



PRABHA ENERGY PRIVATE LIMITED

REPORT ADOPTED BY THE BOARD OF DIRECTORS OF PRABHA ENERGY PRIVATE LIMITED IN ACCORDANCE WITH SECTION 232(2)(c) OF THE COMPANIES ACT, 2013 AT ITS MEETING HELD ON 15TH DAY OF SEPTEMBER, 2022 AT 12:00 P.M AT 12A, ABHISHREE CORPORATE PARK, OPP SWAGAT BRTS BUS STOP, AMBLI BOPAL ROAD, BOPAL,AHMEDABAD-380058.

1. Background

- 1.1. The proposed Composite Scheme of Arrangement between the Deep Energy Resources Limited ("DERL"), Savla Oil and Gas Private Limited ("SOGPL") and Prabha Energy Private Limited ("PEPL") [DERL, SOGPL and PEPL are collectively hereinafter referred to as "Parties"] and their respective shareholders and creditors ("Scheme") under section 230 to 232 of the Companies Act, 2013 ("Act") and other applicable provisions of law, inter-alia, provides for:
- amalgamation of the Deep Energy Resources Limited ("Transferor Company 1" or "DERL") and Savla Oil and Gas Private Limited ("Transferor Company 2" or "SOGPL"), Transferor Companies with and into Prabha Energy Private Limited ("Transferee Company" or "PEPL"), with effect from appointed date i.e. 01st April, 2022;
 - issuance and allotment of bonus shares by way of bonus issue by the Transferee Company and sub-division of the share capital of the Transferee Company;
 - conversion of the Transferee Company from 'private' company into a 'public' company and consequent amendment of the memorandum of association and articles of association of the Transferee Company;
 - issue of equity shares of the Transferee Company to shareholders of the Transferor Company 1 and Transferor Company 2 on account of amalgamation;
 - transfer of the authorized share capital of the Transferor Company 1 and Transferor Company 2 to the Transferee Company and the consequent amendment of Memorandum of Association of the Transferee Company;
 - reclassification of Dharen Savla, Avani Savla, Prabhaben Savla, Shantilal Savla and Dharen Savla Family Trust ("Promoters Seeking Reclassification") from 'promoter and promoter group' category into 'public' category in the Transferee Company; and
 - listing of the equity shares of the Transferee Company on the Stock Exchanges.
- 1.2. In line with the provisions of section 232(2)(c) read with the rules made there under of the Act, the Board of Directors of the Company requires to adopt a report explaining the effect of the Scheme on each class of shareholders, (promoters and non-promoters), Directors and Key Managerial Personnels, Creditors, Depositor and Deposit trustee, Debenture Holders and Debenture trustee, employees of each Company and to lay out in particular, the share exchange ratio, specifying any special valuation difficulties, if any.
- 1.3. Accordingly, this Report of the Board is being made in pursuance of the requirements of Sections 232(2)(c) of the Act set out above.



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1.4. The following documents were placed before the Board:

(a) the draft Scheme;

(b) Valuation Report dated 15th September, 2022 issued by ICON Valuation LLP, an independent registered valuer, having registration number AAC-7924 ("Valuation Report") providing the share exchange ratio as under:

(i) "11 [Eleven] fully paid-up Equity Shares of the Transferee Company of the face value of INR 1 (Indian Rupee One) each shall be issued and allotted, at par as fully paid-up to the equity shareholders of the Deep Energy Resources Limited for every 8 [Eight] Equity Shares of INR 10 (Indian Rupees Ten) each held by the shareholders of the Deep Energy Resources Limited."

(ii) "71 [Seventy One] fully paid-up Equity Shares of the Transferee Company of the face value of INR 1 (Indian Rupee One) each shall be issued and allotted, at par as fully paid-up to the equity shareholders of Savla Oil and Gas Private Limited for every 5 [Five] Equity Shares of INR 10 (Indian Rupees Ten) each held by the shareholders of Savla Oil and Gas Private Limited."

