahmedabad, Gujarat	30,30,000/-	30,30,000/-	30,30,000/-	YUVA Unstoppable
3	Contribution towards implementation of digital smart classroom for government schools.	Education	Ahmedabad, Gujarat	17,39,506/-	17,39,506/-	17,39,506/-	YUVA Unstoppable
4	Contribution towards Education	Education	Ahmedabad, Gujarat	10,000/-	10,000/-	10,000/-	Riverside Education Foundation
5	Contribution towards Education	Development 360000 opportunity for Youth organized by Education	Ahmedabad, Gujarat	2,51,000/-	2,51,000/-	2,51,000/-	Shri Kutchhi Jain Sewa Samaj



Sr. No.	CSR Projects / Activities	Sector in which projects covered	Location of the Projects / Programme	Amount Budgeted	Amount spent: on project	Cumulative expenditure upto the reporting period	Amount spent direct/ Implementing Agency
6	Contribution towards Educational Projects	Education	Kutch, Gujarat	3,00,000/-	3,00,000/-	3,00,000/-	Shrimati Niranjana Pankaj Mehta Charitable Trust
7	Contribution towards Sports Activities	Sports	Ahmedabad, Gujarat	15,000/-	15,000/-	15,000/-	Synapse 2018
8	Donation for All Gujarat Sports Council	Sports	Ahmedabad, Gujarat	20,000/-	20,000/-	20,000/-	All Gujarat Sports Council of the Deaf
9	Contribution towards implementation of digital smart classroom for government schools.	Education	Ahmedabad, Gujarat	20,07,668/-	20,07,668/-	20,07,668/-	YUVA Unstoppable
10	Donation towards expenditure of yoga, Educational projects and allied activities	Education	Ahmedabad, Gujarat	20,00,000/-	20,00,000/-	20,00,000/-	Yog Sadhna Academy Trust, Ahmedabad
11	Donation towards expenditure of yoga, Educational projects and allied activities	Education	Ahmedabad, Gujarat	25,00,000/-	25,00,000/-	25,00,000/-	Yog Sadhna Academy Trust, Ahmedabad
			Total	1,20,38,174/-	1,20,38,174/-	1,20,38,174/-	

6. In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report:

Not Applicable.

7. Responsibility Statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company:

The implementation and monitoring of Corporate Social Responsibility [CSR] Policy, is in compliance with CSR objectives and policy of the Company.

Date : August 10, 2018
Place : Ahmedabad

Paras Savla
Chairman (CSR Committee)
DIN:00145639

Rupesh Savla
Managing Director
DIN:00126303

ANNEXURE-C

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:-

1.	Details of contracts or arrangements or transactions not at arm's length basis:	There were no contracts or arrangements or transactions entered into during the year ended March, 2018, which are not at arm's length basis.
2.	Details of material contracts or arrangement or transactions at arm's length basis:	
	A. Name(s) of the related party and nature of relationship:	NIL
	B. Nature of contracts/arrangements/transactions:	NIL
	C. Duration of the contracts / arrangements/transactions:	NIL
	D. Salient terms of the contracts or arrangements or transactions including the value, if any:	NIL
	E. Date(s) of approval by the Board, if any:	NIL
	F. Amount paid as advances, if any:	NIL

For and on behalf of the Board of Directors of

Date : August 10, 2018
Place: Ahmedabad

PARAS SAVLA
Chairman & Managing Director
Din : 00145639



ANNEXURE-D TO THE BOARD'S REPORT
Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
DEEP INDUSTRIES LIMITED
(CIN: L63090GJ1991PLC014833)
12A & 14, Abhishree Corporate Park,
Ambli Bopal Road, Ambli,
Ahmedabad- 380058.
Gujarat.

Dear Sir/Madam,

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good Corporate Governance practices by M/s. DEEP INDUSTRIES LIMITED (hereinafter called the 'Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed with Regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2018 (hereinafter referred to as 'Audit Period') ,generally complied with the statutory provisions listed hereunder and also the Company has proper board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined on test basis, the books, papers, minutes book, forms and returns filed and other records maintained by the company and produced before us for the financial year ended on 31st March,2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and The Companies Act, 1956 (to the extent applicable during our Audit Period) and the Rules made there under;
 - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
 - (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings to the extent the same was applicable to the company;
 - (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz. :-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (vi) The Company has not identified any other specific laws which are presently applicable to it.
- 2) We have also examined compliances with applicable clauses of the following:-
- (i) Secretarial Standards 1 and 2 issued by The Institute of Company Secretaries of India under provisions of The Companies Act, 2013 w.e.f.1st July, 2015 and
 - (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



Based on the above said information provided by the company, we report that during the financial year under report, the company has generally complied with the provisions, as applicable of the above mentioned Acts including the applicable provisions of the Companies Act,2013 and Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent mentioned below :-

- (i) In an instance, the company has published the specified information in newspapers subsequent to the submission of the same to Stock Exchanges.

We further report that compliance related e-forms was filed by the company with Ministry of Corporate Affairs (MCA) beyond the time limit prescribed under Companies Act,2013 by paying additional fees.

We further report that the compliance of applicable Labour laws and financial laws including Direct and Indirect Tax laws by the Company has not been reviewed in this Audit since the same has been subject to review by the Statutory Auditors and other designated professionals.

We further report that:

- a) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. There were no change in board composition during the year under review.
- b) Adequate notice is given to all directors to schedule the Board Meetings, agenda were sent in advance. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Based on the representation made by the company and its officers. Majority decision is carried through and that there were no dissenting member's views on any of the matter during the year that were required to be captured and recorded as part of the minutes. The minutes of the meetings are prepared in concise manner.
- c) Based on general review of compliance mechanisms established by the Company and on basis of management representations and compliances certificates issued by department heads, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. As informed, the company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

We further report that during the audit period there were following specific events/actions having a major bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc., -

- (i) Special Resolution was passed in terms of Section 62(1)(c) of the Companies Act , 2013 and other applicable laws in the Annual General Meeting of the Company held on 1st September, 2017 for creating , offering , issuing and allotting securities amounting upto Rs. 150 Crores. However, the Company has not allotted any securities in pursuance of the same till the date of issue of this report.

For Shilpi Thapar & Associates
Company Secretaries

CS Shilpi Thapar
Membership No. : 5492
COP No. : 6779

DATE: 20/08/2018
PLACE: Ahmedabad



To
The Members,
Deep Industries Limited
(CIN: L63090GJ1991PLC014833)
12A & 14, Abhishree Corporate Park,
Ambli Bopal Road, Ambli,
Ahmedabad- 380058.
Gujarat.

Our report of even date is to be read along with this letter:

MANAGEMENT RESPONSIBILITY:

- i. Maintenance of secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit;
- ii. We have followed the audit practices and the processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion;
- iii. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company, related party transactions figures and AS-18 disclosures of the Company provided to us or verified compliances of laws other than those mentioned above;
- iv. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis;
- v. We have obtained Management's representation about the compliance of laws, rules and regulations and happening of events, wherever required.
- vi. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Shilpi Thapar & Associates
Company Secretaries

CS Shilpi Thapar
Membership No. : 5492
COP No. : 6779

DATE: 20/08/2018
PLACE: Ahmedabad

ANNEXURE - E TO THE BOARD'S REPORT

Details pertaining to remuneration as required under Section 197(12) of the Companies Act, 2013 read with rule 5 of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary or Manager, if any during the financial year 2017-18, and ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2017-18

Sr. No	Name	Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in Remuneration in the FY2017-18
1.	Mr. Paras Savla	Chairman & MD	12.32	-
2.	Mr. Rupesh Savla	Managing Director	12.32	-
3.	Mr. Dharen Savla	Whole Time Director	12.73	-
4.	Mr. Preamsingh Sawhney	Non-Executive Director	-	-
5.	Mr. Kirit Joshi	Independent Director	0.08	-
6.	Mr. Arun Mandke	Independent Director	0.08	-
7.	Mr. Sanjay Parekh	Independent Director	-	-
8.	Mrs. Renuka Upadhyay	Independent Director	0.12	-
9.	Mr. Rohan Shah	Chief Financial Officer	Not Applicable	10.71%
10.	Mr. Akshit Soni	Company Secretary	Not Applicable	10.00%

Notes:

- a) The remuneration of Independent Directors includes only sitting fees paid to them for the financial year 2017-18.
- b) Median remuneration of the Company for all the employees is ` 2,43,516/- for the financial year 2017-18.
- (ii) The percentage increase in the median remuneration of employees in the financial year : 6.80%
- (iii) The number of permanent employees on the rolls of the Company: 414 as on 31st March, 2018
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year & its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The average annual increase in the salaries of the employees, other than managerial personnel was 6.48%, whereas there is no increase in Managerial Remuneration.
- (v) Affirmation that the remuneration is as per the Remuneration Policy of the Company:
- It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

For, and on behalf of Board of Director

Date : August 10, 2018
Place : Ahmedabad

PARAS SAVLA
Chairman & Managing Director
DIN: 00145639



ANNEXURE F TO THE BOARD'S REPORT

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO
[pursuant to section 134(1)(m) of the Companies Act, 2013 read with Rule 8 of the Companies [Accounts] Rules, 2014.]

A. CONSERVATION OF ENERGY :

(i) Steps taken for conservation of energy

Energy conservation continues to receive priority attention at all levels in the Company. All efforts are made to conserve and optimize use of energy by using natural gas as alternate fuel to run equipments, with continuous monitoring, improvement in maintenance systems and through improved operational techniques

(ii) Steps taken by the Company for utilizing alternate sources of energy

Company is using equipment running on Natural Gas in place of Diesel

(iii) The Capital investment on energy conservation equipments

B. TECHNOLOGY ABSORPTION:

(i) the efforts towards technology absorption

Updation of Technology is a continuous process, absorption implemented and adapted by the Company for innovation. Efforts are continuously made to adopt new products and technology required in the Oil and Gas Industry.

(ii) the benefit derived like product improvement, cost reduction, product development or import substitution

(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year;

(a) the details of technology imported

(b) the year of import

(c) whether the technology been fully absorbed

(d) if not fully absorbed, areas where absorption has not taken place and the reasons thereof

(iv) the expenditure incurred on Research and Development

C. FOREIGN EXCHANGE EARNING AND OUTGO:

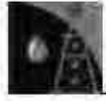
(` in Lakhs)

Particulars	2017-18	2016-17
Earnings	9072.46	6612.43
Outgo	2677.03	6378.82

For and on behalf of the Board of Directors

Date : August 10, 2018
Place : Ahmedabad

PARAS SAVLA
Chairman & Managing Director
DIN:00145639



Dhirubhai Shah & Co

CHARTERED ACCOUNTANTS

4th Floor, Aditya Building,
Near Sardar Patel Sevashalaya, Gandhinagar



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to

fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the audit. The auditor considers the company's preparation of the standalone Ind AS financial statements to give a true and fair view, but that does not guarantee that the standalone Ind AS financial statements are free from material misstatement. The auditor also includes in the audit the accounting policies used and the reasonableness of the accounting estimates made by the company's directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 to the standalone Ind AS financial statements.
- ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
- iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

For Dhirubhai Shah & Co
Chartered Accountants
Firm's Registration Number: 102511W

Harish B. Patel

Harish B. Patel
Partner
Membership number: D14427



Ahmedabad
26th May 2018



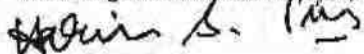
Annexure- A to the Independent Auditor's Report

The Annexure referred to in Independent Auditor's Report

Name of Statute	Nature of Dues	Amt (Rs. Lakhs)	Related Period	Forum where the dispute is pending
Finance Act, 1994	Service tax	96.36	F.Y. 2006-07 to 2011-2012	CESTAT, Ahmedabad
Finance Act, 1994	Service tax	101.88	F Y 2012-13 to 30.09.2014	CESTAT, Ahmedabad
Finance Act, 1994	Service tax	1.70	F Y 2009-10	CESTAT, Ahmedabad
Income Tax Act, 1961	Income-Tax	6.14	F Y 2013-14	CIT(A)

- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, banks, and government or debenture holders during the year.
- (ix) According to information and explanations given to us, the Company has not raised money by ways of initial public offer or further public offer (including debt instruments) during the year under audit. According to further information and explanations given to us, the term loans raised during the year were applied for the purpose for which those were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made preferential allotment of shares during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45 IA of the Reserve Bank of India Act 1934.

For Dhirubhai Shah & Co
Chartered Accountants
Firm's Registration Number: A02511W



Harish B Patel

Partner

Membership number: 014427

Ahmedabad

26th May 2018



Annexure - B to the Auditors' Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Deep Industries Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Dhirubhai Shah & Co
Chartered Accountants
Firm's Registration Number: 102511W



Harish B Patel
Partner
Membership number: 014427

Ahmedabad
26th May 2018





DEEP INDUSTRIES LIMITED



DEEP INDUSTRIES LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2018

	Note No.	2017-18 Rs. in Lakhs	2016-17 Rs. in Lakhs
INCOME			
Revenue from operations	29	30,049.25	27,738.05
Other income	30	668.71	528.79
TOTAL INCOME		30,717.96	28,666.84
EXPENSES			
Operating expense	31	9,077.36	8,149.72
Employee benefits expense	32	2,312.83	1,992.99
Finance Costs	33	1,157.24	2,228.03
Depreciation and amortisation expenses	4	3,878.30	3,351.89
Other expenses	34	2,563.75	1,717.94
TOTAL EXPENSES		18,989.42	17,740.58
Profit/(Loss) before exceptional items and tax		11,728.54	10,926.26
Exceptional items (net)		-	-
Profit/(Loss) before tax		11,728.54	10,926.26
Tax Items			
Current tax		3,490.16	2,437.51
Carry-over tax provisions (written back)		-16.34	-34.77
Deferred tax asset / (liability)		652.66	1,004.25
Total tax items		4,126.48	3,406.99
Profit/(Loss) for the year		7,602.06	7,519.26
Other Comprehensive Income			
Items that will not be re-classified to Profit or Loss	35		
Re-measurement gains/ (losses) on post-employment benefit plans		5.02	-15.07
Items that will be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on fair valuation of financial instruments		-0.20	1.17
Other Comprehensive Income/ (Loss) for the year		4.83	-14.85
Total Comprehensive Income/ (Loss) for the year		7,606.89	7,504.41
Earnings Per Equity Share (Basic and Diluted)	36	23.76	25.05

Corporate Information, Basis of Preparation & Significant Accounting Policies

13

The accompanying notes 1 to 46 are an integral part of the Standalone Financial Statements.

