



**DEEP ENERGY RESOURCES LIMITED**  
**Oil & Gas Exploration & Production**

**30<sup>th</sup>**  
**Annual Report**  
**2019-2020**



**DEEP ENERGY RESOURCES LIMITED**  
(Formerly Known as Deep Industries Limited)  
**30<sup>th</sup> Annual Report 2019-2020**

**BOARD OF DIRECTORS**

Mr. Paras S. Savla	Chairman & Managing Director
Mr. Rupesh K. Savla	Managing Director
Mr. Shail Savla	Additional Non Executive Non Independent Director (Appointed w.e.f 14.09.2020)
Mr. Hemendrakumar Shah	Independent Director
Mr. Kirit V. Joshi	Independent Director
Mrs. Shaily Dedhia	Independent Director (Appointed w.e.f.14.09.2020)
Dr. Kirit Shelat	Independent Director (Resigned w.e.f 14.09.2020)
Mrs. Renuka Upadhyay	Independent Director (Resigned w.e.f 14.09.2020)

**KEY MANAGERIAL PERSONNEL**

Mr. Shashvat Shah	Chief Financial Officer (Appointed w.e.f.15.09.2020)
Ms. Dixita Soni	Company Secretary (Appointed w.e.f.15.09.2020)
Mr. Rohan Shah	Chief Financial Officer (Resigned w.e.f closing of Business hours on 14.09.2020)
Mr. Akshit Soni	Company Secretary (Resigned w.e.f closing of Business hours on 14.09.2020)

**BANKERS**

State Bank of India  
HDFC Bank Ltd.  
IndusInd Bank Ltd.

**STATUTORY AUDITORS**

M/s. Dhirubhai Shah & Co. LLP  
Chartered Accountants

**SECRETARIAL AUDITOR**

M/s Shilpi Thapar & Associates  
Practicing Company Secretary

**SHARE TRANSFER AGENT**

M/s. Link Intime India Private Limited  
5th Floor, 506 to 508, Amarnath Business Centre-1  
(ABC-1), Besides Gala Business Centre,  
Near St. Xavier's College Corner,  
Off C. G. Road, Ellisbridge, Ahmedabad 380 006

**REGISTERED OFFICE**

12A & 14, Abhishree Corporate Park,  
Ambli Bopal Road, Ambli,  
Ahmedabad – 380058  
CIN: L63090GJ1991PLC014833  
Phone: 02717- 298510 Fax: 02717-298520  
E-mail: info@deepindustries.com  
Website: www.deepindustries.com

**C O N T E N T S**

Notice	2
Board's Report	12
Management Discussion and Analysis Report	25
Corporate Governance Report	27
Independent Auditor's Report on Standalone Financial Statements	44
Standalone Financial Statements	50
Independent Auditor's report on Consolidated Financial Statements	72
Consolidated Financial Statements	77



**DEEP ENERGY RESOURCES LIMITED**

(Formerly known as Deep Industries Limited)

CIN: L63090GJ1991PLC014833

Regd. Office: 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli,  
Ahmedabad – 380058, Phone: 02717- 298510, Fax: 02717-298520

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

**NOTICE of the 30<sup>th</sup> Annual General Meeting**

**NOTICE** is hereby given that the **30<sup>th</sup> Annual General Meeting** of the Members of **DEEP ENERGY RESOURCES LIMITED (Formerly known as Deep Industries Limited)** (CIN: L63090GJ1991PLC014833) will be held on Tuesday, 10<sup>th</sup> November, 2020 at 11:00 A.M through Video Conferencing (“VC”) /Other Audio Visual Means (“OAVM”). The Venue of the AGM shall be deemed to be Registered Office of the Company to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the audited financial statements (including audited consolidated financial statements) of the company for the financial year ended 31<sup>st</sup> March, 2020 which includes the Balance Sheet, Statement of Profit & Loss, Cash Flow Statement as at the date, the Auditor’s Report and Board’s Report thereon.
2. To appoint a Director in place of Mr. Rupesh Kantilal Savla (DIN: 00126303), who retires by rotation and being eligible offers himself for re – appointment.

**SPECIAL BUSINESS:**

**3. Appointment of Mr. Shail Manoj Savla (DIN: 08763064) as Non Executive Non-Independent Director.**

To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a “**Ordinary Resolution**”.

“**RESOLVED THAT** Mr. Shail Savla (DIN: 08763064) who was appointed as an Additional Director categorized as Promoter and sub categorized as Non-Executive Director of the Company w.e.f. 14<sup>th</sup> September, 2020 by the Board of Directors and who holds office upto the conclusion of ensuing Annual General Meeting in terms of Section 161 and other applicable provisions of the Companies Act, 2013 (“the Act”) read with Companies (Appointment and Qualification of Directors) Rules, 2014 and the Article of Association, and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Shail Savla candidature for the office of the Director, be and is hereby appointed as a Non-executive, Non Independent Director of the Company, liable to retire by rotation, with effect from the conclusion of this Annual General Meeting. “

“**RESOLVED FURTHER THAT** any of the present Directors and/or Company Secretary of the Company, be and is hereby authorized to inform the stock exchange about the appointment of the Director on the board of the company and to sign and file e-form and other such forms with the Registrar of Companies and to do all such acts, deeds, matters and to sign all such forms, papers, documents to give effect to the aforesaid resolution and to do any matter consequential thereto.”

**4. Appointment of Mrs. Shaily Jatin Dedhia (DIN: 08853685) as an Independent Director**

To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a “**Special Resolution**”.

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mrs. Shaily Jatin Dedhia (DIN: 08853685), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from 14<sup>th</sup> September, 2020 and who holds office till the conclusion of ensuing Annual General Meeting, in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160(1) of the Act, signifying his intention to propose Mrs. Shaily Jatin Dedhia as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years i.e. upto 13<sup>th</sup> September, 2025 on the board of the Company.”

“**RESOLVED FURTHER THAT** any of the present Directors and/or Company Secretary of the Company, be and is hereby authorized to inform the stock exchange about the appointment of the Director on the board of the company and to sign and file e-form and other such forms with the Registrar of Companies and to do all such acts, deeds, matters and to sign all such forms, papers, documents to give effect to the aforesaid resolution and to do any matter consequential thereto.”

**5. To accord consent to the Board to Create, Offer, Issue and allot securities amounting to ₹ 150 Crores (Rupees One Hundred And Fifty Crores Only) pursuant to Section 62(1) (C) and other applicable provisions of the Companies Act, 2013 and other applicable laws:**

To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a “**Special Resolution**”.



**“RESOLVED THAT** pursuant to the provisions of Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any amendments thereto or re-enactment thereof, for the time being in force, the “Companies Act”), the provisions of the Memorandum and Articles of Association of the Company, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the “SEBI ICDR Regulations”), the provisions of the Foreign Exchange Management Act, 1999, (“FEMA”) and rules and regulations framed there under as amended from time to time and subject to other applicable rules, regulations and guidelines issued by the Securities and Exchange Board of India (“SEBI”), the Reserve Bank of India (“RBI”), the Government of India (“GOI”), the Stock Exchanges and / or any other competent authorities from time to time to the extent applicable, and subject to such required further approvals, permissions, consents and sanctions as may be necessary from members of the Company, SEBI, Stock Exchanges, RBI, GOI and any other authorities as may be required in this regard and further subject to such terms and conditions or modifications as may be prescribed or imposed by any of them while granting any such approvals, permissions, consents and / or sanctions, 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 include any Committee thereof which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this Resolution), consent of the members be and is hereby accorded to the Board to create, offer, issue and allot (including with provisions for reservation on firm and/or competitive basis, of such part of issue and for such categories of persons as may be permitted), with or without green shoe option, such number of equity shares of the Company of face value 10/- each (“Equity Shares”), by way of Preferential Issue/Private Placement, fully convertible debentures/partly convertible debentures, preference shares convertible into Equity Shares subject to the alteration of capital clause in Memorandum and Articles of Association of the Company, and/ or any other financial instruments convertible into Equity Shares (including warrants, or otherwise, in registered or bearer form) and/or any security convertible into Equity Shares with or without voting/special rights and/or securities linked to Equity Shares and/ or securities with or without detachable warrants with right exercisable by the warrant holders to convert or subscribe to Equity Shares (all of which are hereinafter collectively referred to as “Securities”) or any combination of Securities, in one or more tranches, whether Rupee denominated or denominated in foreign currency, in one or more domestic market, by way of one or more private offerings, Qualified Institutions Placement (“QIP”) and/or on preferential allotment basis or any combination thereof, through issue of prospectus and /or placement document/ or other permissible/ requisite offer document to any eligible person, including Qualified Institutional Buyers (“QIBs”) in accordance with Chapter VIII of the SEBI ICDR Regulations, or otherwise, foreign/resident investors (whether institutions, incorporated bodies, mutual funds, individuals or otherwise), venture capital funds (foreign or Indian), alternate investment funds, foreign institutional investors, foreign portfolio investors, qualified foreign investors, Indian and/ or multilateral financial institutions, mutual funds, non-resident Indians, stabilizing agents, pension funds and/or any other categories of investors, whether they be holders of Equity Shares of the Company or not (collectively called the “Investors”) as may be decided by the Board in its discretion and permitted under applicable laws and regulations, for an aggregate amount not exceeding ₹ 150 Crores (Rupees One Hundred Fifty Crores Only) or equivalent thereof, in one or more foreign currency and/or Indian rupees, inclusive of such premium as may be fixed on such Securities by offering the Securities at such time or times, at such price or prices, at a discount or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment in tranches or otherwise shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) appointed and / or to be appointed by the Company (the “Issue”).”

**“RESOLVED FURTHER THAT** in pursuance of the aforesaid resolutions: (a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and (b) the Equity Shares that may be issued by the Company shall rank pari passu with the existing Equity Shares of the Company in all respects.”

**“RESOLVED FURTHER THAT** if any issue of Securities is made by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations (hereinafter referred to as “Eligible Securities” within the meaning of the SEBI ICDR Regulations), the allotment of the Eligible Securities, or any combination of Eligible Securities as may be decided by the Board shall be completed within twelve months from the date of this resolution or such other time as may be allowed under the SEBI ICDR Regulations from time to time.”

**“RESOLVED FURTHER THAT** any issue of eligible Securities made by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations shall be at such price which is not less than the price determined in accordance with the pricing formula provided under Chapter VIII of the SEBI ICDR Regulations (the “QIP Floor Price”), the Company may, however, in accordance with applicable law, also offer a discount of not more than 5% (Five Percentage) or such percentage as permitted under applicable law on the QIP Floor Price. “

**“RESOLVED FURTHER THAT** in the event that Equity Shares are issued to QIBs by way of a QIP in terms of Chapter VIII of the SEBI ICDR Regulations, the relevant date for the purpose of pricing of the Equity Shares shall be the date of the meeting in which the Board decides to open the proposed issue of Equity Shares.”



**“RESOLVED FURTHER THAT** in the event of the issue of Securities as aforesaid by way of Preferential Issue in terms of Chapter VII of SEBI (ICDR) Regulations, as amended from time to time and the relevant provisions/ rules of/ under Companies Act, 2013:

- a) The relevant date for the purpose of determining the pricing of the Securities would, pursuant to Chapter VII of the SEBI (ICDR) Regulations, and/ or other applicable regulations, be, in case of issue of equity shares, the date thirty days prior to the date on which the meeting of shareholders is held to consider the proposed preferential issue, or in case of preferential issue of convertible securities, either the relevant date referred to above or a date thirty days prior to the date on which the holders of the convertible securities become entitled to apply for the equity shares;
- b) The tenure and pricing shall be determined in compliance with principles and provisions set out in the regulations 75 and 76 (including 76A and 76B), respectively, of Chapter VII of the SEBI (ICDR) Regulations, as amended from time to time;
- c) The Securities so issued would be locked-in as set out in regulation 78 of Chapter VII of the SEBI (ICDR) Regulations, as amended from time to time;
- d) The allotment of the Securities so issued shall be completed within a period of 15 days from the passing of the shareholders’ resolution or from the date of receipt of any approval or permission by any regulatory authority.

**“RESOLVED FURTHER THAT** the Issue to the holders of the Securities, which are convertible into or exchangeable with equity shares at a later date shall be, inter alia, subject to the following terms and conditions: (a) in the event the Company is making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of Equity Shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto; (b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares will stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders; (c) in the event of merger, amalgamation, takeover or any other reorganization or restructuring or any such corporate action, the number of Equity Shares, the price and the time period as aforesaid shall be suitably adjusted; and (d) in the event of consolidation and/or division of outstanding Equity Shares into smaller number of Equity Shares (including by way of stock split) or re-classification of the Securities into other securities and/or involvement in such other event or circumstances which in the opinion of concerned stock exchange requires such adjustments, necessary adjustments will be made.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to any offer, issue or allotment of Equity Shares, Securities or instruments representing the same, as described above, the Board be and is hereby authorised on behalf of the Company to seek listing of any or all of such Securities on one or more Stock Exchanges in India.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to appoint lead manager(s), underwriters, depositories, custodians, registrars, bankers, lawyers, advisors and all such agencies as are or may be required to be appointed, involved or concerned in the Issue and to remunerate them by way of commission, brokerage, fees or the like and also to reimburse them out of pocket expenses incurred by them and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies.”

**“RESOLVED FURTHER THAT** for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for the Issue and to resolve and settle all questions, difficulties or doubts that may arise in regard to such Issue, including the finalization and approval of the draft as well as final offer document(s), determining the form and manner of the Issue, finalization of the timing of the Issue, identification of the investors to whom the Securities are to be offered, determining the issue price, face value, premium amount on issue/ conversion of the Securities, if any, rate of interest, execution of various transaction documents, signing of declarations, creation of mortgage/ charge, utilization of the issue proceeds, without being required to seek any further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this resolution.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any committee of directors or any director(s) or any other officer(s) of the Company in such manner as they may deem fit in their absolute discretion.”

**By Order of Board of Directors  
For, Deep Energy Resources Limited**

**Akshit Soni  
Company Secretary  
Membership No. 34152**

**Date : 14<sup>th</sup> September, 2020  
Place : Ahmedabad**

**Registered Office:  
Deep Energy Resources Limited  
12A & 14, Abhishree Corporate Park,  
Ambli- Bopal Road, Ambli, Ahmedabad – 380058  
CIN: L63090GJ1991PLC014833  
E-mail: info@deepindustries.com**



**NOTES:**

1. In view of the Covid-19 pandemic, the Ministry of Corporate Affairs vide its circulars dated April 8, 2020, April 13, 2020 and May 5, 2020 (“**MCA Circulars for General Meetings**”), permitted the holding of the General Meetings through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the **Listing Regulations**”) and the MCA Circulars for General Meetings, the AGM of the Company is being held through VC / OAVM.
2. Since this AGM is being held through VC / OAVM, pursuant to MCA Circulars, physical attendance of the Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM. Hence, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
3. Corporate members intending to send their authorized representatives to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting pursuant to section 113 of the Companies Act, 2013 are requested to send the company a duly certified copy of the Board Resolution together with specimen signature of those representative(s) authorized under the said resolution.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013
5. In respect of the Item No.3 & 4 a statement giving additional information on the Director(s) seeking appointment is annexed herewith as Annexure-1 as required under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations.
6. The Register of Members and the Share Transfer Books of the Company will remain closed from Wednesday, 4<sup>th</sup> November, 2020 to Tuesday, 10<sup>th</sup> November, 2020 (both days inclusive) for the purpose of 30<sup>th</sup> Annual General Meeting.
7. As per Regulation 40 of Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialised form with effect from April 1, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialised form. Members can contact the Company or Company’s R & T Agent for assistance in this regard.  
The Company in this regard has sent letters to the shareholders holding shares in physical form informing them about the above requirement. All shareholders holding shares in physical form are requested to demat their shares at the earliest.
8. Considering the difficulties caused due to the Covid-19 pandemic, MCA and SEBI have dispensed with the requirement of printing and sending physical copies of the Annual Report and the Notice of this Meeting. The Annual Reports together with the Notice of this meeting are being sent through registered email id to all those members who have registered their email ids with the Company or the Registrar and Transfer Agent or the Depositories or the Depository Participants.
9. Members may also note that the Notice of 30<sup>th</sup> AGM and the Annual Report for financial year 2019-20 will be available on Company’s website, [www.deepindustries.com](http://www.deepindustries.com).
10. Members seeking any information or clarification on the accounts are requested to send written queries to the Company at least 10 days before the date of the meeting to enable the Management to keep the required information available at the meeting.
11. Members holding shares in physical form are requested to intimate any change of address and / or bank mandate to M/s. Link Intime India Private Limited.
12. Members are requested to support the Green Initiative by registering/updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialized form) or with M/s. Link Intime India Private Limited. (in case of Shares held in physical form).
13. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Registrar & Share Transfer Agent M/s. Link Intime India Private Limited.  
In case of joint holders attending the meeting, only such joint holder who is higher in the order of names, will be entitled to vote, provided the votes are not already cast by remote e-voting by the first holder.
14. Transfer of Unclaimed and/or Unpaid Amounts to the Investor Education Protection Fund (IEPF).
  - a. In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as “IEPF Rules”) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of 7 (seven) years from the date of transfer to the unpaid dividend account is required to be transferred within 30 days of becoming due to IEPF maintained by the Central Government.



- b. Accordingly, during the financial year 2019-20, the Company will transferred unclaimed final dividend amount for the financial year ended 31st March, 2013 IEPF within 30 days of due date i.e. 20th October, 2020.
  - c. The members also informed that, in accordance with Section 124(6) of the Companies Act, 2013 read with the IEPF Rules, all the shares in respect of which dividend has remained unclaimed or unpaid for 7 (seven) consecutive years or more are required to be transferred to the Demat Account of the IEPF Authority.
  - d. In view of above provisions, members are requested to kindly ensure update of their bank details and also encash their dividend warrants. the Members who are yet to encash the earlier dividend(s) warrants are advised to send requests for duplicate dividend warrants in case they have not received/ not encashed the Dividend Warrants for any of the above mentioned financial years and/ or send for revalidation the unencashed Dividend Warrants still held by them to the Registrars and Transfer Agents of the Company.
15. An Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting (AGM) is annexed hereto.
16. Voting through electronic means :
1. As you are aware, in view of the situation arising due to COVID-19 global pandemic, the general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020 and Circular No. 20/2020 dated May 05, 2020. The forthcoming AGM will thus be held through through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.
  2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
  3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
  4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
  5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
  6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.deepindustries.com](http://www.deepindustries.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
  7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.

**THE INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:**

- (i) The voting period begins on 7<sup>th</sup> November, 2020 at 9:00 a.m. and ends on 9<sup>th</sup> November, 2020 at 05:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 3<sup>rd</sup> November, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).



- (iv) Click on “Shareholders” module.
- (v) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.

OR

Alternatively, if you are registered for CDSL’s EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL’s EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.

- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

<b>For Shareholders holding shares in Demat Form and Physical Form</b>	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>- Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip / communicated by mail indicated in the PAN field.</li></ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>- If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (ix) After entering these details appropriately, click on “SUBMIT” tab.
- (x) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for the Deep Energy Resources Limited to vote.
- (xiii) On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- (xvi) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- (xviii) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL’s mobile app “**m-Voting**”. The m-Voting app can be downloaded from respective Store. Please follow the instructions as prompted by the mobile app while Remote Voting on your mobile.





**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to Company/RTA email id.
2. For Demat shareholders -, please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to Company/RTA email id.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at <https://www.evotingindia.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholders/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
3. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at (company email id). These queries will be replied to by the company suitably by email.
6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

**INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
3. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

**(xx) Note for Non – Individual Shareholders and Custodians**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the “Corporates” module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [cs@deepindustries.com](mailto:cs@deepindustries.com) (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.



If you have any queries or issues regarding attending AGM & e-Voting from the e-Voting System, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact Mr. Nitin Kunder (022- 23058738 ) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, (CDSL, ) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on 022-23058542/43.

17. Contact Details :

COMPANY:	Deep Energy Resources Limited 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad 380 058 E-mail: <a href="mailto:cs@deepindustries.com">cs@deepindustries.com</a>
REGISTRAR & TRANSFER AGENTS:	M/s. Linkintime India Private Limited E-mail: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a>
E-VOTING AGENCY:	Central Depository Services (India) Limited E-mail : <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a>
SCRUTINIZER:	Ms. Shilpi Thapar - Practicing Company Secretary M/s Shilpi Thapar & Associates E-mail: <a href="mailto:shilpi@shilpithapar.com">shilpi@shilpithapar.com</a>

**EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS RELATING TO SPECIAL BUSINESSES MENTIONED IN THE ACCOMPANYING NOTICE:**

**Item No.3**

**Appointment of Mr. Shail Savla (DIN: 08763064) as Non Executive Non-Independent Director.**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mr. Shail Savla (DIN: 08763064) as an Additional Director of the Company under Section 161(1) of the Act and the Articles of Association, with effect from 14<sup>th</sup> September, 2020. In terms of Section 161(1) of the Act, 2013 Mr. Shail Savla holds office only upto the date of the ensuing AGM and is eligible for appointment as a Director. The Company has received a Notice under Section 160(1) of the Act from a Member signifying his intention to propose Mr. Shail Savla's appointment as a Director.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background and experience and contributions made by him during his tenure, the continued association of Mr. Shail Savla would be beneficial to the Company and it is desirable to continue to avail his services as a Non Executive Non Independent Director.

Accordingly, it is proposed to appoint Mr. Shail Savla as Non Executive Non Independent Director of the Company, liable to retire by rotation, w.e.f 10.11.2020.

The Board recommend the Resolution for appointment of Mr. Shail Savla as Ordinary Resolution of this notice for your approval.

Details of Mr. Shail Savla is provided in the “Annexure” to the Notice pursuant to the provisions of 36(3) of the Listing Regulations and (ii) Secretarial Standard on General Meetings (“SS-2”), issued by the Institute of Company Secretaries of India.

No Director, Key Managerial Personnel or their relatives, except Mr. Shail Savla to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

**Item No. 4**

**Appointment of Mrs. Shaily Jatin Dedhia (DIN: 08853685) as an Independent Director**

The Board of Directors (based on the recommendation of Nomination and Remuneration Committee) has appointed Mrs. Shaily Jatin Dedhia (DIN: 08853685) as an Additional Independent Director of the Company with effect from 14<sup>th</sup> September, 2020. In terms of Section 161(1) of the Act, 2013 Mrs. Shaily Jatin Dedhia holds office only upto the date of the ensuing AGM and is eligible for appointment as a Director. The Company has received a Notice under Section 160(1) of the Act from a Member signifying his intention to propose Mrs. Shaily Jatin Dedhia's appointment as a Director.

The Board, based on the performance evaluation and as per the recommendation of the Nomination and Remuneration Committee, considers that, given her background and experience, continued association of Mrs. Shaily Dedhia would be beneficial to the Company and it is desirable to continue to avail her services as an Independent Director.



Accordingly, it is proposed to appoint Mrs. Shaily Dedhia as an Independent Director of the Company, not liable to retire by rotation, w.e.f 10.11.2020.

The Board recommend the Resolution for appointment of Mr. Shaily Dedhia as Special Resolution of this notice for your approval.

Details of Mrs. Shaily Dedhia is provided in the "Annexure" to the Notice pursuant to the provisions of 36(3) of the Listing Regulations and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

No Director, Key Managerial Personnel or their relatives, except Mrs. Shaily Dedhia to whom the resolution relates, is in any way, concerned or interested, financially or otherwise, in the resolution.

**ITEM NO.5**

**TO ACCORD CONSENT TO THE BOARD TO CREATE, OFFER, ISSUE AND ALLOT SECURITIES AMOUNTING TO ₹ 150 CRORES (RUPEES ONE HUNDRED AND FIFTY CRORES ONLY) PURSUANT TO SECTION 62(1) (C) AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013 AND OTHER APPLICABLE LAWS:**

This special resolution contained in the Notice under Item No. 5 relates to a resolution by the Company enabling the Board to create, issue, offer and allot Equity Shares by way of Preferential Allotment/Private Placement, Convertible Debentures, preference shares subject to amendment in capital clause of Memorandum and Articles of Association of the Company and such other securities as stated in the resolution (the "Securities"), including by way of a qualified institutions placement in accordance with Chapter VIII of the SEBI ICDR Regulations, in one or more tranches, at such price as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the issue, offer, and allotment shall be made considering the prevalent market conditions and other relevant factors and wherever necessary, in consultation with lead manager(s) and other agencies that may be appointed by the Board for the purpose of the Issue.

