

August 31, 2019

To,  
Corporate Relations Department  
**Bombay Stock Exchange Ltd.**  
2nd Floor, P.J. Towers,  
Dalal Street,  
Mumbai-400 001  
Scrip Code : 532760

To,  
Corporate Relations Department  
**National Stock Exchange of India Ltd.**  
Exchange Plaza, Plot No. C/1, G-Block,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051  
Symbol: DEEPIND

Dear Sir,

**Sub.: Submission of Annual Report along with Notice for the 29<sup>th</sup> AGM under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the Annual Report of the Company for the financial year 2018-19 along with Notice for the 29<sup>th</sup> Annual General Meeting of the Members of the Company to be held on Monday, 23<sup>rd</sup> September, 2019.

You are requested to take the same on your record.

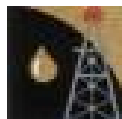
Thanking you,

Yours faithfully,

**For DEEP INDUSTRIES LIMITED**

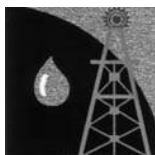
  
**Akshit Soni**  
  
**Company Secretary & Compliance officer**

**Encl: As above**



# **DEEP INDUSTRIES LIMITED**

**29<sup>th</sup>  
Annual Report  
2018-2019**



**DEEP INDUSTRIES LIMITED**  
**29<sup>th</sup> Annual Report 2018-2019**

**BOARD OF DIRECTORS**

Mr. Paras S. Savla	Chairman & Managing Director
Mr. Rupesh K. Savla	Managing Director
Dr. Kirit Shelat	Independent Director
Mr. Hemendrakumar Shah	Independent Director
Mr. Kirit V. Joshi	Independent Director
Mrs. Renuka Upadhyay	Independent Director

**KEY MANAGERIAL PERSONNEL**

Mr. Rohan Shah	Chief Financial Officer
Mr. Akshit Soni	Company Secretary

**BANKERS**

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

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**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**

**NOTICE** is hereby given that the **29<sup>th</sup> Annual General Meeting** of the Members of Deep Industries Limited (CIN: L63090GJ1991PLC014833) will be held on Monday, 23<sup>rd</sup> September, 2019 at 10:00 A.M at Hotel Planet Landmark, Ambli Bopal Road, off. S.G. Road, Nr. Ashok Vatika, Ahmedabad- 380 058, Gujarat 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, 2019 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 declare final dividend of ₹ 1.5/- per equity share for the year ended 31<sup>st</sup> March, 2019.
3. To appoint a Director in place of Mr. Paras Shantilal Savla (DIN: 00145639), who retires by rotation and being eligible offers himself for re – appointment.

**SPECIAL BUSINESS:**

**4. Re-appointment of Mrs. Renuka Anjanikumar Upadhyay (DIN: 07148637) 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 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force Mrs. Renuka Anjanikumar Upadhyay (DIN 07148637) who was appointed as an Independent Director and who holds office as an Independent Director up to June 24, 2020 and being eligible, in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years i.e. upto June 24th, 2025 on the Board of the Company.”

**“RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution.”

**5. Re-appointment of Mr. Paras Shantilal Savla (DIN: 00145639) as a Managing 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 Section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and re enactment thereof for the time being force) and the relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Paras Shantilal Savla (DIN: 00145639) as Managing Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> March, 2020, on terms and conditions including remuneration as set out hereunder with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under section 196, 197, 203 read with Schedule V to the Companies Act, 2013 or any other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof.

I. Salary: ₹ 3, 50,000/- p.m.

II. Tenure: Five Years (From 01-03-2020 to 28.02.2025)

III. Perquisites and Amenities:

- (a) Car and Telephone: Provision of Car used for Company's business and Telephone at residence not considered as perquisites.
- (b) Mobile: Cost of Mobile Instrument and its bill will be paid by the Company.
- (c) Electricity Charges: Electricity bill of Director's Residence will be paid by the Company.



- (d) Insurance Premium: Insurance Premium up to ₹ 3, 00,000/- p.a. to be reimbursed by the Company on production of documentary evidence.
- (e) Club Fee: Club Fee up to ₹ 4, 50,000/- p.a. to be reimbursed by the Company.

IV. Other Terms and Conditions:

- a. He shall not be entitled to any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.
- b. The Company will reimburse expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.
- c. He shall be free to resign his office by giving three calendar months notice in writing to the Company.
- d. In the event of loss, inadequacy of profit in any year as contemplated by part II of Schedule V of the Companies Act, 2013, minimum remuneration as above shall be paid to him.
- e. The term of office of Mr. Paras Savla as Managing Director of the Company shall be subject to retire by rotation.

**"RESOLVED FURTHER THAT** Mr. Paras Savla, Managing Director on reappointment as a Director liable to retirement by rotation, shall continue to hold his office of Managing Director, and the reappointment as such director shall not be deemed to constitute a break in his office of Managing Director."

**"RESOLVED FURTHER THAT** notwithstanding anything to contrary herein contained, where in any financial year during the currency of his tenure, the company has no profits or its profits are inadequate, remuneration by way of salary, perquisites and other allowances or any combinations thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II, Section III and Section IV of part II of Schedule V of Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

**6. Re-appointment of Mr. Rupesh Kantilal Savla (DIN: 00126303) as a Managing 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 Section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and re enactment thereof for the time being force) and the relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, approval of the members of the Company be and is hereby accorded to the re-appointment of Mr. Rupesh Kantilal Savla (DIN: 00126303) as Managing Director of the Company for a period of 5 (Five) years with effect from 1<sup>st</sup> March, 2020, on terms and conditions including remuneration as set out hereunder with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under section 196, 197, 203 read with Schedule V to the Companies Act, 2013 or any other applicable provisions of the Companies Act, 2013 including any statutory modification(s) or re-enactment thereof.

I. Salary: ₹ 3, 50,000/- p.m.

II. Tenure: Five Years (From 01-03-2020 to 28.02.2025)

III. Perquisites and Amenities:

- (a) Car and Telephone: Provision of Car used for Company's business and Telephone at residence not considered as perquisites.
- (b) Mobile: Cost of Mobile Instrument and its bill will be paid by the Company.
- (c) Electricity Charges: Electricity bill of Director's Residence will be paid by the Company.
- (d) Insurance Premium: Insurance Premium up to ₹ 3, 00,000/- p.a. to be reimbursed by the Company on production of documentary evidence.
- (e) Club Fee: Club Fee up to ₹ 4,50,000/- p.a. to be reimbursed by the Company.



IV. Other Terms and Conditions:

- a. He shall not be entitled to any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.
- b. The Company will reimburse expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actual and not considered as perquisites.
- c. He shall be free to resign his office by giving three calendar months notice in writing to the Company.
- d. In the event of loss, inadequacy of profit in any year as contemplated by part II of Schedule V of the Companies Act, 2013, minimum remuneration as above shall be paid to him.
- e. The term of office of Mr. Rupesh Savla as Managing Director of the Company shall be subject to retire by rotation.

**"RESOLVED FURTHER THAT** Mr. Rupesh Savla, Managing Director on reappointment as a Director liable to retirement by rotation, shall continue to hold his office of Managing Director, and the reappointment as such director shall not be deemed to constitute a break in his office of Managing Director."

**"RESOLVED FURTHER THAT** notwithstanding anything to contrary herein contained, where in any financial year during the currency of his tenure, the company has no profits or its profits are inadequate, remuneration by way of salary, perquisites and other allowances or any combinations thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II, Section III and Section IV of part II of Schedule V of Companies Act, 2013 (including any statutory modification or re-enactment thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its power herein conferred to any Committee of Directors or Director(s) to give effect to the aforesaid resolution."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all such acts and take all such steps as may be necessary, proper, or expedient to give effect to this resolution."

7. **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 trenches 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**

**Date : August 12, 2019**

**Place : Ahmedabad**

**Akshit Soni**

**Company Secretary**

**Membership No. 34152**

**Registered Office:**

**Deep Industries Limited**

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

**CIN:** L63090GJ1991PLC014833

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

**NOTES:**

1. 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.
2. In respect of the Item No.3, 4, 5 & 6 a statement giving additional information on the Director(s) seeking re-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.
3. A MEMBER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY.

Pursuant to the provision of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of members not exceeding fifty (50) in number and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.





4. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting. A proxy form is annexed to this report.
5. Corporate members intending to send their authorized representatives to attend the AGM 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 to attend and vote on their behalf at the AGM.
6. The Register of Members and the Share Transfer Books of the Company will remain closed From Tuesday, 17<sup>th</sup> September, 2019 to Monday, 23<sup>rd</sup> September, 2019 (both days inclusive) for the purpose of 29<sup>th</sup> Annual General Meeting & to determine the entitlement of the shareholders to receive dividend for the year 2018-19, if declared at the meeting.
7. The dividend on equity shares as recommended by the Board, if declared at this AGM, will be paid within a period of 30 days from the date of declaration, to those Members whose names appear on the Company's Register of Members as on Monday, September 16, 2019.
8. 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.
9. The Notice of the 29<sup>th</sup> AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories, unless any Member has requested for a physical copy of the same. For Members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
10. Members may also note that the Notice of 29<sup>th</sup> AGM and the Annual Report for financial year 2018-19 will be available on Company's website, [www.deepindustries.com](http://www.deepindustries.com). The physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days prior to the date of Annual General Meeting i.e. on 23<sup>rd</sup> September, 2019.
11. 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.
12. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
13. 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.
14. In Compliance with the circular of Ministry of Corporate Affairs for "Green Initiative in the Corporate Governance" by allowing/ permitting service of Documents etc in electronic forms, electronic copy of the Annual Report for the year 2018-19 is being sent to all the members whose E-mail IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their E-Mail address, physical copies of the Annual Report for the year 2018-19 is being sent in the permitted mode.
15. 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).
16. Members may also note that the Notice of the 29<sup>th</sup> Annual General Meeting and the Annual Report for the year 2018-19 will also be available on the Company's website [www.deepindustries.com](http://www.deepindustries.com) for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to [cs@deepindustries.com](mailto:cs@deepindustries.com).
17. Members/proxies are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
18. Members are requested to provide their Client ID and DP ID numbers at the meeting for easy identification.



19. 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.

20. Transfer of Unclaimed and/or Unpaid Amounts to the Investor Education Protection Fund (IEPF).
- 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.
  - Accordingly, during the financial year 2018-19, the Company will transferred unclaimed final dividend amount for the financial year ended 31st March, 2012 on 27<sup>th</sup> October, 2019 to IEPF.
  - 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.
  - 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.

21. A route map giving directions to reach the venue of the 29th Annual General Meeting is given at the end of the Notice.

22. Voting through electronic means:

In Compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time together with Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to Members to exercise their right to vote for business to be transacted in this notice of AGM by electronic means through e-Voting services provided by Central Depository Services (India) Limited (CDSL). Members who are holding shares in physical or dematerialized form as on 16.09.2019 shall exercise their vote by electronic means.

**"Cut-off date"** for determining the eligibility for voting either through electronic voting system or ballot is fixed as September 16, 2019. A person who is not a Member as on the cut off date should treat this Notice for information purposes only.

**The instructions for members voting electronically are as under:**

- The voting period begins on 20<sup>th</sup> September, 2019 at 9.00 a.m. and ends on 22<sup>nd</sup> September, 2019 at 5.00 p.m. During this period, the shareholders of the Company holding shares either in physical form or in dematerialized form, as on the cut-off date (Record date) of Monday, 16<sup>th</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- Click on "Shareholders" tab.
- Now Enter your User ID
  - For CDSL: 16 digits beneficiary ID,
  - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- 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 voting of any company, then your existing password is to be used.



(vii) If you are a first time user follow the steps given below:

<b>For Members holding shares in Demat Form and Physical Form</b>	
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) - Members 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 indicated in the PAN field.
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	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. - 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 (iv).

(viii) After entering these details appropriately, click on “SUBMIT” tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members 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.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN of Deep Industries Limited for vote.

(xii) 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.

(xiii) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

(xiv) 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.

(xv) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.

(xvii) 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.

(xviii) Shareholders can also use Mobile app - “m-Voting” for e voting. m-Voting app is available on Apple, Android & Windows based Mobile. Shareholders may log in to m voting using their e voting credentials to vote for the company resolution(s).

(xix) Note for Non-Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- 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.

(xx) In case you have any queries or issues regarding e-voting, 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).

**In case of members receiving the physical copy:**

(A) Please follow all steps from Sl. No. (i) To Sl. No. (xix) above to cast vote.



- (B) The voting period begins on 20<sup>th</sup> September, 2019 at 9:00 a.m. and ends on 22<sup>nd</sup> September, 2019 at 5:00 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 16<sup>th</sup> September, 2019, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, 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).

23. Contact Details :

COMPANY:

Deep Industries Limited  
12A & 14, Abhishree Corporate Park,  
Ambli Bopal Road, Ambli, Ahmedabad 380 058  
E-mail: [cs@deepindustries.com](mailto:cs@deepindustries.com)

REGISTRAR & TRANSFER AGENTS:

M/s. Linkintime India Private Limited  
E-mail: [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)

E-VOTING AGENCY:

Central Depository Services (India) Limited  
E-mail : [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

SCRUTINIZER:

Ms. Shilpi Thapar - Practicing Company Secretary  
M/s Shilpi Thapar & Associates  
E-mail: [shilpi@shilpithapar.com](mailto:shilpi@shilpithapar.com)

**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.4**

**Re-appointment of Mrs. Renuka Anjanikumar Upadhyay (DIN: 07148637) as an Independent Director.**

Mrs. Renuka Upadhyay (DIN: 07148637) joined the board of your company on June 25, 2015 and was subsequently appointed by the shareholders as an Independent Director in AGM 2015 for the term of five consecutive years. The current term of her office is going to be completed on 24<sup>th</sup> June, 2020.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company ('the Board') at its meeting held on 12<sup>th</sup> August, 2019, subject to the approval of the members, re-appointed Mrs. Renuka Upadhyay as an Independent Director of the Company for a second term of 5 consecutive years i.e., from June 25, 2020 to June 24, 2025 in terms of Section 149 read with Schedule IV of the Companies Act, 2013 ('the Act'), and Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI (LODR) Regulations 2015'), or any amendment thereto or modification thereof.

The brief profile of Mrs. Renuka Upadhyay Independent Director is as follows;

**Mrs. Renuka Upadhyay (DIN: 07148637)** aged 35 years is a Company Secretary having more than 11 years of vast experience in secretarial and legal profile particularly company restructuring/acquisitions/fund raising/compliances etc. Currently she is working as Dy. GM, Secretarial and Legal in Asian Granito India Limited. Mrs. Renuka Upadhyay is also on the Board of Director of Chiripal Poly Films Limited as an Independent Director.

The Company has also received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the candidature of Mrs. Renuka Upadhyay for the office of Independent Director, to be re-appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received requisite consent/declarations for re-appointment of Mrs. Renuka Upadhyay as required under the Act and rules made thereunder and Declaration to the effect that she meets the criteria of independence as provided under Section 149(6) of the Companies Act, 2013.

Mrs. Renuka Upadhyay is not disqualified from being appointed as Director in terms of Section 164 of the Act and has given her consent to act as Director.

In the opinion of the Board and based on the Board's evaluation, Mrs. Renuka Upadhyay fulfils the conditions specified in the SEBI Listing Regulations, Companies Act, 2013 and the Rules framed thereunder for her re-appointment as an Independent Director of the Company and she is independent of the Management.

A Copy of draft letter of appointment of Mrs. Renuka Upadhyay, setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company during normal business hours on all working days except Saturdays and Sundays up to the date of ensuing AGM.

The Board considers that her continued association would be of immense benefit to the Company and it is desirable to



continue to avail the services of Mrs. Renuka Upadhyay as an Independent Director. Accordingly, the Board recommends the Resolution in Item number 4 in relation to appointment of Mrs. Renuka Upadhyay as an Independent Director for second term of 5 consecutive years for the approval by the Members as a Special Resolution.

The information or details required as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to her are given as annexure-1.

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

#### **Item No.5**

##### **Re-appointment of Mr. Paras Savla (DIN: 00145639) as Managing Director of the Company.**

Mr. Paras Savla (DIN: 00145639) was appointed as Managing Director of the Company for a period of 5 years commencing from 1<sup>st</sup> March, 2015. The current term of his office is going to be completed on 29<sup>th</sup> February, 2020.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company ('the Board') at its meeting held on 12<sup>th</sup> August, 2019, subject to the approval of the members, re-appointed Mr. Paras Savla as Managing Director of the Company for the further period of 5 years commencing w.e.f. 1<sup>st</sup> March, 2020 on the terms & condition as mentioned in the Special Resolution set out in the notice.

The brief profile of Mr. Paras Savla, Managing Director is as follows;

**Mr. Paras Savla (DIN: 00145639)** aged 48 years, is a Chairman & Managing Director of Deep Industries Limited and is having more than 27 years of experience in Oil & Gas Industry. He is a Commerce Graduate from Gujarat University. Under his vision, Deep Industries Ltd became one of the prominent compression service provider to the Oil and Gas sector.

The Company has also received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the candidature of Mr. Paras Savla for the office of Independent Director, to be re-appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received requisite consent/declarations for re-appointment of Mr. Paras Savla as required under the Act and rules made there under.

The Board considered that his continues association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Paras Savla as a Managing Director of the Company. Accordingly the Board recommends the resolution no. 5 in relation to appointment of Mr. Paras Savla, as a Managing Director of the Company, for your approval as a Special Resolution.

The information or details required as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to him are given as annexure-1.

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

#### **Item No. 6**

##### **Re-appointment of Mr. Rupesh Savla (DIN: 00126303) as Managing Director of the Company.**

Mr. Rupesh Savla (DIN: 00126303) was appointed as Managing Director of the Company for a period of 5 years commencing from 1<sup>st</sup> March, 2015. The current term of his office is going to be completed on 29<sup>th</sup> February, 2020.

On the recommendation of the Nomination & Remuneration Committee, the Board of Directors of the Company ('the Board') at its meeting held on 12<sup>th</sup> August, 2019, subject to the approval of the members, re-appointed Mr. Rupesh Savla as Managing Director of the Company for the further period of 5 years commencing w.e.f. 1<sup>st</sup> March, 2020 on the terms & condition as mentioned in the Special Resolution set out in the notice.

The brief profile of Mr. Rupesh Savla, Managing Director is as follows;

**Mr. Rupesh Savla (DIN: 00126303)** aged 47 years, is Managing Director of Deep Industries Limited. He is a Commerce Graduate from Gujarat University and MBA from Bentley College, USA. He has over 22 years vast experience in the co-ordination and execution of projects in the oil and gas sector.

The Company has also received a notice in writing pursuant to Section 160 of the Companies Act, 2013, from a Member signifying his intention to propose the candidature of Mr. Rupesh Savla for the office of Independent Director, to be re-appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received requisite consent/declarations for re-appointment of Mr. Rupesh Savla as required under the Act and rules made there under.



The Board considered that his continues association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Rupesh Savla as a Managing Director of the Company. Accordingly the Board recommends the resolution no. 6 in relation to appointment of Mr. Rupesh Savla, as a Managing Director of the Company, for your approval as a Special Resolution.

The information or details required as per Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pertaining to him are given as annexure-1.

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

**Item No. 7**

**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. 7 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. 7 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**

**Akshit Soni**

**Company Secretary**

**Membership No. 34152**

**Date : August 12, 2019**

**Place : Ahmedabad**

**Registered Office:**

**Deep Industries 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. Paras Shantilal Savla</b>	<b>Mr. Rupesh Kantilal Savla</b>	<b>Mrs. Renuka Upadhyay</b>
DIN	00145639	00126303	07148637
Date of Birth and Age	25.08.1971 Age: 48 Years	17.08.1972 Age: 47 Years	26.11.1983 Age: 35 Years
Date of Appointment	01.06.2009	01.06.2009	25.06.2015
Qualification	Commerce Graduate from Gujarat University	Commerce Graduate from Gujarat University and MBA from Bentley College, USA.	B.Com (H), Fellow member of ICSI, LLB (Spl.)
Experience & Expertise	Having more than 27 years of experience in Finance and Oil & Gas sector.	Having More than 25 years of Experience in execution of projects in the Oil & Gas Service Sector.	More than 11 years experienced in secretarial and legal profile in various sectors.
Name of other Public Companies in which he/she holds directorship.	1) Adinath Exim Resources Ltd. (Listed) 2) Deep CH4 Ltd. 3) Prabha Energy Private Ltd. (Deemed Public Co.) 4) Deep Onshore Drilling Service Pvt. Ltd. (Deemed Public Co.)	1) Deep CH4 Ltd. 2) Prabha Energy Pvt. Ltd. (Deemed Public Co.) 3) Deep Onshore Drilling Services Pvt. Ltd. (Deemed Public Co.)	1) Chiripal Poly Films Ltd.
Chairman/Member of committee of the Board of Public companies other than Deep Industries Limited	Adinath Exim Ltd- Audit Committee-Member Stakeholders Relationship Committee-Member Nomination & Remuneration Committee-Member	Nil	Chiripal Polyfilms Ltd- Audit Committee-Member Nomination & Remuneration Committee-Member
Relationship with other Directors inter-se	Nil	Nil	Nil
No. of shares held in the Company	100 Equity Shares	100 Equity Shares	Nil



## BOARD'S REPORT

To  
The Members  
Deep Industries Limited,  
Ahmedabad

Your Directors have pleasure in presenting 29<sup>th</sup> Annual Report together with the audited financial statement of your Company for the Financial Year ended 31<sup>st</sup> March, 2019.

### 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, 2019 are summarized below:

Particulars	(₹ In Lakhs)			
	Standalone		Consolidated	
	2018-19	2017-18	2018-19	2017-18
Revenue from Operations	25911.82	30049.25	30873.71	31267.54
Other Income	244.48	668.71	247.26	698.32
Total Income	26156.30	30717.96	31120.97	31965.86
Less: Total Expenses	17001.01	18989.42	21123.18	20097.06
Profit Before Tax	9155.29	11728.54	9997.79	11868.80
Less: Tax Expenses	3190.97	4126.48	3191.59	4124.00
<b>Profit/(Loss) for the Year</b>	<b>5964.32</b>	<b>7602.06</b>	<b>6806.20</b>	<b>7744.80</b>
Other Comprehensive Income/ (Loss) for the year	46.83	4.82	46.83	4.82
Total Comprehensive Income/ (Loss) for the year	6011.15	7606.89	6855.05	7745.42
Earning per Equity Share (Basic and Diluted)	18.64	23.76	21.28	24.19

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

- The Company's Standalone revenues from operations decreased to ₹ 25911.82 Lakhs in the year 2018-19 from ₹ 30049.25 Lakhs in 2017-18, while consolidated revenues from operations decreased to ₹ 30873.71 Lakhs in the year 2018-19 from ₹ 31267.54 Lakhs for the year 2017-18.
- Company's Standalone net profit decreased to ₹ 5964.32 Lakhs in the year 2018-19 from ₹ 7602.06 Lakhs in the year 2017-18.

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

### Subsidiary Performance:

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

- Deep Natural Resources Limited has earned total revenue of ₹ 7961.00 in the year 2018-19 as compared to revenue earned of ₹ 8365.00 in the year 2017-18. And it has earned total profit of ₹ 996.00 in the year 2018-19 as compared to total profit earned of ₹ 355.70 in the year 2017-18.
- Prabha Energy Private Limited has earned total revenue of ₹ 2.61 Lakhs in the year 2018-19 as compared to revenue earned of ₹ 29.48 Lakhs in the year 2017-18. And it has earned total profit of ₹ 0.18 Lakhs in the year 2018-19 as compared to total profit earned of ₹ 8.72 Lakhs in the year 2017-18.
- Deep Onshore Drilling Services Private Limited has earned total revenue of ₹ 6366.00 in the year 2018-19 as compared to revenue earned of ₹ 4732.00 in the year 2017-18. And it has earned total profit of ₹ 4178.00 in the year 2018-19 as compared to total profit earned of ₹ 2547.00 in the year 2017-18.
- Deep Energy LLC has incurred Nil in the year 2018-19 as compared to loss of ₹ 0.008 Lakhs incurred in the year 2017-18.





- 5) Deep International DMCC has Profit of ₹ 1718.33 Lakhs in the year 2018-19 as compared to profit of ₹ 136.45 Lakhs in the year 2017-18.

**DIVIDEND:**

Your Directors have recommended final dividend of ₹ 1.5/- (15%) per Equity Share each of ₹ 10/- for financial year ended on 31<sup>st</sup> March, 2019, the Proposal is subject to the approval of shareholders at the ensuing Annual General Meeting will be paid to (i) those Equity Shareholders whose name appear in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 16<sup>th</sup> September, 2019 (Record Date) and (ii) to those members whose particulars as beneficial owners are furnished for this purpose, by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited.

**TRANSFER TO RESERVES:**

The Board has not transferred the amount to General Reserves and an amount of ₹ 32476.11 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, 2019 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, 2019, 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 details forming part of the extract of the Annual Return in Form MGT- 9, as required under Section 92 of the Companies Act, 2013 is annexed to this Report as **Annexure- A** and forms integral part of this report.

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

Your Company has total 5 subsidiaries as on 31<sup>st</sup> March, 2019 as under

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

The annual financial statements and related detailed information of the subsidiary companies shall be made available to the shareholders of the holding and seeking such information on all working days during business hours. The financial statements of the subsidiary companies shall be kept for inspection by any shareholder/s during working hours at the Company's registered office and that of the respective subsidiary companies concerned. As provided under Section 129(3) of the Companies Act, 2013 and rules made 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:**

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



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.