"As per our report of even date attached"

For DHIRUBHAI SHAH & CO
Chartered Accountants
Firm Registration Number: 102511W

Harish B. Patel

Harish B. Patel
Partner
Membership Number: D14427
Place: AHMEDABAD
Dated : 25/05/2018



ON BEHALF OF THE BOARD OF DIRECTORS

Paras Savla
Paras Savla
Chairman & Managing
Director
DIN : 00145639

Rupesh Savla
Rupesh Savla,
Managing Director
DIN : 00226309

Rohan Shah
ROHAN SHAH
(Chief Financial Officer)
Place: AHMEDABAD
Dated : 25/05/2018

Akshita Soni
AKSHITA SONI
Company Secretary

NOTES:

- 1) The above cash flow statement has been prepared as per the "Indirect method" set out in the Indian Accounting Standard (Ind AS) - 7 Statement of Cash Flows
- 2) Figures in bracket indicate cash outflow.
- 3) Previous year figures have been regrouped and recast wherever necessary to confirm to current year's classification.

Cash and cash equivalents at the end of the year consist of cash on hand, cheques, draft on hand and balance with banks as follows:

DETAIL OF CASH AND CASH EQUIVALENTS	As at 31-03-2018 Rs. In Lakhs	As at 31-03-2017 Rs. In Lakhs
Balances with banks:		
In current accounts	1,594.54	2,107.18
In deposits with original maturity of less than 3 months	1,278.37	459.90
In Fixed Deposit Accounts	120.71	1.02

DEEP INDUSTRIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2018

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2018

(Rs. In Lakhs)

Balance as at 1st April, 2017	Changes during the year	Balance as at 31st March, 2018
3,200.00	-	3,200.00

For the year ended 31st March, 2017

(Rs. In Lakhs)

Balance as at 1st April, 2016	Changes during the year	Balance as at 31st March, 2017
2,920.00	280.00	3,200.00



**DEEP INDUSTRIES LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018.**

1. CORPORATE INFORMATION

Deep Industries Limited (DIL) is a well diversified oil & gas company serving the industry since 1991 with business interests in Air and Gas compression, Gas Dehydration, Work over, Drilling and Oil & Gas Exploration and Production. DIL is the first company in India to provide high pressure Air and Gas compressors on charter hire basis. DIL is the largest Natural Gas Compression services provider in India and has also diversified into providing of work-over services to exploration and production (E&P) players through its fleet of rigs.

2. BASIS OF PREPARATION



DEEP INDUSTRIES LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018

Deferred tax assets and liabilities are classified as non-current assets and liabilities

2A USE OF ESTIMATES

estimates and judgments are continually evaluated. The factors, including expectations of future events, that may have a financial impact on the group are believed to be reasonable under the circumstances.

Table with multiple columns and rows, containing financial data and text. The content is heavily obscured by a dense pattern of black and white noise, making the specific figures and text illegible. The table structure appears to have several columns and multiple rows of data.



DEEP INDUSTRIES LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018

to the Act) of the cost of the assets is used for the purpose of calculating the depreciation charge. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. However, management reviews the residual values, useful lives and methods of depreciation of property, plant and equipment at each reporting period end and any revision to these is recognized prospectively in current and future periods.

Intangible Assets:

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated



DEEP INDUSTRIES LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018

3.3 Foreign Currency Transactions



DEEP INDUSTRIES LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018

Financial statements of a nature predominantly life of the financial instrument are shorter period where appropriate. In this respect, the expected life of the financial instrument is the period over which the asset or liability is expected to be realized or settled. When the expected life of the financial instrument is shorter than the period over which the asset or liability is expected to be realized or settled, the expected cash flows are discounted to the present value of the financial instrument at the end of the shorter period. The discount rate used is the rate that reflects the risk of the financial instrument.

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A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- The asset is held with objective of both - for collecting contractual cash flows and selling the financial assets
- The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to Statement of Profit and Loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss [FVTPL]:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

iv. Equity instruments measured at fair value through other comprehensive income [FVTOCI]:

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognized by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company has made such election on an instrument by- by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

c. Derecognition:

A financial asset is primarily derecognized when:

- i. The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either [a] the Company has transferred substantially all the risks and rewards of the asset, or [b] the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



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- ii. the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership.

d. Impairment of financial assets:

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- a. Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance
- b. Trade receivables or any contractual right to receive cash
- c. Financial assets that are debt instruments and are measured as at FVTOCI
- d. Lease receivables under Ind AS 17
- e. Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowed on Point c and d provided above. The application of simplified approach requires the Company to recognize the impairment loss allowance based on lifetime

ECLs at each reporting date, apart from its initial recognition. For recognition of

impairment loss on other financial assets and risk exposure, the Company

determines that whether there has been a significant increase in the credit risk since

initial recognition. If credit risk has not increased significantly, 12-month ECL is used

to provide for impairment loss. However, if credit risk has increased significantly

since initial recognition, ECL is used. If in a subsequent period, credit quality of the instrument

improves such that there is no longer a significant increase in credit risk

since initial recognition, then the Entity reverts to recognizing 12-month ECL allowance

on the instrument.



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- b. Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

B. Financial liabilities:

a. Initial recognition and measurement:

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and receivables, deposits or borrowings or

financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings and payables, for directly attributable transaction costs.

88. (b) (i) Exchange of 100



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Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

3.7 Inventories

Inventories of ₹

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Minimum Alternate Tax (MAT) paid in a year is charged in the statement of profit and loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e. the period for which MAT credit is allowed to be carried forward. In the year in which the Company recognizes MAT credit as an asset, the said asset is created by way of credit to the statement of profit and loss and shown as "MAT Credit Entitlement". The Company reviews the "MAT Credit Entitlement" asset at each reporting date and writes it down to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period and utilize the MAT Credit Entitlement.

3.10 Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

Borrowing costs which are not specifically attributable to the acquisition, installation of a qualifying asset, the amount of borrowing costs eligible for capitalization is determined by applying a weighted average capitalization rate. The weighted average rate is taken of the borrowing costs applicable to the outstanding borrowings of the company during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. The amount of borrowing costs capitalized cannot exceed the amount of borrowing costs incurred during that period.

3.11 Earnings per equity share

Basic earnings per share is calculated by dividing the net profit or loss from continuing operation and total profit, both attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

3.12 Provisions, Contingent Liabilities and Contingent Assets:

Provision is recognized when the Company has a present obligation (legal or constructive) as a result of past events and it is probable that the outflow of resources will be required to settle the obligation and in respect of which reliable estimates can be made.

A disclosure for contingent liability is made when there is a possible obligation, that may, but probably will not require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision/disclosure is made. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are not recognized in the financial statements. Provisions and contingencies are reviewed at each balance sheet date and adjusted to reflect the correct management estimates.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, using a current pre-tax rate that reflects, when appropriate, the risks specific to the



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liability. Commitments include the amount of purchase order (net of advances) issued to parties for completion of assets. Provisions, contingent liabilities, contingent assets and commitments are renewed at each balance sheet date.

3.13 Cash and Cash Equivalents

Cash and cash equivalent comprise cash on hand and demand deposits with banks which are short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

3.14 Leases

The determination of whether an arrangement is [or contains] a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

- Lease other than finance lease are operating lease and these leased assets are not recognized in the company's statement of financial position but are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Leases of premises (as per lease under which well risks are borne by the lessee)

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NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

4 - PROPERTY, PLANT AND EQUIPMENT

	TANGIBLE ASSETS										INTANGIBLE ASSETS		CAPITAL WORK IN PROGRESS
	Tankers	Vehicles	Air Compressor Packages	Gas Compressor Packages	Rigs	Computers	Shed, Foundation & Road	Office Equipment, Furniture and Fixtures	Other Plant and Machinery	Total	Softwares	Total	Capital Work-in progress
Cost:													
As at 1st April, 2016*	0.45	313.30	115.03	35,736.12	17,494.58	55.27	3,397.04	54.63	56.91	45,158.28	49.28	49.28	10,225.58
Additions	-	48.07	-	6,708.65	8,423.54	3.68	2,486.67	213.63	20.31	17,885.14	-	-	10,597.57
Disposals / transfers	-	20.62	-	-	-	0.01	-	-	-	70.69	-	-	2,880.94
As at 31st March, 2017	0.45	340.75	115.03	37,424.77	18,858.12	58.88	5,863.71	308.25	87.82	63,057.79	49.28	49.28	4,542.41
Additions	-	64.48	-	2,972.51	111.00	7.85	59.31	-	4.25	3,219.42	4.15	4.15	4.18
Disposals / transfers	-	1.53	65.12	340.30	19.55	-	-	-	-	426.80	-	-	1,228.56
As at 31st March, 2018	0.45	403.71	49.61	40,056.98	18,949.58	66.73	5,923.02	308.25	92.07	65,850.41	53.43	53.43	1,323.03
Accumulated depreciation:													
As at 1st April, 2016*	0.43	105.24	96.70	5,133.80	1,591.38	51.14	859.56	10.03	11.11	7,870.98	37.71	37.71	-
Depreciation charged during the year	-	58.06	2.49	1,325.60	515.76	6.53	1,482.27	18.39	3.71	3,350.88	1.04	1.04	-
Disposals / transfers	-	16.22	-	-	-	-	-	-	-	16.22	-	-	-
As at 31st March, 2017	0.43	125.08	99.18	6,459.40	2,107.15	57.67	2,311.84	28.92	15.85	11,205.61	38.75	38.75	-
Depreciation charged during the year	-	41.35	2.47	1,477.37	598.85	6.10	1,718.34	23.28	4.80	3,877.71	0.59	0.59	-
Disposals / transfers	-	0.72	53.14	94.80	4.68	-	-	-	-	152.31	-	-	-
As at 31st March, 2018	0.43	165.39	49.61	7,841.92	2,701.37	63.77	4,030.18	56.20	20.15	14,911.01	39.34	39.34	-
Net book value													
As at 1st April, 2016*	0.02	208.06	18.23	25,582.32	8,845.20	4.08	2,527.48	84.10	54.80	37,327.29	11.57	11.57	10,225.58
As at 31st March, 2017	0.02	215.66	15.76	25,963.36	16,750.98	1.22	3,551.87	279.34	71.97	45,852.78	10.53	10.53	4,542.41
As at 31st March, 2018	0.02	238.31	0.01	32,215.05	16,248.22	2.97	1,892.84	250.06	71.92	50,519.40	14.09	14.09	1,323.03

*Figures are deemed cost as the conversion to IND AS. Cross check & accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding, for the original cost of asset.



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	No. of Shares as on 31.03.2018	As at 31-03-2018 (Rs. in Lakhs)	No. of Shares as on 31.03.2017	As at 31-03-2017 (Rs. in Lakhs)	No. of Shares as on 01.04.2017	As at 01-04-2016 (Rs. in Lakhs)
5 - NON - CURRENT FINANCIAL ASSETS - INVESTMENTS						
Investments (Unquoted)						
(A) Investments at Cost						
(a) Investments in Equity Shares						
- Investment in Subsidiaries						
30% share in Deep Energy LLC		12.41		12.41		12.41
76% share in Deep National Resources Ltd.	350,000	3.50	350,000	3.50	350,000	3.50
78% share in Poocha Energy Pvt. Ltd.	946,563	1,815.63	945,563	1,845.63	75,000	2.50
99% share in Deep Overseas Drilling Services Pvt. Ltd.	9,900	0.99	9,900	0.99	-	-
100% share in Deep International Oilfield Services Pvt. Ltd.	50	8.90	-	-	-	-
(b) Investments in Preference Shares						
- Investment in Prabha Energy Private Limited	-	-	-	-	656,913	1,324.03
(c) Other Investments						
- shares of Mehsana Nagark Co-op Sahakar Bank Ltd.	400	0.10	400	0.10	400	0.10
- National Saving Certificate		1.96		1.96		1.30
		<u>1,873.49</u>		<u>1,864.59</u>		<u>1,331.84</u>
Investments (Quoted)						
(A) Investments at Fair value through OCI						
(a) Investments in Equity Shares						
- Yama Industries Limited	2500	0.34	2500	0.50	7500	0.10
- Power Trading Corporation	1000	3.50	4000	8.74	1000	7.96
		<u>4.04</u>		<u>9.24</u>		<u>8.06</u>
		<u>1,877.53</u>		<u>1,873.83</u>		<u>1,339.90</u>
Market Value of Quoted Investment		4.04		4.24		3.06
Book Value of Unquoted Investment		1,873.19		1,864.59		1,331.84

6 - NON - CURRENT FINANCIAL ASSETS - OTHERS

Unsecured, considered good, unless otherwise stated
Security deposits

	As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
Security deposits	80.22	71.62	62.48
	<u>80.22</u>	<u>71.62</u>	<u>62.48</u>

7 - OTHER NON CURRENT ASSETS

Advances other than Capital Advances
Advance to Vendors
Others
Balance with Govt Authorities
Deferred Security Deposits

	31-03-2018 (Rs. in Lakhs)	31-03-2017 (Rs. in Lakhs)	01-04-2016 (Rs. in Lakhs)
Advance to Vendors	3.08	36.25	7.07
Balance with Govt Authorities	54.57	34.57	29.57
Deferred Security Deposits	8.96	16.48	22.72
	<u>66.61</u>	<u>107.30</u>	<u>59.36</u>