This special resolution enables the Board to issue Securities for an aggregate amount upto ₹ 150.00 Crore (Rupees One Hundred Fifty Crores Only) or its equivalent in any foreign currency. The Board shall issue Securities pursuant to this special resolution or any further approvals required from members of the company, SEBI, Stock exchanges, GOI and other statutory authorities and utilize the proceeds to meet capital expenditure and working capital requirements of the Company and general corporate purposes. The special resolution also seeks to empower the Board to issue Eligible Securities by way of QIP to QIBs in accordance with Chapter VIII of the SEBI ICDR Regulations. The pricing of the Eligible Securities that may be issued to QIBs pursuant to SEBI ICDR Regulations shall be freely determined subject to such price not being less than the floor price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations ("QIP Floor Price"). Further, the Board may also offer a discount of not more than 5% or such other percentage as permitted on the QIP Floor Price calculated in accordance with the pricing formula provided under SEBI ICDR Regulations. The "Relevant Date" for this purpose will be the date when the Board (including Committee thereof) decides to open the QIP for subscription. As the Issue may result in the issue of Equity Shares of the Company to investors who may or may not be members of the Company, consent of the members is being sought pursuant to Section 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 and any other law for the time being in force and being applicable and in terms of the provisions of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Copies of the documents referred in the proposed resolution shall be available for inspection by the members at the Registered Office of the Company during the normal business hours (9 am to 5 pm) on all working days (except Saturdays) upto the date of Annual General Meeting of the Company.

The Board accordingly recommends the Special Resolution set out at Item No.5 of the accompanying Notice for your approval.

None of the Directors, Manager, Key Managerial Personnel or their relatives are in any way concerned or interested in the proposed resolution except to the extent of their/related parties shareholdings in the Company.

**By Order of Board of Directors  
For, Deep Energy Resources Limited**

**Date : 14<sup>th</sup> September, 2020**

**Place : Ahmedabad**

**Akshit Soni  
Company Secretary  
Membership No. 34152**

**Registered Office:**

**Deep Energy Resources Limited**

12A & 14, Abhishree Corporate Park,

Ambli- Bopal Road, Ambli, Ahmedabad – 380058

**CIN: L63090GJ1991PLC014833**

**E-mail: [info@deepindustries.com](mailto:info@deepindustries.com)**



**Annexure-1 to the Notice**

**Details of Directors Seeking Re-appointment at the Annual General Meeting**

The information or details required as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and Secretarial Standard-2 issued by the Institute of Company Secretaries of India about the Directors proposed to be re-appointment are given below:

<b>Name of the Directors</b>	<b>Mr. Shail Savla</b>	<b>Mrs. Shaily Dedhia</b>
DIN	08763064	08853685
Date of Birth and Age	14/05/1993 Age: 27 Years	12/12/1983 Age: 36 years
Date of Appointment	10.11.2020	10.11.2020
Qualification	Mr. Shail Savla is Mechanical Engineer and MBA.	Mrs. Shaily Dedhia is qualified Company Secretary. She holds Bachelor degree in Commerce & Law from Mumbai University. She also holds Master degree in commerce with management from Mumbai University.
Experience & Expertise	He has experience of over 5 years in the Oil and Gas Industries.	She has vast experience of more than 11 years in legal, secretarial and other related matters. Throughout her career she shares a passionate professional background of Companies like MMRDA (Mumbai Metropolitan Region Development Authority), State Government authority i.e. Mumbai Metro Rail Corporation Limited. & Sheth Group of Companies.
Name of other Public Companies in which he/she holds directorship.	1) Prabha Energy Private Limited	1) Vadilal Industries Limited
Chairman/Member of committee of the Board of Public companies other than Deep Energy Resources Limited	Nil	Nil
Relationship with other Directors inter-se	He belong and to promoter Group of the Company and related to Mr. Paras Savla	She is not related to Director/Promoters/KMPs of the Company.
No. of shares held in the Company	7,27,801 Equity Shares.	Nil
Information as required pursuant to Per Exchange Circular No. LIST/COMP/14/2018-19 Dated June 20, 2018 W.R.T. Enforcement Of SEBI Orders Regarding Appointment Of Directors By Listed Companies	He is not debarred from holding the office of Director by virtue of any order of Securities and Exchange Board of India (SEBI) or any other such authority.	She is not debarred from holding the office of Director by virtue of any order of Securities and Exchange Board of India (SEBI) or any other such authority.



## BOARD'S REPORT

To  
The Members  
Deep Energy Resources Limited  
(Formerly known as Deep Industries Limited)  
Ahmedabad

Your Directors have pleasure in presenting 30<sup>th</sup> Annual Report together with the audited financial statement of your Company for the Financial Year ended 31<sup>st</sup> March, 2020.

### 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 31<sup>st</sup> March, 2020 are summarized below:

Particulars	(₹ In Lakhs)			
	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	-	-	72.50	-
Other Income	0.18	29.92	0.77	32.61
Total Income	0.18	29.92	73.27	32.61
Less: Total Expenses	7.76	7.14	56.19	9.02
Profit Before Tax	-7.59	22.78	17.08	23.59
Less: Tax Expenses	-52.04	6.15	-31.14	6.77
<b>Profit/(Loss) for the Year</b>	<b>44.45</b>	<b>16.63</b>	<b>48.22</b>	<b>16.82</b>
Other Comprehensive Income/ (Loss) for the year	-	-	-	-
Total Comprehensive Income/ (Loss) for the year	-	-	-	-
Earning per Equity Share (Basic and Diluted)	0.14	0.05	0.15	0.05

### COMPANY PERFORMANCE (STANDALONE & CONSOLIDATED BASIS):

1. The Company's Standalone total revenues from operations decreased to ₹ 0.18 Lakhs in the year 2019-20 from ₹ 29.92 Lakhs in 2018-19, while consolidated total revenues from operations increased to ₹ 73.27 Lakhs in the year 2019-20 from ₹ 32.61 Lakhs for the year 2018-19.
2. Company's Standalone net profit increased to ₹ 44.45 Lakhs in the year 2019-20 from ₹ 16.63 Lakhs in the year 2018-19.

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 Energy Resources Limited has Three subsidiaries as follows as Deep Natural Resources Limited, Prabha Energy Private Limited, Deep Energy LLC,

- 1) Deep Natural Resources Limited has earned total revenue of ₹ 72.52 Lakhs in the year 2019-20 as compared to revenue earned of ₹ 0.079 Lakhs in the year 2018-19. And it has earned total profit of ₹ 14.95 Lakhs in the year 2019-20 as compared to total profit earned of ₹ 0.009 Lakhs in the year 2018-19.
- 2) Prabha Energy Private Limited has earned total revenue of ₹ 0.58 Lakhs in the year 2019-20 as compared to revenue earned of ₹ 2.61 Lakhs in the year 2018-19. And it has earned total loss of ₹ 11.18 Lakhs in the year 2019-20 as compared to total profit earned of ₹ 0.18 Lakhs in the year 2018-19.
- 3) Deep Energy LLC has earned Nil Profit in the year 2019-20 and 2018-19.

### DIVIDEND:

In view of the future Capital expenditures, the Directors have decided to plough back the profits. Hence, no dividend has been recommended this year on equity shares of the Company.



**TRANSFER TO RESERVES:**

The Company has not transferred the amount to General Reserves and an amount of ₹ 19689.29 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, 2020 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, 2020, 99.99% of the equity shares of your Company were held in demat form.

**PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:**

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 extract of annual return in Form MGT 9 as required under Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014 is available on the website of the Company at [www.deepindustries.com](http://www.deepindustries.com).

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANY:**

Your Company has total 3 subsidiaries as on 31<sup>st</sup> March, 2020 as under

- 1) Prabha Energy Pvt. Ltd.
- 2) Deep Natural Resources Ltd.
- 3) Deep Energy LLC

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 there under 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:**

Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench, has sanctioned the Scheme of Arrangements in the nature of Demerger of Oil and Gas Services undertaking of Deep Energy Resources Limited (Formerly known as Deep Industries Limited) (Demerged Company) into Deep CH4 Limited (Resulting Company) and restructuring of the equity share capital of Deep CH4 limited under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme") vide its order dated 17.03.2020. The effective date of the Said Scheme is 20.06.2020 (i.e. the date of filling the Scheme with Registrar of Companies)

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.

**CHANGE OF NAME OF THE COMPANY**

With reference to the Clause 11.4 of the Scheme of Arrangement in the nature of Demerger of Oil and Gas Services undertaking of Deep Energy Resources Limited (Formerly known as Deep Industries Limited) (Demerged Company) into Deep CH4 Limited (Resulting Company) as sanctioned by Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench, the name of the Company changed from "**DEEP INDUSTRIES LIMITED**" to "**DEEP ENERGY RESOURCES LIMITED**" with effect from 11th September, 2020.



## IMPACT OF COVID-19

As per the current assessment of the situation based on the internal and external information available, the Company continues to believe that the impact of COVID - 19 on its business, assets, internal financial controls, profitability and liquidity, both present and future, would be limited and there is no indication of any material impact on the carrying amounts of investments and other financial assets.

The Company is taking utmost care like sanitizing, social distancing, mandatory mask wearing, thermal check at the gate, maintaining proper hygiene.

## DIRECTORS:

### Appointment/Resignation:

During the year under review there was no appointment or resignation of any Directors.

However, Mr. Dharen Shantilal Savla was appointed as Non Executive Non Independent Director- Additional w.e.f 16<sup>th</sup> April, 2020 and has resigned w.e.f. 14<sup>th</sup> September, 2020. Dr. Kirit Shelat – Independent Director and Mrs. Renuka Upadhyay Independent Director have resigned from the position of director w.e.f. 14<sup>th</sup> September, 2020. Further, Mr. Shail Savla appointed as Non-Executive Non Independent Director w.e.f 14<sup>th</sup> September, 2020 and Mrs. Shaily Dedhia appointed as Independent Director w.e.f. 14<sup>th</sup> September, 2020.

### 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 and Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and there has been no change in the circumstances which may affect their status as Independent Director during the year.

In compliance with the requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company has put in place a Familiarization Programme for the Independent Directors to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model etc. The details of the Familiarization Program are available on the website of the Company at [www.deepindustries.com](http://www.deepindustries.com).

## KEY MANAGERIAL PERSONNEL

As required under Section 2(51) and Section 203 of Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, following persons are the Key Managerial Personnel of your Company as on 31<sup>st</sup> March, 2020:

1. Mr. Paras Shantilal Savla, Chairman & Managing Director
2. Mr. Rupesh Kantilal Savla, Managing Director
3. Mr. Rohan Shah, Chief Financial Officer \*
4. Mr. Akshit Soni, Company Secretary \*

There is no change in Key Managerial Personnel of the Company during the year ended March 31, 2020.

\*Mr. Rohan Shah, Chief Financial Officer and Mr. Akshit Soni, Company Secretary of the Company have resigned w.e.f. closing of business hours on 14<sup>th</sup> September, 2020. Further, Mr. Shashvat Shah appointed as new Chief Financial Officer and Ms. Dixita Soni has appointed as new Company Secretary & Compliance Officer of the Company w.e.f. 15<sup>th</sup> September, 2020.

### Policy on Appointment & Remuneration of Directors, Key Managerial Personnel and other Employees

The Board has on its recommendation of Nomination and Remuneration Committee, framed a Policy relating to appointment & remuneration of Directors, Key Managerial Personnel & other employees in relation in accordance with SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 and Section 178(3) of the Companies Act, 2013, is given in the Corporate Governance Report forming part of the Annual Report.

### Criteria for Performance Evaluation

During the year under review, the board considered and define the criteria as well as the process for performance evaluation of itself that of its Committees and individual Directors as follows:



Evaluation	Criteria For evaluation
Board	<ul style="list-style-type: none"><li>• Degree of fulfillment of key responsibilities including focus on strategic and policy issues.</li><li>• Effectiveness of Board process and information sharing.</li><li>• Board culture and dynamics.</li><li>• Quality of decisions.</li><li>• Establishment and delineation of responsibilities to Committees.</li><li>• Quality of relationship between Board and the Management.</li></ul>
Committee	<ul style="list-style-type: none"><li>• Degree of fulfillment of key responsibilities.</li><li>• Frequency and effectiveness of meetings.</li><li>• Committee dynamics, especially openness of discussions, including with the Board.</li><li>• Adequacy of Committee composition.</li><li>• Quality of relationship of the committee with the Board and the Management.</li></ul>
Individual Directors	<ul style="list-style-type: none"><li>• Participation in Board in terms of adequacy (time &amp; content).</li><li>• Contribution through expertise and perspective.</li><li>• Guidance / support to Management outside Board / Committee meetings.</li></ul>

#### **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-ordinate 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:**

As on 31<sup>st</sup> March, 2020, the board has constituted audit committee which comprises of:

Mr. Hemendrakumar Shah (Chairman, Non Executive Independent Director)

Mr. Kirit Shelat (Member, Non Executive Independent Director)

Mr. Paras Savla (Member, Chairman & Managing Director)

More details are given under Corporate Governance Report. During the year under review, all recommendations of Audit Committee were accepted by Board.

#### **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 31<sup>st</sup> March, 2020, 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, 2020 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 THEIR 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):**

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend at least 2% of the average net profits (determined under section 198 of the Companies Act 2013 and section 349 of the Companies Act 1956) made during the immediately three financial years. However, due to inadequacy of profits as per Section 198 of the Companies Act, 2013, the company is not required to spend any amount on CSR activities for Financial Year 2019-20.

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

Your Company is committed to provide and promote a safe, healthy and congenial atmosphere irrespective of gender, caste, creed or social class of the employees.

But, though the Company does not have more than 1 number of female employee and subjected to the provisions of the Section 2 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 the Internal Complaints Committees (ICC) cannot be constituted due to the lack of number of female employees. Therefore the Company has organized an awareness programme or the female employees in respect to spread the awareness of this Act and has informed them to file any complaint of Sexual harassment caused at workplace to the Local Complaints Committee (LCC) Constituted in every District as per the provision of Section 5 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

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](http://www.deepindustries.com).



**RELATED PARTY TRANSACTION POLICY:**

The Company has adopted a policy for Related Party Transaction with a view to regulate all transactions between the Company and its Related Parties based on the laws and regulations applicable to the Company during ordinary course of business. The Company has formulated policy in the terms of requirement of Regulation 23 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Policy is available on our website [www.deepindustries.com](http://www.deepindustries.com)

**POLICY ON DETERMINATION OF MATERIALITY OF EVENT/INFORMATION:**

The Company has adopted Policy for determining materiality of Events/Disclosures that mandates Company to disclose any of the events or information which, in the opinion of the Board of Directors of the Company is material. The Company has formulated policy in the terms of requirement of Regulation 30 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. Regulation 30 (4)(ii) of the Listing Regulations requires the listed entity to frame a policy for determination of materiality of events or information for disclosure, based on the criteria specified therein. The Policy is available on our website [www.deepindustries.com](http://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- A**.

**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 31<sup>st</sup> March, 2020 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 material orders passed by the Regulators or Courts or Tribunals which would impact the going concern status and Company's future operations.

**AUDITORS:**

**Statutory Auditors and their Report:**

M/s Dhirubhai Shah & Co LLP, Chartered Accountants, Ahmedabad [Firm Registration No. 102511W/W100298] 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 26<sup>th</sup> Annual General Meeting till the conclusion of Thirty First Annual General Meeting to be held in the year 2021.

Further, the Ministry of Corporate Affairs (MCA) vide notification dated 7th May, 2018 has done away with the requirement of ratification of appointment of Statutory Auditors at every Annual General Meeting, as per the first proviso of Section 139 of the Companies Act, 2013 and the Companies (Audit and Auditors) Amendment Rules, 2018. Accordingly, the Company is not required to pass any resolution pertaining to ratification of the appointment of Statutory Auditors in the Annual General Meeting.

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 2019-20.

The Secretarial Audit Report for the Financial Year 2019-20 carried out by M/s Shilpi Thapar and Associates, (CP No.:6779, FCS: 5492) is annexed herewith as **Annexure - B**.



**Internal Auditors:**

The board has re-appointed M/s R.R Khandol & Co., Chartered Accountants (FRN: 0112488) as an Internal Auditors of the Company for F.Y 2020-21.

**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 symbol of DEEPIND. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2020-21 have been paid.

With reference to change in name of the Company, the Company has received in-principal approval from both the exchanges for change in Symbol from "DEEPIND" to "DEEPENR".

**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- C**.

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 be 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- D** 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.

**For and on behalf of the Board of Directors**

**Date : 14.09.2020**  
**Place : Ahmedabad**

**PARAS SAVLA**  
**Chairman & Managing Director**  
**DIN:00145639**



**ANNEXURE-A TO THE BOARD'S REPORT**

**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:-**

<b>1.</b>	<b>Details of contracts or arrangements or transactions not at arm's length basis:</b>	There were no contracts or arrangements or transactions entered into during the year ended on 31 <sup>st</sup> March, 2020, which are not at arm's length basis.
<b>2.</b>	<b>Details of material contracts or arrangement or transactions at arm's length basis:</b>	
	A. Name(s) of the related party and nature of relationship:	<b>NIL</b>
	B. Nature of contracts/arrangements/transactions:	<b>NIL</b>
	C. Duration of the contracts / arrangements/transactions:	<b>NIL</b>
	D. Salient terms of the contracts or arrangements or transactions including the value, if any:	<b>NIL</b>
	E. Date(s) of approval by the Board, if any:	<b>NIL</b>
	F. Amount paid as advances, if any:	<b>NIL</b>

**For and on behalf of the Board of Directors of  
Deep Energy Resources Limited**

**Date : September 14, 2020  
Place: Ahmedabad**

**PARAS SAVLA  
Chairman & Managing Director  
DIN : 00145639**



**“ANNEXURE-B” TO THE BOARD’S REPORT**  
**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial 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, 2020 (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 31<sup>st</sup> March,2020, 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, 2018 to the extent applicable;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014-Not applicable during the review period;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008- Not applicable during the review period;
  - (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- Not applicable during the review period;



- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998- Not applicable during the review period;
- (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference shares) Regulations, 2013- Not applicable during the review period;
- (h) The Securities and Exchange Board of India (Depositories and Participant) Regulations, 2018;
- (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. 1<sup>st</sup> July, 2015 amended from time to time and
  - (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 amended from time to time.

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.

We further report that certain 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 report further 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. The changes in the composition of the Board of Directors that took place during the audit period were carried out in compliance with the provisions of the Act.
- 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/ letters received if any from any regulatory authorities.

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

- (i) Issue of SEBI Order No. WTM/SKM/EFD-DRA-III/ 23/2019-20 dated 30th September, 2019 under sections 11(1), 11(4) and 11B of The Securities and Exchange Board of India Act, 1992 against Managing Director of the company. As informed, appeal by Managing Director is filed against the SEBI order dated 30.09.2019 with Securities Appellate Tribunal.
- (ii) The final order dated 17<sup>th</sup> March, 2020 was passed by National Company Law Tribunal(NCLT) Ahmedabad Bench for approval of Demerger of Oil & Gas Services undertaking of the Company pursuant to Scheme of arrangement between the Company and Deep Ch4 Limited .

**For Shilpi Thapar & Associates**  
**Company Secretaries**

**DATE: 27/08/2020**  
**PLACE: Ahmedabad**

**CS Shilpi Thapar**  
**Membership No. : 5492**  
**COP No. : 6779**  
**UDIN:F005492B000624121**

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.



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**

**DATE: 27/08/2020**  
**PLACE: Ahmedabad**

**CS Shilpi Thapar**  
**Membership No. : 5492**  
**COP No. : 6779**  
**UDIN:F005492B000624121**



**“ANNEXURE - C” 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 2019-20, and ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2019-20

Sr. No	Name	Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in Remuneration in the FY2019-20
1.	Mr. Paras Savla	Chairman & MD	—	-
2.	Mr. Rupesh Savla	Managing Director	—	-
3.	Mr. Kirit Joshi	Independent Director	—	-
4.	Mrs. Renuka Upadhyay	Independent Director	—	-
5.	Mr. Hemendrakumar Shah	Independent Director	—	-
6.	Dr. Kirit Shelat	Independent Director	—	-
7.	Mr. Rohan Shah	Chief Financial Officer	Not Applicable	-
8.	Mr. Akshit Soni	Company Secretary	Not Applicable	-

**Notes:**

- a) A scheme of demerger of Oil and Gas Service Undertaking from Deep Energy Resources Limited (Formerly known as Deep Industries Limited) (Demerged Company) into Deep CH4 Limited (Resulting Company) was undertaken in accordance with section 230-232 of the Companies Act, 2013 with effect from Appointed Date of 1 April 2017. Due to effect of the said demerger, all business pertaining to Oil & Gas services has been transferred to Deep CH4 Ltd (Resulting Company) and accordingly all employees relating to Oil and Gas Services business have also been transferred to resulting Company. The Demerged Company will continue to carry on Exploration and Production Business. Oil and Gas Services Business was major contributor to revenue of the Demerged Company and the Company did not have income from Exploration and Production Business. As a result, remuneration of KMPs, Directors, Employees and sitting fees of IDs has been treated as expense pertaining to Oil and Gas Service Business demerged from the Demerged Company.
- b) The remuneration of Independent Directors includes only sitting fees paid to them for the financial year 2019-20.
- c) Median remuneration of the Company for all the employees for the financial year 2019-20 : Not Applicable (Refer Note a)
- (ii) The percentage increase in the median remuneration of employees in the financial year : Not Applicable (Refer Note a)
- (iii) The number of permanent employees on the rolls of the Company: Two as on 31<sup>st</sup> March, 2020
- (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: Not Applicable (refer note a)
- (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  
Deep Energy Resources Limited**

**Date : September 14, 2020  
Place : Ahmedabad**

**PARAS SAVLA  
Chairman & Managing Director  
DIN: 00145639**





**“ANNEXURE - D” TO THE BOARD 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

- (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	2019-20	2018-19
Earnings	NIL	NIL
Outgo	NIL	NIL

For and on behalf of the Board of Directors  
Deep Energy Resources Limited

Date : September 14, 2020  
Place : Ahmedabad

PARAS SAVLA  
Chairman & Managing Director  
DIN:00145639



## MANAGEMENT DISCUSSION AND ANALYSIS

Deep Energy Resources Limited (Formerly known as Deep Industries Limited) is engaged in the business of exploration and production of Oil and Gas resources and Coal Bed Methane and related engineering solutions.

### OPPORTUNITIES AND THREATS

The Oil and Gas sector in India is full of opportunities across its value chain and sub sectors. This sector offers great future opportunities driven by factors such as vastly unexplored and under explored sedimentary basins, Unconventional hydrocarbon exploration activities gaining momentum in India.

The Oil and Gas sector has many opportunities but at the same time, some fundamental issues can hinder its progress and thwart the achievement of its growth objectives. Shortages of skilled manpower, technology and equipment in upstream sector and general low oil & gas price regime may throw some critical challenges for the sector. However the Company has been able to provide stellar growth in these difficult market conditions through its commitment to provide cost effective and timely solutions.

### STRATEGY OF THE COMPANY

The Company is focused on exploring and developing the acreages that it has acquired in NELP and CBM rounds.

### OIL AND GAS EXPLORATION AND PRODUCTION BUSINESS

The Company and its subsidiary companies are holding large acreage of onshore exploration & production assets in both conventional and unconventional category. Out of 10, 4 assets are in development phase, 3 assets are in exploration phase and 3 have been relinquished. The Company holds 25% stake in North Karanpura CBM block through its subsidiary Prabha Energy Private Limited. This asset is in development phase. PEPL is the joint operator of this asset along with ONGC and IOCL. The Company has a strong management team with decades of experience in oil & gas and CBM development businesses.

### OIL AND GAS BLOCKS

#### North Karanpura CBM Block:

North Karanpura CBM block was awarded to consortium of ONGC & IOCL during first CBM bid round in 2001. After successful exploration, ONGC through international competitive bidding process awarded its 25% participating interest and joint operatorship to Prabha Energy Private Limited (PEPL), a subsidiary of the Company. ONGC has already completed drilling of 9 core holes and 7 test wells during the Exploration Phase I & II. Exploration work by ONGC had indicated good CBM reservoir parameters like coal thickness, gas content, saturation levels and permeability. Gas-In-Place (GIP) for the development area is about 22.93 billion cubic meter (BCM) of gas. Field Development Plan has been approved by the Government of India in 2012. The statutory clearance like environmental clearance, mining lease and other approvals has been granted by the government. PEPL has already started development activities in the block wherein a total of 68 wells are planned to be drilled. The First stage of development work is in advance stage of completion. Some of the wells drilled and completed so far shown good CBM gas production. Steps being taken for commercial production from its assets.

