



DEEP INDUSTRIES LIMITED
23rd Annual Report 2012-2013

BOARD OF DIRECTORS

Mr. Paras S. Savla	Chairman & Managing Director
Mr. Rupesh K. Savla	Managing Director
Mr. Dharen S. Savla	Executive Director
Mr. Premeisingh Sawhney	Executive Director
Mr. Vijay R. Shah	Independent Director
Mr. Harish G. Bhide	Independent Director
Mr. Ajay Kumar Singhania	Independent Director
Mr. Kirit Joshi	Independent Director

BANKERS

State Bank of India
Axis Bank Ltd.
Bank of Baroda
HDFC Bank Ltd.
Deutsche Bank
IDBI Bank Ltd
Exim Bank

AUDITORS

M/s. Jayesh M. Shah & Co.
Chartered Accountants

SHARETRANSFER AGENT

Link Intime India Private Limited
303, 3rd Floor, Shoppers Plaza V,
Opp. Municipal Market, Off C G Road,
Ahmedabad - 380 009.

REGISTERED OFFICE

Opp. Suryanarayan Bungalows,
Sabarmati-Kalol State Highway,
Motera, Ahmedabad - 380 005

CORPORATE OFFICE

6th Floor, Astron Tower,
Opp. Fun Republic Cinema,
S. G. Highway,
Ahmedabad - 380 015.

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NOTICE

NOTICE is hereby given that the Twenty-Third Annual General Meeting of the members of Deep Industries Limited will be held on Thursday, the 19th September, 2013 at 10.30 A.M at Conference Room, GCA Club House, Sardar Patel Stadium, Motera, Ahmedabad, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as on 31st March, 2013 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Vijaykumar R. Shah who retires by rotation and being eligible offers himself for re – appointment.
3. To appoint a Director in place of Mr. Dharen S. Savla who retires by rotation and being eligible offers himself for reappointment.
4. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorise the Board of Directors of the Company to fix their remuneration.
5. To declare dividend on Equity Shares.

By Order of Board of Directors

**Date: 09.08.2013
Place : Ahmedabad**

**PARAS SAVLA
Chairman & Managing Director**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing proxy should however, be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
2. Corporate Members intending to send their authorised representative(s) to attend the Meeting are requested to send the proxies which must be supported by a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
3. The Register of Members and Share Transfer Book of the company will remain closed from 14th September, 2013 to 19th September, 2013 (both days inclusive).
4. Members holding shares in physical form are advised to update the change in particulars of bank accountant by sending necessary information to the Registrar and Share Transfer Agent (RTA) of the Company on or before 13th September, 2013 if not done already as dividend shall be paid/credited to the updated bank particulars available with the RTA by the above said date. Members holding shares in dematerialized form are advised to update the particulars of their bank accounts with their depository participants on or before 13th September, 2013 as the same will be considered by the Company for payment of dividend.
5. Members/Proxies are requested to bring the Attendance Slip duly filled in.
6. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting; Members are requested to bring their copy of the Annual Report to the Meeting, if they need to refer to it.
7. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, where the equity shares of the company are listed, additional information pertaining to Directors proposed for re-appointment at the Annual General Meeting is attached hereto.

By Order of Board of Directors

**Date: 09.08.2013
Place : Ahmedabad**

**PARAS SAVLA
Chairman & Managing Director**

Details of Directors seeking re-appointment at the Annual General Meeting
(In pursuance of clause 49 of the Listing Agreement)

Name of the Director	Brief Resume and nature of Expertise in Functional area	List of other Directorship/ Committee membership in other Public Companies as on 31 st March 2013
Mr. Vijay Kumar R. Shah	He is a fellow Member of the Institute of Chartered Accountants of India and has more than 27 years of experience in Accounts, Taxation and Audit.	Other Directorship Kautilya Fin Securities Limited Committee Membership NIL
Mr. Dharen Shantilal Savla	B.Com from Gujarat University, Ahmedabad MBA from Swinburne University of Technology, Australia and having more than 9 years of experience in handling human resources and organizing training programmes for implementing different jobs for different sites and looking after Work Over Rig activities as well.	Other Directorship Deep Natural Resources Limited Committee Membership NIL



DIRECTORS REPORT

To
The Members
Deep Industries Limited,
Ahmedabad.

Your Directors have pleasure in presenting Twenty-Third Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2013.

FINANCIAL RESULTS:

Particulars	(₹ In Lacs)	
	2012-13	2011-12
Sales/ Income from Operation	6508.59	6043.92
Other Income	180.57	91.46
Expenditure	2913.42	3174.19
Profit Before Interest and Depreciation	3775.74	2961.19
Less: Interest	642.88	449.43
Profit Before Depreciation	2270.53	2724.76
Less: Depreciation	1006.84	705.79
Profit Before Tax	2126.01	1805.95
Less: Provision for: Current Taxation	425.00	361.50
Short Provision of Taxation	0	—
Deferred Taxation	487.41	241.44
Net Profit	1213.59	1203.01
Balance brought forward from last year	4975.02	4067.41
Exceptional Items (Profit/Loss)	0	0
Profit available for appropriation	6188.61	5270.42
APPROPRIATIONS:		
Transfer to General Reserve	150.00	150.00
Investment Reserve Fund	0.14	0.85
Proposed Dividend	157.50	124.38
Proposed Dividend Distribution Tax	25.55	20.18
Balance carried to Balance Sheet	5855.42	4975.02

DIVIDEND

Your Directors have recommended final dividend of Re.0.60/- (6 per cent) per Equity Share each of ₹ 10/- for financial year ended on 31st March, 2013, which, if approved 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 13th September, 2013 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.

MANAGEMENT DISCUSSION AND ANALYSIS

A Management Discussion and Analysis report for the year under review forming the part of this Annual Report, dealing adequately with the operations and also with current and future outlook of the company, is attached to this report.

CORPORATE GOVERNANCE REPORT

A Corporate Governance Report for the year under review, as stipulated in clause 49 of the Listing Agreement, forming a part of this Annual Report is attached to this report.

A certificate from the Practicing Company Secretary confirming compliance with conditions of Corporate Governance as stipulated under Clause 49 of the listing agreement is annexed to the Report.

DIRECTORS

Mr. Dharen S. Savla & Mr. Vijay kumar R. Shah retire by rotation and being eligible, offer themselves for re-appointment.

For your perusal, brief details of the Directors being appointed/re-appointed and other relevant details are given at Note to the Notice convening the Annual General Meeting. The Board of Directors recommends their re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to requirement under Section 217(2AA) of the Companies Act, 1956 with respect to Directors responsibility statement, it is hereby confirmed:

- i. That in preparation of the Annual Accounts, all the applicable accounting standards have been followed.
- ii. That the accounting policies are adopted and consistently followed and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of profit of the company for the financial year.
- iii. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing/ detecting fraud and irregularities.
- iv. That the Directors have prepared the Annual Accounts on the going concern basis.

SUBSIDIARY COMPANY:

Pursuant to provisions of Section 212(8) of Companies Act, 1956, the Ministry of Corporate Affairs, Government of India, vide its circular dated February 8, 2011 has granted general exemption from attaching Balance Sheet, Profit & Loss A/c. and Other documents of subsidiaries with the balance sheet of the holding company. The annual accounts of the subsidiary companies and their related detailed information will be made available to any member of the Company, seeking such information at any point of time. The annual accounts of the said subsidiary companies will also be kept open for inspection at the registered office of the respective subsidiary companies. The statement as required under Section 212(e) of the Companies Act, 1956 for the Financial Year ended on 31st March, 2013 is also attached. The Company has incorporated a wholly owned subsidiary named Deep Global Pte in Singapore in the Financial Year 2013-14.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investment in Subsidiary Companies, the Audited Consolidated Financial Statements are provided in the Annual Report. These statements have been prepared on the basis of financial statements received from subsidiary and associates companies, as approved by their respective boards.

AUDITORS

The Audit Committee of Board of Directors of the Company has recommended the appointment of M/s. Jayesh M. Shah & Co., Chartered Accountants, who retire at the ensuing Annual General Meeting. The Auditors, being eligible, have offered themselves for re-appointment. The Board recommends their appointment by the members. They have submitted certificate regarding their eligibility for appointment under Section 224(1-B) of the Company's Act, 1956 and that they are not disqualified for such appointment within the meaning of Section 226 of the Companies Act, 1956. The report of the Auditor on financial statements referred to in Auditor's report are self explanatory and do not require further comments.

INSURANCE

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

PARTICULARS OF EMPLOYEES

In terms of the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particular of Employees) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Director's Report. Having regard to the provisions of Section 219(1)(b)(iv) of the said Act, the Annual Report excluding the aforesaid information is being sent to all the members of the Company and others entitled thereto. Any member interested in obtaining such particulars may write to Company Secretary at the Registered Office of the Company.



CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION

The Company is not engaged in activities specified in Companies, (Disclosure of Particulars in Report of Board of Directors) Rules 1988, and as such the company is not required to give information relating to conservation of energy. The Company is not using any particular technology and as such information relating to technology absorption is not required to be given.

FOREIGN EXCHANGE EARNING AND OUTGO

The information in respect of Foreign Exchange Earnings and Outgo as required by Companies (Disclosures of Particulars in the Report of Board of Directors) Rules, 1988 is given below:

Particulars	(₹ in Lacs)	
	2012-13	2011-12
Earnings	Nil	Nil
Outgo	451.67	6616.46

DETAILS OF UNCLAIMED SHARES

In terms of Clause 5A(I) of Listing Agreement as on 31st March, 2013, the details of unclaimed shares are as under:

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, 2012	4	1489
Number of shareholders who approached to Issuer / Registrar for transfer of shares from suspense account during the year 2012-13	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year 2012-13	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2013	4	1489

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

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.

Your 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 : 09.08.2013
Place : Ahmedabad

PARAS SAVLA
Chairman & Managing Director

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF OPERATIONS OF DEEP INDUSTRIES LIMITED

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 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. DIL is providing work-over and drilling services to exploration and production (E&P) Companies through its fleet of rigs. DIL has also expanded in Exploration and Production business of Oil, Gas and Coal Bed Methane.

OPPORTUNITIES AND THREATS

The Oil and Gas sector in India is replete with opportunities across its value chain and sub sectors such as opportunities in the upstream sector, opportunities for E&P services and equipment companies. This sector offers great opportunities driven by factors such as vastly unexplored and under explored sedimentary basins, unconventional hydrocarbon exploration (Shale and CBM) activities gaining momentum in India. The NELP was introduced to increase investment in India's domestic sector, especially the private sector investments. A total of nine rounds of acreage awards have been completed in which over 260 blocks were licensed out to companies.

Currently, Oil and Gas sector is dealing with fundamental issues which can hinder its progress and thwart the achievement of its growth objective such as shortages of skills, technology and equipment in upstream sector, ambiguity on policies relating to pricing and marketing of domestic gas as well as the gas end user segment policies creating hurdles to gas market development etc.

STRATEGY OF THE COMPANY

Deep Industries Limited is planning to increase its drilling and compression equipment fleet. Company is focused on exploring and developing the acreages that it has acquired in NELP and CBM rounds. Company is also looking to buy producing oil and gas acreages worldwide.

GAS COMPRESSION BUSINESS

Deep Industries Limited is the largest Natural Gas Compression service provider in India. Currently the Company is executing various projects with Public and Private sector companies in India. The Company executes contracts on turnkey basis, which includes supply of Equipment, Installation, Commissioning and Operation & Maintenance of gas engine/motor driven compressor packages.

DRILLING AND WORK-OVER BUSINESS

Company has 6 work over Rigs of various capacities and 2 Drilling Rigs operating with various renowned E&P Companies in Oil & Gas sector across India. Company has done work over operations on more than 550 wells. DIL has been successfully executing long term contracts since last 9 years. Company has bid for various drilling contracts within India as well as across the globe.

OIL AND GAS EXPLORATION AND PRODUCTION BUSINESS

Total acreage of Company in Oil and Gas is about 10,000 Sq. Kms. DIL has signed PSC for one block in NELP VII and its Subsidiary Company, Deep Energy LLC has signed PSC for 3 blocks in NELP IX round.

