

24th April 2020

To,
BSE Limited
Listing Department / Department of Listing Department, Exchange Plaza, 5th
Corporate Services Floor
Phiroze Jeejeebhoy Towers Plot No. C/1, G Block
Dalal Street Bandra – Kurla Complex
Mumbai – 400001 Mumbai (E)
Mumbai - 400051

Security Code: 532760

Symbol: DEEPIND

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding order received from NCLT, Ahmedabad Bench, sanctioning Scheme of Arrangement of Deep Industries Limited.

We would like to inform that Hon'ble National Company Law Tribunal ("NCLT"), Ahmedabad Bench, has sanctioned the Scheme of Arrangements in the nature of Demerger of Oil and Gas Services undertaking of Deep Industries Limited into Deep CH4 Limited and restructuring of the equity share capital of Deep CH4 limited under Section 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 ("Scheme").

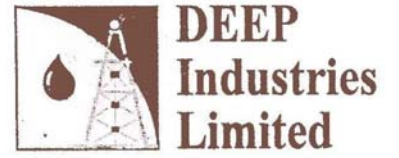
A copy of the order of NCLT sanctioning the Scheme ("Order"), as uploaded on the website of NCLT on 23rd April, 2020 is enclosed for your perusal.

The Scheme shall be binding on the petitioner companies, their shareholders and creditors and all concerned under the scheme and will become effective upon filing of the certified copy of Order of the NCLT, sanctioning the Scheme with the Register of Companies, Gujarat.



Registered Office:
12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad-380058
Gujarat, India. Tel # 02717 298510, +91 98256 00533 | Fax # 02717 298520
Email: info@deepindustries.com | Website: <http://www.deepindustries.com>
CIN : L63090GJ1991PLC014833





**Oil & Gas Exploration
Production & Services**

We request you to kindly take the above on record.

Thank you.

Yours faithfully,

For Deep Industries Limited



Akshit Soni

**Company Secretary & Compliance Officer
Membership No. 34152**



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**NATIONAL COMPANY LAW TRIBUNAL
AHMEDABAD BENCH
AHMEDABAD
Court 2**

CP(CAA) No. 04/NCLT/AHM/2020 in CA(CAA) 103/2018

**Coram: HON'BLE Ms. MANORAMA KUMARI, MEMBER JUDICIAL
HON'BLE Mr. CHOCKALINGAM THIRUNAVUKKARASU, MEMBER TECHNICAL**

**ATTENDANCE-CUM-ORDER SHEET OF THE HEARING OF AHMEDABAD BENCH
OF THE NATIONAL COMPANY LAW TRIBUNAL ON 17.03.2020**

Name of the Company: Deep Industries Ltd
Deep CH4 Ltd

Section : Section 230-232 of the Companies Act, 2013

<u>S.NO.</u>	<u>NAME (CAPITAL LETTERS)</u>	<u>DESIGNATION</u>	<u>REPRESENTATION</u>	<u>SIGNATURE</u>
1.	MONAAL J. DAYAWALA for SWATI S. SOPARKAR	Advocate	Petitioner	<u>Monaal</u>
2.				

ORDER

The Petitioner is represented through learned counsel.

The Order is pronounced in the open court vide separate sheet.


**CHOCKALINGAM THIRUNAVUKKARASU
MEMBER TECHNICAL**


**MANORAMA KUMARI
MEMBER JUDICIAL**

Dated this the 17th day of March, 2020

**NATIONAL COMPANY LAW TRIBUNAL,
BENCH AT AHMEDABAD**

**C.P. (CAA) No. 4/NCLT/AHM/2020
IN
C.A. (CAA) No. 103/NCLT/AHM/2020**

In the matter of:-

Deep Industries Ltd.

12a & 14, Abhishree Corporate Park ,

Ambli Bopal Road,

Ambli, Ahmedabad-380058 Gujarat. ... **Petitioner Demerged Company**

Deep CH4 Ltd.

14, Ground floor , Abhishree Corporate Park ,

Ambli Bopal Road,

Ambli, Ahmedabad-380058 Gujara ... **Petitioner resulting Company**

Order delivered on :- 17.03.2020

Coram: Hon'ble Ms. Manorama Kumari, Member (J)

Hon'ble Mr. Chockolingam Thirunavukkarasu, Member (T)

Appearance: Swati Soparkar, Adv.