### FINANCIAL PERFORMANCE OF DEEP ENERGY RESOURCES LIMITED

Financial highlights of the Company are as under

(₹ in Lakhs)

Particulars	2019-20	2018-19
Total Income	0.18	29.92
Total Expense	7.76	7.14
Profit Before Tax	-7.59	22.78
Profit After Tax	44.45	16.63
EPS	0.14	0.05



### **RISK & CONCERNS**

1. Scarcity of skilled personnel in market.
2. Material Risk as not being able to procure right configuration units in timely manner.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has built adequate systems of internal controls to safeguard all assets against loss from unauthorized use or disposition as well as ensuring the preparation of timely and accurate financial information. Regular internal audits and checks are carried out to provide assurance that adequate systems are in place and that the responsibilities at various levels are discharged effectively.

### **HUMAN RESOURCES & DEVELOPMENT**

The Company values its Human Resources most and continued in its endeavors to ensure work-life balance of its employees. The Company believes that employees are the key to achievement of Company's objectives and strategies. The Company provides to the employees a fair and equitable work environment and support from their peers with a view to develop their capabilities leaving them with the freedom to act and to take responsibilities for the task assigned. We provide our employees outstanding career development opportunities and reward to the staff for their good performance and loyalty to the organization. In order to meet steady flow of talent, Company has appointed experienced professionals in Technical as well as Commercial Departments. Apart from that, as a strategic policy, every year, Company hires new pool of talent from reputed technical / petroleum institutes through campus selection process.

### **HEALTH, SAFETY & ENVIRONMENT**

Being a service provider to high risk industry, safety of employees is utmost priority of Company. While providing services, Company ensures compliance to all Rules and Regulations regarding Health, Safety and Environment protection. Imparting essential health and safety training such as MVT, Firefighting etc is being followed on regular basis.

### **CAUTIONARY STATEMENT**

Statement in Management Discussion and Analysis may be forward looking within the meaning of applicable securities laws and regulations. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of future performance and outlook.

The Company assumes no responsibilities in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.

**For and on behalf of the Board of Directors**

**Date : September 14, 2020**  
**Place : Ahmedabad**

**PARAS SAVLA**  
**Chairman & Managing Director**  
**DIN:00145639**



## CORPORATE GOVERNANCE REPORT

This report sets forth the disclosures for FY 2020 pertaining to Corporate Governance of Deep Energy Resources Limited (Formerly known as Deep Industries Limited) (“the Company”) as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

### COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE CODE:

The Good Corporate Governance is creation and enhancing long-term sustainable value for the stakeholders through ethically driven business process stipulated by Securities and Exchange Board of India (SEBI). It is a process or a set of systems to ensure that Company is managed to suit the best interest of all Stakeholders. At your company, the Board is at the core of its Corporate Governance Practice and considers itself as a Trustee of its Shareholders and acknowledges its responsibilities towards them for creating and safeguarding their wealth. The Concept of Corporate Governance hinges on total transparency, integrity, accountability of the management and the Board of Directors. The Company has strong legacy of fair, transparent and ethical governance practices. We take pleasure in reporting that your Company’s existing policies and procedures are in conformity with the requirements stipulated under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 – “Listing Regulations” and the Company is committed to maintain the highest Standard of Corporate Governance to maintain proper Compliance with all the applicable legal and regulatory requirements under which the Company is carrying out its activities.

### 1. BOARD OF DIRECTORS

The Board of Directors is entrusted with the ultimate responsibility of the management, general affairs, direction and performance of the Company and has been vested with requisite powers, authorities and duties. The primary role of the Board is to protect the interest and enhance the value for all the stakeholders. It conducts the overall strategic supervision and control by setting policies, reporting mechanism and accountability and decision making process to be followed. The Chairman and Managing Director is in overall control and responsible for the working of the Company. He gives strategic directions, lays down the policy guidelines and ensures the implementation of the decisions of the Board and its committees.

The Composition of the Board of Directors, with reference to the number of Executive and Non-Executive Directors, meet with the requirements of the Code of Corporate Governance. As on March 31, 2020, the Board comprises such number of Non-Executive, Executive and Independent Directors as required under applicable legislation. As on date of this Report, the Board comprises of an optimum combination of Executive and Non-Executive Directors with one Woman Director. As required under the provisions of section 149(1) of the Companies Act, 2013 and Rules made there under and Listing Regulations. Non-Executive and Independent Directors have expert knowledge in the fields of finance, taxation, legal and industry. Thus the Board represents a balanced mix of professionals, who bring the benefits of their knowledge and expertise. The maximum tenure of independent directors is in compliance with the Companies Act, 2013.

#### A (i) Details of the composition and category of the Directors, attendance of each Directors at Board meetings and last Annual General Meeting along with details of other Directorship and Committee Membership/ Chairmanship as at 31.03.2020 is tabulated hereunder:

Name of Directors	Category of Directorship	Attendance Particulars			No. of Shares held by NED as on 31st March, 2020	No. of Directorship and Committee Membership/Chairmanships in other Companies*		
		No. of board meeting held	No. of board meeting attended	Attendance at last AGM		Director	Member	Chairman
Mr. Paras S. Savla	Executive Director (CMD) & Promoter	4	4	Yes	N.A	4	2	0
Mr. Rupesh K. Savla	Executive Director (MD) & Promoter	4	3	Yes	N.A	3	0	0
**Mr. Kirit Joshi	NED (I)	4	1	Yes	-	1	1	1
*Mrs. Renuka Upadhyay	NED (I)	4	4	Yes	-	1	1	0
Mr. Hemendrakumar Shah	NED (I)	4	4	Yes	-	4	2	2
*Dr. Kirit Shelat	NED (I)	4	4	No	-	1	2	1

\*Mrs. Renuka Upadhyay (DIN: 07148637) and Dr. Kirit Shelat (DIN: 00190619) have resigned from the Board of Directors on 14<sup>th</sup> September, 2020. Accordingly Mrs. Renuka Upadhyay is no longer member of Stakeholder’s Relationship, Nomination & Remuneration and Corporate Social Responsibility Committees. And also Dr. Kirit Shelat is no longer member of Audit, Stakeholder’s Relationship and Nomination & Remuneration Committee.

\*\*Consequently upon resignation of Mrs Renuka Upadhyay and Dr. Kirit Shelat, Mr. Kirit Joshi has been appointed as Member in Audit and Stakeholder’s Relationship Committees w.e.f 14<sup>th</sup> September, 2020. He is also appointed as Chairman of Nomination & Remuneration Committee w.e.f 14<sup>th</sup> September, 2020.

Mr. Dharen Shantilal Savla (DIN: 00145587) was appointed as Non Executive Non Independent Director w.e.f 16<sup>th</sup> April, 2020. He has placed his resignation from the Board of Directors w.e.f 14<sup>th</sup> September, 2020.

Mrs. Shaily Jatin Dedhia (DIN: 08853685), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from 14<sup>th</sup> September, 2020 and who holds office till the conclusion of ensuing Annual General Meeting and Mr. Shail Savla (DIN: 08763064) who was appointed as an Additional Director categorized as Promoter and sub categorized as Non-Executive Director of the Company w.e.f. 14<sup>th</sup> September, 2020 by the Board of Directors and who holds office upto the conclusion of ensuing Annual General Meeting.



**(ii) The details of Directorship of the Directors of the Board in other Listed Companies as on 31st March, 2020 is as below:**

Sr.No.	Name of Directors	Directorship in other Listed Entities	
		Name of Listed Entities	Category
1.	Mr. Paras S. Savla	Adinath Exim Resources Limited	Executive Director
2.	Mr. Hemendrakumar Shah	Asian Granito India Limited	Independent Director
		Denis Chem Lab Limited	
3.	Dr. Kirit Shelat	Eris Lifesciences Limited	Independent Director

\*Chairmanship/Membership of the Audit Committee and Stakeholders Relationship Committee of other Companies is considered.

\*Excludes Directorship in Deep Energy Resources Ltd, Private/Foreign Companies, One Person Companies and Companies incorporated Under Section 8 of the Companies Act, 2013.

The said Independent Directors have furnished their declaration that they qualify the conditions of being independent as per Section 149(6) of the Companies Act, 2013 and Listing Regulations which were placed before the Board.

During the period under review none of the Directors are related to any other Director on the Board in term of definition of 'relative' as per the Companies Act, 2013.

CMD – Chairman & Managing Director, MD – Managing Director, WTD –Whole time Director, NED (I) – Non Executive Director (Independent), NED (NI) – Non Executive Director (Non-Independent).

At the time of appointment of an Independent Director, a formal letter of appointment is given to him/ her, which inter alia explains the role, functions, duties and responsibilities expected from him/her as a Director of the Company. All our Directors are aware and also updated, whenever required, of their role, responsibilities, liabilities and obligations under the provisions of the Companies Act, 2013 and Rules made there under, Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**B. Familiarization programmes:**

Familiarization programmes is posted on the website of the Company and any member can visit the Company's website by clicking the link [http://www.deepindustries.com/Uploads/Programmes%20for%20IDs%20\\_2016-17\\_201707250114485631.pdf](http://www.deepindustries.com/Uploads/Programmes%20for%20IDs%20_2016-17_201707250114485631.pdf)

**C. Meeting of Independent Directors :**

During the year, one meeting of the Independent Directors were held on 12.08.2019 without the presence of Non-Independent Directors and Member of the management. The Meeting was conducted in an informal and flexible manner to enable the Independent Directors to inter alia, discuss matters pertaining to review of performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company after taking into account the views of the Executive and Non-Executive Directors, assess the quality, quantity and timeliness of flow of information between the Company management and the Board, that is necessary for the Board to perform their duties effectively and reasonably.

The evaluation of Independent Directors is done by the entire Board of Directors of the Company which includes:

- Performance of such directors; and
- Fulfillment of the Independence criteria and their Independence from the management

**D. Number of board meetings held during the year 2019-20:**

The Board meets at regular intervals to discuss and decide on Company / business policy and strategy apart from other Board business, Minimum Four Board Meetings are required to be held in each year and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present during all the meetings.

During the Financial Year ended on 31st March, 2020, the Board of Directors met 4 (Four) times 28<sup>th</sup> May, 2019 , 12<sup>th</sup> August, 2019, 12<sup>th</sup> November, 2019 and 11<sup>th</sup> February, 2020.

**E. Chart/Matrix setting out the skills/expertise/competence of the Board of Directors :**

As required under the provisions of Schedule V(C)(h) of the Listing Regulations, the Board of Directors has identified the core skills / expertise / competencies as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the Board as follows:

- Knowledge of Company's business policies, major risks/threats and potential opportunities, technical /professional skills and specialized knowledge of Company's business.
- Business strategy & Analytics, Critical & Innovative thinking.
- Corporate Management and Corporate Governance.



- iv) Financial including Accounting & Auditing, Management skills, administration.
- v) Leadership and decision making.
- vi) Behavioural skills -Attributes and competencies to use knowledge and skills for effective contribution to Company's growth.
- vii) Risk identification- Legal and Regulatory compliance.
- viii) Stakeholder Engagement & Market awareness.
- ix) Business Ethics as well as Corporate Ethics.

**F. Confirmation as regards independence of Independent Directors:**

Based on the confirmation / disclosures received from the Independent Directors, the Board of Directors confirm that in its opinion, the Independent Directors fulfill the conditions specified in SEBI Regulations and the Companies Act, 2013 and that they are independent from the management of the Company.

**G. Reasons for the resignation of an Independent Directors:**

There were no resignation of any Independent Director during the period under review.

However, By the reason of Demerger, between Deep Energy Resources Limited (Formerly known as Deep Industries Limited) (Demerged Company) and Deep CH4 Limited (Resulting Company) Mrs. Renuka Upadhyay & Dr. Kirit Shelat have resigned from the Board w.e.f 14<sup>th</sup> September, 2020 and will be appointed as Independent Director on the Board of Deep CH4 Limited (Resulting Company).

**2. AUDIT COMMITTEE**

The Audit Committee of the Company is constituted in alignment with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations.

The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for Internal financial controls, governance and reviewing the Company's Statutory and Internal Audit activities.

**Terms of reference:**

The terms of reference of Audit Committee is wide enough to cover the matters specified for Audit Committee under Listing Regulations, as well as in Section 177 of the Companies Act, 2013. The terms of reference of the Audit Committee are broadly as under:

- 1) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- 3) Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- 4) Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Clause (c) of Sub-Section 3 of Section 134 of the Companies Act, 2013;
  - b. Changes, if any, in accounting policies and practices and reasons for the same;
  - c. Major accounting entries involving estimates based on the exercise of judgment by management;
  - d. Significant adjustments made in the financial statements arising out of audit findings;
  - e. Compliance with listing and other legal requirements relating to financial statements;
  - f. Disclosure of any related party transactions; and
  - g. Modified opinion(s) in the draft Audit Report.
- 5) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
- 8) Approval or any subsequent modification of transactions of the Company with related parties;
- 9) Scrutiny of inter-corporate loans and investments;
- 10) Valuation of undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluation of internal financial controls and risk management systems;
- 12) Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;



- 13) Reviewing the adequacy of internal audit function, if any, including the Structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussion with Internal Auditors of any significant findings and follow up there on;
- 15) Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- 16) Discussion with Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To look into the reasons for substantial defaults in the payment to the Depositors, Debenture Holders, Shareholders (in case of non-payment of declared dividends) and Creditors;
- 18) To review the functioning of the Whistle Blower mechanism;
- 19) Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- 20) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- 21) To review the utilization of loans and/or advances from/investments by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the assets size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision.

**Review of information by Audit Committee:**

- 1) Management discussion and analysis of financial condition and results of operations;
- 2) Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- 3) Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- 4) Internal Audit Reports relating to internal control weaknesses; and
- 5) The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
- 6) To grant omnibus approval for related party transactions which are in the ordinary course of business and on an Arm's Length pricing basis and to review and approve such transactions subject to the approval of the Board;
- 7) Statement of deviations.

As on 31st March, 2020, the composition of the Audit Committee and the details of meetings attended by its members are given below:

Name of the Committee Members	Designation	Category in the Board	No. of Meeting held	No. of Meeting Attended
Mr. Hemendrakumar Shah	Chairman	Independent Director	4	1
Mr. Paras Savla	Member	Executive Director	4	4
Dr. Kirit Shelat	Member	Independent Director	4	1

\*Mr. Kirit Joshi resigned with effect from 11.02.2020 and Mr. Hemendrakumar Shah was appointed as Chairman of the committee w.e.f.11.02.2020. Dr. Kirit Shelat was appointed as Member of the committee with effect from 11.02.2020.

Further Dr. Kirit Shelat has resigned from the Board of the Directors of the Company w.e.f 14<sup>th</sup> September, 2020 and consequently is no longer member of Audit Committee. Thus Audit Committee has been reconstituted as Mr. Kirit Joshi has appointed as member w.e.f 14<sup>th</sup> September, 2020.

Four Meetings of Audit Committee were held during the financial year 2019-20 on 28.05.2019, 12.08.2019, 12.11.2019 and 11.02.2020 and the gap between two meetings did not exceed one hundred and twenty days.

All the members of the Audit Committee have the requisite qualification for appointment on the Committee and possess sound knowledge of accounting practices, financial and internal controls.

Composition of the Committee is available on Company's website: <http://www.deepindustries.com/Pages/Committees%20of%20Board%20Of%20Directors.aspx>

### 3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has Stakeholders Relationship Committee of Directors to consider and oversee resolution of grievances of security holders and investors of the Company.

**Terms of reference:**

1. Oversee and review all matters connected with the transfer/ transmission of the Company's securities;



2. Monitor redressal of investors'/ shareholders'/ security holders' grievances;
3. Oversee the performance of the Company's Registrar and Transfer Agents;
4. Approval and monitoring of dematerialization of shares and all matters incidental thereto;
5. Issue of share certificate on dematerialization of shares from time to time.

This Committee consists of 3 Directors and all the directors are Non-Executive Directors.

Ms. Dixita Soni, Company Secretary & Compliance Officer of the Company was appointed as Compliance Officer for Investor Grievance Redressal with effect from 15<sup>th</sup> September, 2020. Mr. Akshit Soni has tendered his resignation from the post of Company Secretary w.e.f 14<sup>th</sup> September, 2020 closing of business hours.

Address of Compliance Officer: - 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad-380 058

During the year under review, the Committee met for 4 times on 28/05/2019, 12/08/2019, 12/11/2019, 11/02/2020. As on 31st March, 2020, the composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

Name of the Committee Members	Designation	Category in the Board	No. of Meeting held	No. of Meeting Attended
Mr. Hemendrakumar Shah	Chairman	Independent Director	4	4
Dr. Kirit Shelat	Member	Independent Director	4	0
Mrs. Renuka Upadhyay	Member	Independent Director	4	4

The Stakeholders Relationship Committee was re-constituted and Mr. Hemendrakumar Shah was appointed as Chairman of the Committee. Dr. Kirit Shelat was appointed as member of the committee with effect 11.02.2020. Mr. Kirit Joshi is no longer member of Stakeholder's Relationship Committee.

Further Dr. Kirit Shelat and Mrs. Renuka Upadhyay have resigned from the Board of the Directors of the Company w.e.f 14<sup>th</sup> September, 2020 and consequently is no longer member of Stakeholder's Relationship Committee. Thus Stakeholder's Relationship Committee has been reconstituted as Mr. Kirit Joshi & Mrs. Shaily Dedhia have been appointed as members w.e.f 14<sup>th</sup> September, 2020.

During the period under review, Company has not received any Complaint from Shareholders. Thus There is no outstanding complaint as on 31st March, 2020.

Composition of the Committee is available on Company's website: <http://www.deepindustries.com/Pages/Committees%20of%20Board%20Of%20Directors.aspx>

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of the Company is constituted in alignment with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations and terms of reference, including role & powers of the Committee, has been modified accordingly.

##### Terms of reference:

1. Formulating of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal and shall carry out evaluation of every directors' performance;
5. To recommend /review remuneration of the Managing Director(s) and Whole-time Director(s) based on their performance and defied assessment criteria;
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. To carry out any other function as is mandated by the Board from time to time and /or enforced by any statutory notification, amendment or modification, as may be applicable;





During the year under review, the Committee met for 2 times on 28/05/2019 & 12/08/2019. As on 31<sup>st</sup> March, 2020, the composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name of the Committee Members	Designation	Category in the Board	No. of Meeting held	No. of Meeting Attended
Dr. Kirit Shelat	Chairman	Independent Director	2	2
* Mr. Hemendrakumar Shah	Member	Independent Director	2	—
Mrs. Renuka Upadhyay	Member	Independent Director	2	2
Mr. Paras Savla	Member	Executive Director	2	2

\*Mr. Kirit Joshi is no longer Chairman & member of the NRC committee and since, it was required to re-constitute committee, Mr. Hemendrakumar Shah was appointed as member of the committee with effect from 11.02.2020. Dr. Kirit Shelat has been appointed as the Chairman of the Committee with effect from 11.02.2020.

Further Dr. Kirit Shelat has resigned from the Board of the Directors of the Company w.e.f 14<sup>th</sup> September, 2020 and consequently is no longer Chairman of Nomination & Remuneration Committee. Mrs. Renuka Upadhyay has resigned from the Board w.e.f. 14<sup>th</sup> September, 2020 and thus is no longer member of Committee. Thus Nomination & Remuneration Committee has been reconstituted as Mr. Kirit Joshi has been appointed as Chairman & Mrs. Shaily Dedhia has been appointed as member w.e.f 14<sup>th</sup> September, 2020.

Composition of the Committee is available on Company's website: <http://www.deepindustries.com>

#### **Performance Evaluation Criteria for Independent Directors**

- Participation in Board in terms of adequacy (time & content).
- Contribution through expertise and perspective.
- Guidance / support to Management outside Board / Committee meetings.

#### **REMUNERATION OF DIRECTORS**

##### **Remuneration Policy:**

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavors to attract, retain, develop and motivate the high caliber executives and to incentivize them to develop and implement the Group's Strategy, thereby enhancing the business value and maintain a high performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum.

The Executive and Promoter Group Directors are not being paid sitting fees for attending meetings of the Board of Directors and its committees. Other than sitting fees paid to Non- Executive Directors, there were no material pecuniary relationship or transactions by the Company with any of the Non- Executive Director and Independent Directors.

Managing Directors and Executive Director of the Company are not drawing any salary from this company for the Financial Year 2019-20:

##### **Criteria for payment of Non-Executive Directors**

The Non Executive Independent Directors of the Company are paid by way of sitting fees only.

Criteria for making payment to Non-executive Directors includes attendance of Board or Committee Meeting, and guidance/ support to the management outside the board /committee meeting. Company pays remuneration to Non-Executive Directors within limit prescribed by the Act.

#### **5. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:**

The Company has constituted a CSR Committee as required under Section 135 of the Companies Act, 2013 and rules made there under.

##### **Terms of reference**

Terms of Reference of the Committee, inter alia includes the following:

1. To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and rules made there under.
2. To recommend the amount of expenditure to be incurred on the CSR activities.
3. To monitor the implementation of framework of CSR Policy.



4. To carry out any other functions as mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

During the year under review, the Committee met for 3 times on 28/05/2019, 12/08/2019, 21/03/2020 As on 31<sup>st</sup> March, 2020, the composition of the Corporate Social Responsibility Committee and the details of meetings attended by its members are given below:

Name of the Committee Members	Designation	Category in the Board	No. of Meeting held	No. of Meeting Attended
Mr. Paras Savla	Chairman	Executive Director	3	3
Mr. Rupesh Savla	Member	Executive Director	3	3
Mrs. Renuka Upadhyay	Member	Independent Director	3	-

Mr. Kirit Joshi ceased to be member of CSR committee and thus committee was re-constituted. Mrs. Renuka Upadhyay was appointed as member with effect from 11.02.2020.

Further Mrs. Renuka Upadhyay ceased to be member of CSR committee and thus committee was re-constituted. Mrs. Shaily Dedhia was appointed as member with effect from 14.09.2020.

## 6. EXECUTIVE COMMITTEE

The Company has Executive Committee of the Directors to speed up the routine business matters and to comply with other statutory formalities of the Company.

### Terms of Reference

The Committee shall have empowered to do all such acts, things and deeds as may be considered necessary for carrying on ordinary course of business of the Company, including but not restricted to:

- Applying for the tender in the name or on behalf of the Company;
- Making application to or representation before any statutory, legislative or judicial authority or government department;
- Appointment of agents or authorize any person to discharge their obligation(s) or duty (ies) or to exercise their right(s) and power.

The Executive Committee comprised of two members viz. Mr. Paras Savla, Chairman & Managing Director and Mr. Rupesh Savla, Managing Director. Mr. Paras Savla is the Chairman of the Committee. During the year under review, the Committee met for four times on 14/06/2019, 18/11/2019, 19/03/2020 & 06/06/2020.

## 7. GENERAL BODY MEETING

### a) Details of last three Annual General Meetings:

Year	AGM/EGM	Date	Time	Venue	No. of Special Resolution passed
2016-17	27 <sup>th</sup> AGM	01/09/2017	10:00 A.M.	Hotel Planet Landmark, Ambli Bopal Road, Off. S.G. Road, Nr. Ashok Vatika, Ahmedabad-380058, Gujarat.	3
2017-18	28 <sup>th</sup> AGM	25/09/2018	10:00 A.M.		6
2018-19	29 <sup>th</sup> AGM	23/09/2019	10:00 A.M.		4

### Details of other General Meetings

2018-19	NCLT Convened Meeting of shareholders & Creditors	30/10/2018	11:30A.M.	Hotel Planet Landmark, Ambli Bopal Road, Off. S.G. Road, Nr. Ashok Vatika, Ahmedabad-380058, Gujarat.	1
---------	---------------------------------------------------	------------	-----------	-------------------------------------------------------------------------------------------------------------------	---



Details of Special Resolution passed in the immediately preceding three AGMs	
AGM/ EGM	Particulars of Special resolution Passed
27 <sup>th</sup> AGM	Change in place of keeping the statutory registers of the company To accord consent to the board to create, offer, issue and allot securities amounting to Rs. 150 crores (Rupees One Hundred and Fifty Crores Only) pursuant to section 62(1) (c) and other applicable provisions of the companies act, 2013 and other applicable laws To reclassify the existing 2 promoters group into public category
28 <sup>th</sup> AGM	To appoint Mr. Hemendrakumar Shah (DIN: 00077654) as an Independent Director. To appoint Dr. Kirit Shelat (DIN: 00190619) as an Independent Director. To re-appoint Mr. Kirit Joshi (DIN: 05316488) as an Independent Director. To re-appoint Mr. Arun Mandke (DIN: 00587604) as an Independent Director. To accord consent to the Board to create, offer, issue and allot securities amounting to Rs. 150 crores pursuant to Section 62(1)(c) and other applicable provisions of the Companies Act, 2013 and other applicable laws. Approval of Loans, Investments, Guarantee or Security under section 185 of the Companies Act, 2013.
NCLT Convened EGM	Scheme of Arrangement Between Deep Industries Limited And Deep Ch4 Limited And Their Respective Shareholders And Creditors.
29 <sup>th</sup> AGM	Re-appointment of Mrs. Renuka Upadhyay (DIN: 07148637) as an Independent Director. Re-appointment of Mr. Paras Shantilal Savla (DIN: 00145639) as a Managing Director Re-appointment of Mr. Rupesh Kantilal Savla (DIN: 00126303) as a Managing Director To accord consent to the Board to create, offer, issue and allot securities amounting to ₹ 150 crores (Rupees One Hundred And Fifty Crore Only) pursuant to Section 62(1) ( C) and other applicable provisions of the companies ac, 2013 and other applicable laws.