NELP VII:

Deep Industries Limited has signed Production Sharing Contract for SR-ONN-2005/1 Oil and Gas Block in Chattishgarh in the 7th round of New Exploration Licensing Policy (NELP-VII) by Government of India. Application for Petroleum Exploration License (PEL) for the block was applied to the Government of Chattishgarh and execution of PEL between the Government of Chattishgarh and DIL is expected in the year 2013. Company has applied for Environmental Clearance to MoEF.

NELP IX:

Deep Energy LLC, subsidiary of Deep Industries Limited with its consortium partners has signed Production Sharing Contract for 3 onshore blocks (VN-ONN-2010/1, VN-ONN-2010/2 and CB-ONN-2010/3) in NELP IX by Government of India. VN-ONN-2010/1 and VN-ONN-2010/2 blocks are situated at Madhya Pradesh state and CB-ONN-2010/3 block is located in Gujarat State. Total area of VN-ONN-2010/1 is 3776 Sq. Kms, VN-ONN-2010/2 is 4909 Sq. Kms and CB-ONN-2010/3 is 534 Sq. Kms. Application for Petroleum Exploration License has been filed with the respective State Governments for all the blocks.

COAL BED METHANE (CBM) PROJECTS

SR-CBM-2005/III(India)

Deep Industries Limited (DIL) has completed 9 Coreholes and 5 Test Wells in its drilling campaign of Phase-I Minimum Work Programme(MWP). DIL has acquired CBM reservoir parameters like Thickness of coal seams, Gas content, Permeability, Coal Properties, Production testing results etc. from the Phase I campaign. Economic Assessment of the Singrauli block located Madhya Pradesh has been carried out by Advanced Resources International, USA reporting positive results on economic viability. There is further plan to drill Pilot well(s) in the current Fiscal Year.



GV (North)-CBM-2005/III (India)

Deep Industries Limited has been accorded Environment Clearance from Ministry of Environment and Forests. Petroleum Exploration License (PEL) was applied and is awaited from the State Government of Andhra Pradesh. Land acquisition for 5 core hole sites has been completed. Pre-Exploratory and Exploratory activities will commence after grant of PEL from Government of Andhra Pradesh.

Melak Mendung III CBM (Indonesia)

For MM3 Block, Production Sharing Contract (PSC) has been signed with BPMIGAS, the Indonesian Petroleum sector Regulator, on 1st August, 2011. The CBM Block is located in the East Kalimantan, Indonesia. Total area of the block is 995.7 Sq. Kms. The Environment Baseline Assessment (EBA) study is being conducted for the block.

MARGINAL FIELDS

Deep Industries Limited has been awarded services contract for the development of three Onshore Marginal fields by Oil and Natural Gas Corporation Limited. These fields are situated at Ghotaru, Bankia and Kharatar in Jaisalmer District, Rajasthan. DIL has completed all its committed work programme of the assessment period and entered into the development period for these fields. Gas Collection Station was inaugurated by honourable Shri Sudhir Vasudeva, Chairman and Managing Director of ONGC in November, 2012.

FINANCIAL ANALYSIS OF DEEP INDUSTRIES LIMITED

SERVICE INCOME

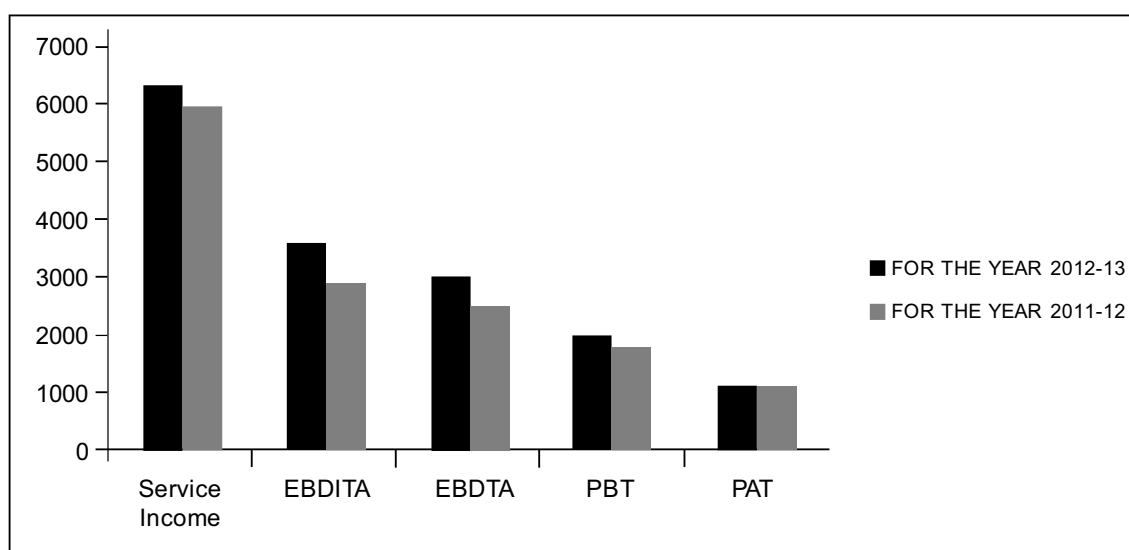
(₹ In Lacs)

Nature of Services	FY 12-13	FY 11-12	Change	Change %
Air, Gas Compression & Work Over Operation Services	6508.59	6043.92	464.67	7.69
Total Business Income	6508.59	6043.92	464.67	7.69

Service Income of the Company has increased from ₹ 6043.92 lacs to ₹ 6508.59 lacs which show increase of 7.69% in operation income over the previous year.

(₹ In Lacs)

	FOR THE YEAR 2012-13	FOR THE YEAR 2011-12
SERVICE INCOME	6508.59	6043.92
EBDITA	3775.74	2961.18
EBDTA	3132.86	2511.75
PBT	2126.01	1805.95
PAT	1213.60	1203.01



OTHER INCOME

Other Income increased from ₹ 91.46 Lacs to ₹ 180.57 Lacs as compared to previous year. Such increase is majorly due to profit on sale of short term investments.

OPERATING EXPENSES

Operating Expenses has decreased from ₹ 1991.16 Lacs to ₹ 1643.84 Lacs as compared to previous year. Operating Expenses as a percentage of Operating Income has been decreased from 32.45% to 24.57% as compared to previous year which is very well as per Industry norms.

STAFF COST

Employees' Remuneration & Benefits has increased from ₹ 658.58 Lacs to ₹ 676.91 Lacs as compared to previous year which shows marginal increase of 2.78% in actual terms. However, the same has been decreased from 10.73% to 10.40% in terms of percentage of operating income as compared to previous year. Staff cost also includes Director's Remuneration.

OTHER COST

Other Expense has increased from ₹ 485.34 Lacs to ₹ 553.54 Lacs as compared to previous year.

FINANCIAL CHARGES

Interest & Financial Charges has increased from ₹ 449.43 Lacs to ₹ 642.88 Lacs as compared to previous year. Financial Charges as a percentage of operating income has increased from 7.43% to 9.88% as compared to previous year. The said increase is mainly due to addition to Capital Equipments during the year.

DEPRECIATION

Depreciation has increased from ₹ 705.80 Lacs to ₹ 1006.84 Lacs. As compared to previous year which shows increase of 42.65% over the previous year. This is because some of our CWIP projects converted into Capital and there is an addition in Plant & Machinery during the year which will reflect increase in revenue during F.Y. 2013-14.

RISKS & CONCERN

1. Cyclical nature of business as it is dependent on oil & gas prices.
2. Scarcity of skilled personnel in market.

INTERNAL CONTROL SYSTEMS

The Company has built adequate systems of internal controls to safeguard all assets against loss from unauthorised 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.

HUMAN RESOURCES

The Company believes that employees are the key to achieve the 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 organisation. In order to meet the industries demand, we have appointed experienced professionals in Technical as well as Finance Departments. Apart from that every year, we hire new pool of talent from reputed petroleum institutes through campus selection process.

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.

CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Good Corporate Governance in the changing business dynamic has emerged as a powerful propellant of Competitiveness and Sustainability. It is a process or a set of systems to ensure that company is managed to suit the best interest of all stakeholders. It is interplay between Companies, Shareholders, Creditors, Capital Markets, Financial Sectors, Institution and law. Maximization of shareholders wealth is the cornerstone of Good Corporate Governance. The Concept of Corporate Governance hinges on total transparency, integrity, accountability of the management and the board of directors.

The company has improved the quality of Corporate Governance through the integrity of management, transparency in corporate reporting, financial reporting, commitment level of individual board member and participation of stakeholders in the management. 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 Clause 49 of the Listing Agreement 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 as on 31st March, 2013 comprises of Eight Directors out of which four Directors are Executive, Non-Independent and Four Directors are Non – Executive, Independent Directors the details of which are as follows:

Composition and Category of Directors

Name of Directors	Category of Directorship	No. of board meeting attended	Attendance at last AGM	Member/ Chairman of other Board Committee*	Directorship in other Indian Companies as at 31 st March, 2013**
Paras S. Savla	CMD-Executive-NI	9	Yes	2(Member)	2
Rupesh K. Savla	MD-Executive-NI	9	Yes	NIL	1
Dharen S. Savla	WTD-Executive-NI	8	Yes	NIL	1
Prem Singh Sawhney	WTD-Executive-NI	6	No	NIL	NIL
Vijay R. Shah	NED (I)	7	Yes	NIL	1
Harish G. Bhide	NED (I)	5	No	NIL	NIL
Ajay Kumar Singhania	NED (I)	6	No	NIL	NIL
Kiritkumar V. Joshi	NED(I)	3	No	NIL	NIL

* Chairmanship/membership of the Audit Committee and the Shareholders' Grievance Committee of other companies is considered.

** Excludes Directorship in private/foreign companies and companies incorporated under Section 25 of the Companies Act, 1956.

- CMD – Chairman & Managing Director
- MD – Managing Director
- WTD – Wholetime Director
- NED (I) – Non Executive Director (Independent)
- NI – Non Independent

Minimum Four Board Meetings are required to be held in each year. During the Financial Year ended on 31st March, 2013, 9(Nine) meetings of the Board of Directors were held on the following dates:

14.04.2012, 14.05.2012, 29.06.2012, 14.08.2012, 29.08.2012, 12.09.2012, 10.11.2012, 14.02.2013 and 30.03.2013:

2. AUDIT COMMITTEE

The Audit Committee of the company as on 31st of March, 2013 comprised of two Non Executive, Independent Directors and one Executive Director. The constitution of Audit Committee of the company is in conformity with the provisions of clause 49 of the Listing Agreement entered into with the stock exchange read with section 292A of the Companies Act, 1956.

As on 31st March, 2013, 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. Vijay R. Shah	Chairman	Non- Executive, Independent	5
Mr. Harish G. Bhide	Member	Non- Executive, Independent	5
Mr. Paras Savla	Member	Executive, Non- Independent	5

The terms of reference of Audit Committee cover the matters specified for Audit Committee under clause 49 of the Listing Agreement and Section 292A of the Companies Act 1956, which are as under:

- Supervision of the Company's Financial Reporting process and the disclosure of its financial information to ensure that the financial statement reflects a true and fair position.
- Reviewing with the Management, the Financial Result before placing them to the Board with a special emphasis on accounting policies and practices, internal controls, compliances with accounting standards and other Legal requirements concerning financial statements.
- Recommending the appointment and removal of statutory auditor, fixation of their audit fees and approval for the payment for any other services.
- Reviewing the quarterly financial statements and draft auditor report reviewing the adequacy of the audit and compliance function, including their policies, procedures, techniques and other regulatory requirements with the statutory auditors.
- Reviewing the observation of statutory Auditor about the finding during the audit of the company.
- Keeping watch on timely payment to shareholders and creditors.
- Reviewing the performance of Statutory Auditor.
- Reviewing the management discussion and analysis of financial condition and result of operations.
- Reviewing the significance of related party transactions, if any.