ORDER

[Per: Ms. Manorama Kumari, Member (Judicial)]

1. The instant joint application is filed by the petitioner companies Under section 230-232 r/w 66 of the Companies Act, 2013. Seeking sanction of the scheme of arrangements in the nature of demerger between Deep Industries Ltd & Deep CH4 Ltd. as well as the restructure of the equity share capital of the CH4 Ltd.
2. It is a matter of record and also submitted by the petitioner that both companies dealing through the same group of the

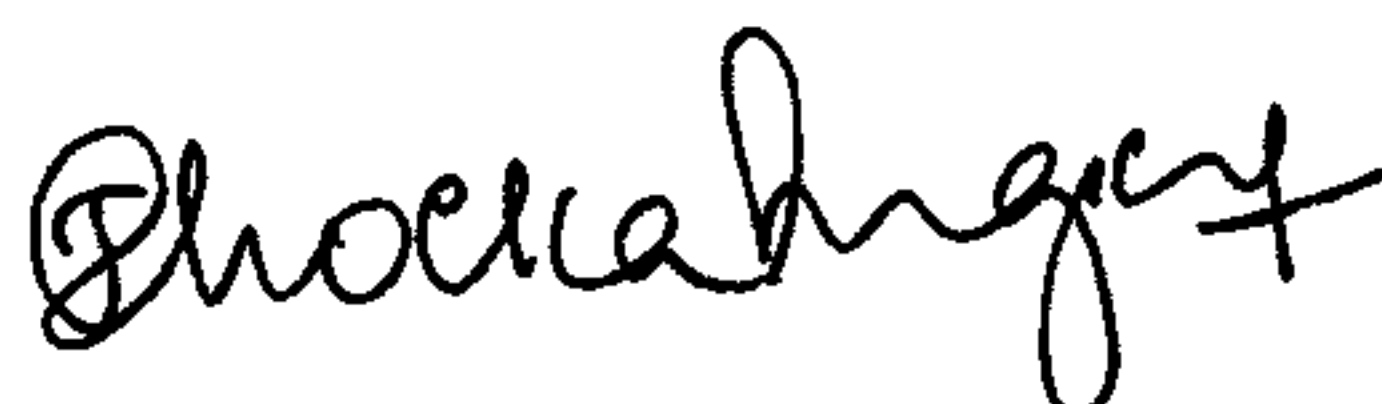
Chockalingam

Manorama

management. The Board of Directors of both this companies envisages the rationale and benefit for the scheme are as under:-

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

- i. The proposed segregation would enable greater/enhanced focus of the management in the Oil and Gas Services Business and Oil and Gas Exploration and Production business thereby facilitating the management to efficiently exploit opportunities for each of the said businesses.



ii. The management believes that the proposed demerger will result in unlocking the true value of Oil and Gas Services Business thereby creating enhanced value for shareholders and will also allow a focused strategy and specialization for sustained growth, which would be in the best interest of all the stakeholders connected with Deep.

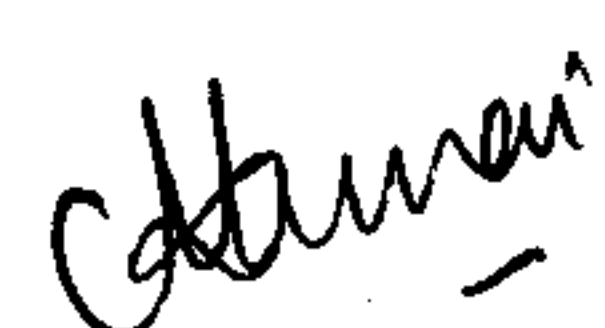
iii. The proposed demerger will also provide scope for independent collaboration and expansion for each of the businesses as well as enable attracting investors and provide better flexibility in accessing capital for each of the businesses carried on by Deep.

The requisite report confirming the proposed Share Entitlement Ratio of Equity Shares, being just and reasonable was provided by M/s Walker Chandiook & Co. LLP. Chartered Accountants. The Statutory Auditors of both the companies have confirmed the compliance of applicable accounting standards for the accounting treatment proposed under the said scheme.

3. Deep Industries Limited, the De-merged Company being a listed public limited company, the approval was first obtained from the Audit Committee on 26th May 2018 and thereafter the same was placed before the respective Board of Directors of all the companies. The resolutions dated 26th May 2018 were passed by the Board of Directors of both the Petitioner Companies. The Scheme was thereafter presented to concerned stock exchanges and the observation letters dated 29th August 2018 were respectively obtained from BSE Limited and National Stock Exchange of India Limited.

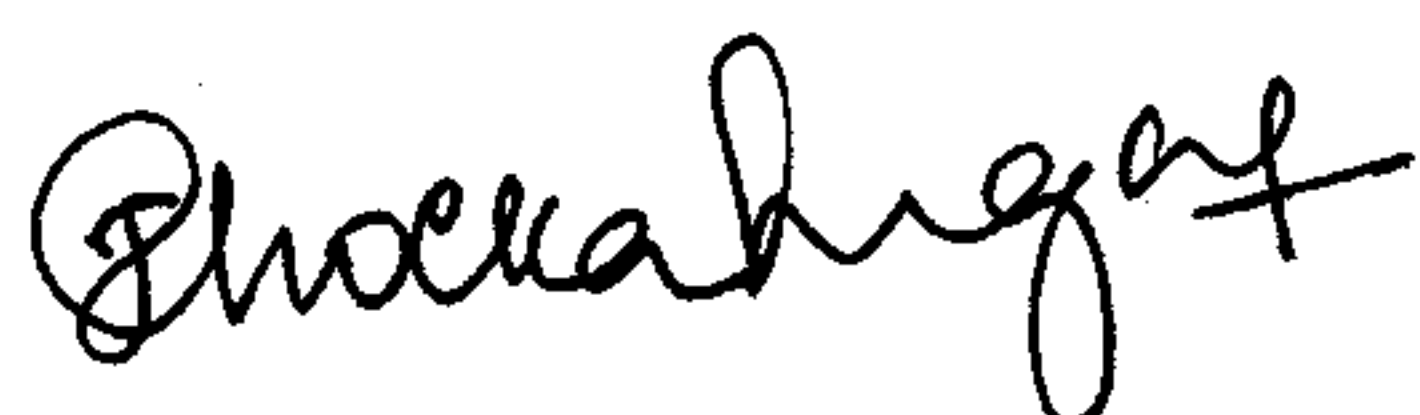
4. In response to the said petitioner companies had filed the proceedings before this Tribunal in form of joint application

