

**Deep Energy Resources Limited**  
**(Formerly known as Deep Industries Limited)**

September 30, 2020

**Ratings**

Facilities	Amount (Rs. crore)	Ratings	Rating Action
Long-term Bank Facilities	-	-	Withdrawn
Short-term Bank Facilities	-	-	Withdrawn
Long-term/ Short-term Bank Facilities	-	-	Withdrawn
<b>Total Facilities</b>	-		

\*Details in Annexure I

**Detailed Rationale, Key Rating Drivers and Detailed description of the key rating drivers**

CARE has withdrawn the ratings assigned to the bank facilities of Deep Energy Resources Ltd. (DERL; formerly known as Deep Industries Ltd.) with immediate effect as the bank facilities rated by CARE in DERL have been transferred to Deep CH4 Ltd. (DCL) upon approval of the scheme of demerger of entire Oil & Gas services business of DERL to DCL by the Honourable National Company Law Tribunal (NCLT) vide its order dated March 17, 2020 and filing of the said order with Registrar of Companies (ROC) on June 20, 2020 and its approval by ROC in August 2020. Consequently, there are no outstanding bank facilities on the books of DERL.

**Analytical approach:** Not Applicable

**Applicable Criteria**

[Policy on Withdrawal of ratings](#)

**About the Company –**

Deep Energy Resources Limited (DERL); formerly known as Deep Industries Ltd. was engaged in providing services such as gas compression, air compression, rigs (both work-over and drilling) and gas dehydration in the oil and gas industry (Services business). DERL had also ventured in to exploration and production (E&P) business of oil, gas, coal bed methane (CBM) and marginal oil fields (E & P business). In May 2018, the Board of Directors of DERL had considered and approved a composite scheme of demerger to demerge its Services business and transfer it to Deep CH4 Ltd. (DCL). On March 17, 2020 the composite scheme of demerger was approved by H'ble NCLT and the same has become effective upon filing of NCLT order with Registrar of Companies (RoC) in June 2020 and its approval by ROC in August 2020.

Brief Financials (DERL – after giving the effect of transfer of its Oil & Gas Services business to DCL) (Rs. Crore)	FY19 (A)	FY20 (A)
Total operating income	0.30	0.01
PBILDT	0.30	0.01
PAT	0.17	0.44
Overall gearing (times)	0.00	0.00
Interest coverage (times)	150.00	0.22

A: Audited

**Status of non-cooperation with previous CRA:** Not Applicable

**Any other information:** Not Applicable

**Rating History (Last three years):** Please refer Annexure-2

**Annexure-1: Details of Facilities**

Name of the Instrument	Date of Issuance	Coupon Rate	Maturity Date	Size of the Issue (Rs. crore)	Rating assigned along with Rating Outlook
Fund-based - LT-Term Loan	-	-	-	0.00	Withdrawn
Fund-based - LT-Cash Credit	-	-	-	0.00	Withdrawn
Non-fund-based - LT/ ST-Bank Guarantees	-	-	-	0.00	Withdrawn
Non-fund-based - ST-Credit Exposure Limit	-	-	-	0.00	Withdrawn

## Annexure-2: Rating History of last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating history			
		Type	Amount Outstanding (Rs. crore)	Rating	Date(s) & Rating(s) assigned in 2020-2021	Date(s) & Rating(s) assigned in 2019-2020	Date(s) & Rating(s) assigned in 2018-2019	Date(s) & Rating(s) assigned in 2017-2018
1.	Fund-based - LT-Term Loan	LT	-	-	-	1)CARE A- (Under Credit watch with Developing Implications) (13-Sep-19) 2)CARE A- (Under Credit watch with Developing Implications) (07-Jun-19)	1)CARE A- (Under Credit watch with Negative Implications) (21-Sep-18) 2)CARE A (Under Credit watch with Negative Implications) (04-Jun-18)	1)CARE A; Negative (05-Jan-18) 2)CARE A; Stable (07-Jul-17)
2.	Fund-based - LT-Cash Credit	LT	-	-	-	1)CARE A- (Under Credit watch with Developing Implications) (13-Sep-19) 2)CARE A- (Under Credit watch with Developing Implications) (07-Jun-19)	1)CARE A- (Under Credit watch with Negative Implications) (21-Sep-18) 2)CARE A (Under Credit watch with Negative Implications) (04-Jun-18)	1)CARE A; Negative (05-Jan-18) 2)CARE A; Stable (07-Jul-17)
3.	Non-fund-based - LT/ ST-Bank Guarantees	LT/ST	-	-	-	1)CARE A- / CARE A2+ (Under Credit watch with Developing Implications) (13-Sep-19) 2)CARE A- / CARE A2+ (Under Credit watch with Developing Implications) (07-Jun-19)	1)CARE A- / CARE A2+ (Under Credit watch with Negative Implications) (21-Sep-18) 2)CARE A / CARE A1 (Under Credit watch with Negative Implications) (04-Jun-18)	1)CARE A; Negative / CARE A1 (05-Jan-18) 2)CARE A; Stable / CARE A1 (07-Jul-17)
4.	Non-fund-based - ST-Credit Exposure Limit	ST	-	-	-	1)CARE A2+ (Under Credit watch with Developing Implications) (13-Sep-19) 2)CARE A2+ (Under Credit watch with Developing Implications) (07-Jun-19)	1)CARE A2+ (Under Credit watch with Negative Implications) (21-Sep-18) 2)CARE A1 (Under Credit watch with Negative Implications) (04-Jun-18)	1)CARE A1 (05-Jan-18) 2)CARE A1 (07-Jul-17)

## Annexure – 3: Complexity level of various instruments rated for this company

Sr. No.	Name of the Instrument	Complexity Level
1.	Fund-based - LT-Cash Credit	Simple
2.	Fund-based - LT-Term Loan	Simple
3.	Non-fund-based - LT/ ST-Bank Guarantees	Simple
4.	Non-fund-based - ST-Credit Exposure Limit	Simple

**Note on complexity levels of the rated instrument:** CARE has classified instruments rated by it on the basis of complexity. This classification is available at [www.careratings.com](http://www.careratings.com). Investors/market intermediaries/regulators or others are welcome to write to [care@careratings.com](mailto:care@careratings.com) for any clarifications.

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### About CARE Ratings:

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