Five meetings of Audit Committee were held during the Financial year 2012 -13 on the following dates:

14.05.2012, 14.08.2012, 29.08.2012, 10.11.2012 and 14.02.2013.

3. INVESTORS GRIEVANCES COMMITTEE

The Company has Investors Grievance Committee of Directors to look into the redressal of Investors Grievances related to the share transfer, transmissions, transpositions, Rematerialisation, split and issue of duplicate share certificates, non receipt of Annual Report, non receipt of declared dividend and such other related issues.

As on 31st March, 2013, the composition of the Investors Grievances Committee and the details of meetings attended by its members are given below:

Name	Designation	Category	Committee meeting attended
Mr. Vijay R. Shah	Chairman	Non- Executive, Independent	4
Mr. Harish G. Bhide	Member	Non- Executive, Independent	4
Mr. Paras Savla	Member	Executive, Non- Independent	4

Four meetings of Investors Grievances Committee were held during the financial year 2012-13 on the following dates:

14/05/2012, 14/08/2012, 10/11/2012 and 14/02/2013.

4. REMUNERATION COMMITTEE

The Company has Remuneration Committee of directors to review/recommend the remuneration/commission payable to the Managing Director/Whole Time Director based on their performance and defined assessment criteria.

As on 31st March, 2013, the composition of the Remuneration Committee and the details of meetings attended by its members are given below:

Name	Designation	Category	Committee meeting attended
Mr. Vijay R. Shah	Chairman	Non- Executive, Independent	1
Mr. Harish G. Bhide	Member	Non- Executive, Independent	1
Mr. Ajay Kumar Singhania	Member	Non- Executive, Independent	1



Details of Remuneration of Managing Directors and Executive Director for the financial year 2012-13 are as under:

Sr No.	Name of Director	Amount Paid (₹ In Lacs)
1.	Paras Savla (Chairman & Managing Director)	19.39
2.	Rupesh Savla (Managing Director)	18.00
3.	Dharen Savla (Executive Director)	19.43
4	Mr. Preamsingh Sawhney (Whole Time Director)	71.40

One Meeting of Remuneration Committee was held during the financial year 2012-13 on 29/08/2012.

5. ROUTINE TRANSACTION COMMITTEE

The Company has Routine Transaction Committee of the Directors to consider and transact the routine business matters and to comply with 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:

- (a) Applying for the tender in the name or on behalf of the Company;
- (b) 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 S. Savla. Mr. Paras Savla is the Chairman of the Committee. The committee met Six times during the year 2012-13 and attended by all members.

6. GENERAL BODY MEETING

Details of last three Annual General Meetings:

Year	Date	Time	Venue	No. of Special Resolution
2009-10	08/06/2010	10.30 A.M.	Conference Room, GCA Club House, Sardar Patel Stadium, Motera, Gandhinagar, Gujarat	5
2010-11	07/09/2011	10.30 A.M.	Conference Room, GCA Club House, Sardar Patel Stadium, Motera, Gandhinagar, Gujarat	Nil
2011-12	28/09/2012	10.30 A.M.	Conference Room, GCA Club House, Sardar Patel Stadium, Motera, Gandhinagar, Gujarat	Nil

Special resolutions mentioned above were passed by show of hands. No resolution was passed through the postal ballot during the year under review.

7. DISCLOSURES

Legal Compliances

The Company has complied with all the requirements of regulatory authorities on matters related to capital markets and hence no penalties or strictures have been imposed on the Company by the Stock Exchanges, SEBI or any other statutory authority during the last three years.

CEO/CFO Certification

In terms of Clause 49 of Listing Agreement, the certification by Chief Executive Officer and Chief Financial Officer has been obtained.

Code of Conduct

The Company has adopted a Code of Conduct. The Code of Conduct has also been posted on the website of the Company. In compliance with the Code, Directors and senior management of the Company have affirmed their compliance with the Code for the year under review. A declaration to this effect forms part of this annual report.

Related Party Transaction

The Company had transactions with related parties as defined in the Accounting Standard 18 and it has been shown in Notes on Accounts, forming part of the Annual report of the Company and none of the transactions with any of the related parties were in conflict with the interest of the Company.

Compliance with the Corporate Governance Code

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The non mandatory requirement complied with has been disclosed at the relevant places.

Outstanding ADR/GDR

The Company has not issued any ADR/GDR.

8. MEANS OF COMMUNICATION

The Quarterly, Half yearly and Annual results of the company are published in English and Gujarati newspapers. The same were sent to the both Stock Exchanges i.e. National Stock Exchange of India Limited (NSE) & Bombay Stock Exchange (BSE). These results are also available on company's website i.e. 'www.deepindustries.com'.

9. GENERAL SHAREHOLDER INFORMATION

(i) 23rd Annual General Meeting

- Date : 19th September, 2013.
- Time : 10.30 a.m.
- Venue : Conference Room, GCA Club House, Sardar Patel Stadium, Motera, Ahmedabad, Gujarat

(ii) Date of Book closure: 14th September, 2013 to 19th September, 2013 (Both days inclusive)

(iii) Financial calendar for the year 2013-14

Board Meeting for approval of quarterly results (tentative schedule)

- June 30, 2013. : On or before 14th August, 2013
- September 30, 2013 : On or before 15th November, 2013
- December 31, 2013 : On or before 14th February, 2014
- March 31, 2014 : On or before 30th May, 2014

(iv) Dividend payment

The Board of Directors at their meeting held on 25/05/2013 recommended a dividend of ₹ 0.60 per equity share of the face value of ₹ 10/- each for the financial year 2012-2013, shareholders. Dividend, if approved by the shareholders will be paid within prescribed statutory period.

(v) Listing on Stock Exchange along with stock code

The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The company has paid Annual Listing Fees for the year 2013-14 to stock exchanges.

- (vi) Script code: NSE - DEEPIND
BSE - 532760

(vii) **Market Price Data:**

High & Low price (based on closing price) during each month in last Financial Year 2012- 2013

MONTH	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April, 2012	67.40	42.25	67.70	50.10
May, 2012	56.00	45.10	56.20	45.80
June, 2012	54.30	47.30	55.00	47.50
July, 2012	56.00	45.00	56.00	45.30
August, 2012	51.00	43.10	50.80	42.80
September, 2012	48.60	41.10	48.00	41.05
October, 2012	49.40	42.50	49.40	38.25
November, 2012	48.45	42.10	48.60	42.00
December, 2012	55.55	43.20	55.20	43.30
January, 2013	54.45	46.10	54.35	46.50
February, 2013	47.80	40.00	48.00	39.90
March, 2013	45.30	30.50	45.40	30.60

(viii) Distribution of shareholding as on 31st March 2013.

No. of Shares	No. of Holders	% of holders	No. of Shares	% of holding
1 to 500	9957	84.88	14,81,563	5.64
501 to 1000	924	7.88	7,50,539	2.86
1001 to 2000	398	3.39	6,03,738	2.30
2001 to 3000	144	1.23	3,71,103	1.41
3001 to 4000	61	0.52	2,16,633	0.83
4001 to 5000	56	0.48	2,66,656	1.02
5001 to 10000	89	0.76	6,31,260	2.40
10001 and above	101	0.86	2,19,28,508	83.54
Total	11730	100	2,62,50,000	100.00

(ix) Shareholding Pattern of the Company as on 31st March, 2013

Sr.No.	Category	No. of shares held	% of shareholding
1	Promoters	1,56,35,150	59.56
2	Mutual Fund and UTI	5,92,699	2.26
3	Clearing Member	2,45,558	0.94
4	Foreign Institutional Investors	42,190	0.16
5	Private Corporate Bodies	31,84,044	12.13
6	NRIs/OCBs	1,27,659	0.49
7	Indian Public	64,22,700	24.47
8	Banks, Financial Institutions, Insurance Co. (Central/State Government Institution)	-	-
9	GDR	-	-
	Total	2,62,50,000	100

(x) Registrar and Share Transfer Agents

The investors may contact the Company's Registrar and Share Transfer Agent for any assistance, request or instruction regarding the lodgement of transfer or transmission of shares, change of address or any other query relating to the shares of the Company at the following address:

Name : Link Intime India Private Limited
Address : Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market,
 Behind Shoppers Plaza II, Off C G Road, Ahmedabad-380009
Phone : 91 79 26465179
E-mail : ahmedabad@linkintime.co.in
Website : www.linkintime.co.in

(xi) Share Transfer System

As on 31st March, 2013, 2,62,49,889 Equity Shares, representing 99.99 % Share Capital of the Company are in electronic form. The transfer of these shares is done directly through the depositories without any involvement of the company. The Board of Directors of the Company has delegated the powers regarding share transfer, splitting/consolidation of share certificate and issue of duplicate share certificate, rematerialisation of shares, etc... to the Registrar and Share Transfer Agent of the company. The Registrar and Share Transfer Agent process the transfer of shares in physical form, within stipulated time, if documents are complete in all respects.



(xii) Address for correspondence

The shareholders may address their communication/grievances at the following address.

The Company Secretary

Deep Industries Limited

6th Floor, Astron Tower, Opposite Fun Republic Cinema, S.G. Highway, Ahmedabad-380 015.

for and on behalf of the Board of Directors

Date: 09/08/2013

Place : Ahmedabad

PARAS SAVLA

Chairman & Managing Director

DECLARATION

As provided under Clause 49 of the Listing Agreement with Stock Exchange(s), I hereby declare that all the Board of Directors and Senior Management personnel of the Company have affirmed the Compliance with the Code of Conduct for the year ended 31st March, 2013.

Date : 25/05/2013

Place: Ahmedabad

Paras S. Savla

Chairman & Managing Director



CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members
Deep Industries Limited,
Ahmedabad.

We have examined the compliance of conditions of Corporate Governance by Deep Industries Ltd. For the year ended 31st March, 2013, as stipulated in clause 49 of the Listing agreement of the said Company with the Stock Exchange.

The Compliance of conditions of Corporate Governance is the responsibility of Management. Our Examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.

In our Opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company.

We further state that such compliance 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.

**For Rajesh Parekh & Co.
Practicing Company Secretaries**

**Date : 25/05/2013
Place : Ahmedabad**

**Rajesh G. Parekh
Proprietor
M. No. 8073**

INDEPENDENT AUDITORS' REPORT

To,
The Members,
Deep Industries Limited.

1. We have audited the accompanying financial statements of **DEEP INDUSTRIES LIMITED ("the Company")** which comprise the Balance Sheet as at 31st March, 2013 and Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information on that date annexed thereto.
2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
5. In our opinion and to the best of our information and according to the explanations given to us, the 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
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2013 ; and
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
 - (c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.
6. As required by the Companies (Auditor's report) Order, 2003 ("the Order) issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
7. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations, which to the best our knowledge and belief were necessary for the purpose of our audit ;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance sheet, Statement of Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (e) On the basis of written representation received from the directors, as on 31st March 2013 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

FOR AND ON BEHALF OF
JAYESH M. SHAH & CO.
Chartered Accountants
Firm Reg. no. 104173W

(JAYESH M. SHAH)

Proprietor

Mem. No. : 30638

Place : Ahmedabad
Date : 25th May, 2013

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 6 of the Auditors' Report of even date to the members of Deep Industries Limited on the financial statements for the year ended 31st March, 2013.)