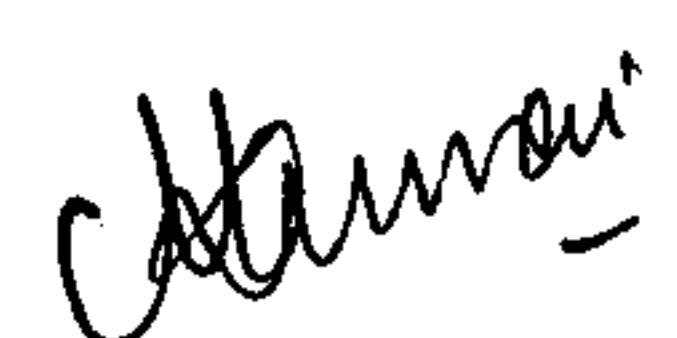




being CA (CAA) No. 103 of 2018. Vide the said application, directions were sought to convene separate meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of Deep Industries Limited, the Applicant De-merged Company. It is also matter of record that dispensation of meeting of the equity shareholders was prayed for, for Deep CH4 Ltd. i.e. applicant resulting company in view of the consent on affidavit so filed by equity shareholders approving the proposed Scheme, being placed on record. Since there are /were no creditors as such convening of meeting of resulting i.e. Deep CH4 does not arise at all.


5. On perusal of the record it is found that vide order dated 19.09.2018 in CA(CAA)103/2019 the meetings dispensed with in view of affidavit of the equity share holder of the Deep CH4 Ltd. Meetings of the creditors were not required as there were/are no creditors. Whereas, directions were issued for convening separate meetings of the Equity Shareholders, Secured Creditors and Unsecured Creditors of Deep Industries Limited, the Applicant De-merged company to obtain their approval to the proposed scheme. Further directions were issued for the service of notice as well as publication of the notice in the newspapers. The Petitioner Companies complied with the said directions.
6. The petitioner has also issued notice of meetings individually to all the equity share holders secure and unsecured creditors of Deep Industries Ltd that is demerged company on or before 28th September 2018; together with a copy of the Scheme of Arrangement and the Explanatory Statement as well as all other requisite disclosures. The notice convening the meetings were also advertised in Ahmedabad editions of English daily 'Indian Express' and Gujarati daily 'Sandesh' on 29th September 2018.

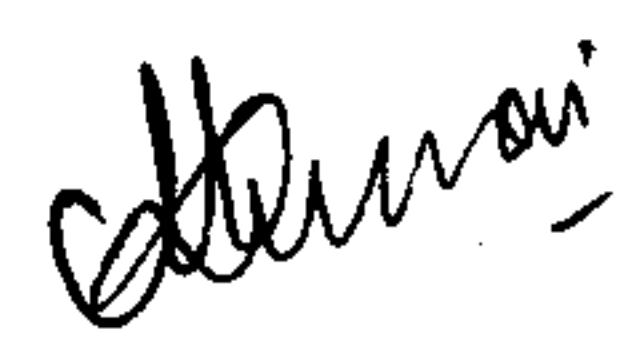




The affidavit dated 15th October 2018 was filed by the Chairman of the said meetings confirming the compliance of the directions. The aforesaid meetings were duly convened and held at Ahmedabad on 30th October 2018 and the Chairman appointed for the said meetings reported the result of the said meetings to this Tribunal by way of affidavit dated 27th November 2018. It has been pointed out that the meeting of the Secured Creditors of the Petitioner De-merged Company were required to be adjourned from time to time for lack of quorum and was finally convened on 26th December 2019. The Chairman appointed for the said meeting reported the adjournments by several interim reports and finally the result of the said meeting is filed to this Tribunal by way of affidavit dated 9th January 2020 together with the copy of the scheme of arrangement and the explanatory assessment as well as request the disclosure. The notice on convening of meetings were also published in the English daily Indian Express and Gujarat Daily Sandesh on 29 September 2018. The petitioner has also filed an affidavit in compliance of the direction so made by this Bench The aforesaid meeting were duly convened in respect of the Deep Industries Ltd on 30.10.2018 and the Chairman was appointed for the said meeting who has also filed the report of the meeting by way of an affidavit on 27.11.2018. It is to be mentioned herein that the meetings of the secured creditors of the petitioner demerged company were required to be adjourned from time to time for lack of Coram and was finally convened on 26.12.2019 by appointing a chairman for the said meeting.

