

# Annexure-6

# VIVRO

**Vivro Financial Services Private Limited**

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September 15, 2022

Private and Confidential

To,

**The Board of Directors**

**Prabha Energy Private Limited**

12A & 14, Abhishree Corporate Park,  
Ambli Bopal Road, Ambli, Ahmedabad,  
Gujarat, India – 380 058

**The Board of Directors**

**Deep Energy Resources Limited**

12A & 14, Abhishree Corporate Park,  
Ambli Bopal Road, Ambli, Ahmedabad,  
Gujarat, India –380 058

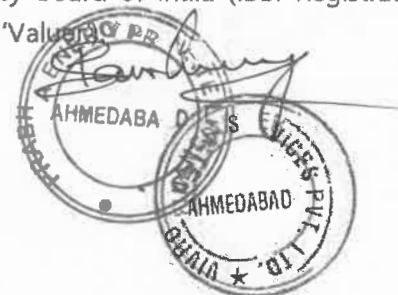
Dear Sir(s) / Madam(s),

**Subject: Fairness Opinion Report on the Valuation Report issued by ICON VALUATION LLP dated September 15, 2022 for the Proposed Scheme of arrangement amongst the Companies**

Deep Energy Resources Limited ('DERL', 'Transferor Company') is a company incorporated on January 1, 1991, engaged in the business of exploration and production of conventional and unconventional hydrocarbons. The equity shares of DERL are listed on BSE Limited ('BSE') and National Stock Exchange of India Limited ('NSE') (together 'the Stock Exchanges'). Prabha Energy Private Limited ('the Company', 'Transferee Company', 'PEPL', 'you', 'your'), is a company incorporated on August 5, 2009, engaged in the business of exploration and production of Coal Bed Methane ('CBM') Gas. Savla Oil and Gas Private Limited ('SOGPL') is a company incorporated on October 7, 2009, engaged in the business of petroleum / hydrocarbons products. As on June 30, 2022, DERL holds 53.16% equity shares in PEPL and SOGPL holds 46.84% equity shares in PEPL ('PEPL', 'DERL' and 'SOGPL' are together known as 'the Companies').

We understand that a scheme of arrangement under Sections 230-232 and other applicable provisions of the Companies Act, 2013 ('the Scheme') is proposed amongst PEPL, DERL and SOGPL and their respective shareholders and creditors, which, provides for the amalgamation of the Companies in the manner contemplated in the Scheme with effect from the appointed date; April 1, 2022. The terms not defined herein would carry meaning as per the Scheme.

Accordingly, PEPL has appointed Vivro Financial Services Private Limited, Category I Merchant Banker registered with SEBI having its Registration Number INM000010122 ('Vivro', 'VFSP', 'Merchant Banker', 'we', 'us', 'our'), through an Engagement Letter dated May 03, 2022 to issue a Fairness Opinion Report on the valuation report dated September 15, 2022 ('the Valuation Report') issued by ICON VALUATION LLP registered with the Insolvency and Bankruptcy Board of India (IBBI Registration Number: [IBBI/RV-E/06/2019/107]) (Registered Valuer, 'RV', the 'Valuer')



In connection with the same, we hereby attach our Fairness Opinion Report ('the Fairness Opinion Report') as required for this Scheme under the extant SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, ('the SEBI Circular') issued under the extant regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') and other applicable provisions of law, as amended from time to time, on the Valuation Report for the proposed Scheme. The Fairness Opinion Report has been issued for the sole purpose to facilitate the Companies to comply with the extant provisions of the regulations as mentioned above and it shall not be valid for any other purpose.

Our Fairness Opinion Report is to be read in conjunction with the scope and purpose, the sources of information and the assumptions, exclusions, limitations, and the disclaimers, as have been detailed hereinafter. This letter should be read in conjunction with the Fairness Opinion Report.

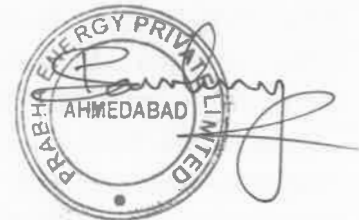
Should you require any further information or explanations, please contact the undersigned.

**For, Vivro Financial Services Private Limited**

VIVEK  
NILESH  
VAISHNAV

Digitally signed  
by VIVEK NILESH  
VAISHNAV  
Date: 2022.09.15  
14:43:28 +05'30'

**Vivek Vaishnav**  
**Director**



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## 1. BACKGROUND

### PRABHA ENERGY PRIVATE LIMITED

1.1 PEPL ('CIN: U40102GJ2009PTC057716') is a company incorporated under the provisions of the Companies Act, 1956 on August 5, 2009, having its registered office at 12A, Abhishree Corporate Park, Opp. Swagat BTRS Bus Stop, Ambli Bopal Road, Ambli, Ahmedabad, Gujarat, India, engaged in the business of exploration and production of Coal Bed Methane (CBM) Gas.