1. (a) The Company has maintained records showing full particulars including quantitative details and situation of its fixed assets.
(b) As explained to us, a substantial portion of the fixed assets have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.
(c) In our opinion, the Company has not disposed off a substantial part of its fixed assets during the year and the going concern status of the Company is not affected.
2. (a) As per information and explanation given to us, inventory of spares and consumables has been physically verified by the management at the year end. In our opinion the frequency of verification is reasonable.
(b) In our opinion the procedures of physical verification of inventory of spares and consumables followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
(c) 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.
3. (a) The Company has given an interest bearing unsecured loan to its subsidiary Company. In respect of the said loans the maximum amount outstanding at any time during the year is ₹ 24.83 Lacs and the yearend balance is ₹ 6.78 Lacs. The company has not granted loans secured or unsecured to firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) In our opinion and according to the information and explanations given to us, terms and conditions of such interest bearing loans are not prima facie prejudicial to the interest of the Company.
(c) The principal amounts, are repayable on demand and there is no repayment schedule.
(d) In respect of said loan, the same are repayable on demand and therefore the question of overdue amount does not arise.
(e) The Company has not taken any loans secured or unsecured, from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Consequently, requirement of clauses (iii)(f) and (iii)(g) of paragraph 4 of the Order are not applicable.
4. In Our opinion and according to the information and explanations given to us there exists adequate Internal Control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of components, plant and machinery, equipments and other assets and with regard to service provided by the Company, Further on the basis of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have not observed any continuing failure to correct major weaknesses in the aforesaid internal control procedures.
5. (a) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements referred to in Section 301 of the Companies Act, 1956 have been entered in the register required to be maintained under that section.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding value of ₹ 5,00,000 have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under. Therefore, the provisions of Clause (vi) of paragraph 4 of the Order are not applicable to the Company.
7. In our opinion, the Company has an internal audit system commensurate with the size of the Company and nature of the business.
8. We are informed that maintenance of cost records as prescribed by the Central Government of India under clause (d) of subsection (1) of Section 209 of the Companies Act, 1956 in respect of the Company products are not applicable. Hence, the provisions of Clause (viii) of paragraph 4 of the Order are not applicable to the Company.
9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues to the extent applicable with the appropriate authorities in India. However, in case of delays in few instances the same has been deposited along with interest due thereon.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax, sales tax, custom duty, excise duty and cess which have not been deposited on account of any dispute. The particulars of dues of service tax as at 31st March, 2013 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of Dues	Amount (₹ Lacs)	Related Period	From where the dispute is pending
Service tax	Short payment of Service tax	96.36	F.Y 2006-07 to F.Y 2011-2012	Service tax dept.

10. The Company does not have any accumulated losses as at 31st March, 2013 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, the provisions of Clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
14. Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respects of its investments, securities and other investments and timely entries have been made therein. All Shares, Securities and other investments have been held by the Company in its own name.
15. In our opinion and according to information and explanation given to us, the Company has not given guarantee for any loan taken by other from Bank/ Financial Institutions which are prejudicial to the interest of the Company.
16. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans & other facilities obtained during the year were, applied by the Company for the purpose for which they were obtained.
17. According to the information and explanations given to us and on the basis of overall examination of the Balance Sheet of the Company, in our opinion, there are no short term funds raised during the year which have been used for long term investment.
18. In our opinion and according to the information and explanations given to us, the Company has made preferential allotment of 13,75,000 equity shares of ₹ 10 each at the price of ₹ 76 each to Companies/others covered in the register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any debentures. Therefore the provisions of Clause (xix) of paragraph 4 of the Order are not applicable to the Company.
20. The Company has not raised any monies by way of public issue during the year.
21. During the course of our examination of the books and records of the Company, carried out in accordance with the auditing standards generally accepted in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

FOR AND ON BEHALF OF
JAYESH M. SHAH & CO.
Chartered Accountants
Firm Reg. no. 104173W

Place : Ahmedabad
Date : 25th May, 2013

(JAYESH M. SHAH)
Proprietor
Mem. No. : 30638

BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No	₹ As at 31st March 2013	₹ As at 31st March 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	262500000	248750000
(b) Reserves and Surplus	4	1457139645	1239992947
(c) Money Received Against Shares Warrants	3	0	26125000
		1719639645	1514867947
2 Share Application Money pending for Allotement			
		-	-
3 Non-current Liabilities			
(a) Long-term Borrowings	5	731353184	934766362
(b) Deferred Tax Liabilities	6	173572482	124831101
(c) Other Long-term Liabilities	7	986329	22938627
		905911995	1082536090
4 Current Liabilities			
(a) Short-term Borrowings	8	143533854	79186649
(b) Trade Payables	9	56156723	117479157
(c) Other Current Liabilities	10	5100760	18684145
(d) Short-term Provisions	11	172294822	313642264
		377086158	528992214
TOTAL ₹		3002637798	3126396251
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
i) Tangible Assets	12	1970310751	1402579770
ii) Intangible Assets	12	3184399	2801978
iii) Capital Work in Progress	12	498269312	960701713
		2471764462	2366083461
(b) Non-current Investments	13	2870929	2870929
(c) Long-term Loans and Advances	14	26052453	18748431
(d) Other Non-Current Assets	15	24694158	29257601
		53617540	50876961
2 Current Assets			
(a) Current Investments	16	37176285	47698640
(b) Inventories	17	47573424	43242365
(c) Trade Receivables	18	135987188	220213557
(d) Cash and Cash Equivalents	19	65715940	41634551
(e) Short-term Loans and Advances	20	164110012	329418115
(f) Other Current Assets	21	26692948	27228601
		477255796	709435829
TOTAL ₹		3002637798	3126396251

The notes form an integral part of these financial statements 1 TO 27

As per our report of even date attached

For & on Behalf of

Jayesh M. Shah & Co.

Chartered Accountants

F. R. N. 104173W

Jayesh M. Shah

Proprietor

M. No. 30638

Date : 25th May 2013

Place : Ahmedabad

For Deep Industries Limited

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 25th May 2013

Place : Ahmedabad

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2013

Particulars	Note No	₹ For the Year Ended 31/03/2013	₹ For the Year Ended 31/03/2012
I. INCOME			
Revenue from Oil & Gas Services		650858812	604391579
II Other Income	22	18056842	9145914
III Total Revenue (I + II)		668915654	613537493
IV Expenses			
- Operating Expense	23	164384336	199115710
- Employee benefits expenses	24	67691487	65857719
- Finance Costs	25	64288473	44943124
- Depreciation and Amortization expense	12	100684415	70579696
- Other Expenses	26	55353933	48533878
- Preliminary Expense Written Off		3911874	3911874
Total Expenses		456314518	432942001
V Profit before exceptional items and tax (III - IV)		212601136	180595492
VI Exceptional items		—	—
VII Profit/(Loss) before tax (V - VI)		212601136	180595492
VIII Tax Expense :			
(1) Current Tax		42500000	36150000
(2) Deferred Tax		48741381	24144463
		91241381	60294463
IX Profit / (Loss) for the year (VII - VIII)		121359755	120301029
X Earnings per Equity Share of ₹ 10 each			
— Basic		4.62	5.12
— Diluted		4.62	5.04

The notes form an integral part of these financial statements 1 to 27

As per our report of even date attached
For & on Behalf of
Jayesh M. Shah & Co.
Chartered Accountants
F. R. N. 104173W
Jayesh M. Shah
Proprietor
M. No. 30638
Date : 25th May 2013
Place : Ahmedabad

Bhavika Bhatt
Company Secretary

For Deep Industries Limited
Paras Savla
Chairman &
Managing Director
Rupesh Savla
Managing Director

Date : 25th May 2013
Place : Ahmedabad

CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2013

PARTICULARS	₹ 2012-13	₹ 2011-12
CASH FLOWS FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit & Loss Account	212601136	180595492
Adjustment for :		
Depreciation Expenses	100684415	70579696
Interest Expenses	64288473	4943124
Dividend Income	-11955	-93935
Interest Income	-4427224	-6976167
(Gain)/ Loss Foreign Currency Fluctuation	-86401	951889
(Profit)/Loss on Sale of Investments	-8030100	-1696550
(Profit)/Loss on Sale of Fixed Assets	530421	160771
Preliminary Expenses Written Off	3911874	3911874
Operating Profit before Working Capital Changes	369460639	292376195
Changes in Working Capital		
Adjustment for		
Inventories	-4331059	-10049948
Trade Receivables	87594113	-90561568
Loans & Advances	177059652	-193701624
Trade Payable & Other Liabilities	-290952610	329264985
CASH FLOW FROM OPERATION	338830735	327328040
Cash Flow from Exceptional Claim		
Income Tax Paid During the Year (Net off Refund Received)	-18779090	-43523991
NET CASH GENERATED BY OPERATING ACTIVITIES	320051645	283804049
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Addition in		
Capital Work in Progress	-181379889	-991392974
Sale of Fixed Assets	1141450	750000
Purchase of Investments	-37176285	-22698640
Sale of Investments	47698640	21002099
Interest Income	4427224	6976167
Dividend Income	11955	93935
Profit from Sale of Investments	8030100	1696550
NET CASH USED IN INVESTING ACTIVITIES	-157246805	-983572863
CASH FLOWS FROM FINANCING ACTIVITIES :		
Interest Paid	-64288473	-44943124
Foreign Currency Fluctuation Gain	86401	-951889
Proceeds from Issue of Share Capital/Convertible Warrants (Net of Expenses / Recovery of Expenses)	78375000	130625000
Proceeds from Secured Loans	-138488380	616712134
Dividend and Dividend Distribution Tax Paid	-14407999	-13670113
NET CASH FROM FINANCING ACTIVITIES	-138723451	687772007
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	24081389	-11996807
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	41634551	53631358
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	65715940	41634551

As per our report of even date attached

For & on Behalf of
Jayesh M. Shah & Co.
Chartered Accountants
F. R. N. 104173W

Jayesh M. Shah
Proprietor
M. No. 30638

Date : 25th May 2013
Place : Ahmedabad

For Deep Industries Limited

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 25th May 2013
Place : Ahmedabad

NOTES TO THE FINANCIAL STATEMENTS

NOTE 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, 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. From its Drilling to Dispensing plan, DIL has also expanded its arms to Exploration and Production Business of Oil, Gas and Coal Bed Methane.

NOTE : 2 SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Preparation of Financial Statements

The financial statements have been prepared in compliance with all material aspects of the mandatory Accounting Standards issued by the ICAI and the relevant provisions of the Companies Act, 1956.

Financial Statements are based on historical cost and are prepared on accrual basis.

B. Use of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

C. Fixed Assets and Depreciation

- (a) Fixed Assets are stated at cost net of cenvat, less accumulated depreciation. All cost, including financing cost till commencement of assets put to use, effect of foreign exchange contracts and adjustment arising from exchange rate variations attributable to the fixed assets are capitalised.
- (b) Expenditure including finance costs related to borrowed funds for the fixed assets incurred on projects under implementation are included under "Capital Work in Progress". These expenses are transferred to fixed assets on commencement of respective projects.
- (c) (i) Depreciation on Shed & construction at contactor site is provided considering the period of the initial contract.
(ii) Depreciation on Tanker & Office Building is provided on Written down Value Method as per the rate prescribed in Schedule XIV and in accordance with Section 205(2)(b) of the Companies Act, 1956.
(iii) Depreciation on Fixed Assets other than stated above in Para (i) & (ii) is provided on Straight Line Method as per rate prescribed in Schedule XIV and in accordance with Section 205(2)(b) of the Companies Act, 1956, considering the life of the Asset..

D. Investments

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as Long Term Investments. Long Term Investments, Current Investments and Investments in subsidiaries are carried at cost. Unquoted investments are stated at book value. However, provision for diminution in value of investment is made to recognise a decline in the value of investment.

E. Debtors

Debtors are stated at the book value after making provisions, if any, for the doubtful debts.

F. Inventories

Inventories of spare parts and oil are valued at cost or market price whichever is lower.

G. Foreign Currency Transactions

- (a) Transaction denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction.

- (b) Monetary Items denominated in foreign currency including foreign currency loan at the yearend are restated at the yearend rate. In case of items which are covered by forward exchange contract, the difference between yearend 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.
- (c) The difference either on settlement or on translation of monetary assets and liabilities and realised gain and losses on foreign exchange transaction are recognised in the Profit and Loss account except in cases where they relate to acquisition of Fixed Assets, the difference arising a result in which case they are adjusted to the carrying cost of such assets. Exchange rate difference on year end long term foreign currency loan is carried to "Foreign Currency Monetary Translation Difference Account" to be amortised upto the period of loan or upto March 31, 2013 whichever is earlier.
- (d) Non monetary foreign currency items if any are carried at cost.

H. Basis of Accounts

Revenue/Income and costs/expenditures are generally accounted on accrual as they are earned or incurred.