8 - INVENTORIES

Valued at lower of cost and net realizable value
a. Stores and Spares
b. Others
- Stock of Oil & Lubricants

	As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
Stores and Spares	587.37	824.33	576.75
Others	509.35	231.60	75.59
	<u>1,096.72</u>	<u>1,055.93</u>	<u>652.34</u>

9 - CURRENT FINANCIAL ASSETS - INVESTMENTS

Investments at Fair Value Through Profit and Loss
Investments in Mutual Funds
- Franklin India Short Term Income Plan
- Franklin India Ultra Short Bond Fund-Growth
- Franklin India Short Term Fund
- Franklin India Short Term Growth
- DSP BlackRock Ultra Short Term Fund
- Franklin Templeton Low Duration Fund
- Franklin India Short Term Fund
- Franklin India Money Manager Growth Plan

	No. of Units as on 31.03.2018	As at 31-03-2018 (Rs. in Lakhs)	No. of Units as on 31.03.2017	As at 31-03-2017 (Rs. in Lakhs)	No. of Units as on 01.04.2016	As at 01-04-2016 (Rs. in Lakhs)
Franklin India Short Term Income Plan	33,897.83	1,243.95	10,778.05	561.37	6,117.86	138.74
Franklin India Ultra Short Bond Fund-Growth	10,295,423.38	7,476.36	3,088,831.71	2,623.17	677,578.53	213.23
Franklin India Short Term Fund	7,917.80	65.70	10,97.49	279.37	-	-
Franklin India Short Term Growth	2,587,846.31	461.15	-	-	-	-
DSP BlackRock Ultra Short Term Fund	7,490,952.63	965.87	-	-	-	-
Franklin Templeton Low Duration Fund	17,045,049.51	3,404.85	-	-	-	-
Franklin India Short Term Fund	2,457,294.63	607.64	-	-	-	-
Franklin India Money Manager Growth Plan	-	-	-	-	4,196.23	0.92
		<u>9,205.50</u>		<u>2,873.83</u>		<u>413.96</u>
Market Value of Quoted Investment		9,205.50		2,873.83		413.96



10 - CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES

Unsecured, considered good;

As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
8,481.94	6,646.32	5,557.74
8,481.94	6,646.32	5,557.74

11 - CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS

A) Balances with Banks

- In Current Accounts

- In EEPC Accounts

- In Escrow Accounts

A) Cash on Hand

As at 31-03-2017 (Rs. in Lakhs)	As at 31-03-2016 (Rs. in Lakhs)	As at 01-04-2015 (Rs. in Lakhs)
1,594.54	1,107.18	317.34
1,276.37	459.30	22.11
170.71	1.02	1.02
3,041.62	1,567.50	370.80
4.11	12.19	9.79
3,045.73	1,579.69	380.59

12 - CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE

A) Balances with Banks

- Unpaid Dividend with HDFC Bank

- Unpaid Dividend with IDBI Bank

As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
2.85	2.00	0.72
0.49	2.47	2.51

	As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
15- EQUITY SHARE CAPITAL			
Authorised: 5,42,63,772 Equity Shares of Rs.10 Each	5,426.63	5,426.52	4,426.63
Issued, subscribed and paid-up: 3,20,00,000 Equity Shares of Rs. 10 each (Fully Paid Up)	3,200.00	3,200.00	1,794.19
Share Capital Suspense Account:			1,12% '01
	<u>3,200.00</u>	<u>3,200.00</u>	<u>2,920.00</u>

16.1 Reconciliation of number of Equity shares (outstanding) at the beginning & at the end of the reporting year

Particulars (Equity Shares of Rs.10 Each Fully Paid up)	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No of Shares	Value Rs.	No of Shares	Value Rs.	No of Shares	Value Rs.
At the beginning of the year	32,000,000.00	3,200.00	29,200,000.00	2,920.00	29,000,000.00	2,900.00
Movement during the period (Issue of Equity Shares under QIP)			2,800,000.00	280.00		
Outstanding at the end of the year	<u>32,000,000.00</u>	<u>3,200.00</u>	<u>32,000,000.00</u>	<u>3,200.00</u>	<u>29,000,000.00</u>	<u>2,920.00</u>

16.2 Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the Shareholders (Equity Shares of Rs.10 Each Fully Paid up)	As at 31st March, 2018		As at 31st March, 2017		As at 01 April 2016	
	No. of Shares held	% of Holding	No. of Shares held	% of Holding	No. of Shares held	% of Holding
HUMESH SAVLA - FAMILY TRUST	15,276,808	31.92%	-	-	-	-
SHANTILAL SAVLA FAMILY TRUST	3,565,474	11.45%	-	-	-	-
PRITI PARAS SAVLA	2,332,629	8.45%	2,346,285	7.33%	1,610,501.00	5.52%
CHAREN SHANTILAL SAVLA	2,068,827	6.46%	3,104,545	9.69%	400,425.00	1.37%
SHITAL RUPESH SAVLA	-	-	2,915,286	9.11%	2,484,787.00	8.54%
RUPESH R SAVLA	-	-	2,516,878	7.87%	5,320,526.00	18.22%
PRITA MANOJ SAVLA	-	-	7,625,792	23.83%	303,771.00	1.04%
	<u>17,768,829</u>		<u>15,678,776</u>		<u>10,089,318</u>	

16.3 During the FY 2016-17, the Company has offered equity shares to Qualified Institutional Buyers (QIBs) through Qualified Institutional Placement in accordance with Chapter VII of Securities and Exchange Board of India (SEBI) Regulations, 2009. Accordingly 28,00,000 equity shares of Rs.10 each were allotted to QIBs on 28th December, 2016 at an issue price of Rs.220/- per equity share (including premium of Rs.210/- per equity share).

16.4 The Company has only one class of equity shares having a par value of Rs. 10 per share, each shareholder is eligible for one vote per share. The Company registers and pays dividend in Indian Rupees. Dividend Proposed by Board of Directors is subject to approval of Shareholders in the ensuing Annual General Meeting.

16.5 In the event of liquidation, the Equity Shareholders are eligible to receive the remaining Assets of the company after Distribution of all Preferential amount, in proportion to Shareholding.

16.6 Company has not allotted any bonus shares. Since strict consideration in cash order bought had any equity shares during the past of five years immediately preceding the Balance sheet date.

	As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
17- OTHER EQUITY			
Securities Premium			
Opening Balance	13,872.88	7,768.88	7,768.88
Add: Addition during the year	-	6,034.00	-
Less: Written back during the year	-	-	-
Closing Balance	<u>13,872.88</u>	<u>13,802.88</u>	<u>7,768.88</u>
Capital Reserve			
Opening balance	412.48	412.48	412.48
Add: Addition during the year	-	-	-
Less: Written back during the year	-	-	-
Closing balance	<u>412.48</u>	<u>412.48</u>	<u>412.48</u>
General Reserve			
Opening Balance	980.35	980.35	976.44
Add: Addition during the year	-	-	4.90
Less: Written back during the year	-	-	-
Closing balance	<u>980.35</u>	<u>980.35</u>	<u>981.34</u>
Foreign Currency Monetary Translation Reserve			
Opening balance	-	550.00	792.23
Add/Less - Effect of Foreign Exchange Rate variation during the year	-	22.14	85.15
Less: Transfer to/From P&L	-	(782.17)	(923.51)
Closing Balance	-	-	<u>553.87</u>
Profit and Loss			
Opening balance	20,180.95	15,185.57	9,090.85
Add: Net Profit/(Net Loss) for the current year	7,502.68	7,519.26	6,089.48
Add/Less: Adjustments on account of Ind-AS:			
- Fair valuation of Financial Instruments			
- Fair valuation of Financial Assets	(593.26)		9.22
- Proposed Dividend for the year		(593.47)	
Closing Balance	<u>27,090.47</u>	<u>20,111.60</u>	<u>15,189.55</u>
IVCD Reserve			
Opening balance	(14.85)	-	-
Add: Additions during the current year	4.89	(14.85)	-
Closing balance	<u>(9.96)</u>	<u>(14.85)</u>	<u>-</u>
Total	<u>48,288.22</u>	<u>43,826.11</u>	<u>37,318.81</u>



	As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
18 - NON-CURRENT - FINANCIAL LIABILITIES - BORROWINGS			
Secured			
(i) Term loans			
from banks			
- Rupee Term Loans	5,875.80	7,067.17	4,440.00
- Foreign Currency term loans	13,974.64	7,291.31	15,456.97
- Working Loans	304.29	51.61	10.00
Less: Current maturities of long term debts	(7,385.59)	(7,355.40)	(5,380.57)
Total repayment of principal due as per call at 100%			
	12,699.14	17,054.62	14,486.43
Unsecured loans			
	-	-	(710.70)
			4,159.70
	12,699.14	17,054.62	18,646.13

18.1 Nature of Security and Term of Repayment for Long Term Secured borrowings

(i) Rupee Term Loans and Foreign Currency Term Loan from State Bank of India, IDBI Bank as mentioned above is secured by hypothecation of Gas Compressor Package, Gas Compressor Package, Working Loan and 2 "B" Ring High speed Vats. Assets are further secured by personal guarantee of Director and stand equal to 100% of the immovable property situated at Ahmedabad held in the name of director. Rupee Term Loan and Foreign Currency Term Loan from HDFC Bank, India, and Bank of India Bank as mentioned above is secured by hypothecation of Gas Compressor Package, Working Loan, Gas Compressor Package, Working Loan. These are further secured by them and further secured by personal guarantee of Director. Maturity/ Maturity Period of Foreign Currency Term Loan is less than 12 Month Year (on Balance Sheet date, the tenure of Term Loan for which management is more than 12 Months, hence, Foreign Currency Term Loan are classified as Non-Current Liabilities.

(ii) Rupee Credits are obtained from various branches of State Bank of India, Bank of Baroda and IDBI Bank which are backed by Letters of Undertaking from State Bank of India, Industrial Bank of India, IDBI Bank and ICICI Bank who have secured the Term Loans. Through further period of more of the borrowings are less than 12 Months from the Balance Sheet date, the tenure of Term Loan for which arrangement is made is more than 12 Months. Hence, Rupee Term Loans are classified as Non-Current Liabilities.

Term Loans of HDFC Bank are repayable in five and half year with moratorium period of 3 months. Term Loan of State Bank of India and Industrial Bank are repayable in five years. Term Loans of IDBI Bank are repayable in seven years with moratorium period of six months. Term Loan from ICICI Bank is repayable in seven years with moratorium period of six months.

19 - NON-CURRENT - FINANCIAL LIABILITIES - TRADE PAYABLE

	As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
Unsecured, consider good			
Trade Payable	45.23	11.24	46.03
	45.23	11.24	46.03

20 - NON-CURRENT - FINANCIAL LIABILITIES - OTHERS

	As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
Unsecured, consider good			
Bank's Term-loan secured but not due on borrowings	157.09	167.50	175.87
	157.09	167.50	175.87

21 - DEFERRED TAX LIABILITIES (NET)

	As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
Written back during the year	4,692.70	7,685.40	1,033.06
Additional during the year	652.00	1,074.25	751.30
Written back during the year			
Closing Balance	5,344.70	8,769.78	1,784.36

(A) The Net Deferred Tax Expense of INR 362.80 Lakhs (Previous Year: INR 138.48)

22 - NON-CURRENT PROVISION

Provision for employee benefit
- Provision for Gratuity

As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
---------------------------------------	---------------------------------------	---------------------------------------

33.41	32.63	
33.41	32.63	

23 - CURRENT FINANCIAL LIABILITIES - BORROWINGS**Secured**

a. Loans repayable on demand
From banks
Cash Credits

As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
---------------------------------------	---------------------------------------	---------------------------------------

1,258.73	1,841.54	1,944.81
1,338.73	1,841.54	1,944.81

23.1 Nature of Security for Current Secured Financial Liabilities

Cash Credit facilities of State Bank of India and HDFC Bank is secured by hypothecation of inventory and Book Debt and further

Secured by Personal Guarantee of Director and Equitable Mortgage of immovable property situated at Ahmedabad held in the name of Directors.

