



**DEEP
Industries
Limited**

**Oil & Gas Exploration
Production & Services**

September 27, 2018

To,
Corporate Relations Department
Bombay Stock Exchange Limited
2nd Floor, P.J. Towers,
Dalal Street,
Mumbai-400 001

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.

Scrp Code : 532760

Symbol: DEEPIND

Dear Sir / Madam,

Sub: Annual Report – Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015.

Pursuant to Regulation 34 of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, we submit herewith the Annual Report of the Company for F.Y. 2017-18 duly approved and adopted by the Members at the 28th Annual General Meeting of the Company held on Tuesday, September 25, 2018 at Ahmedabad.

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



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





DEEP INDUSTRIES LIMITED

Oil and Gas
Exploration, Production
and Services



28th
Annual Report
2017-2018



DEEP INDUSTRIES LIMITED
28th Annual Report 2017-2018

BOARD OF DIRECTORS

Mr. Paras S. Savla	Chairman & Managing Director
Mr. Rupesh K. Savla	Managing Director
Mr. Kirit V. Joshi	Independent Director
Mr. Arun N. Mandke	Independent Director
Mrs. Renuka Upadhyay	Independent Director
Mr. Hemendrakumar Shah	Additional Independent Director (Appointed w.e.f. 26.06.2018)
Dr. Kirit Shelat	Additional Independent Director (Appointed w.e.f. 16.08.2018)

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.
Exim Bank Ltd.
IDFC Bank Ltd

AUDITORS

M/s. Dhirubhai Shah & Co
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 **28th Annual General Meeting** of the Members of Deep Industries Limited (CIN: L63090GJ1991PLC014833) will be held on Tuesday, the 25th September, 2018 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 31st March, 2018 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 shares for the year ended 31st March, 2018.
3. To appoint a Director in place of Mr. Rupesh Kantilal Savla (DIN: 00126303), who retires by rotation and being eligible offers himself for re – appointment.

SPECIAL BUSINESS:

4. Appointment of Mr. Hemendrakumar Chamanlal Shah (DIN: 00077654) as an Independent Director.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) Mr. Hemendrakumar Chamanlal Shah (holding DIN: 00077654), who was appointed as an Additional Director (Independent) of the Company by the Board of Directors with effect from 26th June, 2018 and who holds office till the date of ensuing Annual General Meeting, in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, signifying his intention to propose Mr. Hemendrakumar Chamanlal Shah as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years i.e. upto 25th June, 2023 on the board of the Company.”

5. Appointment of Dr. Kirit Nanubhai Shelat (DIN: 00190619) as an Independent Director.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 150, 152, Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 (Act), read with the Rules made thereunder, (including any statutory modification(s) or re-enactment thereof for the time being in force) Dr. Kirit Nanubhai Shelat (holding DIN: 00190619), who was appointed as an Additional Director (Independent) of the Company by the circular resolution by Board of Directors with effect from 16th August, 2018 and who holds office till the date of ensuing Annual General Meeting, in terms of Section 161 of the Act, and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Act, signifying his intention to propose Dr. Kirit Nanubhai Shelat as a candidate for the office of a Director of the Company, be and is hereby appointed as an Independent Director, not liable to retire by rotation, to hold office for a term of five consecutive years i.e. upto 15th August, 2023 on the board of the Company.”

6. Re-appointment of Mr. Kirit Joshi (DIN: 05316488) 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), of Mr. Kirit Joshi (DIN: 05316488), who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2019 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 his 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 March 31st, 2024 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.”

7. Re-appointment of Mr. Anun Manke (DIN: 00587604) 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), Mr. Anun Manke (DIN: 00587604), who was appointed as an Independent Director and who holds office as an Independent Director up to March 31, 2019 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 his 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 March 31st, 2024 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.”

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

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

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

Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead manager(s) and/or underwriter(s) and/or other advisor(s) appointed and / or to be appointed by the Company (the "Issue")."

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

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

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

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

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

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

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

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

"RESOLVED FURTHER THAT the Board be and is hereby authorised 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.”

9. Approval of loans, investments, guarantee or security under section 185 of Companies act, 2013:

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

“**RESOLVED THAT** pursuant to Section 185 and all other applicable provisions of the Companies Act, 2013 read with Companies (Amendment) Act, 2017 and Rules made thereunder as amended from time to time, the consent of the Company be and is hereby accorded to authorize the Board of Directors of the Company (hereinafter referred to as the Board, which term shall be deemed to include, unless the context otherwise required, any committee of the Board or any director or officer(s) authorised by the Board to exercise the powers conferred on the Board under this resolution) to advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any entity which is a subsidiary or associate or joint venture of the Company, (in which any director is deemed to be interested) upto an aggregate sum of ₹ 60 Crores (Rupees Sixty Crores Only) in their absolute discretion deem beneficial and in the interest of the Company, provided that such loans are utilized by the borrowing company for its principal business activities.”

“**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution the Board of Directors of the Company be and are hereby authorised to do all acts, deeds and things in their absolute discretion that may be considered necessary, proper and expedient or incidental for the purpose of giving effect to this resolution in the interest of the Company.”

By Order of Board of Directors

Date : August 20, 2018

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

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 Ordinary Resolution at Item No. 3, 4, 5, 6 & 7 a statement giving additional information on the Director(s) seeking re-appointment is annexed herewith 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 Wednesday, 19th September, 2018 to Tuesday, 25th September, 2018 (both days inclusive) for the purpose of 28th Annual General Meeting & to determine the entitlement of the shareholders to receive dividend for the year 2017-18, if declared at the meeting.
7. 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.
8. All documents referred to in the accompanying notice requiring the approval of the members at the meeting shall be available for inspection at the Registered Office of the Company on all working days between 11:00 a.m. to 5:00 p.m. except Saturday prior to the date of Annual General Meeting i.e. on 25th September, 2018. The notice and the Annual Report are available on the Company's website www.deepindustries.com.
9. 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.
10. 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.
11. 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 2017-18 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 2017-18 is being sent in the permitted mode.
12. Members are requested to support the Green Initiative by registering/ updating their e-mail addresses, with the Depository Participant (in case of Shares held in dematerialized form) or with M/s. Link Intime India Private Limited. (in case of Shares held in physical form).
13. Members may also note that the Notice of the 28th Annual General Meeting and the Annual Report for the year 2017-18 will also be available on the Company's website 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.
14. Members/proxies are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
15. Members are requested to provide their Client ID and DP ID numbers at the meeting for easy identification.
16. 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.
17. Transfer of Unclaimed and/or Unpaid Amounts to the Investor Education Protection Fund (IEPF).
 - a. In accordance with the provisions of Sections 124, 125 and other applicable provisions, if any, of the Companies Act, 2013 read with the IEPF Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (hereinafter referred to as "IEPF Rules") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the amount of dividend remaining unclaimed or unpaid for a period of 7 (seven) years from the date of transfer to the unpaid dividend account is required to be transferred within 30 days of becoming due to IEPF maintained by the Central Government.



- b. Accordingly, during the financial year 2018-19, the Company will transferred unclaimed final dividend amount for the financial year ended 31st March, 2011 on 08th October, 2018 to IEPF.
- c. 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.
18. A route map giving directions to reach the venue of the 28th Annual General Meeting is given at the end of the Notice.

19. 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 18.09.2018 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 18, 2018. 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:

- (i) The voting period begins on 22nd September, 2018 at 9.00 a.m. and ends on 24th September, 2018 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 Tuesday, 18th September, 2018, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website www.evotingindia.com.
- (iii) Click on “Shareholders” tab.
- (iv) Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to 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:

For Members holding shares in Demat Form and Physical Form	
PAN	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.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. - 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 IOS, 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 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.
 - 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 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, under help section or write an email to 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 22nd September, 2018 at 9:00 a.m. and ends on 24th September, 2018 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 18th September, 2018, 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 under help section or write an email to helpdesk.evoting@cdslindia.com.

20. Contact Details :

COMPANY:

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

REGISTRAR & TRANSFER AGENTS:

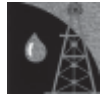
M/s. Linkintime India Private Limited
E-mail: ahmedabad@linkintime.co.in

E-VOTING AGENCY:

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

SCRUTINIZER:

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



21. At the ensuing Annual General Meeting, Mr. Rupesh Savla, retires by rotation and being eligible, offers himself for re-appointment.

Details of Director 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 pertaining to him are given below:

Particulars	Mr. Rupesh Kantilal Savla (DIN No. 00126303)
Date of Birth and Age	DOB: 17 th August 1972 Age: 45 Years
Date of Appointment	01 st June, 2009
Qualification	B.Com from Gujarat University, Ahmedabad MBA from Bentley College, USA
Experience & Expertise	Mr. Rupesh Savla aged 45 years, is having more than 22 years of experience in execution of projects in the oil & Gas Sector.
Name of Public Companies in which he hold directorship other than Deep Industries Limited	1) Deep Natural Resources Limited Director 2) Deep CH4 Limited - Director
Chairman/Member of committee of the Board of Public companies other than Deep Industries Limited	Nil
Relationship with other Directors	No Relation with other Directors
No. of shares held in the Company	100 Equity Shares

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

Appointment of Mr. Hemendrakumar Chamanlal Shah (DIN: 00077654) as an Independent Director.

The Board of Directors of the Company at their meeting held on 26th June, 2018 appointed Mr. Hemendrakumar C. Shah as an Additional Director on the board of the Company with effect from 26th June, 2018, pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act) and the Articles of Association of the Company.

Mr. Hemendrakumar C. Shah will hold office upto the date of this AGM. The Company has received a notice in writing under Section 160 of the Act from a member, proposing the candidature of Mr. Hemendrakumar C. Shah for the office of the Independent Director, to be appointed as such, under the provisions of Section 149 of the Act.

Brief Profile of Mr. Hemendrakumar C. Shah

Mr. Hemendrakumar C Shah holds a Bachelor degree in Commerce and Law, Masters in Commerce as well as qualified Cost and Management Accountant. He is also a Certified Associate of the Indian Institute of Bankers as well as a qualified Company Secretary (CS). His profile include a vast experience of more than 35 years in Finance, Cost & Management Accounting, Banking, Taxation Secretarial, Legal, Insurance and other related matters.

Throughout his career he shares an immaculate and passionate professional background of companies like Calico Mills, ONGC wherein he was a General Manger and Company Secretary, Adani Enterprise Ltd. as a Deputy General Manager & Company Secretary, worked as Chief Financial Officer (CFO) of Elecon Engineering Co. Ltd., Vallabh Vidyanagar and presently working as President (Finance) in Sadbhav Engineering Ltd., Ahmedabad a listed renowned infrastructure company since July, 2014.

He is also a recipient for Excellence in Corporate Governance Award by The Institute of Company Secretaries of India (ICSI) in December 2003 by hands of former Dy. Prime Minister Shri L.K. Advani. He is also recipient of best CMA- CFO Award from The Institute of Cost Accountants of India, Kolkata in May, 2014.

He also has/had an association with leading Educational/ Academic Institutes.

Directorship in listed Company & Membership in Committee of Board

- Directorship : Asian Granito India Limited

- Membership : Asian Granito India Ltd

Chairman – Audit Committee

Member - Nomination & Remuneration Committee

Mr. Hemedrakumar Shah is not related to any Director of the Company.

The Board recommends the resolution set forth for the approval of the members.



None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Mr. Hemendrakumar C. Shah.

Item No.5

Appointment of Dr. Kirit Shelat (DIN: 00077654) as an Independent Director.

The Board of Directors of the Company through circular resolution passed by them on 16th August, 2018, appointed Dr. Kirit Shelat as an Additional Director of the Company with effect from 16th August, 2018, pursuant to the provisions of Section 161 of the Companies Act, 2013 (Act) and the Articles of Association of the Company.

Dr. Kirit Shelat will hold office upto the date of this AGM. The Company has received a notice in writing under Section 160 of the Act from a member, proposing the candidature of Dr. Kirit Shelat Shelat for the office of the Independent Director, to be appointed as such, under the provisions of Section 149 of the Act.

Particulars	Dr. Kirit Nanubhai Shelat (DIN: 00190619)
Date of Birth and Age	DOB: 9 th January 1946 Age: 72 Years
Date of Appointment	16 th August, 2018
Qualification	He has done Ph.D in Public Administration. Awarded degree of D.Litt. – Doctorate of Science by Junagadh Agricultural University.
Experience & Expertise	He recently retired from the Indian Administrative Service. During his career of 40 years, he started from the grass-root level. He has his hand in the formulation and implementation of policies for Agricultural, rural and Industrial development for Government of Gujarat, India. He has worked as Head of various Government Departments and Public Undertakings.
Name of Public Companies in which he hold directorship other than Deep Industries Limited	1) Eris Life sciences Limited 2) Western Coalfields Limited
Chairman/Member of committee of the Board of Public companies other than Deep Industries Limited	1) Eris Life sciences Limited - Audit Committee- Member - Nomination & Remuneration Committee- Chairman - Corporate Social Responsibility Committee - Member 2) Western Coalfields Limited - Audit Committee- Chairman
Relationship with other Directors	No Relation with other Directors of the Company.
No. of shares held in the Company	Nil

The Board recommends the resolution set forth for the approval of the members.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Dr. Kirit Shelat.

Item No. 6

Re-appointment of Mr. Kirit Joshi (DIN: 05316488) as an Independent Director.

Mr. Kirit Joshi (DIN: 05316488) joined the board of your company on June 29, 2012 and was subsequently appointed by the shareholders as Independent Director in AGM 2014 for the term of five consecutive years. The current term of his office is due to expire on March, 2019.

Mr. Kirit Joshi, being eligible in terms of Section 149 and other applicable provisions of the Companies Act, 2013, offering himself for re-appointment, it is proposed to re-appoint him as an Independent Director for the second term of 5 consecutive years from April 01, 2019 to March 31, 2024.

A Notice has been received from a Member proposing Mr. Kirit Joshi as a candidate for the office of Director of the Company. The board is of the view that his continued association will be of immense benefit to the Company.

Accordingly, the Board recommends the Resolution in Item number 6 in relation to appointment of Mr. Kirit Joshi 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 him are given below:

Particulars	Mr. Kirit Joshi (DIN: 05316488)
Date of Birth and Age	DOB: 23 rd June 1951 Age: 67 Years
Date of Appointment	22 nd June, 2012
Qualification	B.Sc. with Maths, Physics & Statistics and Diploma in Co-operation, from M.S. University, Baroda.
Experience & Expertise	He has more than 40 years of experience and had superannuated as Asst. General Manager from SBI in year 2011. He had over 3 decades of professional experience with the key focus on Banking Operations, Client Relationship Management and Team Management in the Banking Sector.
Name of Public Companies in which he hold directorship other than Deep Industries Limited	Nil
Chairman/Member of committee of the Board of Public companies other than Deep Industries Limited	Nil
Relationship with other Directors	No Relation with other Directors
No. of shares held in the Company	Nil

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Mr. Kirit Joshi.

Item No. 7

Re-appointment of Mr. Anun Manke (DIN: 00587604) as an Independent Director.

Mr. Arun Mandke (DIN: 00587604) joined the board of your company on June 28, 2014 and was subsequently appointed by the shareholders as Independent Director in AGM 2014 for the term of five consecutive years. The current term of his office is due to expire on March, 2019.

Mr. Arun Mandke, being eligible in terms of Section 149 and other applicable provisions of the Companies Act, 2013, offering himself for re-appointment, it is proposed to re-appoint him as an Independent Director for the second term of 5 consecutive years from April 01, 2019 to March 31, 2024.

A Notice has been received from a Member proposing Mr. Arun Mandke as a candidate for the office of Director of the Company. The board is of the view that his continued association will be of immense benefit to the Company.

Accordingly, the Board recommends the Resolution in Item number 7 in relation to appointment of Mr. Arun Mandke 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 him are given below:

Particulars	Mr. Arun Mandke (DIN: 00587604)
Date of Birth and Age	DOB: 30 th October, 1948 Age: 69 Years
Date of Appointment	28/06/2014
Qualification	He holds a bachelor's degree in mechanical engineering from Saurashtra University
Experience & Expertise	He has worked at various positions such as manager, general manager and executive director in Gujarat Alkalis and Chemicals Limited and other institutions.
Name of Public Companies in which he hold directorship other than Deep Industries Limited	Nil
Chairman/Member of committee of the Board of Public companies other than Deep Industries Limited	Nil
Relationship with other Directors	No Relation with other Directors
No. of shares held in the Company	Nil

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in this resolution except Mr. Arun Mandke.



ITEM NO.8

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. 8 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. 8 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.

ITEM NO. 9

APPROVAL OF LOANS, INVESTMENTS, GUARANTEE OR SECURITY UNDER SECTION 185 OF COMPANIES ACT, 2013:

The Company is expected to render support for the business requirements of other companies in the group, from time to time. However, owing to certain restrictive provisions contained in the Section 185 of the Companies Act, 2013, the Company was unable to extend financial assistance by way of loan, guarantee or security to other entities in the Deep Group. In the light of amendments notified effective May 7, 2018, inter-alia replacing the provisions Section 185 of Companies Act, 2013, the Company with the approval of members by way of special resolution, would be in a position to provide financial assistance by way of loan to other entities in the group or give guarantee or provide security in respect of loans taken by such entities, for their principal business activities.

The members may note that board of directors would carefully evaluate proposals and provide such loan, guarantee or security proposals through deployment of funds out of internal resources / accruals and / or any other appropriate sources, from time to time, only for principal business activities of the entities in the Deep Group.

Hence, in order to enable the company to advance loan to Subsidiaries/ Joint Ventures /associates/ other Companies/ Firms in which Directors are interested directly or indirectly under section 185 of the Companies Act, 2013 requires approval of members by a Special Resolution.

The Board of Directors Recommend the Special Resolution for approval by the members.

All the Directors except for the Independent Directors are concerned or interested in the aforesaid resolution, financially or otherwise.

Date : August 20, 2018

Place : Ahmedabad

By Order of Board of Directors
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



BOARD'S REPORT

To
The Members
Deep Industries Limited,
Ahmedabad

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

FINANCIAL RESULTS:

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

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

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

COMPANY PERFORMANCE (STANDALONE & CONSOLIDATED BASIS):

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

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

Subsidiary Performance:

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

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



DIVIDEND:

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

TRANSFER TO RESERVES:

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

FIXED DEPOSITS:

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

SHARE CAPITAL:

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

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

PARTICULARS OF LOANS, GURANTEES OR 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 31st March, 2018 as under

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

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

SCHEME OF ARRANGEMENT:

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

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

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

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

DIRECTORS:

Appointment:

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

Directors Retire by Rotation:

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

Independent Directors:

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

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

KEY MANAGERIAL PERSONNEL

There is no change in Key Managerial Personnel during the year. However Mr. Dharen Shantilal Savla has been resigned from the post of directorship (Whole Time Director) with effect from 26.06.2018.

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



Manner of evaluation of board, its committees and individual directors

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

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

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

DETAILS OF MEETINGS OF THE BOARD AND ITS COMMITTEES:

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

COMPOSITION OF AUDIT COMMITTEE:

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

DIRECTOR'S RESPONSIBILITY STATEMENT:

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

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

INTERNAL FINANCIAL CONTROL SYSTEM AND THIER ADEQUACY:

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

RISK MANAGEMENT:

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

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

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

CORPORATE SOCIAL RESPONSIBILITY(CSR):

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



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

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

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

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

INDUSTRIAL RELATIONS:

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

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

CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

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

PROHIBITION OF INSIDER TRADING

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

RELATED PARTY TRANSACTIONS:

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

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

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

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

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

AUDITORS:

Statutory Auditors and their Report:

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

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

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

Secretarial Auditors & Secretarial Audit Report:

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

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

Internal Auditors:

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

REPORTING OF FRAUDS BY AUDITORS:

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

WHISTLE BLOWER POLICY/ VIGIL MECHANISM:

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

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

LISTING OF SHARES:

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

INSURANCE:

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

PARTICULARS OF EMPLOYEES:

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

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

HUMAN RESOURCES:

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



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

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

AKNOWLEDGEMENTS:

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

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

for and on behalf of the Board of Directors

Date : August 20, 2018
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 31.03.2018

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

I. REGISTRATION AND OTHER DETAILS:

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

i. Category-Wise Share Holding

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

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



ii. Shareholding of Promoter

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

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

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

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

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

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

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



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DEEP INDUSTRIES LIMITED

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

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

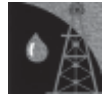
v Shareholding of Directors & Key Managerial Personnel:

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

V. INDEBTEDNESS

(₹ in Lakhs)

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



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

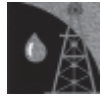
A. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Crore)

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

B. Remuneration to other directors:

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



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

(₹ In Lakhs)

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

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:

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

for and on behalf of the Board of Directors

Date : August 10, 2018
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:

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

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

2. **Composition of CSR Committee:**

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

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

₹ 60,15,54,299/-

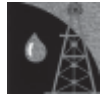
4. **Prescribed CSR expenditure [2% of the amount as in item No. 3 above].**

₹ 1,20,31,086/-

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

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

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



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

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

Not Applicable.