**b) POSTAL BALLOT:**

During the year under review, there was no special resolution passed through Postal Ballot. There is no immediate proposal for passing any resolution through Postal Ballot.

**8. MEANS OF COMMUNICATION**

**1) Quarterly/Half yearly/ Yearly Results:**

The quarterly, half yearly and annual results of the Company are approved and taken on record by the Board of Directors within 45 days (for I, II, III quarter)/60 days (for IV quarter) from the end of quarter.

**a) Newspapers wherein results normally published:**

The approved results are also published within 48 hours in English and Gujarati Newspapers.

**b) Any website, where result displayed:**

The approved results were displayed on the Company's website i.e. [www.deepindustries.com](http://www.deepindustries.com).

**c) Stock Exchanges:**

The approved results were also uploaded on the website of the Stock Exchanges i.e. National Stock Exchange of India Limited (NSE) ([www.nseindia.com](http://www.nseindia.com)) & Bombay Stock Exchange Limited (BSE) ([www.bseindia.com](http://www.bseindia.com)) as per Listing Regulations.

**2) Website :**

The Company's website [www.deepindustries.com](http://www.deepindustries.com) is a comprehensive reference on Company's vision, mission, subsidiary information, clients, services, investor relation, CSR and contact details. In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under "Investor Relation" on the Company's website gives information on various announcements made by the Company, complete financial details, quarterly & annual results, annual report, information relating to stock exchanges where shares are listed, details of share transfer agent, unpaid / unclaimed dividends, shareholding pattern.

**3) Presentations made to institutional investors or to the analysts.**

Detailed presentations are made to institutional investors and financial analysts on the Company's audited quarterly as well as audited annual financial results. These presentations are also uploaded on the Company's website ([www.deepindustries.com](http://www.deepindustries.com)) & website of the Stock Exchanges ([www.bseindia.com](http://www.bseindia.com) & [www.nseindia.com](http://www.nseindia.com))



## 9. GENERAL SHAREHOLDER INFORMATION

### (a) 30<sup>th</sup> Annual General Meeting

- Date : Tuesday, 10<sup>th</sup> November, 2020
- Time : 11.00 a.m.
- Venue : Meeting to be conducted through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”).The venue of the AGM shall deemed to be Registered Office of the Company.
- Remote E-voting Period : begins on 7<sup>th</sup> November, 2020 at 9.00 a.m. and ends on 9<sup>th</sup> November, 2020 at 5.00 p.m.
- Cut off date for remote e-voting : Monday, 3<sup>rd</sup> November, 2020
- Date of Book Closure : 4<sup>th</sup> November, 2020 to 10<sup>th</sup> November, 2020(Both days inclusive)

### (b) Tentative Financial calendar for the year 2020-21

Board Meeting for approval of quarterly results (tentative schedule)

Financial Year	:	1st April,2020 to 31st March, 2021
1 <sup>st</sup> quarter result	:	On or before 14 <sup>th</sup> September, 2020
2 <sup>nd</sup> quarter result	:	On or before 14 <sup>th</sup> November, 2020
3 <sup>rd</sup> quarter result	:	On or before 14 <sup>th</sup> February, 2020
4 <sup>th</sup> quarter result	:	On or before 30 <sup>th</sup> May, 2021

### (c) Dividend payment

In view of the future Capital expenditures, the Directors have decided to plough back the profits. Hence, no dividend has been recommended this year on equity shares of the Company.

### (d) Listing on Stock Exchange along with stock code

<b>Name &amp; Address of Stock Exchanges</b>	BOMBAY STOCK EXCHANGE LIMITED (BSE) 25th Floor, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001	NATIONAL STOCK EXCHANGE OF INDIA LIMITED (NSE) Exchange Plaza, Bandra-Kurla Complex, Bandra (E), Mumbai – 400 051
<b>Security Code</b>	532760	DEEPIND*
<b>Listing Fees Confirmation</b>	Listing fees has been paid.	Listing fees has been paid.

\*With reference to change in name of the Company, the Company has received in-principal approval from both the exchanges for change in Symbol from “DEEPIND” to “DEEPENR”.

### (e) Dividend Policy:

Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company’s future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions.



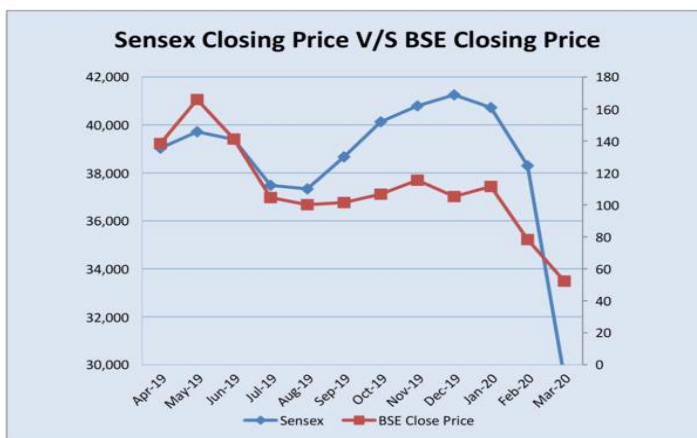
**(f) Market Price & BSE Sensex Data :**

High & Low price (based on closing price) during each month in last Financial Year 2019- 2020 on BSE and NSE:

MONTH	SENSEX	BSE			NSE		
		HIGH	LOW	CLOSE	HIGH	LOW	CLOSE
April, 2019	39031.55	158.25	136.4	138.35	157.9	135.55	138.75
May, 2019	39714.2	170.85	127	165.9	171	126.85	165.65
June, 2019	39394.64	176	140.6	141.2	176.15	140.5	140.95
July, 2019	37481.12	147.85	101.5	104.55	147.65	102.35	104.75
August, 2019	37332.79	118.8	90	100.1	118.95	92.2	100.2
September, 2019	38667.33	111.95	95	101.45	112.7	94	101.4
October, 2019	40129.05	107	94.2	106.7	107	96.5	105.4
November, 2019	40793.81	120	95	115.45	119.9	94.85	115.9
December, 2019	41253.74	115.45	101.05	105.2	115.05	100.5	105.05
January, 2020	40723.49	130	104.6	111.5	130	104.35	111.65
February, 2020	38297.29	114.4	75	78.3	114.4	74.65	78.25
March, 2020	29468.49	80.25	42.75	52.3	81.6	42.4	53.3

**(g) Performance in comparison of Price of Company at BSE & NSE with Sensex:**

**a) Comparison of Closing Price at BSE with BSE Sensex Closing Price**



**b) Comparison of Closing Price at NSE with BSE Sensex Closing Price**





**(h) Distribution of Shareholding as on 31st March, 2020**

No. of Shares	No. of Holders	% of holders	No. of Shares	% of holding
1 to 500	15862	88.4909	1900706	5.9397
501 to 1000	1123	6.2650	885771	2.7680
1001 to 2000	497	2.7727	754105	2.3566
2001 to 3000	133	0.7420	342307	1.0697
3001 to 4000	69	0.3849	245145	0.7661
4001 to 5000	61	0.3403	288834	0.9026
5001 to 10000	89	0.4965	643236	2.0101
10001 and above	91	0.5077	26939896	84.1872
<b>Total</b>	<b>17925</b>	<b>100.00</b>	<b>3,20,00,000</b>	<b>100.00</b>

**(i) Shareholding Pattern of the Company as on 31<sup>st</sup> March, 2020**

Sr.No.	Category	No. of shares		Total No. of Shares	% of Shareholding
		Physical	Electronic		
1	Promoters	—	20476847	20476847	63.99
2	Mutual Fund and UTI	—	—	—	—
3	Clearing Member	—	45144	45144	0.14
4	Foreign Portfolio Investors	—	1873587	1873587	5.85
5	Private Corporate Bodies	—	2294202	2294202	7.17
6	NRIs/OCBs/Foreign Nationals	—	350577	350577	1.10
7	Indian Public/HUF	261	6951774	6951774	21.73
8	Banks, Financial Institution, Insurance Co.	—	100	100	0.00
9	Government Companies	—	—	—	—
10	GDR	—	—	—	—
11	NBFCs registered with RBI	—	—	—	—
12	IEPF	—	7508	7508	0.02
	<b>Total</b>	<b>261</b>	<b>31999739</b>	<b>32000000</b>	<b>100</b>

**(j) Registrar and Share Transfer Agents**

The Investors may contact the Company's Registrar and Transfer Agent for the lodgment of transfer deeds and other documents or for any grievances / complaints at the following address:

**Name** : Link Intime India Private Limited  
**Address** : Ahmedabad Address- 5th Floor, 506 to 508, Amarnath Business Centre-1 (ABC-1), Besides Gala Business Centre, Near ST Xavier's College Corner, Off C G Road , Navarangpura, Ahmedabad 380009  
 Mumbai Address- Link Intime India Pvt. Ltd , C 101, 1st floor, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083  
**Phone** : +91 79 26465179 /86 / 87  
**E-mail** : ahmedabad@linkintime.co.in  
**Website** : www.linkintime.co.in

**(k) Share Transfer System**

The Board of Directors of Company has delegated the powers regarding share transfer, splitting/consolidation of share certificate and issue of duplicate share certificate, re-materialization of shares, etc. to the Registrar and Share Transfer Agent of the Company i.e. Link Intime India Private Limited. The Registrar and Share Transfer Agent process the transfer of Shares in physical form, within stipulated time, if documents are complete in all respects. The Company obtains from a Company Secretary in Practice half-yearly certificate of compliance with the share transfer formalities as required under Regulation 40(9) of the SEBI (Listing Obligation and disclosure Requirements) Regulations, 2015 and files a copy of the certificate with the Stock Exchanges.



**(l) Dematerialization of Shares & Liquidity**

Equity shares of the Company can be traded only in dematerialized form by the investors. The Company has established connectivity with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Demat security (ISIN) code for the equity shares is INE677H01012. As on March 31, 2020, 3,19,99,739 shares of the company, constituting 99.99% were in dematerialized form.

**(m) Outstanding GDRs / ADRs / Warrants / any other convertible instruments:**

As of March 31, 2020, the Company does not have any outstanding GDRs / ADRs / Warrants / any other convertible instruments

**(n) Foreign exchange risk and hedging activities:**

The Company has risk Management policy which primarily focus on identifying, assessing and managing foreign exchange risk.

In order to reduce the uncertainty arising on account of exchange rate movements and currency movement on foreign exchange exposures, Company has in place the hedging policy to secure forex exposures either naturally or otherwise so that the volatility does not impact the core business of the Company. The policy aims at monitoring the market condition for favourable development and minimising the risk arising out of forex fluctuations with minimum cost of hedging.

**(o) Address for correspondence**

The Shareholders may address their communication/grievances at the following address:-

Dixita Soni

Company Secretary & Compliance Officer

Deep Energy Resources Limited (formerly known as Deep Industries Limited)

Address : 12A & 14, Abhishree Corporate Park, Ambli-Bopal Road, Ambli, Ahmedabad-380058.

Phone No : 02717-298510, Fax No : 02717-298520 Email Id : [cs@deepindustries.com](mailto:cs@deepindustries.com) , [info@deepindustries.com](mailto:info@deepindustries.com)

Website of the Company : [www.deepindustries.com](http://www.deepindustries.com)

**(p) Credit Ratings**

The Company's financial discipline is reflected in the credit rating ascribed by CARE:

Instrument Category	Rating Agency	Ratings
Long Term	CARE	CARE A – (credit watch with developing implications)
Short Term	CARE	CARE A2+ (credit watch with developing implications)

**10. OTHER DISCLOSURES**

**(a) Disclosures on materially significant related party transactions that may have potential conflict with the interests of the Company at large.**

There were no materially significant related party transactions that may have potential conflict with the interests of the Company at large. Suitable disclosures as per requirements of IND AS 24, are made in the notes to accounts annexed to the Financial Statements. All the related party contracts / arrangements and transactions are entered into by the Company on arm's length basis and are put forth for the approval of the Audit Committee and Board of Directors, as applicable, in compliance with the said policy. Omnibus approval from the Audit Committee has been obtained for the transactions which are within the prescribed limit.

In line with requirement of the Companies Act, 2013 and Listing Regulations, your Company has formulated Related Party Transactions Policy. The Policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. The Related Party Transaction Policy is available on the website of the Company <http://www.deepindustries.com/Pages/Policies.aspx>

**(b) Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any other Statutory Authority on any matter related to the Capital Markets during the last three years:**

During the year under review, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authorities for non-compliance of any matter related to the capital markets.

BSE Limited and National Stock Exchange of India Ltd vide their letter dated 27.11.2018 levied a penalty of Rs. 11,800/- each for delay in submission of scrutinizer's report of voting results of the court convened meeting dated 30.11.2018 to the Exchanges. Company paid the said fine and complied with requirements in the said BSE/NSE letters.



The reason/explanation for delay submission of scrutinizer's report of voting results to the Stock Exchanges is that the Scrutinizer itself has not provided Scrutinizer report of voting results within 48 hrs of the conclusion of the meeting and thus it was beyond the control of the Company.

Apart from above, during the last three years, there were no strictures or penalties imposed by either the Securities and Exchange Board of India or the Stock Exchanges or any statutory authorities for non-compliance of any matter related to the capital markets.

**(c) Vigil Mechanism and Whistle Blower Policy**

The Company has a Vigil Mechanism and whistle blower policy to deal with any instance of fraud and mismanagement. The employees of the Company are free to report violations of any laws, rules, regulations and concerns about unethical conduct to the Audit Committee under this policy. The policy ensures that strict confidentiality is maintained while dealing with concerns and also that no discrimination with any person for a genuinely raised concern. During the year under review, no employee was denied access to the Audit Committee.

The Vigil mechanism and Whistle Blower Policy is available on the website of the Company <http://www.deepindustries.com/Pages/Policies.aspx>

**(d) Details of compliance with mandatory requirements and adoption of the non mandatory requirements:**

The Company has complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) of SEBI Regulations.

The status on the compliance with the non-mandatory requirements of the SEBI Regulations is as under:

**Board:** The Chairman of the Board is Executive Chairman and hence the requirements of maintaining chairman office is not applicable.

**Shareholder's Rights:** The Company's financial results are published in the news papers and are also posted on website i.e. [www.deepindustries.com](http://www.deepindustries.com). Hence, the financial results are not sent to the Shareholders of the Company.

**Modified Opinion(s) in Audit Report:** The financial statements presented for the year 2018-19 do not have any qualifications.

**Separate posts of Chairperson and Chief Executive Officer:** The Company does not have separate post of Chairman & Managing Director / Chief Executive Officer.

**Reporting of Internal Auditor:** The Internal Auditor of the Company directly reports to the Audit Committee.

**(e) Material Subsidiary**

During the period under review the Company does not have any material non-listed Indian subsidiary companies.

The Company has also formulated Policy on determining Material Subsidiaries as required under Listing Regulations, which is uploaded on the website of the Company <http://www.deepindustries.com/Pages/Policies.aspx>.

**(f) Details of utilization of funds raised through preferential allotment or qualified institutions placement:**

During the F.Y. 2019-20, the Company has not raised funds through preferential allotment or qualified institutional placement as specified under Regulation 32(7A) of Listing Regulations.

**(g) A certificate from a Company Secretary in practice as per Schedule V Para C clause (10) (i) of the Listing Regulations:**

Pursuant to Regulation 34(3) and Schedule V Para C clause (10) (i) of the Listing Regulations, a certificate from M/s. Shilpi Thapar & Associates, Company Secretary in Practice, certifying that none of Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the SEBI / Ministry of Corporate Affairs or any such statutory authority has been obtained and is annexed to this report.

**(h) Confirmation by the Board of Directors acceptance of recommendation of mandatory committees:**

During the F.Y. 2019-20, the Board has accepted all the recommendation of various committees of Board and specifically those which are mandatorily required to be accepted by the Board.

**(i) Fees paid to the Statutory Auditors**

Total fees for all services paid by the company and its subsidiaries on the consolidated basis to the statutory Auditors and all entities in the network firm/network entity of which the statutory auditor is a part is given below:

₹ in Lacs

Payment to Statutory Auditors	F.Y. 2019-20
Audit Fees	5000/-
Other Services	
<b>Total</b>	<b>5000/-</b>





**(j) Disclosure in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 is as below:**

- (a) Number of complaints filed during the financial year : Nil  
(b) Number of complaints disposed of during the financial year : Nil  
(c) Number of complaints pending as on end of the financial year : Nil

**(k) Policy On Disclosure of Material Events / Information and Policy on Preservation of Documents / Records and Archival Policy on website Disclosures which is uploaded on the website of the Company <http://www.deepindustries.com/Pages/Policies.aspx>**

**(l) Reconciliation of share capital audit:**

A qualified Practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited (“NSDL”) and the Central Depository Services (India) Limited (“CDSL”) and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

**(m) Code of Conduct:**

The Code of Conduct for the Directors and Senior Management of the Company has been laid down by the Board and the same is posted on the website of the Company. The Members of the Board and senior management of the Company have submitted their affirmation on compliance with the Code of Conduct for the effective period. A declaration to this effect forms part of this Annual Report.

**(n) CEO/CFO Certification**

The required certificate under Regulation 17(8) of the Listing Regulations signed by the Chairman & Managing Director (CMD) and the Chief Financial Officer (CFO) of the Company for the year ended 31<sup>st</sup> March, 2020 is annexed with this report.

**(o) Compliance Certificate regarding compliance of Corporate Governance:**

Certificate received from M/s Shilpi Thapar & Associates, confirming compliance with conditions of Corporate Governance as stipulated under Listing Regulations, 2015 as annexed with this report.

**(p) Details of unclaimed shares in terms of the Listing Regulations as on 31st March, 2020.**

Particulars	No. of Shareholders	No. of Shares
Aggregate number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 1, 2019	4	1489
Number of Shareholders who approached the Company / Registrars and Transfer Agents (RTA) for transfer of shares from Unclaimed Suspense Account during the year ended 31st March, 2019	Nil	Nil
Number of Shareholders to whom Shares were transferred from suspense Account during the year ended 31st March, 2020.	Nil	Nil
Aggregate number of Shareholders and the outstanding shares lying in the Unclaimed Suspense Account at the end of the year i.e. as on March 31, 2020	4	1489

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**For and on behalf of the Board of Directors**

Date : September 14, 2020  
Place : Ahmedabad

**PARAS SAVLA**  
Chairman & Managing Director  
DIN: 00145639



**Declaration Regarding Compliance by Board of Directors and Senior Management Personnel having affirmed Compliance with the Code of Conduct of Board of Directors and Senior Management.**

I, Paras Savla, Chairman & Managing Director of Deep Energy Resources Limited (Formerly known as Deep Industries Limited), declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2020 affirmed their compliance with the Code of Conduct laid down by the Board of Directors and Senior Management in terms of Regulation 26(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year March 31, 2020.

**Date : 14/09/2020**  
**Place : Ahmedabad**

**PARAS SAVLA**  
**Chairman & Managing Director**  
**DIN: 00145639**

**Chairman and Managing Director [CMD] and Chief Financial Officer [CFO] Certification**

To  
The Board of Directors,  
**Deep Energy Resources Limited**  
(Formerly known as Deep Industries Limited)  
Ahmedabad

As required under the Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [the Listing Regulations] read with Schedule II part B of the Listing Regulations, we hereby certify that;

- [A] We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief;
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
  - (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable Laws & Regulations.
- [B] We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violate the Companies Code of Conduct.
- [C] We accept responsibility for establishing & maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control system, if any, and that we have taken the required steps to rectify these deficiencies.
- [D] We have indicated, based on our evaluation, wherever applicable, to the Auditors' and the Audit Committee:
- (i) significant changes, if any, in internal control over financial reporting during the year;
  - (ii) significant changes, if any, in accounting policies during the year and that the same has been disclosed in the notes to the financial statements; and
  - (iii) instances of significant fraud which we have become aware and the involvement therein, if any, of management or an employee having significant role in the Company's internal control system over financial reporting.

**Date : 14.09.2020**  
**Place : Ahmedabad**

**Paras Savla**  
**Chairman & Managing Director**  
**DIN : 00145639**

**Rohan Shah**  
**Chief Financial Officer**



**CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI  
(Listing Obligations and Disclosure Requirements) Regulations, 2015)*

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **M/s. Deep Industries Limited** having CIN:L63090GJ1991PLC014833 and having registered office at **12A & 14, Abhishree Corporate Park Ambli Bopal Road Ambli Ahmedabad GJ 380058 IN** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India and Ministry of Corporate Affairs:

Sr No.	Name of Director	DIN	Date of appointment in Company
1.	Hemendrakumar Chamanlal Shah	00077654	26/06/2018
2.	Rupeshbhai Kantilal Savla	00126303	01/06/2009
3.	Parasbhai Shantilal Savla	00145639	01/06/2009
4.	Kirit Nanubhai Shelat	00190619	16/08/2018
5.	Kirit Vaikunthraya Joshi	05316488	29/06/2012
6.	Renuka Anjanikumar Upadhyay	07148637	25/06/2015

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Shilpi Thapar & Associates  
Company Secretaries**

**DATE: 27/08/2020  
PLACE: Ahmedabad**

**CS Shilpi Thapar  
Membership No. : 5492  
COP No. : 6779  
UDIN:F005492B000624154**



**CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE AS PER PROVISIONS OF CHAPTER IV OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 (AS AMENDED).**

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

We, M/s. Shilpi Thapar & Associates Company Secretaries, Secretarial Auditors of Deep Industries Limited ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company for the year ended 31 March, 2020, as stipulated in regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the 'Listing Regulations').

The Compliance of conditions of Corporate Governance is the responsibility of the management. The responsibility includes design, implementation and maintenance of internal control and procedure to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the company for ensuring compliance with the conditions of the Corporate Governance. It is neither an audit nor an opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations provided by the Directors and the Management, we certify that the Company has complied with, in all material respects, the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Sub-regulation (2) of Regulation 46 and Paragraphs C and D and E of Schedule V of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (as amended).

We further state that this certificate is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Restriction to Use: This certificate is issued solely for purpose of complying with the aforesaid Regulations and may not be suitable for any other purpose.

**For Shilpi Thapar & Associates,  
Company Secretaries**

**Date : 27/08/2020  
Place : Ahmedabad**

**CS Dr (h.c) Shilpi Thapar  
Membership No. : 5492  
C.O.P. No. 6779  
UDIN: F005492B000624165**



## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
Deep Industries Limited.

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of Deep Industries Limited ("the Company"), which comprises of the balance sheet as at 31st March 2020, and the statement of Profit and Loss (including other comprehensive income), the statement of cash flows for the year, statement of changes in equity for the year then ended and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the standalone financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the standalone financial statements.

#### Emphasis of Matter

This audit report has been issued in respect of financial statements of the company for the financial year ended on 31 March 2020 prepared by the management after giving effect to the Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 between the company and Deep CH4 Limited. The appointed date of the Scheme of Arrangement is 1<sup>st</sup> April, 2017. We draw attention to the Note -5 in the Notes to the financial statements regarding Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 between the company and Deep CH4 Limited. Our opinion is not modified in respect of this matter.