I. Employee Benefit

- (a) Monthly contribution to the Provident Fund being in the nature of defined contribution scheme is charged against revenue. The fund is administered through Provident Fund Authority.
- (b) Gratuity is accounted on payment basis on actuarial valuation.
- (c) Post employment and other long term employees benefits are recognized at the present value of the amount payable determined using actuarial valuation techniques. Based on the actuarial valuation no provision of Gratuity is required to be made in respect of the post employment and other long term benefits.

J. Borrowing Cost

Borrowing cost that are attributed to the acquisition, construction of qualifying assets are capitalised as part of such assets upto the date, assets are ready for its intended to use. All other borrowing costs are recognized as an expense in the year in which they are incurred.

K. Tax on Income

Current Tax is determined on the basis of the amount of tax payable in respect of taxable income for the year.

Deferred tax is calculated at current statutory income tax rate and is recognized on timing differences; being the difference between taxable income and accounting income that originate in the one period and are capable of reversal in one or more subsequent periods. Deferred tax assets subject to the consideration of prudence, are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

L. Income

Company's Income comprises of Work over Rig Services, Gas Compression and Air Compression and Other Oil and Gas Services.

M. Provision, Contingent Liabilities and Contingent Assets.

Provision is recognised when there is a present obligation as a result of a past event that probably requires an outflow resources and a reliable estimate can be made of the amount of the obligation. Disclosure for contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. No provision is recognised or disclosure for contingent liability is made when there is possible obligation or a present obligation and the likelihood of outflow of resources is remote. Contingent Asset is neither recognized nor disclosed in the financial statements.

N. Cash Flow Statement

Cash flows are reported using the Indirect Method, whereby Profit/ (Loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferral of accruals of past or future cash receipts and payments. The cash flow from Operating, Investing and financing activities of the company are segregated based on available information.

NOTES FORMING PARTS OF FINANCIAL STATEMENTS

Particulars	₹ As at 31st March, 2013	₹ As at 31st March, 2012
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Note - 3 : SHARE CAPITAL

1. AUTHORISED CAPITAL		
3,50,00,000 Equity Shares of ₹ 10/- each with voting rights	350000000	350000000
2. ISSUED, SUBSCRIBED & PAID UP EQUITY SHARE CAPITAL		
2,62,50,000 Equity Shares of ₹ 10/- each fully Paid up with voting rights (P.Y. 2,48,75,000 Equity Shares of ₹ 10/- each) (During the year, 13,75,000 Equity shares of ₹ 10/- each fully paid up were issued on Conversion of Convertible Warrants)	262500000	248750000
TOTAL	262500000	248750000
3. 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 2013		As at 31 March 2012	
	No of Shares	Value ₹	No of Shares	Value ₹
— At the beginning of the year	24875000	248750000	23500000	235000000
— Movement during the period (Shares Warrant Issued and Converted into Equity Shares)	1375000	13750000	1375000	13750000
— Outstanding at the end of the year	26250000	262500000	24875000	248750000

4. 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 ₹ 10 Each Fully Paid up)	As at 31st March, 2013		As at 31st March, 2012	
	No. of Share held	% of Holding	No. of Share held	% of Holding
KANVEL FINANCE PVT. LTD.	4591080	17.49%	4591080	18.46%
SAVLA ENTERPRISE PVT. LTD.	2277000	8.67%	2277000	9.15%
PRABHAVATI PROPERTIES PVT. LTD.	1892500	7.21%	1892500	7.61%
	8760580		8760580	

5. CONVERTIBLE WARRANTS

Issued, subscribed & Paid up :

(i) 13,75,000 warrants of ₹ 76/- each to make it & Application Money of ₹ 19/- each received during the previous year (Previous Year 2750000)	26125000	52250000
(ii) 13,75,000 warrants of ₹ 76/- each to make it & Application Money of ₹ 57/- each received during the year	78375000	78375000
Less: 13,75,000 warrants converted to fully paid up equity shares of ₹ 10/- each at a premium of ₹ 66 per share (Previous Year 2750000)	(104500000)	(104500000)
TOTAL	0	*26125000

TERMS AND RIGHTS ATTACHED TO WARRANTS:

(During the Previous year 27,50,000 Shares Warrants issued at price of ₹ 76 each of which 13,75,000 Warrant of ₹ 76 each paid up and ₹ 19 Each Application money is received and Balance amount ₹ 57 received during the year and Converted in to Equity Shares.

The offer is made selectively to the Promoters and Relatives of Promoter's Group of the Company.

The Warrants carry a right / entitlement to subscribe up to a future date, not exceeding 18 months from the date of such issue to equivalent number of equity shares of the Company at a price of ₹ 76/- per share having the face value of ₹ 10/- each and at a premium of ₹ 66/- per equity share.

The Equity Shares arising out of such conversion are allotted on the Conversion Date and thereupon the Warrants shall be treated as automatically extinguished. The Equity Shares so allotted shall rank pari passu in all respects with the existing shares of the Company and eligible for dividend, if any declared by the Company from time to time. The name of the Warrant holder shall be entered into the Register of Members of the Company as the holder of the Equity Shares upon such allotment.

Warrant holders will not be entitled to any of the rights and privileges available to the shareholders including the right to receive notices of or to attend and vote at the General Meetings.

The Warrants are issued only in physical mode and will not be dematerialized.

The Warrants shall not be tradable nor be listed on any of the stock exchanges.

If the allottee of warrant does not opt for conversion and does not make balance payment within 18 months, the amount paid on application and allotment will be forfeited.

The amount payable on application shall be ₹ 19.00/- per convertible warrant and the balance amount of ₹ 57.00/- shall be payable within 18 months from the date of allotment.

* Money Received towards convertible warrants have been utilized for the projects of the company.

- 6-(i).** The Company has only one class of equity shares having a par value of ₹ 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.
- 6-(ii)** 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.
- 7.** 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	
		31st March, 2013	31st March, 2012
Note - 4 : RESERVES & SURPLUS			
A	Capital Reserve - Securities Premium		
	Opening Balance	615337500	524587500
	Addition during the year	90750000	90750000
	Written back during the year	0	0
	Closing Balance	706087500	615337500
B	Capital Reserve		
	Opening Balance	40000000	40000000
	Addition during the year	0	0
	Written back during the year	0	0
	Closing Balance	40000000	40000000
C	General Reserve		
	Opening Balance	65000000	50000000
	Addition during the year	15000000	15000000
	Written back during the year	0	0
	Closing Balance	80000000	65000000
D	Investment Reserve Fund		
	Opening Balance	572414	487164
	Addition during the year	13950	85250
	Written back during the year	0	0
	Closing Balance	586364	572414
E	Foreign Currency Monetary Translation Reserve		
	Opening Balance	21581380	636720
	Add; Effect of Foreign Exchange Rate Variation During the year	23341992	21581380
	(Less): Transfer to Statement of Profit & Loss	0	(636720)
	Closing Balance	44923372	21581380
F	Surplus in Statement of Profit & Loss		
	Opening Balance	497501654	406741048
	Addition during the year	121359755	120301029
	Less: Proposed Equity Dividend for the year	(15750000)	(12437500)
	Less: Tax on Proposed Equity Dividend	(2555050)	(2017673)
	Less: Investment Reserve Fund	(13950)	(85250)
	Less: Transfer to General Reserve	(15000000)	(15000000)
	Closing Balance	585542409	497501654
	TOTAL	1457139645	1239992948



Sr. Particulars No	₹ As at 31st March, 2013	₹ As at 31st March, 2012
Note - 5 : LONG TERM BORROWINGS		
I) Term Loans		
A From Banks		
Secured	874887038	1013375418
Less: Short Borrowings Due within next 12 Months	(143533854)	(78609056)
TOTAL	731353184	934766362
B From Others Financial Institution		
Secured	0	577593
Less: Short Borrowings Due within next 12 Months	0	(577593)
TOTAL	0	0
TOTAL	731353184	934766362

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 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 and Modasa held in the name of director and relative of director. 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 which are backed by Letter of Undertaking from State Bank of India, Commercial Branch, Ahmedabad which has sanctioned the Term Loan. Though Rollover Period of Buyers credit 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, Buyers Credit arrangement is classified as Non-Current Liabilities.
- iii) During the financial year 2011-2012, Company has availed Foreign Currency Term Loan credit facility from Export Import Bank of India (EXIM Bank), Moratorium Period provided by the Bank for a period of 18 Months from 08/09/2011. The Term Loan is secured by Pari Passu charge on the securities as mentioned in para 'i' above. As Installment is Due after 31/03/2013 (after 12 Month from Balance sheet) it is classified as Non-Current Liabilities.
- iv) During the financial year 2011-2012, Company has availed Term Loan credit facility from Industrial Development Bank of India Ltd. (IDBI Bank) with Moratorium Period provided by the Bank for a period of 18 Months from 1st Disbursement i.e. 17/02/2012. IDBI Term Loan is secured by Pari Passu charge on the securities as mentioned in para 'i' & 'iii' above. As Installment is Due after 31/03/2013 (after 12 Month from Balance sheet) it is classified as Non-Current Liabilities.
- v) Repayment of Term Loan of State Bank of India are repayable in Five years. Term Loan of EXIM Bank and IDBI Bank are repayable in Seven years with moratorium period as stated here in above.

Note - 6 : DEFERRED TAX LIABILITIES

Opening Balance	124831101	100686638
Addition during the year	48741381	24144463
Written back during the year		
Closing Balance	173572482	124831101

Note - 7 : OTHER LONG TERM LIABILITIES

A Acceptance (Refer Note 27 Point 'M')		
i Acceptance	28927	192417
ii Other than Acceptance		
a Buyer's Credit Interest accrued but not due on borrowings	957402	1686640
b Others	0	21059570
TOTAL	986329	22938627

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Sr. Particulars No	₹ As at 31st March, 2013	₹ As at 31st March, 2012
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Note - 8 : SHORT TERM BORROWINGS

A SECURED

i Working Capital Credit facility*		
- From Bank	76362475	77274126
ii Buyers credit arrangements	0	0
iii Foreign Currency Term Loan	63187740	0
iv Term Loan	1565389	36971
v Vehicle Loan from Bank and Other Financial Institution	2418250	1875552

(Secured by Hypothecation of Vehicles and Personal Gurantee of Directors)

* - (Working Capital cash credit facilities of State Bank of India is secured by Hypothecation of Inventory and Book Debt and Further secured by Personal Gurantee of Director and Equitable Mortgage of Immovable property situated at Ahmedabad and Modasa held in the name of Directors and Relative of Directors.

- (Working Capital Facility of IDBI is secured by Second Charge on Securities as mentioned in hereinabove).