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

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

Date : August 10, 2018
Place : Ahmedabad

Paras Savla
Chairman (CSR Committee)
DIN:00145639

Rupesh Savla
Managing Director
DIN:00126303



ANNEXURE-C

Form No. AOC-2

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

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

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

For and on behalf of the Board of Directors of

Date : August 10, 2018
Place: Ahmedabad

PARAS SAVLA
Chairman & Managing Director
Din : 00145639

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

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

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

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

Dear Sir/Madam,

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

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

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

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



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

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

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

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

We further report that:

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

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

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

**For Shilpi Thapar & Associates
Company Secretaries**

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

**DATE: 20/08/2018
PLACE: Ahmedabad**



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

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

MANAGEMENT RESPONSIBILITY:

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

**For Shilpi Thapar & Associates
Company Secretaries**

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

**DATE: 20/08/2018
PLACE: Ahmedabad**

ANNEXURE - E TO THE BOARD'S REPORT

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

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

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

Notes:

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

For, and on behalf of Board of Director

Date : August 10, 2018
Place : Ahmedabad

PARAS SAVLA
Chairman & Managing Director
DIN: 00145639



ANNEXURE F TO THE BOARD'S REPORT

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

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

A. CONSERVATION OF ENERGY :

(i) Steps taken for conservation of energy

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

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

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

(iii) The Capital investment on energy conservation equipments

B. TECHNOLOGY ABSORPTION:

(i) the efforts towards technology absorption

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

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

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

(a) the details of technology imported

(b) the year of import

(c) whether the technology been fully absorbed

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

(iv) the expenditure incurred on Research and Development

C. FOREIGN EXCHANGE EARNING AND OUTGO:

(₹ in Lakhs)

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

For and on behalf of the Board of Directors

**Date : August 10, 2018
Place : Ahmedabad**

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



MANAGEMENT DISCUSSION AND ANALYSIS

Deep Industries Limited (DIL) is a well diversified Oil & Gas 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 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 India.

As per statutory requirement, maintaining of 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 last 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 blocks, 4 blocks are in development phase, 3 blocks are in exploration phase and 3



blocks have been relinquished. DIL holds 25% stake in North Karanpura CBM block through its subsidiary Prabha Energy Private Limited. This block is in development phase. PEPL is the joint operator of this block along with ONGC. DIL has a strong management team with decades of experience in oil & gas and CBM development.

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. 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 exploration work by drilling 9 core holes and 7 test wells during Exploration Phase I & II prior to the competitive bidding process. Exploration work 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.

FINANCIAL ANALYSIS OF DEEP INDUSTRIES LIMITED

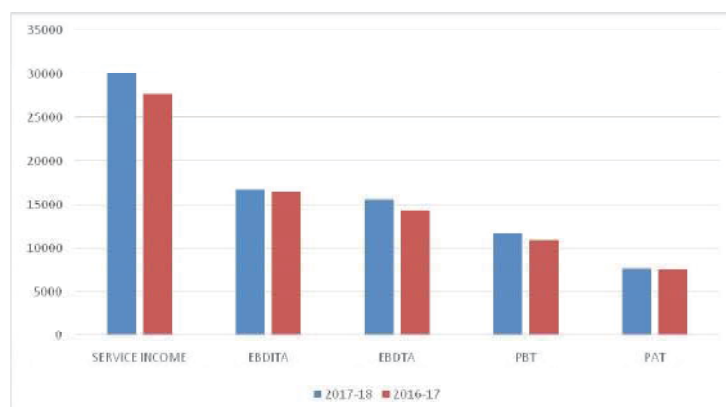
SERVICE INCOME

(₹ In Lakhs)

Nature of Services	FY 17-18	FY 16-17	Change	Change%
Air, Gas Compression & Work Over Operations Services	30049.25	27738.05	2311.2	8.33
Total Business Income	30049.25	27738.05	2311.2	8.33

(₹ In Lakhs)

Particulars	FOR THE YEAR 2017-18	FOR THE YEAR 2016-17
SERVICE INCOME	30049.25	27738.05
EBDITA	16764.08	16506.19
EBDTA	15606.84	14278.16
PBT	11728.54	10926.27
PAT	7602.06	7519.26



OTHER INCOME

Other Income decreased from ₹ 928.79 Lakhs to ₹ 668.71 Lakhs. The Major reason for decrease is due to reduction in Foreign Currency Fluctuation Gain.

OPERATING EXPENSES

Operating Expenses has increased from ₹ 8449.72 Lakhs to ₹9077.30 Lakhs. Operating Expense as a percentage of Operating Income has increased from 29.47% to 29.55% however the same is well within Industry norms.



STAFF COST

Employees' Remuneration & Benefits has increased from ₹ 1992.99 Lakhs to ₹ 2312.83 Lakhs which shows increase of 16.05% in actual terms with increase in number of employees with increased business operations. However, the same has been increased from 6.95% to 7.53% in terms of percentage of operating income as compare to previous year. Staff cost also includes Director's Remuneration.

OTHER COST

Other Expense has increased from ₹ 1717.94 Lakhs to ₹ 2563.75 Lakhs.

FINANCIAL CHARGES

Interest & Financial Charges has decreased from ₹2228.03 Lakhs to ₹1157.24 Lakhs as compared to previous year. Financial Charges as a percentage of operating income has decreased from 7.77% to 3.77% compare to previous year.

DEPRECIATION

Depreciation has increased from ₹ 3351.89 Lakhs to ₹ 3878.30 Lakhs. This shows increase of 15.70% over the previous year with addition of Fixed Assets.

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.

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 10, 2018
Place : Ahmedabad

PARAS SAVLA
Chairman & Managing Director
DIN:00145639

CORPORATE GOVERNANCE REPORT

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, 2018, 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 Eight Directors Three Directors are Executive Directors, Five directors are Non-Executive directors and out of five Non-executive directors, Four members are Independent Directors including one women 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.

Details of the composition of the Board, attendance of Directors at Board meetings and other related matters are as under:

Name of Directors	Category of Directorship	Attendance Particulars			No. of Shares held as on 31st March, 2018	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	CMD - Executive	7	7	No	100	2	2	0
Mr. Rupesh K. Savla	MD - Executive	7	3	Yes	100	1	0	0
Mr. Dharen S. Savla	WTD - Executive	7	6	Yes	2058822	1	0	0
Mr. Prem Singh M. Sawhney	NED (NI)*	7	4	Yes	-	0	0	0
Mr. Kirit Joshi	NED (I)	7	6	No	-	0	0	0
Mr. Arun Mandke	NED (I)	7	2	No	-	0	0	0
Mr. Sanjay Parekh	NED (I)	7	2	No	4350	0	0	0
Mrs. Renuka Upadhyay	NED (I)	7	3	Yes	-	1	1	0

- *Chairmanship/Membership of the Audit Committee and Stakeholders Relationship Committee of other Companies is considered.
- *Excludes Directorship in Private/Foreign Companies, One Person Companies and Companies incorporated Under Section 8 of the Companies Act, 2013.
- The said Independent Directors have furnished their declaration that they qualify the conditions of being independent as per Section 149(6) of the Companies Act, 2013 and Listing Regulations which were placed before the Board.
- Except Shri Paras Savla and Shri 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.



5. CMD – Chairman & Managing Director, MD – Managing Director, WTD – Whole time Director, NED (I) – Non Executive Director (Independent), NED (NI) – Non Executive Director (Non-Independent).
6. 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. Familiarization programmes is posted on the website of the Company and any member can visit the Company's website by clicking the link http://www.deepindustries.com/Uploads/Programmes%20for%20IDs%20_2016-17_201707250114485631.pdf 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, 2018, 7 (Seven) meetings of the Board of Directors were held on following dates:

02/05/2017, 28/06/2017, 04/08/2017, 14/11/2017, 09/12/2017, 25/01/2018 and 09/02/2018.

While constituting the Committee of Directors, the requirement that a Director shall not be a member of more than 10 committees and Chairman of more than 5 committees have been ensured and complied with. None of the Independent Director serves as an Independent Director in more than seven listed companies.

During the year, one meetings of the Independent Directors were held on 02.05.2017. The Independent Directors, inter alia, reviewed the performance of non-independent directors, Chairman of the Company and the Board as a whole.

2. AUDIT COMMITTEE

The Company has set up an Audit Committee in accordance with the Companies Act, 2013 and 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. The Committee is governed by a Charter which is in line with the regulatory requirements mandated by the Companies Act, 2013 and the SEBI Listing Regulations.

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:

- 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;
- Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- 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.
- Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
- 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;
- Reviewing and monitoring the Auditor's independence and performance, and effectiveness of audit process;
- Approval or any subsequent modification of transactions of the Company with related parties;
- Scrutiny of inter-corporate loans and investments;
- Valuation of undertakings or assets of the Company, wherever it is necessary;
- Evaluation of internal financial controls and risk management systems;
- Reviewing, with the management, performance of Statutory and Internal Auditors, adequacy of the internal control systems;
- 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;

- Discussion with Internal Auditors of any significant findings and follow up there on;
- 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;
- 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;
- 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;
- To review the functioning of the Whistle Blower mechanism;
- Approval of appointment of CFO after assessing the qualifications, experience and background, etc. of the candidate;
- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

Review of information by Audit Committee:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the Statutory Auditors;
- Internal Audit Reports relating to internal control weaknesses; and
- The appointment, removal and terms of remuneration of the Chief Internal Auditor shall be subject to review by the Audit Committee;
- 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;
- Statement of deviations.

As on 31st March, 2018, the composition of the Audit Committee and the details of meetings attended by its members are given below:

Name	Designation	Category	Committee meeting attended
Mr. Kirit Joshi	Chairman	Non- Executive, Independent	4
Mr. Paras Savla	Member	Executive, Non- Independent	4
Mr. Arun Mandke	Member	Non- Executive, Independent	2

Four Meetings of Audit Committee were held during the financial year 2017-18 on 02.05.2017, 04.08.2017, 14.11.2017 and 09.02.2018 and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present during all the meetings.

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. The Chairman of the Committee was not present at the last Annual General Meeting as he was not in town.

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:

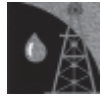
1. Oversee and review all matters connected with the transfer/ transmission of the Company's securities;
2. Monitor redressal of investors'/ shareholders'/ security holders' grievances.
3. Oversee the performance of the Company's Registrar and Transfer Agents.
4. Approval and monitoring of dematerialization 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 19th 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 02/05/2017, 04/08/2017, 14/11/2017 and 09/02/2018. As on 31st March, 2018, the composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:



Name	Designation	Category	Committee meeting attended
Mr. Arun Mandke	Chairman	Non- Executive, Independent	2
Mr. Kirit Joshi	Member	Non- Executive, Independent	4
Mrs. Renuka Upadhyay	Member	Non-Executive,Independent	3

During the period under review, Company has received 3 Complaint from Shareholders and all the Complaints has been resolved. There is no outstanding complaint as on 31st March, 2018.

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 constitution and terms of reference of Nomination and Remuneration Committee of the Company are in compliance with provisions of Section 178 of the Companies Act, 2013 and Listing Regulations, 2015.

Terms of reference:

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

During the year under review, the Committee met for 2 times on 04/08/2017 & 09/02/2018. As on 31st March, 2018, the composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

Name	Designation	Category	Committee meeting attended
Mr. Kirit Joshi	Chairman	Non- Executive, Independent	2
Mr. Arun Mandke	Member	Non- Executive, Independent	1
Mrs. Renuka Upadhyay	Member	Non- Executive,Independent	2

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 2017-18 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	31	-
4.	Mr. Premsingh Sawhney (Non-Executive Director)	-	-	-
5.	Mr. Kirit Joshi	-	-	0.20
6.	Mr. Arun Mandke	-	-	0.20
7.	Mrs. Renuka Upadhyay	-	-	0.30
8.	Mr. Sanjay Parekh	-	-	-

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, macro economic 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 payment to non-executive directors

The Non Executive 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:

- 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.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of framework of CSR Policy.
- 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 or as may be necessary or appropriate for performance of its duties.

During the year under review, the Committee met for 3 times on 02/05/2017, 04/08/2017 and 14/11/2017. As on 31 st March, 2018, the composition of the Corporate Social Responsibility Committee and the details of meetings attended by its members are given below:

Name	Designation	Category	Committee meeting attended
Mr. Paras Savla	Chairman	Executive, Non-Independent	3
Mr. Rupesh Savla	Member	Executive, Non-Independent	1
Mr. Kirit Joshi	Member	Non- Executive, Independent	3

6. ROUTINE TRANSACTION COMMITTEE

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

Terms of Reference

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

- Applying for the tender in the name or on behalf of the Company;
- Opening or Closing of Company's bank account(s);

- (c) Making application to or representation before any statutory, legislative or judicial authority or government department;
- (d) Appointment of agents or authorize any person to discharge their obligation(s) or duty (ies) or to exercise their right(s) and power.

The Routine Transaction Committee comprised of three members viz Mr. Paras Savla, Mr. Rupesh Savla and Mr. Dharen Savla. Mr. Paras Savla is the Chairman of the Committee.

7. GENERAL BODY MEETING

Details of last three Annual General Meetings:

Year	AGM/EGM	Date	Time	Venue	No. of Special Resolution passed
2014-15	25 th	30/09/2015	10:30 A.M.	Hotel Planet Landmark, Ambli Bopal Road, Off. S.G. Road, Nr. Ashok Vatika, Ahmedabad-380058, Gujarat.	5
2015-16	26 th	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 th	01/09/2017	10:00 A.M.	Hotel Planet Landmark, Ambli Bopal Road, Off. S.G. Road, Nr. Ashok Vatika, Ahmedabad-380058, Gujarat.	3

- Details of Special Resolution passed in the immediately preceding three AGMs

AGM/EGM	Particulars of Special resolution Passed
25 th AGM	To re appoint Mr. Paras Shantilal Savla (DIN : 00145639) as Managing Director of the company for a period of 5 (five) years with effect from 01 st March, 2015
	To re appoint Mr. Rupesh Kantilal Savla (DIN : 00126303) as Managing Director of the company for a period of 5 (five) years with effect from 01 st March, 2015
	To accord consent to the Board under section 180(1)(c) of the companies act to borrow money which may exceed paid up capital and free reserves of the company provided that the amount so borrowed shall not exceed Rs. 750 crores (rupees Seven Hundred and Fifty Crores)
	To accord consent to the Board under section 180(1)(a) of the companies act, 2013 to create mortgage/charge the property of the company not exceeding Rs. 750 crores (Rupees Seven Hundred and Fifty Crores)
	To accord consent to the board to create, offer, issue and allot issue securities not exceeding Rs. 250 crores (Rupees Two Hundred and Fifty Crores only) pursuant to section 62(1)(c) and other applicable provisions of the companies act, 2013 and other applicable laws
27 th 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
No special resolution have been passed in the 26 th AGM	

- POSTAL BALLOT:

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



8. OTHER DISCLOSURES

a. Related Party Transaction

There are no materially significant related party transactions that may have potential conflict with the interests of the Company at large. 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. Material Subsidiary Policy

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>.

c. 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>

d. 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:

There were no instances of material non-compliance and no penalties were imposed on the Company either by SEBI, Stock Exchanges or any statutory authorities on any matter related to capital markets during last three years.

e. 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.

f. 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.

g. CEO/CFO Certification

In terms of the Listing Regulations, the certification by Chief Financial Officer of the Company has been obtained that the financial results of the Company for the year ended 31st March, 2018 do not contain any false or misleading statements or figures and do not omit any material facts which may make the statements or figures contained therein misleading, was placed before the Board of Directors of the Company as required by Listing Regulations.

h. Details of unclaimed shares in terms of the Listing Regulations as on 31st March, 2018.

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, 2017	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, 2018	Nil	Nil
Number of Shareholders to whom Shares were transferred from suspense Account during the year ended 31st March, 2018.	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, 2018	4	1489

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

i. 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>

j. Policy on protection of Women against Sexual Harassment at Work Place

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 thereunder", the Company has adopted a "Policy on Protection of Women Against Sexual Harassment at Work Place". Through this Policy, the Company seek to provide protection to its women employees against sexual harassment at work place and thereby provide mechanism for redressal of complaints relating to matters connected therewith or incidental thereto.

Pursuant to the Policy, the Company has formed a Complaint Redressal Committees at each administrative unit/ office of the Company with majority women members. During the year under review, no case was reported under the Policy.

k. Mandatory & Non Mandatory Clauses

The Company has complied with all mandatory requirements laid down by Listing Regulations. The non-mandatory requirements complied with have been disclosed at the relevant places.

l. Disclosure of Compliance with Corporate Governance

The Company has submitted quarterly compliance report on Corporate Governance with Stock Exchanges and complied with the Corporate Governance requirements specified in the Listing Regulations.

The Company has complied with the requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of sub – regulation (2) of Regulation 46 of Listing Regulations.

SUBSIDIARY COMPANIES :

The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Company does not have any material non-listed Indian subsidiary companies.

9. MEANS OF COMMUNICATION

- a) 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.
- b) Newspapers: The Approved Results are also published within 48 hours in English and Gujarati Newspapers.
- c) Stock Exchanges: The Approved Results were sent to the both Stock Exchanges i.e. National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange Limited (BSE) as per Listing Regulations.
- d) Website: These results are also available on Company's website i.e. 'www.deepindustries.com'.

Also available on the website of the Stock Exchanges :

1. www.bseindia.com
2. www.nseindia.com

- e) 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) & website of the Stock Exchanges (www.bseindia.com & www.nseindia.com)



10. GENERAL SHAREHOLDER INFORMATION

(i) 28th Annual General Meeting

- Date : 25th September, 2018
- 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 22nd September, 2018 at 9.00 a.m. and ends on 24th September, 2018 at 5.00 p.m.
- Cut off date (Record date) for remote e-voting period- : Tuesday, 18th September, 2018

(ii) Financial calendar for the year 2018-19

Financial year – 1st April to 31st March

Date of Book closure: 19th September, 2018 to 25th September, 2018 (Both days inclusive)

Board Meeting for approval of quarterly results (tentative schedule)	
June 30, 2018	: On 10th August, 2018
September 30, 2018	: On or before 14th November, 2018
December 31, 2018	: On or before 14th February, 2019
March 31, 2019	: On or before 30 th May, 2019

(iii) Dividend payment

The Board of Directors at their meeting held on 26/05/2018 recommended a final dividend of ₹ 1.5/- per Equity Share of the face value of ₹ 10/- each for the financial year 2017-2018, subject to approval of the Shareholders at ensuing Annual General Meeting.

* Final dividend to be paid/credited = on or before 25th October, 2018

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

(iv) Listing on Stock Exchange along with stock code

Name & Address of Stock Exchanges	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
Security Code	532760	DEEPIND
Listing Fees Confirmation	Listing fees has been paid.	Listing fees has been paid.

(v) 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.



(vi) Market Price & BSE Sensex Data :

High & Low price (based on closing price) during each month in last Financial Year 2017- 2018 on BSE and NSE:

MONTH	SENSEX	BSE			NSE		
		HIGH	LOW	CLOSE	HIGH	LOW	CLOSE
April, 2017	29,918.40	342.00	308.50	314.65	342.85	309.00	314.15
May, 2017	31,145.80	339.70	295.00	317.25	339.35	295.00	317.60
June, 2017	30,921.61	317.35	248.00	279.10	317.00	247.10	278.40
July, 2017	32,514.94	303.00	239.75	243.00	307.00	238.20	242.60
August, 2017	31,730.49	241.00	192.00	217.45	241.35	192.00	217.80
September, 2017	31,283.72	250.00	205.20	219.95	250.00	202.85	219.85
October, 2017	33,213.13	247.00	212.50	214.00	247.25	212.40	213.95
November, 2017	33,149.35	236.25	203.00	212.35	236.70	205.40	212.50
December, 2017	34,056.83	221.25	202.00	205.50	220.80	199.70	205.60
January, 2018	35,965.02	244.10	203.00	204.40	244.80	202.40	204.10
February, 2018	34,184.04	208.45	187.00	189.80	209.00	184.65	189.90
March, 2018	32,968.68	191.40	144.00	145.35	191.95	144.05	144.85

(vii) 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



(viii) Distribution of Shareholding as on 31st March, 2018

No. of Shares	No. of Holders	% of holders	No. of Shares	% of holding
1 to 500	18506	89.0782	2212201	6.9131
501 to 1000	1226	5.9013	977587	3.0550
1001 to 2000	518	2.4934	783271	2.4477
2001 to 3000	191	0.9194	491983	1.5374
3001 to 4000	73	0.3514	262807	0.8213
4001 to 5000	75	0.3610	351525	1.0985
5001 to 10000	96	0.4621	705346	2.2042
10001 and above	90	0.4332	26215280	81.9228
Total	20775	100.00	3,20,00,000	100.00

(ix) Shareholding Pattern of the Company as on 31st March, 2018

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	—	198666	198666	0.62
4	Foreign Portfolio Investors	—	1918742	1918742	5.99
5	Private Corporate Bodies	—	2053220	2053220	6.41
6	NRIs/OCBs/Foreign Nationals	—	385949	385949	1.21
7	Indian Public/HUF	261	7103711	7103972	22.20
8	Banks, Financial Institution, Insurance Co.	—	20853	20853	0.07
9	Government Companies	—	1751	1751	0.01
10	GDR	—	—	—	—
	Total	261	31999739	32000000	100

(x) 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

(xi) 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.



(xii) 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, 2018, 3,19,99,739 shares of the company, constituting 99.99% were in dematerialized form.