The Scheme has received the requisite approval from Bombay Stock Exchange Limited ('BSE'), National Stock Exchange Limited ('NSE'), Securities and Exchange Board of India (SEBI), equity shareholders and unsecured creditors as directed by the Ahmedabad Bench of the National Company Law Tribunal. However, approval of the secured creditors of Deep Industries Limited is pending. Post the same, the Scheme shall be subject to the approval of the Ahmedabad Bench of the National Company Law Tribunal and such other statutory and regulatory approvals as may be required.

Pursuant to the Scheme becoming effective, the Resulting Company shall issue 1 equity share of the Resulting Company for every 1 share of the Demerged Company held by shareholders of the Demerged Company as on the Record Date. On such issuance of shares by the Resulting Company, the shareholders of the Demerged Company shall become shareholders in the Resulting Company in the same ratio (inter-se) as they hold shares in the Demerged Company.

#### **DIRECTORS:**

##### **Appointment/Resignation:**

During the year under review, there were resignations of Mr. Premsingh Mangatsingh Sawhney, Mr. Dharen Shantilal Savla, Mr. Sanjay Harkishandas Parekh from the post of Directorship. Mr. Hemendrakumar Shah and Dr. Kirit Shelat were appointed as an Independent Directors.

##### **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. Paras Shantilal Savla (DIN:00145639), 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.

Mrs. Renuka Upadhyay was appointed as an independent director at the Twenty-fifth Annual General Meeting (AGM) held on September 30, 2015 for a period of five years. Based on the recommendation of the Nomination and Remuneration Committee, Board has recommended her re-appointment for a second term of five years at the ensuing AGM for the approval of the Members by way of special resolution.

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**

There is one change in Key Managerial Personnel during the year under review.

Mr. Dharen Savla, Whole Time Director of the company has resigned from the directorship w.e.f. 26.06.2018.

Further, the terms of Mr. Paras Savla and Mr. Rupesh Savla as Managing Directors is going to be completed in February 2020. On recommendation of Nomination & Remuneration Committee, The Board of Directors at their meeting held on 12th August, 2019 had subject to the approval of members, re-appointed Mr. Paras Savla and Mr. Rupesh Savla as Managing Director for further period of 5 years w.e.f. 1st March, 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 refined 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:**

The board has constituted audit committee which comprises of:

Mr. Kirit Joshi	(Chairman, Non Executive Independent Director)
Mr. Hemendrakumar Shah	(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, 2019, the board of Directors state that :

- in preparation of the annual financial statements, the applicable accounting standards have been followed along with proper explanations relating to material departures, if any,
- 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, 2019 and of the profit of the Company for the year ended on that date,
- 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,
- the annual financial statements have been prepared on going concern basis,
- proper internal financial controls were in place and that the financial controls were adequate and were operating effectively, and
- 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):**

In accordance with Section 135 of Companies Act, 2013 the Company has constituted a Corporate Social Responsibility (CSR) Committee and has framed a CSR Policy. The brief details of CSR Committees are provided in the Corporate Governance Report. The Annual Report on CSR activities is provided in **Annexure-B**.

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

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

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

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

## **INDUSTRIAL RELATIONS:**

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

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

## **CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

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

## **PROHIBITION OF INSIDER TRADING**

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

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

There have been no material changes and commitments, affecting the financial position of the Company since the close of financial year i.e. since 31<sup>st</sup> March, 2019 Further, it is confirmed that there has been no change in the nature of business of the Company.

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

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

#### **AUDITORS:**

##### **Statutory Auditors and their Report:**

M/s Dhirubhai Shah & Co LLP, Chartered Accountants, Ahmedabad [Firm Registration No. 102511W/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 2018-19.

The Secretarial Audit Report for the Financial Year 2018-19 carried out by M/s Shilpi Thapar and Associates, (CP No.:6779, FCS: 5492), in the form "MR-3" is annexed herewith as **Annexure - D**.

Explanation with respect to the observations contained in Secretarial Audit Report:

Observation 1: With respect to delay submission of voting results of court convened Meeting of Shareholders dated 30.10.2018 to the stock exchanges, the Board of Directors would like to state 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 the above, The Secretarial Audit Report does not contain any qualification, reservations or adverse remarks in respect of non-compliance by the Company which call for explanation.



**Internal Auditors:**

The board has Re-appointed M/s R.R Khandol & Co., Chartered Accountant (FRN: 0112488) as an Internal Auditors of the Company for F.Y 2019-20.

**REPORTING OF FRAUDS BY AUDITORS:**

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

**WHISTLE BLOWER POLICY/ VIGIL MECHANISM:**

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

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

**LISTING OF SHARES:**

The Equity Shares of the Company are listed on the Bombay Stock Exchange Limited (BSE) with scrip code No. 532760 and on National Stock Exchange of India Limited (NSE) with scrip code of DEEPIND. The Company confirms that the annual listing fees to both the stock exchanges for the financial year 2019-20 have been paid.

**INSURANCE:**

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

**PARTICULARS OF EMPLOYEES:**

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

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

**HUMAN RESOURCES:**

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

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

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

**ACKNOWLEDGEMENTS:**

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 : August 12, 2019**  
**Place : Ahmedabad**

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



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

Form No.MGT-9

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31.03.2019**

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

**I. REGISTRATION AND OTHER DETAILS:**

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

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sr. No.	Name and Description of main products / Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Support activities for petroleum and natural gas mining	0910	69.65%
2	Other business support service activities n.e.c.	8299	30.35%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

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

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

**i. Category-Wise Share Holding**

Category of Shareholders	Shareholding at the beginning of the year 2018				Shareholding at the year end of the year 2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Shareholding of</b>									
<b>Promoter &amp; Promoter Group</b>									
<b>1) Indian</b>									
a) Individual/ HUF	5443465	0	5443465	17.0108	5443465	0	5443465	17.0108	0.0000
b) Central Govt/ State Govt(s)	0	0	0	0.0000	0	0	0	0.0000	0.0000
c) Financial Institutions /Banks	0	0	0	0.0000	0	0	0	0.0000	0.0000
d) Any Other (Specify)									
Bodies Corporate	1228000	0	1228000	3.8375	1228000	0	1228000	3.8375	0.0000
Trust	13645382	0	13645382	42.6418	13645382	0	13645382	42.6418	0.0000
Sub-total(A)(1):-	20316847	0	20316847	63.4901	20316847	0	20316847	63.4901	0.0000



<b>2) Foreign</b>									
a) Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Government	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Institutions	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Any Other (Specify)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Sub-total(A)(2):-	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total Shareholding of Promoter and Promoter									
Group(A)=(A)(1)+(A)(2)	20316847	0	20316847	63.4901	20316847	0	20316847	63.4901	0.0000
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds / UTI	0	0	0	0.0000	0	0	0	0.0000	0.0000
(b) Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(c) Alternate Investment Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Foreign Portfolio Investor	1918742	0	1918742	5.9961	1695076	0	1695076	5.2971	-0.699
(f) Financial Institutions / Banks	20853	0	20853	0.0652	302982	0	302982	0.9468	0.8816
(g) Insurance Companies	0	0	0	0.0000	0	0	0	0.0000	0.0000
(h) Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000	0.0000
(i) Any Other (Specify)	0	0	0	0	0	0	0	0	0
Sub-total (B)(1)	1939595	0	1939595	6.0612	1998058	0	1998058	6.2439	0.1827
[2] Central Government/ State Government(s)/ President of India									
Central Government/ State Government(s)/	1751	0	1751	0.0055	0	0	0	0	-0.0055
Sub Total (B)(2)	1751	0	1751	0.0055	0	0	0	0	-0.0055
<b>3. Non Institutions</b>									
a) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	4649446	261	4649707	14.5303	4517708	261	4517969	14.1187	-0.4116
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	2054691	0	2054691	6.4209	2126305	0	2126305	6.6447	0.2238
(b) NBFCs registered with RBI	0	0	0	0.0000	4900	0	4900	0.0153	0.0153
(c) Employee Trusts	0	0	0	0.0000	0	0	0	0.0000	0.0000
(d) Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e) Any Other (Specify)									
IEPF	0	0	0	0.0000	3837	0	3837	0.0120	0.0120
Foreign Nationals	26	0	26	0.0001	26	0	26	0.0001	0.0000
Hindu Undivided Family	399574	0	399574	1.2487	437913	0	437913	1.3685	0.1198
NRI (Non Repat)	74163	0	74163	0.2318	79020	0	79020	0.2469	0.0151
NRI (Repat)	311760	0	311760	0.9743	329536	0	329536	1.0298	0.0555
Clearing Member	198666	0	198666	0.6208	100588	0	100588	0.3143	-0.3065
Bodies Corporate	2053220	0	2053220	6.4163	2085001	0	2085001	6.5156	0.0993
Sub Total (B)(3)	9741546	261	9741807	30.4431	9684834	261	9685095	30.2659	-0.1772
Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	11682892	261	11683153	36.5099	11682892	261	11683153	36.5099	0.0000
Total (A)+(B)	31999739	261	32000000	100.0000	31999739	261	32000000	100.0000	0.0000
<b>(C) Non Promoter - Non Public</b>									
[1] Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2] Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
Total (A)+(B)+(C)	31999739	261	32000000	100.0000	31999739	261	32000000	100.0000	0.0000





**ii. Shareholding of Promoter**

Sr. No.	Shareholder's Name	Shareholders at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% Change in shareholding during the year
		No. of Shares held	% of total Share of the company	% of Shares Pledged/encumbered to total shares	No. of Shares held	% of total Share of the company	% of Shares Pledged/encumbered to total shares	
1.	RUPESH KANTILAL SAVLA	100	0.0003	0.0000	100	0.0003	0.0000	0.0000
2	SHITAL RUPESH SAVLA	100	0.0003	0.0000	100	0.0003	0.0000	0.0000
3	ADINATH EXIM RESOURCES LTD	1228000	3.8375	0.0000	1228000	3.8375	0.0000	0.0000
4	PRABHABEN KANTILAL SAVLA	100	0.0003	0.0000	100	0.0003	0.0000	0.0000
5	DHAREN SHANTILAL SAVLA	2058822	6.4338	0.0000	2058822	6.4338	0.0000	0.0000
6	PARAS SHANTILAL SAVLA	100	0.0003	0.0000	100	0.0003	0.0000	0.0000
7	SHANTILAL SAVLA FAMILY TRUST (MANOJ SHANTILAL SAVLA BENIFICIARY)	3568474	11.1515	0.0000	3568474	11.1515	0.0000	0.0000
8	MITA MANOJ SAVLA	1331021	4.1594	0.0000	1331021	4.1594	0.0000	0.0000
9	PRITI PARAS SAVLA	2052625	6.4145	0.0000	2052625	6.4145	0.0000	0.0000
10	AVANI DHAREN SAVLA	100	0.0003	0.0000	100	0.0003	0.0000	0.0000
11	MANOJ SHANTILAL SAVLA	100	0.0003	0.0000	100	0.0003	0.0000	0.0000
12	SHAIL M SAVLA	100	0.0003	0.0000	100	0.0003	0.0000	0.0000
13	SHANTILAL MURJIBHAI SAVLA	100	0.0003	0.0000	100	0.0003	0.0000	0.0000
14	PRABHABEN SHANTILAL SAVLA	100	0.0003	0.0000	100	0.0003	0.0000	0.0000
15	AARAV SAVLA	97	0.0003	0.0000	97	0.0003	0.0000	0.0000
16	RUPESH SAVLA FAMILY TRUST	10076908	31.4903	0.0000	10076908	31.4903	0.0000	0.0000
	Total	20316847	63.4901	0.0000	20316847	63.4901	0.0000	0.0000

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

Sr.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
1	RUPESH SAVLA FAMILY TRUST	10076908	31.4903			10076908	31.4903
	AT THE END OF THE YEAR					10076908	31.4903
2	SHANTILAL SAVLA FAMILY TRUST (MANOJ SHANTILAL SAVLA BENIFICIARY)	3568474	11.1515			3568474	11.1515
	AT THE END OF THE YEAR					3568474	11.1515
3	DHAREN SHANTILAL SAVLA	2058822	6.4338			2058822	6.4338
	AT THE END OF THE YEAR					2058822	6.4338
4	PRITI PARAS SAVLA	2052625	6.4145			2052625	6.4145
	AT THE END OF THE YEAR					2052625	6.4145
5	MITA MANOJ SAVLA	1331021	4.1594			1331021	4.1594
	AT THE END OF THE YEAR					1331021	4.1594
6	ADINATH EXIM RESOURCES LTD	1228000	3.8375			1228000	3.8375
	AT THE END OF THE YEAR					1228000	3.8375
7	PRABHABEN SHANTILAL SAVLA	100	0.0003			100	0.0003
	AT THE END OF THE YEAR					100	0.0003
8	SHANTILAL MURJIBHAI SAVLA	100	0.0003			100	0.0003
	AT THE END OF THE YEAR					100	0.0003
9	SHITAL RUPESH SAVLA	100	0.0003			100	0.0003
	AT THE END OF THE YEAR					100	0.0003



Sr.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
10	AVANI DHAREN SAVLA	100	0.0003			100	0.0003
	AT THE END OF THE YEAR					100	0.0003
11	PARAS SHANTILAL SAVLA	100	0.0003			100	0.0003
	AT THE END OF THE YEAR					100	0.0003
12	MANOJ SHANTILAL SAVLA	100	0.0003			100	0.0003
	AT THE END OF THE YEAR					100	0.0003
13	RUPESH KANTILAL SAVLA	100	0.0003			100	0.0003
	AT THE END OF THE YEAR					100	0.0003
14	PRABHABEN KANTILAL SAVLA	100	0.0003			100	0.0003
	AT THE END OF THE YEAR					100	0.0003
15	SHAIL M SAVLA	100	0.0003			100	0.0003
	AT THE END OF THE YEAR					100	0.0003
16	AARAV RUPESH SAVLA	97	0.0003			97	0.0003
	AT THE END OF THE YEAR					97	0.0003

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

Sr.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
1	R L TRADECOM PRIVATE LIMITED	1279213	3.9975			1279213	3.9975
	AT THE END OF THE YEAR					1279213	3.9975
2	ANTARA INDIA EVERGREEN FUND LTD	101250	0.3164			101250	0.3164
	Transfer			06 Jul 2018	(101250)	0	0.0000
	Transfer			19 Oct 2018	35000	35000	0.1094
	Transfer			26 Oct 2018	25000	60000	0.1875
	Transfer			09 Nov 2018	60999	120999	0.3781
	Transfer			16 Nov 2018	11529	132528	0.4142
	Transfer			23 Nov 2018	99900	232428	0.7263
	Transfer			30 Nov 2018	25100	257528	0.8048
	Transfer			22 Feb 2019	90000	347528	1.0860
	Transfer			15 Mar 2019	80000	427528	1.3360
	AT THE END OF THE YEAR					427528	1.3360
3	HESHIKA GROWTH FUND	384263	1.2008			384263	1.2008
	AT THE END OF THE YEAR					384263	1.2008
4	RAKESH RAJKRISHAN AGGARWAL	372000	1.1625			372000	1.1625
	AT THE END OF THE YEAR					372000	1.1625
5	NOMURA SINGAPORE LIMITED	100000	0.3125			100000	0.3125
	Transfer			06 Jul 2018	101250	201250	0.6289
	Transfer			20 Jul 2018	31553	232803	0.7275
	Transfer			30 Nov 2018	25000	257803	0.8056
	Transfer			15 Mar 2019	39392	297195	0.9287
	AT THE END OF THE YEAR					297195	0.9287
6	ICICI BANK LIMITED	18331	0.0573			18331	0.0573
	Transfer			06 Apr 2018	1088	19419	0.0607
	Transfer			13 Apr 2018	(4331)	15088	0.0472
	Transfer			20 Apr 2018	2124	17212	0.0538



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**DEEP INDUSTRIES LIMITED**

Sr.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
	Transfer			27 Apr 2018	9285	26497	0.0828
	Transfer			04 May 2018	(6965)	19532	0.0610
	Transfer			11 May 2018	6961	26493	0.0828
	Transfer			18 May 2018	(931)	25562	0.0799
	Transfer			25 May 2018	(648)	24914	0.0779
	Transfer			01 Jun 2018	1637	26551	0.0830
	Transfer			08 Jun 2018	(162)	26389	0.0825
	Transfer			15 Jun 2018	(4551)	21838	0.0682
	Transfer			22 Jun 2018	13078	34916	0.1091
	Transfer			30 Jun 2018	5966	40882	0.1278
	Transfer			06 Jul 2018	(6319)	34563	0.1080
	Transfer			13 Jul 2018	5883	40446	0.1264
	Transfer			20 Jul 2018	(261)	40185	0.1256
	Transfer			27 Jul 2018	(2611)	37574	0.1174
	Transfer			03 Aug 2018	(5629)	31945	0.0998
	Transfer			10 Aug 2018	(3004)	28941	0.0904
	Transfer			17 Aug 2018	(3097)	25844	0.0808
	Transfer			24 Aug 2018	390	26234	0.0820
	Transfer			31 Aug 2018	826	27060	0.0846
	Transfer			07 Sep 2018	(1855)	25205	0.0788
	Transfer			14 Sep 2018	36985	62190	0.1943
	Transfer			21 Sep 2018	1100	63290	0.1978
	Transfer			29 Sep 2018	(15900)	47390	0.1481
	Transfer			05 Oct 2018	17100	64490	0.2015
	Transfer			12 Oct 2018	(1595)	62895	0.1965
	Transfer			19 Oct 2018	(234)	62661	0.1958
	Transfer			26 Oct 2018	(1)	62660	0.1958
	Transfer			02 Nov 2018	(1381)	61279	0.1915
	Transfer			09 Nov 2018	(620)	60659	0.1896
	Transfer			16 Nov 2018	(4456)	56203	0.1756
	Transfer			23 Nov 2018	(27908)	28295	0.0884
	Transfer			30 Nov 2018	(12296)	15999	0.0500
	Transfer			07 Dec 2018	63636	79635	0.2489
	Transfer			14 Dec 2018	60466	140101	0.4378
	Transfer			21 Dec 2018	(14)	140087	0.4378
	Transfer			28 Dec 2018	(364)	139723	0.4366
	Transfer			31 Dec 2018	(10299)	129424	0.4045
	Transfer			04 Jan 2019	18195	147619	0.4613
	Transfer			11 Jan 2019	382	148001	0.4625
	Transfer			18 Jan 2019	2162	150163	0.4693
	Transfer			25 Jan 2019	1203	151366	0.4730
	Transfer			01 Feb 2019	9605	160971	0.5030
	Transfer			08 Feb 2019	7650	168621	0.5269
	Transfer			15 Feb 2019	(32)	168589	0.5268
	Transfer			22 Feb 2019	(35)	168554	0.5267
	Transfer			01 Mar 2019	(8557)	159997	0.5000
	Transfer			08 Mar 2019	8097	168094	0.5253
	Transfer			15 Mar 2019	89653	257747	0.8055
	Transfer			22 Mar 2019	22679	280426	0.8763
	Transfer			29 Mar 2019	(1897)	278529	0.8704
	AT THE END OF THE YEAR					278529	0.8704



Sr.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
7	RAJULDEVI G CHOWDHARY	244949	0.7655			244949	0.7655
	AT THE END OF THE YEAR					244949	0.7655
8	AUCTOR INVESTMENTS LIMITED	234250	0.7320			234250	0.7320
	AT THE END OF THE YEAR					234250	0.7320
9	PLUTUS TERRA INDIA FUND	211313	0.6604			211313	0.6604
	AT THE END OF THE YEAR					211313	0.6604
10	JIGNESH P SHAH	198844	0.6214			198844	0.6214
	AT THE END OF THE YEAR					198844	0.6214
11	KUNAL RAKESH AGGARWAL	150000	0.4688			150000	0.4688
	AT THE END OF THE YEAR					150000	0.4688
12	RITAKEVAL SHAH	147561	0.4611			147561	0.4611
	AT THE END OF THE YEAR					147561	0.4611
13	OLD MUTUAL GLOBAL INVESTORS						
	SERIES PUBLIC LIMITED COMPANY	706241	2.2070			706241	2.2070
	Transfer			13 Apr 2018	(50810)	655431	2.0482
	Transfer			20 Apr 2018	(24723)	630708	1.9710
	Transfer			27 Apr 2018	(63497)	567211	1.7725
	Transfer			04 May 2018	(20906)	546305	1.7072
	Transfer			11 May 2018	(24829)	521476	1.6296
	Transfer			18 May 2018	(19413)	502063	1.5689
	Transfer			25 May 2018	(16814)	485249	1.5164
	Transfer			01 Jun 2018	(41435)	443814	1.3869
	Transfer			08 Jun 2018	(236581)	207233	0.6476
	Transfer			15 Jun 2018	(57925)	149308	0.4666
	Transfer			22 Jun 2018	(31337)	117971	0.3687
	Transfer			30 Jun 2018	(58256)	59715	0.1866
	Transfer			06 Jul 2018	(40645)	19070	0.0596
	Transfer			13 Jul 2018	(19070)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

**v Shareholding of Directors & Key Managerial Personnel:**

Sr.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of Transaction	No. of Shares	No. of Shares held	% of total Shares of the Company
1	PARAS SHANTILAL SAVLA	100	0.0003			100	0.0003
	AT THE END OF THE YEAR					100	0.0003
2	RUPESH KANTILAL SAVLA	100	0.0003			100	0.0003
	AT THE END OF THE YEAR					100	0.0003
3	DHAREN SHANTILAL SAVLA*	2058822	6.4338			2058822	6.4338
	AT THE END OF THE YEAR					2058822	6.4338

\*Mr. Dharen Savla resigned from the Directorship from the date 26.06.2018.



## V. INDEBTEDNESS

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	21738.86	NIL	N.A	21738.86
ii) Interest due but not paid	15.96			15.96
iii) Interest accrued but not due				
Total(i+ii+iii)	21754.82	NIL	N.A	21754.82
Change in Indebtedness during the financial year				
- Addition	18435.19	NIL	N.A	18435.19
- Reduction	32355.41	NIL	N.A	32355.41
Net Change	(13920.22)	NIL	N.A	(13920.22)
Indebtedness at the end of the financial year				
i) Principal Amount	7799.43	NIL	N.A	7799.43
ii) Interest due but not paid	35.17	NIL	N.A	35.17
iii) Interest accrued but not due				
Total (i+ii+iii)	7834.60	NIL	N.A	7834.60

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in Crore)

Sr. no.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Paras Savla Chairman & Managing Director	Mr. Rupesh Savla Managing Director	*Mr. Dharen Savla Wholetime Director	
1	Gross Salary				
	a) Salary as per provisions contained in Section 17(1) of Income Tax Act, 1961	0.30	0.30	0.12	0.72
	b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	—	—	0.01	0.01
	c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	—	—	—	
2	Stock Option	—	—	—	
3	Sweat Equity	—	—	—	
4	Commission	—	—	—	
5	Others, please specify	—	—	—	
	<b>Total (A)</b>	<b>0.30</b>	<b>0.30</b>	<b>0.13</b>	<b>0.73</b>
	Ceiling as per the Act		10% Net Profit is ₹ 6.01 Crore		

\*Mr. Dharen Savla resigned from the Directorship from the date 26.06.2018.



**B. Remuneration to other directors:**

Particulars of Remuneration	Mr. Kirit Joshi	Mr. Kirit Shelat	Mrs. Renuka Upadhyay	Mr. Hemendrakumar Shah	*Mr. Arun Mandke	*Mr. Sanjay Parekh	Total
1. Independent Directors							
a) Fee for attending board, committee meetings	20000	40000	40000	60000	20000	—	180000
b) Commission	—	—	—	—	—	—	—
c) Other, Please Specify	—	—	—	—	—	—	—
Total (1)	20000	40000	40000	60000	20000	—	180000
2. Other Non Executive Directors							
a) Fee for attending board, committee meetings	—	—	—	—	—	—	—
b) Commission	—	—	—	—	—	—	—
c) Other, Please Specify	—	—	—	—	—	—	—
Total (2)	—	—	—	—	—	—	—
Total (1)+(2)	20000	40000	40000	60000	20000	—	180000

\*Mr. Arun Mandke has resigned from the company with effect from the date 09.10.2018 and Mr. Sanjay Parekh has resigned from the date 26.06.2018.