24 - CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES

Due to micro and small enterprises
Due to other than micro and small enterprises

As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)	As at 01-04-2016 (Rs. in Lakhs)
---------------------------------------	---------------------------------------	---------------------------------------

717.50	1,002.27	1,450.42
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29 - REVENUE FROM OPERATIONS

Sale of Services

2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
30,049.25	27,738.05
30,049.25	27,738.05

30 - OTHER INCOME

Interest Received/Receivable

From banks

From others

Dividend Income

Profit on sale of Investments

Profit on sale of Fixed Assets

Net gain on foreign currency transaction and translation (other than finance cost)

Kasri/Vatay and Discount

Fair Valuation of Financial Assets

2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
64.91	105.80
8.17	58.51
0.01	0.11
25.28	48.75
-	0.60
189.43	609.29
4.99	3.89
375.92	101.73
688.71	928.79

31 - OPERATING EXPENSE

Consumption Spares, Oil & Other Operating Expense

Equipment Running & Maintenance Exps

2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
6,810.66	7,361.16
2,266.64	1,088.57
9,077.30	8,449.72

32 - EMPLOYEE BENEFITS EXPENSES

Salaries, Wages, Bonus etc

Director Remuneration & Perquisites

Contribution to Provident and Other funds

Staff Welfare expenses

2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
2,061.32	1,801.66
97.01	101.51
69.09	14.87
85.41	75.06
2,312.83	1,992.99

33 - FINANCE COSTSInterest expenses

- Interest Expenses on Hypothecation & Term Loan

- Interest & Finance Charges on Foreign Credit

- Other Interest & Finance Charges

Other borrowing costs

- Bank Charges

- Adjustment on account of Ind-AS

2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
361.35	687.32
620.83	680.78
13.69	511.99
153.81	340.41
7.51	7.52

1,357.4

2,228.03

	2017-18 (Rs. in Lakhs)	2016-17 (Rs. in Lakhs)
34. OTHER EXPENSES		
Electricity, Power and Fuel	97.83	210.28
Repairs, maintenance and refurbishing	660.79	236.68
Rent	176.92	271.23
Rates and taxes	18.81	28.76
Insurance	66.60	87.96
Communication Expense	10.29	15.03
Legal and professional charges	270.02	282.00
Payment to the auditors**	4.95	4.95
Printing Stationery, Xerox and Office Expense	54.23	32.36
Donations	122.90	73.96
Travelling and Conveyance(@)	498.03	449.24
Security Service Charges	31.50	20.79
Advertisement, publicity and business promotion	7.06	11.89
Hotel, Loading and Boarding Expense	76.87	58
Loss on Sale of Fixed Assets	132.78	-
Miscellaneous	143.92	115.62
Preliminary Expense Written off	190.25	21.14
	2,563.75	1,717.94
* includes:		
Repairs to buildings	623.12	96.33
Repairs to machinery	37.67	40.35
** Payments to the auditors for (including service tax)		
- statutory audit	2.45	2.50
- Taxation Matters	0.50	0.50
- limited review fees		
- certification work	1.95	1.95
- out of pocket expenses	0.05	
(@) includes:		
Director Travelling	70.70	58.77
	75.65	63.72

35. OTHER COMPREHENSIVE INCOME

	2017-18 (Rs. in Lakhs)	2016-17 (Rs. in Lakhs)
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DEEP INDUSTRIES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
37 - CONTINGENT LIABILITIES AND COMMITMENTS		
CONTINGENT LIABILITIES		
(a) Claims against the Company not acknowledged as debts	-	-
(b) In respect of guarantees given by Banks and/ or counter guarantees given by the Company	5,694.47	7,133.38
(c) Other money for which the Company is contingently liable:		
1. Gujarat VAT demand not provided for	-	401.07
2. Service tax demand not provided for	188.24	198.24
3. Service tax-Merged Companies demand not provided for	1.70	1.70
4. Income tax demand / liabilities not provided for	5.14	6.14

COMMITMENTS

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for - Considering nature of activity it is not possible to ascertain the elements of Capital Commitments Expenditure to be executed on capital account.

	As at 31-03-2018 (Rs. In Lakhs)	As at 31-03-2017 (Rs. In Lakhs)
38 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 17 LEASES		
OPERATING LEASE COMMITMENTS		
Minimum lease amounts payable by the Company in respect of non-cancellable operating leases (other than land) for other services (including rented premises) entered into by the Company:		
Not later than one year	103.12	132.24
Later than one year and not later than five years	193.54	255.18

	Gratuity (Unfunded)	
	As at 31-03-2018	As at 31-03-2017
Discount rate (per annum)	7.60%	7.15%
Future salary increase	8.00% for Next 3 Years & 5.00% thereafter	8.00% for Next 3 years & 6.00% thereafter
Retirement age	58 years	58 years
Withdrawal rates		
- Up to 25 years	15.00%	15.00%
- From 26 to 35 years	12.00%	12.00%
- From 36 to 45 years	9.00%	9.00%
- From 46 to 55 years	6.00%	6.00%
- From 56 to 58 years	3.00%	3.00%

	Gratuity (Unfunded)	
	As at 31-03-2018 (Rs. in Lakhs)	As at 31-03-2017 (Rs. in Lakhs)
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	33.89	30.09
Interest Cost	2.98	0.84
Current Service Cost	21.86	6.04
Benefits Paid		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-2.14	1.58
Actuarial (Gain)/Loss on arising from Experience Adjustment	-2.87	14.44
Past Service Cost	4.01	0.00
Present value of obligation as at the end of the year	57.12	33.89
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	-	-
Interest Income	-	-
Contributions by the employee	-	-
Benefits paid	-	-
Return on plan assets	-	-
Fair Value of plan assets at the end of the year	-	-
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	57.12	33.89
Net Asset/ (Liability)-Current	3.71	1.26
Net Asset/ (Liability)-Non-Current	53.41	32.63
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	2.98	0.84
Current Service Cost	21.86	6.04
Total expenses included in employee benefit expenses	24.24	6.88
Recognized in Other Comprehensive Income during the year		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-2.14	1.58
Actuarial (Gain)/Loss on arising from Experience Adjustment	-2.87	14.44
Recognized in Other Comprehensive Income	-5.01	16.02
Maturity profile of defined benefit obligation		
Within 12 months of the reporting period	3.71	1.26
Between 2 and 5 years	22.56	10.17
Between 6 and 10 years	27.17	16.61
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/ (decrease) on present value of defined benefit obligation at the end of the year		
Half percentage point increase in discount rate	54.89	32.43
Half percentage point decrease in discount rate	59.50	35.24
Half percentage point increase in salary increase rate	59.28	35.41
Half percentage point decrease in salary increase rate	55.04	32.46
Expected contribution to the defined benefit plan for the next reporting period		
	2017-18 (Rs. in Lakhs)	2016-17 (Rs. in Lakhs)
Expected contribution to the defined benefit plan for the next reporting period (Gratuity)	3.71	24.24

41 - CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee in accordance with the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company has spent Rs. 2,35,45,715 at 100% 2% of the average net profits (determined under section 198 of the Companies Act 2013 and within 34% of the Companies Act 1956) made during the immediately preceding financial years.

Gross amount required to be spent by the Company during the year: Rs. 2,35,45,715 (Previous year - Rs. 72,45,145/-)



42 - DERIVATIVE INSTRUMENTS

	2017-18 (Rs. In Lakhs)	2016-17 (Rs. In Lakhs)
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(a) Derivatives outstanding as at balance sheet date

The company has entered into swap deals with HDFC Bank Ltd and IDFC Bank Ltd, to reducing interest cost by moving from NR floating interest rate to LIBOR fixed interest rate with underlying USD revenue contracts. The relevant detail is as under:

HDFC Bank

Currency Swap - 1	534.03	534.56
Start Date: 27th July, 2015		
End Date: 01st July, 2019		
Underlying USD amount: USD 21,85,288.04		
Fixed LIBOR rate: 6L + 3.95%		
Currency Swap - 2	461.00	400.70
Start Date: 09th November, 2015		
End Date: 19th July, 2019		
Underlying USD amount: USD 18,75,588.83		
Fixed LIBOR rate: 6L + 2.0%		
Currency Swap - 3	300.03	526.64
Start Date: 11th August, 2015		
End Date: 01st July, 2019		
Underlying USD amount: USD 12,29,880.88		
Fixed LIBOR rate: 6L + 3.95%		
Currency Swap - 4	3,026.00	4,160.75
Start Date: 29th July, 2016		
End Date: 25th November, 2020		
Underlying USD amount: USD 6,77,715.66		
Fixed rate: 5.5000% p.a.		
Currency Swap - 5	282.89	400.00
Start Date: 01st January, 2017		
End Date: 04th May, 2020		
Underlying USD amount: USD 5,87,048.25		
Fixed LIBOR rate: 5.73% p.a.		

IDFC Bank

Currency Swap - 1	282.77	-
Start Date: 01st March, 2018		
End Date: 07th March, 2019		
Underlying USD amount: USD 469978.52		
Fixed LIBOR rate: 6.04% p.a.		

The swap deals have been fair valued and resultant gain / (loss) have been recorded through statement of profit and loss account.

(b) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2018, 31st March, 2017 and 1st April, 2016 are as under:

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Foreign Currency (USD)	(Rs. In Lakhs)	Foreign Currency (USD)	(Rs. In Lakhs)	Foreign Currency (USD)	(Rs. In Lakhs)
Receivables						
Loans and advances given	0.20	13.04	-	-	-	-
Investment in Deep International DMCC (refer Note 5)	0.14	2.00	-	-	-	-
Trade Receivables	28.77	1,871.49	36.48	2,385.59	0.64	42.77
Loans & Advances to Creditors						
For (2016) Goods	6.00	379.26	4.04	262.07	3.09	205.23
For Spares & Purchase	0.95	61.68	2.43	157.78	3.79	251.38
Payables						
Trade payables	0.69	44.75	0.32	1.24	1.33	88.11



DEEP INDUSTRIES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

43 - RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24

(a) Related Parties

1. Subsidiaries

- Deep Energy LLC, USA
- Deep Natural Resources Limited
- Prabhat Energy Pvt Ltd
- Deep Onshore Drilling Services Pvt Ltd
- Deep International DMCC

2. Enterprises significantly influenced by KMP, or Relatives of KMP

- Adinath Exim Resources Limited
- Savla Oil & Gas Pvt. Ltd

3. Key Management Personnel

Name	Designation
Mr. Paras Savla	Chairman and MD
Mr. Rupesh Savla	Managing Director
Mr. Dharen Savla	Whole Time Director
Mr. Prem Singh Sawhney	Non - Executive Director
Mr. KIRIT Joshi	Independent Director
Mr. Sanjay Parikh	Independent Director
Mr. Arun Mandlik	Independent Director
Ms. Renuka Upachyay	Independent Director
Mr. Rohan Shah	Chief Financial Officer
Mr. Akshit Soni	Company Secretary

4. Relative of Key Management Personnel

- Mr. Manoj Savla
- Mrs. Anant Savla
- Mrs. Mita Manoj Savla
- Mr. Shail Manoj Savla
- Mrs. Shilpi Rupesh Savla
- Mr. Shonil Paras Savla

(b) Transactions with related parties:

Nature of Transaction	Subsidiaries		Key Management Personnel		Enterprises significantly		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)	(Rs. In Lakhs)
Remuneration, Salary and Sitting Fees	-	-	113.67	116.39	-	-	113.67	116.39
Rent	-	-	136.17	132.45	-	-	136.17	132.45
Perquisites	-	-	1.41	1.53	-	-	1.41	1.53
Investments made during the year	8.90	532.05	-	-	-	-	8.90	532.05

Balance Outstanding

	Payable		Receivable	
	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	As at 31-03-2018



DEEP INDUSTRIES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2015

44. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS

The fair values of the financial assets and liabilities are based on the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The following methods and assumptions were used to estimate the fair values:

1. Fair values of cash and short term deposits, trade and other short term receivables, trade payables, other current liabilities, short term loans from banks and other financial institutions approximate their carrying amounts.

DEEP INDUSTRIES LIMITED
NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

44. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS (Contd.)
iii. Figures as at March 31, 2018

Financial Instrument	Note No.	Carrying Amount		Total Fair Value	Amortised Cost	Total	Fair value			Total
		FVTPL	FVOCI				Level 1	Level 2	Level 3	
Non Current Assets										
Financial Assets										
(i) Investments	5	-	4.04	4.04	1,875.93	1,877.53	1.06	-	-	1.06
(ii) Loans	-	-	-	-	-	-	-	-	-	-
(iii) Others	6	-	-	-	80.22	80.22	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments	9	9,205.50	-	9,205.50	-	9,205.50	9,205.50	-	-	9,205.50
(ii) Trade Receivables	17	-	-	-	8,481.34	8,481.34	-	-	-	8,481.34
(iii) Cash and Cash Equivalents	21	-	-	-	3,045.73	3,045.73	-	-	-	3,045.73
(iv) Bank Balances other than above (ii)	22	-	-	-	1,598.30	1,598.30	-	-	-	1,598.30
(v) Loans	23	-	-	-	6.23	6.23	-	-	-	6.23
(vi) Others	24	-	-	-	67.45	67.45	-	-	-	67.45
TOTAL		9,205.50	4.04	9,209.54	14,949.36	24,157.90	9,209.54	-	-	9,209.54
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings	28	-	-	-	14,369.89	14,369.89	-	-	-	14,369.89
(ii) Trade Payable	19	-	-	-	45.26	45.26	-	-	-	45.26
(iii) Others	20	-	-	-	159.36	159.36	-	-	-	159.36
Current Liabilities										
Financial Liabilities										
(i) Borrowings	23	-	-	-	1,458.73	1,458.73	-	-	-	1,458.73
(ii) Trade Payables	24	-	-	-	1,717.50	1,717.50	-	-	-	1,717.50
(iii) Others	25	-	-	-	7,840.48	7,840.48	-	-	-	7,840.48
TOTAL		-	-	-	25,491.80	25,491.80	-	-	-	25,491.80

During the reporting period ending March 31, 2017 and March 31, 2016, there were no transfers between Level 1 and Level 2 fair value measurements.

IV. Description of significant unobservable inputs to valuation:

The following table shows the valuation techniques and inputs used for the financial instruments:

Other Non-Current Financial Assets
Borrowings (Non-Current)

As at 31-03-18 As at 31-03-17 As at 31-04-2016
Discounted Cash Flow method using the risk adjusted discount rate.

No. Financial Instruments have been routed through Other Comprehensive Income and hence separate reconciliation disclosure relating to this same is not applicable.



DEEP INDUSTRIES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial risk management is an integral part of how to plan and execute its business strategies. The company's financial risk management policy is set by the Managing Board.

Market risk

Market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity prices and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including investments and deposits, foreign currency receivables, payables and loan borrowings.

The Company manages market risk through its treasury department, which evaluates and exercises independent control over the entire process of market risk management. The treasury department recommends risk management objectives and policies, which are approved by Senior Management and the Audit Committee. The activities of this department include management of cash resources, implementing hedging strategies for foreign currency exposures, borrowing strategies, and ensuring compliance with market risk limits and policies.

Interest rate risk

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. In order to optimize the company's position with regards to the interest income and interest expenses and to manage the interest rate risk, treasury performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate and floating rate financial instruments in its total portfolio.

The company is not exposed to significant interest rate risk as at the specified reporting date.