TOTAL	143533854	79186649
B UNSECURED LOANS	0	0
TOTAL	143533854	79186649

Note - 9 : TRADE PAYABLES

A Acceptance (Refer Note 27 Point 'M')	56156723	117479157
B Other than Acceptance	0	0
TOTAL	56156723	117479157

Note - 10 : OTHER CURRENT LIABILITIES

A Statutory Dues	4978506	18609066
B Unclaimed Dividend	122254	75080
C Other Liabilities	0	0
TOTAL	5100760	18684145

Note - 11 : SHORT TERM PROVISIONS

A Provision for Salary	6992711	5631285
B Provision for Current Year Income Tax	42500000	36150000
C Proposed Dividend	15750000	12437500
D Tax on Proposed Equity Dividend	2555050	2017673
E Provision for Other Expense	104497061	257405806
TOTAL	172294822	313642264

Note - 12 : FIXED ASSETS

Sr.	NAME OF THE ASSET	Gross Block			Depreciation			Net Block			
		As at 01.04.2012	Additions during the year	Deduction during the year	As at 31.03.2013	As at 01.04.2012	Additions during the year	Deduction during the year	As at 31.03.2013	As at 31.3.2012	
(A)	Tankers	835000			835000	824478	4209		828687	6313	10522
(B)	Cranes	697075			697075	333235	78839		412074	285001	363840
(C)	Vehicles	18935915	5303598	3315232	20924281	5118170	1612397	1643361	5087206	15837075	13817745
(D)	Air Compressor	11503401	0	0	11503401	7830608	752517		8583125	2920276	3672793
(E)	Gas Compressor	1161428342	658437785	0	1819866127	164945127	78061421		243006548	1576859578	996483204
(F)	Computers	5725248	547334	0	6272582	3961328	1128852		5090180	1182402	1763920
(G)	Shed, Foundation & Road	17455089	4806429	0	22261518	11989800	3032773		15022573	7238945	5465289
(H)	Office Building	7158358	6800	0	7165158	2815441	434640		3250081	3915077	4342917
(I)	RIGS	444804644	182750	0	444987394	75233252	14861343		90094595	354892799	369571392
(J)	Office Equip, Fur. & Fixtures	9027278	638963	0	9666241	2946982	594851		3541833	6124407	6080296
(K)	Other Plant & Machinery	1550231	114284	0	1664515	542379	73258		615637	1048878	1007852
	Total " A "	1679120581	670037943	3315232	2345843292	276540802	100635100	1643361	375532541	1970310751	1402579768
B)	Tangible Assets										
(A)	Softwares	3664029	431736	0	4095765	862051	49315	0	911366	3184399	2801978
	Total " B "	3664029	431736	0	4095765	862051	49315	0	911366	3184399	2801978
C)	Capital Work in Progress										
(A)	Capital Work in Progress	960701732	231592010	694024430	498269312	0	0	0	0	498269312	960701714
	Total " C "	960701732	231592010	694024430	498269312	0	0	0	0	498269312	960701714
	Total " A + B + C "	2643486342	902061689	697339662	2848208369	277402853	100684415	1643361	376443907	2471764462	2366083462
	PREVIOUS YEAR	1631848775	1062675214	51037665	2643486324	207249395	70579696	426238	277402853	2366083462	

Notes :

* Addition Include Foreign Exchange Difference of ₹ 22641233 (Previous Year ₹ (21581383)) and Borrowing Cost of ₹ 6213366 (Previous Year ₹ 23483826)



Sr. No	Particulars	No. of Shares 31st March, 2013	₹ As at 31st March, 2013	No. of Shares 31st March, 2012	₹ As at 31st March, 2012
Note -13: NON-CURRENT INVESTMENTS					
Trade Investments					
<u>UNQUOTED:</u>					
A	In Equity Shares of Subsidiary Companies:				
	90% share in Deep Energy LLC		1241490		1241490
	70% share in Deep Natural Resources Ltd	350000	350000	350000	350000
	71% share in Prabha Energy Pvt. Ltd.	25000	250000	25000	250000
B	In Other Entities:				
<u>QUOTED:</u>					
1.	Ganesh Benzoplast Limited	5000	76844	5000	76844
2.	Vama Industries Limited	2500	69111	2500	69111
3.	Power Trading Corporation	4000	728484	4000	728484
<u>UNQUOTED:</u>					
1.	Mehsana Nagarik Co-Op Sahakari Bank Ltd.	400	10000	400	10000
2.	National Saving Certificate		145000		145000
TOTAL			2870929		2870929
Market Value of Quoted Investment			288075		302025
Book Value of Unquoted Investment			1851490		1851490

Sr. No	Particulars	₹ As at 31st March, 2013	₹ As at 31st March, 2012
Note - 14 : LONG TERM LOANS AND ADVANCES			
<u>Advances Recoverable in Cash or Kind:</u>			
A	Deposits		
	Unsecured, Considered good	0	0
B	Loans and Advances		
	Unsecured, Considered good (Loan given to Subsidiary Company)	678321	1676251
C	Balance with Govt. Authorities (Unsecured, Considered Good)		
	VAT Receivable	1900532	1900532
D	Other Loans and Advances (Unsecured, Considered good)		
	Advances to Vendors	23212903	15171648
	Other Advance	260697	0
TOTAL		26052453	18748431

Note - 15 : OTHER NON-CURRENT ASSETS			
Long Term Trade Receivables			
<u>Outstanding for more than Twelve Months</u>			
	Unsecured, Considered good	24694158	29257601
TOTAL		24694158	29257601

Note - 16 : CURRENT INVESTMENTS					
Sr. No	Particulars	No. of Units 31st March, 2013	₹ As at 31st March, 2013	No. of Units 31st March, 2012	₹ As at 31st March, 2012
Investments in Mutual Fund Unquoted					
A	SBI DFS - 15 MONTH-5- GROWTH			2269864	22698640
B	Templeton India Income Opportunities Fund	0	0	2500000	25000000
C	SBI DEBT FUND SERIES- 367 DAYS 1 GROWTH	2492628	24926285		
D	SBI Magnum Income Fund - Growth	441696	12250000		
TOTAL			37176285		47698640
Market Value of Unquoted investments			39563455		52657324



Sr. Particulars No	₹ As at 31st March, 2013	₹ As at 31st March, 2012
Note - 17 : INVENTORIES		
A Stores & Spares (Valued at Lower of Cost or Market Value)	45008257	41618474
B Stock of Oil	2565167	1623891
TOTAL	47573424	43242365
Note - 18: TRADE RECEIVABLES		
A Trade receivables outstanding for a period exceeding Six months from the date they are due for payment		
Unsecured, considered good	10090978	39627618
B Trade receivables outstanding for a period less than Six months from the date they are due for payment		
Unsecured, considered good	125896210	180585939
TOTAL	135987188	220213557
Note - 19 : CASH AND CASH EQUIVALENTS		
A Cash and Cash Equivalents		
i Cash on hand	275733	155811
ii Balances with Banks		
- In Current Account	1301253	1911664
- In EEFC Account	46	-241
- Unpaid Dividend with HDFC Bank	72030	75078
- Unpaid Warrant with HDFC Bank	1001	401
B Other Bank Balances		
In Fixed Deposits held as Margin Money *	63914362	39491838
TOTAL	65715940	41634551
* Balance with Bank include Deposit held as Margin Money amounting to ₹ 16619224 (as at 31/03/2012 ₹ 22617289) which have an original maturity more than 12 month.		
Note - 20 : SHORT TERM LOANS AND ADVANCES		
<u>Advances to be Recoverable :</u>		
1 Security Deposits	4775087	10886427
2 Loan to Staff	186230	91539
3 Prepaid Expenses	4606960	4480657
4 Balance with Govt Authorities		
- CENVAT Receivable	16986477	30219314
- Advance Tax and TDS for Prior Years (Net of Provision)	8800708	5014152
- Advance Tax and TDS Current Year	34515789	40121477
- Professional Tax Receivable	0	800
5 Others		
- Foreign Currency Receivable	94238761	238603750
TOTAL	164110012	329418115
Note - 21 : OTHER CURRENT ASSETS		
1 Interest Accrued on Deposit	3624478	2322933
2 Preliminary Expense	11825765	15737639
3 Deferred Forward Premium	4135832	8794551
4 Advance Recoverable in Cash or Kind:		
Others Receivable	7106873	373478
TOTAL	26692948	27228601



Sr. Particulars No	₹ As at 31st March, 2013	₹ As at 31st March, 2012
Note - 22 : OTHER INCOME		
1 Bank FDR Interest (TDS ₹ 4,53,146)	4050973	5910624
2 Other Interest Income (TDS ₹ 10,008)	376251	1065543
3 Dividend Income from Others	11955	93935
4 Profit on Sale of Investments	8030100	1696550
5 Exchange Rate Fluctuation (net)	86401	0
6 <u>Other Non-Operating Income:</u>		
- Kasar Vata	250512	341026
- Insurance Claim Received	5170264	38236
- Tender Fee	80386	0
TOTAL	18056842	9145914
Note - 23 : OPERATING EXPENSE		
1 Consumption Spares, Oil & Other Operating Expense	161232445	191478203
2 Equipment Running & Maintenance Exps	3151891	7637508
TOTAL	164384336	199115710
Note - 24 : EMPLOYEE BENEFITS EXPENSE		
1 Salaries, Wages, Bonus etc	57937305	56502136
2 Director Remuneration & Perquisites	5682034	5650003
3 Contribution to Provident and Other funds	1142443	899226
4 Staff Welfare expenses	2929705	2806354
TOTAL	67691487	65857719
Note - 25 : FINANCE COSTS		
Interest Expenses		
1 Interest Expenses on Hypothecation & Term loan	14329492	23518576
2 Interest & Finance Charges on Foreign Credit	34899113	7596669
3 Other Interest & Finance Charges	374046	4001473
Other Borrowing Cost		
4 Other Bank Charges	5137636	6453711
Foreign Currency Transaction & Translation Expenses:		
5 Forward/ Option Contract Premium	9548186	3372695
TOTAL	64288473	44943124



Sr. No	Particulars	₹ As at 31st March, 2013	₹ As at 31st March, 2012
Note - 26 : OTHER EXPENSES			
1	Electricity Expenses	1069761	788025
2	Rent	6579271	11117475
3	Repairs	10809554	876179
4	Insurance	2031324	2380661
5	Rates & Taxes	736036	2016441
6	Communication Exp	1357832	1630120
7	Traveling Exp. (Including Director Travelling ₹ 26,60,273)	9442428	7898064
8	Printing & Stationery	279400	204134
9	Donations	1896300	15372
10	Legal & Professional Charges	6567855	6197376
11	Payment to Auditors		
	- Audit Fees	107500	100000
	- Taxation Matters	25000	25000
	- Certification & Other Matters	50000	50000
12	Net Loss on Foreign currency transaction	0	951889
13	Bad Debt Written off	1797217	2992916
14	Loss on Sale of Fixed Asset	530421	160771
15	Xerox expense	149123	118552
16	Guest House Expenses	963664	1434422
17	Conveyance Expense	937235	766973
18	Entertainment Expense	146050	241911
19	Sales Promotion & Gifts	934460	728900
20	Advertisement Expenses	140044	111384
21	Hotel Boarding & Lodging Exp (Including Director Lodging)	3838965	948312
22	Security Service charges	673676	1263093
23	Tender Expenses	351051	469790
24	Office Expenses	968153	896002
25	Listing Fee Stock Exchange	150058	296006
26	Interest on Service tax	146093	223098
27	Freight & Landing Charges	25662	281095
28	Diesel & Petrol Exp	1077589	2679849
29	Labour Charges - Misc	95062	55595
30	ROC Filing Fee	4750	5724
31	ISO Certification Expenses	75000	0
32	Safety Expenses	11112	21993
33	Service Tax Expense	19130	0
34	Guest House Electricity Expense	54556	40857
35	Franking Charges	100	4100
36	Miscellaneous Expenses	1312501	541799
	TOTAL	55353933	48533878

Note 27 : Additional Information pursuant to Revised Schedule VI to the Companies Act, 1956 is given as under so far as applicable to the Company.

Particulars	2012-13	2011-12
A Value of imports calculated on CIF basis		
Capital Goods, Freight, Insurance	₹ 98,33,921/-	₹ 62,81,32,825/-
Spare Parts & Expenses	₹ 3,53,32,597 /-	₹ 2,74,73,009/-
B Expenditure in Foreign Currency		
Spares, Equipment, Freight & Expense	₹ 2,33,41,927 /-	₹ 65,56,05,834/-
Director's Travelling Expenses	₹ 27,45,770 /-	₹ 15,92,744/-
Interest on Foreign Loan	₹ 1,90,78,821/-	₹ 4,44,71,86/-
C Earnings in Foreign Currency		
NIL	-	-
D. Considering nature of activity it is not possible to ascertain the elements of Capital Commitment Expenditure to be executed on capital account.		