**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

(₹ In Lakhs)

Sr. No.	Particulars of Remuneration	Mr. Rohan Shah (CFO)	Mr. Akshit Soni (CS)	Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17 (1) of the Income-tax Act, 1961	15.30	4.77	20.07
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	—	—	—
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	—	—	—
2.	Stock Option	—	—	—
3.	Sweat Equity	—	—	—
4.	Commission			
	- as % of profit	—	—	—
	- others, specify...	—	—	—
5.	Others, please specify	—	—	—
6.	Total	15.30	4.77	20.07



VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

for and on behalf of the Board of Directors

Date : August 12, 2019  
Place : Ahmedabad

PARAS SAVLA  
Chairman & Managing Director  
DIN:00145639



ANNEXURE B TO THE BOARD'S REPORT

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

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

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

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

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

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

The Board of Directors, on the recommendation of CSR Committee, approved the CSR spending. CSR activities for the financial year 2018-19 focus on following areas :

- Promotion of education and employment-enhancing vocational skills;
- Ensuring environmental sustainability, animal welfare and social care

2. **Composition of CSR Committee:**

- Mr. Paras Savla – Chairman (Executive Director)
- Mr. Rupesh Savla – Member (Executive Director)
- Mr. Kirit Joshi – Member (Independent Director)

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

₹ 8809.56 Lakhs

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

₹ 176.19 Lakhs

5. **Details of CSR spend for the financial year:**

a) Total amount spent for the financial year: ₹ 176.20 Lakhs

b) Amount unspent, if any: NIL

c) **Manner in which amount spent during financial year is detailed below.**

Sr. No.	CSR Projects / Activities	Sector in which projects are covered	Location of the Projects / Programme	Amount Budgeted	Amount spent: on project	Cumulative expenditure upto the reporting period	Amount spent direct/ Implementing Agency
1.	Contribution towards Education	Education	Delhi	5,000/-	5,000/-	5,000/-	Oriya Cultural & Welfare Association
2	Contribution towards Education	Development 360000 opportunity for Youth organized by Education	Ahmedabad	25,000/-	25,000/-	25,000/-	Shri Kutchhi Jain Sewa Samaj
3	Contribution towards Education	Development 360000 opportunity for Youth organized by Education	Ahmedabad	21,000/-	21,000/-	21,000/-	Shri Kutchhi Jain Sewa Samaj





Sr. No.	CSR Projects / Activities	Sector in which projects are covered	Location of the Projects / Programme	Amount Budgeted	Amount spent: on project	Cumulative expenditure upto the reporting period	Amount spent direct/ Implementing Agency
4	Contribution towards Welfare Activities	Welfare Activities	Mumbai	5,000/-	5,000/-	5,000/-	Shri Kothara Panjarapole Kothara
5	Contribution towards Welfare Activities	Welfare Activities	Mumbai	2,500/-	2,500/-	2,500/-	Shri Kothara Panjarapole Kothara
6	Contribution towards Welfare Activities	Welfare Activities	Mumbai	2,500/-	2,500/-	2,500/-	Shri Kothara Panjarapole Kothara
7	Contribution towards Welfare Activities	Welfare Activities	Kutchh, Gujarat	5,001/-	5,001/-	5,001/-	Shree Suthari Panjarapole
8	Contribution towards Welfare Activities	Welfare Activities	Kutchh, Gujarat	5,001/-	5,001/-	5,001/-	Shree Suthari Panjarapole
9	Contribution towards Welfare Activities	Welfare Activities	Kutchh, Gujarat	10,000/-	10,000/-	10,000/-	Shree Bhujpur Panglapole
10	Contribution towards Welfare Activities	Welfare Activities	Kutchh, Gujarat	5,555/-	5,555/-	5,555/-	Bhagwan Mahavir Pashu Raksha Kendra
11	Contribution towards Welfare Activities	Welfare Activities	Kutchh, Gujarat	5,555/-	5,555/-	5,555/-	Bhagwan Mahavir Pashu Raksha Kendra
12	Contribution towards Education	Education	Ahmedabad	24,69,340/-	24,69,340/-	24,69,340/-	YUVA Unstoppable
13	Contribution towards Education	Education	Ahmedabad, Gujarat	8,45,802/-	8,45,802/-	8,45,802/-	Deep Foundation
14	Contribution towards Education	Education	Ahmedabad, Gujarat	6,95,802/-	6,95,802/-	6,95,802/-	Deep Foundation
15	Contribution towards Education	Education	Ahmedabad, Gujarat	30,00,000/-	30,00,000/-	30,00,000/-	Deep Foundation
16	Contribution towards Education	Education	Ahmedabad, Gujarat	20,00,000/-	20,00,000/-	20,00,000/-	Deep Foundation
17	Contribution towards Education	Education	Ahmedabad, Gujarat	85,17,000/-	85,17,000/-	85,17,000/-	Deep Foundation
Total				1,76,20,056/-	1,76,20,056/-	1,76,20,056/-	

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

Not Applicable.

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

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

Date : August 12, 2019  
Place : Ahmedabad

Paras Savla  
Chairman (CSR Committee)  
DIN:00145639

Rupesh Savla  
Managing Director  
DIN:00126303



**ANNEXURE-C 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:-**

1.	<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 March, 2019, which are not at arm's length basis.
2.	<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**

**Date : August 12, 2019**  
**Place: Ahmedabad**

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



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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2019

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

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

Dear Sir/Madam,

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

Based on our verification of Company's books, papers, minute books, forms and returns filed with Regulatory authorities and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the financial year ended on March 31, 2019 (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,2019, 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;
    - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
    - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
    - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
    - (i) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference shares) Regulations,2013;
    - (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 except to the extent mentioned below :-

- (i) In an instance, as per Regulation 44 (3) of SEBI (Listing Obligation and Disclosure requirements) Regulation, 2015, voting results of court convened meeting of shareholders dated 30.10.2018 were not submitted to stock exchanges within 48 hours of the conclusion of the said meeting by the company due to late submission of Scrutinizer report by the Scrutinizer to the company.

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 from BSE, NSE and SEBI, details of which are as under:
  - 1. BSE and NSE letters dated 27.11.2018 for imposing penalty of Rs.11800/- each received by the company for delay in submission of voting results of court convened meeting dated 30.10.2018 to Exchanges. Company paid the said fine and complied with requirements mentioned in the said BSE/NSE letters.
  - 2. SEBI Ad-Interim Ex-Parte Order cum Show Cause Notice No. SEBI/WTM/MPB/IVD/ID-6/162/2018 dated 16<sup>th</sup> April, 2018 under sections 11(1), 11(4) and 11B of The Securities and Exchange Board of India Act, 1992 against Managing Director of the Listed entity and two other parties was received by the Company. As per directions in the said interim order, a requisite amount was deposited in an interest bearing fixed deposit under lien in favour of SEBI with the Bank by the company. Written submission was submitted by Managing Director to SEBI and the final adjudication order from SEBI is awaited.

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

- (i) Pursuant to the order passed by National Company Law Tribunal (NCLT) Bench at Ahmedabad on 19<sup>th</sup> September, 2018, Special Resolution was passed for approval of scheme of arrangement between Deep Industries limited and Deep Ch4 Limited and their respective shareholders and creditors under Section 230 and 232 read with section 66 and other applicable provision of The Companies Act, 2013 in the NCLT convened meeting of Equity Shareholders on 30<sup>th</sup> October, 2018. Similarly, meetings of Secured and Unsecured creditors was held for the said purpose out of which meeting of Secured Creditors still stands adjourned.

**For Shilpi Thapar & Associates  
Company Secretaries**

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

**DATE: 12/08/2019**

**PLACE: Ahmedabad**

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: 12/08/2019**  
**PLACE: Ahmedabad**

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



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

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

- (i) The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary or Manager , if any during the financial year 2018-19, and ratio of the remuneration of each Director to the median remuneration of the employees of the company for the financial year 2018-19

Sr. No	Name	Designation	Ratio of remuneration of each Director to median remuneration of employees	% increase in Remuneration in the FY2018-19
1.	Mr. Paras Savla	Chairman & MD	11.90	-
2.	Mr. Rupesh Savla	Managing Director	11.90	-
3.	*Mr. Dharen Savla	Whole Time Director	4.76	-
4.	*Mr. Premsingh Sawhney	Non-Executive Director	-	-
5.	Mr. Kirit Joshi	Independent Director	0.08	-
6.	*Mr. Arun Mandke	Independent Director	0.08	-
7.	*Mr. Sanjay Parekh	Independent Director	-	-
8.	Mrs. Renuka Upadhyay	Independent Director	0.16	-
9.	Mr. Hemendrakumar Shah	Independent Director	0.24	-
10.	Dr. Kirit Shelat	Independent Director	0.16	-
11.	Mr. Rohan Shah	Chief Financial Officer	Not Applicable	10.71%
12.	Mr. Akshit Soni	Company Secretary	Not Applicable	10.00%

**Notes:**

- a) The remuneration of Independent Directors includes only sitting fees paid to them for the financial year 2018-19.
- b) Median remuneration of the Company for all the employees is ₹ 2,52,000/- for the financial year 2018-19.
- c) Mr. Dharen Savla, Mr. Premsingh Sawhney and Mr. Sanjay Parekh resigned w.e.f. 26/06/2018. And Mr. Arun Mandke resigned w.e.f. 09/10/2018.
- (ii) The percentage increase in the median remuneration of employees in the financial year : 3.48%
- (iii) The number of permanent employees on the rolls of the Company: 396 as on 31<sup>st</sup> March, 2019
- (iv) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year & its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
- The average annual increase in the salaries of the employees, other than managerial personnel was 6.184%, whereas there is no increase in Managerial Remuneration.
- (v) Affirmation that the remuneration is as per the Remuneration Policy of the Company:
- It is affirmed that the remuneration is as per the Remuneration Policy of the Company.

**For, and on behalf of Board of Director**

**Date : August 12, 2019**  
**Place : Ahmedabad**

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



**ANNEXURE F TO THE BOARD'S REPORT**

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

[pursuant to section 134(1)(m) of the Companies Act, 2013 read with Rule 8 of the Companies [Accounts] Rules, 2014.]

**A. CONSERVATION OF ENERGY :**

- (i) Steps taken for conservation of energy
- (ii) Steps taken by the Company for utilizing alternate sources of energy
- (iii) The Capital investment on energy conservation equipments

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

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

**B. TECHNOLOGY ABSORPTION:**

- (i) the efforts towards technology absorption
- (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

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.

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

(₹ in Lakhs)

Particulars	2018-19	2017-18
Earnings	10513.86	9072.46
Outgo	1156.71	2677.03

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

**Date : August 12, 2019**  
**Place : Ahmedabad**

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



## MANAGEMENT DISCUSSION AND ANALYSIS

Deep Industries Limited (DIL) is a well diversified Company serving the industry since 1991 with business interest in Air and Gas Compression, Work Over, Drilling, Gas Dehydration and Oil & Gas Exploration and Production. DIL is the first Company in India to provide high pressure Air and Gas compression and Gas Dehydration Services on charter hire basis. DIL is the largest Natural Gas Compression services provider and is one of the largest Gas Dehydration Service provider in India. DIL is providing work-over and drilling services to exploration and production (E&P) Companies through its fleet of rigs. DIL is in Exploration and Production Business of Oil, Gas and Coal Bed Methane.

### 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 DIL has been able to provide stellar growth in these difficult market conditions through its commitment to provide cost effective and timely solutions.

In order to reduce dependence on few clients, DIL is pursuing various opportunities outside India & has started bidding in international market through its subsidiary. Company has already executed one Project in Iraq and one project in Egypt through its subsidiary Deep International DMCC, Dubai

### STRATEGY OF THE COMPANY

Deep Industries Limited is in business of Oil and Gas field services and Exploration and Production. DIL is planning to increase utilization of its drilling, gas compression and gas dehydration capacity. Company is focused on exploring and developing the acreages that it has acquired in NELP and CBM rounds. Company is also looking to expand oilfield services overseas through strategic tie-ups and acquisitions.

### GAS COMPRESSION BUSINESS

Deep Industries Limited is the largest Natural Gas Compression service provider in India. Company has executed various natural gas compression projects with various Public and Private sector companies in India during last Two Decades. The Company executes compression contracts on turnkey basis, which includes supply of Equipment, Installation, Commissioning and Operation & Maintenance of gas engine driven compressor packages. DIL is able to provide the right solution to accommodate client's time-frame and budget. DIL has built its equipments fleet to offer a wide range of compression requirements. Deep International DMCC has acquired number of Gas Compression packages in USA to cater business opportunities in Middle East countries. Company has started bidding for various projects in International Market.

### GAS DEHYDRATION BUSINESS

Generally gas produced from the wells is saturated with water and also contains heavier hydrocarbons ( $C_6+$ ). Water and heavy hydrocarbons need to be removed from the gas for its transmission through pipeline. As per Statutory compliance requirement it is compulsory to maintain the water and hydrocarbon dew point below specified limits.

DIL is the pioneer in providing Gas Dehydration Systems on Build, Own and Operate basis in India. DIL is one of the largest Gas Dehydration Service provider in the country.

As per statutory requirement, maintaining Water & hydrocarbon dew point is must for gas transmission through pipeline.

### DRILLING AND WORK OVER BUSINESS

DIL holds a fleet of Onshore Workover & Drilling Rigs ranging from 150 HP TO 1000 HP. Company has 9 workover Rigs of various capacities and 3 Drilling Rigs operating with various renowned E&P Companies in Oil & Gas sector across India. DIL is successfully serving these contracts since more than a decade.

### OIL AND GAS EXPLORATION AND PRODUCTION BUSINESS

DIL 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. DIL 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. DIL has a strong management team with decades of experience in oil & gas and CBM development businesses.

## **OIL & 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 DIL. 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 almost half way through in which better than expected results have been achieved. This asset also has good indication of upside potential which is going to be a pleasant surprise.

## **FINANCIAL ANALYSIS OF DEEP INDUSTRIES LIMITED**

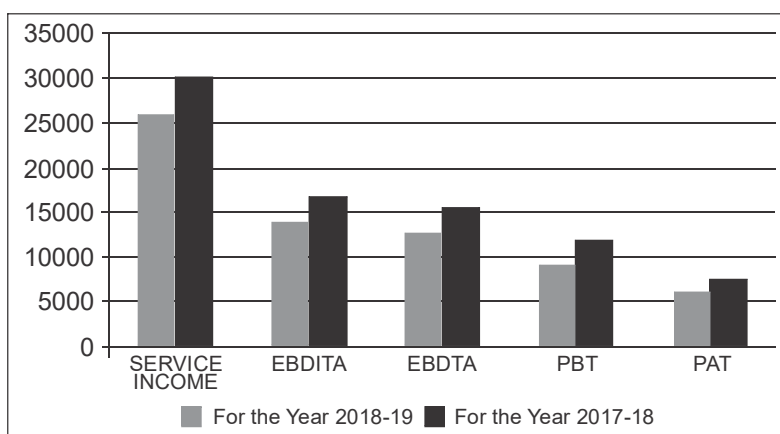
### **SERVICE INCOME**

(₹ In Lakhs)

Nature of Services	FY 18-19	FY 17-18	Change	Change%
Air, Gas Compression & Work Over Operations Services	25911.82	30049.25	(4137.43)	(13.77)
Total Business Income	25911.82	30049.25	(4137.43)	(13.77)

(₹ In Lakhs)

Particulars	FOR THE YEAR 2018-19	FOR THE YEAR 2017-18
SERVICE INCOME	25911.82	30049.25
EBDITA	13712.34	16764.08
EBDTA	12547.99	15606.84
PBT	9155.26	11728.54
PAT	5964.32	7602.06



### **OTHER INCOME**

Other Income decreased from ₹ 668.71 Lakhs to ₹ 244.48 Lakhs.

### **OPERATING EXPENSES**

Operating Expenses has decreased from ₹ 9077.30 Lakhs to ₹ 7615.66 Lakhs, which is in line with reduction in operating revenue. Operating Expense as a percentage of Operating Income has decreased from 29.55% to 29.12%.



### **STAFF COST**

Employees' Remuneration & Benefits has decreased from ₹ 2312.83 Lakhs to ₹ 2059.95 Lakhs which shows decrease of 10.93% in actual terms with decrease in number of employees with decreased business operations. Staff cost also includes Director's Remuneration.

### **OTHER COST**

Other Expense has increased from ₹ 2563.75 Lakhs to ₹ 2768.32 Lakhs.

### **FINANCIAL CHARGES**

Interest & Financial Charges has marginally increased from ₹ 1157.24 Lakhs to ₹ 1164.34 Lakhs as compared to previous year.

### **DEPRECIATION**

Depreciation has decreased from ₹ 3878.30 Lakhs to ₹ 3392.74 Lakhs.

### **RISKS & CONCERN**

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

### **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.

### **HEDGING POLICY**

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 favorable development and minimising the risk arising out of forex fluctuations with minimum cost of hedging.

### **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.

### **DETAILS OF SIGNIFICANT CHANGES IN THE KEY FINANCIAL RATIOS & RETURN ON NET WORTH**

Pursuant to Schedule V Para B Clause (1) (i) of the Listing Regulations, Please find below details of Significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in Key Financial Ratios along with detailed explanation therefor.

<b>Sr. No</b>	<b>Financial Ratios</b>	<b>FY 19</b>	<b>FY 18</b>	<b>Change</b>	<b>Explanation</b>
1	Debtor Turnover Ratio	2.57	3.97	-35.31%	The difference is due to higher outstanding trade receivables as on 31.03.2019 due to outstanding from one of customer of about ₹ 61.5 Cr. for more than 180 days.
2	Debt Equity Ratio	0.16	0.51	-68.63%	Total debt reduced by more than 60% due to substantial debt repayment & pre-payment during previous financial year.
3	Return on Net worth	12%	17%	-29.90%	The reduction in RONW(%) is primarily because of reduction in PAT by 21% on YoY basis.



### 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 : August 12, 2019**  
**Place : Ahmedabad**

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



## CORPORATE GOVERNANCE REPORT

This report sets forth the disclosures for FY 19 pertaining to Corporate Governance of 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, 2019, 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. Out of Six Directors Two Directors are Executive Directors and Four Directors are Non-Executive Independent Directors including One Woman Independent 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 31.03.2019 is tabulated hereunder:**

Name of Directors	Category of Directorship	Attendance Particulars			No. of Shares held by NED as on 31st March, 2019	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	5	5	Yes	N.A	5	2	0
Mr. Rupesh K. Savla	Executive Director (MD) & Promoter	5	4	Yes	N.A	4	0	0
Mr. Dharen S. Savla**	Executive Director (WTD) & Promoter	5	1	No	N.A	4	0	0
Mr. Premsingh M. Sawhney**	NED (NI)	5	2	No	-	1	0	0
Mr. Kirit Joshi	NED (I)	5	4	Yes	-	1	2	0
Mr. Arun Mandke**	NED (I)	5	2	No	-	0	0	0
Mr. Sanjay Parekh**	NED (I)	5	1	No	4350	0	0	0
Mrs. Renuka Upadhyay	NED (I)	5	4	Yes	-	1	1	0
Mr. Hemendrakumar Shah**	NED (I)	5	3	Yes	-	3	2	1
Dr. Kirit Shelat**	NED (I)	5	2	No	-	2	2	1



**(ii) The details of Directorship of the Directors of the Board in other Listed Companies as on 31st March, 2019 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
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 Industries Ltd, Private/Foreign Companies, One Person Companies and Companies incorporated Under Section 8 of the Companies Act, 2013.

\*\* Mr. Dharen Savla, Mr. Premsingh Sawhney and Mr. Sanjay Parekh have resigned from the board of directorship of the Company with effective from 26.06.2018. Mr. Arun Mandke has resigned from the board of directorship of the Company with effect from 09.10.2018. Mr. Hemendrakumar Shah was appointed as an Additional Director as on 26.06.2018 and regularized on 25.09.2018 and Dr. Kirit Shelat was appointed as an Additional Director as on 16.08.2018 and regularized on 25.09.2018.

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. Except Mr. Paras Savla and Mr. Dharen Savla, who are related to each other as brothers, none of the other 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>.

**C. Meeting of Independent Directors :**

During the year, one meeting of the Independent Directors were held on 26.05.2018 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 2018-19:**

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, 2019, the Board of Directors met 5 (Five) times 26<sup>th</sup> May, 2018, 26<sup>th</sup> June, 2018, 10<sup>th</sup> August, 2018, 14<sup>th</sup> November, 2018 and 14<sup>th</sup> February, 2019.

**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:



- i) Knowledge of Company's business policies, major risks/threats and potential opportunities, technical /professional skills and specialized knowledge of Company's business.
- ii) Business strategy & Analytics, Critical & Innovative thinking.
- iii) Corporate Management and Corporate Governance.
- iv) Financial including Accounting & Auditing, Management skills, administration.
- v) Leadership and decision making.
- vi) Behavioral 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:**

Mr. Sanjay Parekh and Mr. Arun Mandke, Non-Executive Independent Directors of the Company have resigned from the Board of Directors of the Company before expiry of their tenure, w.e.f. 26.06.2018 and 09.10.2018 respectively. They have resigned on account of their personal reasons and there were no other material reasons for their resignations.

**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.

**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, 2019, 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. Kirit Joshi	Chairman	Independent Director	4	4
Mr. Paras Savla	Member	Executive Director	4	4
*Mr. Arun Mandke	Member	Independent Director	4	2
*Mr. Hemendrakumar Shah	Member	Independent Director	4	1

\*Mr. Arun Mandke resigned with effect from 09.10.2018 and Mr. Hemendrakumar Shah was appointed as Member of the committee w.e.f.14.02.2019.

Four Meetings of Audit Committee were held during the financial year 2018-19 on 26.05.2018, 10.08.2018, 14.11.2018 and 14.02.2019 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.



Mr. Akshit Soni, was appointed as Company Secretary & Compliance Officer of the Stakeholders' Relationship Committee with effect from 19<sup>th</sup> March, 2016.

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 26/05/2018, 10/08/2018, 14/11/2018 and 14/02/2019. As on 31st March, 2019, the composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

<b>Name of the Committee Members</b>	<b>Designation</b>	<b>Category in the Board</b>	<b>No. of Meeting held</b>	<b>No. of Meeting Attended</b>
*Mr. Arun Mandke	Chairman	Independent Director	4	2
Mr. Kirit Joshi	Member	Independent Director	4	4
**Mrs. Renuka Upadhyay	Chairman	Independent Director	4	4
**Mr. Hemendrakumar Shah	Member	Independent Director	4	1

\*Mr. Arun Mandke placed his resignation with effect from 09.10.2018 from the Board of Directors and is no longer remained as Chairman of the Stakeholders Relationship Committee.

\*\*The Stakeholders Relationship Committee was re-constituted and Mrs. Renuka Upadhyay was appointed as Chairman of the Committee. Mr. Hemendrakumar Shah was appointed as member of the committee with effect from 14.11.2018.

During the period under review, Company has received 1 Complaint from Shareholder and the Complaint has been resolved. There is no outstanding complaint as on 31st March, 2019.

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 defined 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 3 times on 14/06/2018, 10/08/2018 & 14/02/2019. As on 31<sup>st</sup> March, 2019, the composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

<b>Name of the Committee Members</b>	<b>Designation</b>	<b>Category in the Board</b>	<b>No. of Meeting held</b>	<b>No. of Meeting Attended</b>
Mr. Kirit Joshi	Chairman	Independent Director	3	3
*Mr. Arun Mandke	Member	Independent Director	3	2
Mrs. Renuka Upadhyay	Member	Independent Director	3	3
*Mr. Kirit Shelat	Member	Independent Director	3	1
**Mr. Paras Savla	Member	Executive Director	3	-

\*Mr. Arun Mandke placed his resignation with effect from 09.10.2018 and since he was the member of the committee, it was required to re-constitute committee. Dr. Kirit Shelat has been appointed as the member of the committee with effect from 14.11.2018.





\*\*Mr. Paras Savla, the Chairman of the company was appointed as member of the committee with effect from 14.02.2019, so as to comply with the regulation 19(2) of SEBI (LODR), 2015 which stated Chairman of the listed entity, whether executive or non-executive **may be** appointed as the member but shall not chair such committee.

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

**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.

Details of Remuneration of Managing Directors and Executive Director for the Financial Year 2018-19 are as under:

Sr No.	Name of Director	Relationship with Directors	Amount Paid (₹ In Lakhs)	Sitting Fees
1.	Mr. Paras Savla (Chairman & Managing Director)	Brother of Mr. Dharen Savla	30	-
2.	Mr. Rupesh Savla (Managing Director)	-	30	-
3.	*Mr. Dharen Savla (Whole Time Director)	Brother of Mr. Paras Savla	12	-
4.	*Mr. Premsingh Sawhney (Non-Executive Director)	-	-	-
5.	Mr. Kirit Joshi	-	-	0.20
6.	*Mr. Arun Mandke	-	-	0.20
7.	Mrs. Renuka Upadhyay	-	-	0.40
8.	*Mr. Sanjay Parekh	-	-	-
9.	**Mr. Hemendrakumar Shah	-	-	0.60
10.	**Dr. Kirit Shelat	-	-	0.40

\*Mr. Dharen Savla, Mr. Premsingh Sawhney and Mr. Sanjay Parekh placed their resignation before Board on 26.06.2018; similarly Mr. Arun Mandke placed his resignation before Board 09.10.2018.

\*\*Mr. Hemendrakumar Shah and Dr. Kirit Shelat were appointed as Non-Executive Independent Directors on the Board with effect from 26.06.2018 and 16.08.2018 respectively.

The remuneration of the Executive Directors is recommended by the Nomination and Remuneration Committee based on the criteria such as industry benchmarks, the Company's performance vis-a-vis the industry, responsibilities shouldered, performance/track record, macroeconomic review on remuneration packages of heads of other organizations and is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances, incentive remuneration to its Executive Directors within the limits prescribed under the Companies Act, 2013.

**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 26/05/2018, 10/08/2018 and 30/03/2019. As on 31<sup>st</sup> March, 2019, the composition of the Corporate Social Responsibility Committee and the details of meetings attended by its members are given below:

<b>Name of the Committee Members</b>	<b>Designation</b>	<b>Category in the Board</b>	<b>No. of Meeting held</b>	<b>No. of Meeting Attended</b>
Mr. Paras Savla	Chairman	Executive Director	3	3
Mr. Rupesh Savla	Member	Executive Director	3	3
Mr. Kirit Joshi	Member	Independent Director	3	3

### **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:

- (a) Applying for the tender in the name or on behalf of the Company;
- (b) Making application to or representation before any statutory, legislative or judicial authority or government department;
- (c) 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 one time on 16.02.2019.

### **7. GENERAL BODY MEETING**

Details of last three Annual General Meetings:

<b>Year</b>	<b>AGM/EGM</b>	<b>Date</b>	<b>Time</b>	<b>Venue</b>	<b>No. of Special Resolution passed</b>
2015-16	26 <sup>th</sup> AGM	22/09/2016	10:00 A.M.	Hotel Planet Landmark, Ambli Bopal Road, Off. S.G. Road, Nr. Ashok Vatika, Ahmedabad-380058, Gujarat.	NIL
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.	Hotel Planet Landmark, Ambli Bopal Road, Off. S.G. Road, Nr. Ashok Vatika, Ahmedabad-380058, Gujarat.	6



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.				