Refer Note 43 for interest rate profile of the Company's interest-bearing financial instrument at the reporting date.

Foreign currency risk

The Company operates locally, however, the nature of its operations requires it to transact in INR and USD and consequently the Company is exposed to foreign exchange risk in USD.

The Company evaluates exchange rate exposure arising from foreign currency transactions and the Company follows established risk management policies. Being net forex payer Company is having natural hedge position in USD currency.

I. Foreign Currency Exposure

Refer Note 45 for foreign currency exposure as at March 31, 2017, March 31, 2016 and April 01, 2015 respectively.

II. Foreign Currency Sensitivity

1% increase or decrease in foreign exchange rates will have the following impact on the profit before tax

Currency	Rs. in lakhs			
	2017-18		2016-17	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(145.82)	145.82	(182.81)	182.81
Total	(145.82)	145.82	(182.81)	182.81

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and aging of accounts receivable. Individual risk limits are set accordingly. Almost all customers of the Company are either public sector undertakings or multinational Companies.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is significant increase in credit risk the company compares the risk of a default occurring on the asset at the reporting date with the risk of default as the date of initial recognition. It considers reasonable and supportive forward-looking information such as:

- (i) Actual or expected significant adverse changes in business;
- (ii) Actual or expected significant changes in the operating results of the counterparty;
- (iii) Financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligation;
- (iv) Significant increase in credit risk on other financial instruments of the same counterparty;
- (v) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Company. The Company categorises a loan or receivable for write off when a debtor fails to make contractual payments greater than 2 years past due. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.



DEEP INDUSTRIES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)

Particulars	(Rs. in lakhs)	
	As at 31-03-2018	As at 31-03-2017
Non-current financial assets - loans	-	-
Current financial assets - loans	6.23	14.02
Total (A)	6.23	14.02

II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)

Particulars	(Rs. in lakhs)	
	As at 31-03-2018	As at 31-03-2017
Trade Receivables	8,481.94	6,646.92
Total (A)	8,481.94	6,646.92

Grand Total (A+B)

Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.

DEEP INDUSTRIES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (Ind AS) 101: FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS (Contd.)

II. Reconciliation of equity as at 1st April, 2018

	Reference	Indian GAAP	Adjustments	Ind AS
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Property, Plant and Equipment		37,322.29	-	37,322.29
(b) Capital Work in Progress		10,225.58	-	10,225.58
(c) Intangible Assets		11.57	0.00	11.57
(d) Financial Assets:				
(i) Investments		1,334.91	(1.02)	1,334.89
(ii) Loans		-	-	-
(iii) Others		88.20	(25.78)	62.42
(e) Other Non Current Assets		30.57	22.72	53.29
TOTAL NON-CURRENT ASSETS		49,019.25	(3.08)	48,016.17
2. CURRENT ASSETS				
(a) Inventories		632.35	0.01	632.36
(b) Financial Assets:				
(i) Investments		401.79	13.27	413.56
(ii) Trade Receivables		3,557.74	-	3,557.74
(iii) Cash and Cash Equivalents		380.59	-	380.59
(c) Bank balances other than above (i)		1,318.51	0.02	1,318.53
(d) Loans		5.51	0.00	5.51
(e) Others		70.72	-	70.72
(f) Other Current Assets		4,140.61	-	4,140.61
TOTAL CURRENT ASSETS		12,507.81	12.20	12,520.02
TOTAL ASSETS		61,527.05	9.12	61,536.19
EQUITY AND LIABILITIES				
EQUITY:				
(a) Equity share capital		2,920.01	-	2,920.01
(b) Other equity	₹. 26.5	22,374.02	536.29	22,910.31
TOTAL EQUITY		25,294.04	536.29	25,830.32
LIABILITIES				
1. NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Financial liabilities				
(i) Borrowings		18,049.13	-	18,049.13
(ii) Trade Payables		46.05	-	46.05
(iii) Others		205.82	-	205.82
(ii) Deferred Tax Liabilities (Net)		3,686.45	-	3,686.45
(iii) Other Non Current Liabilities		-	-	-
TOTAL NON-CURRENT LIABILITIES		22,487.46	-	22,487.46
2. CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		1,344.81	-	1,344.81
(ii) Trade Payables		1,450.60	-	1,450.60
(iii) Other Financial Liabilities		3,907.63	(506.47)	3,401.16
(b) Other Current Liabilities		71.30	-	71.30
(c) Provisions		933.64	(933.64)	-
(d) Current Tax Liabilities (Net)		443.75	0.00	443.75
TOTAL CURRENT LIABILITIES		13,745.57	(527.16)	13,218.41
TOTAL LIABILITIES		36,233.03	(527.16)	35,705.85
TOTAL EQUITY AND LIABILITIES				



DEEP INDUSTRIES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 101: FIRST TIME ADOPTION OF INDIAN ACCOUNTING STANDARDS
(Contd.)

III. Reconciliation of equity as at 31st March, 2017

	Reference	Indian GAAP	Adjustment	IND AS
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Property, Plant and Equipment		51,852.18		51,852.18
(b) Capital Work in Progress		4,542.41		4,542.41
(c) Intangible Assets		10.53	0.00	10.53
(d) Financial Assets				
(i) Investments		1,867.00	1.83	1,868.83
(ii) Loans		91.34	-91.34	-
(iii) Others		0.66	70.96	71.62
(e) Other Non Current Assets		90.83	16.48	107.31
TOTAL NON-CURRENT ASSETS		58,454.94	(2.06)	58,452.87
2. CURRENT ASSETS				
(a) Inventories		1,055.93	-	1,055.93
(b) Financial Assets				
(i) Investments		2,699.92	113.91	2,813.83
(ii) Trade Receivables		6,646.92	-	6,646.92
(iii) Cash and Cash Equivalents		1,579.69	-	1,579.69
(iv) Bank balances other than above (ii)		933.43	-0.01	933.42
(v) Loans		14.02	-	14.02
(vi) Others		98.33	-	98.33
(c) Other Current Assets		1,791.07	-	1,791.07
TOTAL CURRENT ASSETS		14,819.31	113.90	14,933.21
TOTAL ASSETS		73,274.25	111.84	73,386.09
EQUITY AND LIABILITIES				
EQUITY:				
(a) Equity share capital		3,200.00	-	3,200.00
(b) Other equity	** , # , % , \$, @	34,627.43	805.09	35,432.52
		37,827.43	805.09	38,632.52
LIABILITIES				
1. NON-CURRENT LIABILITIES				
(e) Financial Liabilities				
(i) Borrowings	@	17,743.72	-	17,743.72
(ii) Trade Payables		11.22	-	11.22
(iii) Others	**	147.96	-	147.96
(a) Deferred Tax Liabilities (Net)		4,690.70	-	4,690.70
(c) Other Non Current Liabilities		32.63	-	32.63
TOTAL NON-CURRENT LIABILITIES		22,626.23	0.00	22,626.23
2. CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		1,841.54	-	1,841.54
(ii) Trade Payables		1,002.27	-	1,002.27
(iii) Other Financial Liabilities		7,540.89	1,108.39	8,749.29
(b) Other Current Liabilities		103.86	-	103.86
(c) Provisions		1,802.91	-1,801.65	1.26
(d) Current Tax Liabilities (Net)		429.11	-	429.11
TOTAL CURRENT LIABILITIES		12,820.59	-693.26	12,127.33
TOTAL LIABILITIES		35,446.82	(693.26)	34,753.57
TOTAL EQUITY AND LIABILITIES		73,274.25	111.84	73,386.09



DEEP INDUSTRIES LIMITED

NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2018

Reconciliation of total comprehensive income for the year ended 31st March, 2017

	Reference	Indian GAAP	Adjustments	IND AS
REVENUES				
Revenue from operations		27,738.05	-	27,738.05
Other Income		819.71	109.07	928.78
Total REVENUE		28,557.76	109.07	28,666.84
EXPENSES				
Operating Expense		8,449.72	-	8,449.72
Employees Benefits Expense		1,009.01	-18.02	1,992.99
Finance costs		2,220.50	7.52	2,228.03
Depreciation and amortization expense		3,351.89	-	3,351.89
Other expenses		1,717.94	0.00	1,717.94
TOTAL EXPENSES		17,749.07	(8.50)	17,740.57
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		10,808.69	117.57	10,926.26
Exchange gain / (loss)		-	-	-
Exceptional items (net)		-	-	-
PROFIT BEFORE TAX		10,808.69	117.57	10,926.26
TAX EXPENSES				
Current tax		2,437.51	-	2,437.51
Deferred tax (credit)		-34.77	-	-34.77
Earlier year's tax provisions transferred back		5,004.25	1,004.25	6,008.50



**** Fair Valuation adjustments for financial assets and financial liabilities:**

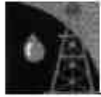
Under IGAAP, security deposits given and taken were required to be carried at book value. Under Ind AS, the said concept has shifted from book value to fair value hence the same has been adjusted after considering FVTPL.

Deferred Tax on Ind AS adjustments:

IGAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under GAAP. In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction either in retained earnings or a separate component of equity.

% Actuarial loss on defined benefit plan:

Effect of changes in revaluation surplus:



DEEP CH4 PRIVATE LIMITED

2017-18

AUDITORS

Punit Prajapati & Co.
Chartered Accountants

B-810, Titanium City Centre,
Nr. Sachin Tower, 100ft Anandnagar Road,
Satellite, Ahmedabad -380015,
Ph: 079-26934101/2, E-mail: punitca@gmail.com

Punit Prajapati & Co.

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To,

THE MEMBERS OF THE

DEEP CH4 PRIVATE LIMITED

14 GROUND FLOOR, ABHISHREE CORPORATE PARK, AMBLI BOPAL
ROAD, AMBLI, AHMEDABAD GUJARAT-380058.

Report on the Financial Statements

We have audited the accompanying Financial Statements of M/s. DEEP CH4 PRIVATE LIMITED, which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit & Loss for the year ended March 31, 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion


In our opinion and to the best of our information and according to the explanations given to us, The aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018.
- (ii) in the case of the Statement Profit & Loss of the profit/loss of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, does not apply as per para 1(2) (v) of the said order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet and Statement of Profit & Loss dealt with by this Report are in agreement with the books of account;



- 
- d. in our opinion, the Balance Sheet and Statement of Profit and Loss comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of written representations received from the directors, as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is

DEEP CH4 PRIVATE LIMITED

Balance Sheet as at 31st March, 2018

CIN : U14292GJ2006PTC049371

Particulars	Note	₹	
		As At 31 March, 2018	As At 31 March, 2017
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	6,60,000	6,60,000
Reserves and Surplus	4	2,01,797	1,74,114
	<i>Total</i>	8,61,797	8,34,114
Current Liabilities			
Short-Term Provisions	5	11,800	5,900
	<i>Total</i>	11,800	5,900
	TOTAL	8,73,597	8,40,014

**DEEP CH4 PRIVATE LIMITED**

Profit & Loss Statement for the Year Ended 31st March, 2018

CIN : U14292GJ2006PTC049371

Particulars	Note	₹	
		For the Year Ended 31 March, 2018	For the Year Ended 31 March, 2017
Other Income	8	36,586	37,775
<i>Total Revenue</i>		36,586	37,775
EXPENSES			
Finance Costs		3,003	3,450
Other Expenses	9	5,900	12,180
<i>Total Expenses</i>		8,903	15,630



DEEP CH4 PRIVATE LIMITED

(All amounts in ₹)

(a) Reconciliation of the Shares Outstanding at Beginning and at end of the year

Particulars	2018	2017
Number of Shares Outstanding at Beginning of the Year	66,000	66,000
Addition During the Year	0	0
Number of Shares Outstanding at End of the Year	66,000	66,000

(b) Terms/rights attached to equity shares

The company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividends in Indian Rupees, if any.

(c) Details of shareholders holding more than 5% shares in the company

Share Holder		2018	2017
Paras Shantikal Savla	Shares	33,000	33,000
	Percentage	50.00%	50.00%
Rupesh Kantilal Savla	Shares	33,000	33,000
	Percentage	50.00%	50.00%

Note 4 Reserves and Surplus

Particulars	2018	2017
Reserves and Surplus		
Surplus		
Balance at the Beginning of the Year	1,74,114	1,61,969
Add: Profit & Loss A/c	27,663	22,146
	<u>2,01,797</u>	<u>1,74,114</u>
Balance Carried Forward	2,01,797	1,74,114

Note 5 Short-Term Provisions

Particulars	2018	2017
Audit Fees	11,800	6,500
Total	<u>11,800</u>	<u>6,500</u>

Note 6 Current Investment

Particulars	2018	2017
Trade Investment		
<u>Unquoted</u>		
Number of Units	853	831
IDFC Mutual Fund	854353	832767
(Market Value Unquoted Investment as on 31.03.2018 is Rs.854353/- and Previous Year Market Value Rs. 832767/-)		
Total	<u>8,54,353</u>	<u>8,32,767</u>

Note 7 Cash and Cash Equivalents

Particulars	2018	2017
Balances With Banks	13,702	1,706

DEEP CH4 PRIVATE LIMITED

(All amounts in ₹)

Note 8 Other Income

Particulars	2018	2017
Dividend Income (Mutual Fund)	36,586	37,775
Total	36,586	37,775

Note 9 Other Expenses

Particulars	2018	2017
Payments to the Auditor		
As Auditor	5,900	6,900
Professional Fees	0	750
ROC Expenses	0	2,000
Other Expenses Written Off	0	2,630



NIRBHAY

CAPITAL SERVICES PRIVATE LIMITED

CATEGORY - I MERCHANT BANKER

CIN-U67120GJ2006PTC047985

To,
**The Board of Directors,
Deep Industries Limited**
12A & 14, Abhishree Corporate Park,
Ambli Bopal Road,
Ambli, Ahmedabad -380058,
Gujarat, India.