(xiii) Outstanding GDRs / ADRs / Warrants / any other convertible instruments

As of March 31, 2018, the Company does not have any outstanding GDRs / ADRs / Warrants / any other convertible instruments

(xiv) 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.

(xv) Plant Locations

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

(xvi) 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 , info@deepindustries.com

For and on behalf of the Board of Directors

Date : August 10, 2018

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, 2018 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, 2018.

Date : 26/05/2018
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 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 : 26.05.2018
Place : Ahmedabad

Paras Savla
Chairman & Managing Director
Din : 00145639

Rohan Shah
Chief Financial Officer



**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 2018, 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 respect, 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,
Practicing Company Secretaries**

**Date : 20/08/2018
Place : Ahmedabad**

**Shilpi Thapar
C.O.P. No. 6779**



INDEPENDENT AUDITORS' REPORT

To,
The Members,
Deep Industries Limited.

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Deep Industries Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the Statement of Profit and Loss (including other comprehensive income), and the Statement of Cash flows and the Statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS 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 standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31 March, 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.



2. As required by Section 143 (3) of the Act, we report that:
- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion proper books of accounts 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, the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 37 to the standalone Ind AS financial statements;
 - ii. The company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Ahmedabad
Date : 26th May 2018

Harish B. Patel
Partner
Membership number: 014427

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 Ind AS financial statements for the year ended 31 March 2018, 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 programme 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 per information and explanation given to us, inventory of spares and consumables has been physically verified by the management at the year end. On the basis of our examination of the inventory records produced before us, in our opinion the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in books of accounts
- (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) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.



- (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 generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, GST, cess and any other statutory dues with the appropriate authorities. However, in case of delays in few instances the same has been deposited along with interest due thereon. According to information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, GST, cess and any other material statutory dues were in arrears as at 31st March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of wealth tax, sales tax, custom duty, excise duty, GST and cess which have not been deposited on account of any dispute. However, the particulars of dues as at 31st March, 2018 which have not been deposited on account of a dispute, are as follows:

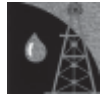
Name of Statute	Nature of Dues	Amount (` Lakhs)	Related Period	From where the dispute is pending
Finance Act, 1994	Service tax	96.36	F.Y. 2006-07 to 2011-2012	CESTAT, Ahmedabad
Finance Act, 1994	Service tax	101.88	F Y 2012-13 to 30.09.2014	CESTAT, Ahmedabad
Finance Act, 1994	Service tax	1.70	F Y 2009-10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

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

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

Place : Ahmedabad
Date : 26th May 2018

Harish B Patel
Partner
Membership number: 014427



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

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

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

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

Place : Ahmedabad
Date : 26th May 2018

Harish B Patel
Partner
Membership number: 014427



STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH, 2018

ASSETS	Note No.	As at 31-03-2018 ₹ In Lakhs	As at 31-03-2017 ₹ In Lakhs	As at 01-04-2016 ₹ In Lakhs
NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	4	50,919.40	51,852.18	37,322.29
(b) Capital Work in Progress	4	1,323.03	4,542.41	10,225.58
(c) Intangible Assets	4	14.09	10.53	11.57
(d) Financial Assets				
(i) Investments	5	1,877.53	1,868.83	1,334.89
(ii) Others	6	80.22	71.62	62.48
(e) Other Non-Current Assets	7	66.59	107.31	59.36
		<u>54,280.86</u>	58,452.87	49,016.18
CURRENT ASSETS				
(a) Inventories	8	1,096.52	1,055.93	632.36
(b) Financial Assets				
(i) Investments	9	9,205.50	2,813.83	413.96
(ii) Trade Receivables	10	8,481.94	6,646.92	5,557.74
(iii) Cash and Cash Equivalents	11	3,045.73	1,579.69	380.59
(iv) Bank balances other than above (ii)	12	1,393.30	933.42	1,318.53
(v) Loans	13	6.23	14.02	5.51
(vi) Others	14	67.45	98.33	70.72
(c) Other Current Assets	15	1,437.54	1,791.07	4,140.61
		<u>24,734.21</u>	14,933.21	12,520.02
TOTAL ASSETS		<u>79,015.07</u>	<u>73,386.09</u>	<u>61,536.19</u>
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	16	3,200.00	3,200.00	2,920.00
(b) Other Equity	17	42,346.16	35,432.52	22,910.32
		<u>45,546.16</u>	38,632.52	25,830.32
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	18	14,369.89	17,743.72	18,649.13
(ii) Trade Payable	19	45.26	11.22	46.05
(iii) Others	20	159.96	147.96	105.82
(b) Deferred Tax Liabilities (Net)	21	5,343.36	4,690.70	3,686.46
(c) Provision	22	53.41	32.63	-
		<u>19,971.88</u>	22,626.23	22,487.46
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	23	1,358.73	1,841.54	1,944.81
(ii) Trade Payables	24	1,717.50	1,002.27	1,450.44
(iii) Others	25	7,840.46	8,749.28	9,308.10
(b) Other Current Liabilities	26	687.99	103.86	71.30
(c) Provisions	27	3.71	1.27	-
(d) Current Tax Liabilities (Net)	28	1,888.63	429.12	443.75
		<u>13,497.02</u>	12,127.33	13,218.40
TOTAL EQUITY & LIABILITIES		<u>79,015.07</u>	<u>73,386.09</u>	<u>61,536.19</u>

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3
The accompanying notes 1 to 46 are an integral part of the Standalone Financial Statements

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

Harish B. Patel
Partner
Membership Number: 014427

Place : Ahmedabad
Date : 26/05/2018

For **Deep Industries Limited**

Paras Savla
Chairman & Managing Director
DIN:00145639

Rohan Shah
Chief Financial Officer

Place : Ahmedabad
Date : 26/05/2018

Rupesh Savla
Managing Director
DIN:00126303

Akshit Soni
Company Secretary

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

	Note No.	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
INCOME			
Revenue from operations	29	30,049.25	27,738.05
Other income	30	668.71	928.79
TOTAL INCOME		30,717.96	28,666.84
EXPENSES			
Operating Expense	31	9,077.30	8,449.72
Employee benefits expense	32	2,312.83	1,992.99
Finance Costs	33	1,157.24	2,228.03
Depreciation and amortization expenses	4	3,878.30	3,351.89
Other expenses	34	2,563.75	1,717.94
TOTAL EXPENSES		18,989.42	17,740.58
Profit/(Loss) before exceptional items and tax		11,728.54	10,926.26
Exceptional items (net)		-	-
Profit/(Loss) before tax		11,728.54	10,926.26
Tax items			
Current tax		3,490.16	2,437.51
Earlier years tax provisions (written back)		-16.34	-34.77
Deferred tax asset / (liability)		652.66	1,004.25
Total tax items		4,126.48	3,406.99
Profit/(Loss) for the year		7,602.06	7,519.26
Other Comprehensive Income	35		
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		5.02	-16.02
Items that will be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on fair valuation of financial instruments		-0.20	1.17
Other Comprehensive Income/ (Loss) for the year		4.83	-14.85
Total Comprehensive Income/ (Loss) for the year		7,606.89	7,504.41
Earnings Per Equity Share (Basic and Diluted)	36	23.76	25.05

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3

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

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

Harish B. Patel
Partner
Membership Number: 014427

Place : Ahmedabad
Date : 26/05/2018

For Deep Industries Limited

Paras Savla
Chairman & Managing Director
DIN:00145639

Rohan Shah
Chief Financial Officer

Rupesh Savla
Managing Director
DIN:00126303

Akshit Soni
Company Secretary

Place : Ahmedabad
Date : 26/05/2018



CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2018

PARTICULARS	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) Before Tax	11,728.54	10,926.26
Adjustments for:		
Depreciation and amortization	3,878.30	3,351.89
Interest and finance charges	1,157.24	2,228.03
Interest income	(73.08)	(157.06)
(Gain)/Loss on fixed assets sold/ discarded (net)	132.78	(0.60)
(Gain)/Loss on investments sold/ discarded (net)	(401.20)	(167.58)
Net unrealized (gain)/loss on foreign currency transaction and translation (relating to other heads)	(189.43)	(609.29)
Others	190.25	21.14
Operating Profit before Working Capital Changes	16,423.40	15,592.78
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	(1,410.28)	1,318.48
(Increase)/decrease in inventories	(40.59)	(423.59)
Increase/(decrease) in trade payables, other liabilities and provisions	(275.57)	(4,000.08)
Cash Generated from Operations	(1,726.44)	12,487.59
Income taxes paid	(1,100.00)	(1,300.00)
Net Cashflow from Operating Activities	13,596.96	11,187.59
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(4.19)	(12,201.98)
Additions in capital work in progress	-	-
Proceeds from sale of fixed assets	141.71	5.00
Purchase of Investments	(10,568.12)	(7,138.17)
Sale of Investment	4,454.85	4,307.95
Proceeds from Fixed Deposits	(459.06)	386.36
Interest received	73.08	157.06
Profit from sale of investments	-	48.75
Net Cashflow from Investing Activities	(6,361.73)	(14,435.03)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/Payment from Secured Loans	(4,108.11)	4,372.85
Proceeds / Payments from Unsecured Loan	-	(4,165.70)
Proceeds from share warrants	-	6,384.00
Foreign Fluctuation Gain	189.43	609.29
Dividend Income and Dividend Distribution Tax	(693.27)	(525.88)
Interest and finance charges	(1,157.24)	(2,228.03)
Net Cashflow from Financing Activities	(5,769.19)	4,446.53
Net Increase/(Decrease) in Cash and Cash Equivalents	1,466.04	1,199.10
Cash and bank balances at the beginning of the year	1,579.69	380.59
Cash and bank balances at the end of the year	3,045.73	1,579.69



NOTES:

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

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

DETAIL OF CASH AND CASH EQUIVALENTS

	As at 31-03-2018 ₹ In Lakhs	As at 31-03-2017 ₹ In Lakhs
Balances with banks		
In current accounts	1,594.54	1,107.18
In deposits with original maturity of less than 3 months	1,276.37	459.30
In Escrow Accounts	170.71	1.02
Cash on hand	4.11	12.19
	<u>3,045.73</u>	<u>1,579.69</u>

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

Harish B. Patel
Partner
Membership Number: 014427

Place : Ahmedabad
Date : 26/05/2018

For Deep Industries Limited

Paras Savla
Chairman & Managing Director
DIN:00145639

Rohan Shah
Chief Financial Officer

Place : Ahmedabad
Date : 26/05/2018

Rupesh Savla
Managing Director
DIN:00126303

Akshit Soni
Company Secretary



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

(A) EQUITY SHARE CAPITAL

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

For the year ended 31st March, 2017

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

(A) OTHER EQUITY

For the year ended 31st March, 2018

Particulars	Capital Reserve	General Reserve	Foreign Currency Monetary Translation 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
Proposed Dividend and Dividend Distribution Tax thereon	-	-	-	-	(693.26)	-	(693.26)
Transfer from / to	-	-	-	-	-	-	-
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	4.83	4.83
Balance as at 31st March, 2018	412.48	980.36	-	13,872.88	27,090.47	(10.03)	42,346.16

For the year ended 31st March, 2017

Particulars	Capital Reserve	General Reserve	Foreign Currency Monetary Translation Reserve	Security premium account	Retained Earnings	FVOCI Reserve	Total Equity
Balance as at 1st April, 2016	412.48	980.36	559.04	7,768.88	13,189.57	-	22,910.32
Profit/(Loss) for the year	-	-	-	-	7,519.26	-	7,519.26
Addition/(Deletion) during the year	-	-	(559.04)	6,104.00	-	-	5,544.96
Proposed Dividend and Dividend Distribution Tax thereon	-	-	-	-	(527.17)	-	(527.17)
Other Comprehensive income/(loss) for the year	-	-	-	-	-	-	-
Remeasurements gain/(loss) on defined benefit plans	-	-	-	-	-	(14.85)	(14.85)
Balance as at 31st March, 2017	412.48	980.36	-	13,872.88	20,181.66	(14.85)	35,432.53

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

Harish B. Patel
Partner
Membership Number: 014427

Place : Ahmedabad
Date : 26/05/2018

For Deep Industries Limited

Paras Savla
Chairman & Managing Director
DIN:00145639

Rohan Shah
Chief Financial Officer

Place : Ahmedabad
Date : 26/05/2018

Rupesh Savla
Managing Director
DIN:00126303

Akshit Soni
Company Secretary



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

1. CORPORATE INFORMATION

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

2. BASIS OF PREPARATION

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2016 as amended by the Companies (Indian Accounting standards) (Amendment) Rules, 2016. As per the said roadmap, the company is required to apply Ind AS starting from financial year beginning on or after 1st April 2017.

For all period, up to and including the year ended 31st March 2017, the Company prepared its financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These Financial statements for the year ended 31st March 2018 are the first, the Company has prepared in accordance with Ind AS (Refer Note 47 for information on how the company has adopted Ind AS).

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.

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

4 - PROPERTY, PLANT AND EQUIPMENT		TANGIBLE ASSETS										INTANGIBLE ASSETS		CAPITAL WORK IN PROGRESS
		Tankers	Vehicles	Air Compressor Packages	Gas Compressor Packages	Rigs	Computers	Shed, Foundation & Road	Office Equipment, Furniture and Fixtures	Other Plant and Machinery	Total	Softwares	Total	Capital Work-in progress
		(₹ in Lakhs)												
Cost:														
As at 1st April, 2016*	0.45	313.30	115.03	30,716.12	10,434.58	55.22	3,397.04	94.63	66.91	45,193.28	49.28	49.28	49.28	10,225.58
Additions		48.07	-	6,708.65	8,423.54	3.68	2,466.67	213.63	20.91	17,885.14	-	-	-	10,197.67
Disposals / transfers		20.62	-	-	-	0.01	-	-	-	20.63	-	-	-	15,880.84
As at 31st March, 2017	0.45	340.75	115.03	37,424.77	18,858.12	58.88	5,863.71	308.25	87.82	63,057.79	49.28	49.28	49.28	4,542.41
Additions		64.49	-	2,972.51	111.01	7.85	59.31	-	4.25	3,219.42	4.15	4.15	4.15	4.18
Disposals / transfers		1.53	65.42	340.30	19.55	-	-	-	-	426.80	-	-	-	3,223.56
As at 31st March, 2018	0.45	403.71	49.61	40,056.98	18,949.58	66.73	5,923.02	308.25	92.07	65,850.41	53.43	53.43	53.43	1,323.03
Accumulated depreciation:														
As at 1st April, 2016*	0.43	105.24	96.79	5,133.80	1,591.38	51.14	869.56	10.53	12.11	7,870.98	37.71	37.71	37.71	-
Depreciation charged during the year		36.06	2.49	1,325.60	515.76	6.53	1,442.27	18.39	3.74	3,350.85	1.04	1.04	1.04	-
Disposals / transfers		16.22	-	-	-	-	-	-	-	16.22	-	-	-	-
As at 31st March, 2017	0.43	125.08	99.28	6,459.40	2,107.15	57.67	2,311.84	28.92	15.85	11,205.61	38.75	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	0.59	-
Disposals / transfers		0.74	52.14	94.80	4.63	-	-	-	-	152.31	-	-	-	-
As at 31st March, 2018	0.43	165.39	49.61	7,841.92	2,701.37	63.77	4,030.18	58.20	20.15	14,931.01	39.34	39.34	39.34	-
Net book value														
As at 1st April, 2016*	0.02	208.06	18.25	25,582.32	8,843.20	4.08	2,527.48	84.10	54.80	37,322.29	11.57	11.57	11.57	10,225.58
As at 31st March, 2017	0.02	215.66	15.76	30,965.36	16,750.98	1.22	3,551.87	279.34	71.97	51,852.18	10.53	10.53	10.53	4,542.41
As at 31st March, 2018	0.02	238.31	0.01	32,215.05	16,248.22	2.97	1,892.84	250.06	71.92	50,919.40	14.09	14.09	14.09	1,323.03

* 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 of asset



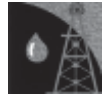
**NOTES ANNEXED TO AND FORMING PART OF THE STANDALONE FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31ST MARCH 2018**

Sr. No.	Particulars	No. of Shares as on 31.03.18	As at 31-03-18 (₹ In Lakhs)	No. of Shares as on 31.03.17	As at 31-03-17 (₹ In Lakhs)	No. of Shares as on 01.04.16	As at 01-04-16 (₹ In Lakhs)
5 - NON - CURRENT FINANCIAL ASSETS - INVESTMENTS							
Investments (Unquoted)							
(A) Investments at Cost							
(a) Investments in Equity Shares							
- Investment in Subsidiaries							
	90% share in Deep Energy LLC		12.41		12.41		12.41
	70% share in Deep Natural Resources Ltd.	350,000	3.50	350,000	3.50	350,000	3.50
	78% share in Prabha Energy Pvt. Ltd.	946,563	1,845.63	946,563	1,845.63	25,000	2.50
	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	-	-	-	-
(b) Investments in Preference Shares							
	- Investment in Prabha Energy Private Limited	-	-	-	-	656,013	1,312.03
(c) Other Investments							
	- Shares of Mehsana Nagarik Co-Op Sahakari Bank Ltd.	400	0.10	400	0.10	400	0.10
	- National Saving Certificate		1.96		1.96		1.30
			<u>1,873.49</u>		<u>1,864.59</u>		<u>1,331.84</u>
Investments (Quoted)							
(A) Investments at Fair value through OCI							
(a) Investments in Equity Shares							
	- Vama Industries Limited	2500	0.54	2500	0.50	2500	0.10
	- Power Trading Corporation	4000	3.50	4000	3.74	4000	2.96
			<u>4.04</u>		<u>4.24</u>		<u>3.06</u>
			<u>1,877.53</u>		<u>1,868.83</u>		<u>1,334.89</u>
	Market Value of Quoted Investment		4.04		4.24		3.06
	Book Value of Unquoted Investment		1,873.49		1,864.59		1,331.84
Sr. No.	Particulars	As at 31-03-2018 (₹ In Lakhs)		As at 31-03-2017 (₹ In Lakhs)		As at 01-04-2016 (₹ In Lakhs)	
6 - NON - CURRENT FINANCIAL ASSETS - OTHERS							
Unsecured, considered good, unless otherwise stated							
	Security deposits		80.22		71.62		62.48
			<u>80.22</u>		<u>71.62</u>		<u>62.48</u>
7 - OTHER NON CURRENT ASSETS							
	Advances other than Capital Advances						
	Advance to Vendors			3.06	36.25		7.07
	Others						
	Balance with Govt Authorities		54.57	54.57	54.57		29.57
	Deferred Security Deposits		8.96	8.96	16.48		22.72
			<u>66.59</u>	<u>107.31</u>	<u>107.31</u>		<u>59.36</u>
8 - INVENTORIES							
(valued at lower of cost and net realizable value)							
a.	Stores and Spares		587.37	587.37	824.33		556.75
b.	Others						
	- Stock of Oil & Lubricants		509.15	509.15	231.60		75.59
			<u>1,096.52</u>	<u>1,096.52</u>	<u>1,055.93</u>		<u>632.35</u>



Sr. No.	Particulars	No. of	As at	No. of	As at	No. of	As at
		Units	31-03-18	Units	31-03-17	Units	01-04-16
		as on	(₹ In	as on	(₹ In	as on	(₹ In
		31.03.18	Lakhs)	31.03.17	Lakhs)	01.04.16	Lakhs)
9 - CURRENT FINANCIAL ASSETS - INVESTMENTS							
Investments (Quoted)							
Investments at Fair Value through Profit and Loss							
Investments in Mutual Funds							
-	Franklin India Short Term Income Plan	33,892.83	1,243.95	16,578.65	561.37	6,554.66	199.74
-	Franklin India Ultra Short Bond Fund-Growth	10,295,423.38	2,476.36	9,086,831.71	2,023.14	527,528.53	213.23
-	SBI Ultra Short Debt Fund	2,917.80	65.70	10,917.49	229.32	-	-
-	ICICI Ultra Short Term-Growth	2,587,849.31	461.15	-	-	-	-
-	DSP BlackRock Ultra Short Term Fund	7,496,952.63	945.85	-	-	-	-
-	Franklin Templeton Low Duration Fund	17,045,049.51	3,404.85	-	-	-	-
-	IDFC Ultra Short Term Fund	2,467,504.63	607.64	-	-	-	-
-	IDFC Money Manager Growth Plan	-	-	-	-	4,196.23	0.99
			9,205.50		2,813.83		413.96
<i>Market Value of Quoted Investment</i>			9,205.50		2,813.83		413.96

Sr. No.	Particulars	As at	As at	As at
		31-03-2018	31-03-2017	01-04-2016
		(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
10 - CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES				
Unsecured, considered good;		8,481.94	6,646.92	5,557.74
		8,481.94	6,646.92	5,557.74
11 - CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS				
A)	Balances with Banks			
-	In Current Accounts	1,594.54	1,107.18	347.34
-	In EEFC Accounts	1,276.37	459.30	22.44
-	In Escrow Accounts	170.71	1.02	1.02
		3,041.62	1,567.50	370.80
A)	Cash on Hand	4.11	12.19	9.79
		4.11	12.19	9.79
		3,045.73	1,579.69	380.59
12 - CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE				
A)	Balances with Banks			
-	Unpaid Dividend with HDFC Bank	2.81	2.00	0.72
-	Unpaid Dividend with IDBI Bank	2.49	2.47	2.51
-	Unpaid Warrant with HDFC Bank	-	0.01	0.01
		5.30	4.48	3.24
B)	Others			
-	Fixed Deposits held as Margin Money	1,388.00	928.94	1,315.29
		1,388.00	928.94	1,315.29
		1,393.30	933.42	1,318.53
13 - CURRENT - FINANCIAL ASSETS - LOANS				
Unsecured, considered good;				
Loan to Staff		6.23	14.02	5.51
		6.23	14.02	5.51
14 - CURRENT - FINANCIAL ASSETS - OTHER				
Accrued Bank Fixed Deposits Interest		67.45	98.33	70.72
		67.45	98.33	70.72