No special resolution have been passed in the 26<sup>th</sup> AGM

**- POSTAL BALLOT:**

During the year under review, the Company completed process of one postal ballot as per provisions of Section 110 of the Companies Act, 2013 the details of the same are given below:

Special Resolution : Scheme of Arrangement Between Deep Industries Limited And Deep Ch4 Limited And Their Respective Shareholders And Creditors

Date of Postal Ballot Notice : 24<sup>th</sup> September, 2018

Voting period : 30<sup>th</sup> September, 2018 to 29<sup>th</sup> October, 2018

Date of declaration of result : 1<sup>st</sup> November, 2018

Person who conducted the Postal Ballot Process

Mr. Premnarayan Tripathi, Practicing Company Secretary, Ahmedabad was appointed as Scrutinizer for conducting postal ballot in a fair and transparent manner.

Process for postal Ballot

The voting was conducted through physical mode as well as electronic mode. The Company had engaged the services of CDSL to provide e-voting facility to its Members. The notice of postal ballot was accompanied with detailed instructions kit to enable the members to understand the procedure and manner in which postal ballot voting (including remote e-voting) to be carried out. The following Special Resolution is deemed to have been passed on the last date of e-voting and receipt of Postal Ballot forms i.e. on Monday, 29<sup>th</sup> October, 2018. The aforesaid voting results along with the Scrutinizer's Report have been displayed on the website of the Company viz. [www.deepindustries.com](http://www.deepindustries.com).

Special Resolution : Scheme of Arrangement Between Deep Industries Limited And Deep Ch4 Limited And Their Respective Shareholders And Creditors

**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) **29<sup>th</sup> Annual General Meeting**

- Date : Monday, 23<sup>rd</sup> September, 2019
- Time : 10.00 a.m.
- Venue : Hotel Planet Landmark,  
Ambli Bopal Road, Off. S.G.Road, Nr. Ashok Vatika,  
Ahmedabad 380 058
- Remote E-voting Period : begins on 20th September, 2019 at 9.00 a.m. and ends on  
22nd September, 2019 at 5.00 p.m.
- Cut off date for remote e-voting : Monday, 16th September, 2019
- Date of Book Closure : 17<sup>th</sup> September, 2019 to 23<sup>rd</sup> September, 2019 (Both days inclusive)

(b) **Tentative Financial calendar for the year 2019-20**

Board Meeting for approval of quarterly results (tentative schedule)

Financial Year	:	1st April, 2019 to 31st March, 2020
1 <sup>st</sup> quarter result	:	On 12 <sup>th</sup> August, 2019
2 <sup>nd</sup> quarter result	:	On or before 14th November, 2019
3 <sup>rd</sup> quarter result	:	On or before 14th February, 2020
4 <sup>th</sup> quarter result	:	On or before 30 <sup>th</sup> May, 2020

(c) **Dividend payment**

The Board of Directors at their meeting held on 28/05/2019 recommended a final dividend of ₹ 1.5/- per Equity Share of the face value of ₹ 10/- each for the financial year 2018-2019, subject to approval of the Shareholders at ensuing Annual General Meeting.

\* Final dividend to be paid/credited = on or before 23<sup>rd</sup> October, 2019

(subject to the approval of shareholders in the ensuing Annual General Meeting.)



**(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.

**(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. The Board of Directors may also from time to time pay interim dividend(s) to shareholders.

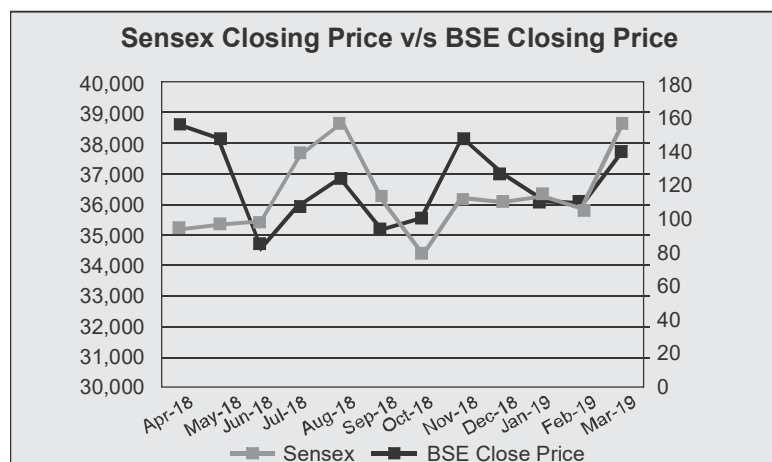
**(f) Market Price & BSE Sensex Data :**

High & Low price (based on closing price) during each month in last Financial Year 2018- 2019 on BSE and NSE:

MONTH	SENSEX	BSE			NSE		
		HIGH	LOW	CLOSE	HIGH	LOW	CLOSE
April, 2018	35,160.36	178.70	146.25	155.50	178.40	146.55	155.85
May, 2018	35,322.38	162.00	138.50	146.70	160	137.05	146.55
June, 2018	35,423.48	145.15	82.65	85.55	146.50	82.70	84.85
July, 2018	37606.58	113.35	79.10	106.80	113.00	79.05	106.95
August, 2018	38645.07	130.50	103.30	123.20	132.00	103.20	122.95
September, 2018	36227.14	128.10	91.00	93.15	128.50	90.00	92.75
October, 2018	34442.05	107.65	84.00	99.25	109.95	84.00	99.60
November, 2018	36194.30	155.20	99.50	146.35	155.00	99.50	146.25
December, 2018	36068.33	150.45	122.90	126.50	150.90	123.50	125.95
January, 2019	36256.69	127.50	105.75	110.30	128.00	105.05	109.85
February, 2019	35867.44	122.05	100.00	109.45	123.00	99.20	108.80
March, 2019	38672.91	170.00	112.10	139	164.00	110.45	138.85

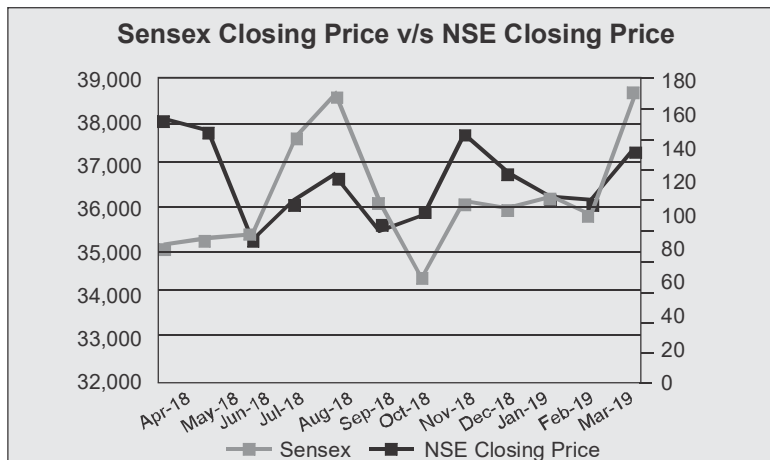
**(g) Performance in comparison of Price of Company at BSE & NSE with Sensex:**

**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, 2019

No. of Shares	No. of Holders	% of holders	No. of Shares	% of holding
1 to 500	17165	88.7218	2057899	6.4309
501 to 1000	1185	6.1250	942185	2.9443
1001 to 2000	515	2.6619	782892	2.4465
2001 to 3000	154	0.7960	397179	1.2412
3001 to 4000	76	0.3928	272148	0.8505
4001 to 5000	69	0.3566	327251	1.0227
5001 to 10000	100	0.5169	736258	2.3008
10001 and above	83	0.4290	26484188	82.7631
<b>Total</b>	<b>19347</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, 2019

Sr.No.	Category	No. of shares		Total No. of Shares	% of Shareholding
		Physical	Electronic		
1	Promoters	—	20316847	20316847	63.49
2	Mutual Fund and UTI	—	—	—	—
3	Clearing Member	—	100588	100588	0.31
4	Foreign Portfolio Investors	—	1695076	1695076	5.30
5	Private Corporate Bodies	—	2085001	2085001	6.51
6	NRIs/OCBs/Foreign Nationals	—	408582	408582	1.28
7	Indian Public/HUF	261	7081926	7082187	22.13
8	Banks, Financial Institution, Insurance Co.	—	302982	302982	0.95
9	Government Companies	—	—	—	—
10	GDR	—	—	—	—
11	NBFCs registered with RBI	—	4900	4900	0.02
12	IEPF	—	3837	3837	0.01
	<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, 2019, 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, 2019, 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) Plant / Workshop Locations**

- 1) Sanand Workshop-Near Jalaram polymers, opp essar petrolpump, leyava, Sanand-Viramgam Highway, Sanand, Gujarat
- 2) Mahij Workshop - Block No.968, Bareja Barej D Road, Opp Badiyadev Temple, Village Mahij, Gujarat

**(p) Address for correspondence**

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

Akshit Soni  
Company Secretary & Compliance Officer  
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)

**(q) 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, 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

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. 2018-19, 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. 2018-19, 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. 2018-19
Audit Fees	2.50
Other Services	2.50
<b>Total</b>	<b>5.00</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, 2019 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, 2019.

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, 2018	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, 2019.	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, 2019	4	1489

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

For and on behalf of the Board of Directors

Date : August 12, 2019  
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 Industries Limited, declare that all the members of the Board of Directors and Senior Management have, for the year ended March 31, 2019 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, 2019.

**Date : 28/05/2019**  
**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 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 : 28.05.2019**  
**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, 2019 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: 12/08/2019  
PLACE: Ahmedabad**

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



**CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER  
SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

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, 2019, 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 Listing Regulations.

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 : 12/08/2019  
Place : Ahmedabad**

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



## INDEPENDENT AUDITORS' 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 Ltd. ("the Company")** which comprises the Balance Sheet as at March 31, 2019, 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 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 March 31, 2019, its profit and total comprehensive income, changes in equity and its cash flows 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 audit opinion on the standalone financial statements.

#### 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	How our audit addressed the Key audit matter
<p>Refer to Note No. 10 of Notes forming parts of standalone financial statement.</p> <p>The company has net trade receivables of INR 11,685.12 lakhs as at 31st March, 2019.</p> <p>Trade receivable of the company includes INR 6154.00 lakhs receivable from a single customer only which is 52.66% of total receivable of the company. The said increase is majorly on account of cancelled / terminated GDU project by ONGC on account of commercial dispute between Company and ONGC, for which the company is contesting the matter with ONGC currently at High court of Andhra Pradesh and as informed to us and based on the Order of the High Court of Andhra Pradesh, the company is hopeful of recovering the captioned amount of Debtors.</p> <p>Trade Receivables are recognised at their anticipated realisable value.</p> <p>The recoverable amount was estimated by management based on their specific recoverability assessment on individual debtor with reference to the aging profile, historical</p>	<p>We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> <li>Tested the accuracy of aging of trade receivables at year end on a sample basis;</li> <li>Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management as well as conducting market research on the industry;</li> <li>Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made;</li> <li>Ensured that Sales and Debtors' balances are recorded correctly and accurately and within the accounting period;</li> <li>Ensured that Trade Receivables are properly disclosed in the financial statements;</li> </ul>



<p>payment pattern and the past record of the customer. Management would make specific provision against individual balances with reference to the recoverable amount.</p> <p>Valuation of trade receivable is a key audit matter in the audit due to the size of the trade receivable balance and the high level of management judgement used in determining the anticipated realisable value.</p>	<ul style="list-style-type: none"> <li>• Tested subsequent settlement of trade receivables after the balance sheet date on a sample basis, if any</li> </ul> <p>We found the key judgements and assumptions used by management is reasonable and in the recoverability assessment of trade receivables to be supportable based on the available evidence.</p>
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#### **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.

#### **Responsibility of Management 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 state of affairs(financial position), profit or loss (financial performance including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards 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 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.

The Board of Directors is also responsible for overseeing the company's financial reporting process.

#### **Auditor's Responsibility 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 financial controls 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 the standalone 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 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 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**

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS 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 March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the year.





- h) 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:
- I. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements. Refer Note No. 36 of Notes forming parts of accounts.
  - II. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - III. There is no amount required to be transferred, to the Investor Education and Protection Fund by the Company. Hence this clause is not applicable.

**For, DHIRUBHAI SHAH & CO LLP**  
Chartered Accountants  
FRN: 102511W/W100298  
**Harish B. Patel**  
*Partner*  
Membership number: 014427

Place : Ahmedabad  
Date : May 28, 2019

#### **Annexure- A to the Independent Auditor's 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 March 2019, we report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals. In our opinion, the program of verification is reasonable having regard to the size of the company and the nature of its assets. We have been informed that no material discrepancies were noticed on such verification.
- (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) & (iii) (c) of the Order are not applicable to the Company.
- (iv) As explained to us there is no transaction of loans, investments, guarantees and security prescribed in the provisions of section 185 and 186 of the Act, during the year under audit. Hence reporting under this clause is not applicable to the company.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Company is not required to maintain cost records as per the Companies (Cost Records and Audit) Rules, 2014 prescribed by Central Government under subsection (1) of section 148 of the Companies Act; hence this clause is not applicable to the company.
- (vii) (a) The Company is regular in depositing undisputed statutory dues with appropriate authority which includes provident fund, employees' state insurance, tax deducted at source, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues during the year except part deposition of advance tax. Moreover, as at 31<sup>st</sup> March, 2019, there are no such undisputed dues payable 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, 2019 which have not been deposited on account of dispute, are as follow:



Name of Statute	Nature of Dues	Amount (₹ Lakhs)	Period to which the amount relates	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	101.88	F Y 2012-13 to 30.09.2014	CESTAT, Ahmedabad
Finance Act, 1994	Service tax	1.70	F Y 2009-10	CESTAT, Ahmedabad
Income Tax Act, 1961	Income-Tax	6.14	F Y 2013-14	ITAT
Income Tax Act, 1961	Income-Tax	46.81	F Y 2015-16	CIT (A)

- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to a financial institution, banks, and government or debenture holders during the year.
- (ix) The company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. According to further information and explanations given to us, the term loans raised during the year were applied for the purpose for which those were raised.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration during the year. Hence reporting under this clause is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations 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  
FRN: 102511W/W100298

**Harish B Patel**

*Partner*

Membership number: 014427

Place : Ahmedabad  
Date : May 28, 2019

#### **ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Deep Industries Ltd. of even date)

#### **Report on the Internal Financial Controls Over Financial Reporting 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 Ltd. ("the Company") as of March 31, 2019 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 Board of Directors of the Company 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. 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 respective 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 judgement, including the assessment of the risks of material misstatement of the 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 internal financial controls system over financial reporting of the Company.

#### **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 authorisations of management and directors of the company; and

(3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **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, to the best of our information and according to the explanations given to us, 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 March 31, 2019, 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  
FRN: 102511W/W100298

Place : Ahmedabad  
Date : May 28, 2019

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



**STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH, 2019**

ASSETS	Note No.	As at 31-03-2019 ₹ In Lakhs	As at 31-03-2018 ₹ In Lakhs
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	4	46,802.38	50,919.39
(b) Capital Work in Progress	4	1,628.59	1,323.03
(c) Intangible Assets	4	12.88	14.09
(d) Financial Assets			
(i) Investments	5	1,876.64	1,877.53
(ii) Others	6	88.96	80.22
(e) Other Non-Current Assets	7	41.77	66.59
		<u>50,451.22</u>	<u>54,280.85</u>
<b>CURRENT ASSETS</b>			
(a) Inventories	8	986.04	1,096.52
(b) Financial Assets			
(i) Investments	9	1,031.07	9,205.50
(ii) Trade Receivables	10	11,685.12	8,481.94
(iii) Cash and Cash Equivalents	11	1,666.15	3,045.73
(iv) Bank balances other than above (ii)	12	2,700.25	1,393.30
(v) Loans	13	1.11	6.23
(vi) Others	14	33.99	67.45
(c) Other Current Assets	15	2,564.95	1,437.54
		<u>20,668.68</u>	<u>24,734.21</u>
<b>TOTAL ASSETS</b>		<u><b>71,119.90</b></u>	<u><b>79,015.06</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	3,200.00	3,200.00
(b) Other Equity	17	47,778.64	42,346.16
		<u>50,978.64</u>	<u>45,546.16</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	18	3,939.00	14,369.89
(ii) Others	19	-	159.96
(b) Deferred Tax Liabilities (Net)	20	6,192.35	5,343.36
(c) Provision	21	5.45	3.41
		<u>10,136.80</u>	<u>19,926.62</u>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	22	339.98	1,358.73
(ii) Trade Payables	23		
- Dues to Micro & Small Enterprises		161.53	-
- Dues to Other than Micro & Small Enterprises		2,071.32	1,762.76
(iii) Others	24	4,409.67	7,840.46
(b) Other Current Liabilities	25	626.29	687.99
(c) Provisions	26	9.97	3.71
(d) Current Tax Liabilities (Net)	27	2,385.70	1,888.63
		<u>10,004.46</u>	<u>13,542.28</u>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<u><b>71,119.90</b></u>	<u><b>79,015.06</b></u>

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

The accompanying notes 1 to 44 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 : 28/05/2019

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Paras Savla**

Chairman & Managing Director

DIN:00145639

**Rohan Shah**

Chief Financial Officer

Place : Ahmedabad

Date : 28/05/2019

**Akshit Soni**

Company Secretary



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019**

	Note No.	2018-19 ₹ In Lakhs	2017-18 ₹ In Lakhs
<b>INCOME</b>			
Revenue from operations	28	25,911.82	30,049.25
Other income	29	244.48	668.71
<b>TOTAL INCOME</b>		<b>26,156.30</b>	<b>30,717.96</b>
<b>EXPENSES</b>			
Operating Expense	30	7,615.66	9,077.30
Employee benefits expense	31	2,059.95	2,312.83
Finance Costs	32	1,164.34	1,157.24
Depreciation and amortization expenses	4	3,392.74	3,878.30
Other expenses	33	2,768.32	2,563.75
<b>TOTAL EXPENSES</b>		<b>17,001.01</b>	<b>18,989.42</b>
<b>Profit/(Loss) before exceptional items and tax</b>		<b>9,155.29</b>	<b>11,728.54</b>
Exceptional items (net)		-	-
<b>Profit/(Loss) before tax</b>		<b>9,155.29</b>	<b>11,728.54</b>
Tax items			
Current tax		2,341.98	3,490.16
Earlier years tax provisions (written back)		-	-16.34
Deferred tax asset / (liability)		848.99	652.66
Total tax items		<b>3,190.97</b>	<b>4,126.48</b>
<b>Profit/(Loss) for the year</b>		<b>5,964.32</b>	<b>7,602.06</b>
<b>Other Comprehensive Income</b>	34		
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		47.72	5.02
Items that will be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on fair valuation of financial instruments		-0.89	-0.20
<b>Other Comprehensive Income/ (Loss) for the year</b>		<b>46.83</b>	<b>4.82</b>
<b>Total Comprehensive Income/ (Loss) for the year</b>		<b>6,011.15</b>	<b>7,606.88</b>
<b>Net profit / (loss) attributable to:</b>			
Owners		5,964.32	7,602.06
Non-controlling interest		-	-
<b>Other comprehensive income / (loss) attributable to:</b>			
Owners		46.83	4.82
Non-controlling interest		-	-
<b>Total comprehensive income / (loss) attributable to:</b>			
Owners		6,011.15	7,606.88
Non-controlling interest		-	-
<b>Earnings Per Equity Share (Basic and Diluted)</b>	35	<b>18.64</b>	<b>23.76</b>
<b>Corporate Information, Basis of Preparation &amp; Significant Accounting Policies</b>	1-3		
<b>The accompanying notes 1 to 44 are an integral part of the Standalone Financial Statements</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 : 28/05/2019

**ON BEHALF OF THE BOARD OF DIRECTORS**

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

**Rohan Shah**  
Chief Financial Officer

**Akshit Soni**  
Company Secretary

Place : Ahmedabad  
Date : 28/05/2019



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2019**

PARTICULARS	2018-19 ₹ In Lakhs	2017-18 ₹ In Lakhs
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit/ (loss) Before Tax	9,155.29	11,728.54
Adjustments for:		
Depreciation and amortization	3,392.74	3,878.30
Interest and finance charges	1,164.34	1,157.24
Interest income	(64.84)	(73.08)
(Gain)/Loss on fixed assets sold/ discarded (net)	45.87	132.78
(Gain)/Loss on investments sold/ discarded (net)	(178.11)	(401.20)
Net unrealized (gain)/loss on foreign currency transaction and translation (relating to other heads)	686.92	(189.43)
Others	-	190.25
<b>Operating Profit before Working Capital Changes</b>	<b>14,202.21</b>	<b>16,423.40</b>
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	(4,367.28)	(840.72)
(Increase)/decrease in inventories	110.48	(40.59)
Increase/(decrease) in trade payables, other liabilities and provisions	(39.68)	(275.57)
<b>Cash Generated from Operations</b>	<b>(4,296.48)</b>	<b>15,266.52</b>
Income taxes paid	(1,046.31)	(1,669.56)
<b>Net Cashflow from Operating Activities</b>	<b>8,859.42</b>	<b>13,596.96</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	(381.08)	(4.19)
Additions in capital work in progress	(305.56)	-
Proceeds from sale of fixed assets	1,060.69	141.71
Purchase of Investments	(5,045.85)	(10,568.12)
Sale of Investment	13,042.17	4,454.85
Proceeds from Fixed Deposits	(1,305.31)	(459.06)
Interest received	64.84	73.08
<b>Net Cashflow from Investing Activities</b>	<b>7,129.90</b>	<b>(6,361.73)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/Payment from Secured Loans	(15,625.89)	(3,918.68)
Dividend Income and Dividend Distribution Tax	(578.67)	(693.27)
Interest and finance charges	(1,164.34)	(1,157.24)
<b>Net Cashflow from Financing Activities</b>	<b>(17,368.90)</b>	<b>(5,769.19)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(1,379.58)</b>	<b>1,466.04</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>3,045.73</b>	<b>1,579.69</b>
<b>Cash and bank balances at the end of the year</b>	<b>1,666.15</b>	<b>3,045.73</b>



**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**

	<b>As at 31-03-2019 ₹ In Lakhs</b>	<b>As at 31-03-2018 ₹ In Lakhs</b>
Balances with banks		
In current accounts	<b>1,573.54</b>	1,594.54
In deposits with original maturity of less than 3 months	<b>88.69</b>	1,276.37
In Escrow Accounts	<b>0.01</b>	170.71
Cash on hand	<b>3.91</b>	4.11
	<b><u>1,666.15</u></b>	<b><u>3,045.73</u></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 : 28/05/2019

**ON BEHALF OF THE BOARD OF DIRECTORS**

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

**Rohan Shah**  
Chief Financial Officer

**Akshit Soni**  
Company Secretary

Place : Ahmedabad  
Date : 28/05/2019



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2019

(A) EQUITY SHARE CAPITAL

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

For the year ended 31st March, 2018

		(₹ In Lakhs)
Balance as at 1st April, 2017	Changes during the year	Balance as at 31st March, 2018
3,200.00	-	3,200.00

(A) OTHER EQUITY

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	27,090.46	(10.02)	42,346.16
Profit/(Loss) for the year	-	-	-	5,964.32	-	5,964.32
Proposed Dividend and Dividend Distribution Tax thereon	-	-	-	(578.67)	-	(578.67)
Transfer from / to	-	-	-	-	-	-
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	46.83	46.83
<b>Balance as at 31st March, 2019</b>	<b>412.48</b>	<b>980.36</b>	<b>13,872.88</b>	<b>32,476.11</b>	<b>36.81</b>	<b>47,778.64</b>

For the year ended 31st March, 2018

Particulars	Capital Reserve	General Reserve	Security premium account	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2017	412.48	980.36	13,872.88	20,181.66	(14.85)	35,432.53
Profit/(Loss) for the year	-	-	-	7,602.06	-	7,602.06
Addition/(Deletion) during the year	-	-	-	-	-	-
Proposed Dividend and Dividend Distribution Tax thereon	-	-	-	(693.26)	-	(693.26)
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	4.83	4.83
<b>Balance as at 31st March, 2018</b>	<b>412.48</b>	<b>980.36</b>	<b>13,872.88</b>	<b>27,090.46</b>	<b>(10.02)</b>	<b>42,346.16</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 : 28/05/2019

ON BEHALF OF THE BOARD OF DIRECTORS

**Paras Savla**  
Chairman & Managing Director  
DIN:00145639  
**Rohan Shah**  
Chief Financial Officer  
**Akshit Soni**  
Company Secretary