(c) Fairness opinion dated 15th September, 2022 issued by Vivro Financial Services Private Limited, an independent merchant banker registered with the Securities and Exchange Board of India ("SEBI") with registration number INM000010122 providing opinion on the fairness of the share exchange ratio proposed in the Valuation Report ("Fairness Opinion");

(d) Other presentations, documents and information made to / furnished before the Board pertaining to the draft Scheme.

2. Effect of the proposed Scheme

2.1. Directors and Key Managerial Personnel (KMP)

The Directors and/or Key Managerial Personnel (KMP) of DERL will be appointed as the Directors and/or Key Managerial Personnel, as the case may be, in PEPL. There is no impact on material interests of Directors and KMPs of PEPL.

2.2. Shareholders (including promoter and non-promoter)

Under Section II of the Scheme, an arrangement is sought to be entered into between PEPL and its equity shareholders. Upon Section II of the Scheme becoming effective, the equity shareholders of DERL and SOGPL (except the shares held by DERL and SOGPL in PEPL, which shall stand cancelled), shall become the equity shareholders of PEPL in the manner as stipulated in Clause 5.1 of the Scheme.





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Under Section II of the Scheme, an arrangement is sought to be entered into between PEPL and its preference shareholders. All the preference shares of PEPL are held by SOGPL only. Upon Section II of the Scheme becoming effective, all the shares held by preference shareholders shall stand cancelled in the manner as stipulated in Clause 5.4 of the Scheme.

The Promoters Seeking Reclassification will be classified in the 'public' category in the Transferee Company.

2.3. Creditors

The rights of the creditors of PEPL shall not be affected by the Scheme. There will be no reduction in their claims on account of the Scheme. The creditors will be paid in the ordinary course of business and when their dues are payable. There is no likelihood that the creditors would be prejudiced in any manner as a result of the Scheme being sanctioned.

2.4. Depositor and Deposit trustee

As on date of Notice, PEPL has no outstanding public deposits and therefore, the effect of the Scheme on any public deposit holders or deposit trustee(s) does not arise.

2.5. Debenture Holders and Debenture trustee

As on date of Notice, PEPL has no outstanding debentures and therefore, the effect of the Scheme on any debenture holders or debenture trustee(s) or their material interests does not arise.

2.6. Employees

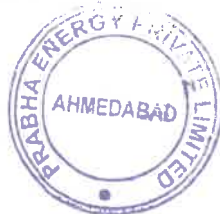
Under the Scheme, no rights of the staff and employees, if any, of PEPL are being affected. The services of the staff and employees, if any, of PEPL, shall continue on the same terms and conditions on which they were engaged by PEPL, as more particularly described in Scheme.

3. Valuation Report

3.1. Based on the valuation reports, the Board of Directors approved the following:

11 [Eleven] fully paid-up Equity Shares of the Transferee Company of the face value of INR 1 (Indian Rupee One) each shall be issued and allotted, at par as fully paid-up to the equity shareholders of the Transferor Company 1 for every 8 [Eight] Equity Shares of INR 10 (Indian Rupees Ten) each held by the shareholders of the Transferor Company 1, as on the Record Date.

71 [Seventy One] fully paid-up Equity Shares of the Transferee Company of the face value of INR 1 (Indian Rupee One) each shall be issued and allotted, at par as fully paid-up to the equity shareholders of the Transferor Company 2 for every 5 [Five] Equity Shares of INR 10 (Indian Rupees Ten) each held by the shareholders of the Transferor Company 2, as on the Record Date.





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3.2. No special valuation difficulties were reported by the valuers.

4. Adoption of the Report by the Board

The Board has adopted this report after noting and considering the information set forth in this report

**By Order of the Board
FOR PRABHA ENERGY PRIVATE LIMITED**

**PREMSINGH M SAWHNEY
Director
DIN: 03231054**



Place: Ahmedabad

Date: 15th September, 2022