7. (i) Perusal of the Chairman's report confirms the cumulative approval of the scheme by requisite majority of 99.99% in value of the Equity Shareholders, who exercised their right to vote through different modes made available, viz. postal ballot, remote e voting and voting by physical ballots at the meeting. Further,





the number of votes cast by the Public Shareholders in favour (i.e. 59 shareholders holding 16,55,846 Equity Shares) of the resolution approving the proposed Composite Scheme of Arrangement were far more than the number of votes cast against it (i.e. 1 shareholder holding 1000 Equity Shares) by the Public Shareholders, thereby approving the resolution as required as per SEBI Circular CFD/DIL3/CIR/2017/21 dated 10th March, 2017, by requisite majority.

(ii) The scheme was approved unanimously by the Unsecured Creditors of the said De-merged Company.

(iii) The Scheme was approved unanimously by the Secured Creditors of the De-merged Company.

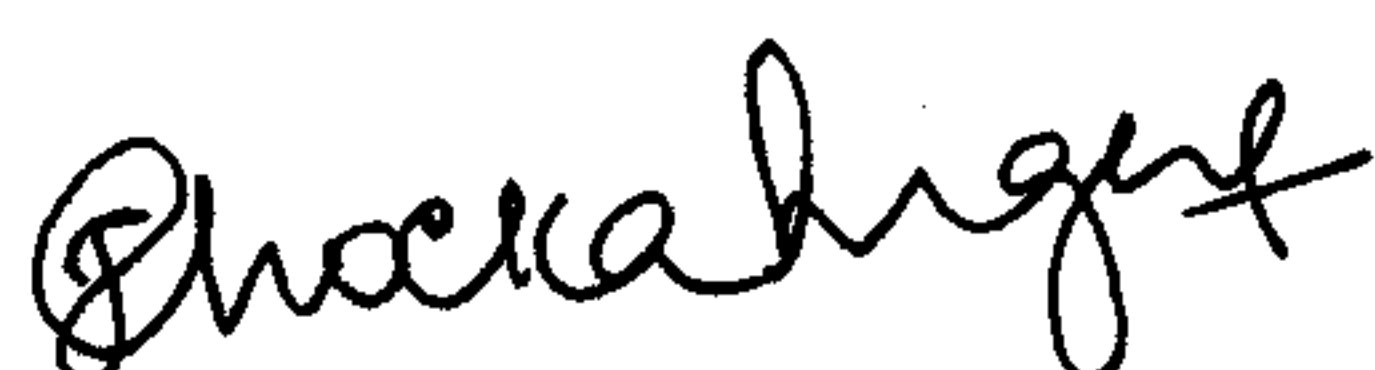
8. Vide the aforesaid order dated 19th September 2019, the original Applicant companies were also directed to serve Notice of the Scheme to the Regulatory Authorities-viz. (i) Central Govt. through the Regional Director, North-Western Region, (ii) Registrar of Companies, Gujarat, (iii) concerned Income Tax Authorities; for both the companies and further upon (iv) The Reserve Bank of India; and (v) BSE Limited; (vi) National Stock Exchange Limited and (vii) Securities and Exchange Board of India and (viii) The Directorate General of Hydrocarbons, Ministry of Petroleum and Natural Gas, Government of India; only in case of Deep Industries Limited, the De-merged Company, along with Notice, Explanatory Statement and other requisite documents and disclosures. The notices were duly served on all the authorities on or before 5th October 2018. The affidavit dated 15th October 2018 confirming the compliance of the said directions for service of Notice on all the above Regulatory Authorities along with the acknowledgments for the same was filed with this Tribunal. In response to the said notice, the Regional director filed an affidavit with the Hon'ble Tribunal dated 1st November 2018. No Representations were received