Place : Ahmedabad  
Date : 28/05/2019





**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2019**

**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.



**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019**

**4 - PROPERTY, PLANT AND EQUIPMENT**

	TANGIBLE ASSETS										INTANGIBLE ASSETS		(₹ In Lakhs) CAPITAL WORK IN PROGRESS
	Tankers	Vehicles	Air Compressor Packages	Gas Compressor Packages	Rigs	Computers	Shed, Foundation & Road	Office Equipment, Furniture and Fixtures	Other Plant and Machinery	Total	Softwares	Total	Capital Work-in progress
<b>Cost:</b>													
As at 1st April, 2017*	0.45	340.75	115.03	37,424.77	18,858.12	58.88	5,863.71	308.25	87.82	83,057.78	49.28	49.28	4,542.41
Additions	-	84.49	-	2,972.51	111.01	7.85	59.31	-	4.25	3,219.42	4.15	4.15	4.18
Disposals / transfers	-	1.53	85.42	340.30	19.55	-	-	-	-	428.80	-	-	3,223.56
As at 31st March, 2018	0.45	403.71	49.61	40,056.98	18,948.58	66.73	5,923.02	308.25	92.07	85,850.40	53.43	53.43	1,323.03
Additions	-	42.79	-	42.54	253.86	5.26	9.64	2.10	23.79	379.88	1.10	1.10	305.56
Disposals / transfers	-	13.11	-	1,597.19	-	-	-	-	-	1,610.30	-	-	-
As at 31st March, 2019	0.45	433.39	49.61	38,502.33	19,203.44	71.99	5,932.66	310.35	115.86	84,620.08	54.53	54.53	1,628.59
<b>Accumulated depreciation:</b>													
As at 1st April, 2017*	0.43	125.08	99.28	8,459.40	2,107.15	57.87	2,311.84	28.92	15.85	11,205.62	38.75	38.75	-
Depreciation charged during the year	-	41.05	2.47	1,477.32	598.85	6.10	1,718.34	29.28	4.30	3,877.71	0.59	0.59	-
Disposals / transfers	-	0.74	52.14	94.80	4.83	-	-	-	-	152.31	-	-	-
As at 31st March, 2018	0.43	166.39	49.61	7,841.92	2,701.37	63.77	4,030.18	58.20	20.15	14,931.02	39.34	39.34	-
Depreciation charged during the year	-	43.30	-	1,504.75	802.18	5.15	1,201.02	29.08	4.95	3,390.43	2.31	2.31	-
Disposals / transfers	-	12.45	-	491.29	-	-	-	-	-	503.74	-	-	-
As at 31st March, 2019	0.43	196.24	49.61	8,855.38	3,303.55	68.92	5,231.20	87.28	25.10	17,817.71	41.65	41.65	-
<b>Net book value</b>													
As at 1st April, 2017*	0.02	215.67	15.75	30,865.37	16,750.97	1.21	3,551.87	279.33	71.97	51,852.17	10.53	10.53	4,542.41
As at 31st March, 2018	0.02	238.32	0.00	32,215.06	16,248.21	2.96	1,892.84	250.05	71.92	50,919.39	14.09	14.09	1,323.03
As at 31st March, 2019	0.02	237.15	0.00	29,846.95	15,899.89	3.07	701.46	223.07	80.76	46,802.38	12.88	12.88	1,628.59

\*Represents deemed cost on the date of transition to IND AS. Gross block & accumulated Depreciation from the previous GAAP have been disclosed for the purpose of better understanding for the original cost asset



**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR  
THE YEAR ENDED 31ST MARCH 2019**

Sr. No.	Particulars	No. of Shares as on 31.03.19	As at 31-03-19 (₹ In Lakhs)	No. of Shares as on 31.03.18	As at 31-03-18 (₹ In Lakhs)
<b>5 -</b>	<b>NON - CURRENT FINANCIAL ASSETS - INVESTMENTS</b>				
	<b>Investments (Unquoted)</b>				
(A)	<b>Investments at Cost</b>				
(a)	<b>Investments in Equity Shares</b>				
-	<b>Investment in Subsidiaries</b>				
	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
	99% share in Deep Onshore Drilling Services Pvt.Ltd.	9,900	0.99	9,900	0.99
	100 % share in Deep International DMCC	50	8.90	50.00	8.90
(b)	<b>Investments in Preference Shares</b>				
-	Investment in Prabha Energy Private Limited	-	-	-	-
(c)	<b>Other Investments</b>				
-	Shares of Mehsana Nagarik Co-Op Sahakari Bank Ltd.	400	0.10	400	0.10
-	National Saving Certificate		1.96		1.96
			<b>1,873.49</b>		<b>1,873.49</b>
	<b>Investments (Quoted)</b>				
(A)	<b>Investments at Fair value through OCI</b>				
(a)	<b>Investments in Equity Shares</b>				
-	Vama Industries Limited	2500	0.21	2500	0.54
-	Power Trading Corporation	4000	2.94	4000	3.50
			<b>3.15</b>		<b>4.04</b>
			<b>1,876.64</b>		<b>1,877.53</b>
	Market Value of Quoted Investment		3.15		4.04
	Book Value of Unquoted Investment		1,873.49		1,873.49
<b>Sr. No.</b>	<b>Particulars</b>		<b>As at 31-03-2019 (₹ In Lakhs)</b>		<b>As at 31-03-2018 (₹ In Lakhs)</b>
<b>6 -</b>	<b>NON - CURRENT FINANCIAL ASSETS - OTHERS</b>				
	<b>Unsecured, considered good, unless otherwise stated</b>				
	Security deposits		88.96		80.22
			<b>88.96</b>		<b>80.22</b>
<b>7 -</b>	<b>OTHER NON CURRENT ASSETS</b>				
	Advances other than Capital Advances				
	Advance to Vendors		-		3.06
	Others				
	Balance with Govt Authorities		34.57		54.57
	Deferred Security Deposits		7.20		8.96
			<b>41.77</b>		<b>66.59</b>
<b>8 -</b>	<b>INVENTORIES</b>				
	(valued at lower of cost and net realizable value)				
a.	Stores and Spares		770.71		587.37
b.	Others				
-	Stock of Oil & Lubricants		215.33		509.15
			<b>986.04</b>		<b>1,096.52</b>



Sr. No.	Particulars	No. of Units as on 31.03.19	As at 31-03-19 (₹ In Lakhs)	No. of Units as on 31.03.18	As at 31-03-18 (₹ In Lakhs)
<b>9 -</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				
-	Franklin India Short Term Income Plan	-	-	33,892.83	1,243.95
-	Franklin India Ultra Short Bond Fund-Growth	-	-	1,02,95,423.38	2,476.36
-	SBI Ultra Short Debt Fund	-	-	2,917.80	65.70
-	ICICI Ultra Short Term-Growth	-	-	25,87,849.31	461.15
-	DSP BlackRock Ultra Short Term Fund	-	-	74,96,952.63	945.85
-	Franklin Templeton Low Duration Fund	41,18,206.57	895.30	1,70,45,049.51	3,404.85
-	IDFC Ultra Short Term Fund	2,01,283.38	53.33	24,67,504.63	607.64
-	IDFC Ultra Low Duration Fund	3,08,214.77	82.44	-	-
			<b>1,031.07</b>		<b>9,205.50</b>
	<i>Market Value of Quoted Investment</i>		<b>1,031.07</b>		<b>9,205.50</b>
<b>Sr. No.</b>	<b>Particulars</b>		<b>As at 31-03-2019 (₹ In Lakhs)</b>	<b>As at 31-03-2018 (₹ In Lakhs)</b>	
<b>10 -</b>	<b>CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES</b>				
	Unsecured, considered good;		11,685.12	8,481.94	
			<b>11,685.12</b>	<b>8,481.94</b>	
	Note : Refer Note No. 44 for information about credit risk and market risk of trade receivables.				
<b>11 -</b>	<b>CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>				
A)	Balances with Banks				
-	In Current Accounts		1,573.54	1,594.54	
-	In EEFC Accounts		88.69	1,276.37	
-	In Escrow Accounts		0.01	170.71	
			<b>1,662.24</b>	<b>3,041.62</b>	
A)	Cash on Hand		3.91	4.11	
			<b>3.91</b>	<b>4.11</b>	
			<b>1,666.15</b>	<b>3,045.73</b>	
<b>12 -</b>	<b>CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE</b>				
A)	Balances with Banks				
-	Unpaid Dividend with HDFC Bank		4.44	2.81	
-	Unpaid Dividend with IDBI Bank		2.49	2.49	
-	Unpaid Warrant with HDFC Bank		0.01	-	
			<b>6.94</b>	<b>5.30</b>	
B)	Others				
-	Fixed Deposits held as Margin Money		2,693.31	1,388.00	
			<b>2,693.31</b>	<b>1,388.00</b>	
			<b>2,700.25</b>	<b>1,393.30</b>	
<b>13 -</b>	<b>CURRENT - FINANCIAL ASSETS - LOANS</b>				
	Unsecured, considered good;				
	Loan to Staff		1.11	6.23	
			<b>1.11</b>	<b>6.23</b>	
<b>14 -</b>	<b>CURRENT - FINANCIAL ASSETS - OTHER</b>				
	Accrued Bank Fixed Deposits Interest		33.99	67.45	
			<b>33.99</b>	<b>67.45</b>	



**ANNUAL REPORT 2018-19**  
**DEEP INDUSTRIES LIMITED**

Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>15 -</b>	<b>CURRENT ASSETS - OTHERS</b>		
	<b>Unsecured, considered good, unless otherwise stated</b>		
	Advances other than Capital Advances		
	Balance with Government Authorities	479.77	580.95
	Prepaid Expenses	128.02	140.48
	Advances to Vendors	1,341.27	703.07
	Others	605.86	-
	Advances to Subsidiaries	10.03	13.04
		<b><u>2,564.95</u></b>	<b><u>1,437.54</u></b>
<b>16 -</b>	<b>EQUITY SHARE CAPITAL</b>		
	<b>Authorised:</b>		
	5,42,66,340 Equity Shares of Rs. 10 each	5,426.63	5,426.63
	50,00,000 Preference Shares of Rs. 10 each (P.Y. 50,00,000 Preference Shares of Rs. 10 each)	500.00	500.00
	<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>Share Capital Suspense Account:</b>		
		<b><u>3,200.00</u></b>	<b><u>3,200.00</u></b>
<b>16.1</b>	<b>Reconciliation of number of Equity shares outstanding at the beginning &amp; at the end of the reporting year</b>		
	<b>Particulars (Equity Shares of ₹ 10 Each Fully Paid up)</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
		<b>No of Shares</b>	<b>No of Shares</b>
	— At the beginning of the year	3,20,00,000.00	3,20,00,000.00
	— Movement during the period (Issue of Equity Shares under QIP)	-	-
	— Outstanding at the end of the year	<b><u>3,20,00,000.00</u></b>	<b><u>3,20,00,000.00</u></b>
<b>16.2</b>	<b>Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company</b>		
	<b>Name of the Shareholders (Equity Shares of Rs.10 Each Fully Paid up)</b>	<b>As at 31st March, 2019</b>	<b>As at 31st March, 2018</b>
		<b>No. of Share held</b>	<b>No. of Share held</b>
		<b>% of Holding</b>	<b>% of Holding</b>
	RUPESH SAVLA FAMILY TRUST	1,00,76,908	1,00,76,908
	SHANTILAL SAVLA FAMILY TRUST	35,68,474	35,68,474
	PRITI PARAS SAVLA	20,52,625	20,52,625
	DHAREN SHANTILAL SAVLA	20,58,822	20,58,822
		<b><u>1,77,56,829</u></b>	<b><u>1,77,56,829</u></b>
<b>16.3</b>	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. Dividend Proposed by Board of Directors is subject to approval of Shareholders in the ensuing Annual General Meeting.		
<b>16.4</b>	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.		
<b>16.5</b>	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 preceeding the Balance sheet date.		



**ANNUAL REPORT 2018-19**  
**DEEP INDUSTRIES LIMITED**

Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>17 - 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	27,090.46	20,181.66
	Add: Net Profit/(Net Loss) For the current year	5,964.32	7,602.06
	Add/(Less): Adjustments on account of Ind-AS		
	- Fair Valuation of Financial Liabilities		
	- Fair Valuation of Financial Assets	(578.67)	(693.26)
	- Proposed Dividend for the year	-	-
	- Closing Balance	<b>32,476.11</b>	<b>27,090.46</b>
	<b>FVOCI Reserve</b>		
	Opening balance	<b>(10.02)</b>	<b>(14.85)</b>
	Add/Less: Changes during the current year	<b>46.83</b>	<b>4.83</b>
	Closing Balance	<b>36.81</b>	<b>(10.02)</b>
	<b>Total</b>	<b>47,778.64</b>	<b>42,346.16</b>
<b>18 - NON-CURRENT - FINANCIAL LIABILITIES - BORROWINGS</b>			
	<b>Secured</b>		
	<b>a. Term Loans</b>		
	From banks		
	- Rupee Term Loans	1,701.93	5,675.90
	- Foreign Currency Term Loans	6,009.89	15,974.64
	- Vehicle Loans	122.78	104.28
	Less: Current Maturities of Long Term Debts	-3,895.60	-7,384.93
		<b>3,939.00</b>	<b>14,369.89</b>

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

- (i) Rupee Term Loan and Foreign Currency Term Loan from State Bank of India, EXIM Bank as mentioned above is secured by hypothecation of Air Compressor Package, Gas Compressor Package, Work over and Drilling Rigs and other Misc. Assets and further secured by personal guarantee of Directors and equitable mortgage of immovable properties situated at Ahmedabad held in the name of director. Rupee Term Loan and Foreign Currency Term Loan from HDFC Bank, Indusind Bank and IDFC Bank as mentioned above is secured by hypothecation of Gas Dehydration Units, Gas Compressor Packages, Work over Rigs specifically funded by them and further secured by personal guarantee of Directors. Though Rollover Period of Foreign Currency Term Loan is less than 12 Month from the Balance Sheet date, the tenure of Term Loan for which arrangement is made is more than 12 Months. Hence, Foreign Currency Term Loan arrangement is classified as Non-Current Liabilities. ROI of Rupee Term Loan is ranging from 9.55% p.a. to 12.30% p.a. as at the year end. ROI of Foreign Currency Term Loan is ranging from 5.75% p.a. to 6.14% p.a. as at the year end. ROI of Vehicle Loan is ranging from 7.75% p.a. to 9.30% p.a. as at the year end.
- (ii) Term Loan of HDFC Bank is repayable in Four years with moratorium period of 6 months. Term Loan of State Bank of India and Indusind Bank are repayable in Five years. Term Loan of from IDFC Bank are repayable in three years with moratorium period of 6 months.



Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>19 -</b>	<b>NON-CURRENT - FINANCIAL LIABILITIES - OTHERS</b>		
	Unsecured, considered good		
	Buyer's Credit Interest accrued but not due on borrowings	-	159.96
		<u>-</u>	<u>159.96</u>
<b>20 -</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	Written back during the year	5,343.36	4,690.70
	Addition during the year	848.99	652.66
	Written back during the year	-	-
	Closing Balance	<u>6,192.35</u>	<u>5,343.36</u>

- A** The Net Deferred Tax Expenses of INR 848.99 Lakhs [Previous Year: INR 652.66 Lakhs] for the year has been debited in the Statement of Profit and Loss.
- B** The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- C.** The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are :

**Statement of profit and loss:**

	INR-Lakhs	
	Year ended March 31	
	2019	2018
<b>Profit and loss section:</b>		
<b>Current income tax:</b>		
Current income tax charge	2,341.98	3,474
Adjustments in respect of current income tax of previous year	0	0
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	848.99	653
<b>Income tax expense reported in the statement of profit and loss</b>	<u>3,190.97</u>	<u>4,127</u>
<b>Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :</b>		

	INR-Lakhs	
	As At March 31	
	2019	2018
Accounting profit before tax	9,155	11,729
<b>At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)</b>	<b>3,168</b>	<b>4,059</b>
Adjustments in respect of current income tax of previous years	-	(16)
Adjustments in respect of income exempt from tax	-	-
Adjustments on accounts of IndAS provisions	-	-
Special Rate Tax (like STCG u/s 111A)	-	-
Utilisation of previously unrecognised tax losses	-	-
<b>Non-deductible expenses for tax purposes:</b>		
Other non-deductible expenses	-	38
Other temporary difference	23	46
<b>At the effective income tax rate of 35.18% (31 March 2017: 31.18%)</b>	<b>3,191</b>	<b>4,127</b>
Income tax expense reported in the statement of profit and loss	<u>3,191</u>	<u>4,127</u>

Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>21 -</b>	<b>NON-CURRENT PROVISION</b>		
	<u>Provision for employee benefit</u>		
-	Provision for Gratuity	5.45	53.41
		<u>5.45</u>	<u>53.41</u>



Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>22 -</b>	<b>CURRENT FINANCIAL LIABILITIES - BORROWINGS</b>		
	<b>Secured</b>		
a.	Loans repayable on demand		
	From banks		
-	Cash Credits	339.98	1,358.73
		<b>339.98</b>	<b>1,358.73</b>
<b>23.1</b>	<b>Nature of Security for Current Secured Financial Liabilities</b>		
	Cash Credit Facilities of State Bank Of India and HDFC Bank is secured by hypothecation of inventory and Book Debt and Further secured by Personal Guarantee of Director and Equitable Mortgage of Immovable property situated at Ahmedabad held in the name of Directors. ROI for cash credit facility from State Bank of India is 9.50% p.a. as at the year end and cash credit facility from HDFC Bank is 9.75% p.a. as at the year end.		
<b>23 -</b>	<b>CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>		
	Due to micro and small enterprises	161.53	-
	Due to other than micro and small enterprises	2,071.32	1,762.76
		<b>2,232.85</b>	<b>1,762.76</b>
	Note :		
	<b>DUES TO MICRO AND SMALL ENTERPRISES</b>		
	The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act ("MSMED Act"). The Disclosures pursuant to said MSMED Act are as follows:		
a)	The Principal amount remaining unpaid to any supplier at the end of the year	161.53	-
b)	Interest due remaining unpaid to any supplier at the end of the year	-	-
c)	The amount of interest paid by buyer in terms of section 16 of MSMED Act, 2006 along with the amount of payment made to supplier beyond the appointed day during the year.	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f)	The amount of further interest remaining due and payable even in succeeding years, until such date when interest dues above are actually paid to the small enterprises, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act, 2006	-	-
	Disclosures of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on information available with the Company regarding status of registration of vendors under said Act, as per information received from them on requests made by the Company. There are overdue principal amount/interest payable of Rs. 29.17 Lakhs for delayed payments to such vendors as at Balance Sheet Date.		
<b>24 -</b>	<b>CURRENT - OTHER FINANCIAL LIABILITIES</b>		
	Current Maturities of Long Term Debts	3,895.60	7,384.93
	Unclaimed Dividends	6.92	5.30
	Provision for Salary	125.12	136.78
	Provision for Other Expense	382.03	313.45
		<b>4,409.67</b>	<b>7,840.46</b>
<b>25 -</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory liabilities	524.40	601.59
	Other Liabilities	101.89	86.40
		<b>626.29</b>	<b>687.99</b>



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Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>26-</b>	<b>CURRENT PROVISIONS</b>		
	<b>Provision for employee benefit</b>		
	- Provision for Gratuity	9.97	3.71
		<b>9.97</b>	<b>3.71</b>
<b>27 -</b>	<b>CURRENT TAX LIABILITIES (NET)</b>		
	Current Tax Liabilities (Net of Advance Tax)	2,385.70	1,888.63
		<b>2,385.70</b>	<b>1,888.63</b>
<b>Sr. No.</b>	<b>Particulars</b>	<b>2018-19 (₹ In Lakhs)</b>	<b>2017-18 (₹ In Lakhs)</b>
<b>28 -</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale of Services	25,911.82	30,049.25
		<b>25,911.82</b>	<b>30,049.25</b>
<b>29 -</b>	<b>OTHER INCOME</b>		
	Interest Received/Receivable		
	From banks	52.37	64.91
	From others	12.47	8.17
	Dividend Income	1.01	0.01
	Profit on sale of Investments	102.25	25.28
	Insurance Claim Received	0.52	-
	Net gain on foreign currency transaction and translation (other than finance cost)	-	189.43
	Kasari/Vatav and Discount	-	4.99
	Fair Valuation of Financial Assets	75.86	375.92
		<b>244.48</b>	<b>668.71</b>
<b>30 -</b>	<b>OPERATING EXPENSE</b>		
	Consumption Spares, Oil & Other Operating Expense	5,521.85	6,851.26
	Changes in inventories of Finished Goods, WIP & Stock in Trade	110.19	(40.60)
	Equipment Running & Maintenance Exps	1,983.62	2,266.64
		<b>7,615.66</b>	<b>9,077.30</b>
<b>30.1</b>	<b>Breakup of Changes in inventories of Finished Goods, WIP &amp; Stock in Trade</b>		
	Inventories (At Commencement)		
	a. Stores and Spares	587.37	824.33
	b. Others	509.15	231.60
		1,096.52	1,055.93
	Less: Inventories (At Close)		
	a. Stores and Spares	770.71	587.37
	b. Others	215.33	509.15
		986.04	1,096.52
		<b>110.48</b>	<b>(40.60)</b>
<b>31 -</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries, Wages, Bonus etc	1,886.70	2,061.32
	Director Remuneration & Perquisites	72.80	97.01
	Contribution to Provident and Other funds	20.58	69.09
	Staff Welfare expenses	79.87	85.41
		<b>2,059.95</b>	<b>2,312.83</b>





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Sr. No.	Particulars	2018-19 (₹ In Lakhs)	2017-18 (₹ In Lakhs)
<b>32 -</b>	<b>FINANCE COSTS</b>		
	<u>Interest expenses</u>		
-	Interest Expenses on Hypothecation & Term loan	455.65	361.35
-	Interest & Finance Charges on Foreign Credit	419.01	620.88
-	Other Interest & Finance Charges	16.33	13.69
	<u>Other borrowing costs</u>		
-	Bank Charges	271.59	153.81
-	Adjustment on account of Ind-AS	1.76	7.51
		<u><b>1,164.34</b></u>	<u><b>1,157.24</b></u>
<b>33 -</b>	<b>OTHER EXPENSES</b>		
	Electricity, Power and Fuel	63.34	97.83
	Repairs, maintenance and refurbishing *	410.70	660.79
	Rent	180.00	176.92
	Rates and taxes	15.54	18.81
	Insurance	98.18	66.60
	Communication Expense	17.53	10.29
	Legal and professional charges	417.64	270.02
	Payment to the auditors**	4.95	4.95
	Printing Stationery, Xerox and Office Expense	67.86	54.23
	Donations	176.20	122.90
	Travelling and Conveyance(@)	385.80	498.03
	Security Service Charges	47.93	31.50
	Advertisement, publicity and business promotion	5.61	7.06
	Hotel, Loading and Boarding Expense	80.20	76.87
	Loss on Sale of Fixed Assets	45.87	132.78
	Net Loss on foreign currency transaction and translation (other than finance cost)	686.92	-
	Miscellaneous	64.05	143.92
	Preliminary Expense Written off	-	190.25
		<u><b>2,768.32</b></u>	<u><b>2,563.75</b></u>
	* includes:		
	Repairs to buildings	382.86	623.12
	Repairs to machinery	27.84	37.67
	**Payments to the auditors for (including service tax)		
-	statutory audit	2.45	2.45
-	Taxation Matters	0.50	0.50
-	limited review fees		
-	certification work	1.95	1.95
-	out of pocket expenses	0.05	0.05
	(@) includes:		
	Director Travelling	42.60	70.70
		<u><b>47.55</b></u>	<u><b>75.65</b></u>
<b>34 -</b>	<b>OTHER COMPREHENSIVE INCOME</b>		
	Re-measurement gains/ (losses) on post employment benefit plans	47.72	5.02
	Re-measurement gains/ (losses) on fair valuation of financial instruments	-0.89	(0.20)
		<u><b>46.83</b></u>	<u><b>4.83</b></u>
<b>35 -</b>	<b>EARNINGS PER EQUITY SHARE</b>		
	Profit/(loss) available for equity shareholders	<b>5,964.32</b>	<b>7,602.06</b>
	Weighted average numbers of equity shares outstanding	<b>3,20,00,000</b>	3,20,00,000
	Nominal value per equity share (in Rupees)	<b>10</b>	10
	Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)	<b>18.64</b>	<b>23.76</b>



Sr. No.	Particulars	2018-19 (₹ In Lakhs)	2017-18 (₹ In Lakhs)
<b>36 -</b>	<b>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	6,572.18	5,694.47
(c)	Other money for which the company is contingently liable:		
1	Gujarat VAT demand not provided for	-	-
2	Service tax demand not provided for	198.24	198.24
3	Service tax-Merged Companies demand not provided for	1.70	1.70
4	Income tax demand / liabilities not provided for	52.95	6.14

**COMMITMENTS**

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

Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>37 -</b>	<b>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	149.52	103.12
	Later than one year and not later than five years	553.92	193.54
	More than five years	-	41.47

**38 - SEGMENT REPORTING**

The Company is not required to give segment wise revenue details and capital employed as Exploration and Production segment has not generated any revenue and the Capital employed for E & P segment is less than 10% of total capital employed of the Company.

**39 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS**

The Company has classified the various benefits provided to employees as under:-

**(a) Defined contribution plans**

- Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 20.58 Lakhs (Previous Year Rs. 69.09 Lakhs)

**(b) Defined benefit plans**

- Gratuity

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

**Economic Assumptions**

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.

**Discount Rate**

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.45% p.a. (Previous Year 7.60% p.a.) compound has been used.

**Salary Escalation Rate**

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.