We further draw attention to Note - 4 of the Financial Statements, which describes the uncertainties and the impact of COVID – 19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Response to Key Audit Matter
<p><b>A. Demerger of Oil and Gas Services undertaking pursuant to Scheme of Arrangement (The Scheme)</b></p> <p>The Scheme approved by the Hon'ble National Companylaw Tribunal, is a significant transaction for the year which materially impacts the Balance Sheet as at the year-end.</p> <p>Refer Note - 5 of the financial statements for details of the transaction and the accounting treatment thereof</p>	<p>Our audit procedures comprised of the following:</p> <p>Evaluated and tested controls with respect to:</p> <ul style="list-style-type: none"><li>• Management's assessment of the accounting treatment of the said transaction in terms of the Indian Accounting Standards, compliance with tax laws and other statutes/regulations, as applicable.</li><li>• Identification and allocation of assets and liabilities.</li></ul> <p>Substantive testing procedures included:</p> <ul style="list-style-type: none"><li>• Involvement of tax specialists to assess the reasonableness of the management's position on tax implications.</li><li>• Verifying accounting of the transaction in accordance with the approved Scheme and testing the related disclosures in the financial statements.</li></ul>



### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether standalone the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the 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 it appears from our examination of those books;
  - c. The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact, wherever necessary, of pending litigations on its financial position in its standalone 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.
  - h. With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**For, DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm's registration number: 102511W/W100298

**Harish B. Patel**

*Partner*

Membership number: 014427

UDIN: 20014427AAABLX7527

Place : Ahmedabad  
Date : 30<sup>th</sup> July 2020



**Annexure- A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2020, we report that:

- (i) a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. The Company has a regular program of physical verification of its fixed assets. In accordance with this program, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. Discrepancies noticed on physical verification of inventory as compared to book records were not material.
- (iii) The Company has not granted any loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, and therefore, the provisions of clauses (iii)(a) & (iii)(b) of the Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits covered by the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under.
- (vi) In our opinion and according to the information and explanations given to us and based on books of account, maintenance of cost records under section 148(1) of the Companies Act, 2013 is not applicable to the company and hence paragraph 3(vi) of the Order is not applicable.
- (vii)(a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, Goods and Service Tax and any other statutory dues with the appropriate authorities.

According to the information and explanations given to us, in our opinion no undisputed amounts payable in respect of statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Value Added Tax, Central Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess, Goods and Service Tax and other statutory dues applicable to it were in arrears as at the balance sheet date for a period of more than six months from the date they became payable.

- (b) According to information and explanations given to us and records of the company examined by us, there are no dues of wealth tax, sales tax, duty of customs, duty of excise, value added tax, goods and service tax and cess etc. which have not been deposited on account of dispute. However, particulars of the dues as at March, 2020 which have not been deposited on account of dispute, are as follow:

Name of Statute	Nature of Dues	Amount (₹ Lakhs)	Related Period	From 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	51.97	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)
Income Tax Act, 1961	Income-Tax	46.81	F Y 2015-16	CIT (A)
Income Tax Act, 1961	Income-Tax	2.29	F Y 2016-17	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, Government or debenture holder during the year.
- (ix) In our opinion and according to the information and explanation given to us, the term loans were applied for the purposes for which loans were raised.
- (x) Based upon the audit procedures performed and according to the information and explanations given by the management, we report that no fraud on or by the Company 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 Ind AS.
- (xiv) According to the information and explanations given 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 LLP**

Chartered Accountants

Firm's registration number: 102511W/W100298

Place : Ahmedabad  
Date : 30<sup>th</sup> July 2020

**Harish B. Patel**

*Partner*

Membership number: 014427

## ANNEXURE B TO THE AUDITORS' REPORT

### **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<sup>st</sup> March 2020 in conjunction with our audit of the standalone 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 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 2020, 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 LLP**

Chartered Accountants

Firm's registration number: 102511W/W100298

**Harish B. Patel**

*Partner*

Membership number: 014427

Place : Ahmedabad  
Date : 30<sup>th</sup> July 2020



**STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH, 2020**

ASSETS	Note No.	As at 31-03-2020 ₹ In Lakhs	As at 31-03-2019 ₹ In Lakhs
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	6	152.49	159.43
(b) Capital Work in Progress	6	1,189.58	1,189.58
(c) Intangible Assets	6	31,852.56	31,852.56
(d) Financial Assets			
(i) Investments	7	4,861.54	1,861.54
(ii) Others		-	-
(e) Other Non-Current Assets		-	-
		38,056.17	35,063.12
<b>CURRENT ASSETS</b>			
(a) Inventories		-	-
(b) Financial Assets			
(i) Investments		-	-
(ii) Trade Receivables		-	-
(iii) Cash and Cash Equivalents	8	-	3,000.00
(iv) Bank balances other than above (ii)	9	6.99	7.49
(v) Loans		-	-
(vi) Others	10	0.49	0.31
(c) Other Current Assets	11	127.01	83.96
		134.49	3,091.75
<b>TOTAL ASSETS</b>		<b>38,190.67</b>	<b>38,154.88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	12	3,200.00	3,200.00
(b) Other Equity	13	34,955.01	34,910.56
		38,155.01	38,110.56
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Others		-	-
(b) Deferred Tax Liabilities (Net)	14	29.63	33.96
(c) Provision		-	-
		29.63	33.96
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings		-	-
(ii) Trade Payables			
- Dues to Micro & Small Enterprises		-	-
- Dues to Other than Micro & Small Enterprises		-	-
(iii) Others	15	4.49	4.99
(b) Other Current Liabilities	16	1.54	0.47
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)	17	-	4.91
		6.03	10.37
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>38,190.67</b>	<b>38,154.89</b>

**Corporate Information, Basis of Preparation & Significant Accounting Policies**  
The accompanying notes 1 to 27 are an integral part of the Standalone Financial Statements

1-5

As per our report of even date attached  
**For DHIRUBHAI SHAH & CO LLP**  
Chartered Accountants  
Firm Registration Number: 102511W / W100298

**Harish B. Patel**  
Partner  
Membership Number: 014427

Place : Ahmedabad  
Date : 30/07/2020

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Paras Savla**  
Chairman & Managing Director  
DIN:00145639

**Rohan Shah**  
Chief Financial Officer

Place : Ahmedabad  
Date : 30/07/2020

**Rupesh Savla**  
Managing Director  
DIN : 00126303

**Akshit Soni**  
Company Secretary



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

	Note No.	2019-20 ₹ In Lakhs	2018-19 ₹ In Lakhs
<b>INCOME</b>			
Revenue from operations		-	-
Other income	18	0.18	29.92
<b>TOTAL INCOME</b>		<b>0.18</b>	<b>29.92</b>
<b>EXPENSES</b>			
Operating Expense		-	-
Employee benefits expense		-	-
Finance Costs	19	0.82	0.20
Depreciation and amortization expenses	6	6.94	6.94
Other expenses		-	-
<b>TOTAL EXPENSES</b>		<b>7.76</b>	<b>7.14</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>(7.59)</b>	<b>22.78</b>
Exceptional items (net)		-	-
<b>Profit/(Loss) before tax</b>		<b>(7.59)</b>	<b>22.78</b>
<b>Tax items</b>			
Current tax		-	4.91
Earlier years tax provisions (written back)		-47.71	-
Deferred tax asset / (liability)		-4.33	1.24
Total tax items		-52.04	6.15
<b>Profit/(Loss) for the year</b>		<b>44.45</b>	<b>16.63</b>
<b>Other Comprehensive Income</b>			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		-	-
Items that will be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on fair valuation of financial instruments		-	-
<b>Other Comprehensive Income/ (Loss) for the year</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/ (Loss) for the year</b>		<b>44.45</b>	<b>16.63</b>
<b>Net profit / (loss) attributable to:</b>			
Owners		44.45	16.63
Non-controlling interest		-	-
<b>Other comprehensive income / (loss) attributable to:</b>			
Owners		-	-
Non-controlling interest		-	-
<b>Total comprehensive income / (loss) attributable to:</b>			
Owners		44.45	16.63
Non-controlling interest		-	-
<b>Earnings Per Equity Share (Basic and Diluted)</b>	20	<b>0.14</b>	<b>0.05</b>
<b>Corporate Information, Basis of Preparation &amp; Significant Accounting Policies</b>			
The accompanying notes 1 to 27 are an integral part of the Standalone Financial Statements			

As per our report of even date attached

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration Number: 102511W / W100298

**Harish B. Patel**

Partner

Membership Number: 014427

Place : Ahmedabad

Date : 30/07/2020

ON BEHALF OF THE BOARD OF DIRECTORS

**Paras Savla**

Chairman & Managing Director

DIN:00145639

**Rohan Shah**

Chief Financial Officer

Place : Ahmedabad

Date : 30/07/2020

**Rupesh Savla**

Managing Director

DIN : 00126303

**Akshit Soni**

Company Secretary



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2020**

PARTICULARS	2019-20 ₹ In Lakhs	2018-19 ₹ In Lakhs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/ (loss) Before Tax</b>	<b>(7.59)</b>	22.78
Adjustments for:		
Depreciation and amortization	6.94	6.94
Interest and finance charges	0.82	0.20
Interest income	(0.18)	(0.18)
(Gain)/Loss on fixed assets sold/ discarded (net)	-	-
(Gain)/Loss on investments sold/ discarded (net)	-	(28.81)
Net unrealized (gain)/loss on foreign currency transaction and translation (relating to other heads)	-	-
Others	-	(0.93)
<b>Operating Profit before Working Capital Changes</b>	<b>0.00</b>	0.00
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	(0.43)	(0.18)
(Increase)/decrease in inventories	-	-
Increase/(decrease) in trade payables, other liabilities and provisions	1.07	0.20
<b>Cash Generated from Operations</b>	<b>0.64</b>	0.02
Income taxes paid	-	(100.00)
<b>Net Cashflow from Operating Activities</b>	<b>0.64</b>	(99.98)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	-
Additions in capital work in progress	-	-
Proceeds from sale of fixed assets	-	-
Purchase of Investments	(3,000.00)	-
Sale of Investment	-	2,889.59
Proceeds from Fixed Deposits	-	-
Interest received	0.18	0.18
<b>Net Cashflow from Investing Activities</b>	<b>(2,999.82)</b>	2,889.77
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/Payment from Secured Loans	-	-
Dividend Income and Dividend Distribution Tax	-	-
Interest and finance charges	(0.82)	(0.20)
<b>Net Cashflow from Financing Activities</b>	<b>(0.82)</b>	(0.20)
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(3,000.00)</b>	2,789.59
<b>Cash and bank balances at the beginning of the year</b>	<b>3,000.00</b>	210.41
<b>Cash and bank balances at the end of the year</b>	<b>-</b>	3,000.00



**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 31-03-2020 ₹ In Lakhs	As at 31-03-2019 ₹ In Lakhs
Balances with banks		
In current accounts	-	3,000.00
In deposits with original maturity of less than 3 months	-	-
In Escrow Accounts	-	-
Cash on hand	-	-
	<u>                    </u>	<u>                    </u>
	<u>                    </u>	<u>                    </u>
	-	3,000.00

As per our report of even date attached

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration Number: 102511W / W100298

**Harish B. Patel**

Partner

Membership Number: 014427

Place : Ahmedabad

Date : 30/07/2020

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Paras Savla**

Chairman & Managing Director

DIN:00145639

**Rohan Shah**

Chief Financial Officer

Place : Ahmedabad

Date : 30/07/2020

**Rupesh Savla**

Managing Director

DIN : 00126303

**Akshit Soni**

Company Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2020

(₹ In Lakhs)

Balance as at 1st April, 2019	Changes during the year	Balance as at 31st March, 2020
3,200.00	-	3,200.00

For the year ended 31st March, 2019

(₹ In Lakhs)

Balance as at 1st April, 2018	Changes during the year	Balance as at 31st March, 2019
3,200.00	-	3,200.00

(A) OTHER EQUITY

For the year ended 31st March, 2020

Particulars	Capital Reserve	General Reserve	Security premium account	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2019	412.48	980.36	13,872.88	19,644.84	-	34,910.56
Profit/(Loss) for the year	-	-	-	44.45	-	44.45
Proposed Dividend and Dividend Distribution Tax thereon	-	-	-	-	-	-
Transfer from / to	-	-	-	-	-	-
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>412.48</b>	<b>980.36</b>	<b>13,872.88</b>	<b>19,689.30</b>	<b>-</b>	<b>34,955.02</b>

For the year ended 31st March, 2019

Particulars	Capital Reserve	General Reserve	Security premium account	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2018	412.48	980.36	13,872.88	19,628.22	-	34,893.94
Profit/(Loss) for the year	-	-	-	16.63	-	16.63
Addition/(Deletion) during the year	-	-	-	-	-	-
Proposed Dividend and Dividend Distribution Tax thereon	-	-	-	-	-	-
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>412.48</b>	<b>980.36</b>	<b>13,872.88</b>	<b>19,644.84</b>	<b>-</b>	<b>34,910.56</b>

As per our report of even date attached

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration Number: 102511W / W100298

**Harish B. Patel**

Partner

Membership Number: 014427

Place : Ahmedabad

Date : 30/07/2020

ON BEHALF OF THE BOARD OF DIRECTORS

**Paras Savla**

Chairman & Managing Director

DIN:00145639

**Rohan Shah**

Chief Financial Officer

Place : Ahmedabad

Date : 30/07/2020

**Rupesh Savla**

Managing Director

DIN : 00126303

**Akshit Soni**

Company Secretary



**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2020**

**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 & Drilling services to exploration and production (E&P) players through its fleet of rigs.

**2. BASIS OF PREPARATION**

The financial statements have been prepared on historical cost basis, except certain financial assets and liabilities which have been measured at fair value, defined benefits plans and contingent consideration. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

**Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realized within twelve months after the reporting period, or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

**2A. USE OF ESTIMATES**

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results.

Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be different from those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

Critical estimates and judgments

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expense and payable – Refer accounting policies - 3.9
- b) Estimated useful life of property, plant & equipment and intangible assets – Refer accounting policies - 3.1
- c) Estimation of defined benefit obligation – Refer accounting policies - 3.8
- d) Estimation of fair values of contingent liabilities - Refer accounting policies - 3.12
- e) Recognition of revenue - Refer accounting policies - 3.4
- f) Recognition of deferred tax assets for carried forward tax losses – Refer accounting policies - 3.9
- g) Impairment of financial assets – Refer accounting policies - 3.2 & 3.5

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.





### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **3.1 Property, plant and equipment:**

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use, along with effects of foreign exchange contracts and adjustments, arising from exchange rate variations, attributable to the fixed assets, of those contracts for which option under notification of Accounting Standard-11 was exercised. When significant parts of property, plant and equipment are required to be replaced at intervals, the Company derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment

##### Tangible Fixed Assets:

(a) Depreciation is charged using straight line method on the basis of the expected useful life as specified in Schedule II to the Act. A residual value of 5% (as prescribed in Schedule II 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 amortization and accumulated impairment losses.

An item of intangible asset initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the income statement when the asset is derecognized. Intangible fixed assets are amortized on straight line basis over their estimated useful economic life.

##### Capital Work- in- progress

Capital work- in- progress represents directly attributable costs of construction to be capitalized. All other expenses including interest incurred during construction period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the construction as per Ind AS-23 "Borrowing Costs". Interest income earned on temporary investment of funds brought in for the project during construction period are set off from the interest expense accounted for as expenditure during the construction period. All these expenses are transferred to fixed assets on commencement of respective projects.

#### **3.2 Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/ external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Company measures it on the basis of discounted cash flows of next five years' projections estimated based on current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

In respect of the subsidiaries assets at each balance sheet date, the impairment testing is based on the realizable value of underlying assets as tested by the Board of Directors of the subsidiary.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive Income (the 'OCI'). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

#### **3.3 Foreign Currency Transactions**

The Company's financial statements are presented in INR, which is also the Company's functional currency.

##### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of transaction.

##### Conversion

Foreign currency monetary items are reported using the closing rate. In case of items which are covered by forward exchange contract, the difference between year end rate and rate on the date of the contract is recognised as exchange difference and premium paid on forward contracts and option contract is recognised over the life of the contract. Non-monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.



#### Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements including receivables and payables which are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise, except of those contracts for which option under notification of Accounting Standard-11 was exercised where they relate to acquisition of Fixed Assets, the difference arising a result in which case they are adjusted to the term loan liabilities account.

The gain or loss arising on translation of non-monetary items is recognized in line with the gain or loss of the item that give rise to the translation difference (i.e. translation difference on items whose gain or loss is recognized in other comprehensive income or the statement of profit and loss is also recognized in other comprehensive income or the statement of profit and loss respectively).

### **3.4 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Goods & Service Tax (GST), Service Tax is not received by the Company on its own account. Rather, it is tax collected on value added to the services by the Company on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognized.

(i) **Service income:**

Service income is recognised as per the terms of contracts with the customers when the related services are performed or the agreed milestones are achieved and are net of service tax or GST, wherever applicable.

(ii) **Interest Income:**

For all debt instruments measured either at amortized cost or at fair value through other comprehensive income [OCI], interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument [for example, prepayment, extension, call and similar options] but does not consider the expected credit losses.

(iii) **Dividend income:**

Dividend income from investments is recognized when the Company's right to receive payment is established which is generally when shareholders approve the dividend.

(iv) **Other income** is recognised when no significant uncertainty as to its determination or realisation exists.

### **3.5 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### **A. Financial Assets**

**a. Initial recognition and measurement:**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognized on the settlement date, trade date, i.e., the date that the Company settle commits to purchase or sell the asset.

**b. Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:

**i. Debt instruments at amortized cost:**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest" [SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate [EIR] method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**ii. Debt instruments at fair value through other comprehensive income [FVTOCI]:**

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.
- 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 allowance 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, right 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, lifetime 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 impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.



ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- a. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance which reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- 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 borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

**b. Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:

**i. Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied for liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

**ii. Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**iii. Financial guarantee contracts:**

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

**c. Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**C. Reclassification of financial assets:**

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.



**D. Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**3.6 Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company. The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities

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 spare parts and oil are valued at the lower of cost or net realizable value. The cost is determined by Moving Average method (eg: FIFO, WAM etc). The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

**3.8 Employee benefits**

- a. Short Term employee benefits are recognized as expense at undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.
- b. Post employment and other long term benefits are recognised as an expense in the statement of profit and loss account for the year in which the employee has rendered services. The expense is recognised at the present value of the amounts payable determined using actuarial valuation techniques at the end of Financial Year. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of profit and loss.
- c. Payments to defined contribution retirement benefit scheme, if any, are charged as expense as they fall due.

**3.9 Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Company operates. Current tax items are recognized in correlation to the underlying transaction either in P&L, OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized on the basis of reasonable certainty that the company will be having sufficient future taxable profits and based on the same the DTA has been recognized in the books.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is “realized or the liability is settled, based on tax rates [and tax laws] that have been enacted or substantively enacted at the” reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to 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, construction or production 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 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.

- A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.
- 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.

Offices Premises taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

### **3.15 Exceptional items**

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company is such that its disclosure improves the understanding of the performance of the Company, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes accompanying to the financial statements.

### **3.16 Trade Receivables**

Trade Receivables are recognized initially at carrying value and subsequently re – measured at amount that would be actually received.



### 3.17 Standards issued not yet effective:

#### Ind AS 116 (Leases)

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

### 4. Impact of COVID – 19.

The Company's operational facilities which are very minimal post demerger had to suspend operations temporarily, due to Government's directives relating to COVID - 19, have since resumed operations, as per the guidelines and norms prescribed by the Government authorities. The Management has considered the possible effects, if any, that may result from the pandemic related to COVID-19 on carrying amounts of property, plant and equipment, trade receivable and inventories. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial results and has used internal and external sources of information to the extent determined by it. Having reviewed the underlying information, the Management believes the impact of the pandemic may not be significant. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

### 5. Scheme of arrangement.

- Deep Industries Limited ('DIL') and Deep CH4 Limited ('DCL') filed an application for sanctioning scheme of arrangement ("the Scheme") under section 230-232 of the Companies Act, 2013. Pursuant to the scheme for demerger, Oil and Gas Service Undertaking of DIL has been transferred to DCL with the appointed date of 1 April 2017. The Scheme was sanctioned by the National Company Law Tribunal ("NCLT") at Ahmedabad vide its order dated 17 March, 2020.
- The Scheme has accordingly been given effect to in the accounts effective from the Appointed Date being opening of business hours on 01st April 2017.
- Upon the Scheme coming into effect, 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.
- 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.
- 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.
- Upon the Scheme coming into effect, the Demerged Company (DIL) 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 (DCL) from the carrying value of assets and liabilities as appearing in its books.

The particulars of assets and liabilities remained in DIL and remaining assets and liabilities has been transferred to DCL.

<b>Assets</b>	<b>Amount (Rs. in Lacs)</b>
Plant & Machinery	173.32
Capital Work In Progress	1,189.58
Investment	4,561.46
Current Assets	1,065.36
Other Assets	4,001.85
<b>Total</b>	<b>10,991.57</b>
<b>Liabilities</b>	
Equity Share Capital	3,200.00
Reserves & Surplus	34,627.44
Other Liability	4,985.86
Deferred Tax Liability	30.83
<b>Total</b>	<b>42,844.13</b>
<b>Difference of Assets over Liabilities</b>	<b>31,852.56</b>

Pursuant to the Scheme, the surplus of the assets over liabilities, appearing as Goodwill in DIL



**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31ST MARCH 2020**

	TANGIBLE ASSETS		INTANGIBLE ASSETS		(₹ In Lakhs)
	Rigs	Total	Goodwill	Total	CAPITAL WORK IN PROGRESS Capital Work- In progress
<b>6 - PROPERTY, PLANT AND EQUIPMENT</b>					
<b><u>Cost:</u></b>					
As at 1st April, 2017	219.06	219.06	31,852.56	31,852.56	1,189.58
Additions	-	-	-	-	-
Disposals / transfers	-	-	-	-	-
As at 31st March, 2018	<b>219.06</b>	<b>219.06</b>	<b>31,852.56</b>	<b>31,852.56</b>	<b>1,189.58</b>
Additions	-	-	-	-	-
Disposals / transfers	-	-	-	-	-
<b>As at 31st March, 2019</b>	<b>219.06</b>	<b>219.06</b>	<b>31,852.56</b>	<b>31,852.56</b>	<b>1,189.58</b>
Additions	-	-	-	-	-
Disposals / transfers	-	-	-	-	-
<b>As at 31st March, 2020</b>	<b>219.06</b>	<b>219.06</b>	<b>31,852.56</b>	<b>31,852.56</b>	<b>1,189.58</b>
<b><u>Accumulated depreciation:</u></b>					
As at 1st April, 2017	45.73	45.73	-	-	-
Depreciation charged during the year	6.94	6.94	-	-	-
Disposals / transfers	-	-	-	-	-
As at 31st March, 2018	<b>52.68</b>	<b>52.68</b>	-	-	-
Depreciation charged during the year	6.94	6.94	-	-	-
Disposals / transfers	-	-	-	-	-
<b>As at 31st March, 2019</b>	<b>59.62</b>	<b>59.62</b>	-	-	-
Depreciation charged during the year	6.94	6.94	-	-	-
Disposals / transfers	-	-	-	-	-
<b>As at 31st March, 2020</b>	<b>66.57</b>	<b>66.57</b>	-	-	-
<b><u>Net book value</u></b>					
As at 1st April, 2017	173.32	173.32	31,852.56	31,852.56	1,189.58
As at 31st March, 2018	166.38	166.38	31,852.56	31,852.56	1,189.58
<b>As at 31st March, 2019</b>	<b>159.43</b>	<b>159.43</b>	<b>31,852.56</b>	<b>31,852.56</b>	<b>1,189.58</b>
<b>As at 31st March, 2020</b>	<b>152.49</b>	<b>152.49</b>	<b>31,852.56</b>	<b>31,852.56</b>	<b>1,189.58</b>

Sr. No.	Particulars	No. of Shares as on 31.03.20	As at 31-03-20 (₹ In Lakhs)	No. of Shares as on 31.03.19	As at 31-03-19 (₹ In Lakhs)
<b>7 - NON - CURRENT FINANCIAL ASSETS - INVESTMENTS</b>					
	<b><u>Investments (Unquoted)</u></b>				
	<b>(A) Investments at Cost</b>				
	<b>(a) <u>Investments in Equity Shares</u></b>				
	- <i>Investment in Subsidiaries</i>				
	90% share in Deep Energy LLC		12.41		12.41
	70% share in Deep Natural Resources Ltd.	3,50,000	3.50	3,50,000	3.50
	78% share in Prabha Energy Pvt. Ltd.	9,46,563	1,845.63	9,46,563	1,845.63
	<b>(b) <u>Investments in Preference Shares</u></b>				
	Prabha Energy Private Limited		3,000.00		-
			<b>4,861.54</b>		<b>1,861.54</b>





ANNUAL REPORT 2019-20  
**DEEP ENERGY RESOURCES LIMITED**  
 (Formerly known as Deep Industries Limited)

Sr. No.	Particulars	As at 31-03-2020 (₹ In Lakhs)	As at 31-03-2019 (₹ In Lakhs)
<b>8 -</b>	<b>CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>		
A)	Balances with Banks		
-	In Current Accounts	-	3,000.00
		<u>-</u>	<u>3,000.00</u>
<b>9 -</b>	<b>CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE</b>		
A)	Balances with Banks		
-	Unpaid Dividend with HDFC Bank	4.49	4.99
		<u>4.49</u>	<u>4.99</u>
B)	Others		
-	Fixed Deposits held as Margin Money	2.51	2.51
		<u>2.51</u>	<u>2.51</u>
		<u>6.99</u>	<u>7.49</u>
<b>10 -</b>	<b>CURRENT - FINANCIAL ASSETS - OTHER</b>		
	Accrued Bank Fixed Deposits Interest	0.49	0.31
		<u>0.49</u>	<u>0.31</u>
<b>11 -</b>	<b>CURRENT ASSETS - OTHERS</b>		
	<b>Unsecured, considered good, unless otherwise stated</b>		
	Prepaid Expenses	0.30	0.05
	Balance with Govt Authorities	-	-
	Advance Tax and TDS for Prior Years (Net of Provision)	126.71	83.90
		<u>127.01</u>	<u>83.96</u>
<b>12 -</b>	<b>EQUITY SHARE CAPITAL</b>		
	<b>Authorised:</b>		
	3,20,00,000 Equity Shares of Rs. 10 each	3,200.00	3,200.00
	<b>Issued, Subscribed and paid-up:</b>		
	3,20,00,000 Equity Shares of Rs. 10 each fully paid up	3,200.00	3,200.00
		<u>3,200.00</u>	<u>3,200.00</u>

**12.1 Reconciliation of number of Equity shares outstanding at the beginning & at the end of the reporting year**

Particulars (Equity Shares of ₹ 10 Each Fully Paid up)	As at 31 March 2020		As at 31 March 2019	
	No of Shares	Value ₹	No of Shares	Value ₹
— At the beginning of the year	3,20,00,000.00	3,200.00	3,20,00,000.00	3,200.00
— Movement during the period	-	-	-	-
— Outstanding at the end of the year	<u>3,20,00,000.00</u>	<u>3,200.00</u>	<u>3,20,00,000.00</u>	<u>3,200.00</u>

**12.2 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 ₹ 10 Each Fully Paid up)	As at 31st March, 2020		As at 31st March, 2019	
	No. of Share held	% of Holding	No. of Share held	% of Holding
RUPESH SAVLA FAMILY TRUST	1,00,76,908	31.49%	1,00,76,908	31.49%
SHANTILAL SAVLA FAMILY TRUST	40,62,576	12.70%	35,68,474	11.15%
PRITI PARAS SAVLA	20,58,822	6.43%	20,52,625	6.41%
DHAREN SHANTILAL SAVLA	20,58,822	6.43%	20,58,822	6.43%
	<u>1,82,57,128</u>		<u>1,77,56,829</u>	

**12.3** 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 declares and pays dividend in Indian Rupees.

**12.4** 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.

**12.5** Company has not allotted any bonus shares, Shares without consideration in cash and/or bought back any equity shares during the period of five years immediately preceding the Balance sheet date.