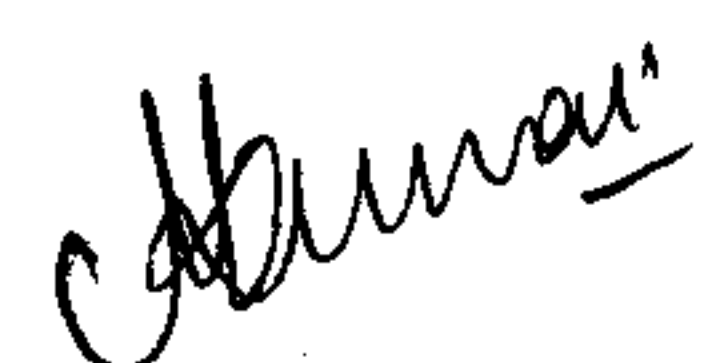
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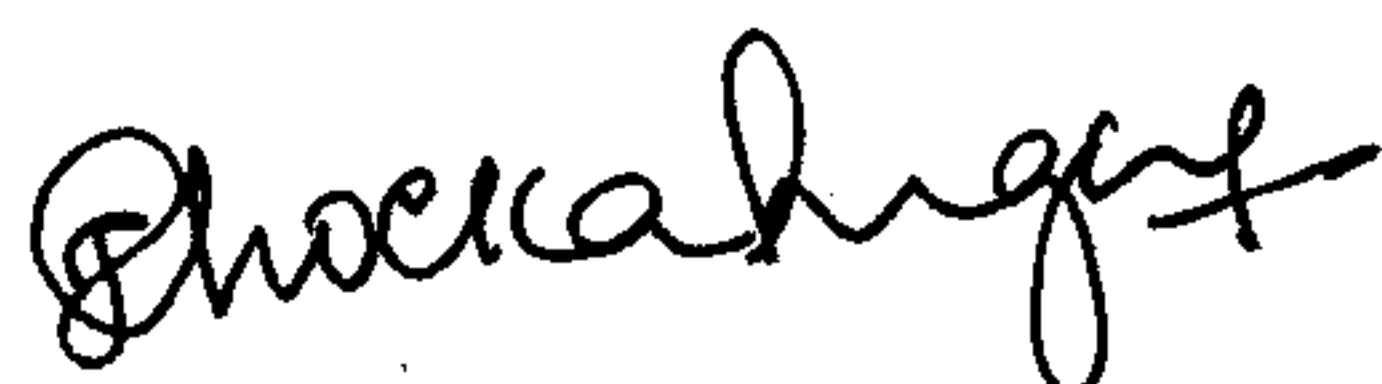
from the Income Tax Authorities or any other regulatory authority for any of the companies.

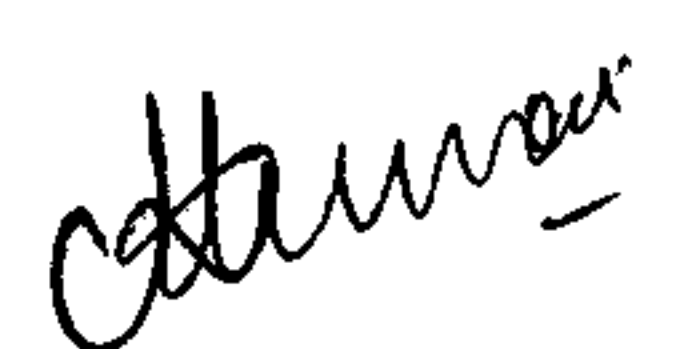
9. On 20.01.2020 a joint application / petition filed and the same was admitted on 04.02.2020 by this Bench fixing the date of hearing as 04.03.2020. This bench further directed for issuance of Public notice of hearing of the petition in the news paper English daily "Indian Express" and Gujarati Daily Sandesh Vadodara edition. For all the companies at least before 10 days of the date of hearing of the petition. This bench further directed to issue notice of hearing of the petition to the Statutory Authorities which viz. (i) Central Govt. through Regional Director- North Western Region, (ii) Registrar of Companies, and (iii) Income Tax authorities, at least before 10 days of the date of hearing of the petition.
10. Pursuant to the directions, notices were duly served by the petitioner companies on the statutory authorities viz. (i) Central Govt. through Regional Director- North Western Region, (ii) Registrar of Companies, and (iii) Income Tax authorities, on or before 13th February 2020 and publications were duly made in the newspapers- Ahmedabad editions on 12th February 2020. The affidavit of service and publication dated 19th February 2020 confirming the same has been placed on record. Since the proposed Scheme involves only De-merger, no notice was required to be served upon the Official Liquidator.
11. On receipt of the notice a representation in form of the common affidavit received from the Regional Director on 1.11.2018 to which the petitioner have filed an affidavit in reply on 19.02.2020 in response to the representation so received by the RD.





- i. It has been submitted that Para 2 (a), (b), (c) and (d), of the affidavit by Regional Director confirm the factual aspects viz. Service of Notice for the proposed Scheme, nature of the proposed Scheme including proposed reduction of existing share capital of the Petitioner Resulting Company, consideration for the transfer of De-merged Undertaking, as confirmed by the Chartered Accountant as well as the rationale for the proposed Scheme.
- (ii) Para 2(e) of the affidavit by Regional Director refers to the proposed transfer of part of the Authorised Share Capital, existing in form of the unissued Equity and Preference Share Capital of Deep, the Petitioner De-merged Company to Deep CH4, the Resulting Company, as envisaged under Clause 11 of the proposed Scheme and the consequent amendment in the Capital Clause of both the Petitioner Companies. It is submitted by the Regional Director that such transfer and consolidation of the Authorised Capital is permissible under the provisions of law only for the proposed Scheme of Amalgamation and mergers and not for the Scheme of Arrangement involving De-merger. In this regard, it has been submitted by the petitioners that there is no specific provision of law prohibiting such transfer and consolidation of capital in case of De-merger. It is further submitted that there are numerous instances where such transfer of part of the Authorized Capital has been permitted in case of De-merger by several decisions of the High Court as well as this Hon'ble Tribunal. Reliance is placed in this regard on the following decisions:
- a) Elitecore Technologies Private Limited [2013] 176 Company Cases 297 (Gujarat)
 - b) Alchemist Limited and Alchemist Foods Limited [2010] 160 Company Cases 469 (Delhi)
 - c) Ashim Investment Co Limited [2007] 138 Company Cases 89 (Delhi)
 - d) Arvind Limited CP(CAA) No. 77/NCLT/AHM/2018
 - e) Interglobe Enterprises Limited [2018] 143 CLA 282 (NCLT)