Sr. Particulars No.	As at 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)	As at 01-04-2016 (₹ In Lakhs)
15 - CURRENT ASSETS - OTHERS			
Unsecured, considered good, unless otherwise stated			
Advances other than Capital Advances			
Balance with Government Authorities	580.95	996.86	376.43
Foreign Currency Receivable	-	-	2,809.77
Preliminary Expense	-	190.25	6.00
Deferred Forward Premium	-	-	197.82
Prepaid Expenses	140.48	165.37	188.41
Advances to Vendors	703.07	422.45	546.03
Others	-	16.14	16.14
Advances to Subsidiaries	13.04	-	-
	1,437.54	1,791.07	4,140.61

16 - EQUITY SHARE CAPITAL			
Authorised:			
5,42,66,340 Equity Shares of Rs. 10 each	5,426.63	5,426.63	5,426.63
Issued, Subscribed and paid-up:			
3,20,00,000 Equity Shares of Rs. 10 each fully paid up	3,200.00	3,200.00	1,794.19
Share Capital Suspense Account:			1,125.81
	3,200.00	3,200.00	2,920.00

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 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No of Shares	Value ₹	No of Shares	Value ₹	No of Shares	Value ₹
— At the beginning of the year	32,000,000.00	3,200.00	29,200,000.00	2,920.00	29,200,000.00	2,920.00
— Movement during the period (Issue of Equity Shares under QIP)	-	-	2,800,000.00	280.00	-	-
— Outstanding at the end of the year	32,000,000.00	3,200.00	32,000,000.00	3,200.00	29,200,000.00	2,920.00

16.2 Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company						
Name of the Shareholders (Equity Shares of Rs.10 Each Fully Paid up)	As at 31st March, 2018		As at 31st March, 2017		As at 01 April 2016	
	No. of Share held	% of Holding	No. of Share held	% of Holding	No. of Share held	% of Holding
RUPESH SAVLA FAMILY TRUST	10,076,908	31.49%	-	-	-	-
SHANTILAL SAVLA FAMILY TRUST	3,568,474	11.15%	-	-	-	-
PRITI PARAS SAVLA	2,052,625	6.41%	2,346,298	7.33%	1,610,504.00	5.52%
DHAREN SHANTILAL SAVLA	2,058,822	6.43%	3,164,048	9.89%	400,725.00	1.37%
SHITAL RUPESH SAVLA	-	-	6,015,098	18.80%	2,434,732.00	8.34%
RUPESH K SAVLA	-	-	2,516,842	7.87%	5,320,586.00	18.22%
MITA MANOJ SAVLA	-	-	1,633,792	5.11%	302,771.00	1.04%
	17,756,829		15,676,078		10,069,318	

16.3 During the FY 2016-17, the Company has offered equity shares to "Qualified Institutional Buyers"(QIBs) through Qualified Institutions Placement in accordance with Chapter VII of SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009. Accordingly 28,00,000 equity shares of Rs.10/- each were allotted to QIBs on 28th December, 2016 at an issue price of Rs.228/- per equity share.(Including premium of Rs.218/- per equity share)

16.4 The Company has only one class of equity shares having a par value of Rs. 10 per share, each shareholder is eligible for one vote per share. The Company 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.

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

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



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Sr. Particulars No.	As at 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)	As at 01-04-2016 (₹ In Lakhs)
17 - OTHER EQUITY			
Securities Premium			
Opening balance	13,872.88	7,768.88	7,768.88
Add: Addition during the year	-	6,104.00	-
Less: Written back during the year	-	-	-
Closing balance	13,872.88	13,872.88	7,768.88
Capital Reserve			
Opening balance	412.48	412.48	412.48
Add: Addition during the year	-	-	-
Less: Written back during the year	-	-	-
Closing balance	412.48	412.48	412.48
General Reserve			
Opening balance	980.36	980.36	975.47
Add: Addition during the year	-	-	4.90
Less: Written back during the year	-	-	-
Closing balance	980.36	980.36	980.36
Foreign Currency Monetary Translation Reserve			
Opening Balance	-	559.04	797.23
Add/Less : Effect of Foreign Exchange Rate variation during the year	-	221.14	85.18
Less: Transfer to Principal term loan liabilities	-	(780.17)	(323.37)
Closing Balance	-	-	559.04
Profit and Loss			
Opening balance	20,181.66	13,189.57	9,090.86
Add: Net Profit/(Net Loss) For the current year	7,602.06	7,519.26	4,089.59
Add/(Less): Adjustments on account of Ind-AS			
- Fair Valuation of Financial Liabilities			
- Fair Valuation of Financial Assets	(693.26)	-	9.12
- Proposed Dividend for the year	-	(527.17)	-
- Closing Balance	27,090.47	20,181.66	13,189.57
FVOCI Reserve			
Opening balance	(14.85)	(14.85)	-
Add/Less: Changes during the current year	4.83	-	-
Closing Balance	(10.03)	(14.85)	-
Total	42,346.16	35,432.53	22,910.32
18 - NON-CURRENT - FINANCIAL LIABILITIES - BORROWINGS			
Secured			
a. Term Loans			
<i>From banks</i>			
- Rupee Term Loans	5,675.90	7,067.17	4,640.00
- Foreign Currency Term Loans	15,974.64	18,281.31	15,656.97
- Vehicle Loans	104.28	31.64	48.00
Less: Current Maturities of Long Term Debts	-7,384.93	-7,636.40	-5,861.54
<i>Less: Adjustment of transaction costs as per Ind AS 109</i>			
	14,369.89	17,743.72	14,483.43
Unsecured Loans	-	-	4,165.70
	-	-	4,165.70
	14,369.89	17,743.72	18,649.13

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.
- (ii) Buyer's Credits are obtained from overseas branches of State Bank of India, Bank of Baroda and HDFC Bank which are backed by Letter of Undertaking from State Bank of India, Indusind Bank, HDFC Bank and IDFC Bank who has sanctioned the Term Loans. Though Rollover Period of some of the Buyers credits are 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, Buyers Credit arrangement is classified as Non-Current Liabilities.
- (iii) Term Loans of HDFC Bank are repayable in Four and half years, three years and 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 EXIM Bank is repayable in seven years and Term Loan from IDFC Bank are repayable in three years with moratorium period of 6 months.

Sr. No.	Particulars	As at 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)	As at 01-04-2016 (₹ In Lakhs)
19 - NON-CURRENT - FINANCIAL LIABILITIES - TRADE PAYABLE				
	Unsecured, considered good			
	Trade Payable	45.26	11.22	46.05
		<u>45.26</u>	<u>11.22</u>	<u>46.05</u>
20 - NON-CURRENT - FINANCIAL LIABILITIES - OTHERS				
	Unsecured, considered good			
	Buyer's Credit Interest accrued but not due on borrowings	159.96	147.96	105.82
		<u>159.96</u>	<u>147.96</u>	<u>105.82</u>
21 - DEFERRED TAX LIABILITIES (NET)				
	Opening balance	4,690.70	3,686.46	2,903.06
	Addition during the year	652.66	1,004.25	783.40
	Written back during the year	-	-	-
	Closing Balance	<u>5,343.36</u>	<u>4,690.70</u>	<u>3,686.46</u>

- A The Net Deferred Tax Expenses of INR 652.66 Lakhs [Previous Year: INR 1004.25 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, 2018 and March 31, 2017 are :

Statement of profit and loss:

	INR-Lakhs	
	Year ended March 31	
	2018	2017
Profit and loss section:		
Current income tax:		
Current income tax charge	3,474	2,403
Adjustments in respect of current income tax of previous year	0	0
Deferred tax:		
Relating to origination and reversal of temporary differences	653	1004
Income tax expense reported in the statement of profit and loss	<u>4,126</u>	<u>3,407</u>



Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :

	INR-Lakhs	
	As At March 31	
	2018	2017
Accounting profit before tax	11,729	10,926
At India's statutory income tax rate of 34.608% (31 March 2017: 34.608%)	4,059	3,781
Adjustments in respect of current income tax of previous years	(16)	(35)
Adjustments in respect of income exempt from tax	-	(1)
Adjustments on accounts of IndAS provisions	-	(41)
Special Rate Tax (like STCG u/s 111A)	-	7
Utilisation of previously unrecognised tax losses	-	(306)
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	38	20
Other temporary difference	46	(18)
At the effective income tax rate of 35.18% (31 March 2017: 31.18%)	4,126	3,407
Income tax expense reported in the statement of profit and loss	4,126	3,407

Sr. No.	Particulars	As at 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)	As at 01-04-2016 (₹ In Lakhs)
22 - NON-CURRENT PROVISION				
	Provision for employee benefit			
-	Provision for Gratuity	53.41	32.63	-
		53.41	32.63	-
23 - CURRENT FINANCIAL LIABILITIES - BORROWINGS				
	Secured			
a.	Loans repayable on demand			
	From banks			
-	Cash Credits	1,358.73	1,841.54	1,944.81
		1,358.73	1,841.54	1,944.81
23.1 Nature of Security for Current Secured Financial Liabilities				
	Cash Credit Facilities of State Bank Of India and HDFC Bank is secured by hypothecation of inventory and Book Debt and Further Secured by Personal Guarantee of Director and Equitable Mortgage of Immovable property situated at Ahmedabad held in the name of Directors.			
24 - CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES				
	Due to micro and small enterprises			
	Due to other than micro and small enterprises	1,717.50	1,002.27	1,450.44
		1,717.50	1,002.27	1,450.44
25 - CURRENT - OTHER FINANCIAL LIABILITIES				
	Current Maturities of Long Term Debts	7,384.93	7,636.40	5,861.54
	Unclaimed Dividends	5.30	4.49	3.21
	Provision for Salary	136.78	127.34	123.45
	Provision for Other Expense	313.45	981.05	283.02
	Forward Contract Payable	-	-	3,036.88
		7,840.46	8,749.28	9,308.10
26 - OTHER CURRENT LIABILITIES				
	Statutory liabilities	601.59	75.44	50.78
	Other Liabilities	86.40	28.41	20.52
		687.99	103.86	71.30
27- CURRENT PROVISIONS				
	Provision for employee benefit			
-	Provision for Gratuity	3.71	1.27	-
		3.71	1.27	-
28 - CURRENT TAX LIABILITIES (NET)				
	Current Tax Liabilities (Net of Advance Tax)	1,888.63	429.12	443.75
		1,888.63	429.12	443.75



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Sr. Particulars No.	2017-18 (₹ In Lakhs)	2016-17 (₹ In Lakhs)
29 - REVENUE FROM OPERATIONS		
Sale of Services	30,049.25	27,738.05
	30,049.25	27,738.05
30 - OTHER INCOME		
Interest Received/Receivable		
From banks	64.91	105.80
From others	8.17	58.61
Dividend Income	0.01	0.11
Profit on sale of Investments	25.28	48.75
Profit on sale of Fixed Assets	-	0.60
Net gain on foreign currency transaction and translation (other than finance cost)	189.43	609.29
Kasar/Vatav and Discount	4.99	3.89
Fair Valuation of Financial Assets	375.92	101.73
	668.71	928.79
31 - OPERATING EXPENSE		
Consumption Spares, Oil & Other Operating Expense	6,810.66	7,361.16
Equipment Running & Maintenance Exps	2,266.64	1,088.57
	9,077.30	8,449.72
32 - EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus etc	2,061.32	1,801.56
Director Remuneration & Perquisites	97.01	101.51
Contribution to Provident and Other funds	69.09	14.87
Staff Welfare expenses	85.41	75.06
	2,312.83	1,992.99
33 - FINANCE COSTS		
Interest expenses		
- Interest Expenses on Hypothecation & Term loan	361.35	687.32
- Interest & Finance Charges on Foreign Credit	620.88	680.78
- Other Interest & Finance Charges	13.69	511.99
Other borrowing costs		
- Bank Charges	153.81	340.41
- Adjustment on account of Ind-AS	7.51	7.52
	1,157.24	2,228.03



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Sr. Particulars No.	2017-18 (₹ In Lakhs)	2016-17 (₹ In Lakhs)
34 - OTHER EXPENSES		
Electricity, Power and Fuel	97.83	210.28
Repairs, maintenance and refurbishing *	660.79	136.68
Rent	176.92	171.23
Rates and taxes	18.81	28.76
Insurance	66.60	87.96
Communication Expense	10.29	15.03
Legal and professional charges	270.02	282.00
Payment to the auditors**	4.95	4.95
Printing Stationery, Xerox and Office Expense	54.23	32.36
Donations	122.90	73.96
Travelling and Conveyance(@)	498.03	449.24
Security Service Charges	31.50	20.79
Advertisement, publicity and business promotion	7.06	11.89
Hotel, Loading and Boarding Expense	76.87	56
Loss on Sale of Fixed Assets	132.78	-
Miscellaneous	143.92	115.62
Preliminary Expense Written off	190.25	21.14
	<u>2,563.75</u>	<u>1,717.94</u>
* includes:		
Repairs to buildings	623.12	96.33
Repairs to machinery	37.67	0.35
**Payments to the auditors for (including service tax)		
- statutory audit	2.45	2.50
- Taxation Matters	0.50	0.50
- limited review fees		
- certification work	1.95	1.95
- out of pocket expenses	0.05	
(@) includes:		
Director Travelling	70.70	58.77
	<u>75.65</u>	<u>63.72</u>
35 - OTHER COMPREHENSIVE INCOME		
Re-measurement gains/ (losses) on post employment benefit plans	5.02	-16.02
Re-measurement gains/ (losses) on fair valuation of financial instruments	-0.20	1.17
	<u>4.83</u>	<u>(14.85)</u>
36 - EARNINGS PER EQUITY SHARE		
Profit/(loss) available for equity shareholders	7,602.06	7,519.26
Weighted average numbers of equity shares outstanding	32,000,000	30,013,150
Nominal value per equity share (in Rupees)	10	10
Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)	23.76	25.05
37 - CONTINGENT LIABILITIES AND COMMITMENTS		
CONTINGENT LIABILITIES		
(a) Claims against the Company not acknowledged as debts	-	-
(b) In respect of guarantees given by Banks and/ or counter guarantees given by the Company	5,694.47	7,133.38
(c) Other money for which the company is contingently liable:		
1 Gujarat VAT demand not provided for	-	401.07
2 Service tax demand not provided for	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	6.14	6.14
COMMITMENTS		
(a) Estimated amount of contracts remaining to be executed on capital account and not provided for Considering nature of activity it is not possible to ascertain the elements of Capital Commitment Expenditure to be executed on capital account.		



Sr. Particulars No.	As at 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)
38 - 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	103.12	132.24
Later than one year and not later than five years	193.54	255.18
More than five years	-	41.47

39 - 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.

40 - 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 ₹ 69.09 Lakhs (Previous Year ₹ 14.87 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 7.60% p.a. (Previous Year 7.15% 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 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)
Discount rate (per annum)	7.60%	7.15%
Future salary increase	8.00% for Next 3 Years & 6.00% thereafter	8.00% for Next 3 years & 6.00% thereafter
Retirement age	56 years	58years
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 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	33.89	10.99
Interest Cost	2.38	0.84
Current Service Cost	21.86	6.04
Benefits Paid		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-2.14	1.58
Actuarial (Gain)/Loss on arising from Experience Adjustment	-2.87	14.44
Past Service Cost	4.01	0.00
Present value of obligation as at the end of the year	57.12	33.89
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	-	-
Interest Income	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Return on plan assets	-	-
Fair Value of plan assets at the end of the year	-	-
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	57.12	33.89
Net Asset/ (Liability)-Current	3.71	1.26
Net Asset/ (Liability)-Non-Current	53.41	32.63
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	2.38	0.84
Current Service Cost	21.86	6.04
Total expenses included in employee benefit expenses	24.24	6.88
Recognized in Other Comprehensive Income during the year		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-2.14	1.58
Actuarial (Gain)/Loss on arising from Experience Adjustment	-2.87	14.44
Recognized in Other Comprehensive Income	-5.01	16.02
Maturity profile of defined benefit obligation		
Within 12 months of the reporting period	3.71	1.26
Between 2 and 5 years	22.56	10.17
Between 6 and 10 years	27.17	16.61
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/ (decrease) on present value of defined benefit obligation at the end of the year		
Half percentage point increase in discount rate	54.89	32.45
Half percentage point decrease in discount rate	59.50	35.44
Half percentage point increase in salary increase rate	59.28	35.41
Half percentage point decrease in salary increase rate	55.04	32.46
Expected contribution to the defined benefit plan for the next reporting period		
	2017-18	2016-17
	(₹ In Lakhs)	(₹ In Lakhs)
Expected contribution to the defined benefit plan for the next reporting period (Gratuity)	3.71	24.24

41 - CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee. 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: ₹ 1,35,45,719 (Previous year - ₹ 72,45,145/-)



42 - DERIVATIVE INSTRUMENTS

	2017-18 (₹ In Lakhs)	2016-17 (₹ In Lakhs)
(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	534.03	934.56
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	461.00	806.76
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	300.93	526.64
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	3,026.00	4,160.75
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	288.89	400.00
Start Date: 01st January, 2017 End Date: 04th May, 2020 Underlying USD amount: USD 5,87,048.25 Fixed LIBOR rate : 5.75% p.a		
IDFC Bank		
Currency Swap - 1	282.77	-
Start Date: 01st March, 2018 End Date: 07th March, 2019 Underlying USD amount: USD 469978.52 Fixed LIBOR rate : 6.04% p.a		

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, 2018, 31st March, 2017 and 1st April, 2016 are as under:

	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	Foreign Currency (USD)	(₹ In Lakhs)	Foreign Currency (USD)	(₹ In Lakhs)	Foreign Currency (USD)	(₹ In Lakhs)
Receivables						
Loans and advances given	0.20	13.04	-	-	-	-
Investment in Deep International DMCC (refer Note 5)	0.14	8.90	-	-	-	-
Trade Receivables	28.77	1,871.49	36.48	2,365.53	0.64	42.77
Loans & Advances to Creditors						
For Capital Goods	6.00	379.26	4.04	262.07	3.09	205.23
For Spares & Purchase	0.95	61.68	2.43	157.78	3.79	251.38
Payables						
Trade payables	0.69	44.76	0.02	1.24	1.33	88.11



43 - 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
Mr. Preme Singh Sawhney	Non - Executive Director
Mr. Kirit Joshi	Independent Director
Mr. Sanjay Parekh	Independent Director
Mr. Arun Mandke	Independent Director
Ms. Renuka Upadhyay	Independent Director
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

(b) Transactions with related parties:

Nature of Transaction	(₹ In Lakhs)							
	Subsidiaries		Key Management Personnel and their relatives		Enterprises significantly influences by KMP, or Relatives of KMP		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Remuneration, Salary and Sitting Fees	-	-	113.67	116.39	-	-	113.67	116.39
Rent	-	-	136.17	132.49	-	-	136.17	132.49
Perquisites	-	-	1.41	1.53	-	-	1.41	1.53
Investments made during the year	8.90	532.09	-	-	-	-	8.90	532.09
Balance Outstanding								
			Payable		Receivable			
	As at 31-03-18	As at 31-03-17	As at 01-04-16	As at 31-03-18	As at 31-03-17	As at 01-04-16	As at 31-03-17	As at 01-04-16
	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)	(₹ In Lakhs)
Investments held in Subsidiaries	-	-	-	1,871.43	1,862.53	1,330.44	-	-
Key Management Personnel and their relatives	-	-	-	-	-	-	-	-
Entities controlled by Directors or their relatives	-	-	-	-	-	-	-	-
Total	-	-	-	1,871.43	1,862.53	1,330.44	-	-

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.