1.2 The shareholding pattern of PEPL as on June 30, 2022, is as follows:

Particulars	Equity shares* (Face Value 10/-)	% Shares Held
Deep Energy Resources Limited	9,46,563	53.16
Savla Oil & Gas Private Limited	8,34,046	46.84
<b>Total</b>	<b>17,80,609</b>	<b>100.00</b>

\*Additional 17,806,090 equity shares of PEPL having face value of INR 10/- each will be issued by way of a bonus issue by PEPL of 10 equity shares for 1 equity share held by the existing equity shareholders of PEPL.

Post the bonus issue but prior to the Proposed Merger taking effect, each equity share of PEPL having a face value of INR 10/- shall be sub-divided into 10 equity shares of PEPL having a face value of INR 1/-.

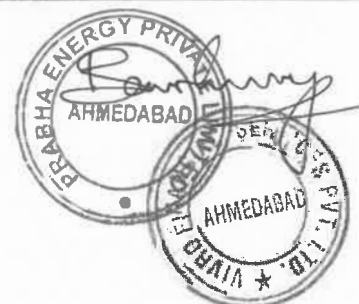
Consequently, post the bonus issue and the split, the total number of outstanding equity shares of PEPL as at the date of the Report but prior to the Proposed Merger taking effect works out to 195,866,990 equity shares of INR 1/- each fully paid up

### DEEP ENERGY RESOURCES LIMITED

1.3 DERL ('CIN: L63090GJ1991PLC014833') is a listed company incorporated under the provisions of the Companies Act, 1956 on January 1, 1991, having its registered office at 12A & 14, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad, Gujarat, India, engaged in the business of exploration and production of conventional and unconventional hydrocarbons. The equity shares of DERL are listed on the Stock Exchanges.

1.4 The shareholding pattern of DERL as on June 30, 2022, is as follows:

Particulars	Equity shares (Face Value 10/-)	% Shares Held
Promoter and Promoter Group	21,756,845	67.99
Public	10,243,155	32.01
<b>Total</b>	<b>32,000,000</b>	<b>100.00</b>



**SAVLA OIL & GAS PRIVATE LIMITED**

- 1.5 SOGPL ('CIN: U11200GJ2009PTC058263') is a company incorporated under the provisions of the Companies Act, 1956 on October 7, 2009, having its registered office at 14, Ground Floor, Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad, Gujarat, India engaged in the business of petroleum / hydrocarbons products.
- 1.6 The shareholding pattern of SOGPL as on June 30, 2022, is as follows:

Particulars	Equity shares* (Face Value 10/-)	% Shares Held
Promoter and Promoter Group	6,021,220	94.18
Others	372,300	5.82
<b>Total</b>	<b>6,393,520</b>	<b>100.00</b>

\*As per the Valuation Report, subsequent to the Valuation Date and prior to the date of the Valuation Report, SOGPL has allotted 149,123 additional equity shares of INR 10/- each fully paid up by way of a rights issue. Consequently, the total number of outstanding equity shares as at the date of the Valuation Report works out to 6,542,643 equity shares of INR 10/- each fully paid up.