ANNUAL REPORT 2019-20  
**DEEP ENERGY RESOURCES LIMITED**  
 (Formerly known as Deep Industries Limited)

Sr. No.	Particulars	As at 31-03-2020 (₹ In Lakhs)	As at 31-03-2019 (₹ In Lakhs)
<b>13 - OTHER EQUITY</b>			
	<b>Securities Premium</b>		
	Opening balance	13,872.88	13,872.88
	Add: Addition during the year	-	-
	Less: Written back during the year	-	-
	Closing balance	<b>13,872.88</b>	<b>13,872.88</b>
	<b>Capital Reserve</b>		
	Opening balance	412.48	412.48
	Add: Addition during the year	-	-
	Less: Written back during the year	-	-
	Closing balance	<b>412.48</b>	<b>412.48</b>
	<b>General Reserve</b>		
	Opening balance	980.36	980.36
	Add: Addition during the year	-	-
	Less: Written back during the year	-	-
	Closing balance	<b>980.36</b>	<b>980.36</b>
	<b>Profit and Loss</b>		
	Opening balance	19,644.84	19,628.22
	Add: Net Profit/(Net Loss) For the current year	44.45	16.63
	Add/(Less): Adjustments on account of Ind-AS		
	- Fair Valuation of Financial Liabilities	-	-
	- Fair Valuation of Financial Assets	-	-
	- Proposed Dividend for the year	-	-
	- Closing Balance	<b>19,689.30</b>	<b>19,644.84</b>
	<b>FVOCI Reserve</b>		
	Opening balance	-	-
	Add/Less: Changes during the current year	-	-
	Closing Balance	-	-
	<b>Total</b>	<b>34,955.02</b>	<b>34,910.56</b>
<b>14 - DEFERRED TAX LIABILITIES (NET)</b>			
	Written back during the year	33.96	32.72
	Addition during the year	-4.33	1.24
	Written back during the year	-	-
	Closing Balance	<b>29.63</b>	<b>33.96</b>
<b>15 - CURRENT - OTHER FINANCIAL LIABILITIES</b>			
	Unclaimed Dividends	4.49	4.99
		<b>4.49</b>	<b>4.99</b>
<b>16 - OTHER CURRENT LIABILITIES</b>			
	Other Liabilities	1.54	0.47
		<b>1.54</b>	<b>0.47</b>
<b>17 - CURRENT TAX LIABILITIES (NET)</b>			
	Current Tax Liabilities (Net of Advance Tax)	-	4.91
		<b>-</b>	<b>4.91</b>



ANNUAL REPORT 2019-20  
**DEEP ENERGY RESOURCES LIMITED**  
 (Formerly known as Deep Industries Limited)

Sr. Particulars No.	2019-20 (₹ In Lakhs)	2018-19 (₹ In Lakhs)
<b>18 - OTHER INCOME</b>		
Interest Received/Receivable		
From banks	0.18	0.18
Profit on sale of Investments	-	28.81
Fair Valuation of Financial Assets	-	0.93
	<u>0.18</u>	<u>29.92</u>
<b>19 - FINANCE COSTS</b>		
<u>Other borrowing costs</u>		
- Bank Charges	0.82	0.20
	<u>0.82</u>	<u>0.20</u>
<b>20 - EARNINGS PER EQUITY SHARE</b>		
Profit/(loss) available for equity shareholders	44.45	16.63
Weighted average numbers of equity shares outstanding	3,20,00,000	3,20,00,000
Nominal value per equity share (in Rupees)	10	10
Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)	0.14	0.05

Sr. Particulars No.	As at 31-03-2020 (₹ In Lakhs)	As at 31-03-2019 (₹ In Lakhs)
<b>21 - CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>CONTINGENT LIABILITIES</b>		
(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	25.08	25.08
(c) Other money for which the company is contingently liable:		
1 Gujarat VAT demand not provided for	-	-
2 Service tax demand not provided for	148.33	198.24
3 Service tax-Merged Companies demand not provided for	1.70	1.70
4 Income tax demand / liabilities not provided for	55.25	52.95

**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 Commitment Expenditure to be executed on capital account.

Sr. Particulars No.	As at 31-03-2020 (₹ In Lakhs)	As at 31-03-2019 (₹ In Lakhs)
<b>22 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 17 LEASES</b>		
<b>OPERATING LEASE COMMITMENTS</b>		
Future 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	NIL	NIL
Later than one year and not later than five years	NIL	NIL
More than five years	NIL	NIL

**23 - SEGMENT REPORTING**

The Company is not required to give segment wise revenue details and capital employed as the Company operates in single business segment namely Exploration and Production.

**24 - CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend at least 2% of the average net profits (determined under section 198 of the Companies Act 2013 and section 349 of the Companies Act 1956) made during the immediately three financial years. However, due to inadequacy of profits as per Section 198 of the Companies Act, 2013, the company is not required to spend any amount on CSR activities for Financial Year 2019-20

Gross amount required to be spent by the Company during the year: Rs. NIL (Previous year - Rs. NIL)



**25 - RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24**

**(a) Related Parties**

**1. Subsidiaries**

- Deep Energy LLC, USA
- Deep Natural Resources Limited
- Prabha Energy Pvt Ltd.

**2. Enterprises significantly influences by KMP, or Relatives of KMP**

- Savla Oil & Gas Pvt. Ltd

**3. Key Management Personnel**

Name	Designation
Mr. Paras Savla	Chairman and MD
Mr. Rupesh Savla	Managing Director
Mr. Kirit Joshi	Independent Director
Ms. Renuka Upadhyay	Independent Director
Dr. Kirit Shelat	Independent Director
Mr. Hemendrakumar Shah	Independent Director
Mr. Rohan Shah	Chief Financial Officer
Mr. Akshit Soni	Company Secretary

**4. Relative of Key Management Personnel**

- Mr. Manoj Savla
- Mrs. Priti Paras Savla
- Mr. Shail Manoj Savla
- Mrs. Shital Rupesh Savla
- Mr. Shanil Paras Savla

**(b) Transactions with related parties:**

Nature of Transaction	(₹ In Lakhs)							
	Subsidiaries		Key Management Personnel and their relatives		Enterprises significantly influences by KMP, or Relatives of KMP		Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Remuneration, Salary and Sitting Fees	-	-	-	-	-	-	-	-
Rent	-	-	-	-	-	-	-	-
Perquisites	-	-	-	-	-	-	-	-
Investments made during the year	3,000.00	-	-	-	-	-	3,000.00	-

**Balance Outstanding**

	Payable		Receivable	
	As at 31-03-20	As at 31-03-19	As at 31-03-20	As at 31-03-19
	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
Investments held in Subsidiaries	-	-	4,861.54	1,861.54
Key Management Personnel and their relatives	-	-	-	-
Entities controlled by Directors or their relatives	-	-	-	-
<b>Total</b>	-	-	<b>4,861.54</b>	<b>1,861.54</b>

**Note:**

- (i) The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged/ terms thereof and approved the same.
- (ii) The details of guarantees and collaterals extended by the related parties in respect of borrowings of the Company have been given at the respective notes.



**26. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS**

The fair values of the financial assets and liabilities are included at 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 largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.

**I. Figures as at March 31, 2019**

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments	7	-	-	-	1,861.54	1,861.54	-	-	-	-
(ii) Loans		-	-	-	-	-	-	-	-	-
(iii) Others		-	-	-	-	-	-	-	-	-
<b>Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments		-	-	-	-	-	-	-	-	-
(ii) Trade Receivables		-	-	-	-	-	-	-	-	-
(iii) Cash and Cash Equivalents	8	-	-	-	3,000.00	3,000.00	-	-	-	-
(iv) Bank balances other than above (ii)	9	-	-	-	7.49	7.49	-	-	-	-
(v) Loans		-	-	-	-	-	-	-	-	-
(vi) Others	10	-	-	-	0.31	0.31	-	-	-	-
<b>TOTAL</b>		-	-	-	<b>4,869.35</b>	<b>4,869.35</b>	-	-	-	-
<b>Non Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings		-	-	-	-	-	-	-	-	-
(ii) Trade Payable		-	-	-	-	-	-	-	-	-
(iii) Others		-	-	-	-	-	-	-	-	-
<b>Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings		-	-	-	-	-	-	-	-	-
(ii) Trade Payable		-	-	-	-	-	-	-	-	-
(iii) Others	15	-	-	-	4.99	4.99	-	-	-	-
<b>TOTAL</b>		-	-	-	<b>4.99</b>	<b>4.99</b>	-	-	-	-



**II. Figures as at March 31, 2020**

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non-Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments	7	-	-	-	4,861.54	4,861.54	-	-	-	-
(ii) Loans		-	-	-	-	-	-	-	-	-
(iii) Others		-	-	-	-	-	-	-	-	-
<b>Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments		-	-	-	-	-	-	-	-	-
(ii) Trade Receivables		-	-	-	-	-	-	-	-	-
(iii) Cash and Cash Equivalents	8	-	-	-	-	-	-	-	-	-
(iv) Bank balances other than above (ii)	9	-	-	-	6.99	6.99	-	-	-	-
(v) Loans		-	-	-	-	-	-	-	-	-
(vi) Others	10	-	-	-	0.49	0.49	-	-	-	-
<b>TOTAL</b>		-	-	-	<b>4,869.02</b>	<b>4,869.02</b>	-	-	-	-
<b>Non Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings		-	-	-	-	-	-	-	-	-
(ii) Trade Payable		-	-	-	-	-	-	-	-	-
(iii) Others		-	-	-	-	-	-	-	-	-
<b>Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings		-	-	-	-	-	-	-	-	-
(ii) Trade Payable		-	-	-	-	-	-	-	-	-
(iii) Others	15	-	-	-	4.49	4.49	-	-	-	-
<b>TOTAL</b>		-	-	-	<b>4.49</b>	<b>4.49</b>	-	-	-	-

During the reporting period ending March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

**III. Description of significant unobservable inputs to valuation:**

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

	As at 31-03-20	As at 31-03-19
Other Non-Current Financial Assets	Discounted Cash Flow method using	
Borrowings (Non-Current)	the risk adjusted discount rate	

No, financial instruments have been routed through Other Comprehensive Income and hence separate reconciliation disclosure relating to the same is not applicable.

**27. 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 a 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 19 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 gainer Company is having natural hedge position in USD currency.

**I. Foreign Currency Exposure**

Refer Note 41 for foreign currency exposure as at March 31, 2019 and March 31, 2018 respectively.

**II. Foreign Currency Sensitivity**

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

(₹ In lakhs)

Currency	2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	0.00	-	0.00	-
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**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 ageing 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 forwarding-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.

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

(₹ In lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
Non-current financial assets - Loans	-	-
Current financial assets - loans	-	-
<b>Total (A)</b>	<b>-</b>	<b>-</b>

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

Trade Receivables	-	-
<b>Total (A)</b>	<b>-</b>	<b>-</b>
<b>Grand Total (A+B)</b>	<b>-</b>	<b>-</b>

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

**III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due**

Up to 3 months	-	-
3 to 6 months	-	-
More than 6 months	-	-
<b>Total</b>	<b>-</b>	<b>-</b>



#### IV. Provision for expected credit losses again “II” and “III” above

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

#### Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	As at 31-03-2020			As at 31-03-2019		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	-	-	-	-	-
Non-current financial liabilities - Others	-	-	-	-	-	-
Current financial liabilities - Borrowings	-	-	-	-	-	-
Current financial liabilities - Trade Payables	-	-	-	-	-	-
Current financial liabilities - Others	4.49	-	4.49	4.99	-	4.99
<b>Total</b>	<b>4.49</b>	<b>-</b>	<b>4.49</b>	<b>4.99</b>	<b>-</b>	<b>4.99</b>

#### Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

Particulars	As at 31-03-2020	As at 31-03-2019
Total Debt	-	-
Equity	3,200.00	3,200.00
<b>Capital and net debt</b>	<b>3,200.00</b>	<b>3,200.00</b>
<b>Gearing ratio</b>	<b>0.00%</b>	<b>0.00%</b>

Note:

Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

As per our report of even date attached  
**For DHIRUBHAI SHAH & CO LLP**  
Chartered Accountants  
Firm Registration Number: 102511W / W100298

**Harish B. Patel**  
Partner  
Membership Number: 014427

Place : Ahmedabad  
Date : 30/07/2020

#### ON BEHALF OF THE BOARD OF DIRECTORS

<b>Paras Savla</b> Chairman & Managing Director DIN:00145639	<b>Rupesh Savla</b> Managing Director DIN : 00126303
<b>Rohan Shah</b> Chief Financial Officer	<b>Akshit Soni</b> Company Secretary

Place : Ahmedabad  
Date : 30/07/2020





## INDEPENDENT AUDITOR'S REPORT

To,  
The Members,  
Deep Industries Limited.

### Report on the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Deep Industries Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), which comprise the Consolidated Balance Sheet as at 31 March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements / consolidated financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act, of the consolidated state of affairs (consolidated financial position) of the Group as at 31 March 2020, and its consolidated profit (consolidated financial performance including other comprehensive income), its consolidated cash flows and the consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters paragraph below is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of Matter

This audit report has been issued in respect of consolidated financial statements of the company for the financial year ended on 31 March 2020 prepared by the management after giving effect to the Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 between the company and Deep CH4 Limited. The appointed date of the Scheme of Arrangement is 1<sup>st</sup> April, 2017. We draw attention to the Note - 5 in the Notes to the financial statements regarding Scheme of Arrangement under section 230 to 232 of the Companies Act, 2013 between the company and Deep CH4 Limited. Our opinion is not modified in respect of this matter.

We further draw attention to Note - 4 of the Consolidated Financial Statements, which describes the uncertainties and the impact of COVID - 19 pandemic on the Company's operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter Description	Response to Key Audit Matter
<p><b>A. Demerger of Oil and Gas Services undertaking pursuant to Scheme of Arrangement (The Scheme)</b></p> <p>The Scheme approved by the Hon'ble National Company Law Tribunal, is a significant transaction for the year which materially impacts the Balance Sheet as at the year-end.</p> <p>Refer Note - 5 of the financial statements for details of the transaction and the accounting treatment thereof.</p>	<p>Our audit procedures comprised of the following: Evaluated and tested controls with respect to:</p> <ul style="list-style-type: none"><li>• Holding Company Management's assessment of the accounting treatment of the said transaction in terms of the Indian Accounting Standards, compliance with tax laws and other statutes/regulations, as applicable.</li><li>• Identification and allocation of assets and liabilities.</li></ul> <p>Substantive testing procedures included:</p> <ul style="list-style-type: none"><li>• Involvement of tax specialists to assess the reasonableness of the management's position on tax implications.</li><li>• Verifying accounting of the transaction in accordance with the approved Scheme and testing the related disclosures in the financial statements.</li></ul>



### **Information other than the Consolidated Financial Statements and Auditor's Report thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income), consolidated changes in equity and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Ind AS specified under Section 133 of the Act. The Holding Company's Board of Directors is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of consolidated Ind AS financial statements. Further, in terms of the provisions of the Act, the respective Board of Directors /management of the companies included in the Group, covered under the Act are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets 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. These financial statements have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so. The Board of Directors are also responsible for overseeing the Group's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the holding company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of utmost significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Other Matters**

The consolidated financial statements include unaudited financial statements of Deep Energy LLC, USA whose financial statements reflects total assets of ₹ 15.99 lakhs as at March 31, 2020, total revenue of ₹ Nil, net profit ₹ Nil for the year ended on that date, as considered in the financial results. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the statement, in so far it relates to the amount and disclosures included in respect of this subsidiary, is based on solely on such unaudited financial statements certified by the Management.

In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

#### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 197(16) of the Act, based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 15, on separate financial statements of the subsidiaries, we report that the Holding Company and the subsidiaries, paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under Section 197 read with Schedule V to the Act.
2. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries, we report, to the extent applicable, 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 purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) the consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;



- e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, none of the directors of the Group companies, its associate companies and joint venture companies covered under the Act, are disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164(2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, and its subsidiary companies, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A';
- g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and also the other financial information of the subsidiaries:
  - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;
  - ii. Provision has been made in these consolidated financial statements, as required under the applicable law or Ind AS, for material foreseeable losses, on long-term contracts including derivative contracts;
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies, during the year ended 31 March 2020;

**For, Dhirubhai Shah & Co LLP**  
Chartered Accountants  
FRN: 102511W/100298

**Harish B Patel**  
*Partner*

Membership number: 014427  
UDIN:20014427AAABLW9788

Place : Ahmedabad  
Dated : 30<sup>th</sup> July, 2020

#### **Annexure-A 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<sup>st</sup> March 2020 in conjunction with our audit of the consolidated financial statements of the Group for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Group 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 Group'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 Group'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 consolidated financial statements, whether due to fraud or error.

**Meaning of Internal Financial Controls over Financial Reporting**

Group'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.

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

**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 Holding Company and its subsidiaries 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 2020, based on the internal control over financial reporting criteria established by the Group 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.

**Other Matter**

The internal financial controls over financial reporting in so far as it relates to Deep Energy LLC, USA, has not been audited and have been furnished to us by the Management and our opinion on the statement, in so far it relates to the adequacy and operating effectiveness of the internal financial control over financial reporting included in respect of this subsidiary, is based on solely on representations by the management.

In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

**For, Dhirubhai Shah & Co LLP**  
Chartered Accountants  
FRN: 102511W/100298

Place : Ahmedabad  
Date : 30<sup>th</sup> July, 2020

**Harish B Patel**  
*Partner*  
Membership number: 014427



**CONSOLIDATE STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH, 2020**

<b>ASSETS</b>	<b>Note No.</b>	<b>As at 31-03-2020 ₹ In Lakhs</b>	<b>As at 31-03-2019 ₹ In Lakhs</b>
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	6	486.05	159.94
(b) Capital Work in Progress	6	10,702.10	6,824.32
(c) Intangible Assets	6	31,852.56	31,852.56
(d) Financial Assets			
(i) Investments		-	-
(ii) Loans	7	6.03	5.14
(iii) Others		-	-
(e) Other Non-Current Assets	8	-	0.43
		<b>43,046.75</b>	<b>38,842.39</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	9	1,667.28	470.52
(b) Financial Assets			
(i) Investments	10	-	1.35
(ii) Trade Receivables		-	-
(iii) Cash and Cash Equivalents	11	636.38	3,083.64
(iv) Bank balances other than above (ii)	12	6.99	7.49
(v) Loans		-	-
(vi) Others	13	3,027.62	2,887.27
(c) Other Current Assets	14	345.90	391.69
		<b>5,684.17</b>	<b>6,841.97</b>
<b>TOTAL ASSETS</b>		<b>48,730.92</b>	<b>45,684.36</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	15	3,200.00	3,200.00
(b) Other Equity	16	36,402.79	36,195.67
		<b>39,602.79</b>	<b>39,395.67</b>
Non Controlling Interest		1,403.89	509.80
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	17	180.73	-
(ii) Others	18	102.11	559.27
(b) Deferred Tax Liabilities (Net)	19	47.21	30.63
(c) Provision	20	200.00	-
		<b>530.04</b>	<b>589.90</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	21	42.32	3,491.06
(ii) Trade Payables	22		
- Dues to Micro & Small Enterprises		16.53	45.28
- Dues to Other than Micro & Small Enterprises		5,995.51	1,102.47
(iii) Others	23	1,114.41	513.77
(b) Other Current Liabilities	24	25.41	31.51
(c) Provisions		-	-
(d) Current Tax Liabilities (Net)	25	-	4.91
		<b>7,194.19</b>	<b>5,188.99</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>48,730.92</b>	<b>45,684.36</b>

**Corporate Information, Basis of Preparation & Significant Accounting Policies**

1-5

The accompanying notes 1 to 35 are an integral part of the Standalone Financial Statements

As per our report of even date attached

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration Number: 102511W / W100298

**Harish B. Patel**

Partner

Membership Number: 014427

Place : Ahmedabad

Date : 30/07/2020

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Paras Savla**

Chairman & Managing Director

DIN:00145639

**Rohan Shah**

Chief Financial Officer

Place : Ahmedabad

Date : 30/07/2020

**Rupesh Savla**

Managing Director

DIN : 00126303

**Akshit Soni**

Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2020

	Note No.	2019-20 ₹ In Lakhs	2018-19 ₹ In Lakhs
<b>INCOME</b>			
Revenue from operations		72.50	-
Other income	26	0.77	32.61
<b>TOTAL INCOME</b>		<b>73.27</b>	<b>32.61</b>
<b>EXPENSES</b>			
Operating Expense		-	-
Employee benefits expense		12.33	-
Finance Costs	27	22.66	1.12
Depreciation and amortization expenses	6	17.20	6.94
Other expenses		4.01	0.96
<b>TOTAL EXPENSES</b>		<b>56.19</b>	<b>9.02</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>17.08</b>	<b>23.59</b>
Exceptional items (net)		-	-
<b>Profit/(Loss) before tax</b>		<b>17.08</b>	<b>23.59</b>
Tax items			
Current tax		-	4.91
Earlier years tax provisions (written back)		-47.71	-
Deferred tax liability/(asset)		16.57	1.86
Total tax items		-31.14	6.76
<b>Profit/(Loss) for the year</b>		<b>48.22</b>	<b>16.82</b>
<b>Other Comprehensive Income</b>			
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		-	-
Items that will be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on fair valuation of financial instruments		-	-
<b>Other Comprehensive Income/ (Loss) for the year</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive Income/ (Loss) for the year</b>		<b>48.22</b>	<b>16.82</b>
<b>Total comprehensive income / (loss) attributable to:</b>			
Owners		46.14	16.78
Non-controlling interest		2.08	0.04
<b>Earnings Per Equity Share (Basic and Diluted)</b>	28	<b>0.15</b>	<b>0.05</b>
<b>Corporate Information, Basis of Preparation &amp; Significant Accounting Policies</b>			
1-5			
The accompanying notes 1 to 35 are an integral part of the Standalone Financial Statements			