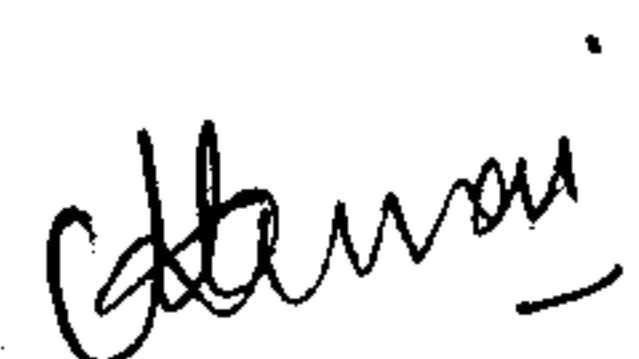


f) Alembic Limited in C P (CAA) No. 47 OF 2019

In light of such precedents available, there is no reason not to grant the same in the present scheme.

(iii) Vide para 2 (f) and 2 (g) of the affidavit, it has been observed by the Regional Director that for the proposed amendment in the Object Clause of Deep CH4, the Petitioner Resulting Company and Name Clause of both the Petitioner Companies, as envisaged under Clause 11.2 and 11.4 of the Scheme respectively; the requisite procedures and payment of fees be followed. It has been submitted by the petitioners that vide respective clauses 11.3 and 11.4.3 of the Scheme it is already clarified that approval granted to the Scheme by the concerned parties shall also be considered the requisite approval to the proposed alterations in the Memorandum and Articles of Association of the Resulting Company and the same is permissible in law under the accepted principle of Single Window Clearance. In view of the same, it has been further submitted that no further procedural compliance of the provisions of the Companies Act, shall be necessary for the same. Upon the sanction of the scheme as a whole, the said proposals shall stand granted. The petitioner companies have undertaken to pay requisite fees, if applicable. It has been clarified that upon scheme being sanctioned, the Petitioner Companies shall undertake the requisite procedure for confirming availability of Names, so proposed to be altered, by the petitioner companies.

(i) Vide para 2 (h) of the affidavit, it has been observed by the Regional Director that part of the share capital of the Petitioner De-merged Company is held by the Non Resident Indians/Foreign National/ Foreign Body Corporate. The Regional Director has sought confirmation about the compliance of provisions of FEMA and RBI guidelines. In this regard, it has been confirmed that the said Company has so far made the compliance of all applicable provisions



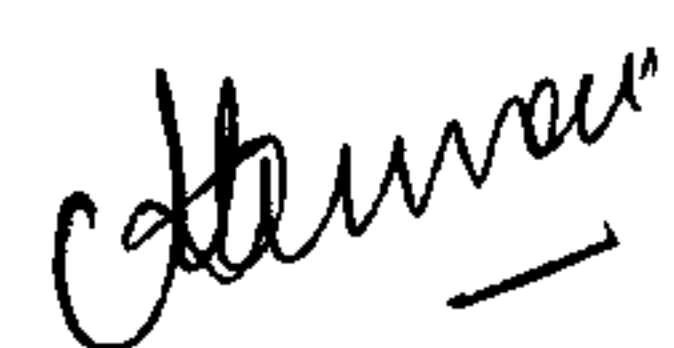
of FEMA and RBI guidelines. The notice under Section 230 (5) of the Companies Act, 2013 has been served upon the RBI and it has not made any representation so far. The petitioner company has further undertaken to comply with the applicable provisions of the said act, upon Scheme being effective.

(ii) Vide para 2 (i) of the affidavit, it has been observed by the Regional Director that the company has not clearly disclosed the requisite details of the assets and liabilities of the De-merged Undertaking. In this regard, it has been submitted that the columnar list of the Assets and Liabilities of the De-merged Company as on 30th September 2019 has been placed on record alongwith the Additional Affidavit dated 19th February 2020.

(iii) Vide Para 2 (j) of the affidavit, it has been observed by the Regional Director that directions be issued for compliance of Section 2 (19 AA) of the Income Tax Act, since the Scheme involves De-merger. In this regard, it has been clarified that clause (F) of the Preamble of the Scheme clearly provides for the same and no further directions are necessary to be issued in this regard.