E Contingent Liabilities:

i. Bank Guarantees

The company has given counter guarantees aggregating to ₹ 1849.82 Lacs(31st March 2012 ₹ 1730.22 Lacs) to banks as at 31st March 2013.

ii. Other Contingent Liabilities not provided for;

Name of Statute	Amount (₹ Lacs) 31.03.2013	Amount (₹ Lacs) 31.03.2012
Service tax	96.36	69.22

F The specified disclosures for non cancellable Operating Leases as required by Accounting Standard 19 – “Leases” are given below:

Particulars	Year Ended 31 st March 2013 (₹)	Year Ended 31 st March 2012 (₹)
Disclosures in respect of agreement for Office premises taken on lease:		
(i) Lease Payments recognized in the Profit and Loss Account in the year	74,23,183/-	91,20,840/-
(ii) Future Minimum lease payments under non cancellable operating lease:		
- Not later than one year	58,12,587/-	91,20,840/-
- Later than one year but not later than five years	65,58,111/-	2,47,78,281/-
- Later than Five year	Nil	Nil

G. Segment Reporting

The Company is engaged in the one segment i.e. Oil and Gas service activity having mainly the domestic hire charges income and there are no separate reportable segments as per Accounting Standard 17 - “Segment Reporting” issued by the Council of the Institute of Chartered Accountants of India.

H. Impairment of 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 will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets’ net selling price and value in use. In assessing the value in use the estimated future cash flows are discounted to the present value at the weighted average cost of capital. During the year there are no impairment losses on assets of the Company.

I. The Company during the Financial Year has received ₹ 7,83,75,000/- towards the balance value on 13,75,000 Convertible Warrants which were issued during the financial year 2011-12. The said allottees have made full payment for 13,75,000 warrants i.e. ₹ 76 each. On full payment of 13,75,000 warrant, the said allottees have exercised their option of conversion of Warrants to equity shares on 30.03.2013. On conversion on 30.03.2013, ₹ 1,37,50,000 is transferred to Issued Capital being issue of 13,75,000 equity shares of ₹ 10/- each and ₹ 9,07,50,000/- is transferred to Securities Premium account being Share premium of ₹ 66/- each.

J. As per Accounting Standard - 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(i) List of related parties where control exists and related parties, with whom transactions have taken place and relationships	
Subsidiary Company	Deep Energy LLC, USA Deep Natural Resources Limited Prabha Energy Pvt. Ltd.
Enterprises significantly influenced by KMP or RKMP	Deep Methane Private Limited Adinath Exim Resources Limited Shree Kuchhi Jain Sewa Samaj
Key Management Personnel	Mr. Paras Savla Mr. Rupesh Savla Mr. Dharen Savla Mr. Preamsingh Sawhney Mr. Ajaykumar Singhania Mr. Vijay Shah Mr. Harish Bhinde Mr. Kirit Joshi
Relative of Key Management Personnel (RKMP)	Mr. Manoj Savla Mrs. Avani Savla Mrs. Mita Manoj Savla Mrs. Priti Paras Savla Mrs. Shital Rupesh Savla

(i) Transactions during the financial year 2012-13 with the related parties are shown below:

Nature of transaction	KMP	RKMP	Subsidiaries	Enterprises significantly influenced
Remuneration & Sitting fees	12065000 (7285000)	96000 (96000)		
Contribution to charitable institutions				371000 (NIL)
Rent	2452266 (5047913)	3006466 (6647027)		372000 (372000)
Security Deposit	984000 (3797820)	1416000 (5323020)		
Perquisites	762033 (250003)			
Loan Given			2112070 (486548)	
Loan Received Back			3110000 (2417685)	
Outstanding Loan Balance at Year End			678321 (1676251)	
Investment			1841490 (1841490)	

Note: Figures in bracket represents previous year's figures

K. In compliance of Accounting Standard 22 on "Accounting for taxes on Income" issued by Institute of Chartered Accountants of India, the Company has provided Accumulated net deferred tax liability in respect of timing difference as on 31st March, 2013. The item - wise details of deferred tax liability as on 31.03.2013 are as under:

	(₹ in Lacs)	
Deferred Tax Liability	2012-13	2011-12
Difference between book and tax difference as on 1st April	1248.31	1006.87
Add/(Less): Deferred Tax Liability (net)		
(a) On account of Depreciation and other expense (net)	487.41	241.44
Less : Deferred Tax Assets	-	-
Deferred Tax Liability (Net)	487.41	241.44
Difference between book and tax difference as on 31st March	1735.72	1248.31

L. **Earnings per Share**

The earnings considered in ascertaining the Company's EPS represent profit for the year after tax. Basic EPS is computed and disclosed using the weighted average number of equity shares outstanding during the year.

Calculation of EPS

Particulars	31.03.2013	31.03.2012
Profit after tax (₹ in lacs)	121359755	120416025
Weighted Average Number of shares considered as outstanding in computation of Basic EPS	262500000	23515068
Weighted Average Number of shares considered as outstanding in computation of Diluted EPS	262500000	23858818
Basic EPS, Shares of face value of ₹ 10 each (in ₹)	4.62	5.12
Diluted EPS, Shares of face value of ₹ 10 each (in ₹)	4.62	5.05



M. Current Liability related to Micro, Small and Medium Enterprises

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid to as at year end together with interest paid /payable under this Act have not been given.

The Company is making efforts to get the confirmation from the vendors as regards their status under the Act.

N. The previous year figures have been accordingly regrouped/ re-classified to conform to the current year's classification.

Signature to Note 1 to 27

As per our report of even date attached

For & on Behalf of

Jayesh M. Shah & Co.

Chartered Accountants

F. R. N. 104173W

Jayesh M. Shah

Proprietor

M. No. 30638

Date : 25th May 2013

Place : Ahmedabad

For Deep Industries Limited

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 25th May 2013

Place : Ahmedabad

Statement Pursuant to Section 212 of the Companies Act, 1956 relating to Subsidiary Companies

Sr. No.	Particulars	Deep Natural Resources Limited	Prabha Energy Private Limited	Deep Energy LLC
1	Financial years of the Subsidiary Company ended on	31st March,2013	31st March,2013	31st March,2013
2	Shares of the Subsidiary Company held on the abovedate and extent of holding			
	a) Equity Shares	350000	25000	-
	b) Extent of Holding	70%	71%	90%
3	The net aggregate amount of the Subsidiaries profit/(loss) so far as it is concerned with the members of the Deep Industries Limited			
i)	Not dealt within the holding company's accounts			
	a) For the financial year of the Subsidiary	₹ 132300	₹ 44199	(₹ 7234) (US\$ 133.20)
	b) For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	(₹ 345387)	₹ 8497	(₹ 210766) (US\$ 4806.90)
ii)	Dealt within the holding company's accounts			
	a) For the financial year of the Subsidiary	NIL	NIL	NIL
	b) For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	NIL	NIL	NIL

For Deep Industries Limited

Date : 25/05/2013
Place : Ahmedabad

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman & Managing Director

Rupesh Savla
Managing Director



**CONSOLIDATED
FINANCIAL
STATEMENTS**

CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Deep Industries Limited.

1. We have audited the accompanying consolidated financial statements of **DEEP INDUSTRIES LIMITED ("the Company")** and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2013 which comprise the Consolidated Balance Sheet as at 31st March, 2013 and consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information on that date annexed thereto.
2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the Consolidated financial position, consolidated financial performance and Consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act'). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
5. In our opinion and to the best of our information and according to the explanations given to us, the 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
 - i. in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2013 ; and
 - ii. in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date ; and
 - iii. In the case of consolidated Cash Flow statement, of the cash flows for the year ended on that date.
6. We did not audit the financial statements of Foreign Subsidiary namely Deep Energy LLC, whose financial statements reflect total assets of ₹ 16,42,926/- as at 31st March 2013 and Total Revenue of ₹ NIL and Cash outflow amounting to ₹ 8,038/- for the year then ended. And on the unaudited financial statements wherein the Company's share of loss aggregates to ₹ 7,234/-.
7. We have relied on these Un-audited Financial Statements which are approved by the Member/Manager of Deep Energy LLC and as approved by the Management and our report in so far as it relates to the amount included in respect of the Subsidiary is based solely on such approved un-audited Financial Statements.
8. We report that the Consolidated Financial Statements have been prepared by the Companies Management in accordance with the requirement of Accounting Standard 21, Consolidated Financial Statement as notified by Companies (Accounting Standards) Rules, 2006.

FOR AND ON BEHALF OF
JAYESH M. SHAH & CO.
Chartered Accountants
Firm Reg. no. 104173W

Place : Ahmedabad
Date : 25th May, 2013

(JAYESH M. SHAH)
Proprietor
Mem. No. : 30638

CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2013

Particulars	Note No	₹ As at 31st March 2013	₹ As at 31st March 2012
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	262500000	248750000
(b) Reserves and Surplus	4	1457050405	1239728803
(c) Money Received Against Shares Warrants	3	0	26125000
		1719550405	1514603803
2 Share Application Money pending for Allotement		-	-
3 Minority Interest		267813	194237
		267813	194237
4 Non-current Liabilities			
(a) Long-term Borrowings	5	731353184	934766362
(b) Deferred Tax Liabilities	6	173443376	124854890
(c) Other Long-term Liabilities	7	986329	22938627
		905782889	1082559879
5 Current Liabilities			
(a) Short-term Borrowings	8	143533854	79186649
(b) Trade Payables	9	56156723	117479157
(c) Other Current Liabilities	10	5110768	18729257
(d) Short-term Provisions	11	172319822	313652264
		377121166	529047327
TOTAL ₹		3002722273	3126405247
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
i) Tangible Assets	12	1970361471	1402630490
ii) Intangible Assets	12	3248553	2889961
iii) Capital Work in Progress	12	498350040	960782444
		2471960064	2366302895
(b) Non-current Investments	13	1029439	884439
(c) Long-term Loans and Advances	14	26768941	18340180
(d) Other Non-Current Assets	15	24694158	29257601
		52492538	48482220
2 Current Assets			
(a) Current Investments	16	37401913	48035925
(b) Inventories	17	47573424	43242365
(c) Trade Receivables	18	136144796	220213557
(d) Cash and Cash Equivalents	19	65838068	42597233
(e) Short-term Loans and Advances	20	164585247	330263628
(f) Other Current Assets	21	26726224	27267423
		478269671	711620131
TOTAL RS...		3002722273	3126405247

The notes form an integral part of these financial statements 1 to 27

As per our report of even date attached

For & on Behalf of

Jayesh M. Shah & Co.

Chartered Accountants

F. R. N. 104173W

Jayesh M. Shah

Proprietor

M. No. 30638

Date : 25th May 2013

Place : Ahmedabad

For Deep Industries Limited

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 25th May 2013

Place : Ahmedabad



STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2013

Particulars	Note No	₹ For the Year Ended 31/03/2013	₹ For the Year Ended 31/03/2012
I. INCOME			
Revenue from Oil & Gas Services		650858812	604391579
Sales (Trading)		1890475	229745
II Other Income	22	18150897	8829230
III Total Revenue (I + II)		670900184	613450554
IV Expenses			
- Trading Purchase		1718750	274524
- Operating Expense	23	164384336	199115710
- Employee benefits expenses	24	67691487	65857719
- Finance Costs	25	64299910	44972590
- Depreciation and amortization expense	12	100708244	70603525
- Other Expenses	26	55473955	48740544
- Preliminary Expense Written Off		3917420	3917420
Total Expenses		458194102	433482032
V Profit before exceptional items and tax (III - IV)		212706082	179968522
VI Exceptional items		—	—
VII Profit/(Loss) before tax (V - VI)		212706082	179968522
VIII Tax Expense :			
(1) Current Tax		42515000	36150000
(2) Current Tax (Expense related to Prior Years)		-	1821
(3) Deferred Tax (Net off Deferred Tax Asset)		48588486	24143715
		91103486	60295536
IX Profit / (Loss) for the year (VII - VIII)		121602596	119672986
X Earnings per Equity Share of ₹ 10 each			
— Basic		4.63	5.09
— Diluted		4.63	5.02

The notes form an integral part of these financial statements 1 to 27

As per our report of even date attached
For & on Behalf of
Jayesh M. Shah & Co.
Chartered Accountants
F. R. N. 104173W
Jayesh M. Shah
Proprietor
M. No. 30638
Date : 25th May 2013
Place : Ahmedabad

Bhavika Bhatt
Company Secretary

For Deep Industries Limited
Paras Savla
Chairman &
Managing Director
Rupesh Savla
Managing Director