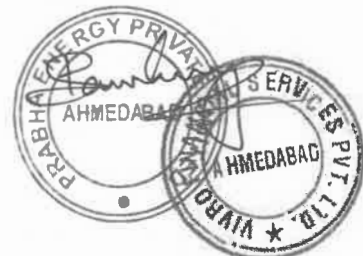


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## 2. SCOPE, PURPOSE AND USAGE OF THIS FAIRNESS OPINION REPORT

- 2.1 The Board of Directors of the Companies are planning to enter into a scheme of amalgamation in accordance with Section 230 to 232 and other applicable provisions of the Companies Act, 2013 as amended and rules framed thereunder and other applicable laws, regulations and applicable circulars. This Scheme provides for:
- (a) (i) amalgamation of DERL into PEPL;  
(ii) amalgamation of SOGPL into PEPL;
  - (b) issuance and allotment of PEPL Bonus Shares by way of a bonus issue by PEPL and sub-division of the equity shares of PEPL;
  - (c) conversion of PEPL into public company; and
  - (d) reclassification of promoters seeking reclassification from 'Promoter and Promoter Group' category to 'Public' category in PEPL.
- 2.2 For the aforesaid purpose, the Companies have appointed ICON VALUATION LLP, Registered Valuer, registered with the Insolvency and Bankruptcy Board of India (IBBI Registration Number: [IBBI/RV-E/06/2019/107]) to submit a Valuation Report recommending the share exchange ratio pursuant to Section II of the Scheme which provides for amalgamation of DERL into PEPL and SOGPL into PEPL, to be placed before the Board of Directors of the Companies.
- 2.3 The scope of our services is to issue a Fairness Opinion Report on the Valuation Report of the Registered Valuer pertaining to the share exchange ratio on the proposed amalgamation between DERL and PEPL as required and applicable under the SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, ('the SEBI Circular') issued under the extant regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') and other applicable provisions of law, as amended from time to time.
- 2.4 The scope of our services does not involve opining on the fairness or economic rationale of the Scheme per se.
- 2.5 As neither SOGPL nor PEPL are listed entities, we have not opined on the proposed amalgamation of SOGPL with and into PEPL.
- 2.6 This Fairness Opinion Report is our deliverable on this engagement. The Fairness Opinion Report has been issued for the sole purpose to facilitate the Companies to comply with the extant provisions of the regulations as mentioned above and it shall not be valid for any other purpose.



- 2.7 Our Fairness Opinion Report is prepared solely for the purpose outlined hereinabove. The distribution of this Fairness Opinion Report shall hence be restricted to the Companies, Shareholders, SEBI, Stock Exchanges and such other regulatory bodies required to give effect to the Scheme, including but not limited to the Registrar of Companies and the National Company Law Tribunal. This Fairness Opinion Report shall not be relied upon by any other person for any other purpose whatsoever and the Companies agree to this fact.
- 2.8 This Fairness Opinion Report is subject to the scope, assumptions, exclusions, limitations, and disclaimers detailed hereinafter. As such, the Fairness Opinion Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.



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### 3. SOURCES OF INFORMATION

We have relied on the following information made available to us by the management of the Companies for the purpose of this Fairness Opinion Report:

- 3.1 Draft Scheme of Arrangement between PEPL, DERL and SOGPL and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act 2013 as may be submitted to the Stock Exchanges;
- 3.2 Share Holding Pattern of the Companies as on current date;
- 3.3 Valuation Report of ICON VALUATION LLP, Registered Valuer, dated September 15, 2022;
- 3.4 Audited Financial Statements of DERL for the year ended on March 31, 2021 and March 31, 2022 and Limited Review results of DERL for the 3 months ended June 30, 2022;
- 3.5 Audited Financial Statements of PEPL for the year ended on March 31, 2021, March 31, 2022 and June 30,2022;
- 3.6 Audited Financial Statements of SOGPL for the year ended on March 31, 2021, March 31, 2022 and June 30,2022;
- 3.7 Historical closing price for DERL on the Stock Exchanges;
- 3.8 Such other information and explanations as required and which have been provided by the management of the Companies, which were considered relevant for the purpose of Fairness Opinion Report.

The Companies have been provided with the opportunity to review the draft Fairness Opinion Report (excluding our opinion on recommendation of the Valuation Report) as part of our standard practice to make sure that factual inaccuracy / omissions are avoided.

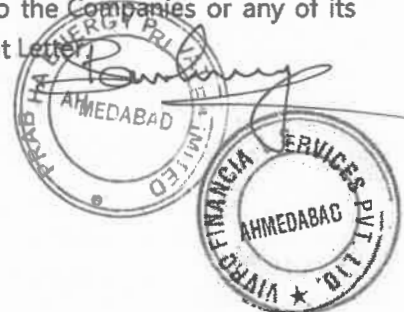




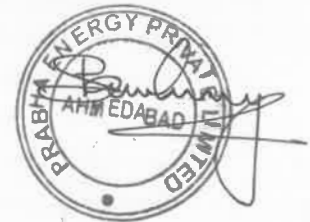
#### 4. LIMITATIONS, ASSUMPTIONS, QUALIFICATIONS, EXCLUSIONS & DISCLAIMERS

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- 4.1 This Fairness Opinion Report has been prepared for the purposes stated herein and should not be relied upon for any other purpose. This Fairness Opinion Report is restricted for the purpose indicated in the Engagement Letter but does not preclude the management of the Companies to provide a copy of this Fairness Opinion Report to third-party advisors whose review would be consistent with the intended use. We do not take any responsibility for any unauthorized use of this Fairness Opinion Report.
- 4.2 In the course of the Fairness Opinion Report, we were provided with both written and verbal information. We have however, evaluated the information provided to us by the Companies through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information given by the Companies.
- 4.3 As informed by the management of the Companies, all transactions with related parties are on arm's length basis and for the projected period these are expected to continue as the same. We shall not be liable for any loss, damages, cost, or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the Companies, their directors, employee, or agents.
- 4.4 This Fairness Opinion Report, its contents, and the results herein (i) are specific to the purpose agreed as per the terms of our engagement; (ii) are specific to the date of this Fairness Opinion Report and other conditions in general and the written and oral information made available to us by the management of the Company as on date of this Fairness Opinion Report. The events occurring after this date may affect this Fairness Opinion Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Fairness Opinion Report.
- 4.5 We have relied on data from external sources also to conclude the Fairness Opinion Report. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and / or reproduced in its proper form and context. These sources are believed to be reliable. We however assume no liability for the lack of accuracy of any data, opinions or estimates furnished by others that may have been used in this analysis.
- 4.6 We have not provided any accounting, tax, or legal advice to the Companies or any of its affiliates neither are we required to in terms of the Engagement Letter.