The assumptions used are summarized in the following table:

	Gratuity (Unfunded)	
	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
Discount rate (per annum)	7.45%	7.60%
Future salary increase	8.00% for Next 2 Years & 6.00% thereafter	8.00% for Next 3 years & 6.00% thereafter
Retirement age	58 years	56 years
Withdrawal rates		
- Up to 25 years	15.00%	15.00%
- From 26 to 35 years	12.00%	12.00%
- From 35 to 45 years	9.00%	9.00%
- From 45 to 55 years	6.00%	6.00%
- Above 55 years	3.00%	3.00%
	Gratuity (Unfunded)	
	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>Change in present value of the defined benefit obligation during the year</b>		
Present value of obligation as at the beginning of the year	57.12	33.89
Interest Cost	4.20	2.38
Current Service Cost	1.83	21.86
Benefits Paid		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.07	(2.14)
Actuarial (Gain)/Loss on arising from Experience Adjustment	-47.79	(2.87)
Past Service Cost	-	4.01
Present value of obligation as at the end of the year	15.42	57.12
<b>Change in fair value of plan assets during the year</b>		
Fair Value of plan assets at the beginning of the year	-	-
Interest Income	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Return on plan assets	-	-
Fair Value of plan assets at the end of the year	-	-
<b>Net Asset/ (Liability) recorded in the Balance Sheet</b>		
Present value of obligation as at the end of the year	15.42	57.12
Net Asset/ (Liability)-Current	9.97	3.71
Net Asset/ (Liability)-Non-Current	5.45	53.41
<b>Expenses recorded in the Statement of Profit &amp; Loss during the year</b>		
Interest Cost	4.20	2.38
Current Service Cost	1.83	21.86
Total expenses included in employee benefit expenses	6.03	24.24
<b>Recognized in Other Comprehensive Income during the year</b>		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.07	-2.14
Actuarial (Gain)/Loss on arising from Experience Adjustment	-47.79	-2.87
Recognized in Other Comprehensive Income	-47.72	(5.01)
<b>Maturity profile of defined benefit obligation</b>		
Within 12 months of the reporting period	9.97	3.71
Between 2 and 5 years	2.18	22.56
Between 6 and 10 years	2.62	27.17
<b>Quantitative sensitivity analysis for significant assumption is as below:</b>		
Increase/ (decrease) on present value of defined benefit obligation at the end of the year		
Half percentage point increase in discount rate	15.18	54.89
Half percentage point decrease in discount rate	15.67	59.50
Half percentage point increase in salary increase rate	15.67	59.28
Half percentage point decrease in salary increase rate	15.18	55.04
<b>Expected contribution to the defined benefit plan for the next reporting period</b>	2018-19 (₹ In Lakhs)	2017-18 (₹ In Lakhs)
Expected contribution to the defined benefit plan for the next reporting period (Gratuity)	9.97	3.71



#### 40 - CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee. 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.

Gross amount required to be spent by the Company during the year: Rs. 176.19 Lakhs  
(Previous year - Rs. 120.31 Lakhs)

##### Particulars

	2018-19 (₹ In Lakhs)	2017-18 (₹ In Lakhs)
Amount Required to be spent as per Section 135 of the Act	176.19	120.31
Amount spent during the year on:		
(i) Construction/Acquisition of an asset	-	-
(ii) On the Purposes other than (i) above	176.20	120.38
Total	176.20	120.38

#### 41 - DERIVATIVE INSTRUMENTS

##### (a) Derivatives outstanding as at balance sheet date

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

##### HDFC Bank

##### Currency Swap - 1

Start Date: 27th July, 2015

End Date: 01st July, 2019

Underlying USD amount: USD 21,86,268.04

Fixed LIBOR rate : 6L + 3.95%

##### Currency Swap - 2

Start Date: 09th November, 2015

End Date: 19th July, 2019

Underlying USD amount: USD 18,23,589.83

Fixed LIBOR rate : 6L+4.10%

##### Currency Swap - 3

Start Date: 11th August, 2015

End Date: 01st July, 2019

Underlying USD amount: USD 1229880.88

Fixed LIBOR rate : 6L+3.95%

##### Currency Swap - 4

Start Date: 29th July, 2016

End Date: 25th November, 2020

Underlying USD amount: USD 6777155.66

Fixed rate: 5.50000% p.a

##### Currency Swap - 5

Start Date: 01st January, 2017

End Date: 04th May, 2020

Underlying USD amount: USD 5,87,048.25

Fixed LIBOR rate : 5.75% p.a

##### IDFC Bank

##### Currency Swap - 1

Start Date: 01st March, 2018

End Date: 07th March, 2019

Underlying USD amount: USD 469978.52

Fixed LIBOR rate : 6.04% p.a

##### Currency Swap - 2

Start Date: 16th April, 2018

End Date: 16th April, 2019

Underlying USD amount: USD 1053801.45

Fixed LIBOR rate : 6.12% p.a

- 534.03

- 461.00

- 300.93

- 3,026.00

158.17 288.89

- 282.77

524.32 -



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	2018-19 (₹ In Lakhs)	2017-18 (₹ In Lakhs)
<b>Currency Swap - 3</b>	281.73	-
Start Date: 04th September, 2018		
End Date: 06th September, 2019		
Underlying USD amount: USD 643851.27		
Fixed LIBOR rate : 6.00% p.a		
<b>IndusInd Bank</b>		
<b>Currency Swap - 1</b>	508.65	-
Start Date: 20th February, 2019		
End Date: 31st January, 2021		
Underlying USD amount: USD 734177.22		
Fixed rate : 3.34% p.a		
Above swap deals have been fair valued and resultant gain / (loss) have been recorded through statement of profit and loss account.		

- (b) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2019 and 31st March, 2018 are as under:

	As at 31st March, 2019		As at 31st March, 2018	
	Foreign Currency (USD)	(₹ In Lakhs)	Foreign Currency (USD)	(₹ In Lakhs)
<b>Receivables</b>				
Loans and advances given	-	-	0.20	13.04
Investment in Deep International DMCC (refer Note 5)	0.14	8.90	0.14	8.90
Trade Receivables	38.32	2,654.86	28.77	1,871.49
Loans & Advances to Creditors				
For Capital Goods	6.76	470.81	6.00	379.26
For Spares & Purchase	8.92	624.22	0.95	61.68
<b>Payables</b>				
Trade payables	0.13	9.01	0.69	44.76

**42 - 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.
- Deep Onshore Drilling Services Pvt Ltd
- Deep International DMCC

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

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

**3. Key Management Personnel**

Name	Designation
Mr. Paras Savla	Chairman and MD
Mr. Rupesh Savla	Managing Director
Mr. Dharen Savla	Whole Time Director(Retired w.e.f. 26.06.2018)
Mr. Premsingh Sawhney	Non - Executive Director (Retired w.e.f. 26.06.2018)
Mr. Kirit Joshi	Independent Director
Mr. Sanjay Parekh	Independent Director (Retired w.e.f. 26.06.2018)
Mr. Arun Mandke	Independent Director (Retired w.e.f. 09.10.2018)
Ms. Renuka Upadhyay	Independent Director
Dr. Kirit Shelat	Independent Director (Appointed w.e.f. 16.08.2018)
Mr. Hemendrakumar Shah	Independent Director (Appointed w.e.f. 26.06.2018)
Mr. Rohan Shah	Chief Financial Officer
Mr. Akshit Soni	Company Secretary



**4. Relative of Key Management Personnel**

- Mr. Manoj Savla
- Mrs. Avani Savla
- Mrs. Mita Manoj Savla
- Mr. Shail Manoj Savla
- Mrs. Shital Rupesh Savla
- Mr. Shanil Paras Savla

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

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

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

							(₹ In Lakhs)	
Nature of Transaction	Subsidiaries		Key Management Personnel and their relatives		Enterprises significantly influences by KMP, or Relatives of KMP		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Remuneration, Salary and Sitting Fees	-	-	117.98	113.67	-	-	117.98	113.67
Rent	-	-	148.75	136.17	-	-	148.75	136.17
Perquisites	-	-	0.29	1.41	-	-	0.29	1.41
Investments made during the year	-	8.90	-	-	-	-	-	8.90

**Balance Outstanding**

	Payable		Receivable	
	As at 31-03-19	As at 31-03-18	As at 31-03-19	As at 31-03-18
	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
Investments held in Subsidiaries	-	-	1,871.43	1,871.43
Key Management Personnel and their relatives	-	-	-	-
Entities controlled by Directors or their relatives	-	-	-	-
Total	-	-	1,871.43	1,871.43

**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.

**43. 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, 2018**

Financial Instrument	Note No.	Carrying Amount			Amorti- sed Cost	Total	Fair value				Total
		FVTPL	FVOCI	Total Fair Value			Level 1	Level 2	Level 3		
<b>Non-Current Assets</b>											
<b>Financial Assets</b>											
(i) Investments	5	-	-	-	1,873.49	1,873.49	-	-	-	-	-
(ii) Loans		-	-	-	-	-	-	-	-	-	-
(iii) Others	6	-	-	-	80.22	80.22	-	-	-	-	-
<b>Current Assets</b>											
<b>Financial Assets</b>											
(i) Investments	9	9,205.50	-	9,205.50	-	9,205.50	9,205.50	-	-	-	9,205.50
(ii) Trade Receivables	10	-	-	-	8,481.94	8,481.94	-	-	-	-	-
(iii) Cash and Cash Equivalents	11	-	-	-	3,045.73	3,045.73	-	-	-	-	-
(iv) Bank balances other than above (ii)	12	-	-	-	1,393.30	1,393.30	-	-	-	-	-
(v) Loans	13	-	-	-	6.23	6.23	-	-	-	-	-
(vi) Others	14	-	-	-	67.45	67.45	-	-	-	-	-
<b>TOTAL</b>		<b>9,205.50</b>	<b>-</b>	<b>9,205.50</b>	<b>14,948.36</b>	<b>24,153.86</b>	<b>9,205.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,205.50</b>
<b>Non Current Liabilities</b>											
<b>Financial Liabilities</b>											
(i) Borrowings	18	-	-	-	14,369.89	14,369.89	-	-	-	-	-
(ii) Trade Payable		-	-	-	-	-	-	-	-	-	-
(iii) Others	19	-	-	-	159.96	159.96	-	-	-	-	-
<b>Current Liabilities</b>											
<b>Financial Liabilities</b>											
(i) Borrowings	22	-	-	-	1,358.73	1,358.73	-	-	-	-	-
(ii) Trade Payable	23	-	-	-	-	-	-	-	-	-	-
(iii) Others	24	-	-	-	7,840.46	7,840.46	-	-	-	-	-
		-	-	-	<b>23,729.04</b>	<b>23,729.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Financial Instrument		Note No.	Carrying Amount				Fair value				Total
			FVTPL	FVOCI	Total Fair Value	Amorti- sed Cost	Total	Level 1	Level 2	Level 3	
Non-Current Assets											
Financial Assets											
(i)	Investments	5	-	3.15	3.15	1,873.49	1,876.64	3.15	-	-	3.15
(ii)	Loans		-	-	-	-	-	-	-	-	-
(iii)	Others	6	-	-	-	88.96	88.96	-	-	-	-
Current Assets											
Financial Assets											
(i)	Investments	9	1,031.07	-	1,031.07	-	1,031.07	1,031.07	-	-	1,031.07
(ii)	Trade Receivables	10	-	-	-	11,685.12	11,685.12	-	-	-	-
(iii)	Cash and Cash Equivalents	11	-	-	-	1,666.15	1,666.15	-	-	-	-
(iv)	Bank balances other than above (ii)	12	-	-	-	2,700.25	2,700.25	-	-	-	-
(v)	Loans	13	-	-	-	1.11	1.11	-	-	-	-
(vi)	Others	14	-	-	-	33.99	33.99	-	-	-	-
TOTAL			1,031.07	3.15	1,034.22	18,049.08	19,083.30	1,034.22	-	-	1,034.22
Non Current Liabilities											
Financial Liabilities											
(i)	Borrowings	18	-	-	-	3,939.00	3,939.00	-	-	-	-
(ii)	Trade Payable		-	-	-	-	-	-	-	-	-
(iii)	Others	19	-	-	-	-	-	-	-	-	-
Current Liabilities											
Financial Liabilities											
(i)	Borrowings	22	-	-	-	339.98	339.98	-	-	-	-
(ii)	Trade Payable	23	-	-	-	-	-	-	-	-	-
(iii)	Others	24	-	-	-	4,409.67	4,409.67	-	-	-	-
TOTAL			-	-	-	8,688.65	8,688.65	-	-	-	-

During the reporting period ending March 31, 20178, there were no transfers between Level 1 and Level 2 fair value measurements.



#### IV. Description of significant unobservable inputs to valuation:

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

	As at 31-03-19	As at 31-03-18
Other Non-Current Financial Assets	Discounted Cash Flow method using the risk adjusted discount rate	
Borrowings (Non-Current)		

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

#### 44. 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	2018-19		2017-18	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(22.29)	22.29	(145.82)	145.82
<b>Total</b>	<b>(22.29)</b>	<b>22.29</b>	<b>(145.82)</b>	<b>145.82</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:

- Actual or expected significant adverse changes in business,
- 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.

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

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

(₹ In lakhs)

Particulars	As at 31-03-2019	As at 31-03-2018
Non-current financial assets - Loans	-	-
Current financial assets - loans	1.11	6.23
<b>Total (A)</b>	<b>1.11</b>	<b>6.23</b>

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

Trade Receivables	11,685.12	8,481.94
<b>Total (A)</b>	<b>11,685.12</b>	<b>8,481.94</b>

##### Grand Total (A+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	5,437.86	6,495.62
3 to 6 months	112.98	980.87
More than 6 months	6,134.28	1,005.45
<b>Total</b>	<b>11,685.12</b>	<b>8,481.94</b>

##### IV. Provision for expected credit losses against "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 31-03-2019			As at 31-03-2018		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	3,939.00	3,939.00	-	14,369.89	14,369.89
Non-current financial liabilities - Others	-	-	-	-	159.96	159.96
Current financial liabilities - Borrowings	339.98	-	339.98	1,358.73	-	1,358.73
Current financial liabilities - Trade Payables	-	-	-	-	-	-
Current financial liabilities - Others	4,409.67	-	4,409.67	7,840.46	-	7,840.46
<b>Total</b>	<b>4,749.65</b>	<b>3,939.00</b>	<b>8,688.65</b>	<b>9,199.19</b>	<b>14,529.85</b>	<b>23,729.04</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 31-03-2019	As at 31-03-2018
Total Debt	4,278.98	15,728.62
Equity	3,200.00	3,200.00
<b>Capital and net debt</b>	<b>7,478.98</b>	<b>18,928.62</b>
<b>Gearing ratio</b>	<b>57.21%</b>	<b>83.09%</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 : 28/05/2019

### ON BEHALF OF THE BOARD OF DIRECTORS

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

**Rohan Shah**  
Chief Financial Officer

**Akshit Soni**  
Company Secretary

Place : Ahmedabad  
Date : 28/05/2019



## INDEPENDENT AUDITORS' REPORT

To,  
The Members,  
Deep Industries Limited.

### Report on the Audit of 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 2019, 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 2019, 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment 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 were of utmost 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 that there are no key audit matters to be communicated in our report

#### 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.



Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated 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 consolidated 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 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**

We did not audit financial statement of Deep International DMCC, Dubai included in the consolidated financial result, whose financial statements reflects total assets of ₹ 1,906.31 lakhs as at March 31, 2019, total revenue of ₹ 5,838.60 lakhs, net profit ₹ 1,718.32 lakhs for the year ended on that date, as considered in the financial results. This financial statement have been audited by other auditor whose reports have been furnished to us by the management and our opinion on the consolidated financial results, in so far as it relates to amounts and disclosures included in respect of this subsidiary, is based solely on the reports of the other Auditors.

Further, the above mentioned subsidiary is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in United Arab Emirates and which have been audited by other auditor under generally accepted auditing standards applicable in United Arab Emirates. The Holding Company's management has converted the financial statements of such subsidiary, located outside India from accounting principles generally accepted in United Arab Emirates to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's management. Our opinion, and matters identified and disclosed under key audit matters section above, in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditor and the conversion adjustments prepared by the management of the Holding Company and audited by us. Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

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, 2019, 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.

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**

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.

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:

- 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;



- 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;
- 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;
- in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under Section 133 of the Act;
- 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 2019 from being appointed as a director in terms of Section 164(2) of the Act;
- 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';
- 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 2019;

For, Dhirubhai Shah & Co LLP

Chartered Accountants

FRN: 102511W/100298

Place : Ahmedabad

Date : 28th May, 2019

Harish B Patel

Partner

Membership number: 014427

#### 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 2019 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 2019, 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**

We did not audit the internal financial controls over financial reporting in so far as it related to two subsidiary companies, whose financial statements reflect total assets of ₹ 1,922.30 lakhs as at March 31, 2019, total revenue of ₹ 5,838.60 lakhs, net profit ₹ 1,718.32 lakhs for the year ended on that date, as considered in the financial results.

The internal financial controls over financial reporting in so far as it relates to Deep International DMCC, Dubai, has been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls over financial reporting for the Group, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary company is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

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 as 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

**Harish B Patel**

Partner

Membership number: 014427

Place : Ahmedabad  
Date : 28th May, 2019



**CONSOLIDATE STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH, 2019**

<b>ASSETS</b>	<b>Note No.</b>	<b>As at 31-03-2019 ₹ In Lakhs</b>	<b>As at 31-03-2018 ₹ In Lakhs</b>
<b>NON-CURRENT ASSETS</b>			
(a) Property, Plant and Equipment	4	46,802.89	50,919.91
(b) Capital Work in Progress	4	6,386.68	4,723.60
(c) Intangible Assets	4	12.88	14.09
(d) Financial Assets			
(i) Investments	5	5.21	6.10
(ii) Others	6	117.47	123.24
(e) Other Non-Current Assets	7	42.10	63.62
		<b>53,367.24</b>	<b>55,850.56</b>
<b>CURRENT ASSETS</b>			
(a) Inventories	8	1,838.09	1,868.17
(b) Financial Assets			
(i) Investments	9	1,033.34	9,563.53
(ii) Trade Receivables	10	12,712.85	8,481.94
(iii) Cash and Cash Equivalents	11	2,236.38	3,840.07
(iv) Bank balances other than above (ii)	12	2,700.25	1,393.30
(v) Loans	13	1.11	6.23
(vi) Others	14	2,908.26	1,522.81
(c) Other Current Assets	15	2,872.78	1,692.46
		<b>26,303.06</b>	<b>28,368.51</b>
<b>TOTAL ASSETS</b>		<b>79,670.30</b>	<b>84,219.07</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
(a) Equity Share Capital	16	3,200.00	3,200.00
(b) Other Equity	17	48,757.98	42,487.95
(c) Non Controlling Interest		505.15	507.17
		<b>52,463.13</b>	<b>46,195.12</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	18	5,222.60	15,653.49
(ii) Others	19	559.26	983.91
(b) Deferred Tax Liabilities (Net)	20	6,189.04	5,339.43
(c) Other Non Current Liabilities	21	5.45	53.41
		<b>11,976.35</b>	<b>22,030.24</b>
<b>CURRENT LIABILITIES</b>			
(a) Financial Liabilities			
(i) Borrowings	22	3,831.04	1,358.73
(ii) Trade Payables	23		
- Dues to Micro & Small Enterprises		206.81	-
- Dues to Other than Micro & Small Enterprises		3,191.88	3,617.61
(iii) Other Financial Liabilities	24	4,918.52	8,427.39
(b) Other Current Liabilities	25	686.90	697.58
(c) Provisions	26	9.97	3.71
(d) Current Tax Liabilities (Net)	27	2,385.70	1,888.69
		<b>15,230.82</b>	<b>15,993.71</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>79,670.30</b>	<b>84,219.07</b>

**Corporate Information, Basis of Preparation & Significant Accounting Policies**  
The accompanying notes 1 to 44 are an integral part of the Standalone Financial Statements

1-3

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 : 28/05/2019

**ON BEHALF OF THE BOARD OF DIRECTORS**

**Paras Savla**

Chairman & Managing Director

DIN:00145639

**Rohan Shah**

Chief Financial Officer

Place : Ahmedabad

Date : 28/05/2019

**Akshit Soni**

Company Secretary





CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2019

	Note No.	2018-19 ₹ In Lakhs	2017-18 ₹ In Lakhs
<b>INCOME</b>			
Revenue from operations	28	30,873.71	31,267.54
Other income	29	247.26	698.32
<b>TOTAL INCOME</b>		<b>31,120.97</b>	<b>31,965.86</b>
<b>EXPENSES</b>			
Operating Expense	30	11,212.75	9,542.08
Employee benefits expense	31	2,441.94	2,342.48
Finance Costs	32	1,205.11	1,158.08
Depreciation and amortization expenses	4	3,392.74	3,878.30
Other expenses	33	2,870.64	3,176.12
<b>TOTAL EXPENSES</b>		<b>21,123.18</b>	<b>20,097.06</b>
<b>Profit/(Loss) before tax</b>		<b>9,997.79</b>	<b>11,868.80</b>
Tax items			
Current tax		2,341.98	3,490.16
Earlier years tax provisions (written back)		-	-16.34
Deferred tax asset / (liability)		849.61	650.18
Total tax items		<b>3,191.59</b>	<b>4,124.00</b>
<b>Profit/(Loss) for the year</b>		<b>6,806.20</b>	<b>7,744.80</b>
<b>Non-Controlling Interest</b>		<b>2.02</b>	<b>-4.20</b>
<b>Net Profit after tax and Non -Controlling Interests</b>		<b>6,808.22</b>	<b>7,740.60</b>
<b>Other Comprehensive Income</b>	34		
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		47.72	5.02
Items that will be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on fair valuation of financial instruments		-0.89	-0.20
<b>Other Comprehensive Income/ (Loss) for the year</b>		<b>46.83</b>	<b>4.82</b>
<b>Total Comprehensive Income/ (Loss) for the year</b>		<b>6,855.05</b>	<b>7,745.42</b>
<b>Total comprehensive income / (loss) attributable to:</b>			
Owners		6,853.03	7,741.21
Non-controlling interest		2.02	4.20
<b>Earnings Per Equity Share (Basic and Diluted)</b>	35	<b>21.28</b>	<b>24.19</b>
<b>Corporate Information, Basis of Preparation &amp; Significant Accounting Policies</b>	1-3		
The accompanying notes 1 to 44 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 : 28/05/2019

ON BEHALF OF THE BOARD OF DIRECTORS

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

**Rohan Shah**  
Chief Financial Officer

**Akshit Soni**  
Company Secretary

Place : Ahmedabad  
Date : 28/05/2019



**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2019**

<b>PARTICULARS</b>	<b>2018-19 ₹ In Lakhs</b>	<b>2017-18 ₹ In Lakhs</b>
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Profit/ (loss) Before Tax</b>	<b>9,997.79</b>	<b>11,868.80</b>
Adjustments for:		
Depreciation and amortization	<b>3,392.74</b>	3,878.30
Interest and finance charges	<b>1,205.11</b>	1,158.08
Interest income	<b>(64.84)</b>	(73.08)
(Gain)/Loss on fixed assets sold/ discarded (net)	<b>45.87</b>	132.78
(Gain)/Loss on investments sold/ discarded (net)	<b>(178.76)</b>	(425.16)
Net unrealized (gain)/loss on foreign currency transaction and translation (relating to other heads)	<b>686.92</b>	(189.43)
Others	-	199.20
<b>Operating Profit before Working Capital Changes</b>	<b>15,084.83</b>	<b>16,549.50</b>
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	<b>(6,855.62)</b>	(2,417.09)
(Increase)/decrease in inventories	<b>30.08</b>	(812.24)
Increase/(decrease) in trade payables, other liabilities and provisions	<b>(1,024.63)</b>	2,056.91
<b>Cash Generated from Operations</b>	<b>7,234.66</b>	<b>15,377.08</b>
Income taxes paid	<b>(1,046.31)</b>	(1,100.00)
<b>Net Cashflow from Operating Activities</b>	<b>6,188.35</b>	<b>14,277.08</b>
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets	<b>(2,044.16)</b>	(639.30)
Proceeds from sale of fixed assets	<b>1,060.69</b>	141.71
Purchase of Investments	<b>(5,045.85)</b>	(13,104.39)
Sale of Investment	<b>13,398.39</b>	6,615.93
Proceeds from Fixed Deposits	<b>(1,305.31)</b>	(459.06)
Interest received	<b>64.84</b>	73.08
<b>Net Cashflow from Investing Activities</b>	<b>6,128.60</b>	<b>(7,372.03)</b>
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds/Payment from Secured Loans	<b>(11,447.91)</b>	(2,999.51)
Minority Interest	<b>(2.02)</b>	3.81
Foreign Currency Fluctuation Gain	<b>(686.92)</b>	189.43
Dividend Income and Dividend Distribution Tax	<b>(578.67)</b>	(693.26)
Interest and finance charges	<b>(1,205.11)</b>	(1,158.08)
<b>Net Cashflow from Financing Activities</b>	<b>(13,920.63)</b>	<b>(4,657.61)</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>	<b>(1,603.69)</b>	<b>2,247.44</b>
<b>Cash and bank balances at the beginning of the year</b>	<b>3,840.07</b>	<b>1,592.63</b>
<b>Cash and bank balances at the end of the year</b>	<b>2,236.38</b>	<b>3,840.07</b>

**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	As at
	31-03-2019	31-03-2018
	₹ In Lakhs	₹ In Lakhs
Balances with banks		
In current accounts	2,143.57	2,387.74
In EEFC Accounts	88.69	1,276.37
In Escrow Accounts	0.01	170.71
Cash on hand	4.10	5.24
	<u>2,236.38</u>	<u>3,840.07</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 : 28/05/2019

**ON BEHALF OF THE BOARD OF DIRECTORS**

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

**Rohan Shah**  
Chief Financial Officer

**Akshit Soni**  
Company Secretary

Place : Ahmedabad  
Date : 28/05/2019



STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31st MARCH, 2019

(A) EQUITY SHARE CAPITAL

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
For the year ended 31st March, 2018		(₹ In Lakhs)
Balance as at 1st April, 2017	Changes during the year	Balance as at 31st March, 2018
3,200.00	-	3,200.00

(B) OTHER EQUITY

For the year ended 31st March, 2019							
Particulars	Capital Reserve	General Reserve	Security premium account	Retained Earnings	FVOCI Reserve	Non - Monetary Foreign Currency Translation	Total Equity
Balance as at 1st April, 2018	412.48	980.36	14,347.85	26,747.77	(10.03)	9.50	42,487.93
Profit/(Loss) for the year	-	-	-	-	-	-	-
Additions/Deletions during the year	-	-	-	6,808.22	-	(6.35)	6,801.87
Add/(Less): Adjustments on account of Ind-AS							
Dividend paid for the year				(578.67)			
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans					47.72	-	47.72
Re-measurement gains/ (losses) on fair valuation of financial instruments	-	-	-	-	(0.89)	-	(0.89)
<b>Balance as at 31st March, 2019</b>	<b>412.48</b>	<b>980.36</b>	<b>14,347.85</b>	<b>32,977.32</b>	<b>36.80</b>	<b>3.15</b>	<b>48,757.97</b>
For the year ended 31st March, 2018							
Particulars	Capital Reserve	General Reserve	Security premium account	Retained Earnings	FVOCI Reserve	Non - Monetary Foreign Currency Translation	Total Equity
Balance as at 1st April, 2017	412.48	980.36	14,347.85	19,700.43	(14.85)	5.69	35,431.96
Profit/(Loss) for the year	-	-	-	-	-	-	-
Additions/Deletions during the year	-	-	-	7,740.60	-	3.81	7,744.41
Add/(Less): Adjustments on account of Ind-AS							
Dividend paid for the year				(693.26)			(693.26)
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans					5.02	-	5.02
Re-measurement gains/ (losses) on fair valuation of financial instruments	-	-	-	-	(0.20)	-	(0.20)
<b>Balance as at 31st March, 2018</b>	<b>412.48</b>	<b>980.36</b>	<b>14,347.85</b>	<b>26,747.77</b>	<b>(10.03)</b>	<b>9.50</b>	<b>42,487.93</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 : 28/05/2019

ON BEHALF OF THE BOARD OF DIRECTORS

Paras Savla

Chairman & Managing Director

DIN:00145639

Rohan Shah

Chief Financial Officer

Akshit Soni

Company Secretary

Place : Ahmedabad

Date : 28/05/2019



**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH, 2019**

**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, 2019. The Group operates as an integrated Group with business encompassing to serve the oil & gas industry. The service portfolio of the Group includes Air and Gas compression, Gas Dehydration, Work over, Drilling and 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 May 26, 2018.