44. 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 April 01, 2016

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i) Investments	5	-	-	-	1,331.84	1,331.84	-	-	-	-
(ii) Loans	0	-	-	-	-	-	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments	9	413.96	-	413.96	-	413.96	413.96	-	-	413.96
(ii) Trade Receivables	10	-	-	-	5,557.74	5,557.74	-	-	-	-
(iii) Cash and Cash Equivalents	11	-	-	-	380.59	380.59	-	-	-	-
(iv) Bank balances other than above (ii)	12	-	-	-	1,318.53	1,318.53	-	-	-	-
(v) Loans	13	-	-	-	5.51	5.51	-	-	-	-
(vi) Others	14	-	-	-	70.72	70.72	-	-	-	-
TOTAL		413.96	-	413.96	8,664.93	9,078.89	413.96	-	-	413.96
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings	18	-	-	-	18,649.13	18,649.13	-	-	-	-
(ii) Trade Payable	19	-	-	-	46.05	46.05	-	-	-	-
(iii) Others	20	-	-	-	105.82	105.82	-	-	-	-
Current Liabilities										
Financial Liabilities										
(i) Borrowings	23	-	-	-	1,944.81	1,944.81	-	-	-	-
(ii) Trade Payable	24	-	-	-	1,450.44	1,450.44	-	-	-	-
(iii) Others	25	-	-	-	9,308.10	9,308.10	-	-	-	-
TOTAL		-	-	-	31,504.35	31,504.35	-	-	-	-



II. Figures as at March 31, 2017

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non-Current Assets										
Financial Assets										
(i) Investments	5	-	-	-	1,864.59	1,864.59	-	-	-	-
(ii) Loans		-	-	-	-	-	-	-	-	-
(iii) Others	6	-	-	-	71.62	71.62	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments	9	2,813.83	-	2,813.83	-	2,813.83	2,813.83	-	-	2,813.83
(ii) Trade Receivables	10	-	-	-	6,646.92	6,646.92	-	-	-	-
(iii) Cash and Cash Equivalents	11	-	-	-	1,579.69	1,579.69	-	-	-	-
(iv) Bank balances other than above (ii)	12	-	-	-	933.42	933.42	-	-	-	-
(v) Loans	13	-	-	-	14.02	14.02	-	-	-	-
(vi) Others	14	-	-	-	98.33	98.33	-	-	-	-
TOTAL		2,813.83	-	2,813.83	11,208.59	14,022.42	2,813.83	-	-	- 2,813.83
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings	18	-	-	-	17,743.72	17,743.72	-	-	-	-
(ii) Trade Payable	19	-	-	-	11.22	11.22	-	-	-	-
(iii) Others	20	-	-	-	147.96	147.96	-	-	-	-
Current Liabilities										
Financial Liabilities										
(i) Borrowings	23	-	-	-	1,841.54	1,841.54	-	-	-	-
(ii) Trade Payable	24	-	-	-	1,002.27	1,002.27	-	-	-	-
(iii) Others	25	-	-	-	8,749.28	8,749.28	-	-	-	-
TOTAL		-	-	-	29,495.99	29,495.99	-	-	-	-

III. Figures as at March 31, 2018

Non-Current Assets										
Financial Assets										
(i) Investments	5	-	4.04	4.04	1,873.49	1,877.53	4.04	-	-	4.04
(ii) Loans		-	-	-	-	-	-	-	-	-
(iii) Others	6	-	-	-	80.22	80.22	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments	9	9,205.50	-	9,205.50	-	9,205.50	9,205.50	-	-	9,205.50
(ii) Trade Receivables	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	-	-	-	-
TOTAL		9,205.50	4.04	9,209.54	14,948.36	24,157.90	9,209.54	-	-	- 9,209.54
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings	18	-	-	-	14,369.89	14,369.89	-	-	-	-
(ii) Trade Payable	19	-	-	-	45.26	45.26	-	-	-	-
(iii) Others	20	-	-	-	159.96	159.96	-	-	-	-
Current Liabilities										
Financial Liabilities										
(i) Borrowings	23	-	-	-	1,358.73	1,358.73	-	-	-	-
(ii) Trade Payable	24	-	-	-	1,717.50	1,717.50	-	-	-	-
(iii) Others	25	-	-	-	7,840.46	7,840.46	-	-	-	-
TOTAL		-	-	-	25,491.80	25,491.80	-	-	-	-

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



IV. Description of significant unobservable inputs to valuation:

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

	As at 31-03-18	As at 31-03-17	As at 1-04-2016
Other Non-Current Financial Assets	Discounted Cash Flow method using		
Borrowings (Non-Current)	the risk adjusted discount rate		

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

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Market risk

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

The Company manages market risk through 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 42 for foreign currency exposure as at March 31, 2018, March 31, 2017 and April 01, 2016 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)			
	2017-18		2016-17	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(145.82)	145.82	(182.81)	182.81
Total	(145.82)	145.82	(182.81)	182.81

Credit risk

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

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

- (i) Actual or expected significant adverse changes in business,
- (ii) Actual or expected significant changes in the operating results of the counterparty.

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

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

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 31-03-2018	As at 31-03-2017
Non-current financial assets - Loans	-	-
Current financial assets - loans	6.23	14.02
Total (A)	6.23	14.02

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

Trade Receivables	8,481.94	6,646.92
Total (A)	8,481.94	6,646.92

Grand Total (A+B)

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

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

Up to 3 months	6,495.62	5,042.63
3 to 6 months	980.87	959.12
More than 6 months	1,005.45	645.17
Total	8,481.94	6,646.92

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 31-03-2018			As at 31-03-2017		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	14,369.89	14,369.89	-	17,743.72	17,743.72
Non-current financial liabilities - Trade Payable	-	45.26	45.26	-	11.22	11.22
Non-current financial liabilities - Others	-	159.96	159.96	-	147.96	147.96
Current financial liabilities - Borrowings	1,358.73	-	1,358.73	1,841.54	-	1,841.54
Current financial liabilities - Trade Payables	1,717.50	-	1,717.50	1,002.27	-	1,002.27
Current financial liabilities - Others	7,840.46	-	7,840.46	8,749.28	-	8,749.28
Total	10,916.69	14,575.11	25,491.80	11,593.09	17,902.90	29,495.99

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 31-03-2018	As at 31-03-2017
Total Debt	14,369.89	17,743.72
Equity	3,200.00	3,200.00
Capital and net debt	17,569.89	20,943.72
Gearing ratio	81.79%	84.72%

46 - FIRST TIME ADOPTION OF IND AS

First-time Adoption of Ind AS

The company has prepared its first Financial Statements in accordance with Ind AS for the year ended March 31, 2017. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company's Ind AS Opening Balance Sheet is 1 April 2016 (the date of transition to Ind AS).

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS Balance Sheet at April 01, 2015 (the Company's date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2017, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 01, 2015 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2015, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following notes and reconciliations.

I. Exemptions and exceptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

A) Deemed cost:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying values.

B) Leases:

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

C) Designation of previously recognised financial instruments:

Ind AS 101 allows an entity to designate investments in equity instruments at FVOCI on the basis of the facts and circumstances at the date of transition to Ind AS. The Company has elected to apply this exemption for its investment in equity investments.

D) Estimates:

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP [after adjustments to reflect any difference in accounting policies], unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2015 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- i. Investment in equity instruments carried at FVPL or FVOCI;
- ii. Investment in debt instruments carried at FVPL; and
- iii. Impairment of financial assets based on expected credit loss model.

E) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

F) De-recognition of financial assets and liabilities:

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

	Reference	Indian GAAP	Adjustments	IND AS
II. Reconciliation of equity as at 1st April,2016				
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Property, Plant and Equipment		37,322.29	-	37,322.29
(b) Capital Work in Progress		10,225.58	-	10,225.58
(c) Intangible Assets		11.57	0.00	11.57
(d) Financial Assets				
(i) Investments		1,334.91	(0.02)	1,334.89
(ii) Loans	**	-	-	-
(iii) Others		88.26	(25.78)	62.48
(e) Other Non Current Assets		36.64	22.72	59.36
TOTAL NON-CURRENT ASSETS		49,019.25	(3.08)	49,016.17
2. CURRENT ASSETS				
(a) Inventories		632.35	0.01	632.36
(b) Financial Assets				
(i) Investments		401.79	12.17	413.96
(ii) Trade Receivables		5,557.74	-	5,557.74
(iii) Cash and Cash Equivalents		380.59	-	380.59
(iv) Bank balances other than above (ii)		1,318.51	0.02	1,318.53
(v) Loans		5.51	0.00	5.51
(vi) Others		70.72	-	70.72
(c) Other Current Assets		4,140.61	-	4,140.61
TOTAL CURRENT ASSETS		12,507.81	12.20	12,520.02
TOTAL ASSETS		61,527.06	9.12	61,536.18
EQUITY AND LIABILITIES				
EQUITY:				
(a) Equity share capital		2,920.00	-	2,920.00
(b) Other equity	**, #, %, \$	22,374.04	536.29	22,910.32
TOTAL EQUITY		25,294.04	536.29	25,830.32
LIABILITIES				
1. NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(a) Financial Liabilities				
(i) Borrowings	**	18,649.13	-	18,649.13
(ii) Trade Paybles		46.05	-	46.05
(ii) Others		105.82	-	105.82
(a) Deferred Tax Liabilities (Net)		3,686.46	-	3,686.46
(c) Other Non Current Liabilities		-	-	-
TOTAL NON-CURRENT LIABILITIES		22,487.46	-	22,487.46
2. CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		1,944.81	-	1,944.81
(ii) Trade Payables		1,450.44	-	1,450.44
(iii) Other Financial Liabilities		8,901.63	406.47	9,308.10
(b) Other Current Liabilities		71.30	-	71.30
(c) Provisions		933.64	(933.64)	-
(d) Current Tax Liabilities (Net)		443.75	0.00	443.76
TOTAL CURRENT LIABILITIES		13,745.57	(527.16)	13,218.40
TOTAL LIABILITIES		36,233.03	(527.16)	35,705.86
TOTAL EQUITY AND LIABILITIES		61,527.06	9.13	61,536.18



	Reference	Indian GAAP	Adjustments	IND AS
III. Reconciliation of equity as at 31st March, 2017				
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Property, Plant and Equipment		51,852.18	-	51,852.18
(b) Capital Work in Progress		4,542.41	-	4,542.41
(c) Intangible Assets		10.53	0.00	10.53
(d) Financial Assets				
(i) Investments	**	1,867.00	1.83	1,868.83
(ii) Loans		91.34	-91.34	-
(iii) Others		0.66	70.96	71.62
(e) Other Non Current Assets		90.83	16.48	107.31
TOTAL NON-CURRENT ASSETS		58,454.94	(2.06)	58,452.87
2. CURRENT ASSETS				
(a) Inventories		1,055.93	-	1,055.93
(b) Financial Assets				
(i) Investments		2,699.92	113.91	2,813.83
(ii) Trade Receivables		6,646.92	-	6,646.92
(iii) Cash and Cash Equivalents		1,579.69	-	1,579.69
(iv) Bank balances other than above (ii)		933.43	-0.01	933.42
(v) Loans		14.02	-	14.02
(vi) Others		98.33	-	98.33
(c) Other Current Assets		1,791.07	-	1,791.07
TOTAL CURRENT ASSETS		14,819.31	113.90	14,933.21
TOTAL ASSETS		73,274.25	111.84	73,386.09
EQUITY AND LIABILITIES				
EQUITY:				
(a) Equity share capital		3,200.00	-	3,200.00
(b) Other equity	**, #, %, \$, @	34,627.43	805.09	35,432.52
		37,827.43	805.09	38,632.52
LIABILITIES				
1. NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	@	17,743.72	-	17,743.72
(ii) Trade Payables		11.22	-	11.22
(iii) Others	**	147.96	-	147.96
(a) Deferred Tax Liabilities (Net)		4,690.70	-	4,690.70
(c) Other Non Current Liabilities		32.63	-	32.63
TOTAL NON-CURRENT LIABILITIES		22,626.23	0.00	22,626.23
2. CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		1,841.54	-	1,841.54
(ii) Trade Payables		1,002.27	-	1,002.27
(iii) Other Financial Liabilities		7,640.89	1,108.39	8,749.29
(b) Other Current Liabilities		103.86	-	103.86
(c) Provisions		1,802.91	-1,801.65	1.26
(d) Current Tax Liabilities (Net)		429.12	-	429.12
TOTAL CURRENT LIABILITIES		12,820.59	-693.26	12,127.33
TOTAL LIABILITIES		35,446.82	(693.26)	34,753.57
TOTAL EQUITY AND LIABILITIES		73,274.25	111.84	73,386.09



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

	Reference	Indian GAAP	Adjustments	IND AS
REVENUES				
Revenue from operations	~	27,738.05	-	27,738.05
Other income	**	819.71	109.07	928.79
Total REVENUE		<u>28,557.76</u>	<u>109.07</u>	<u>28,666.84</u>
EXPENSES				
Operating Expense	~	8,449.72	-	8,449.72
Employees Benefits Expense		2,009.01	-16.02	1,992.99
Finance costs	@	2,220.50	7.52	2,228.03
Depreciation and amortization expense		3,351.89	-	3,351.89
Other expenses	**	1,717.94	0.00	1,717.94
TOTAL EXPENSES		<u>17,749.07</u>	<u>(8.50)</u>	<u>17,740.57</u>
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		<u>10,808.69</u>	<u>117.57</u>	<u>10,926.26</u>
Exchange gain /(loss)		-	-	-
Exceptional items(net)		-	-	-
PROFIT BEFORE TAX		<u>10,808.69</u>	<u>117.57</u>	<u>10,926.26</u>
TAX EXPENSES				
Current tax		2,437.51	-	2,437.51
Deferred tax(credit)		-34.77	-	-34.77
Earlier years tax provisions (written back)		1,004.25	-	1,004.25
PROFIT FOR THE YEAR		<u>7,401.70</u>	<u>117.57</u>	<u>7,519.26</u>
OTHER COMPREHENSIVE INCOME:				
(A) (i) Items that will not be classified to profit or loss				
- Re-measurement gains/ (losses) on post employment defined benefit plans	%	-	-16.02	-16.02
(A) (i) Items that will be classified to profit or loss				
- Re-measurement gains/ (losses) on account of equity instruments	\$	-	1.17	1.17
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		-	-14.85	-14.85
TOTAL COMPREHENSIVE INCOME /(LOSS) FOR THE YEAR		<u>7,401.70</u>	<u>102.72</u>	<u>7,504.41</u>

Summary of reconciliation of net profit between previous Indian GAAP and Ind AS

Particulars	₹ In lakhs As at 31/03/2017
Net profit under previous GAAP	7,401.70
<u>Adjustment as per Ind AS</u>	
On account of unwinding of security deposit balances	(0.18)
On account of fair valuation of financial assets	101.73
Re-measurement gains/ (losses) on post employment defined benefit plans	16.02
Net profit as per Ind AS	<u>7,519.27</u>
Actuarial loss on employee defined benefit plan - through OCI	-16.02
Re-measurement gains/ (losses) on account of equity instruments	1.17
Total comprehensive income	<u>7,504.42</u>

Summary of reconciliation of equity between previous Indian GAAP and Ind AS

Particulars	₹ In lakhs	
	As at 31/03/2017	As at 01/04/2016
Equity under previous GAAP	34,627.44	22,374.04
<u>Adjustment as per Ind AS</u>		
On account of unwinding of security deposit balances	-3.24	-3.06
On account of fair valuation of financial assets	115.08	12.18
Adjustment of Proposed Dividends	693.24	527.17
Equity under Ind AS	<u>35,432.52</u>	<u>22,910.32</u>

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

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



Deferred Tax on Ind AS adjustments:

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

% Actuarial loss on defined benefit plan:

Both under IGAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements [comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

\$ Effect of changes in revaluation surplus:

Para 39 to 42 of the Ind AS 16 "Property, Plant & Equipment" mandates that any change in the revaluation surplus is required to be routed through other comprehensive income (OCI). Accordingly, additional depreciation arising out of revalued property is also required to be routed through OCI account. The said effect has been eliminated from statement of profit and loss and has been shown under OCI

@ Fair valuation of borrowing through profit and loss account

Ind AS 109 mandates financial instruments that are classified as fair value through profit or loss account to be fair valued whenever the financial statements are prepared. As per the provisions of Ind AS 109, where any transaction costs have been incurred at the time of obtaining term loan, then the said costs are required to be amortized at "Effective Interest Rate" (EIR) in time span of the said term loan.

~ Others:

Sale of goods:

Under the IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses.

Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' include remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and corresponding tax impact thereon. The concept of other comprehensive income did not exist under previous GAAP.

Statement of cash flows:

The transition from IGAAP to Ind AS has not had a material impact on the statement of cash flows.

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

Harish B. Patel
Partner
Membership Number: 014427

Place : Ahmedabad
Date : 26/05/2018

For Deep Industries Limited

Paras Savla
Chairman & Managing Director
DIN:00145639

Rohan Shah
Chief Financial Officer

Place : Ahmedabad
Date : 26/05/2018

Rupesh Savla
Managing Director
DIN:00126303

Akshit Soni
Company Secretary



INDEPENDENT AUDITORS' REPORT

To,
The Members,
Deep Industries Limited.

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying Consolidated Ind AS Financial Statements of Deep Industries Limited ("the Holding Company") and its subsidiary (collectively referred to as "the Company" or "the Group"), comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated Statement of cash flows and the Consolidated Statement of Changes in Equity for the year ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Ind AS Financial Statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Company's Board of Directors is responsible for the preparation of these Consolidated Ind AS Financial Statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows, and consolidated changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. The Board of Directors of the Company are responsible for 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; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

As Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs of the group, as at 31 March 2018, and their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated changes in equity for the year ended on that date.

We did not audit the financial statement of Deep Energy LLC, USA included in the consolidated year to date results whose consolidated financial statement reflects total assets of ₹15,99,671/- as at 31.03.2018; as well as the total revenue of ₹ NIL



as at 31.03.2018 & Deep International DMCC, Dubai included in the consolidated year to date results whose consolidated financial statement reflects total assets of ₹ 9,56,14,613/- as at 31.03.2018; as well as the total revenue of ₹ 12,18,29,400/- as at 31.03.2018. These financial statement/financial information are unaudited & have been furnished to us by the Management and our opinion on the consolidated financial statement, in so far as it relates to the amounts & disclosure included in the respect of this subsidiary & our report in terms of sub-section (3) & (11) of section 143 of the Act in so far as it relates to this subsidiary is based solely on such unaudited financial statements/financial information. In our opinion & according to the information & explanations given to us by the management, these financial statement/financial information are not material to the Group. Our opinion on the consolidated financial statements & our report on Other Matters below are not modified in respect of above matters with respect to our reliance on the work done & financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by sub-section 3 of Section 143 of the Act, we report, to the extent applicable, that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.
 - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books;
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on 31st March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2018, 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 group and the operating effectiveness of such controls, refer to our separate report in "Annexure A"; and
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The group has disclosed the impact of pending litigations on its consolidated financial position in its financial statements – Refer Note 37 to the consolidated Ind AS financial statements;
 - ii. The group did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company.

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

Place : Ahmedabad
Date : 26th May 2018

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")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Deep Industries Limited ("the Company") and its subsidiaries which are companies incorporated in India, as of 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 ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI 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 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls over Financial Reporting

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

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

For, Dhirubhai Shah & Co

Chartered Accountants

Firm's Registration Number: 102511W

Place : Ahmedabad
Date : 26th May 2018

Harish B Patel

Partner

Membership number: 014427



CONSOLIDATE STATEMENT OF ASSETS AND LIABILITIES AS AT 31st MARCH, 2018

ASSETS	Note No.	As at 31-03-2018 ₹ In Lakhs	As at 31-03-2017 ₹ In Lakhs	As at 01-04-2016 ₹ In Lakhs
NON-CURRENT ASSETS				
(a) Property, Plant and Equipment	4	50,919.91	51,852.69	37,322.80
(b) Capital Work in Progress	4	4,723.60	7,307.87	12,510.03
(c) Intangible Assets	4	14.09	10.53	11.57
(d) Financial Assets				
(i) Investments	5	6.10	5.64	4.46
(ii) Others	6	123.24	184.36	75.16
(e) Other Non-Current Assets	7	66.68	108.28	59.38
		55,853.63	59,469.36	49,983.39
CURRENT ASSETS				
(a) Inventories	8	1,868.17	1,055.93	632.36
(b) Financial Assets				
(i) Investments	9	9,563.53	2,815.22	415.28
(ii) Trade Receivables	10	8,481.94	6,646.92	5,557.74
(iii) Cash and Cash Equivalents	11	3,840.07	1,592.63	393.07
(iv) Bank balances other than above (ii)	12	1,393.30	933.43	1,318.51
(v) Loans	13	6.23	14.16	5.51
(vi) Others	14	1,522.81	647.89	166.29
(c) Other Current Assets	15	1,689.40	1,871.60	4,146.15
		28,365.45	15,577.79	12,634.91
TOTAL ASSETS		84,219.07	75,047.15	62,618.30
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity Share Capital	16	3,200.00	3,200.00	2,920.00
(b) Other Equity	17	42,487.95	35,431.96	23,381.40
(c) Non Controlling Interest		507.17	502.97	28.00
		46,195.12	39,134.93	26,329.40
LIABILITIES				
NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	18	15,653.49	17,918.72	18,649.13
(ii) Trade Payable	19	45.56	11.22	46.05
(iii) Others	20	983.91	674.19	105.82
(b) Deferred Tax Liabilities (Net)	21	5,339.43	4,689.25	3,685.05
(c) Provision	22	53.41	32.63	-
		22,075.80	23,326.01	22,486.05
CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	23	1,358.73	1,841.54	1,944.81
(ii) Trade Payables	24	3,572.06	1,101.28	1,459.94
(iii) Others	25	8,427.39	9,107.98	9,874.77
(b) Other Current Liabilities	26	697.58	105.15	78.19
(c) Provisions	27	3.71	1.26	-
(d) Current Tax Liabilities (Net)	28	1,888.69	429.00	445.16
		15,948.16	12,586.21	13,802.86
TOTAL EQUITY & LIABILITIES		84,219.07	75,047.15	62,618.30

Corporate Information, Basis of Preparation & Significant Accounting Policies 1-3
The accompanying notes 1 to 46 are an integral part of the Standalone Financial Statements