Dear Sir / Madam,

Subject: Scheme of Arrangement under Sections 230-232 of the Companies Act, 2013 read with other applicable provisions and rules made thereunder involving Deep Industries Limited ("Company" or "Demerged Company") and Deep CH4 Limited ("DCL" or "Resulting Company") and their respective shareholders and creditors (the "Scheme")

This is with reference to our engagement letter dated August 24, 2018 entered with the
Company for internal audit and the accuracy and adequacy of disclosures pertaining to

Based on the information, undertakings, documents and confirmations furnished to us by the Company and DCL, we hereby confirm that the information pertaining to DCL contained in the Abridged Prospectus is accurate and adequate, in terms of the paragraph 3(a) of Annexure I of the Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular") read with Part D of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India Circular No. CIR/CFD/DIL/7/2015 dated October 30, 2015, as applicable ("Format of Abridged Prospectus").

The above confirmation is based on the information and explanations furnished to us by the representatives of Company and DCL during the course of our due diligence. While conducting our due diligence exercise, we have assumed the genuineness of all signatures, authenticity of all the documents, information and statements submitted to us as the original and conformity of copies or extracts submitted to us with that of original documents. We have relied upon the information and representations furnished to us on an as is basis and have not carried out an audit of such information. Our scope of work does not constitute an audit or verification of financial information and its accuracy and accordingly we are unable to and do not express any opinion on the fairness of any such financial information referred to in the Abridged Prospectus. Apart from the details pertaining to DCL, we do not express any opinion nor certify the content



Annexure 4

**APPLICABLE INFORMATION IN THE FORMAT SPECIFIED FOR ABRIDGED PROSPECTUS
(AS PROVIDED IN PART D OF SCHEDULE VIII OF THE ICDR REGULATIONS)**

This Document contains information pertaining to unlisted entity involved in the proposed Scheme of Arrangement between Deep Industries Limited and Deep CH4 Limited and their respective shareholders and creditors in terms of requirement specified in Securities and Exchange Board of India Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 ("SEBI Circular").

**THIS ABRIDGED PROSPECTUS CONTAINS 7 PAGES. PLEASE ENSURE THAT YOU
HAVE RECEIVED ALL PAGES**

Deep CH4 Limited

Corporate Identification Number (CIN): U1429GJ2006PLCO49371

Registered Office: 14, Ground Floor, Abhishree Corporate Park, Ambli Bopal Road, Ambli,
Ahmedabad – 380058, Gujarat, India

Tel: 02717 298510

Fax: 02717 298520

Contact Person: Ms. Disha Shah

E-mail: deepch4lid@yahoo.com

Promoters of Deep CH4 Limited:**

including exemption from Rule 19(2)(b) of the Securities Contracts (Regulations) Rules, 1957 (the "SCRR") to be obtained from the Securities Exchange Board of India ("SEBI"), the Equity Shares would be listed on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE").

DETAILS OF THE STATUTORY AUDITOR

Name: Dhruvhai Shah & Co LLP
Chartered Accountant
Firm Registration No. - 102511W/W100298
Address: 4th Floor, Aditya Building, Near Sardar Patel Seva Samaj, Mithakhadi Six Roads, Ellis
bridge, Ahmedabad -380 006
Phone : 079-26403325/26
E-mail : info@dbsgroup.in

INDEX CONTENT

Sr. No.	Particulars	Page No.
1	Promoters of Deep CH4 Limited	2
2	Business Overview and Strategy of Deep CH4 Limited	3
3	Board of Directors of Deep CH4 Limited	3-4
4	Details and reasons for non-deployment or delay in deployment of proceeds or changes in utilization of issue proceeds of past public issues, if any, of Deep CH4 Limited in the preceding 10 years	4

BUSINESS OVERVIEW AND STRATEGY OF DEEP CH4 LIMITED

Deep CH4 was incorporated with the object of being engaged in the business of carrying on all or any of the business of prospecting, exploring, developing, opening and working mines, drilling and sinking shafts or wells and to pump, refine, raise, dig and quarry coal bed methane, minerals, ores, gases such as methane gas i.e. CH4.

Further, upon the Scheme coming into effect, the main object of Deep Industries Limited, as outlined herein below, shall be added to the Main Object of Deep CH4 Limited and Clause III of the Memorandum of Association of Deep CH4 Limited shall stand amended as under:

"To provide latest equipments like Air Compressor, Gas Compressor, rigs and other equipments, efficient services like operation and maintenance, man power deployment and execution of turnkey projects related to oil gas sector on charter hire basis and carry on business of transport operators, cartagers and haulage contractors, garage proprietors, owners, charterers and lessors of road vehicles of every description and to act as carriers of goods by road, rail, water, air cartage contractors, forwarding, transporting and commission agents, custom agents, wharfingers, cargo superintendents, packers, warehouseman, store-keeper and job-masters and carry on anywhere in India and out of India the business of running of transportation of all kinds on such lines/routes as the Company may deem fit and to transport all types of goods and generally to carry on the business of the common carriers."

BOARD OF DIRECTORS

Set forth below are the details regarding the Board of Directors of Deep CH4 Limited as on date:

			1) Deep Natural Resources Limited 2) Deep Onshore Drilling Services Pvt.Ltd. 3) Deep Methane Private Limited 4) Prabha Energy Private Limited
--	--	--	--

DETAILS AND REASONS FOR NON-DEPLOYMENT OR DELAY IN DEPLOYMENT OF PROCEEDS OR CHANGES IN UTILIZATION OF ISSUE PROCEEDS OF PAST PUBLIC ISSUES, IF ANY, OF DEEP CH4 LIMITED IN THE PRECEDING 10 YEARS

Not Applicable

CAPITAL STRUCTURE OF DEEP CH4 LIMITED AS ON DATE

Sr. No.	Particulars	Description of Equity Shares
1	Authorized Share Capital	66,000 equity shares of face value of INR 10 each
2	Issued, Subscribed and Paid-up Equity Share Capital	66,000 equity shares of face value of INR 10 each

before tax and extraordinary items			
Net Profit / (Loss) after tax and extraordinary items	27,683	22,145	29,202
Equity Share Capital (Face value of Rs. 10/- each)	6,60,000	6,60,000	6,60,000
Reserves and Surplus / Other Equity	2,01,797	1,74,114	1,51,969
Net worth	8,61,797	8,34,114	8,11,969
Basic earnings per share (in Rs.)	0.42	0.34	0.44
Return on net worth (%)	3.21%	2.65%	3.60%

SUMMARY OF OUTSTANDING OBLIGATIONS, CLAIMS AND REGULATORY ACTIONS

1. Total number of outstanding litigations against Deep CH4 Limited and the amount involved
NIL.
2. Brief details of top material outstanding litigations against Deep CH4 Limited and the amount involved
NIL.
3. Regulatory action, if any -- disciplinary action taken by SEBI or Stock Exchanges against the Promoter / Group Companies in Last 5 Financials years including outstanding action

The Company, its promoters or directors have not been directly or indirectly, debarred from accessing the capital market and have not been restrained by any regulatory authority from, directly or indirectly, acquiring the said securities. However, SEBI in its order SEBI/WUM/MPB/VD/ID-6/162/2018 dated 16th April 2018, has observed that Mr. Rupesh Savla, director of Deep Industries Limited, traded in the scrip of Deep Industries Limited while in possession of unpublished price sensitive information. SEBI has directed freezing of bank accounts (to the extent of amount to be transferred to the Escrow Account) and demat accounts of Mr. Rupesh Savla till the amount of gains from the said transaction are credited to an Escrow Account with a lien in favour of SEBI. The director has contested above the claim of SEBI.

4. Brief details of outstanding criminal proceedings against the promoter*

NIL.

**Upon the Scheme of Arrangement becoming effective, the promoters of Deep CH4 Limited shall be identified in accordance with SEBI ICDR Regulations.*

RATIONALE AND BENEFITS OF THE DRAFT SCHEME OF ARRANGEMENT

- (i) Deep Industries Limited primarily operates in two business segments: (i) Oil and Gas Services Business comprising of air and natural gas compression services, gas dehydration, work over and drilling rig services; and (ii) oil and gas exploration and production. Each of the businesses carried on by Deep Industries Limited by itself and along with its subsidiaries including Oil and Gas Services Business have significant potential for growth and profitability. The nature of risk, competition, challenges, opportunities and business methods for Oil and Gas Services Business is separate and distinct from oil and gas exploration and production business. The Oil and Gas Services Business and oil and gas exploration and production business of Deep Industries Limited are capable of attracting a different set of investors, strategic partners, lenders and other stakeholders. There are also differences in the manner in which Oil and Gas Services Business and oil and gas exploration and production business of Deep Industries Limited are required to be handled and managed. In order to lend greater enhanced focus to the operation of the said businesses, it is proposed to re-organize the Oil and Gas Services Undertaking by way of demerger and transfer of the same from Deep Industries Limited to Deep CH4 Limited. The proposed demerger would result in segregation of Oil and Gas Services Undertaking into Resulting Company and housing of active exploration and production assets relating to oil and gas exploration and production business with the Demerged Company.



- (ii) The proposed segregation would enable greater/enhanced focus of the management in the Oil and Gas Services Business and oil and gas exploration and production business thereby facilitating the management to efficiently exploit opportunities for each of the said businesses.
- (iii) The management believes that the proposed demerger will result in unlocking the true value of Oil and Gas Services Business thereby creating enhanced value for shareholders and will also allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders connected with Deep Industries Limited.
- (iv) The proposed demerger will also provide scope for independent collaboration and expansion for each of the businesses as well as enable attracting investors and provide better flexibility in accessing capital for each of the businesses carried on by Deep Industries Limited.



Dhananjay Trivedi & Associates
CHARTERED ACCOUNTANTS

302/2, Aniket, Nr. Ship Building, C. G. Road, Ahmedabad-380 006 • M : 98250 63874 • Email : dhananjay_trivedi09@yahoo.co.in

Ref. No.:

TO WHOM SO EVER IT MAY CONCERN

Date:

We refer to the SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017 and NSE Circular NSE/CM1/2017/12 dated 01.2017. In this regard, for scheme filed by a listed company with SEBI / Stock Exchanges, the listed company is required to obtain the valuation report to display workings, relative fair value per share and fair share exchange ratio. The details required as required to be submitted in the format as under:

Computation of Fair Share Exchange Ratio:

Valuation Approach	Deep Industries Limited		Deep CH4 Limited	
	Value per share	Weight	Value per share	Weight
Asset Approach	-	-	-	-
Income Approach	-	-	-	-
Market Approach	NOT	APPLICABLE	-	-
Relative Value per Share	-	-	-	-
Exchange Ratio (rounded off)	-	-	-	-

Ratio: ___ equity shares of Deep Industries Limited of INR ___ each fully paid up for every ___ equity shares of Deep CH4 Limited of INR ___ each fully paid up

However, as per Para 1(A)(4)(b) of Annexure-I of SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017, valuation report is not required in cases where there is no change in the shareholding pattern of the listed entity / resulting company. Further, Para 1(A)(4)(d) of the said Circular clarifies that 'no change in shareholding pattern' would include a case where a listed entity (say, 'entity A') demerges a unit and makes it a separate company (say, 'entity B') and all the following conditions are fulfilled:

- (i) Shareholding of entity B is comprised only of the shareholders of entity A
- (ii) Shareholding pattern of entity B is the same as in entity A
- (iii) Every shareholder in entity B holds equity shares in the same proportion as held in entity A before the demerger

We understand that a Scheme of Arrangement between Deep Industries Limited and Deep CH4 Limited and their shareholders and creditors has been submitted to stock exchanges for their approval. In the instant case, the Scheme provides that upon the Scheme becoming effective, the existing paid-up share capital of Deep CH4 Limited (the Resulting Company) shall be cancelled and pursuant to the demerger, every shareholder of Deep Industries Limited (the Demerged Listed Company) will become shareholder of Deep CH4 Limited in the same proportion as shares held by such shareholders in Deep Industries Limited. Further, there will





Dhananjay Trivedi & Associates
CHARTERED ACCOUNTANTS

30212, Aniket, Nr. Shilpa Building, C. G. Road, Ahmedabad-380 006. • M: 98260 63874 • Email: dhananjay_trivedi09@yahoo.co.in

Ref. No.:

Date:

not be any change in the shareholding pattern of Deep Industries Limited. Considering that the post scheme shareholding pattern of the Resulting Company would be same as that of the Demerged Company and every shareholder in the resulting Company would hold equity shares in the same proportion as held by it in the Demerged Company, in view of provisions of Para (A)(4)(b) of Annexure-I of the SEBI Circular dated 10 March 2017, the requirement of obtaining valuation report is not applicable.


In our opinion and to the best of our information and according to the explanation given to us, considering the above, we certify that the valuation required by the SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017 and NSE Circular No: E/CML/2017/12 dated 01/2017 in the manner specified therein will not be applicable in the instant case. Further, fairness opinion of the merchant banker on valuation will also not be required in the instant case.

This certificate is issued for onward submission to the National Stock Exchange of India Limited and BSE Limited and should not be used for any other purpose without our prior written consent.