**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.



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

4 - PROPERTY, PLANT AND EQUIPMENT

	TANGIBLE ASSETS										INTANGIBLE ASSETS		(₹ In Lakhs) CAPITAL WORK IN PROGRESS	
	Tankers/Vehicles	Air Compressor	Gas Compressor Packages	Rigs	Computers	Shed, Foundation & Road	Office Equipment, Furniture and Fixtures	Other Plant and Machinery	Oil Wells	Total	Software	Total	Capital Work-in progress	
<b>Cost:</b>														
As at 1st April, 2017	0.45	340.75	115.03	37,424.77	18,858.12	58.89	5,883.71	308.25	87.82	0.51	63,058.30	50.75	50.75	7,307.87
Additions	-	64.40	-	2,972.51	111.01	7.85	59.31	-	4.25	-	3,219.42	4.15	4.15	639.29
Disposals / transfers	-	1.53	85.42	340.30	19.55	-	-	-	-	-	428.80	-	-	3,223.58
As at 31st March, 2018	0.45	403.71	49.81	40,056.98	18,948.58	66.74	5,923.02	308.25	92.07	0.51	65,850.92	54.90	54.90	4,723.60
Additions	-	42.79	-	42.54	253.88	5.28	9.84	2.10	23.79	-	379.98	1.10	1.10	1,893.08
Disposals / transfers	-	13.11	-	1,597.19	-	-	-	-	-	-	1,610.30	-	-	-
As at 31st March, 2019	0.45	433.39	49.81	38,502.33	19,203.44	72.00	5,932.86	310.35	115.86	0.51	64,820.60	56.00	56.00	6,386.68
<b>Accumulated depreciation:</b>														
As at 1st April, 2017	0.43	125.08	89.28	6,456.40	2,107.15	57.67	2,311.84	28.92	15.85	-	11,205.82	40.22	40.22	-
Depreciation charged during the year	-	41.05	2.47	1,477.32	598.85	6.10	1,718.34	28.28	4.30	-	3,877.71	0.59	0.59	-
Disposals / transfers	-	0.74	52.14	94.80	4.63	-	-	-	-	-	152.31	-	-	-
As at 31st March, 2018	0.43	165.39	49.81	7,841.92	2,701.37	63.77	4,030.18	58.20	20.15	-	14,831.02	40.81	40.81	-
Depreciation charged during the year	-	43.30	-	1,504.75	802.18	5.15	1,201.02	28.08	4.95	-	3,390.43	2.31	2.31	-
Disposals / transfers	-	12.45	-	491.28	-	-	-	-	-	-	503.74	-	-	-
As at 31st March, 2019	0.43	198.24	49.81	8,855.38	3,303.55	68.92	5,231.20	87.28	25.10	-	17,817.71	43.12	43.12	-
<b>Net book value</b>														
As at 1st April, 2017	0.02	215.67	15.75	30,965.37	16,750.97	1.22	3,551.67	279.33	71.97	0.51	51,852.88	10.53	10.53	7,307.87
As at 31st March, 2018	0.02	238.32	0.00	32,215.06	16,248.21	2.97	1,892.84	250.05	71.92	0.51	50,819.81	14.08	14.08	4,723.60
As at 31st March, 2019	0.02	237.15	0.00	29,646.95	15,899.89	3.08	701.48	223.07	90.76	0.51	46,802.89	12.88	12.88	6,386.68



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST MARCH 2019

Sr. No.	Particulars	No. of Shares as on 31.03.19	As at 31-03-19 (₹ In Lakhs)	No. of Shares as on 31.03.18	As at 31-03-18 (₹ In Lakhs)
<b>5 -</b>	<b>NON - CURRENT FINANCIAL ASSETS - INVESTMENTS</b>				
	<b>Investments (Unquoted)</b>				
	<b>(A) Other Investments</b>				
	- Shares of Mehsana Nagarik Co-Op Sahakari Bank Ltd.	400	0.10	400	0.10
	- National Saving Certificate		1.96		1.96
			<b>2.06</b>		<b>2.06</b>
	<b>Investments (Quoted)</b>				
	<b>(A) Investments at Fair value through Profit and Loss</b>				
	(a) Investments in Equity Shares				
	- Vama Industries Limited	2500	0.21	2500	0.54
	- Power Trading Corporation	4000	2.94	4000	3.50
			<b>3.15</b>		<b>4.04</b>
	Total		<b>5.21</b>		<b>6.10</b>
	Market Value of Quoted Investment		<b>3.15</b>		<b>4.04</b>
<b>6 -</b>	<b>NON - CURRENT FINANCIAL ASSETS - OTHERS</b>				
	Other		12.78		12.78
	Security deposits		104.69		86.82
	Receivable from Consortium Partners		-		23.64
	Total		<b>117.47</b>		<b>123.24</b>
<b>7 -</b>	<b>OTHER NON CURRENT ASSETS</b>				
	Others				
	Balance with Govt Authorities		34.90		54.66
	Deferred Security Deposits		7.20		8.96
			<b>42.10</b>		<b>63.62</b>
<b>8 -</b>	<b>INVENTORIES</b>				
	(valued at lower of cost and net realizable value)				
	a. Stores and Spares		1,241.23		1,003.21
	b. Others				
	- Stock of Oil		215.33		509.15
	- Stock of Equipments		381.53		355.81
			<b>1,838.09</b>		<b>1,868.17</b>



**ANNUAL REPORT 2018-19**  
**DEEP INDUSTRIES LIMITED**

Sr. Particulars No.	No. of Units as on 31.03.19	As at 31-03-19 (₹ In Lakhs)	No. of Units as on 31.03.18	As at 31-03-18 (₹ In Lakhs)
<b>9 - CURRENT FINANCIAL ASSETS - INVESTMENTS</b>				
<b>Investments (Unquoted)</b>				
<b>Investments at Fair Value through Profit and Loss</b>				
Investments in Mutual Funds				
- Franklin India Short Term Income Plan	-	-	33,892.83	1,243.95
- Franklin India Ultra Short Bond Fund-Growth	-	-	1,02,95,423.38	2,476.36
- SBI Ultra Short Debt Fund	-	-	2,917.80	65.70
- ICICI Ultra Short Term-Growth	-	-	25,87,849.31	461.15
- DSP BlackRock Ultra Short Term Fund	-	-	74,96,952.63	945.85
- Franklin Templeton Low Duration Fund	41,18,206.57	895.30	1,70,45,049.51	3,404.84
- IDFC Ultra Short Term Fund	2,01,283.38	53.33	24,67,504.63	607.64
- HDFC Cash Management Fund	-	-	26,919.72	9.86
- HDFC Cash Management Fund-Daily Dividend	-	-	34,12,565.01	346.04
- Baroda Pioneer Liquid Fund	42.59	0.91	42.59	0.85
- HDFC Cash Management Fund	12,793.76	1.35	12,793.76	1.29
- IDFC Ultra Low Duration Fund	3,08,214.77	82.44	-	-
<b>Total</b>		<b>1,033.34</b>		<b>9,563.53</b>
<i>Market Value of Quoted Investment</i>		1,033.34		9,563.53
<b>Sr. Particulars No.</b>			<b>As at 31-03-2019 (₹ In Lakhs)</b>	<b>As at 31-03-2018 (₹ In Lakhs)</b>
<b>10 - CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES</b>				
Unsecured, considered good;			12,712.85	8,481.94
			<b>12,712.85</b>	<b>8,481.94</b>
<b>11 - CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS</b>				
A) Balances with Banks				
- In Current Accounts			2,143.57	2,387.74
- In EEFC Accounts			88.69	1,276.37
- In Escrow Accounts			0.01	170.71
			<b>2,232.28</b>	<b>3,834.82</b>
B) Cash on Hand			4.10	5.24
<b>Total</b>			<b>2,236.38</b>	<b>3,840.07</b>
<b>12 - CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE</b>				
A) Balances with Banks				
- Unpaid Dividend with HDFC Bank			4.44	2.81
- Unpaid Dividend with IDBI Bank			2.49	2.49
- Unpaid Warrant with HDFC Bank			0.01	-
			<b>6.94</b>	<b>5.30</b>
B) Others				
- Fixed Deposits held as Margin Money			2,693.31	1,388.00
			<b>2,693.31</b>	<b>1,388.00</b>
<b>Total</b>			<b>2,700.25</b>	<b>1,393.30</b>
<b>13 - CURRENT - FINANCIAL ASSETS - LOANS</b>				
Unsecured, considered good;				
Loan to Staff			1.11	6.23
<b>Total</b>			<b>1.11</b>	<b>6.23</b>
<b>14 - CURRENT - OTHER FINANCIAL ASSETS</b>				
Accrued Interest			33.99	67.45
Receivable from Consortium Partners			2,874.27	1,455.36
<b>Total</b>			<b>2,908.26</b>	<b>1,522.81</b>



**ANNUAL REPORT 2018-19**  
**DEEP INDUSTRIES LIMITED**

Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>15 -</b>	<b>CURRENT ASSETS - OTHERS</b>		
	<b>Unsecured, considered good, unless otherwise stated</b>		
	Advances other than Capital Advances		
	Balance with Government Authorities	575.80	843.50
	Prepaid Expenses	134.32	140.49
	Advances to Vendors	1,556.80	708.47
	Others	605.86	-
		<b>2,872.78</b>	<b>1,692.46</b>
<b>16 -</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised:</b>		
	5,42,66,340 Equity Shares of Rs. 10 each	5,426.63	5,426.63
	(P.Y. 5,42,66,340 Equity Shares of Rs. 10/- each)		
	50,00,000 Preference Shares of Rs. 10/- each	500.00	500.00
	(P.Y. 50,00,000 Preference Shares of Rs.10/- each)		
	<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>

**16.1 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 2019		As at 31st March 2018	
	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>

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

Name of the Shareholders (Equity Shares of Rs.10 Each Fully Paid up)	As at 31st March 2019		As at 31st March 2018	
	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	35,68,474	11.15%	35,68,474	11.15%
PRITI PARAS SAVLA	20,52,625	6.41%	20,52,625	6.41%
DHAREN SHANTILAL SAVLA	20,58,822	6.43%	20,58,822	6.43%
	<b>1,77,56,829</b>		<b>1,77,56,829</b>	

**16.3** 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. Dividend Proposed by Board of Directors is subject to approval of Shareholders in the ensuing Annual General Meeting.

**16.4** 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.

**16.5** 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 preceeding the Balance sheet date.





Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>17 - OTHER EQUITY</b>			
	<b>Securities Premium</b>		
	Opening balance	14,347.85	14,347.85
	Add: Addition during the year	-	-
	Less: Written back during the year	-	-
	Closing balance	<b>14,347.85</b>	<b>14,347.85</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	26,747.77	19,700.43
	Add: Net Profit/(Net Loss) For the current year	6,808.22	7,740.60
	Add/(Less): Adjustments on account of Ind-AS		
	- Fair Valuation of Financial Assets	-	-
	- Dividend paid for the year	(578.67)	(693.26)
		<b>32,977.32</b>	<b>26,747.77</b>
	<b>Non - Monetary Foreign Currency Translation Reserve</b>	3.15	9.50
		<b>3.15</b>	<b>9.50</b>
	<b>FVOCI Reserve</b>		
	Opening balance	(10.02)	(14.85)
	Add/Less: Changes during the current year	46.83	4.83
	Closing Balance	<b>36.81</b>	<b>(10.02)</b>
	<b>Total</b>	<b>48,757.98</b>	<b>42,487.95</b>
<b>18 - NON-CURRENT - FINANCIAL LIABILITIES - BORROWINGS</b>			
	<b>Secured</b>		
	<b>a. Term Loans</b>		
	From banks		
	- Rupee Term Loans	1,701.93	5,675.90
	- Foreign Currency Term Loans	6,009.89	15,974.64
	- Vehicle Loans	122.78	104.28
	Less: Current Maturities of Long Term Debts	-3,895.60	-7,384.93
		<b>3,939.00</b>	<b>14,369.89</b>
	<b>b. Compulsory Convertible Debentures</b>	1,283.60	1,283.60
		<b>1,283.60</b>	<b>1,283.60</b>
	<b>Total</b>	<b>5,222.60</b>	<b>15,653.49</b>

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

- (i) Rupee Term Loan and Foreign Currency Term Loan from State Bank of India, EXIM Bank as mentioned above is secured by hypothecation of Air Compressor Package, Gas Compressor Package, Work over and Drilling Rigs and other Misc. Assets and further secured by personal guarantee of Directors and equitable mortgage of immovable properties situated at Ahmedabad held in the name of director. Rupee Term Loan and Foreign Currency Term Loan from HDFC Bank, Indusind Bank and IDFC Bank as mentioned above is secured by hypothecation of Gas Dehydration Units, Gas Compressor Packages, Work over Rigs specifically funded by them and further secured by personal guarantee of Directors. Though Rollover Period of Foreign Currency Term Loan is less than 12 Month from the Balance Sheet date, the tenure of Term Loan for which arrangement is made is more than 12 Months. Hence, Foreign Currency Term Loan arrangement is classified as Non-Current Liabilities. ROI of Rupee Term Loan is ranging from 9.55% p.a. to 12.30% p.a. as at the year end. ROI of



Foreign Currency Term Loan is ranging from 5.75% p.a. to 6.14% p.a. as at the year end. ROI of Vehicle Loan is ranging from 7.75% p.a. to 9.30% p.a. as at the year end.

- (ii) Term Loan of HDFC Bank is repayable in Four years with moratorium period of 6 months. Term Loan of State Bank of India and Indusind Bank are repayable in Five years. Term Loan of from IDFC Bank are repayable in three years with moratorium period of 6 months.

Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>19 -</b>	<b>NON-CURRENT - FINANCIAL LIABILITIES - OTHERS</b>		
	Payable to Consortium Partners	559.26	823.95
	Buyer's Credit Interest accrued but not due on borrowings	-	159.96
		<b>559.26</b>	<b>983.91</b>
<b>20 -</b>	<b>DEFERRED TAX LIABILITIES (NET)</b>		
	Opening Balance	5,339.43	4,689.25
	Addition during the year	849.61	650.18
	Written back during the year	-	-
	Closing Balance	<b>6,189.04</b>	<b>5,339.43</b>

- A** The Net Deferred Tax Expenses of INR 849.61 Lakhs [Previous Year: INR 650.18 Lakhs] for the year has been debited in the Statement of Profit and Loss.
- B** The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.
- C.** The major components of income tax expense for the years ended March 31, 2019 and March 31, 2018 are :

**Statement of profit and loss:**

	INR-Lakhs	
	Year ended March 31	
	2019	2018
<b>Profit and loss section:</b>		
<b>Current income tax:</b>		
Current income tax charge	2,342	3,490
Adjustments in respect of current income tax of previous year	0	(16)
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	850	650
<b>Income tax expense reported in the statement of profit and loss</b>	<b>3,192</b>	<b>4,124</b>
<b>Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :</b>		

	INR-Lakhs	
	As At March 31	
	2019	2018
Profit before tax	9,998	11,869
<b>At India's statutory income tax rate</b>	<b>3,460</b>	<b>4,108</b>
Adjustments in respect of current income tax of previous years	-	(16)
Adjustments in respect of income exempt from tax	-	-
Tax effect due to non-taxable income for Indian tax purposes	(51)	(51)
Adjustments on accounts of IndAS provisions	-	-
Special Rate Tax (like STCG u/s 111A)	-	-
Utilisation of previously unrecognised tax losses	-	-
Effect of Unrecognised DTA/DTL	46	46
<b>Non-deductible expenses for tax purposes:</b>		
Other non-deductible expenses	38	38
Others	-	-
<b>At the effective income tax rate of 35.18% (31 March 2017: 31.18%)</b>	<b>3,493</b>	<b>4,124</b>
Income tax expense reported in the statement of profit and loss	<b>3,192</b>	<b>4,124</b>



Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>21 -</b>	<b>OTHER NON-CURRENT LIABILITIES</b>		
	(A) Provision for Gratuity	5.45	53.41
		<u>5.45</u>	<u>53.41</u>
<b>22 -</b>	<b>CURRENT FINANCIAL LIABILITIES - BORROWINGS</b>		
	<b>Secured</b>		
a.	Loans repayable on demand		
	From banks		
-	Cash Credits	339.98	1,358.73
-	Overdraft	2,379.99	
-	From Others	1,111.07	
		<u>3,831.04</u>	<u>1,358.73</u>
<b>22.1</b>	<b>Nature of Security for Current Secured Financial Liabilities</b>		
	Cash Credit Facilities of State Bank Of India and HDFC Bank is secured by hypothecation of inventory and Book Debt and Further Secured by Personal Guarantee of Director and Equitable Mortgage of Immovable property situated at Ahmedabad held in the name of Directors. ROI for cash credit facility from State Bank of India is 9.50% p.a. as at the year end and cash credit facility from HDFC Bank is 9.75% p.a. as at the year end.		
<b>23 -</b>	<b>CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES</b>		
	Due to micro and small enterprises	206.81	-
	Due to other than micro and small enterprises	3,191.88	3,617.61
		<u>3,398.69</u>	<u>3,617.61</u>

Note :

**DUES TO MICRO AND SMALL ENTERPRISES**

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act ("MSMED Act"). The Disclosures pursuant to said MSMED Act are as follows:

a)	The Principal amount remaining unpaid to any supplier at the end of the year	206.81	-
b)	Interest due remaining unpaid to any supplier at the end of the year	-	-
c)	The amount of interest paid by buyer in terms of section 16 of MSMED Act, 2006 along with the amount of payment made to supplier beyond the appointed day during the year.	-	-
d)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under MSMED Act, 2006	-	-
e)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f)	The amount of further interest remaining due and payable even in succeeding years, until such date when interest dues above are actually paid to the small enterprises, for the purpose of disallowance of deductible expenditure under section 23 of MSMED Act, 2006	-	-

Disclosures of payable to vendors as defined under the "Micro, Small and Medium Enterprises Development Act, 2006" is based on information available with the Company regarding status of registration of vendors under said Act, as per information received from them on requests made by the Company. There are overdue principal amount/interest payable of Rs. 29.17 Lakhs for delayed payments to such vendors as at Balance Sheet Date.



Sr. No.	Particulars	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>24 -</b>	<b>CURRENT - OTHER FINANCIAL LIABILITIES</b>		
	Current Maturities of Long Term Debts	3,895.60	7,384.93
	Unclaimed Dividends	6.92	5.30
	Payable to Consortium Partners	357.42	314.88
	Bid Bond Deposits	10.44	7.64
	Provision for Expenses	509.75	566.61
	Provision for Salary	138.39	148.03
		<b>4,918.52</b>	<b>8,427.39</b>
<b>25 -</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory liabilities	555.43	611.18
	Other Liabilities	131.47	86.40
		<b>686.90</b>	<b>697.58</b>
<b>26-</b>	<b>SHORT TERM PROVISIONS</b>		
	<u>Provision for employee benefit</u>		
	- Provision for Gratuity	9.97	3.71
		<b>9.97</b>	<b>3.71</b>
<b>27 -</b>	<b>CURRENT TAX LIABILITIES (NET)</b>		
	Current Tax Liabilities (net of Income Tax provisions)	2,385.70	1,888.69
		<b>2,385.70</b>	<b>1,888.69</b>
Sr. No.	Particulars	2018-19 (₹ In Lakhs)	2017-18 (₹ In Lakhs)
<b>28 -</b>	<b>REVENUE FROM OPERATIONS</b>		
	Revenue from Operations	30,873.71	31,267.54
		<b>30,873.71</b>	<b>31,267.54</b>
<b>29 -</b>	<b>OTHER INCOME</b>		
	Interest Received/Receivable		
	From banks	52.37	64.91
	From others	12.47	8.17
	Dividend Income	2.88	3.90
	Profit on sale of Investments	102.57	34.65
	Profit on sale of Fixed Assets	-	-
	Net gain on foreign currency transaction and translation (other than finance cost)	-	189.43
	Other Income	0.54	0.03
	Kasar/Vatav and Discount	-	5.03
	Tender Fee	0.23	1.69
	Gains on Fair Valuation of Financial Assets	76.19	390.51
		<b>247.26</b>	<b>698.32</b>
<b>30 -</b>	<b>OPERATING EXPENSE</b>		
	Consumption Spares, Oil & Other Operating Expense	9,199.05	8,087.69
	Changes in inventories of Finished Goods, WIP & Stock in Trade	30.08	(812.25)
	Equipment Running & Maintenance Exps	1,983.62	2,266.64
		<b>11,212.75</b>	<b>9,542.08</b>
<b>30.1</b>	<b>Breakup of Changes in inventories of Finished Goods, WIP &amp; Stock in Trade</b>		
	Inventories (At Commencement)		
	a. Stores and Spares	1,003.21	824.33
	b. Others	864.96	231.60
		<b>1,868.17</b>	<b>1,055.93</b>
	Less: Inventories (At Close)		
	a. Stores and Spares	1,241.23	1,003.21
	b. Others	596.86	864.96
		<b>1,838.09</b>	<b>1,868.17</b>
		<b>30.08</b>	<b>(812.25)</b>



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**DEEP INDUSTRIES LIMITED**

Sr. No.	Particulars	2018-19 (₹ In Lakhs)	2017-18 (₹ In Lakhs)
<b>31 -</b>	<b>EMPLOYEE BENEFITS EXPENSES</b>		
	Salaries, Wages, Bonus etc	2,244.56	2,090.97
	Director Remuneration & Perquisites	96.93	97.01
	Contribution to Provident and Other funds	20.58	69.09
	Staff Welfare expenses	79.87	85.41
		<b>2,441.94</b>	<b>2,342.48</b>
<b>32 -</b>	<b>FINANCE COSTS</b>		
	<u>Interest expenses</u>		
-	Interest Expenses on Hypothecation & Term loan	455.65	361.35
-	Interest & Finance Charges on Foreign Credit	419.01	620.88
-	Other Interest & Finance Charges	17.24	13.69
	<u>Other borrowing costs</u>		
-	Bank Charges	311.19	154.40
-	Unwinding of Interest on Financial Liabilities	2.02	7.76
		<b>1,205.11</b>	<b>1,158.08</b>
<b>34 -</b>	<b>OTHER EXPENSES</b>		
	<b>OPERATING, ADMINISTRATION AND GENERAL EXPENSES</b>		
	Electricity, Power and Fuel	63.34	97.83
	Repairs, maintenance and refurbishing *	410.70	1,223.11
	Rent	180.00	188.12
	Rates and taxes	15.54	18.81
	Insurance	98.18	66.60
	Communication Expense	21.93	10.29
	Legal and professional charges	499.77	284.36
	Payment to the auditors**	6.77	5.01
	Printing Stationery, Xerox and Office Expense	67.86	54.23
	Donations	176.20	122.90
	Travelling and Conveyance(@)	390.60	500.07
	Security Service Charges	47.93	31.50
	Advertisement, publicity and business promotion	5.61	7.06
	Hotel, Loading and Boarding Expense	80.20	77.04
	Loss on Sale of fixed Assets	45.87	132.78
	Net Loss on foreign currency transaction and translation (other than finance cost)	686.92	
	Miscellaneous	73.21	157.20
	Preliminary Expense Written off	-	199.20
		<b>2,870.64</b>	<b>3,176.12</b>
	* includes:		
	Repairs to buildings	382.86	623.12
	Repairs to machinery	27.84	37.67
	Repairs to others	-	562.32
		<b>410.70</b>	<b>1,223.11</b>
	**Payments to the auditors for (including service tax)		
-	statutory audit	4.27	2.51
-	Taxation Matters	0.50	0.50
-	limited review fees		
-	certification work	1.95	1.95
-	out of pocket expenses	0.05	0.05
	(@) includes:		
	Director Travelling	42.60	70.70
<b>34 -</b>	<b>OTHER COMPREHENSIVE INCOME</b>		
	Re-measurement gains/ (losses) on post employment benefit plans	47.72	5.02
	Re-measurement gains/ (losses) on fair valuation of financial instruments	-0.89	-0.20
		<b>46.83</b>	<b>4.82</b>



Sr. No.	Particulars	2018-19 (₹ In Lakhs)	2017-18 (₹ In Lakhs)
<b>35 -</b>	<b>EARNINGS PER EQUITY SHARE</b>		
	Profit/(loss) available for equity shareholders	6,808.22	7,740.60
	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)		
-	Basic (in Rs.)	21.28	24.19
-	Diluted (in Rs.)	21.28	24.19

	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>36 - 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	6,572.18	5,694.47
(c) Other money for which the company is contingently liable:		
1 Gujarat VAT demand not provided for	-	-
2 Service tax demand not provided for	198.24	198.24
3 Service tax-Merged Companies demand not provided for	1.70	1.70
4 Income tax demand / liabilities not provided for	52.95	6.14

**COMMITMENTS**

- (a) Estimated amount of contracts remaining to be executed on capital account and not provided for:\*

\*Considering nature of activity it is not possible to ascertain the elements of Capital Commitment Expenditure to be executed on capital account.