As per our report of even date attached

For DHIRUBHAI SHAH & CO

Chartered Accountants

Firm Registration Number: 102511W

Harish B. Patel

Partner

Membership Number: 014427

Place : Ahmedabad

Date : 26/05/2018

For Deep Industries Limited

Paras Savla

Chairman & Managing Director

DIN:00145639

Rohan Shah

Chief Financial Officer

Place : Ahmedabad

Date : 26/05/2018

Rupesh Savla

Managing Director

DIN:00126303

Akshit Soni

Company Secretary



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2018

	Note No.	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
INCOME			
Revenue from operations	29	31,267.54	27,738.05
Other income	30	698.32	929.40
TOTAL INCOME		31,965.86	28,667.45
EXPENSES			
Operating Expense	31	9,542.08	8,449.72
Employee benefits expense	32	2,342.48	1,992.99
Finance Costs	33	1,158.08	2,227.62
Depreciation and amortization expenses	4	3,878.30	3,351.89
Other expenses	34	3,176.12	1,718.31
TOTAL EXPENSES		20,097.06	17,740.55
Profit/(Loss) before tax		11,868.80	10,926.90
Tax items			
Current tax		3,490.16	2,437.51
Earlier years tax provisions (written back)		-16.34	-34.77
Deferred tax asset / (liability)		650.18	1,004.19
Total tax items		4,124.00	3,406.93
Profit/(Loss) for the year		7,744.80	7,519.96
Non-Controlling Interest		-4.20	-474.96
Net Profit after tax and Non -Controlling Interests		7,740.60	7,045.00
Other Comprehensive Income	35		
Items that will not be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on post employment benefit plans		5.02	-16.02
Items that will be re-classified to Profit or Loss			
Re-measurement gains/ (losses) on fair valuation of financial instruments		-0.20	1.17
Other Comprehensive Income/ (Loss) for the year		4.82	-14.85
Total Comprehensive Income/ (Loss) for the year		7,745.42	7,030.15
Total comprehensive income / (loss) attributable to:			
Owners		7,741.21	6,555.19
Non-controlling interest		4.20	474.96
Earnings Per Equity Share (Basic and Diluted)	36	24.19	23.47
Corporate Information, Basis of Preparation & Significant Accounting Policies	1-3		
The accompanying notes 1 to 46 are an integral part of the Consolidated Financial Statements			

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

Harish B. Patel
Partner
Membership Number: 014427

Place : Ahmedabad
Date : 26/05/2018

For Deep Industries Limited

Paras Savla
Chairman & Managing Director
DIN:00145639

Rupesh Savla
Managing Director
DIN:00126303

Rohan Shah
Chief Financial Officer

Akshit Soni
Company Secretary

Place : Ahmedabad
Date : 26/05/2018



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st March, 2018

PARTICULARS	2017-18 ₹ In Lakhs	2016-17 ₹ In Lakhs
(A) CASH FLOW FROM OPERATING ACTIVITIES		
Profit/ (loss) Before Tax	11,868.80	10,926.90
Adjustments for:		
Depreciation and amortization	3,878.30	3,351.89
Interest and finance charges	1,158.08	2,227.62
Interest income	(73.08)	(164.47)
(Gain)/Loss on fixed assets sold/ discarded (net)	132.78	(0.60)
(Gain)/Loss on investments sold/ discarded (net)	(425.16)	(150.50)
Net unrealized (gain)/loss on foreign currency transaction and translation (relating to other heads)	(189.43)	(609.29)
Others	199.20	21.19
Operating Profit before Working Capital Changes	16,549.50	15,602.74
Adjustments for changes in working capital :		
(Increase)/decrease in trade receivables, loans & advances and other assets	(2,417.09)	688.91
(Increase)/decrease in inventories	(812.24)	(423.59)
Increase/(decrease) in trade payables, other liabilities and provisions	2,056.91	(3,599.41)
Cash Generated from Operations	15,377.08	12,268.65
Income taxes paid	(1,100.00)	(1,300.00)
Net Cashflow from Operating Activities	14,277.08	10,968.65
(B) CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	(639.30)	(12,682.99)
Proceeds from sale of fixed assets	141.71	5.00
Purchase of Investments	(13,104.39)	(6,606.14)
Sale of Investment	6,615.93	4,340.90
Proceeds from Fixed Deposits	(459.06)	386.36
Interest received	73.08	164.47
Net Cashflow from Investing Activities	(7,372.03)	(14,392.40)
(C) CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds/Payment from Secured Loans	(2,999.51)	4,372.52
Proceeds / Payments from Unsecured Loan	-	(3,990.70)
Proceeds from Issue Share Capital/Convertible Warrants	-	6,384.02
Minority Interest	3.81	2.97
Foreign Currency Fluctuation Gain	189.43	609.29
Dividend Income and Dividend Distribution Tax	(693.26)	(527.17)
Interest and finance charges	(1,158.08)	(2,227.62)
Net Cashflow from Financing Activities	(4,657.61)	4,623.32
Net Increase/(Decrease) in Cash and Cash Equivalents	2,247.44	1,199.56
Cash and bank balances at the beginning of the year	1,592.63	393.07
Cash and bank balances at the end of the year	3,840.07	1,592.63

NOTES:

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



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

DETAIL OF CASH AND CASH EQUIVALENTS

	As at 31-03-2018 ₹ In Lakhs	As at 31-03-2017 ₹ In Lakhs
Balances with banks		
In current accounts	2,387.74	1,120.04
In EEFC Accounts	1,276.37	459.30
In Escrow Accounts	170.71	1.02
Cash on hand	5.24	12.27
	<u>3,840.07</u>	<u>1,592.63</u>

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

Harish B. Patel
Partner
Membership Number: 014427

Place : Ahmedabad
Date : 26/05/2018

For Deep Industries Limited

Paras Savla
Chairman & Managing Director
DIN:00145639

Rohan Shah
Chief Financial Officer

Place : Ahmedabad
Date : 26/05/2018

Rupesh Savla
Managing Director
DIN:00126303

Akshit Soni
Company Secretary



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

(A) EQUITY SHARE CAPITAL

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

For the year ended 31st March, 2017

(₹ In Lakhs)

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

(B) OTHER EQUITY

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	35,431.97
Profit/(Loss) for the year	-	-	-	-	-	-	-
Additions/Deletions during the year	-	-	-	7,740.60	-	3.81	7,744.41
<i>Add/(Less): Adjustments on account of Ind-AS</i>							
Dividend paid for the year				(693.26)			
<i>Other Comprehensive income/(loss) for the year</i>							
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)
Balance as at 31st March, 2018	412.48	980.36	14,347.85	26,747.77	(10.03)	9.50	42,487.94

For the year ended 31st March, 2017

Particulars	Capital Reserve	General Reserve	Foreign Currency Monetary Translation Reserve	Security premium account	Retained Earnings	FVOCI Reserve	Non - Monetary Foreign Currency Translation	Total Equity
Balance as at 1st April, 2016	412.48	979.96	559.37	8,243.85	13,182.60	-	3.14	23,381.40
Profit/(Loss) for the year	-	-	-	-	-	-	-	-
Addition/(Deletion) during the year	-	0.40	(559.37)	6,104.00	7,045.00	-	2.56	12,592.59
<i>Add/(Less): Adjustments on account of Ind-AS</i>								
Dividend paid for the year					(527.17)			(527.17)
<i>Other Comprehensive income/(loss) for the year</i>								
Remeasurements gain/(loss) on defined benefit plans						(16.02)	-	(16.02)
Re-measurement gains/ (losses) on fair valuation of financial instruments						1.17		1.17
Balance as at 31st March, 2017	412.48	980.36	0.00	14,347.85	19,700.43	(14.85)	5.69	35,431.97

As per our report of even date attached

For DHIRUBHAI SHAH & CO

Chartered Accountants

Firm Registration Number: 102511W

Harish B. Patel

Partner

Membership Number: 014427

Place : Ahmedabad

Date : 26/05/2018

For Deep Industries Limited

Paras Savla

Chairman & Managing Director

DIN:00145639

Rohan Shah

Chief Financial Officer

Place : Ahmedabad

Date : 26/05/2018

Rupesh Savla

Managing Director

DIN:00126303

Akshit Soni

Company Secretary



**NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2018**

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, 2018. 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

Ministry of Corporate Affairs notified roadmap to implement Indian Accounting Standards (‘Ind AS’) notified under the Companies (Indian Accounting Standards) Rules, 2016 as amended by the Companies (Indian Accounting standards) (Amendment) Rules, 2016. As per the said road map the group is required to apply Ind AS starting from financial year beginning on or after 1st April 2017.

For all period, up to and including the year ended 31st March 2017, the Group prepared its financial statements in accordance with the Accounting Standards notified under Section 133 of the Companies Act 2013, read together with Companies (Accounts) Rules 2014 (Indian GAAP). These Financial statements for the year ended 31st March 2018 are the first, the Group has prepared in accordance with Ind AS (Refer Note 47 for information on how the group has adopted Ind AS).

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 Group and are consistent with those used in the previous year.

3. BASIS OF CONSOLIDATION:

The consolidated financial statements comprise the financial statements of the Parent and its Subsidiaries as at March 31, 2018. 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.

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

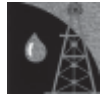
4 - PROPERTY, PLANT AND EQUIPMENT		TANGIBLE ASSETS							INTANGIBLE ASSETS		CAPITAL WORK IN PROGRESS		
		Tankers	Air Compressor Packages	Gas Compressor Packages	Rigs	Computers	Shed, Foundation & Road	Office Equipment, Furniture and Fixtures	Other Plant and Machinery	Oil Wells	Total Softwares	Total Work-In progress	Capital
		Vehicles	Compressor Packages	Compressor Packages	Computers	Foundation & Road	Equipment, Furniture and Fixtures	Plant and Machinery					
Cost:													
As at 1st April, 2016	0.45	313.30	115.03	30,716.12	10,434.58	55.22	3,397.04	94.63	66.91	0.51	45,193.78	50.75	12,510.03
Additions	-	48.07	-	6,708.65	8,423.54	3.68	2,466.67	213.63	20.91	-	17,885.14	-	10,678.67
Disposals / transfers	-	20.62	-	-	-	-	-	-	-	-	20.62	-	15,880.83
As at 31st March, 2017	0.45	340.75	115.03	37,424.77	18,858.12	58.89	5,863.71	308.25	87.82	0.51	63,058.31	50.75	7,307.87
Additions	-	64.49	-	2,972.51	111.01	7.85	59.31	-	4.25	-	3,219.42	4.15	639.29
Disposals / transfers	-	1.53	65.42	340.30	19.55	-	-	-	-	-	426.80	-	3,223.56
As at 31st March, 2018	0.45	403.71	49.61	40,056.98	18,949.58	66.74	5,923.02	308.25	92.07	0.51	65,850.93	54.90	4,723.60
Accumulated depreciation:													
As at 1st April, 2016	0.43	105.24	96.79	5,133.80	1,591.38	51.14	869.56	10.53	12.11	-	7,870.98	39.18	-
Depreciation charged during the year	-	36.06	2.49	1,325.60	515.76	6.53	1,442.27	18.39	3.74	-	3,350.85	1.04	-
Disposals / transfers	-	16.22	-	-	-	-	-	-	-	-	16.22	-	-
As at 31st March, 2017	0.43	125.08	99.28	6,459.40	2,107.15	57.67	2,311.84	28.92	15.85	-	11,205.61	40.22	-
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	-
Disposals / transfers	-	0.74	52.14	94.80	4.63	-	-	-	-	-	152.31	-	-
As at 31st March, 2018	0.43	165.39	49.61	7,841.92	2,701.37	63.77	4,030.18	58.20	20.15	-	14,931.01	40.81	-
Net book value													
As at 1st April, 2016	0.02	208.06	18.25	25,582.32	8,843.20	4.08	2,527.48	84.10	54.80	0.51	37,322.80	11.57	12,510.03
As at 31st March, 2017	0.02	215.66	15.76	30,965.36	16,750.98	1.23	3,551.87	279.34	71.97	0.51	51,852.69	10.53	7,307.87
As at 31st March, 2018	0.02	238.31	0.01	32,215.05	16,248.22	2.98	1,892.84	250.06	71.92	0.51	50,919.91	14.09	4,723.60

*Represents deemed cost on the date of transition to Ind AS. Gross block and accumulated depreciation from the previous GAAP have been disclosed for the purpose of better understanding of the original cost of assets.



NOTES ANNEXED TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2018

Sr. No.	Particulars	No. of Shares as on 31.03.18	As at 31-03-18 (₹ In Lakhs)	No. of Shares as on 31.03.17	As at 31-03-17 (₹ In Lakhs)	No. of Shares as on 01.04.17	As at 01-04-16 (₹ In Lakhs)
5 - NON - CURRENT FINANCIAL ASSETS - INVESTMENTS							
Investments (Unquoted)							
(A) Investments at Cost							
(a) Other Investments							
-	Shares of Mehsana Nagarik Co-Op Sahakari Bank Ltd.	400	0.10	400	0.10	400	0.10
-	National Saving Certificate		1.96		1.30		1.30
			2.06		1.40		1.40
Investments (Quoted)							
(A) Investments at Fair value through Profit and Loss							
(a) Investments in Equity Shares							
-	Vama Industries Limited	2500	0.54	2500	0.50	2500	0.10
-	Power Trading Corporation	4000	3.50	4000	3.74	4000	2.96
			4.04		4.24		3.06
			6.10		5.64		4.46
	<i>Market Value of Quoted Investment</i>		4.04		4.24		3.06
<hr/>							
Sr. No.	Particulars		As at 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)	As at 01-04-2016 (₹ In Lakhs)		
6 - NON - CURRENT FINANCIAL ASSETS - OTHERS							
	Other		12.78	12.68	12.68		
	NSC Interest Receivable		-	0.66	-		
	Security deposits		86.82	75.44	62.48		
	Receivable from Consortium Partners		23.64	95.58	-		
	Total		123.24	184.36	75.16		
7 - OTHER NON CURRENT ASSETS							
Advances other than Capital Advances							
	Advance to Vendors		3.06	36.25	7.07		
	Others						
	Balance with Govt Authorities		54.66	54.58	29.58		
	Deferred Security Deposits		8.96	17.44	22.72		
			66.68	108.28	59.38		
8 - INVENTORIES							
(valued at lower of cost and net realizable value)							
a.	Stores and Spares		1,003.21	824.33	556.75		
b.	Others						
-	Stock of Oil		509.15	231.60	75.59		
-	Stock of Equipments		355.81	-	-		
			1,868.17	1,055.93	632.35		



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DEEP INDUSTRIES LIMITED

Sr. No.	Particulars	No. of	As at	No. of	As at	No. of	As at
		Units	31-03-18	Units	31-03-17	Units	01-04-16
		as on	(₹ In	as on	(₹ In	as on	(₹ In
		31.03.18	Lakhs)	31.03.17	Lakhs)	01.04.16	Lakhs)
9 -	CURRENT FINANCIAL ASSETS - INVESTMENTS						
	Investments (Unquoted)						
	Investments at Fair Value through Profit and Loss						
	Investments in Mutual Funds						
-	Franklin India Short Term Income Plan	33,892.83	1,243.95	16,578.65	561.37	6,554.66	199.74
-	Franklin India Ultra Short Bond Fund-Growth	10,295,423.38	2,476.36	9,086,831.71	2,023.14	527,528.53	213.23
-	SBI Ultra Short Debt Fund	2,917.80	65.70	10,917.49	229.32	-	-
-	ICICI Ultra Short Term-Growth	2,587,849.31	461.15	-	-	-	-
-	DSP BlackRock Ultra Short Term Fund	7,496,952.63	945.85	-	-	-	-
-	Franklin Templeton Low Duration Fund	17,045,049.51	3,404.84	-	-	-	-
-	IDFC Ultra Short Term Fund	2,467,504.63	607.64	-	-	-	-
-	HDFC Cash Management Fund	26,919.72	9.86	-	-	-	-
-	HDFC Cash Management Fund-Daily Dividend	3,412,565.01	346.04	-	-	-	-
-	Baroda Pioneer Liquid Fund	42.59	0.85	-	-	-	-
-	HDFC Cash Management Fund	12,793.76	1.29	13,719.67	1.39	13,109.47	1.32
-	IDFC Money Manager Growth Plan	-	-	-	-	4,196.23	0.99
		9,563.53		2,815.22		415.28	
	<i>Market Value of Quoted Investment</i>		9,563.53		2,815.22		415.28
Sr. No.	Particulars		As at		As at		As at
			31-03-2018		31-03-2017		01-04-2016
			(₹ In Lakhs)		(₹ In Lakhs)		(₹ In Lakhs)
10 -	CURRENT FINANCIAL ASSETS - TRADE RECEIVABLES						
	Unsecured, considered good;		8,481.94		6,646.92		5,557.74
			8,481.94		6,646.92		5,557.74
11 -	CURRENT FINANCIAL ASSETS - CASH AND CASH EQUIVALENTS						
A)	Balances with Banks						
-	In Current Accounts		2,387.74		1,120.04		359.66
-	In EEFC Accounts		1,276.37		459.30		22.44
-	In Escrow Accounts		170.71		1.02		1.02
			3,834.82		1,580.36		383.11
B)	Cash on Hand		5.24		12.27		9.95
			5.24		12.27		9.95
			3,840.07		1,592.63		393.07
12 -	CURRENT FINANCIAL ASSETS - BANK BALANCES OTHER THAN ABOVE						
A)	Balances with Banks						
-	Unpaid Dividend with HDFC Bank		2.81		2.00		0.72
-	Unpaid Dividend with IDBI Bank		2.49		2.48		2.49
-	Unpaid Warrant with HDFC Bank		-		0.01		0.01
			5.30		4.49		3.22
B)	Others						
-	Fixed Deposits held as Margin Money		1,388.00		928.94		1,315.29
			1,388.00		928.94		1,315.29
			1,393.30		933.43		1,318.51
13 -	CURRENT - FINANCIAL ASSETS - LOANS						
	Unsecured, considered good;						
	Loan to Staff		6.23		14.16		5.51
			6.23		14.16		5.51
14 -	CURRENT - OTHER FINANCIAL ASSETS						
	Accrued Interest		67.45		95.82		70.72
	Receivable from Consortium Partners		1,455.36		552.07		95.58
			1,522.81		647.89		166.29



Sr. Particulars No.	As at 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)	As at 01-04-2016 (₹ In Lakhs)
15 - CURRENT ASSETS - OTHERS			
Unsecured, considered good, unless otherwise stated			
Advances other than Capital Advances			
Balance with Government Authorities	843.50	1,070.87	377.69
Foreign Currency Receivable	-	-	2,809.77
Preliminary Expense	-	196.64	8.42
Deferred Forward Premium	-	-	197.82
Prepaid Expenses	140.48	165.37	188.41
Advances to Vendors	705.41	422.58	547.90
Others	-	16.14	16.14
	1,689.40	1,871.60	4,146.15
16 - SHARE CAPITAL			
Authorised:			
5,42,66,340 Equity Shares of Rs. 10 each	5,426.63	5,426.63	5,426.63
Issued, Subscribed and paid-up:			
3,20,00,000 Equity Shares of Rs. 10 each fully paid up	3,200.00	3,200.00	1,794.19
Share Capital Suspense Account:			
Nil (F.Y.15-16 1,12,58,080 Equity Shares of ₹ 10/- each fully paid up with voting rights)	-	-	1,125.81
	3,200.00	3,200.00	2,920.00

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 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	No of Shares	Value ₹	No of Shares	Value ₹	No of Shares	Value ₹
— At the beginning of the year	32,000,000.00	3,200.00	29,200,000.00	2,920.00	29,200,000.00	2,920.00
— Movement during the period (Issue of Equity Shares under QIP)	-	-	2,800,000.00	280.00	-	-
— Outstanding at the end of the year	32,000,000.00	3,200.00	32,000,000.00	3,200.00	29,200,000.00	2,920.00

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

Name of the Shareholders (Equity Shares of Rs.10 Each Fully Paid up)	As at 31st March, 2018		As at 31st March, 2017		As at 01 April 2016	
	No. of Share held	% of Holding	No. of Share held	% of Holding	No. of Share held	% of Holding
RUPESH SAVLA FAMILY TRUST	10,076,908	31.49%	-	-	-	-
SHANTILAL SAVLA FAMILY TRUST	3,568,474	11.15%	-	-	-	-
PRITI PARAS SAVLA	2,052,625	6.41%	2,346,298	7.33%	1,610,504.00	5.52%
DHAREN SHANTILAL SAVLA	2,058,822	6.43%	3,164,048	9.89%	400,725.00	1.37%
SHITAL RUPESH SAVLA	-	-	6,015,098	18.80%	2,434,732.00	8.34%
RUPESH K SAVLA	-	-	2,516,842	7.87%	5,320,586.00	18.22%
MITA MANOJ SAVLA	-	-	1,633,792	5.11%	302,771.00	1.04%
	17,756,829		15,676,078		10,069,318	

16.3 During the FY 2016-17, the Company has offered equity shares to "Qualified Institutional Buyers"(QIBs) through Qualified Institutions Placement in accordance with Chapter VII of SEBI(Issue of Capital and Disclosure Requirements) Regulations, 2009. Accordingly 28,00,000 equity shares of Rs.10/- each were allotted to QIBs on 28th December, 2016 at an issue price of Rs.228/- per equity share.(Including premium of Rs.218/- per equity share)

16.4 The Company has only one class of equity shares having a par value of Rs. 10 per share, each shareholder is eligible for one vote per share. The Company 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.