Yours faithfully,

For DHANANJAY TRIVEDI AND ASSOCIATES
 CHARTERED ACCOUNTANTS

Dated: 6th July, 2018
 Place: Ahmedabad


 PROPRIETOR
 DHANANJAY TRIVEDI

Mem No 43156
 ERN 101298W





CATEGORY - I MERCHANT BANKER
CIN-U67120GJ2006PTC047985

To,
The Board of Directors,
Deep Industries Limited,
12A and 14, Abhishree Corporate Park,
Ambli Bopal Road, Ambli,
Ahmedabad - 380058

Subject: Fairness Opinion on the report of M/s Dhananjay Trivedi & Associates, Chartered Accountants, with respect to the proposed Scheme of Arrangement between Deep Industries Limited and Deep CH4 Limited and their shareholders and creditors

Dear Sirs,

We understand that a Scheme of Arrangement between Deep Industries Limited and Deep CH4 Limited and their shareholders and creditors has been submitted to stock exchanges for their approval under Regulation 37 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In this regard, for scheme filed by a listed company with SEBI / Stock Exchanges, SEBI Circular No. CFD/DIL3/CIR/2017/21 dated March 10, 2017 read with NSE Circular NSE/CML/2017/12 dated June 1, 2017 requires the listed company to obtain the valuation report to display workings, relative fair value per share and fair share exchange ratio in the prescribed format. Further, the listed entity is also required to submit a fairness opinion by a SEBI registered merchant banker on valuation of assets / shares done by the valuer for the listed entity and unlisted entity.

However, as per Para I(A)(4)(b) of Annexure-I of SEBI Circular CFD/DIL3/CIR/2017/21 dated 10 March 2017, valuation report is not required in cases where there is no change in the shareholding pattern of the listed entity / resulting company. Further, Para I(A)(4)(d) of the said Circular clarifies that 'no change in shareholding pattern' would include a case where a listed entity (say, 'entity A') demerges a unit and makes it a separate company (say, 'entity B') and all the following conditions are fulfilled:

- (i) Shareholding of entity B is comprised only of the shareholders of entity A
- (ii) Shareholding pattern of entity B is the same as in entity A
- (iii) Every shareholder in entity B holds equity shares in the same proportion as held in entity A before the demerger



TRUST WITHOUT FEAR

Registered Office : 201, Maruti Crystal, Opp. Rajpath Club, S.G. Highway, Bodakdev, Ahmedabad-380 054, Gujarat, India.
Phone : +91-79-26870649, +91-79-48970649 Fax : +01-79-26870228, Web : www.nirbhaycapital.com - email : info@nirbhaycapital.com



NIRBHAY

CATEGORY - I MERCHANT BANKER

CIN-U67120GJ2006PTC047985

In this regard, M/s Dhananjay Trivedi & Associates, Chartered Accountants, have certified that the requirement of reporting is not applicable for the concerned Scheme pursuant to Paragraph 16 of Annexure-I of SEBI Circular SEBI/DIL 3/CIR/2017/24 Dated March 10, 2017.

Walker Chandok & Co LLP

Strictly Private and Confidential

To,

**Board of Directors
Deep Industries Limited
12A&14,
Abhishree Corporate Park,
Amb Bopal Road, Ambli,
Ahmedabad, Gujarat**

Walker Chandok & Co LLP
18th Floor, Tower J
Indraprastha Centre
12B Ring Road, Indraprastha
Munshi 400015
India

T +91 20 6626 2000
F +91 20 6626 2001

Date 25 May 2018

Sub: Recommendation of Share Entitlement Ratio for the proposed demerger of Oil and Gas Services Business of Deep Industries Limited

Dear Sir / Madam,

We refer to our engagement letter and subsequent discussions with the management of Deep Industries Limited (referred to as "the Company"/"Client"/"Deep Industries") requesting Walker Chandok & Co LLP (hereinafter referred to as "WCC") for recommendation of the Share Entitlement Ratio for the proposed demerger of the Oil and Gas Services Business of Deep Industries (referred to as "Oil and Gas Services Business") into Deep CH4 Private Limited ("Resulting Company") under the Draft Scheme of Arrangement under Sections 230 to 232 together with Sections 13, 61, 64, 66 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as "Draft Scheme") with effect from 1 April 2017 (hereinafter referred to as the "Appointed Date").

WCC has been hereafter referred to as "Valuer" or "we" in this Share Entitlement Ratio Report ("Report").

SCOPE AND PURPOSE OF THIS REPORT

Deep Industries, incorporated in 1991, provides services such as air and gas compression, work over rigs, drilling rigs and gas dehydration services (together referred to as "Oil and Gas Services Business") to oil and gas



Walker Chandio & Co LLP

- (iii) **Rig Business** - DIL operates onshore mechanical rigs in India. It also provides Operation and Maintenance services for work over Rigs. Presently, the company has Work over Rigs ranging from 150 HP to 1000 HP and Drilling Rigs from 350 HP to 1500 HP, Coring Rig and Air Drilling Rig.

We understand that the management of Deep Industries ("Management") is contemplating a demerger of the Oil and Gas Services Business into Resulting Company (hereinafter referred to as the "Proposed Demerger") through the Draft Scheme.

In this regard, WCC has been requested by Deep Industries to submit a report recommending Share Entitlement Ratio ("Report") to be placed before the Audit Committee/ Board of Directors of the Company.

The Share Entitlement Ratio will be determined on the basis of the proposed capital structure of the Resulting Company as desired by the Management.

This Report is our deliverable for the above engagement.



Walker Chandniok & Co LLP

The recommendation rendered in this Report only represent our recommendation based upon information till date furnished by the Management (or its executives / representatives) and obtained from other sources and the said recommendation shall be considered to be in the nature of non-binding advice, (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). We have no obligation to update this report.

The determination of a Share Entitlement Ratio is not a precise science and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. There is, therefore, no single undisputed Share Entitlement Ratio. While we have provided our recommendation of the Share Entitlement Ratio based on the information available to us and within the scope of our engagement, others may have a different opinion. The final responsibility for the determination of the Share Entitlement Ratio at which the Proposed Demerger shall take place will be with the Board of Directors of the Companies who should take into account other factors such as their own assessment of the Proposed Demerger and input of other advisors.

In accordance with the terms of our engagements, we have assumed and relied upon, without independent verification, (i) the accuracy of the information that was publicly available and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by the Company. We have not independently investigated or otherwise verified the data provided by the Company. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the financial statements. Also, with respect to explanations and information sought from the Company, we have been given to understand by the Management that they have not omitted any relevant and material factors about the Company. Our conclusions are based on the assumptions and information given by and on behalf of the Company and reliance on public information. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our analysis/results. Accordingly, we assume no responsibility for any error in the information furnished by the Company or obtained from public domain and their impact on the Report. However nothing has come to our attention to indicate that the information provided / obtained was materially mis-stated/ incorrect or would not afford reasonable grounds upon which to base the Report.

The Report assumes that the Company complies fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Company will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited /

the Company
the likely benefits arising from
less transparency of other alternatives
the overall impact on the company's financial position, the net
Proposed Demerger as compared with any other alternative
or whether or not such alternatives could be achieved or are available.
No investigation / inspection of the Company's claim to title of assets has been made for the purpose
of this Report and the Companies' claim to such



Walker Chandniok & Co LLP

RESULTING COMPANY

The capital structure of the Resulting Company as desired by the Management is equal to that of the capital structure of Deep Industries.

Upon Scheme becoming effective, the proposed issued and subscribed equity share capital of the Resulting Company would be INR 320.0 million consisting of 32,000,000 equity shares of face value of INR 10 each. The desired shareholding pattern is as follows:

Sr. No.	Shareholder	Percentage
1.	Promoter Group	63.5%
2.	Non-promoter Group	36.5%
	Total	100.0%

BASIS OF SHARE ENTITLEMENT RATIO

As per the Draft Scheme, we understand that upon the Draft Scheme becoming effective and upon the issue of shares by Resulting Company to the shareholders of Deep Industries, the existing equity shares of the Resulting Company shall, without any application or deed, stand cancelled without any payment.

Once the Scheme is implemented, all the shareholders of Deep Industries would also become the shareholders of the Resulting Company, and their shareholding in the Resulting Company would mirror their shareholding in Deep Industries.

The effect of the demerger is that each shareholder of Deep Industries becomes the owner of shares in two companies instead of one. No shareholder is, under the Scheme, required to dispose off any part of his shareholding either to any of the other shareholders or in the market or otherwise. The Scheme does not envisage dilution of holding of any one or more shareholders as a result of the operation of the Scheme. Post Demerger, the percentage holding of a shareholder in the Resulting Company and in Deep Industries would remain unchanged from the proportion of capital held by such shareholder in Deep Industries.

Considering that the shareholders of Deep Industries shall hold shares in the Resulting Company in the same proportion as in Deep Industries, the proposed demerger of Oil and Gas Services Business of Deep Industries to the Resulting Entity will be value-neutral to shareholders of Deep Industries.



Walker Chandiook & Co LLP

In view of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the Share Entitlement Ratio for the Proposed Demerger as follows:

For every 1 (One) equity share of Deep Industries (of face value INR 10/- each fully paid up), issue of 1 (One) equity share of the Resulting Company (of face value INR 10/- each fully paid up) for the demerger and vesting of Oil and Gas Services Business in to the Resulting Company.

The above recommended Share Entitlement Ratio is arrived at by considering the capital structure as desired by the Management.

Respectfully submitted,
For Walker Chandiook & Co LLP
Chartered Accountants
ICAI Firm Registration No: 001076N/ N500013



Huneed Contractor
Partner
Membership No: 41456
Date: 25 May 2018.



Walker Chandiook & Co LLP

Annexure 1: Fair Entitlement Ratio recommended by Walker Chandiook & Co.

As the proposed capital structure of the Resulting Company is as desired by the Management and considering the fact that the shareholding of the shareholders of Deep Industries in the Resulting Company would mirror their shareholding in Deep Industries, there is no requirement of undertaking valuation exercise for determining Share Entitlement Ratio. Hence, we have not carried out valuation of the Oil and Gas Services Business.

Valuation Approach	Equity Value in INR Million	Weight
Cost Approach	NA	NA
Income Approach	NA	NA
<u>Market Approach:-</u>		
<i>Market Price Method</i>	NA	NA
<i>Comparable Companies Multiple Method</i>	NA	NA

NA= Not Applicable/Adopted

Entitlement Ratio –

1 (One) equity share of the Resulting Company of INR 10 each fully paid up for every 1 (One) equity share of Deep Industries of INR 10 each fully paid up.





REPORT ADOPTED BY THE BOARD OF DIRECTORS OF DEEP INDUSTRIES LIMITED IN ITS MEETING HELD ON 26 MAY 2018 EXPLAINING THE EFFECT OF THE SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS:

1. Background

- 1.1 The proposed Scheme of Arrangement between Deep Industries Limited (“Demerged Company”) and Deep CH4 Limited (“Resulting Company”) and their respective shareholders and creditors (“the Scheme”) was approved by the Board of Directors of Deep Industries Limited vide resolution dated 26th May 2018. As per the provisions of Sections 230 to 232 of the Companies Act, 2013, governing scheme of arrangement between Companies, the Directors are required to adopt a report explaining the effect of the Scheme on equity shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders along with the Notice convening the meeting.
- 1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.3 The proposed scheme involves demerger of Oil and Gas Services Undertaking from Deep Industries Limited into Deep CH4 Limited.
- 1.4 The following documents were placed before the Board:
 - 1.4.1 Draft Scheme of Arrangement duly initiated by the Company Secretary for the purpose of identification;
 - 1.4.2 Report of the Audit Committee of the Board of Directors dated 26 May 2018;
 - 1.4.3 Certificate dated 25 May 2018 issued by Walker Chandiook & Co. LLP, Chartered Accountants on share entitlement ratio

2. Effect of the Scheme on Equity Shareholders (promoter shareholders and non-promoter shareholders), Creditors, Employees and KMPs of Deep Industries Limited

- 2.1 Upon the Scheme coming into effect, there will not be any change in the shareholding pattern of Deep Industries Limited.
- 2.2 The rights of the creditors of Deep Industries Limited shall not be affected by the Scheme. There will be no reduction in their claims on account of the Scheme. The creditors will be paid in the ordinary course of business as and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned. There are no debenture-holders in Deep Industries Limited as on date and therefore, the question of effect of the Scheme on any such debenture-holders or Debenture Trustee does not arise.
- 2.3 As on date, Deep Industries Limited has no outstanding Public Deposits and therefore, the question of effect of the Scheme on any such Public Depositor or Deposit Trustee does not arise.
- 2.4 With effect from the Effective Date, all employees of the Demerged Company engaged in or in relation to the Oil and Gas Services Undertaking shall become the employees of the Resulting Company without any interruption of service on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retirement/ terminal benefits. The decision on whether or not an employee is part of the Oil and Gas Services Undertaking, shall be decided by the Demerged Company, and shall be final and binding on all concerned.
- 2.5 The accumulated balances, if any, standing to the credit of the aforesaid employees, in the existing provident fund, pension fund, gratuity fund, superannuation fund or any other funds created by the Demerged Company, as the case may be, of which they are members, will be transferred respectively to such provident fund, pension fund, gratuity fund, superannuation fund or any other funds nominated by the Resulting Company and/ or such new provident fund, pension fund, gratuity fund, superannuation fund or any other funds to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, if applicable, by the Resulting Company. Pending the transfer as aforesaid, the dues of the said employees in respect of the above funds would be continued to be deposited in the existing provident fund, pension fund, gratuity fund, superannuation fund or any other funds respectively of the Demerged Company.



2.6 None of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Demerged Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Demerged Company and/or the Resulting Company and/or to the extent that the two directors of Demerged Company, namely, Mr. Paras Savla and Mr. Rupesh Savla are also the directors of Resulting Company and/or to the extent that the relatives of the said directors hold shares in the respective companies and/or to the extent the directors and their respective relatives are the beneficiaries / trustees of the trust that hold shares in the respective companies.

3. Share Entitlement Ratio

3.1 Walker Chandio& Co LLP, Independent Chartered Accountants, have provided a report in respect of issuance of equity shares by the Resulting Company to the equity shareholders of the Demerged Company. The report states that considering that upon the Scheme becoming effective, the shareholders of the Demerged Company shall hold shares in the Resulting Company in the same proportion as in the Demerged Company, the proposed demerger of Oil and Gas Services Business of the Demerged Company to the Resulting Company will be value-neutral to the shareholders of the Demerged Company. Considering the same, the report recommended share entitlement ratio of one equity share of Resulting Company of face value of Rs.10 each for every one equity share of Demerged Company of face value of Rs.10 in consideration of demerger and vesting of Oil and Gas Services Undertaking from Demerged Company into Resulting Company.