**37 - 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	149.52	148.11
Later than one year and not later than five years	553.92	224.80
More than five years	-	41.47

**38 - SEGMENT REPORTING**

The company is not required to give segment wise revenue details and capital employed as Exploration and Production segment has not generated any revenue and the capital employed for E&P segment as less than 10% of total capital employed of the company.

**39 - DISCLOSURES AS REQUIRED BY INDIAN ACCOUNTING STANDARD (IND AS) 19 EMPLOYEE BENEFITS**

The Company has classified the various benefits provided to employees as under:-

**(a) Defined contribution plans**

- Provident fund

The Company has recognized the following amounts in the statement of profit and loss:

Employers' contribution to provident fund :- Current Year Rs. 20.58 Lakhs (Previous Year Rs. 69.09 Lakhs)

**(b) Defined benefit plans**

- Gratuity
- Compensated absences - Earned leave

In accordance with Indian Accounting Standard 19, actuarial valuation was done in respect of the aforesaid defined benefit plans based on the following assumptions-

**Economic Assumptions**

The discount rate and salary increases assumed are the key financial assumptions and should be considered together; it is the difference or 'gap' between these rates which is more important than the individual rates in isolation.



### Discount Rate

The discounting rate is based on the gross redemption yield on medium to long term risk free investments. The estimated term of the benefits/obligations works out to zero years. For the current valuation a discount rate of 7.45% p.a. (Previous Year 7.60% p.a.) compound has been used.

### Salary Escalation Rate

The salary escalation rate usually consists of at least three components, viz. regular increments, price inflation and promotional increases. In addition to this any commitments by the management regarding future salary increases and the Company's philosophy towards employee remuneration are also to be taken into account. Again a long-term view as to trend in salary increase rates has to be taken rather than be guided by the escalation rates experienced in the immediate past, if they have been influenced by unusual factors.

The assumptions used are summarized in the following table:

	<b>Gratuity (Unfunded)</b>	
	<b>As at 31-03-2019</b>	<b>As at 31-03-2018</b>
	<b>(₹ In Lakhs)</b>	<b>(₹ In Lakhs)</b>
Discount rate (per annum)	7.45%	7.60%
Future salary increase	8.00% for Next 2 Years & 6.00% thereafter	8.00% for Next 3 years & 6.00% thereafter
Retirement age	58 years	58 years
Withdrawal rates		
- Up to 25 years	15.00%	15.00%
- From 26 to 35 years	12.00%	12.00%
- From 35 to 45 years	9.00%	9.00%
- From 45 to 55 years	6.00%	6.00%
- Above 55 years	3.00%	3.00%
<b>Change in present value of the defined benefit obligation during the year</b>		
Present value of obligation as at the beginning of the year	57.12	33.89
Interest Cost	4.20	2.38
Current Service Cost	1.83	21.86
Benefits Paid		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.07	(2.14)
Actuarial (Gain)/Loss on arising from Experience Adjustment	-47.79	(2.87)
Past Service Cost	-	4.01
Present value of obligation as at the end of the year	15.42	57.12
<b>Change in fair value of plan assets during the year</b>		
Fair Value of plan assets at the beginning of the year	-	-
Interest Income	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Return on plan assets	-	-
Fair Value of plan assets at the end of the year	-	-
<b>Net Asset/ (Liability) recorded in the Balance Sheet</b>		
Present value of obligation as at the end of the year	15.42	57.12
Net Asset/ (Liability)-Current	9.97	3.71
Net Asset/ (Liability)-Non-Current	5.45	53.41
<b>Expenses recorded in the Statement of Profit &amp; Loss during the year</b>		
Interest Cost	4.20	2.38
Current Service Cost	1.83	21.86
Total expenses included in employee benefit expenses	6.03	24.24
<b>Recognized in Other Comprehensive Income during the year</b>		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	0.07	-2.14
Actuarial (Gain)/Loss on arising from Experience Adjustment	-47.79	-2.87
Recognized in Other Comprehensive Income	-47.72	(5.01)
<b>Maturity profile of defined benefit obligation</b>		
Within 12 months of the reporting period	9.97	3.71
Between 2 and 5 years	2.18	22.56
Between 6 and 10 years	2.62	27.17



	Gratuity (Unfunded)	
	As at 31-03-2019 (₹ In Lakhs)	As at 31-03-2018 (₹ In Lakhs)
<b>Quantitative sensitivity analysis for significant assumption is as below:</b>		
Increase/ (decrease) on present value of defined benefit obligation at the end of the year		
Half percentage point increase in discount rate	15.18	54.89
Half percentage point decrease in discount rate	15.67	59.50
Half percentage point increase in salary increase rate	15.67	59.28
Half percentage point decrease in salary increase rate	15.18	55.04
<b>Expected contribution to the defined benefit plan for the next reporting period</b>	<b>2018-19 (₹ In Lakhs)</b>	<b>2017-18 (₹ In Lakhs)</b>
Expected contribution to the defined benefit plan for the next reporting period (Gratuity)	9.97	3.71

#### 40 - CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee. 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.

Gross amount required to be spent by the Company during the year:

Rs. 176.19/- Lakhs (Previous year Rs. 120.31 /- Lakhs)

##### Particulars

	2018-19 (₹ In Lakhs)	2017-18 (₹ In Lakhs)
Amount Required to be spent as per Section 135 of the Act	176.19	120.31
Amount spent during the year on:		
(i) Construction/Acquisition of an asset	-	-
(ii) On the Purposes other than (i) above	176.20	120.38
Total	176.20	120.38

#### 41 - DERIVATIVE INSTRUMENTS

##### (a) Derivatives outstanding as at balance sheet date

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

##### HDFC Bank

##### Currency Swap - 1

Start Date: 27th July, 2015

End Date: 01st July, 2019

Underlying USD amount: USD 21,86,268.04

Fixed LIBOR rate : 6L + 3.95%

##### Currency Swap - 2

Start Date: 09th November, 2015

End Date: 19th July, 2019

Underlying USD amount: USD 18,23,589.83

Fixed LIBOR rate : 6L+4.10%

##### Currency Swap - 3

Start Date: 11th August, 2015

End Date: 01st July, 2019

Underlying USD amount: USD 1229880.88

Fixed LIBOR rate : 6L+3.95%

##### Currency Swap - 4

Start Date: 29th July, 2016

End Date: 25th November, 2020

Underlying USD amount: USD 6777155.66

Fixed rate: 5.50000% p.a

-	534.03
-	461.00
-	300.93
-	3,026.00





	2018-19 (₹ In Lakhs)	2017-18 (₹ In Lakhs)
<b>Currency Swap - 5</b>		
Start Date: 01st January, 2017		
End Date: 04th May, 2020		
Underlying USD amount: USD 5,87,048.25		
Fixed LIBOR rate : 5.75% p.a		
<b>IDFC Bank</b>		
<b>Currency Swap - 1</b>	-	282.77
Start Date: 01st March, 2018		
End Date: 07th March, 2019		
Underlying USD amount: USD 469978.52		
Fixed LIBOR rate : 6.04% p.a		
<b>Currency Swap - 2</b>		
Start Date: 16th April, 2018	524.32	-
End Date: 16th April, 2019		
Underlying USD amount: USD 1053801.45		
Fixed LIBOR rate : 6.12% p.a		
<b>Currency Swap - 3</b>		
Start Date: 04th September, 2018	281.73	-
End Date: 06th September, 2019		
Underlying USD amount: USD 643851.27		
Fixed LIBOR rate : 6.00% p.a		
<b>IndusInd Bank</b>		
<b>Currency Swap - 1</b>		
Start Date: 20th February, 2019	508.65	-
End Date: 31st January, 2021		
Underlying USD amount: USD 734177.22		
Fixed rate : 3.34% p.a		

Both of the above swap deals have been fair valued and resultant gain / (loss) have been recorded through statement of profit and loss account

- (b) The amount of foreign currency exposures that are not hedged by a derivative instrument or otherwise as at 31st March, 2019 and 31st March, 2018 are as under:

	As at 31st March, 2019		As at 31st March, 2018	
	Foreign Currency (USD)	(₹ In Lakhs)	Foreign Currency (USD)	(₹ In Lakhs)
<b>Receivables</b>				
Loans and advances given	-	-	0.20	13.04
Trade Receivables (in USD)	38.32	2,654.86	28.77	1,871.49
Loans & Advances to Creditors				
For Capital Goods (in USD)	6.76	470.81	6.00	379.26
For Spares & Purchase (in USD)	8.92	624.22	0.95	61.68
<b>Payables</b>				
Trade payables	0.13	9.01	0.69	44.76

#### 42 - 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.
- Deep Onshore Drilling Services Pvt Ltd
- Deep International DMCC



**2. Key Management Personnel**

Name	Designation
Mr. Paras Savla	Chairman and MD
Mr. Rupesh Savla	Managing Director
Mr. Dharen Savla	Whole Time Director (Retired w.e.f. 26.06.2018)
Mr. Premsingh Sawhney	Non - Executive Director (Retired w.e.f. 26.06.2018)
Mr. Kirit Joshi	Independent Director
Mr. Sanjay Parekh	Independent Director (Retired w.e.f. 26.06.2018)
Mr. Arun Mandke	Independent Director (Retired w.e.f. 09.10.2018)
Ms. Renuka Upadhyay	Independent Director
Dr. Kirit Shelat	Independent Director (Appointed w.e.f. 16.08.2018)
Mr. Hemendrakumar Shah	Independent Director (Appointed w.e.f. 26.06.2018)
Mr. Rohan Shah	Chief Financial Officer
Mr. Akshit Soni	Company Secretary

**3. Relative of Key Management Personnel**

- Mr. Manoj Savla	- Mrs. Avani Savla	- Mrs. Mita 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	(₹ In Lakhs)							
		Key Management Personnel and their relatives		Enterprises significantly influences by KMP, or Relatives of KMP		Total			
		2018-19	2017-18	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
Remuneration, Salary and Sitting Fees	-	-	228.98	181.09	-	-	228.98	181.09	
Rent	-	-	208.22	152.91	-	-	208.22	152.91	
Perquisites	-	-	0.29	1.41	-	-	0.29	1.41	

**Balance Outstanding**

	Payable		Receivable	
	As at 31-03-19	As at 31-03-18	As at 31-03-19	As at 31-03-18
	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
Key Management Personnel and their relatives	-	-	-	-
Entities controlled by Directors or their relatives	-	-	-	-
Total	-	-	-	-

**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.

**43. 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:

- 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.
- 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, 2018**

Financial Instrument		Note No.	Carrying Amount				Fair value				
			FVTPL	FVOCI	Total Fair Value	Amorti-sed Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets											
Financial Assets											
(i)	Investments	5	-	4.04	4.04	2.06	6.10	4.04	-	2.06	6.10
(ii)	Others	6	-	-	-	123.24	123.24	-	-	123.24	123.24
Current Assets											
Financial Assets											
(i)	Investments	9	9,563.53	-	9,563.53	-	9,563.53	9,563.53	-	-	9,563.53
(ii)	Trade Receivables	10	-	-	-	8,481.94	8,481.94	-	-	8,481.94	8,481.94
(iii)	Cash and Cash Equivalents	11	-	-	-	3,840.07	3,840.07	-	-	3,840.07	3,840.07
(iv)	Bank balances other than above (ii)	12	-	-	-	1,393.30	1,393.30	-	-	1,393.30	1,393.30
(v)	Loans	13	-	-	-	6.23	6.23	-	-	6.23	6.23
(vi)	Others	14	-	-	-	1,522.81	1,522.81	-	-	1,522.81	1,522.81
TOTAL			9,563.53	4.04	9,567.57	15,369.65	24,937.22	9,567.57	-	15,369.65	24,937.22
Non Current Liabilities											
Financial Liabilities											
(i)	Borrowings	18	-	-	-	15,653.49	15,653.49	-	-	15,653.49	15,653.49
(ii)	Others	19	-	-	-	983.91	983.91	-	-	983.91	983.91
Current Liabilities											
Financial Liabilities											
(i)	Borrowings	22	-	-	-	1,358.73	1,358.73	-	-	1,358.73	1,358.73
(ii)	Trade Payable	23	-	-	-	-	-	-	-	-	-
(iii)	Others	24	-	-	-	8,427.39	8,427.39	-	-	8,427.39	8,427.39
			-	-	-	26,423.52	26,423.52	-	-	26,423.52	26,423.52

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

<b>Financial Instrument</b>										
<b>Financial Assets</b>										
(i) Investments	5	-	3.15	3.15	2.06	5.21	3.15	-	2.06	5.21
(ii) Others	6	-	-	-	117.47	117.47	-	-	117.47	117.47
<b>Current Assets</b>										
<b>Financial Assets</b>										
(i) Investments	9	1,033.34	-	1,033.34	-	1,033.34	1,033.34	-	-	1,033.34
(ii) Trade Receivables	10	-	-	-	12,712.85	12,712.85	-	-	12,712.85	12,712.85
(iii) Cash and Cash Equivalents	11	-	-	-	2,236.38	2,236.38	-	-	2,236.38	2,236.38
(iv) Bank balances other than above (ii)	12	-	-	-	2,700.25	2,700.25	-	-	2,700.25	2,700.25
(v) Loans	13	-	-	-	1.11	1.11	-	-	1.11	1.11
(vi) Others	14	-	-	-	2,908.26	2,908.26	-	-	2,908.26	2,908.26
<b>TOTAL</b>		<b>1,033.34</b>	<b>3.15</b>	<b>1,036.49</b>	<b>20,678.38</b>	<b>21,714.87</b>	<b>1,036.49</b>	<b>-</b>	<b>20,678.38</b>	<b>21,714.87</b>
<b>Non Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	18	-	-	-	5,222.60	5,222.60	-	-	5,222.60	5,222.60
(ii) Others	19	-	-	-	559.26	559.26	-	-	559.26	559.26
<b>Current Liabilities</b>										
<b>Financial Liabilities</b>										
(i) Borrowings	22	-	-	-	3,831.04	3,831.04	-	-	3,831.04	3,831.04
(ii) Trade Payable	23	-	-	-	-	-	-	-	-	-
(iii) Others	24	-	-	-	4,918.52	4,918.52	-	-	4,918.52	4,918.52
<b>TOTAL</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>14,531.42</b>	<b>14,531.42</b>	<b>-</b>	<b>-</b>	<b>14,531.42</b>	<b>14,531.42</b>

During the reporting period ending March 31, 2019 and March 31, 2018, there were no transfers between Level 1 and Level 2 fair value measurements.



#### IV. Description of significant unobservable inputs to valuation:

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

	As at 31-03-19	As at 31-03-18
Other Non-Current Financial Assets	Discounted Cash Flow method using the risk adjusted discount rate	
Borrowings (Non-Current)		

#### 44. 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 18 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.

##### I. Foreign Currency Exposure

Refer Note 41 for foreign currency exposure as at March 31, 2019, 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)			
	2018-19		2017-18	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(22.29)	22.29	(145.82)	145.82
<b>Total</b>	<b>(22.29)</b>	<b>22.29</b>	<b>(145.82)</b>	<b>145.82</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.

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:

- Actual or expected significant adverse changes in business,
- Actual or expected significant changes in the operating results of the counterparty.
- 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 31-03-2019	As at 31-03-2018
<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	1.11	6.23
<b>Total (A)</b>	<b>1.11</b>	<b>6.23</b>
<b>II. Financial assets for which loss allowance is measured using 12 months Life Time Expected Credit Losses (ECL)</b>		
Trade Receivables	12,712.85	8,481.94
<b>Total (A)</b>	<b>12,712.85</b>	<b>8,481.94</b>
<b>Grand Total (A+B)</b>		
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	6,465.59	6,495.62
3 to 6 months	112.98	980.87
More than 6 months	6,134.28	1,005.45
<b>Total</b>	<b>12,712.85</b>	<b>8,481.94</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 31-03-2019			As at 31-03-2018		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	5,222.60	5,222.60	-	15,653.49	15,653.49
Non-current financial liabilities - Others	-	559.26	559.26	-	983.91	983.91
Current financial liabilities - Borrowings	3,831.04	-	3,831.04	1,358.73	-	1,358.73
Current financial liabilities - Trade Payables	-	-	-	-	-	-
Current financial liabilities - Others	4,918.52	-	4,918.52	8,427.39	-	8,427.39
<b>Total</b>	<b>8,749.56</b>	<b>5,781.86</b>	<b>14,531.42</b>	<b>9,786.12</b>	<b>16,637.40</b>	<b>26,423.52</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.



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**DEEP INDUSTRIES LIMITED**

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

Particulars	As at 31-03-2019	As at 31-03-2018
Total Debt	12,949.24	24,397.15
Equity	52,463.13	46,195.12
<b>Capital and net debt</b>	<b>65,412.37</b>	<b>70,592.27</b>
<b>Gearing ratio</b>	<b>19.80%</b>	<b>34.56%</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 : 28/05/2019

**ON BEHALF OF THE BOARD OF DIRECTORS**

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

**Rohan Shah**  
Chief Financial Officer

**Akshit Soni**  
Company Secretary

Place : Ahmedabad  
Date : 28/05/2019

## 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 Shareholding
1	Deep Natural Resources Limited	31st March, 2019	INR	1	0.50	-0.20	0.30	0.00	0.13	0.01	0.00	0.00	0.00	0.00	70.00%
2	Prabha energy Private Limited	31st March, 2019	INR	1	12.07	351.96	837.82	573.79	0.00	0.26	0.06	0.00	0.02	0.00	78.45%
3	Deep Energy LLC	31st March, 2019	USD	69.2813	1.35	0.25	1.60	0.00	0.00	0.00	0.00	0.00	0.05	0.00	90.00%
4	Deep Onshore Drilling Services Pvt. Ltd.	31st March, 2019	INR	1	0.10	0.00	0.11	0.00	0.09	0.00	0.00	0.00	0.00	0.00	99.00%
5	Deep International DMCC	31st March, 2019	USD	69.2813	0.89	184.97	190.83	4.77	0.00	583.88	171.83	0.00	171.83	0.00	100.00%

## For Deep Industries Limited

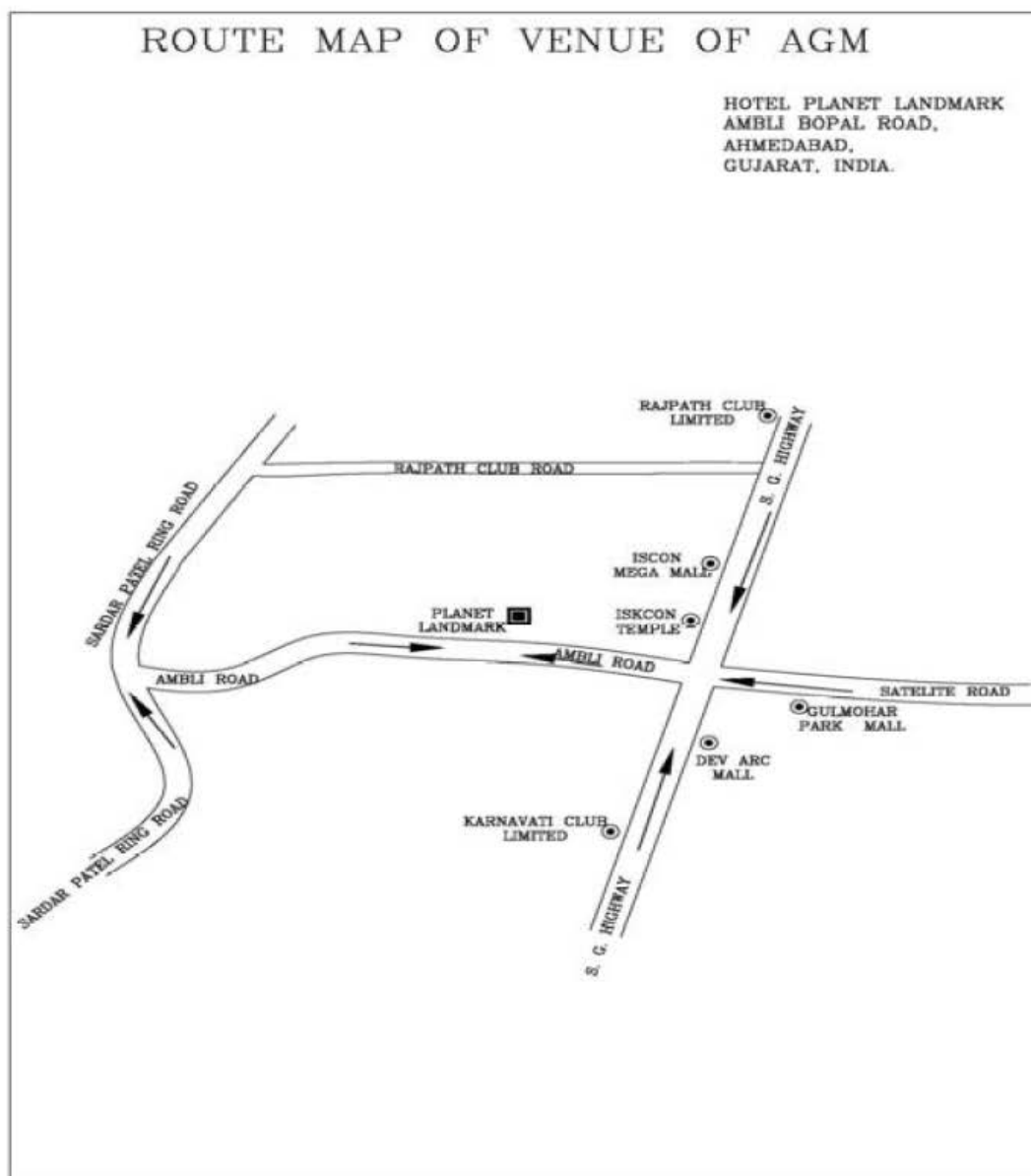
Date : 28<sup>th</sup> May 2019  
Place : Ahmedabad

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

**Rupesh Savia**  
Managing Director  
DIN:00126303

**Rohan Shah**  
Chief Financial Officer

**Akshil Soni**  
Company Secretary





**DEEP INDUSTRIES LIMITED****CIN:** L63090GJ1991PLC014833

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

Tel (02717) 298510 Fax (02717) 298520

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

**ATTENDANCE SLIP****29<sup>th</sup> Annual General Meeting – September 23, 2019**

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

For Demat Shares

For Physical Shares

<b>DP ID:</b>	<b>REGD FOLIO NO. :</b>
<b>Client ID:</b>	<b>NO. OF SHARES HELD:</b>

Full name of the member attending: \_\_\_\_\_

Name of the Proxy: \_\_\_\_\_

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

I hereby record my presence at the 29th Annual General Meeting of the Company being held at Hotel Planet Landmark, Ambli Bopal Road, Off .S.G. Road, Nr .Ashok Vatika, Ahmedabad-380058, on Monday, 23<sup>rd</sup> September, 2019 at 10:00 a.m.

\_\_\_\_\_  
Member's / Proxy's Signature

(To be signed at the time of handing over the slip)

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

**DEEP INDUSTRIES LIMITED****CIN:** L63090GJ1991PLC014833

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

Tel (02717) 298510 Fax (02717) 298520

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

**PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We, being the member(s) of \_\_\_\_\_ Shares of the above named Company, hereby appoint;

1. Name: _____	E-mail Id: _____
Address: _____	Signature: _____

or failing him

2. Name: _____	E-mail Id: _____
Address: _____	Signature: _____

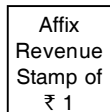
or failing him

3. Name: _____	E-mail Id: _____
Address: _____	Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 29th Annual General Meeting of the Company, to be held on Monday, 23rd day of September, 2019 at 10:00 a.m. at Hotel Planet Landmark, Ambli Bopal Road, Off. S.G. Road, Nr. Ashok Vatika, Ahmedabad - 380 058 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Particulars of Resolution	Option	
		For	Against
	<b>Ordinary Business</b>		
1.	To receive, consider and adopt the Audited financial statements (including audited consolidated financial Statements) of the company for the financial year ended 31st March, 2019 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 declare dividend of ₹ 1.5/- per equity share for the year ended 31st March, 2019		
3	To appoint a Director in place of Mr. Paras Shantilal Savla (DIN: 00145639) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.		
	<b>Special Business</b>		
4	To Re-appoint Mrs. Renuka Upadhyay (DIN: 07148637) as an Independent Director		
5	To Re-appoint Mr. Paras Shantilal Savla (DIN: 00145639) as a Managing Director		
6	To Re-appoint Mr. Rupesh Kantilal Savla (DIN: 00126303) as a Managing Director.		
7	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		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019



**Signature of Shareholders**

**Signature of Proxy holder(s)**

**Note:** This form of Proxy in order to be effective should be duly Completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.