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

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



Sr. No.	Particulars	As at 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)	As at 01-04-2016 (₹ In Lakhs)
17 - OTHER EQUITY				
	Securities Premium			
	Opening balance	14,347.85	8,243.85	7,768.88
	Add: Addition during the year	-	6,104.00	474.98
	Less: Written back during the year	-	-	-
	Closing balance	14,347.85	14,347.85	8,243.85
	Capital Reserve			
	Opening balance	412.48	412.48	400.00
	Add: Addition during the year	-	-	12.48
	Less: Written back during the year	-	-	-
	Closing balance	412.48	412.48	412.48
	General Reserve			
	Opening balance	980.36	979.96	975.06
	Add: Addition during the year	-	0.40	4.90
	Less: Written back during the year	-	-	-
	Closing balance	980.36	980.36	979.96
	Foreign Currency Monetary Translation Reserve			
	Opening Balance	-	559.37	797.56
	Add/Less : Effect of Foreign Exchange Rate variation during the year	-	221.14	85.18
	Less: Transfer to Principal term loan liabilities	-	(780.51)	(323.37)
	Closing Balance	-	-	559.37
	Profit and Loss			
	Opening balance	19,700.43	13,182.60	9,078.36
	Add: Net Profit/(Net Loss) For the current year	7,740.60	7,045.00	4,095.12
	Add/(Less): Adjustments on account of Ind-AS			
	- Fair Valuation of Financial Liabilities	-	-	9.12
	- Fair Valuation of Financial Assets	-	-	-
	- Dividend paid for the year	(693.26)	(527.17)	-
	- Closing Balance	26,747.77	19,700.43	13,182.60
	Non - Monetary Foreign Currency Translation Reserve	9.50	5.69	3.14
		9.50	5.69	3.14
	FVOCI Reserve			
	Opening balance	(14.85)	-	-
	Add/Less: Changes during the current year	4.83	(14.85)	-
	Closing Balance	(10.02)	(14.85)	-
	Total	42,487.95	35,431.97	23,381.40
18 - NON-CURRENT - FINANCIAL LIABILITIES - BORROWINGS				
	Secured			
	a. Term Loans			
	<i>From banks</i>			
	- Rupee Term Loans	5,675.90	7,067.17	4,640.00
	- Foreign Currency Term Loans	15,974.64	18,281.31	15,656.97
	- Vehicle Loans	104.28	31.64	48.00
	Less: Current Maturities of Long Term Debts	-7,384.93	-7,636.40	-5,861.54
	<i>Less: Adjustment of transaction costs as per Ind AS 109</i>	-	-	-
		14,369.89	17,743.72	14,483.43
	b. Inter Corporate Deposits	-	175.00	4,165.70
	c. Compulsory Convertible Debentures	1,283.60	-	-
		1,283.60	175.00	4,165.70
	Total	15,653.49	17,918.72	18,649.13



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

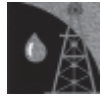
- (i) Rupee Term Loan and Foreign Currency Term Loan from State Bank of India, EXIM Bank as mentioned above is secured by hypothecation of Air Compressor, Gas Compressor, Work over Rigs and other Misc. Assets and further secured by personal guarantee of Directors and equitable mortgage of immovable properties 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 and Work over Rig 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.
- (ii) Buyer's Credits are obtained from overseas branches of State Bank of India, Bank of Baroda and HDFC Bank which are backed by Letter of Undertaking from State Bank of India, Indusind Bank and HDFC Bank who has sanctioned the Term Loans. Though Rollover Period of some of the Buyers credits are 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, Buyers Credit arrangement is classified as Non-Current Liabilities.
- (iii) Term Loans of HDFC Bank are repayable in Four and half years, three years and 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 EXIM Bank is repayable in seven years and Term Loan from IDFC Bank are repayable in three years with moratorium period of 6 months.

Sr. No.	As at 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)	As at 01-04-2016 (₹ In Lakhs)
19 - NON-CURRENT - FINANCIAL LIABILITIES - TRADE PAYABLE			
(A) Trade Payable	45.56	11.22	46.05
	45.56	11.22	46.05
20 - NON-CURRENT - FINANCIAL LIABILITIES - OTHERS			
Payable to Consortium Partners	823.95	526.23	-
Buyer's Credit Interest accrued but not due on borrowings	159.96	147.96	105.82
	983.91	674.19	105.82
21 - DEFERRED TAX LIABILITIES (NET)			
Opening Balance	4,689.25	3,685.05	2,901.74
Addition during the year	650.18	1,004.19	783.31
Written back during the year	-	-	-
Closing Balance	5,339.43	4,689.25	3,685.05

- A The Net Deferred Tax Expenses of INR 650.18 Lakhs [Previous Year: INR 1004.19 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, 2018 and March 31, 2017 are :

Statement of profit and loss:

	INR-Lakhs	
	Year ended March 31 2018	2017
Profit and loss section:		
Current income tax:		
Current income tax charge	3,490	2,438
Adjustments in respect of current income tax of previous year	(16)	(35)
Deferred tax:		
Relating to origination and reversal of temporary differences	650	1004
Income tax expense reported in the statement of profit and loss	4,124	3,407



Reconciliation of tax expense and accounting profit multiplied by India's domestic tax rate :

	INR-Lakhs	
	As At March 31	
	2018	2017
Profit before tax	11,869	10,927
At India's statutory income tax rate	4,108	3,781
Adjustments in respect of current income tax of previous years	(16)	(35)
Adjustments in respect of income exempt from tax	-	(1)
Tax effect due to non-taxable income for Indian tax purposes	(51)	-
Adjustments on accounts of IndAS provisions	-	(41)
Special Rate Tax (like STCG u/s 111A)	-	7
Utilisation of previously unrecognised tax losses	-	(306)
Effect of Unrecognised DTA/DTL	46	(18)
Non-deductible expenses for tax purposes:		
Other non-deductible expenses	38	20
Others	-	-
At the effective income tax rate of 35.18% (31 March 2017: 31.18%)	4,124	3,407
Income tax expense reported in the statement of profit and loss	4,124	3,407

Sr. No.	Particulars	As at 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)	As at 01-04-2016 (₹ In Lakhs)
22 - OTHER NON-CURRENT LIABILITIES				
(A)	Provision for Gratuity	53.41	32.63	-
		53.41	32.63	-
23 - CURRENT FINANCIAL LIABILITIES - BORROWINGS				
	Secured			
a.	Loans repayable on demand			
	From banks			
-	Cash Credits	1,358.73	1,841.54	1,944.81
		1,358.73	1,841.54	1,944.81
23.1 Nature of Security for Current Secured Financial Liabilities	Cash Credit Facilities of State Bank Of India and HDFC Bank is secured by hypothecation of inventory and Book Debt and Further Secured by Personal Guarantee of Director and Equitable Mortgage of Immovable property situated at Ahmedabad held in the name of Directors.			
24 - CURRENT FINANCIAL LIABILITIES - TRADE PAYABLES				
	Due to micro and small enterprises			
	Due to other than micro and small enterprises	3,572.06	1,101.28	1,459.94
		3,572.06	1,101.28	1,459.94
25 - CURRENT - OTHER FINANCIAL LIABILITIES				
	Current Maturities of Long Term Debts	7,384.93	7,636.40	5,861.54
	Unclaimed Dividends	5.30	4.49	3.21
	Payable to Consortium Partners	314.88	297.72	526.23
	Bid Bond Deposits	7.64		
	Provision for Expenses	566.61	1,025.78	316.38
	Provision for Salary	148.03	143.58	130.53
	Forward Contract Payable	-	-	3,036.88
		8,427.39	9,107.98	9,874.77
26 - OTHER CURRENT LIABILITIES				
	Statutory liabilities	611.18	76.73	55.93
	Other Liabilities	86.40	28.42	22.26
		697.58	105.15	78.19
27- SHORT TERM PROVISIONS				
	Provision for employee benefit			
-	Provision for Gratuity	3.71	1.26	-
		3.71	1.26	-
28 - CURRENT TAX LIABILITIES (NET)				
	Current Tax Liabilities (net of Income Tax provisions)	1,888.69	429.00	445.16
		1,888.69	429.00	445.16



	2017-18 (₹ In Lakhs)	2016-17 (₹ In Lakhs)
29 - REVENUE FROM OPERATIONS		
Revenue from Operations	31,267.54	27,738.05
	31,267.54	27,738.05
30 - OTHER INCOME		
Interest Received/Receivable		
From banks	64.91	105.80
From others	8.17	58.67
Dividend Income	3.90	0.18
Profit on sale of Investments	34.65	47.58
Profit on sale of Fixed Assets	-	0.60
Net gain on foreign currency transaction and translation (other than finance cost)	189.43	609.29
Other Income	0.03	-
Kasar/Vatav and Discount	5.03	3.99
Tender Fee	1.69	0.37
Gains on Fair Valuation of Financial Assets	390.51	102.91
	698.32	929.40
31 - OPERATING EXPENSE		
Consumption Spares, Oil & Other Operating Expense	7,275.44	7,361.16
Equipment Running & Maintenance Exps	2,266.64	1,088.57
	9,542.08	8,449.72
32 - EMPLOYEE BENEFITS EXPENSES		
Salaries, Wages, Bonus etc	2,090.97	1,801.56
Director Remuneration & Perquisites	97.01	101.51
Contribution to Provident and Other funds	69.09	14.87
Staff Welfare expenses	85.41	75.06
	2,342.48	1,992.99
33 - FINANCE COSTS		
Interest expenses		
- Interest Expenses on Hypothecation & Term loan	361.35	687.32
- Interest & Finance Charges on Foreign Credit	620.88	680.78
- Other Interest & Finance Charges	13.69	511.99
Other borrowing costs		
- Bank Charges	154.40	339.93
- Unwinding of Interest on Financial Liabilities	7.76	7.60
	1,158.08	2,227.62



	2017-18 (₹ In Lakhs)	2016-17 (₹ In Lakhs)
34 - OTHER EXPENSES		
OPERATING, ADMINISTRATION AND GENERAL EXPENSES		
Electricity, Power and Fuel	97.83	210.28
Repairs, maintenance and refurbishing *	1,223.11	136.68
Rent	188.12	171.23
Rates and taxes	18.81	28.76
Insurance	66.60	87.96
Communication Expense	10.29	15.03
Legal and professional charges	284.36	282.00
Payment to the auditors**	5.01	5.00
Printing Stationery, Xerox and Office Expense	54.23	32.36
Donations	122.90	73.96
Travelling and Conveyance(@)	500.07	449.24
Security Service Charges	31.50	20.79
Advertisement, publicity and business promotion	7.06	11.89
Hotel, Loading and Boarding Expense	77.04	56.05
Loss on Sale of fixed Assets	132.78	-
Miscellaneous	157.20	115.90
Preliminary Expense Written off	199.20	21.19
	3,176.12	1,718.31
* includes:		
Repairs to buildings	623.12	96.33
Repairs to machinery	37.67	40.35
Repairs to others	562.32	-
	1223.11	136.68
**Payments to the auditors for (including service tax)		
- statutory audit	2.51	2.55
- Taxation Matters	0.50	0.50
- limited review fees		
- certification work	1.95	1.95
- out of pocket expenses	0.05	
(@) includes:		
Director Travelling	70.70	58.77
35 - OTHER COMPREHENSIVE INCOME		
Re-measurement gains/ (losses) on post employment benefit plans	5.02	-16.02
Re-measurement gains/ (losses) on fair valuation of financial instruments	-0.20	1.17
	4.82	-14.85
36 - EARNINGS PER EQUITY SHARE		
Profit/(loss) available for equity shareholders	7,740.60	7,045.00
Weighted average numbers of equity shares outstanding	32,000,000	30,013,150
Nominal value per equity share (in Rupees)	10	10
Earnings /(loss) Per Equity Share- Basic and Diluted (in Rupees)		
- Basic (in Rs.)	24.19	23.47
- Diluted (in Rs.)	24.19	23.47



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

COMMITMENTS

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

38 - 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	148.11	170.51
Later than one year and not later than five years	224.80	326.62
More than five years	-	41.47

39 - 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.

40 - 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. 69.09 Lakhs (Previous Year Rs. 14.87 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 7.60% p.a. (Previous Year 7.15% 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 31-03-2018 (₹ In Lakhs)	As at 31-03-2017 (₹ In Lakhs)
Discount rate (per annum)	7.60%	7.15%
Future salary increase	8.00% for Next 3 Years & 6.00% thereafter	8.00% for Next 3 years & 6.00% thereafter
Retirement age	56 years	58years
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%
Change in present value of the defined benefit obligation during the year		
Present value of obligation as at the beginning of the year	33.89	10.99
Interest Cost	2.38	0.84
Current Service Cost	21.86	6.04
Benefits Paid		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-2.14	1.58
Actuarial (Gain)/Loss on arising from Experience Adjustment	-2.87	14.44
Past Service Cost	4.01	0.00
Present value of obligation as at the end of the year	57.12	33.89
Change in fair value of plan assets during the year		
Fair Value of plan assets at the beginning of the year	-	-
Interest Income	-	-
Contributions by the employer	-	-
Benefits paid	-	-
Return on plan assets	-	-
Fair Value of plan assets at the end of the year	-	-
Net Asset/ (Liability) recorded in the Balance Sheet		
Present value of obligation as at the end of the year	57.12	33.89
Net Asset/ (Liability)-Current	3.71	1.26
Net Asset/ (Liability)-Non-Current	53.41	32.63
Expenses recorded in the Statement of Profit & Loss during the year		
Interest Cost	2.38	0.84
Current Service Cost	21.86	6.04
Total expenses included in employee benefit expenses	24.24	6.88
Recognized in Other Comprehensive Income during the year		
Actuarial (Gain)/Loss on arising from Change in Financial Assumption	-2.14	1.58
Actuarial (Gain)/Loss on arising from Experience Adjustment	-2.87	14.44
Recognized in Other Comprehensive Income	-5.01	16.02
Maturity profile of defined benefit obligation		
Within 12 months of the reporting period	3.71	1.26
Between 2 and 5 years	22.56	10.17
Between 6 and 10 years	27.17	16.61
Quantitative sensitivity analysis for significant assumption is as below:		
Increase/ (decrease) on present value of defined benefit obligation at the end of the year		
Half percentage point increase in discount rate	54.89	32.45
Half percentage point decrease in discount rate	59.50	35.44
Half percentage point increase in salary increase rate	59.28	35.41
Half percentage point decrease in salary increase rate	55.04	32.46
Expected contribution to the defined benefit plan for the next reporting period	2017-18 (₹ In Lakhs)	2016-17 (₹ In Lakhs)
Expected contribution to the defined benefit plan for the next reporting period (Gratuity)	3.71	24.24

41 - CORPORATE SOCIAL RESPONSIBILITY

Pursuant to the provisions of section 135(5) of the Companies Act, 2013 (the Act), the Company has formed its Corporate Social Responsibility (CSR) Committee. 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. 1,35,45,719/- (Previous year - Rs. 72,45,145/-)

42 - DERIVATIVE INSTRUMENTS

	2017-18 (₹ In Lakhs)	2016-17 (₹ In Lakhs)
(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	534.03	934.56
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	461.00	806.76
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	300.93	526.64
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	3,026.00	4,160.75
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	288.89	400.00
Start Date: 01st January, 2017		
End Date: 04th May, 2020		
Underlying USD amount: USD 5,87,048.25		
Fixed LIBOR rate : 5.75% p.a		
IDFC Bank		
Currency Swap - 1	282.77	-
Start Date: 01st March, 2018		
End Date: 07th March, 2019		
Underlying USD amount: USD 469978.52		
Fixed LIBOR rate : 6.04% p.a		
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, 2018, 31st March, 2017 and 1st April, 2016 are as under:

	<u>As at 31st March, 2018</u>		<u>As at 31st March, 2017</u>		<u>As at 1st April, 2016</u>	
	Foreign Currency (USD)	(₹ In Lakhs)	Foreign Currency (USD)	(₹ In Lakhs)	Foreign Currency (USD)	(₹ In Lakhs)
Receivables						
Loans and advances given	0.20	13.04	-	-	-	-
Trade Receivables (in USD)	28.77	1,871.49	36.48	2,365.53	0.64	42.77
Loans & Advances to Creditors						
For Capital Goods (in USD)	6.00	379.26	4.04	262.07	3.09	205.23
For Spares & Purchase (in USD)	0.95	61.68	2.43	157.78	3.79	251.38
Payables						
Trade payables (in USD)	0.69	44.76	0.02	1.24	1.33	88.11

43 - 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

<u>Name</u>	<u>Designation</u>
Mr. Paras Savla	Chairman and MD
Mr. Rupesh Savla	Managing Director
Mr. Dharen Savla	Whole Time Director
Mr. Preamsingh Sawhney	Non - Executive Director
Mr. Kirit Joshi	Independent Director
Mr. Sanjay Parekh	Independent Director
Mr. Arun Mandke	Independent Director
Ms. Renuka Upadhyay	Independent Director
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		Key Management Personnel and their relatives		Enterprises significantly influences by KMP, or Relatives of KMP		(₹ In Lakhs)	
	Total							
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Remuneration, Salary and Sitting Fees	-	-	181.09	191.28	-	-	181.09	191.28
Rent	-	-	152.91	168.95	-	-	152.91	168.95
Perquisites	-	-	1.41	1.53	-	-	1.41	1.53
Balance Outstanding			Payable		Receivable			
			As at 31-03-18	As at 31-03-17	As at 01-04-16	As at 31-03-18	As at 31-03-17	As at 01-04-16
			(₹ In Lakhs)	(₹ In Lakhs)	(₹ 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.

44. 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 April 01, 2016

Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
Non Current Assets										
Financial Assets										
(i) Investments	5	-	-	-	4.46	4.46	-	-	-	-
(ii) Others	6	-	-	-	75.16	75.16	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments	9	415.28	-	415.28	-	415.28	415.28	-	-	415.28
(ii) Trade Receivables	10	-	-	-	5,557.74	5,557.74	-	-	-	-
(iii) Cash and Cash Equivalents	11	-	-	-	393.07	393.07	-	-	-	-
(iv) Bank balances other than above (ii)	12	-	-	-	1,318.51	1,318.51	-	-	-	-
(v) Loans	13	-	-	-	5.51	5.51	-	-	-	-
(vi) Others	14	-	-	-	166.29	166.29	-	-	-	-
TOTAL		415.28	-	415.28	7,520.75	7,936.03	415.28	-	-	415.28
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings	18	-	-	-	18,649.13	18,649.13	-	-	-	-
(ii) Others	20	-	-	-	105.82	105.82	-	-	-	-
Current Liabilities										
Financial Liabilities										
(i) Borrowings	23	-	-	-	1,944.81	1,944.81	-	-	-	-
(ii) Trade Payable	24	-	-	-	1,459.94	1,459.94	-	-	-	-
(iii) Others	25	-	-	-	9,874.77	9,874.77	-	-	-	-
TOTAL		-	-	-	32,034.46	32,034.46	-	-	-	-

II. Figures as at March 31, 2017

Financial Instrument										
Financial Assets										
(i) Investments	5	-	-	-	5.64	5.64	-	-	-	-
(ii) Others	6	-	-	-	184.36	184.36	-	-	-	-
Current Assets										
Financial Assets										
(i) Investments	9	2,815.22	-	2,815.22	-	2,815.22	2,815.22	-	-	2,815.22
(ii) Trade Receivables	10	-	-	-	6,646.92	6,646.92	-	-	-	-
(iii) Cash and Cash Equivalents	11	-	-	-	1,592.63	1,592.63	-	-	-	-
(iv) Bank balances other than above (ii)	12	-	-	-	933.43	933.43	-	-	-	-
(v) Loans	13	-	-	-	14.16	14.16	-	-	-	-
(vi) Others	14	-	-	-	647.89	647.89	-	-	-	-
TOTAL		2,815.22	-	2,815.22	10,025.03	12,840.25	2,815.22	-	-	2,815.22
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings	18	-	-	-	17,918.72	17,918.72	-	-	-	-
(ii) Others	20	-	-	-	674.19	674.19	-	-	-	-
Current Liabilities										
Financial Liabilities										
(i) Borrowings	23	-	-	-	1,841.54	1,841.54	-	-	-	-
(ii) Trade Payable	24	-	-	-	1,101.28	1,101.28	-	-	-	-
(iii) Others	25	-	-	-	9,107.98	9,107.98	-	-	-	-
TOTAL		-	-	-	30,643.71	30,643.71	-	-	-	-