3.2 Based on the report of Walker Chandio& Co LLP, the Board of Directors approved the share entitlement ratio as under:
Pursuant to the Scheme of Arrangement between the Demerged Company and the Resulting Company and their respective shareholders and creditors involving demerger of Oil and Gas Services Undertaking of the Demerged Company to the Resulting Company, each shareholder of the Demerged Company shall be issued 1 (One) fully paid up equity share of face value of INR 10 (Indian Rupees Ten) each of the Resulting Company for every 1 (One) equity share held by such shareholder in the Demerged Company.

3.3 No special valuation difficulties were reported by the Valuer.

By Order of the Board,
For **Deep Industries Limited**,

Paras Savla, Director
DIN:00145639

Date: 26th May, 2018



REPORT ADOPTED BY THE BOARD OF DIRECTORS OF DEEP CH4 LIMITED IN ITS MEETING HELD ON 26 MAY 2018 EXPLAINING THE EFFECT OF THE SCHEME ON EQUITY SHAREHOLDERS, KEY MANAGERIAL PERSONNEL, PROMOTERS AND NON-PROMOTER SHAREHOLDERS:

1. Background

- 1.1 The proposed Scheme of Arrangement between Deep Industries Limited (“Demerged Company”) and Deep CH4 Limited (“Resulting Company”) and their respective shareholders and creditors (“the Scheme”) was approved by the Board of Directors of Deep CH4 Limited vide resolution dated 26th May 2018. As per the provisions of the Sections 230 to 232 of the Companies Act, 2013, governing scheme of arrangement between Companies, the Directors are required to adopt a report explaining the effect of Scheme on equity shareholders, key managerial personnel (KMPs), promoters and non-promoter shareholders of the Company laying out in particular the share exchange ratio and the same is required to be circulated to the equity shareholders along with the Notice convening the meeting.
- 1.2 This report of the Board is accordingly being made in pursuance to the requirements of Section 232(2)(c) of the Companies Act, 2013.
- 1.3 The proposed scheme involves demerger of Oil and Gas Services Undertaking from Deep Industries Limited into Deep CH4 Limited.
- 1.4 The following documents were placed before the Board:
 - 1.4.1 Draft Scheme of Arrangement;
 - 1.4.2 Certificate dated 25 May 2018 issued by Walker Chandio& Co. LLP, Chartered Accountants on share entitlement ratio

2. Effect of the Scheme on Equity Shareholders (promoter shareholders and non-promoter shareholders), Creditors, Employees and KMPs of Deep CH4 Limited

- 2.1 Pursuant to the scheme, the Resulting Company shall issue to each shareholder (promoter as well as non-promoter equity shareholders) of the Demerged Company, 1 fully paid up equity share of face value of INR 10 each of the Resulting Company for every 1 equity share held by such shareholder in the Demerged Company. Upon such allotment of equity shares by the Resulting Company and with effect from the Effective Date, in order to ensure that the shareholding pattern of the Resulting Company be the same as the Demerged Company, the existing paid up equity share capital of the Resulting Company of Rs. 6,60,000 shall stand cancelled, extinguished and annulled on and from the Effective Date, which shall be regarded as reduction of equity share capital of the Resulting Company, pursuant to section 66 of the Act as also any other applicable provisions of the Act.
- 2.2 As on date, Deep CH4 Limited has no outstanding creditors, debentures, Public Deposits and therefore, the question of effect of the Scheme on any such creditors, debenture-holders, debenture trustee, Public Depositor or Deposit Trustee does not arise.
- 2.3 With effect from the Effective Date, all employees of the Demerged Company engaged in or in relation to the Oil and Gas Services Undertaking shall become the employees of the Resulting Company without any interruption of service on the terms and conditions not less favourable than those on which they are engaged by the Demerged Company. The Resulting Company undertakes to continue to abide by any agreement/ settlement or arrangement, if any, entered into or deemed to have been entered into by the Demerged Company with any of the aforesaid employees or union representing them. The Resulting Company agrees that the services of all such employees with the Demerged Company prior to the demerger shall be taken into account for the purposes of all existing benefits to which the said employees may be eligible, including for the purpose of payment of any retrenchment compensation, gratuity and other retirement/ terminal benefits. The decision on whether or not an employee is part of the Oil and Gas Services Undertaking, shall be decided by the Demerged Company, and shall be final and binding on all concerned.
- 2.4 The accumulated balances, if any, standing to the credit of the aforesaid employees, in the existing provident fund, pension fund, gratuity fund, superannuation fund or any other funds created by the Demerged Company, as the case may be, of which they are members, will be transferred respectively to such provident fund, pension fund, gratuity fund, superannuation fund or any other funds nominated by the Resulting Company and/ or such new provident fund, pension fund, gratuity fund, superannuation fund or any other funds to be established in accordance with Applicable Law and caused to be recognized by the Appropriate Authorities, if applicable, by the Resulting Company. Pending the transfer as aforesaid, the dues of the said employees in respect of the above funds would be continued to be deposited in the existing provident fund, pension fund, gratuity fund, superannuation fund or any other funds respectively of the Demerged Company.



- 2.5 None of the Directors, the Key Managerial Personnel (as defined under the Act and rules framed thereunder) of the Resulting Company and their respective relatives (as defined under the Act and rules framed thereunder) have any interest in the Scheme except to the extent of the equity shares held by them in the Demerged Company and/or the Resulting Company and/or to the extent that the two directors of Resulting Company, namely, Mr. Paras Savla and Mr. Rupesh Savla are also the directors of Demerged Company and/or to the extent that the relatives of the said directors hold shares in the respective companies and/or to the extent the directors and their respective relatives are the beneficiaries / trustees of the trust that hold shares in the respective companies.
3. Share Entitlement Ratio
- 3.1 Walker Chandiok & Co LLP, Independent Chartered Accountants, have provided a report in respect of issuance of equity shares by the Resulting Company to the equity shareholders of the Demerged Company. The report states that considering that upon the Scheme becoming effective, the shareholders of the Demerged Company shall hold shares in the Resulting



BEFORE THE NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
C A (CAA) NO. 103 OF 2018

In the matter of the Companies Act, 2013;
And
In the matter of Sections 230 to 232 read with Section 66
and other applicable provisions of the Companies Act,
2013;
And
In the matter of Scheme of Arrangement between Deep
Industries Limited and Deep CH4 Limited and their
respective shareholders and creditors

Deep Industries Limited

CIN: L63090GJ1991PLC014833

A company incorporated under the provisions of the
Companies Act, 1956 and having its registered office at 12A
& 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli,
Ahmedabad – 380058 in the state of Gujarat
... Applicant De-merged Company

FORM OF PROXY

Name of the Secured Creditor(s): _____

Registered address: _____

E-mail ID: _____

I, the undersigned, the Secured Creditor of Deep Industries Limited, do hereby appoint Mr./Ms. of
.....and failing him/her of..... as my Proxy to act for me at the meeting of the
Secured Creditors of the Applicant Company to be held on Saturday, the 2nd day of March 2019 at 11:00 a.m., at 12A and 14,
Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058 in the state of Gujarat; for the purpose of
considering, and if thought fit, approving, with or without modification(s), the said Scheme of Arrangement between Deep
Industries Limited and Deep CH4 Limited, as proposed between the company and its creditors; (the "Scheme of Arrangement"),
and at such meeting and any adjournment/adjournments thereof, to vote, for me and in my name
(here, "if for" insert "for", "if against" insert "against" and in the latter case, strike out the words below after "Scheme") the said
Scheme either with or without modification(s) as my proxy may approve.

Dated this day of2019

Signature

Name:.....

Address:.....

Affix
Re. 1
Revenue
Stamp

Notes:

1. The proxy must be deposited at the registered office of Deep Industries Limited at 12A and 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058, Gujarat, India, at least 48 (forty eight) hours before the scheduled time of the commencement of the said meeting.
2. All alterations made in the form of proxy should be initialed.
3. Please affix appropriate revenue stamp before putting signature.
4. In case of multiple proxies, the proxy later in time shall be accepted.
5. Proxy need not be a Secured Creditor of Deep Industries Limited.
6. No person shall be appointed as a proxy who is a minor.
7. The proxy of a Secured Creditor blind or incapable of writing would be accepted if such Secured Creditor has attached his signature or mark thereto in the presence of a witness who shall add to his signature his description and address: provided that all insertions in the proxy are in the handwriting of the witness and such witness shall have certified at the foot of proxy that all such insertions have been made by him at the request and in the presence of the Secured Creditor before he attached his signature or mark.
8. The proxy of a Secured Creditor who does not know English would be accepted if it is executed in the manner prescribed in point no. 7 above and the witness certifies that it was explained to the Secured Creditor in the language known to him, and gives the Secured Creditor's name in English below the signature.



DEEP INDUSTRIES LIMITED

CIN: L63090GJ1991PLC014833

Registered Office: 12A&14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad-380058

Tel(02717)298510 Fax(02717)298520 Website:www.deepindustries.com E-mail:info@deepindustries.com

ATTENDANCE SLIP

Secured Creditor – March 2, 2019

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

Full name of the secured creditor attending: _____

Name of the Proxy: _____

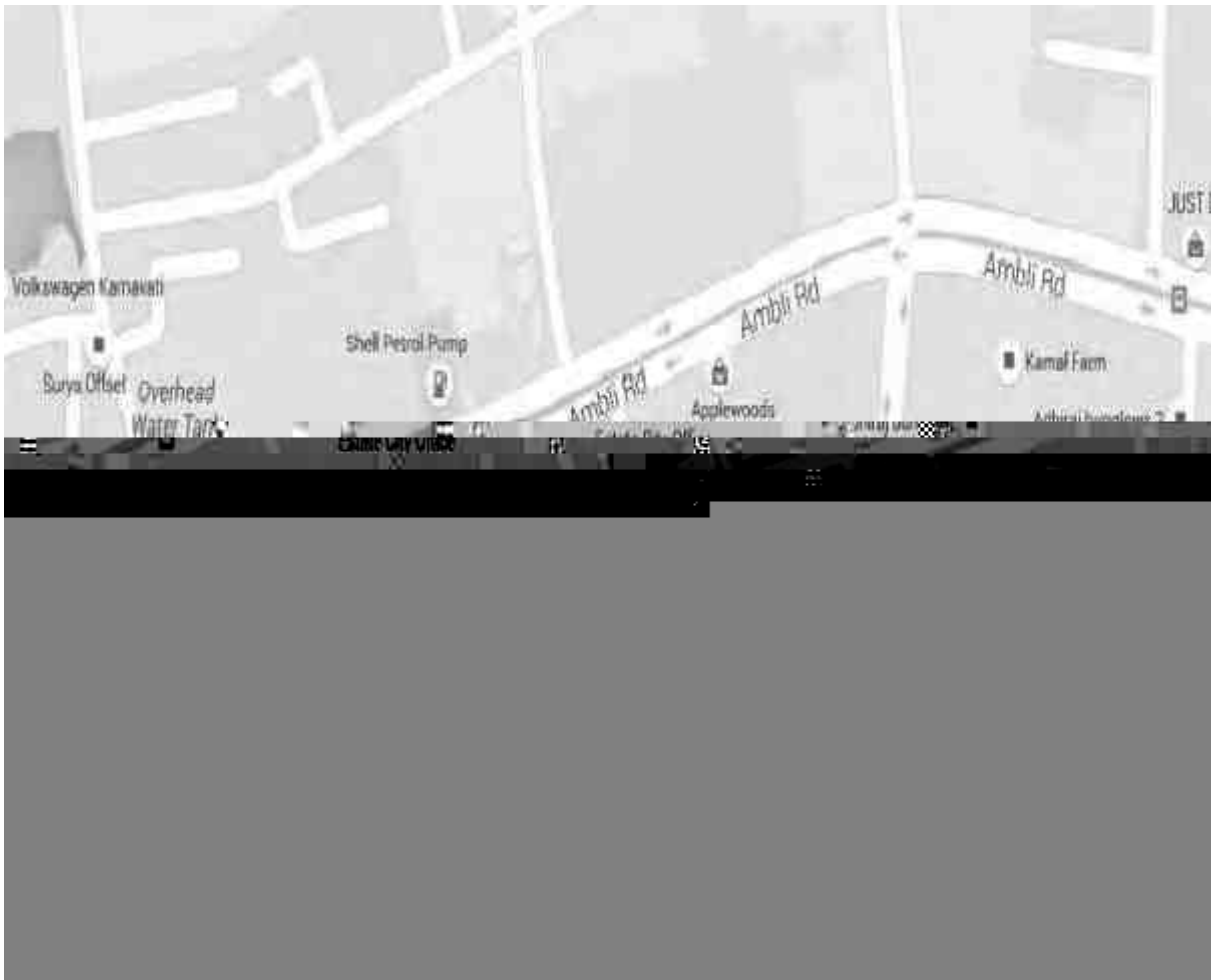
(To be filled in if Proxy Forms has been duly deposited with the Company):

I hereby record my presence at the meeting convened for secured creditors of Deep Industries Limited pursuant to the directions of National Company Law Tribunal, Bench at Ahmedabad being held at 12A and 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058, on Saturday, 2nd day of March, 2019 at 11:00 a.m..



ROUTE MAP OF THE VENUE OF THE MEETING

**Registered office of
Deep Industries Limited**
12A & 14,
Abhishree Corporate Park,
Ambli Bopal Road, Ambli,
Ahmedabad - 380058.



Through Courier



DEEP INDUSTRIES LIMITED

Registered Office :

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

Tel (02717) 298510 Fax (02717) 298520

CIN: L63090GJ1991PLC014833

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