- 4.7 We have not examined the tax implication of the present transaction neither are we required to in terms of the Engagement Letter.
- 4.8 We have not revalued any asset, nor physically verified any assets of the Companies neither are we required to in terms of the Engagement Letter.
- 4.9 This Fairness Opinion Report assumes that the Companies are fully compliant with relevant laws and regulations applicable in its area of operations and that the Companies will be managed in a competent and responsible manner. Further, this Fairness Opinion Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded / reflected in the financials provided to us and not relevant or applicable to the subject matter of our analysis.
- 4.10 We are independent of the Companies and hold no specific interest in the Companies or its assets, nor do we have any conflict of interest with the Companies.
- 4.11 The fee for this engagement is not contingent upon the results reported and the conclusion arrived at by us.
- 4.12 This Fairness Opinion Report is furnished on a strictly confidential basis. Neither this Fairness Opinion Report nor the information contained herein may be reproduced or passed to any person or used for any purpose other than stated above.



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## 5. RATIONALE OF THE SCHEME

As mentioned in the draft scheme, Section II the following is the rationale of the proposed scheme:

- 5.1 Creating enhanced value for the shareholders through potential unlocking of value through listing of businesses of all the Parties.
- 5.2 Efficiency in management, control and running of businesses of the companies concerned and create a financially strong amalgamated company;
- 5.3 Pooling of financial and other resources of both the companies for optimum utilization of resources in the businesses and increased bargaining power;
- 5.4 Rationalization, standardization and simplification of business processes and systems;
- 5.5 Minimization of compliances, compliance cost and elimination of duplication and rationalization of administrative cost of legal entities;
- 5.6 Provide opportunity to the public shareholders of DERL to directly participate in the business of PEPL, and increase long term value of all the stakeholders, by creating a standalone listed entity; and
- 5.7 Ability to pursue inorganic growth with consolidated financials and better operational control.



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## 6. VALUER'S RECOMMENDATION

6.1 As informed to us by the management of the Companies, the scope of valuation services of the RV for the proposed Scheme of arrangement is as under:

Recommendation of share exchange ratio pursuant to the proposed merger of DERL and SOGPL into PEPL.

As discussed and mentioned hereinabove, our responsibility is to issue a fairness opinion on the Valuation Report of the Registered Valuer pertaining to the share exchange ratio on the proposed amalgamation between DERL and PEPL as required and applicable under the SEBI Master Circular SEBI/HO/CFD/DIL1/CIR/P/2020/249 dated December 22, 2020, ('the SEBI Circular') issued under the extant regulations 11, 37 and 94 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI LODR Regulations') and other applicable provisions of law, as amended from time to time.

6.2 Merger of DERL into PEPL:

The basis of the valuation for equity shares of DERL and PEPL, has been arrived at by the Registered Valuer, based on the valuation approaches and methods considered appropriate for respective company. The Discounted Cash Flow Method under the Income Approach has been used to arrive at the value of PEPL. The Market Price Method under the Market Approach considering the minimum price based on the relevant formula prescribed by the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as well as the Replacement Cost Method under the Cost Approach has been used to arrive at the value of DERL, after assigning appropriate weightage to Market Approach and Cost Approach.

On the basis of all the relevant factors and circumstances as discussed and outlined in the Valuation Report, the equity share exchange ratio under Section II, shall be as follows:

**'11 (Eleven) equity shares of Prabha Energy Private Limited of INR 1/- each fully paid up for every 8 (Eight) equity shares of Deep Energy Resources Limited of INR 10/- each fully paid up.'**



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## 7. CONCLUSION

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Pursuant to and subject to the foregoing, we believe that the share exchange ratio for the proposed Scheme, as recommended by ICON VALUATION LLP, Registered Valuer, is fair.

**For, Vivro Financial Services Private Limited**

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VAISHNAV

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**Vivek Vaishnav**

**Director**

**Date: September 15, 2022**

**Place: Ahmedabad**