Financial Instrument	Note No.	Carrying Amount				Fair value				
		FVTPL	FVOCI	Total Fair Value	Amortised Cost	Total	Level 1	Level 2	Level 3	Total
III. Figures as at March 31, 2018										
Non Current Assets										
Financial Assets										
(i) Investments	5	-	-	-	6.10	6.10	-	-	-	-
(ii) Others	6	-	-	-	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	-	-	-	-
(iii) Cash and Cash Equivalents	11	-	-	-	3,840.07	3,840.07	-	-	-	-
(iv) Bank balances other than above (ii)	12	-	-	-	1,393.30	1,393.30	-	-	-	-
(v) Loans	13	-	-	-	6.23	6.23	-	-	-	-
(vi) Others	14	-	-	-	1,522.81	1,522.81	-	-	-	-
TOTAL		9,563.53	-	9,563.53	15,373.69	24,937.22	9,563.53	-	-	9,563.53
Non Current Liabilities										
Financial Liabilities										
(i) Borrowings	18	-	-	-	15,653.49	15,653.49	-	-	-	-
(ii) Others	20	-	-	-	983.91	983.91	-	-	-	-
Current Liabilities										
Financial Liabilities										
(i) Borrowings	23	-	-	-	1,358.73	1,358.73	-	-	-	-
(ii) Trade Payable	24	-	-	-	3,572.06	3,572.06	-	-	-	-
(iii) Others	25	-	-	-	8,427.39	8,427.39	-	-	-	-
		-	-	-	29,995.58	29,995.58	-	-	-	-

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

IV. Description of significant unobservable inputs to valuation:

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

	As at 31-03-18	As at 31-03-17	As at 1-04-2016
Other Non-Current Financial Assets			
Borrowings (Non-Current)			
	Discounted Cash Flow method using the risk adjusted discount rate		

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

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Market risk

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

The Company manages market risk through 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 42 for foreign currency exposure as at March 31, 2018, March 31, 2017 and April 01, 2016 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	2017-18		2016-17	
	1% Increase	1% Decrease	1% Increase	1% Decrease
USD	(145.82)	145.82	(182.81)	182.81
Total	(145.82)	145.82	(182.81)	182.81

Credit risk

Credit risk arises from the possibility that counter party may not be able to settle their obligations as agreed. To manage this, the Company periodically assesses the financial reliability of customers, taking into account the financial condition, current economic trends, and analysis of historical bad debts and 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:

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

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

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

(₹ In lakhs)

Particulars	As at 31-03-2018	As at 31-03-2017
Non-current financial assets - Loans	-	-
Current financial assets - loans	6.23	14.16
Total (A)	6.23	14.16

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

Trade Receivables	8,481.94	6,646.92
Total (A)	8,481.94	6,646.92

Grand Total (A+B)

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

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

Up to 3 months	6,495.62	5,042.63
3 to 6 months	980.87	959.12
More than 6 months	1,005.45	645.17
Total	8,481.94	6,646.92



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 31-03-2018			As at 31-03-2017		
	Less than 1 year	1 to 5 years	Total	Less than 1 year	1 to 5 years	Total
Non-current financial liabilities - Borrowings	-	15,653.49	15,653.49	-	17,918.72	17,918.72
Non-current financial liabilities - Others	-	983.91	983.91	-	674.19	674.19
Current financial liabilities - Borrowings	1,358.73	-	1,358.73	1,841.54	-	1,841.54
Current financial liabilities - Trade Payables	3,572.06	-	3,572.06	1,101.28	-	1,101.28
Current financial liabilities - Others	8,427.39	-	8,427.39	9,107.98	-	9,107.98
Total	13,358.18	16,637.40	29,995.58	12,050.79	18,592.91	30,643.71

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 31-03-2018	As at 31-03-2017
Total Debt	17,012.22	19,760.26
Equity	3,200.00	3,200.00
Capital and net debt	20,212.22	22,960.26
Gearing ratio	84.17%	86.06%

46 - FIRST TIME ADOPTION OF IND AS

First-time Adoption of Ind AS

The company has prepared its first Financial Statements in accordance with Ind AS for the year ended March 31, 2018. For periods up to and including the year ended 31 March 2017, the Company prepared its financial statements in accordance with Indian GAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). The effective date for Company’s Ind AS Opening Balance Sheet is 1 April 2016 (the date of transition to Ind AS).

The accounting policies set out in Note 3 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS Balance Sheet at April 01, 2016 (the Company’s date of transition). According to Ind AS 101, the first Ind AS Financial Statements must use recognition and measurement principles that are based on standards and interpretations that are effective at March 31, 2018, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of April 01, 2016 compared with those presented in the Indian GAAP Balance Sheet as of March 31, 2016, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

An explanation of how the transition from previous GAAP to Ind AS has affected the company’s financial position, financial performance and cash flows is set out in the following notes and reconciliations.

I. Exemptions and exceptions availed:

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from Indian GAAP to Ind AS.

A) Deemed cost:

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the Indian GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets.

Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying values.

B) Leases:

Appendix C to Ind AS 17 requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, this assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such contracts/arrangements.

C) Estimates:

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP [after adjustments to reflect any difference in accounting policies], unless there is objective evidence that those estimates were in error. Ind AS estimates as at April 1, 2016 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- i. Investment in equity instruments carried at FVPL or FVOCI;
- ii. Investment in debt instruments carried at FVPL; and
- iii. Impairment of financial assets based on expected credit loss model.

D) Non-current assets held for sale and discontinued operations:

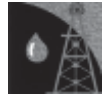
The Company has elected the option provided under Ind AS 101 to measure non-current assets held for sale and discontinued operations at the lower of carrying value and fair value less cost to sell at the date of transition to Ind AS.

E) Classification and measurement of financial assets:

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

F) De-recognition of financial assets and liabilities:

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.



	Reference	Indian GAAP	Adjustments	IND AS
II. Reconciliation of equity as at 1st April,2016				
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Property, Plant and Equipment		37,322.80	-	37,322.80
(b) Capital Work in Progress		12,510.03	-	12,510.03
(c) Intangible Assets		11.57	0.00	11.57
(d) Financial Assets				
(i) Investments		4.46	-	4.46
(ii) Loans	**	100.94	(100.94)	-
(iii) Others		-	75.16	75.16
(e) Other Non Current Assets		36.65	22.73	59.38
TOTAL NON-CURRENT ASSETS		49,986.45	(3.05)	49,983.39
2. CURRENT ASSETS				
(a) Inventories		632.36	-	632.36
(b) Financial Assets				
(i) Investments		403.10	12.18	415.28
(ii) Trade Receivables		5,557.74	-	5,557.74
(iii) Cash and Cash Equivalents		393.07	-	393.07
(iv) Bank balances other than above (ii)		1,318.51	-	1,318.53
(v) Loans		5.51	-	5.51
(vi) Others		166.29	-	166.29
(c) Other Current Assets		4,146.15	-	4,146.15
TOTAL CURRENT ASSETS		12,622.73	12.18	12,634.91
TOTAL ASSETS		62,609.18	9.13	62,618.30
EQUITY AND LIABILITIES				
EQUITY:				
(a) Equity share capital		2,920.00	-	2,920.00
(b) Other equity	**, #, %, \$	22,845.11	536.29	23,381.40
(c) Non Controlling Interest		28.00	-	28.00
TOTAL EQUITY		25,793.11	536.29	26,329.40
LIABILITIES				
1. NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(a) Financial Liabilities				
(i) Borrowings	**	18,649.13	-	18,649.13
(ii) Others		105.82	-	105.82
(b) Deferred Tax Liabilities (Net)		3,685.05	-	3,685.05
(c) Other Non Current Liabilities		46.05	(46.05)	-
TOTAL NON-CURRENT LIABILITIES		22,486.05	(46.05)	22,440.00
2. CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		1,944.81	-	1,944.81
(ii) Trade Payables		1,459.94	-	1,459.94
(iii) Other Financial Liabilities		9,427.86	446.91	9,874.77
(b) Other Current Liabilities		78.19	-	78.19
(c) Provisions		974.08	(974.08)	-
(d) Current Tax Liabilities (Net)		445.16	-	445.16
TOTAL CURRENT LIABILITIES		14,330.04	(527.17)	13,802.86
TOTAL LIABILITIES		36,816.09	(573.22)	36,242.86
TOTAL EQUITY AND LIABILITIES		62,609.18	(36.93)	62,572.24



	Reference	Indian GAAP	Adjustments	IND AS
III. Reconciliation of equity as at 31st March, 2017				
ASSETS				
1. NON-CURRENT ASSETS:				
(a) Property, Plant and Equipment		51,852.69	-0.00	51,852.69
(b) Capital Work in Progress		7,307.87	-	7,307.87
(c) Intangible Assets		10.53	0.00	10.53
(d) Financial Assets				
(i) Investments	**	4.47	1.17	5.64
(ii) Loans		-	-	-
(iii) Others		205.06	-20.70	184.36
(e) Other Non Current Assets		90.84	17.44	108.28
TOTAL NON-CURRENT ASSETS		59,471.45	(2.09)	59,469.38
2. CURRENT ASSETS				
(a) Inventories		1,055.93	-0.01	1,055.93
(b) Financial Assets				
(i) Investments		2,701.30	113.92	2,815.22
(ii) Trade Receivables		6,646.92	-	6,646.92
(iii) Cash and Cash Equivalents		1,592.63	-	1,592.63
(iv) Bank balances other than above (ii)		933.43	-	933.43
(v) Loans		14.16	-	14.16
(vi) Others		647.89	-0.00	647.89
(c) Other Current Assets		1,871.60	-	1,871.60
TOTAL CURRENT ASSETS		15,463.86	113.91	15,577.77
TOTAL ASSETS		74,935.31	111.83	75,047.15
EQUITY AND LIABILITIES				
EQUITY:				
(a) Equity share capital		3,200.00	-	3,200.00
(b) Other equity	**, #, %, \$, @	34,626.88	805.08	35,431.96
(c) Non Controlling Interest		502.97	-	502.97
		38,329.84	805.08	39,134.93
LIABILITIES				
1. NON-CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings	@	17,918.72	-	17,918.72
(ii) Others	**	674.19	-	674.19
(b) Deferred Tax Liabilities (Net)		4,689.25	-	4,689.25
(c) Other Non Current Liabilities		43.85	11.22	32.63
TOTAL NON-CURRENT LIABILITIES		23,326.01	-11.22	23,314.79
2. CURRENT LIABILITIES				
(a) Financial Liabilities				
(i) Borrowings		1,841.54	-	1,841.54
(ii) Trade Payables		1,101.28	-	1,101.28
(iii) Other Financial Liabilities		7,938.60	1,169.37	9,107.98
(b) Other Current Liabilities		105.15	-	105.15
(c) Provisions		1,863.88	-1,862.62	1.26
(d) Current Tax Liabilities (Net)		429.00	-	429.00
TOTAL CURRENT LIABILITIES		13,279.45	-693.25	12,586.21
TOTAL LIABILITIES		36,605.46	(704.47)	35,901.00
TOTAL EQUITY AND LIABILITIES		74,935.30	100.60	75,035.93



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

	Reference	Indian GAAP	Adjustments	IND AS
REVENUES				
Revenue from operations	~	27,738.05	-	27,738.05
Other income	**	820.24	109.16	929.40
Total REVENUE		28,558.29	109.16	28,667.45
EXPENSES				
Operating Expense	~	8,449.72	-	8,449.72
Employees Benefits Expense		2,009.01	-16.02	1,992.99
Finance costs	@	2,220.02	7.60	2,227.62
Depreciation and amortization expense		3,351.89	-	3,351.89
Other expenses	**	1,718.32	-0.00	1,718.31
TOTAL EXPENSES		17,748.97	(8.42)	17,740.55
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX		10,809.32	117.58	10,926.90
Exchange gain /(loss)		-	-	-
Exceptional items(net)		-	-	-
PROFIT BEFORE TAX		10,809.32	117.58	10,926.90
TAX EXPENSES				
Current tax		2,437.51	-	2,437.51
Deferred tax(credit)		1,004.19	-0.00	1,004.19
Earlier years tax provisions (written back)		-34.77	-	-34.77
PROFIT FOR THE YEAR		7,402.38	117.58	7,519.96
Non-Controlling Interest		-474.96	-	-474.96
PROFIT FOR THE YEAR		6,927.42	117.58	7,045.00
OTHER COMPREHENSIVE INCOME:				
(A) (i) Items that will not be classified to profit or loss				
- Re-measurement gains/ (losses) on post employment defined benefit plans	%	-	-16.02	-16.02
- Fair Valuation of Equity Instruments measured at FVOCI		-	1.17	1.17
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		-	-14.85	-14.85
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		6,927.42	102.73	7,030.15

Summary of reconciliation of net profit between previous Indian GAAP and Ind AS

Particulars	₹ In lakhs As at 31/03/2017
Neet profit after non-controlling interest under previous GAAP	6,927.42
<u>Adjustment as per Ind AS</u>	
On account of unwinding of security deposit balances	(0.19)
Actuarial loss on employee defined benefit plan transferred to OCI	101.75
On account of valuation of financial liabilities at amortised cost	16.02
Net profit as per Ind AS	7,045.00
Actuarial loss on employee defined benefit plan - through OCI	(16.02)
Fair Valuation of Equity Instruments measured at FVOCI	1.17
Total comprehensive income	7,030.15

Summary of reconciliation of equity between previous Indian GAAP and Ind AS

Particulars	₹ In lakhs	
	As at 31/03/2017	As at 01/04/2016
Equity under previous GAAP	34,626.88	22,845.11
<u>Adjustment as per Ind AS</u>		
Fair Valuation of Financial Assets	8.93	9.12
Adjustment of Proposed Dividends	693.26	527.17
Fair Valuation of Investments classified as FVTPL	101.75	
Fair Valuation of Equity Instruments measured at FVOCI	1.17	
Equity under Ind AS	35,431.96	23,381.38



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

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

Deferred Tax on Ind AS adjustments:

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

% Actuarial loss on defined benefit plan:

Both under IGAAP and Ind AS, the Company recognised costs related to its post-employment defined benefit plan on an actuarial basis. Under IGAAP, the entire cost, including actuarial gains and losses, are charged to profit or loss. Under Ind AS, re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets excluding amounts included in net interest on the net defined benefit liability] are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI.

\$ Effect of changes in revaluation surplus:

Para 39 to 42 of the Ind AS 16 "Property, Plant & Equipment mandates that any change in the revaluation surplus is required to be routed through other comprehensive income (OCI). Accordingly, additional depreciation arising out of revalued property is also required to be routed through OCI account. The said effect has been eliminated from statement of profit and loss and has been shown under OCI.

@ Fair valuation of borrowing through profit and loss account

Ind AS 109 mandates financial instruments that are classified as fair value through profit or loss account to be fair valued whenever the financial statements are prepared. As per the provisions of Ind AS 109, where any transaction costs have been incurred at the time of obtaining term loan, then the said costs are required to be amortized at "Effective Interest Rate" (EIR) in time span of the said term loan.

~ Others:

Sale of goods:

Under the IGAAP, revenue from sale of products was presented exclusive of excise duty. Under Ind AS, revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented on the face of the statement of profit and loss as part of expenses.

Other comprehensive income:

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' include remeasurements of defined benefit plans and fair value gains or (losses) on FVOCI equity instruments and corresponding tax impact thereon. The concept of other comprehensive income did not exist under previous GAAP.

Statement of cash flows:

The transition from IGAAP to Ind AS has not had a material impact on the statement of cash flows.

As per our report of even date attached

For DHIRUBHAI SHAH & CO

Chartered Accountants

Firm Registration Number: 102511W

Harish B. Patel

Partner

Membership Number: 014427

Place : Ahmedabad

Date : 26/05/2018

For Deep Industries Limited

Paras Savla

Chairman & Managing Director

DIN:00145639

Rohan Shah

Chief Financial Officer

Place : Ahmedabad

Date : 26/05/2018

Rupesh Savla

Managing Director

DIN:00126303

Akshit Soni

Company Secretary



AOC 1

Statement containing the salient features of the financial statements of Subsidiaries/Associates/Joint Ventures
[Pursuant to first proviso to sub section (3) of section 129 read with rule 5 of Companies (accounts) Rules, 2014]

Sr. No.	Name of Subsidiary	Reporting Year Ended	Reporting Currency	Exchange Rate	INR-Millions											
					Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments other than Investment in subsidiaries	Turnover & Other Income from operations*	Profit/[Loss] before Taxation*	Provision for Taxation*	Profit/[Loss] after Taxation*	Proposed Dividend	% of Share-holding	
1	Deep Natural Resources Limited	31st March, 2018	INR	1	0.50	-0.21	0.30	0.00	0.14	0.01	0.00	0.00	0.00	0.00	0.00	70.00%
2	Prabhaenergy Private Limited	31st March, 2018	INR	1	12.07	223.59	611.91	376.26	35.59	2.95	0.63	0.00	0.87	0.00	0.00	78.45%
3	Deep Energy LLC	31st March, 2018	USD	65.044	1.35	0.25	1.60	0.00	0.00	0.00	0.05	0.00	0.05	0.00	0.00	90.00%
4	Deep Onshore Drilling Services Pvt. Ltd.	31st March, 2018	INR	1	0.10	0.00	0.10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.00%
5	Deep International DMCL	31st March, 2018	USD	65.044	0.89	13.79	14.68	0.00	0.00	121.83	13.64	0.00	13.64	0.00	0.00	100.00%

For Deep Industries Limited

Date : 26th May 2018
Place : Ahmedabad

Paras Savla Chairman & Managing Director
DIN:00145639

Rupesh Savla Managing Director
DIN:00126303

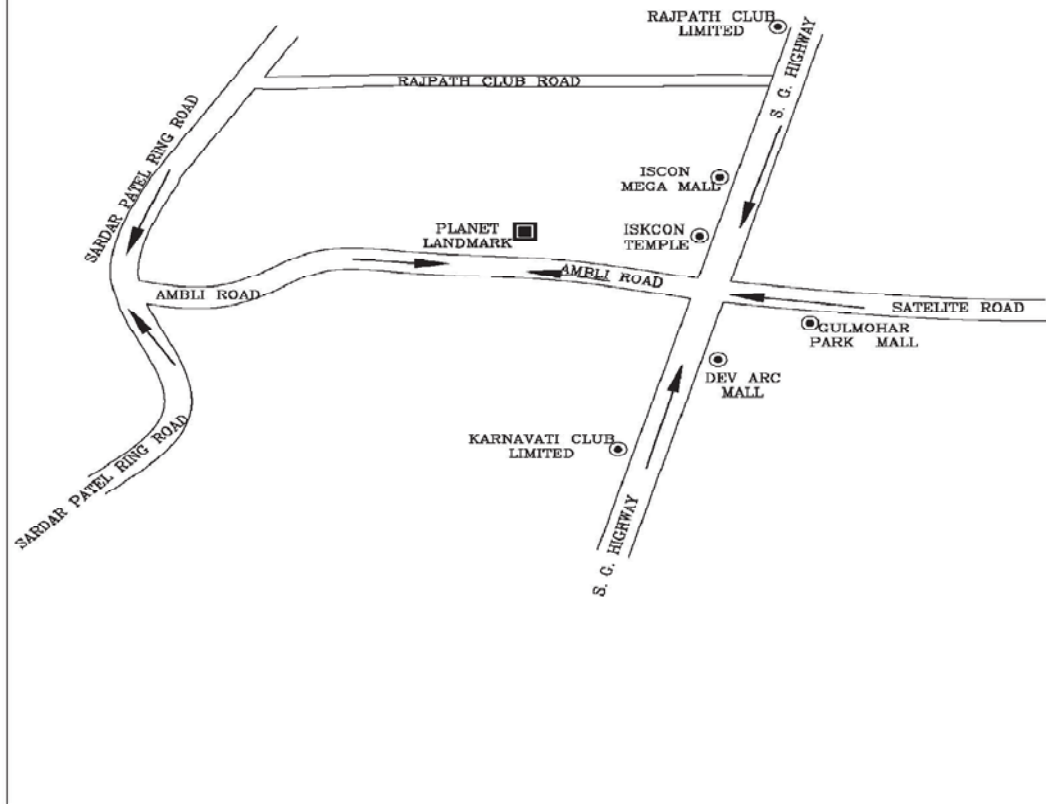
Rohan Shah Chief Financial Officer

Akshit Soni Company Secretary



ROUTE MAP OF VENUE OF AGM

HOTEL PLANET LANDMARK
AMBLI BOPAL ROAD,
AHMEDABAD,
GUJARAT, INDIA.



DEEP INDUSTRIES LIMITED

CIN: L63090GJ1991PLC014833

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

Tel (02717) 298510 Fax (02717) 298520

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

ATTENDANCE SLIP

28th Annual General Meeting – September 25, 2018

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

For Demat Shares

For Physical Shares

DP ID:	REGD FOLIO NO. :
Client ID:	NO. OF SHARES HELD:

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 28th 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 Tuesday, 25th September, 2018 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 &14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad – 380058

Tel (02717) 298510 Fax (02717) 298520

Website: www.deepindustires.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 28th Annual General Meeting of the Company, to be held on the 25th day of September, 2018 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
	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 31st March, 2018 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 1.5/- per equity shares for the year ended 31st March, 2018		
3	To appoint a Director in place of Mr. Rupesh Kantilal Savla (DIN: 00126303) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.		
	Special Business		
4	To Appoint Mr. Hemendrakumar Chamanlal Shah (DIN: 00077654) as an Independent Director		
5	To Appoint Dr. Kirit Nanubhai Shelat (DIN: 00190619) as an Independent Director		
6	To Re-appoint Mr. Kirit Joshi (DIN: 05316488) as an Independent Director		
7	To Re-appoint Mr. Anun Manke (DIN: 00587604) as an Independent Director		
8	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		
9	To Approve loans, investments, guarantee or security under section 185 of Companies act, 2013		

Signed this _____ day of _____ 2018

Affix Revenue Stamp of ~ 1

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.