As per our report of even date attached  
For **DHIRUBHAI SHAH & CO LLP**  
Chartered Accountants  
Firm Registration Number: 102511W / W100298

**Harish B. Patel**  
Partner  
Membership Number: 014427

Place : Ahmedabad  
Date : 30/07/2020

ON BEHALF OF THE BOARD OF DIRECTORS

**Paras Savla**  
Chairman & Managing Director  
DIN:00145639

**Rohan Shah**  
Chief Financial Officer

Place : Ahmedabad  
Date : 30/07/2020

**Rupesh Savla**  
Managing Director  
DIN : 00126303

**Akshit Soni**  
Company Secretary



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2020**

PARTICULARS	2019-20 ₹ In Lakhs	2018-19 ₹ In Lakhs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/ (loss) Before Tax</b>	<b>17.08</b>	23.59
Adjustments for:		
Depreciation and amortization	17.20	6.94
Interest and finance charges	22.66	1.12
Interest income	(0.75)	(0.18)
(Gain)/Loss on fixed assets sold/ discarded (net)	-	-
(Gain)/Loss on investments sold/ discarded (net)	-	(29.13)
Dividend Income	(0.02)	(1.87)
Net unrealized (gain)/loss on foreign currency transaction and translation (relating to other heads)	-	-
Others	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>56.17</b>	0.47
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	(94.53)	(1,470.20)
(Increase)/decrease in inventories	(1,196.76)	(54.68)
Increase/(decrease) in trade payables, other liabilities and provisions	5,294.69	(200.65)
<b>Cash Generated from Operations</b>	<b>4,003.40</b>	(1,725.53)
Income taxes paid	-	(100.00)
<b>Net Cashflow from Operating Activities</b>	<b>4,059.57</b>	(1,825.07)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	-	-
Additions in capital work in progress	(4,221.09)	(2,234.23)
Proceeds from sale of fixed assets	-	-
Purchase of Investments	-	-
Sale of Investment	1.35	3,244.82
Proceeds from Fixed Deposits	-	-
Dividend Received	0.02	1.87
Interest received	0.75	0.18
<b>Net Cashflow from Investing Activities</b>	<b>(4,218.97)</b>	1,012.64
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/Payment from Secured Loans	(3,157.23)	3,491.06
Minority Interest	892.01	-
Dividend Income and Dividend Distribution Tax	-	-
Interest and finance charges	(22.66)	(1.12)
<b>Net Cashflow from Financing Activities</b>	<b>(2,287.88)</b>	3,489.95
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(2,447.27)</b>	2,677.51
<b>Cash and bank balances at the beginning of the year</b>	<b>3,083.64</b>	406.13
<b>Cash and bank balances at the end of the year</b>	<b>636.38</b>	3,083.64

**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 31-03-2020 ₹ In Lakhs	As at 31-03-2019 ₹ In Lakhs
Balances with banks		
In current accounts	29.21	3,083.45
In deposits with original maturity of less than 3 months	606.94	-
In EEFC Accounts	-	-
Cash on hand	0.22	0.19
	<u>636.38</u>	<u>3,083.64</u>

As per our report of even date attached

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration Number: 102511W / W100298

**Harish B. Patel**

Partner

Membership Number: 014427

Place : Ahmedabad

Date : 30/07/2020

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Paras Savla**

Chairman & Managing Director

DIN:00145639

**Rohan Shah**

Chief Financial Officer

Place : Ahmedabad

Date : 30/07/2020

**Rupesh Savla**

Managing Director

DIN : 00126303

**Akshit Soni**

Company Secretary



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2020

(A) EQUITY SHARE CAPITAL

For the year ended 31st March, 2020

(₹ In Lakhs)

Balance as at 1st April, 2019	Changes during the year	Balance as at 31st March, 2020
3,200.00	-	3,200.00

For the year ended 31st March, 2019

(₹ In Lakhs)

Balance as at 1st April, 2018	Changes during the year	Balance as at 31st March, 2019
3,200.00	-	3,200.00

(A) OTHER EQUITY

For the year ended 31st March, 2020

Particulars	Capital Reserve	General Reserve	Security premium account	Retained Earnings	Compulsory Convertible Debentures	Total Equity
Balance as at 1st April, 2019	412.48	980.36	13,872.88	19,646.35	1,283.60	36,195.67
Profit/(Loss) for the year	-	-	158.90	48.22	-	207.12
Proposed Dividend and Dividend Distribution Tax thereon	-	-	-	-	-	-
Transfer from / to	-	-	-	-	-	-
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-
<b>Balance as at 31st March, 2020</b>	<b>412.48</b>	<b>980.36</b>	<b>14,031.78</b>	<b>19,694.57</b>	<b>1,283.60</b>	<b>36,402.79</b>

For the year ended 31st March, 2019

Particulars	Capital Reserve	General Reserve	Security premium account	Retained Earnings	Compulsory Convertible Debentures	Total Equity
Balance as at 1st April, 2018	412.48	980.36	13,872.88	19,629.53	1,283.60	36,178.85
Profit/(Loss) for the year	-	-	-	16.82	-	16.82
Addition/(Deletion) during the year	-	-	-	-	-	-
Proposed Dividend and Dividend Distribution Tax thereon	-	-	-	-	-	-
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	-
<b>Balance as at 31st March, 2019</b>	<b>412.48</b>	<b>980.36</b>	<b>13,872.88</b>	<b>19,646.35</b>	<b>1,283.60</b>	<b>36,195.67</b>

As per our report of even date attached

For **DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration Number: 102511W / W100298

**Harish B. Patel**

Partner

Membership Number: 014427

Place : Ahmedabad

Date : 30/07/2020

ON BEHALF OF THE BOARD OF DIRECTORS

**Paras Savla**

Chairman & Managing Director

DIN:00145639

**Rohan Shah**

Chief Financial Officer

Place : Ahmedabad

Date : 30/07/2020

**Rupesh Savla**

Managing Director

DIN : 00126303

**Akshit Soni**

Company Secretary



**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2020**

**1. GROUP OVERVIEW**

The consolidated financial statements comprise financial statements of Deep Industries Limited (DIL) [“the Parent”] and its Subsidiaries [collectively, “the Group”] for the year ended March 31, 2020. The Group operates as an integrated Group with business encompassing to serve the oil & gas industry. The service portfolio of the Group includes Oil & Gas Exploration and Production. The Parent’s shares are listed on the National Stock Exchange of India Limited [NSE] and BSE Limited. The registered office of the Parent is located at 12A &14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad - 380058. These financial statements were authorized for issue in accordance with a resolution of the directors on June 30, 2020.

**2. BASIS OF PREPARATION**

The financial statements have been prepared on historical cost basis, except certain financial assets and liabilities which have been measured at fair value, defined benefits plans and contingent consideration. The accounting policies have been consistently applied by the Company and are consistent with those used in the previous year.

All assets and liabilities have been classified as current or non-current as per the Company’s normal operating cycle and other criteria set out in the Schedule III to the Act. Based on the nature of products and the time between acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purposes of current / non-current classification of assets and liabilities.

**Current versus non-current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

- a. Expected to be realized or intended to be sold or consumed in normal operating cycle
- b. Held primarily for the purpose of trading
- c. Expected to be realized within twelve months after the reporting period, or
- d. Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- a. It is expected to be settled in normal operating cycle
- b. It is held primarily for the purpose of trading
- c. It is due to be settled within twelve months after the reporting period, or
- d. There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

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

**3. BASIS OF CONSOLIDATION:**

The consolidated financial statements comprise the financial statements of the Parent and its Subsidiaries as at March 31, 2019. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- a. Power over the investee [i.e. existing rights that give it the current ability to direct the relevant activities of the investee]
- b. Exposure, or rights, to variable returns from its involvement with the investee and
- c. The ability to use its power over the investee to affect its returns and

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- a. The contractual arrangement with the other vote holders of the investee.
- b. Rights arising from other contractual arrangements.
- c. The Group’s voting rights and potential voting rights.
- d. The size of the group’s holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member’s financial statements in preparing the consolidated financial statements to ensure conformity with the group’s accounting policies.



The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the Group, i.e., year ended on March 31. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary.

## 2A. USE OF ESTIMATES

The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results.

Management also needs to exercise judgment in applying the group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be adjusted due to estimates and assumptions turning out to be different from those originally assessed. Detailed information about each of these estimates and judgments is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

### Critical estimates and judgments

The areas involving critical estimates or judgments are:

- a) Estimation of current tax expense and payable – Refer accounting policies - 3.9
- b) Estimated useful life of property, plant & equipment and intangible assets – Refer accounting policies -3.1
- c) Estimation of defined benefit obligation – Refer accounting policies -3.8
- d) Estimation of fair values of contingent liabilities - Refer accounting policies -3.12
- e) Recognition of revenue - Refer accounting policies - 3.4
- f) Recognition of deferred tax assets for carried forward tax losses – Refer accounting policies -3.9
- g) Impairment of financial assets – Refer accounting policies - 3.2 &3.5

Estimates and judgments are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the group and that are believed to be reasonable under the circumstances.

## 3. SIGNIFICANT ACCOUNTING POLICIES

### 3.1 Property, plant and equipment:

Property, plant and equipment are stated at original cost net of tax / duty credit availed, less accumulated depreciation and accumulated impairment losses, if any. Costs include financing costs of borrowed funds attributable to acquisition or construction of fixed assets, up to the date the assets are put-to-use, along with effects of foreign exchange contracts and adjustments, arising from exchange rate variations, attributable to the fixed assets, of those contracts for which option under notification of Accounting Standard-11 was exercised. When significant parts of property, plant and equipment are required to be replaced at intervals, the Group derecognizes the replaced part, and recognizes the new part with its own associated useful life and it is depreciated accordingly. Where components of an asset are significant in value in relation to the total value of the asset as a whole, and they have substantially different economic lives as compared to principal item of the asset, they are recognized separately as independent items and are depreciated over their estimated economic useful lives. All other repair and maintenance costs are recognized in the statement of profit and loss as incurred unless they meet the recognition criteria for capitalization under Property, Plant and Equipment

#### Tangible Fixed Assets:

- (a) Depreciation is charged using straight line method on the basis of the expected useful life as specified in Schedule II to the Act. A residual value of 5% (as prescribed in Schedule II 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 amortization and accumulated impairment losses.

An item of intangible asset initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset [calculated as the difference between the net disposal proceeds and the carrying amount of the asset] is included in the income statement when the asset is derecognized. Intangible fixed assets are amortized on straight line basis over their estimated useful economic life.

#### Capital Work- in- progress

Capital work- in- progress represents directly attributable costs of Plant and Machinery installation including civil and foundation cost till the time project put to use. All other expenses including interest incurred during installation period are capitalized as a part of the construction cost to the extent to which these expenditures are attributable to the installation as per Ind AS-23 "Borrowing Costs". All these expenses are transferred to fixed assets on commencement of respective projects.



### **3.2 Impairment of non-financial assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Group measures it on the basis of discounted cash flows of next five years' projections estimated based on current prices. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

In respect of the subsidiaries assets at each balance sheet date, the impairment testing is based on the realizable value of underlying assets as tested by the Board of Directors of the subsidiary.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

Impairment losses of continuing operations, including impairment on inventories, are recognized in profit and loss section of the statement of profit and loss, except for properties previously revalued with the revaluation taken to other comprehensive Income (the 'OCI'). For such properties, the impairment is recognized in OCI up to the amount of any previous revaluation.

### **3.3 Foreign Currency Transactions**

The Group's financial statements are presented in INR, which is also the Group's functional currency.

#### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount, the exchange rate between the reporting currency and the foreign currency at the date of transaction.

#### Conversion

Foreign currency monetary items are reported using the closing rate. In case of items which are covered by forward exchange contract, the difference between year end rate and rate on the date of the contract is recognized as exchange difference and premium paid on forward contracts and option contract is recognized over the life of the contract. Non-monetary items, which are measured in terms of historical costs denominated in foreign currency, are reported using the exchange rate at the date of the transaction. Non-monetary items, which are measured at fair value or other similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

#### Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting Group's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements including receivables and payables which are likely to be settled in foreseeable future, are recognized as income or as expenses in the year in which they arise. All other exchange differences are recognized as income or as expenses in the period in which they arise, except of those contracts for which option under notification of Accounting Standard-11 was exercised where they relate to acquisition of Fixed Assets, the difference arising a result in which case they are adjusted to the term loan liabilities account.

### **3.4 Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. Goods & Service Tax (GST), Service Tax is not received by the Group on its own account. Rather, it is tax collected on value added to the services by the Group on behalf of the government. Accordingly, it is excluded from revenue. The specific recognition criteria described below must also be met before revenue is recognized.

(i) Service income:

Service income is recognized as per the terms of contracts with the customers when the related services are performed or the agreed milestones are achieved and are net of service tax or GST, wherever applicable.

(ii) Interest Income:

For all deposit instruments measured either at amortized cost or at fair value through other comprehensive income [OCI], interest income is recorded using the effective interest rate [EIR]. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortized cost of a financial liability. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument [for example, prepayment, extension, call and similar options] but does not consider the expected credit losses.

(iii) Dividend income:

Dividend income from investments is recognized when the Group's right to receive payment is established which is generally when shareholders approve the dividend.

(iv) Other income is recognized when no significant uncertainty as to its determination or realization exists.

### **3.5 Financial Instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.



**A. Financial Assets**

**a. Initial recognition and measurement:**

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place [regular way trades] are recognized on the settlement date, trade date, i.e., the date that the Group settle commits to purchase or sell the asset.

**b. Subsequent measurement:**

For purposes of subsequent measurement, financial assets are classified in four categories:

**i. Debt instruments at amortized cost:**

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The asset is held with an objective of collecting contractual cash flows
- Contractual terms of the asset give rise on specified dates to cash flows that are "solely payments of principal and interest"[SPPI] on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate[EIR] method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

**ii. Debt instruments at fair value through other comprehensive income [FVTOCI]:**

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 Group 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 Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group has made such election on an instrument by- by instrument basis. The classification is made on initial recognition and is irrevocable. If the Group 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 Group 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 Group 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 Group has transferred substantially all the risks and rewards of the asset, or [b] the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
- ii. The Group 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 Group 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 Group follows 'simplified approach' for recognition of impairment loss allowance on Point c and d provided above. The application of simplified approach requires the group to recognize the impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. For recognition of impairment loss on other financial assets and risk exposure, the Group 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, lifetime 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 impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the entity expects to receive [i.e., all cash shortfalls], discounted at the original EIR.

As a practical expedient, the Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

ECL impairment loss allowance [or reversal] recognized during the period is recognized as income/ expense in the statement of profit and loss. The balance sheet presentation for various financial instruments is described below:

- a. Financial assets measured as at amortized cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance which reduces the net carrying amount. Until the asset meets write-off criteria, the Group does not reduce impairment allowance from the gross carrying amount.
- 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 borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

### **b. Subsequent measurement:**

The measurement of financial liabilities depends on their classification, as described below:

#### **i. Financial liabilities at fair value through profit or loss:**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied for liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/ losses are not subsequently transferred to P&L. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Group has not designated any financial liability as at fair value through profit and loss.

#### **ii. Loans and borrowings:**

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or



premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

**iii. Financial guarantee contracts:**

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognized less cumulative amortization.

**c. Derecognition:**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

**C. Reclassification of financial assets:**

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognized gains, losses [including impairment gains or losses] or interest.

**D. Offsetting of financial instruments:**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

**3.6 Fair Value Measurement**

The Group measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- a. In the principal market for the asset or liability, or
- b. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted [unadjusted] market prices in active markets for identical assets or liabilities
- 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 spare parts and oil are valued at the lower of cost or net realizable value. The cost is determined by Moving Average method (eg: FIFO, WAM etc). The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and estimated costs necessary to make the sale.

**3.8 Employee benefits**

- a. Short Term employee benefits are recognized as expense at undiscounted amount in the statement of profit and loss for the year in which the related service is rendered.
- b. Post employment and other long term benefits are recognized as an expense in the statement of profit and loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques at the end of Financial Year. Actuarial gains and losses in respect of post employment and other long term benefits are charged to the statement of profit and loss.





c. Payments to defined contribution retirement benefit scheme, if any, are charged as expense as they fall due.

### **3.9 Taxes on Income**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 and tax laws prevailing in the respective tax jurisdictions where the Group operates. Current tax items are recognized in correlation to the underlying transaction either in P&L, OCI or directly in equity.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognized on the basis of reasonable certainty that the group will be having sufficient future taxable profits and based on the same the DTA has been recognized in the books.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates [and tax laws] that have been enacted or substantively enacted at the reporting date.

Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities.

Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Group recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Group 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 Group 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 Group reviews the "MAT Credit Entitlement" asset at each reporting date and writes it down to the extent the Group 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 group 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 Group 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 Group 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 Group 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 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 fulfillment 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 group'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.

Offices Premises taken on lease under which, all risks and rewards of ownership are effectively retained by the lessor are classified as operating lease. Lease payments under operating lease are recognized as expense on accrual basis in accordance with the respective lease agreements.

### 3.15 Exceptional items

Certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Group is such that its disclosure improves the understanding of the performance of the Group, such income or expense is classified as an exceptional item and accordingly, disclosed in the notes a grouping to the financial statements.

### 3.16 Trade Receivables

Trade Receivables are recognized initially at carrying value and subsequently re – measured at amount that would be actually received.

### 3.17 Standards issued not yet effective:

#### Ind AS 116 (Leases)

On 30th March 2019, the Ministry of Corporate Affairs (MCA) has notified Ind AS 116 Leases, under Companies (Indian Accounting Standards) Amendment Rules, 2019 which is applicable with effect from 1st April, 2019. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lease accounting model for lessee and requires the lessee to recognize right of use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is low value in nature. Currently, operating lease expenses are charged to the statement of profit and loss. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. As per Ind AS 116, the lessee needs to recognise depreciation on rights of use assets and finance costs on lease liabilities in the statement of profit and loss. The lease payments made by the lessee under the lease arrangement will be adjusted against the lease liabilities. The Company is currently evaluating the impact on account of implementation of Ind AS 116 which might have significant impact on key profit & loss and balance sheet ratio i.e. Earnings before interest, tax, depreciation and amortisation (EBITDA), Asset coverage, debt equity, interest coverage, etc.

### 4. Impact of COVID – 19.

The Group's operational facilities which are very minimal post demerger had to suspend operations temporarily, due to Government's directives relating to COVID - 19, have since resumed operations, as per the guidelines and norms prescribed by the Government authorities. The Management has considered the possible effects, if any, that may result from the pandemic related to COVID-19 on carrying amounts of property, plant and equipment, trade receivable and inventories. In developing the assumptions and estimates relating to the uncertainties as at the Balance Sheet date in relation to the recoverable amounts of these assets, the Management has considered the global economic conditions prevailing as at the date of approval of these financial results and has used internal and external sources of information to the extent determined by it. Having reviewed the underlying information, the Management believes the impact of the pandemic may not be significant. The actual outcome of these assumptions and estimates may vary in future due to the impact of the pandemic.

### 5. Scheme of arrangement.

- Deep Industries Limited ('DIL') and Deep CH4 Limited ('DCL') filed an application for sanctioning scheme of arrangement ("the Scheme") under section 230-232 of the Companies Act, 2013. Pursuant to the scheme for demerger, Oil and Gas Service Undertaking of DIL has been transferred to DCL with the appointed date of 1 April 2017. The Scheme was sanctioned by the National Company Law Tribunal ("NCLT") at Ahmedabad vide its order dated 17 March, 2020.
- The Scheme has accordingly been given effect to in the accounts effective from the Appointed Date being opening of business hours on 01st April 2017.
- Upon the Scheme coming into effect, 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.
- 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.



- e. 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.
- f. Upon the Scheme coming into effect, the Demerged Company (DIL) 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 (DCL) from the carrying value of assets and liabilities as appearing in its books.

The particulars of assets and liabilities remained in DIL and remaining assets and liabilities has been transferred to DCL.

<b>Assets</b>	<b>Amount (Rs. in Lacs)</b>
Plant & Machinery	173.32
Capital Work In Progress	1,189.58
Investment	4,561.46
Current Assets	1,065.36
Other Assets	4,001.85
<b>Total</b>	<b>10,991.57</b>
<b>Liabilities</b>	
Equity Share Capital	3,200.00
Reserves & Surplus	34,627.44
Other Liability	4,985.86
Deferred Tax Liability	30.83
<b>Total</b>	<b>42,844.13</b>
<b>Difference of Assets over Liabilities</b>	<b>31,852.56</b>

Pursuant to the Scheme, the surplus of the assets over liabilities, appearing as Goodwill in DIL



**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31ST MARCH 2020**

	TANGIBLE ASSETS				INTANGIBLE ASSETS			(₹ In Lakhs)
	Vehicles	Rigs	Other Plant and Machinery	Total	Goodwill	Software	Total	CAPITAL WORK IN PROGRESS Capital Work-In progress
<b>Cost:</b>								
As at 1st April, 2017	-	219.06	0.51	219.56	31,852.56	-	31,852.56	3,954.97
Additions	-	-	-	-	-	-	-	635.11
Disposals / transfers	-	-	-	-	-	-	-	-
As at 31st March, 2018	-	<b>219.06</b>	<b>0.51</b>	<b>219.56</b>	<b>31,852.56</b>	-	<b>31,852.56</b>	<b>4,590.08</b>
Additions	-	-	-	-	-	-	-	2,234.24
Disposals / transfers	-	-	-	-	-	-	-	-
<b>As at 31st March, 2019</b>	-	<b>219.06</b>	<b>0.51</b>	<b>219.56</b>	<b>31,852.56</b>	-	<b>31,852.56</b>	<b>6,824.32</b>
Additions	24.52	-	318.79	343.31	-	-	-	3,877.78
Disposals / transfers	-	-	-	-	-	-	-	-
<b>As at 31st March, 2020</b>	<b>24.52</b>	<b>219.06</b>	<b>319.30</b>	<b>562.87</b>	<b>31,852.56</b>	-	<b>31,852.56</b>	<b>10,702.10</b>
<b>Accumulated depreciation:</b>								
As at 1st April, 2017	-	45.73	-	45.73	-	-	-	-
Depreciation charged during the year	-	6.94	-	6.94	-	-	-	-
Disposals / transfers	-	-	-	-	-	-	-	-
As at 31st March, 2018	-	<b>52.68</b>	-	<b>52.68</b>	-	-	-	-
Depreciation charged during the year	-	6.94	-	6.94	-	-	-	-
Disposals / transfers	-	-	-	-	-	-	-	-
<b>As at 31st March, 2019</b>	-	<b>59.62</b>	-	<b>59.62</b>	-	-	-	-
Depreciation charged during the year	8.19	6.94	2.07	17.20	-	-	-	-
Disposals / transfers	-	-	-	-	-	-	-	-
<b>As at 31st March, 2020</b>	<b>8.19</b>	<b>66.57</b>	<b>2.07</b>	<b>76.83</b>	-	-	-	-
<b>Net book value</b>								
As at 1st April, 2017	-	173.32	0.51	173.83	31,852.56	-	31,852.56	3,954.97
As at 31st March, 2018	-	166.38	0.51	166.89	31,852.56	-	31,852.56	4,590.08
<b>As at 31st March, 2019</b>	-	<b>159.43</b>	<b>0.51</b>	<b>159.94</b>	<b>31,852.56</b>	-	<b>31,852.56</b>	<b>6,824.32</b>
<b>As at 31st March, 2020</b>	<b>16.33</b>	<b>152.49</b>	<b>317.23</b>	<b>486.05</b>	<b>31,852.56</b>	-	<b>31,852.56</b>	<b>10,702.10</b>