(vii) Vide para 2 (k) of the affidavit, it has been observed by the Regional Director that Deep Industries Limited, the Petitioner De-merged Company, being a listed company shall be required to comply with SEBI circulars. It has been submitted that the said Petitioner Company has already complied with the applicable provisions of the said circulars, has already obtained requisite prior approval dated 29th August 2018 from the concerned stock exchanges and has further complied with the directions issued by such observation letters. It is further undertaken by the said company to fulfill requisite compliances upon scheme being effective.





- (viii) Vide Para 2 (l) of the affidavit, the Regional Director has drawn attention to the nature of business of the De-merged Company viz. Oil and Gas being governed by specific regulatory authority and the requirement of specific licenses to carry on the said business by the Petitioner Resulting Company, upon Scheme being sanctioned. In this regard, it has been clarified that upon scheme being effective, the petitioner Resulting Company shall undertake the requisite procedure for obtaining the requisite licenses and permissions from the concerned regulatory authority. It is further pointed out that as directed vide the order dated 19th September 2018, Notice under Sec. 230 (5) for the present proceeding was served upon The Directorate General of Hydrocarbons, Ministry of Petroleum and Natural Gas, Government of India, on 5th October 2018. However, the said authority has not filed any representation with the Hon'ble Tribunal. No response is received by the Petitioner companies also. In view of the same, it may be presumed that the said regulatory authority has no objection to the proposed Scheme and no further directions are required to be given to the petitioner companies.
- (ix) Vide para 2(m) of the representation by the Regional Director, it has been observed that the petitioner Demerged Company has not filed the Annual Return and Balance Sheet as on 31 March 2018. In this regard it has been clarified that the said company had made good the said lapse by filing the same on 24 October 2018 and 22 December 2018 respectively. In view of the same, it is not necessary to give any further directions.
- (x) Vide para 2(n) of the representation by the Regional Director, it has been observed that Clause 10.7 of the Scheme is not required in the Scheme, which enables the company to adopt other accounting treatment, in consultation with the statutory auditors of the petitioner companies. In this regard, it has been submitted that the said clause is only an enabling clause. It is further confirmed that even in case

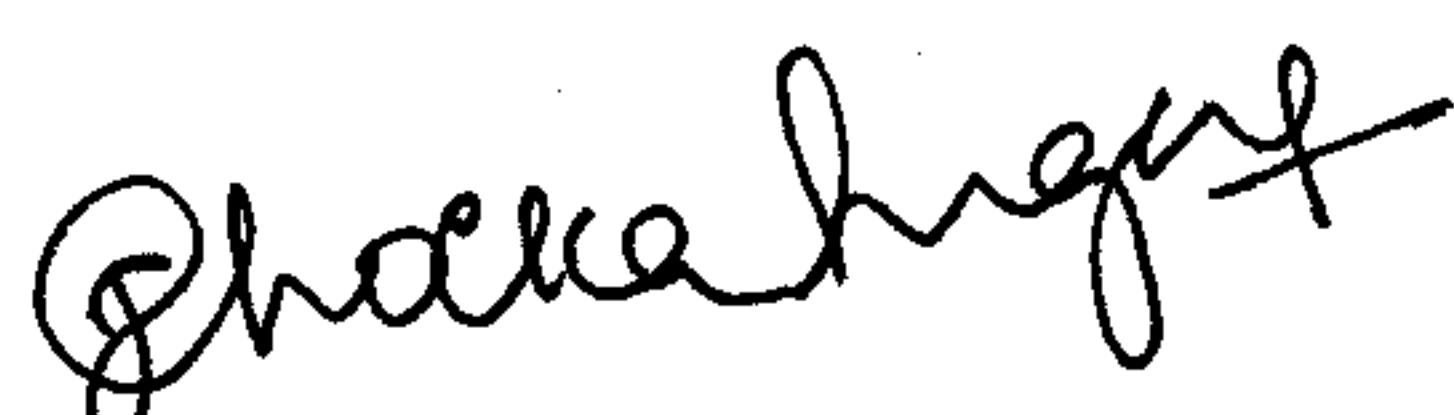




where any other accounting treatment is found to be more appropriate, the same will be adopted by the Resulting Company, in consultation with its statutory auditor and the same will be in compliance with the applicable accounting standards. In view of the aforesaid explanation, it is not necessary to give any further directions.

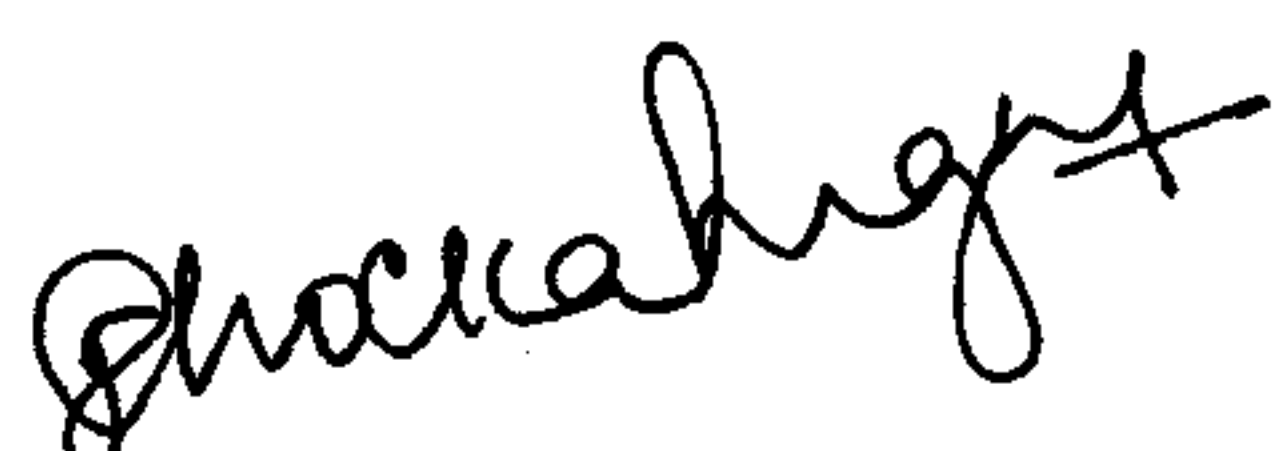
12. No representation has been received from the Income Tax Authorities. Hence, it is assumed that the said authorities have no objection to the proposed Scheme. However, it is submitted that on the basis of the records of the Petitioner Companies as on 31st December 2019, there is no undisputed outstanding demand for income tax for any of the petitioner companies. There are disputed income tax demands against Deep Industries Limited, the Petitioner De-merged Company for Assessment Years 2014-15, 2016-17 and 2017-18. The appellate proceedings for the same are pending before the appellate authorities. It has been confirmed, that the petitioner Resulting Company shall be liable for any demand already created or become payable due to any of the proceedings related to Income Tax department in future for outstanding demand relatable to the De-merged Undertaking, prior to the present Scheme of Arrangement. The Petitioner Companies have undertaken to abide by all the applicable provisions of the Income Tax Act.

13. In compliance with the proviso to sub-section (7) of Section 230, the petitioner companies have placed on record the certificates of Chartered Accountant dated 5th September 2018, confirming that the accounting treatment envisaged under the said scheme of Arrangement in the books of the respective De-merged Companies and the Resulting Companies is in compliance with the applicable Accounting Standards notified by Central Govt. in section 133 of the Companies Act, 2013.







14. Considering the entire facts and circumstances of the case and on perusal of the Scheme and the documents produced on record, it appears that all the requirements of section 230 and 232 of the Companies Act, 2013 are satisfied and the Scheme is not prejudice to the interest of shareholder(s) and creditor(s) as well as in the public interest
15. As a result, the petition being C P (CAA) No. 4 of 2020 is hereby allowed. The Scheme which is at Annexure- 'F' to the petition is hereby sanctioned and it is declared that the same shall be binding on the petitioner companies, their shareholders, secured creditors and unsecured creditors and all concerned under the scheme. The proposed amendments of the Memorandum of Association of the Petitioner De-merged Company and the Resulting Company with regard to changes in the Authorised Capital and the Objects Clause of the Petitioner companies as envisaged under Clause 11 are hereby granted. The change of name of the petitioner companies shall be subject to the confirmation by Registrar of Companies for availability of such names. The reduction of the Share Capital of the Resulting Company as envisaged under Clause 12 of the Scheme is allowed.
16. The amount to be paid to the Office of the Regional Director towards legal costs and expenses is quantified at Rs. 25,000/-. The said fees to the Regional Director shall be paid by Deep Industries Limited, the de-merged Company.
17. Filing and issuance of drawn up order is hereby dispensed with. All concerned authorities to act on a copy of this order along with the scheme duly authenticated by the Registrar of this Tribunal. The Registrar of this Tribunal shall issue the authenticated copy of this order along with Scheme immediately.





18. The Petitioner Companies are further directed to lodge a copy of this order, the schedule of immovable assets of the De-merged Undertaking of the De-merged Company as on the date of this order and the Scheme duly authenticated by the Registrar of this Tribunal, with the concerned Superintendent of Stamps, for the purpose of adjudication of stamp duty, if any, on the same within 60 days from the date of the order.
19. The Petitioner Companies are directed to file a copy of this order along with a copy of the scheme with the concerned Registrar of Companies, electronically, along with INC-28 in addition to physical copy as per relevant provisions of the Act.
20. The approval of this Scheme cannot come on the way of any Statutory and /or Competent Authority to take any action for violation of any law for the time being in force.
21. CP (CAA) No. 4 of 2020 is allowed and disposed off accordingly.


Mr. CHOKALINGAM
THI RUNAVUKKARASU
MEMBER (TECHNICAL)


Ms. MANORAMA KUMARI
MEMBER (JUDICIAL)