ANNUAL REPORT 2019-20  
**DEEP ENERGY RESOURCES LIMITED**  
 (Formerly known as Deep Industries Limited)

Sr. No.	Particulars	As at 31-03-2020 (₹ In Lakhs)	As at 31-03-2019 (₹ In Lakhs)		
<b>7 -</b>	<b>NON - CURRENT FINANCIAL ASSETS - LOANS</b>				
	Security deposits	5.93	5.04		
	Loans to employee	0.10	0.10		
	Total	<u>6.03</u>	<u>5.14</u>		
<b>8 -</b>	<b>NON - CURRENT ASSETS - OTHERS</b>				
	Others	-	0.33		
	Balance with Statutory Authorities	-	0.09		
	Total	<u>-</u>	<u>0.43</u>		
<b>9 -</b>	<b>INVENTORIES</b>				
	(valued at lower of cost and net realizable value)				
	Consumable Stores and Spares	1,667.28	470.52		
	Total	<u>1,667.28</u>	<u>470.52</u>		
	- As per inventory taken and valued by the Management				
Sr. No.	Particulars	No. of Units as on 31.03.20	As at 31-03-20 (₹ In Lakhs)	No. of Units as on 31.03.19	As at 31-03-19 (₹ In Lakhs)
<b>10 -</b>	<b>CURRENT FINANCIAL ASSETS - INVESTMENTS</b>				
	<b>Investments (Quoted)</b>				
	<b>Investments at Fair Value through Profit and Loss</b>				
	Investments in Mutual Funds	-		13357	1.35
	Total	<u>-</u>		<u>-</u>	<u>1.35</u>
	<i>Market Value of Quoted Investment</i>		-		1.35
Sr. No.	Particulars	As at 31-03-2020 (₹ In Lakhs)	As at 31-03-2019 (₹ In Lakhs)		
<b>11 -</b>	<b>CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>				
A)	Balances with Banks				
	- In Current Accounts	29.21	3,083.45		
	- In deposit accounts (maturity less than 3 months) *	606.94	-		
	- In Escrow Accounts	-	-		
	Total	<u>636.15</u>	<u>3,083.45</u>		
B)	Cash on Hand	0.22	0.19		
	Total	<u>0.22</u>	<u>0.19</u>		
	Total	<u>636.38</u>	<u>3,083.64</u>		
<b>12 -</b>	<b>CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE</b>				
A)	Balances with Banks				
	- Unpaid Dividend with HDFC Bank	4.49	4.99		
	Total	<u>4.49</u>	<u>4.99</u>		
B)	Others				
	- Fixed Deposits held as Margin Money	2.51	2.51		
	Total	<u>2.51</u>	<u>2.51</u>		
	Total	<u>6.99</u>	<u>7.49</u>		
<b>13 -</b>	<b>CURRENT - FINANCIAL ASSETS - OTHER</b>				
	Accrued Bank Fixed Deposits Interest	0.49	0.31		
	Others (Receivable from Consortium Partners)	3,014.45	2,874.27		
	Others	12.68	12.68		
	Total	<u>3,027.62</u>	<u>2,887.27</u>		



**ANNUAL REPORT 2019-20**  
**DEEP ENERGY RESOURCES LIMITED**  
**(Formerly known as Deep Industries Limited)**

Sr. No.	Particulars	As at 31-03-2020 (₹ In Lakhs)	As at 31-03-2019 (₹ In Lakhs)
<b>14 -</b>	<b>CURRENT ASSETS - OTHERS</b>		
	<b>Unsecured, considered good, unless otherwise stated</b>		
	Advances to trade payable	11.28	205.50
	Prepaid Expenses	1.58	6.36
	Balance with Govt Authorities	206.33	95.94
	Advance Tax and TDS for Prior Years (Net of Provision)	126.71	83.90
		<b>345.90</b>	<b>391.69</b>
<b>15 -</b>	<b>EQUITY SHARE CAPITAL</b>		
	<b>Authorised:</b>		
	3,20,00,000 Equity Shares of Rs. 10 each	3,200.00	3,200.00
	<b>Issued, Subscribed and paid-up:</b>		
	3,20,00,000 Equity Shares of Rs. 10 each fully paid up	3,200.00	3,200.00
	<b>Total</b>	<b>3,200.00</b>	<b>3,200.00</b>

**15.1 Reconciliation of number of Equity shares outstanding at the beginning & at the end of the reporting year**

Particulars (Equity Shares of ₹ 10 Each Fully Paid up)	As at 31st March 2020		As at 31st March 2019	
	No of Shares	Value ₹	No of Shares	Value ₹
— At the beginning of the year	3,20,00,000.00	3,200.00	3,20,00,000.00	3,200.00
— Movement during the period	-	-	-	-
— Outstanding at the end of the year	<b>3,20,00,000.00</b>	<b>3,200.00</b>	<b>3,20,00,000.00</b>	<b>3,200.00</b>

**15.2 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 2020		As at 31st March 2019	
	No. of Share held	% of Holding	No. of Share held	% of Holding
RUPESH SAVLA FAMILY TRUST	1,00,76,908	31.49%	1,00,76,908	31.49%
SHANTILAL SAVLA FAMILY TRUST	40,62,576	12.70%	35,68,474	11.15%
PRITI PARAS SAVLA	20,58,822	6.43%	20,52,625	6.41%
DHAREN SHANTILAL SAVLA	20,58,822	6.43%	20,58,822	6.43%
	<b>1,82,57,128</b>		<b>1,77,56,829</b>	

**15.3** 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 declares and pays dividend in Indian Rupees.

**15.4** 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.

**15.5** Company has not allotted any bonus shares, Shares without consideration in cash and/or bought back any equity shares during the period of five years immediately preceding the Balance sheet date.



ANNUAL REPORT 2019-20  
**DEEP ENERGY RESOURCES LIMITED**  
 (Formerly known as Deep Industries Limited)

Sr. No.	Particulars	As at 31-03-2020 (₹ In Lakhs)	As at 31-03-2019 (₹ In Lakhs)
<b>16 - OTHER EQUITY</b>			
	<b>Securities Premium</b>		
	Opening balance	13,872.88	13,872.88
	Add: Addition during the year	158.90	-
	Less: Written back during the year	-	-
	Closing balance	<u>14,031.78</u>	<u>13,872.88</u>
	<b>Capital Reserve</b>		
	Opening balance	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>
	<b>General Reserve</b>		
	Opening balance	980.36	980.36
	Add: Addition during the year	-	-
	Less: Written back during the year	-	-
	Closing balance	<u>980.36</u>	<u>980.36</u>
	<b>Profit and Loss</b>		
	Opening balance	19,646.35	19,629.53
	Add: Net Profit/(Net Loss) For the current year	48.22	16.82
	Add/(Less): Adjustments on account of Ind-AS		
	- Fair Valuation of Financial Liabilities	-	-
	- Fair Valuation of Financial Assets	-	-
	- Proposed Dividend for the year	-	-
	Closing Balance	<u>19,694.57</u>	<u>19,646.35</u>
	<b>FVOCI Reserve</b>		
	Opening balance	-	-
	Add/Less: Changes during the current year	-	-
	Closing Balance	-	-
	<b>Compulsory Convertible Debentures</b>	<u>1,283.60</u>	<u>1,283.60</u>
	<b>Total</b>	<u>36,402.79</u>	<u>36,195.67</u>
<b>17 - NON-CURRENT - FINANCIAL LIABILITIES - BORROWINGS</b>			
	- Vehicle Loans	291.51	-
	Less: Current Maturities of Long Term Debts	-110.78	-
		<u>180.73</u>	-
<b>18 - NON-CURRENT - FINANCIAL LIABILITIES - OTHERS</b>			
	Unsecured, considered good		
	Payable to Consortium Partners	102.11	559.27
		<u>102.11</u>	<u>559.27</u>
<b>19 - DEFERRED TAX LIABILITIES (NET)</b>			
	Written back during the year	30.64	28.78
	Addition during the year	16.57	1.86
	Written back during the year	-	-
	Closing Balance	<u>47.21</u>	<u>30.64</u>
<b>20 - NON-CURRENT PROVISION</b>			
	Abandonment Cost Provision	200.00	-
		<u>200.00</u>	-



**ANNUAL REPORT 2019-20**  
**DEEP ENERGY RESOURCES LIMITED**  
(Formerly known as Deep Industries Limited)

Sr. No.	Particulars	As at 31-03-2020 (₹ In Lakhs)	As at 31-03-2019 (₹ In Lakhs)
<b>21 -</b>	<b>CURRENT FINANCIAL LIABILITIES - BORROWINGS</b>		
	Over Draft From Bank	-	2,379.99
	<u>Unsecured</u>		
	<u>Others *</u>	42.32	1,111.07
		<u>42.32</u>	<u>3,491.06</u>
	* The Inter-corporate unsecured borrowing stated above are payable on demand		
<b>22 -</b>	<b>CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>		
	Due to micro and small enterprises	16.53	45.28
	Due to other than micro and small enterprises	5,995.51	1,102.47
		<u>6,012.04</u>	<u>1,147.75</u>
<b>23 -</b>	<b>CURRENT - OTHER FINANCIAL LIABILITIES</b>		
	Current Maturities of Long Term Debts	110.78	-
	Unclaimed Dividends	4.49	4.99
	Salary Payable	14.94	13.27
	Unpaid Expenses	917.48	127.66
	Advance from Customers	49.77	
	Payable to Consortium Partners	-	357.42
	Bid Bond Deposits	15.68	10.44
	Provision for Interest	1.28	
		<u>1,114.41</u>	<u>513.78</u>
<b>24 -</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory liabilities	23.86	31.01
	Other Liabilities	1.54	0.49
		<u>25.41</u>	<u>31.51</u>
<b>25 -</b>	<b>CURRENT TAX LIABILITIES (NET)</b>		
	Current Tax Liabilities (net of Income Tax provisions)	-	4.91
		<u>-</u>	<u>4.91</u>
		<b>2019-20</b>	<b>2018-19</b>
		<b>(₹ In Lakhs)</b>	<b>(₹ In Lakhs)</b>
<b>26 -</b>	<b>OTHER INCOME</b>		
	Interest Received/Receivable		
	From banks	0.18	0.18
	Dividend Income	0.02	1.87
	Profit on sale of Investments	-	29.13
	Tender Fees	0.30	0.23
	Other Income		0.02
	Fair Valuation of Financial Assets	0.28	1.18
		<u>0.77</u>	<u>32.61</u>
<b>27 -</b>	<b>FINANCE COSTS</b>		
	<u>Interest expenses</u>		
	- Other Interest & Finance Charges	21.76	0.91
	<u>Other borrowing costs</u>		
	- Bank Charges	0.89	0.21
		<u>22.65</u>	<u>1.12</u>
<b>28 -</b>	<b>EARNINGS PER EQUITY SHARE</b>		
	Profit/(loss) available for equity shareholders	48.22	16.82
	Weighted average numbers of equity shares outstanding	3,20,00,000	3,20,00,000
	Nominal value per equity share (in Rupees)	10	10
	Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)	0.15	0.05





	As at 31-03-2020 (₹ In Lakhs)	As at 31-03-2019 (₹ In Lakhs)
<b>29 - CONTINGENT LIABILITIES AND COMMITMENTS</b>		
<b>CONTINGENT LIABILITIES</b>		
(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	25.08	25.08
(c) Other money for which the company is contingently liable:		
1 Gujarat VAT demand not provided for	-	-
2 Service tax demand not provided for	148.33	198.24
3 Service tax-Merged Companies demand not provided for	1.70	1.70
4 Income tax demand / liabilities not provided for	55.25	52.95

**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 Commitment Expenditure to be executed on capital account.

**30 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 17 LEASES OPERATING LEASE COMMITMENTS**

Future 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	NIL	NIL
Later than one year and not later than five years	NIL	NIL
More than five years	NIL	NIL

**31 - SEGMENT REPORTING**

The Company is not required to give segment wise revenue details and capital employed as the Company operates in single business segment namely Exploration and Production.

**32 - CORPORATE SOCIAL RESPONSIBILITY**

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), As per the relevant provisions of the Act read with Rule 2(1)(f) of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Company is required to spend at least 2% of the average net profits (determined under section 198 of the Companies Act 2013 and section 349 of the Companies Act 1956) made during the immediately three financial years. However, due to inadequacy of profits as per Section 198 of the Companies Act, 2013, the company is not required to spend any amount on CSR activities for Financial Year 2019-20

Gross amount required to be spent by the Company during the year: Rs. NIL (Previous year - Rs. NIL)

**33 - RELATED PARTY DISCLOSURES AS PER INDIAN ACCOUNTING STANDARD-24**

**(a) Related Parties**

**1. Subsidiaries**

- Deep Energy LLC, USA
- Deep Natural Resources Limited
- Prabha Energy Pvt Ltd.

**2. Enterprises significantly influences by KMP, or Relatives of KMP**

- Savla Oil & Gas Pvt. Ltd

**3. Key Management Personnel**

Name	Designation
Mr. Paras Savla	Chairman and MD
Mr. Rupesh Savla	Managing Director
Mr. Kirit Joshi	Independent Director
Ms. Renuka Upadhyay	Independent Director
Dr. Kirit Shelat	Independent Director
Mr. Hemendrakumar Shah	Independent Director
Mr. Rohan Shah	Chief Financial Officer
Mr. Akshit Soni	Company Secretary
Mr. Dharen Savla	
Mr. Preme Singh Sawhney	



**4. Relative of Key Management Personnel**

- Mr. Manoj Savla
- Mrs. Priti Paras Savla
- Mr. Shail Manoj Savla
- Mrs. Shital Rupesh Savla
- Mr. Shanil Paras Savla

**(b) Transactions with related parties:**

Nature of Transaction	Subsidiaries		Key Management Personnel and their relatives		Enterprises significantly influences by KMP, or Relatives of KMP		(₹ In Lakhs)	
							Total	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Remuneration, Salary and Sitting Fees	-	-	99.37	111.00	-	-	99.37	111.00
Rent	-	-	55.39	59.47	-	-	55.39	59.47
Perquisites	-	-	-	-	-	-	-	-
<b>Balance Outstanding</b>					<b>Payable</b>		<b>Receivable</b>	
					<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
					<b>31-03-20</b>	<b>31-03-19</b>	<b>31-03-20</b>	<b>31-03-19</b>
					<b>(₹ In Lakhs)</b>	<b>(₹ In Lakhs)</b>	<b>(₹ In Lakhs)</b>	<b>(₹ In Lakhs)</b>
Key Management Personnel and their relatives			4.43		-	0.55	-	-
Entities controlled by Directors or their relatives			-		-	-	-	-
<b>Total</b>			<b>4.43</b>		<b>4.43</b>	<b>0.55</b>	<b>-</b>	<b>-</b>

**Note:**

- (i) The above related party transactions have been reviewed periodically by the Board of Directors of the Company vis-à-vis the applicable provisions of the Companies Act, 2013, and justification of the rates being charged/ terms thereof and approved the same.
- (ii) The details of guarantees and collaterals extended by the related parties in respect of borrowings of the Company have been given at the respective notes.

**34. FINANCIAL INSTRUMENTS - ACCOUNTING CLASSIFICATIONS AND FAIR VALUE MEASUREMENTS**

The fair values of the financial assets and liabilities are included at 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 largely due to short-term maturities of these instruments.
2. Financial instruments with fixed and variable interest rates are evaluated by the Company based on parameters such as interest rates and individual credit worthiness of the counterparty. Based on the evaluation, allowances are taken to account for the expected losses of these receivables.

The company uses the following hierarchy for determining and disclosing the fair values of financial instruments by valuation technique:

Level 1 : Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2 : Other techniques for which all inputs which have a significant effects on the recorded fair value are observable, either directly or indirectly.

Level 3 : Techniques which use inputs that have a significant effects on the recorded fair value that are not based on observable market data.



**I. Figures as at March 31, 2019**

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
<b>Non Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments		-	-	-	-	-	-	-	-	-
(ii) Loans		-	-	-	-	-	-	-	-	-
(iii) Others		-	-	-	-	-	-	-	-	-
<b>Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments	10	-	-	-	-	-	-	-	-	-
(ii) Trade Receivables		-	-	-	-	-	-	-	-	-
(iii) Cash and Cash Equivalents	11	-	-	-	3,083.64	3,083.64	-	-	-	-
(iv) Bank balances other than above (ii)	12	-	-	-	7.49	7.49	-	-	-	-
(v) Loans		-	-	-	-	-	-	-	-	-
(vi) Others	13	-	-	-	2,887.27	2,887.27	-	-	-	-
<b>TOTAL</b>		-	-	-	<b>5,978.40</b>	<b>5,978.40</b>	-	-	-	-
<b>Non Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	17	-	-	-	-	-	-	-	-	-
(ii) Trade Receivables		-	-	-	-	-	-	-	-	-
(iii) Others	18	-	-	-	559.27	559.27	-	-	-	-
<b>Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	21	-	-	-	3,491.06	3,491.06	-	-	-	-
(ii) Trade Payable		-	-	-	-	-	-	-	-	-
(iii) Others	23	-	-	-	513.78	513.78	-	-	-	-
<b>TOTAL</b>		-	-	-	<b>4,564.11</b>	<b>4,564.11</b>	-	-	-	-

**II. Figures as at March 31, 2020**

<b>Financial Instrument</b>										
<b>Financial Assets</b>										
(i) Investments		-	-	-	-	-	-	-	-	-
(ii) Loans		-	-	-	-	-	-	-	-	-
(iii) Others		-	-	-	-	-	-	-	-	-
<b>Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments	10	1.35	-	1.35	-	1.35	1.35	-	-	1.35
(ii) Trade Receivables		-	-	-	-	-	-	-	-	-
(iii) Cash and Cash Equivalents	11	-	-	-	636.38	636.38	-	-	-	-
(iv) Bank balances other than above (ii)	12	-	-	-	6.99	6.99	-	-	-	-
(v) Loans		-	-	-	-	-	-	-	-	-
(vi) Others	13	-	-	-	3,027.62	3,027.62	-	-	-	-
<b>TOTAL</b>		<b>1.35</b>	-	<b>1.35</b>	<b>3,670.99</b>	<b>3,672.35</b>	<b>1.35</b>	-	-	<b>1.35</b>
<b>Non Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	17	-	-	-	-	-	-	-	-	-
(ii) Trade Receivables		-	-	-	-	-	-	-	-	-
(iii) Others	18	-	-	-	559.27	559.27	-	-	-	-
<b>Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	21	-	-	-	3,491.06	3,491.06	-	-	-	-
(ii) Trade Payable		-	-	-	-	-	-	-	-	-
(iii) Others	23	-	-	-	1,114.41	1,114.41	-	-	-	-
<b>TOTAL</b>		-	-	-	<b>5,164.74</b>	<b>5,164.74</b>	-	-	-	-

During the reporting period ending March 31, 2020, there were no transfers between Level 1 and Level 2 fair value measurements.



**III. Description of significant unobservable inputs to valuation:**

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

	As at 31-03-20	As at 31-03-19
Other Non-Current Financial Assets Borrowings (Non-Current)	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 the same is not applicable.

**35. 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 a 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 19 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 gainer Company is having natural hedge position in USD currency.

**I. Foreign Currency Exposure**

Refer Note 41 for foreign currency exposure as at March 31, 2019 and March 31, 2018 respectively.

**II. Foreign Currency Sensitivity**

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

Currency	(₹ In lakhs)			
	2019-20		2018-19	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	0.00	-	0.00	-
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

**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 ageing 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 forwarding-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.

(₹ In lakhs)

Particulars	As at 31-03-2020	As at 31-03-2019
<b>I. Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)</b>		
Non-current financial assets - Loans	-	-
Current financial assets - loans	-	-
<b>Total (A)</b>	<u>-</u>	<u>-</u>
<b>II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)</b>		
Trade Receivables	-	-
<b>Total (A)</b>	<u>-</u>	<u>-</u>
<b>Grand Total (A+B)</b>	<u>-</u>	<u>-</u>
Balances with banks are subject to low credit risks due to good credit ratings assigned to these banks.		
<b>III. The ageing analysis of these receivables (gross of provision) has been considered from the date the invoice falls due</b>		
Up to 3 months	-	-
3 to 6 months	-	-
More than 6 months	-	-
<b>Total</b>	<u>-</u>	<u>-</u>
<b>IV. Provision for expected credit losses again "II" and "III" above</b>		

The company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence based on historic default rates, the Company believes that, no impairment allowance is necessary in respect of above mentioned financial assets.

#### Liquidity Risk

Liquidity Risk is defined as the risk that the company will not be able to settle or meet its obligations on time or at reasonable price. The company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the company's net liquidity position through rolling forecast on the basis of expected cash flows.

#### Maturity profile of financial liabilities

The table below provides details regarding the remaining contractual maturities of financial liabilities at the reporting date based on contractual undiscounted payments.

Particulars	As at 31-03-2020			As at 31-03-2019		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	-	-	-	-	-
Non-current financial liabilities - Others	-	102.11	102.11	-	559.27	559.27
Current financial liabilities - Borrowings	42.32	-	42.32	3,491.06	-	3,491.06
Current financial liabilities - Trade Payables	-	-	-	-	-	-
Current financial liabilities - Others	1,114.41	-	1,114.41	513.77	-	513.77
<b>Total</b>	<u>1,156.73</u>	<u>102.11</u>	<u>1,258.84</u>	<u>4,004.83</u>	<u>559.27</u>	<u>4,564.10</u>



### Capital management

For the purposes of the Company's capital management, capital includes issued capital and all other equity reserves. The primary objective of the Company's Capital Management is to maximise shareholder value. The company manages its capital structure and makes adjustments in the light of changes in economic environment and the requirement of the financial covenants.

The company monitors capital using gearing ratio, which is total debt divided by total capital plus debt.

<b>Particulars</b>	<b>As at 31-03-2020</b>	<b>As at 31-03-2019</b>
Total Debt	333.84	3,491.06
Equity	3,200.00	3,200.00
<b>Capital and net debt</b>	<b>3,533.84</b>	<b>6,691.06</b>
<b>Gearing ratio</b>	<b>9.45%</b>	<b>52.18%</b>

Note:

Figures of previous reporting periods have been regrouped/ reclassified wherever necessary to correspond with the figures of the current reporting period.

As per our report of even date attached

**For DHIRUBHAI SHAH & CO LLP**

Chartered Accountants

Firm Registration Number: 102511W / W100298

**Harish B. Patel**

Partner

Membership Number: 014427

Place : Ahmedabad

Date : 30/07/2020

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Paras Savla**

Chairman & Managing Director

DIN:00145639

**Rohan Shah**

Chief Financial Officer

Place : Ahmedabad

Date : 30/07/2020

**Rupesh Savla**

Managing Director

DIN : 00126303

**Akshit Soni**

Company Secretary



AOC 1

Statement containing the salient features of the financial statements of Subsidiaries/Associates/Joint Ventures  
 [Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (accounts) Rules, 2014]

Sr. No.	Name of Subsidiary	Reporting Year Ended	Reporting Currency	Exchange Rate	INR-Millions										
					Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments other than Investment in subsidiaries	Turnover & Other Income from operations*	Profit/[Loss] before Taxation*	Provision for Taxation*	Profit/[Loss] after Taxation*	Proposed Dividend	% of Share-holding
1	Deep Natural Resources Limited	31st March, 2020	INR	1	1.80	1.29	39.51	36.42	0.00	7.25	2.59	-2.09	1.50	0.00	70.00%
2	Prabha energy Private Limited	31st March, 2020	INR	1	32.27	734.65	1499.6	732.63	0.00	0.06	-1.12	0.00	-1.12	0.00	78.45%
3	Deep Energy	31st March,	USD	75.3859	1.35	0.25	1.60	0.00	0.00	0.00	0.00	0.00	0.05	0.00	90.00%

As per our report of even date attached  
**For DHIRUBHAI SHAH & CO LLP**  
 Chartered Accountants  
 Firm Registration Number: 102511W / W100298

**Harish B. Patel**  
 Partner  
 Membership Number: 014427

Place : Ahmedabad  
 Date : 30/07/2020

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Paras Savla**  
 Chairman & Managing Director  
 DIN:00145639

**Rohan Shah**  
 Chief Financial Officer

Place : Ahmedabad  
 Date : 30/07/2020

**Rupesh Savla**  
 Managing Director  
 DIN : 00126303

**Akshit Soni**  
 Company Secretary

To,



**DEEP ENERGY RESOURCES LIMITED**  
**(Formerly Known as Deep Industries Limited)**

**Registered Office :**

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](mailto:info@deepindustries.com)

Website: [www.deepindustries.com](http://www.deepindustries.com)