Date : 25th May 2013
Place : Ahmedabad

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2013

PARTICULARS	₹ 2012-13	₹ 2011-12
CASH FLOWS FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit & Loss Account	212706082	179968522
Adjustment for :		
Depreciation Expenses	100708244	70603525
Interest Expenses	64299910	44945067
Dividend Income	-30968	-108975
Interest Income	-4327146	-7076130
(Gain)/ Loss Foreign Currency Fluctuation	-86401	951889
(Profit)/Loss on Sale of Investments	-8030100	-1696550
(Profit)/Loss on Sale of Fixed Assets	530421	160771
Preliminary Expenses Written Off	3917420	3917420
	<u>156981380</u>	<u>3917420</u>
Operating Profit before Working Capital Changes	369687462	291665540
Changes in Working Capital		
Adjustment for		
Inventories	-4331059	-10049948
Trade Receivables	87436505	-70222790
Loans & Advances	176160191	-195377612
Trade Payable & Other Liabilities	-290987714	312096218
	<u>-31722077</u>	<u>312096218</u>
CASH FLOW FROM OPERATION	337965385	328111408
Cash Flow from Exceptional Claim		
Income Tax Paid During the Year (Net off Refund Received)	-18779090	-43525812
	<u>-18779090</u>	<u>-43525812</u>
NET CASH GENERATED BY OPERATING ACTIVITIES	319186295	284585596
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Addition in		
Capital Working Progress	-181379889	-991473707
Sale of Fixed Assets	1141450	750000
Purchase of Investments	-37516285	-22813580
Sale of Investments	48150297	21004599
Interest Income	4327146	7076130
Dividend Income	30968	108975
Profit from Sale of Investments	8030100	1696550
	<u>8030100</u>	<u>1696550</u>
NET CASH USED IN INVESTING ACTIVITIES	-157216213	-983651034
CASH FLOWS FROM FINANCING ACTIVITIES :		
Interest Paid	-64299910	-44943124
Foreign Currency Fluctuation Gain	86401	-953832
Proceeds from Issue of Share Capital/Convertible Warrants	78375000	130625000
(Net of Expenses / Recovery of Expenses)		
Capital Reserve	5641	6474
Proceeds from Secured Loans	-138488380	616712134
Dividend and Dividend Distribution Tax Paid	-14407999	-13670113
	<u>-14407999</u>	<u>-13670113</u>
NET CASH FROM FINANCING ACTIVITIES	-138729247	687776539
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	23240835	-11288899
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	42597233	53886132
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	65838068	42597233

As per our report of even date attached

For & on Behalf of
Jayesh M. Shah & Co.
Chartered Accountants
F. R. N. 104173W
Jayesh M. Shah
Proprietor
M. No. 30638

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 25th May 2013
Place : Ahmedabad

Date : 25th May 2013
Place : Ahmedabad

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1: Principal of Consolidation

The Consolidated financial statements (CFS) relate to Deep Industries Limited ("The Company") and its subsidiary companies. The CFS has been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" (AS – 21) notified by Companies (Accounting Standards) Rules, 2006 on the following basis:

- (a) The financial statements of the company and its Subsidiary companies have been combined on a line by line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances and intra-group transactions resulting in unrealised profit or losses as per Accounting Standard 21 on "Consolidated Financial Statements" (AS – 21) notified by Companies (Accounting Standards) Rules, 2006.
- (b) In case of Foreign subsidiaries being Non-integral operations revenue items are consolidated at the average rate prevailing during the year. All assets and liabilities are converted at the rates prevailing at the end of the year. Any exchange difference arising on consolidation is recognized in the Foreign Currency Translation reserve.
- (c) The difference between the Cost of Investments in the subsidiary and the Company's share of net assets at the time of acquisition of shares in the subsidiary is recognized in the financial statement as Goodwill or capital reserve as the case may be.
- (d) Minority interest in the net assets of Consolidated subsidiaries is identified and presented in the Consolidated Balance Sheet separately from Liabilities and the Equity of Company's shareholders. Minority interest in the net assets of Consolidated subsidiaries consists of
 - Amount of equity attributable to minorities at the date on which investment in a subsidiary is made and
 - The minorities share of movements in equity since the date the parent subsidiary relationship came into existence.
- (e) Minority interest's share of net profit/loss for the year of Consolidated subsidiaries is identified and adjusted against the profit after tax of the Group.
- (f) As far as possible the Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- (g) The financial statements of the subsidiary Deep Energy LLC used in the consolidation are drawn up to the same reporting date as that of the Company, i.e. 31st March 2013.

The list of subsidiary companies which are included in the consolidation and the Company's holdings therein are as under:

Name of subsidiary	Percentage of Ownership		Country of Incorporation
	2012-13	2011-12	
Deep Energy LLC	90	90	USA
Deep Natural Resources Limited	70	70	India
Prabha Energy Private Limited	71	71	India

NOTE : 2 SIGNIFICANT ACCOUNTING POLICIES

A. Investments

Investments other than in subsidiaries have been accounted as per Accounting Standard (AS-13) Accounting for Investments.

B. Other Significant Accounting Policies

These are set out under "Significant Accounting Policies" under Note 2 as given in the Standalone Financial Statement of Deep Industries Limited.

Financial Statements are based on historical cost and are prepared on accrual basis.

- C. In the opinion of the board, the current assets, loans and advances are approximately of the value stated if realized in the ordinary course of business. The provision for all known liabilities are adequate and not in excess of the amount reasonably necessary.

NOTES FORMING PARTS OF FINANCIAL STATEMENTS

Particulars	₹ As at 31st March, 2013	₹ As at 31st March, 2012
-------------	-----------------------------	-----------------------------

Note - 3 : SHARE CAPITAL

1. AUTHORISED CAPITAL		
3,50,00,000 Equity Shares of ₹ 10/- each with voting rights	350000000	350000000
2. ISSUED, SUBSCRIBED & PAID UP EQUITY SHARE CAPITAL		
2,62,50,000 Equity Shares of ₹ 10/- each fully Paid up with voting rights (P.Y. 2,48,75,000 Equity Shares of ₹ 10/- each) (During the year, 13,75,000 Equity shares of ₹ 10/- each fully paid up were issued on Conversion of Convertible Warrants)	262500000	248750000
TOTAL	262500000	248750000
3. 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 2013		As at 31 March 2012	
	No of Shares	Value ₹	No of Shares	Value ₹
— At the beginning of the year	24875000	248750000	23500000	235000000
— Movement during the period (Shares Warrant Issued and Converted into Equity Shares)	1375000	13750000	1375000	13750000
— Outstanding at the end of the year	26250000	262500000	24875000	248750000

4. 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 ₹ 10 Each Fully Paid up)	As at 31st March, 2013		As at 31st March, 2012	
	No. of Share held	% of Holding	No. of Share held	% of Holding
KANVEL FINANCE PVT. LTD.	4591080	17.49%	4591080	18.46%
SAVLA ENTERPRISE PVT. LTD.	2277000	8.67%	2277000	9.15%
PRABHAVATI PROPERTIES PVT. LTD.	1892500	7.21%	1892500	7.61%
	8760580		8760580	

5. CONVERTIBLE WARRANTS

Issued, subscribed & Paid up :

(i) 13,75,000 warrants of ₹ 76/- each to make it & Application Money of ₹ 19/- each received during the previous year (Previous Year 2750000)	26125000		52250000	
(ii) 13,75,000 warrants of ₹ 76/- each to make it & Application Money of ₹ 57/- each received during the year	78375000		78375000	
Less: 13,75,000 warrants converted to fully paid up equity shares of ₹ 10/- each at a premium of ₹ 66 per share (Previous Year 2750000)	(104500000)	0	(104500000)	*26125000
TOTAL		0		26125000

TERMS AND RIGHTS ATTACHED TO WARRANTS:

(During the Previous year 27,50,000 Shares Warrants issued at price of ₹ 76 each of which 13,75,000 Warrant of ₹ 76 each paid up and ₹ 19 Each Application money is received and Balance amount ₹ 57 received during the year and Converted in to Equity Shares.

The offer is made selectively to the Promoters and Relatives of Promoter's Group of the Company.

The Warrants carry a right / entitlement to subscribe up to a future date, not exceeding 18 months from the date of such issue to equivalent number of equity shares of the Company at a price of ₹ 76/- per share having the face value of ₹ 10/- each and at a premium of ₹ 66/- per equity share.

The Equity Shares arising out of such conversion are allotted on the Conversion Date and thereupon the Warrants shall be treated as automatically extinguished. The Equity Shares so allotted shall rank pari passu in all respects with the existing shares of the Company and eligible for dividend, if any declared by the Company from time to time. The name of the Warrant holder shall be entered into the Register of Members of the Company as the holder of the Equity Shares upon such allotment.

Warrant holders will not be entitled to any of the rights and privileges available to the shareholders including the right to receive notices of or to attend and vote at the General Meetings.

The Warrants are issued only in physical mode and will not be dematerialized.

The Warrants shall not be tradable nor be listed on any of the stock exchanges.

If the allottee of warrant does not opt for conversion and does not make balance payment within 18 months, the amount paid on application and allotment will be forfeited.

The amount payable on application shall be ₹ 19.00/- per convertible warrant and the balance amount of ₹ 57.00/- shall be payable within 18 months from the date of allotment.

* Money Received towards convertible warrants have been utilized for the projects of the company.

- 6-(i).** The Company has only one class of equity shares having a par value of ₹ 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.
- 6-(ii)** 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.
- 7.** 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 31st March, 2013	₹ As at 31st March, 2012
Note - 4 : RESERVES & SURPLUS			
A	Capital Reserve - Securities Premium		
	Opening Balance	615337500	524587500
	Addition during the year	90750000	90750000
	Written back during the year	0	0
	Closing Balance	706087500	615337500
B	Capital Reserve		
	Opening Balance	40000000	40000000
	Addition during the year	0	0
	Written back during the year	0	0
	Closing Balance	40000000	40000000
C	General Reserve		
	Opening Balance	65000000	50000000
	Addition during the year	15000000	15000000
	Written back during the year	0	0
	Closing Balance	80000000	65000000
D	Investment Reserve Fund		
	Opening Balance	572414	487164
	Addition during the year	13950	85250
	Written back during the year	0	0
	Closing Balance	586364	572414
E	Foreign Currency Monetary Translation Reserve		
	Opening Balance	21581380	636720
	Add; Effect of Foreign Exchange Rate Variation During the year	23341992	21581380
	(Less): Transfer to Statement of Profit & Loss	0	(636720)
	Closing Balance	44923372	21581380
F	Surplus in Statement of Profit & Loss		
	Opening Balance	496953994	406661623
	Addition during the year	121602596	119672986
	Add: (Profit)/Loss of Minority Interest	(73577)	159808
	Less: Proposed Equity Dividend for the year	(15750000)	(12437500)
	Less: Tax on Proposed Equity Dividend	(2555050)	(2017673)
	Less: Investment Reserve Fund	(13950)	(85250)
	Less: Transfer to General Reserve	(15000000)	(15000000)
	Closing Balance	585164013	496953994
G	Non-Monetary Foreign Currency Translation Reserve	289156	283515
	TOTAL	1457050405	1239728803



Sr. Particulars No	₹ As at 31st March, 2013	₹ As at 31st March, 2012
Note - 5 : LONG TERM BORROWINGS		
i) Term Loans		
A From Banks		
Secured	874887038	1013375418
Less: Short Borrowings Due within next 12 Months	(143533854)	(78609056)
TOTAL	731353184	934766362
B From Others Financial Institution		
Secured	0	577593
Less: Short Borrowings Due within next 12 Months	0	(577593)
TOTAL	0	0
TOTAL	731353184	934766362

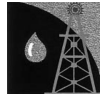
Nature of Security and Term of Repayment for Long Term Secured borrowings

- i) Rupee Term Loan and Foreign Currency Term Loan from State Bank of India 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 and Modasa held in the name of director and relative of director. 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 which are backed by Letter of Undertaking from State Bank of India, Commercial Branch, Ahmedabad which has sanctioned the Term Loan. Though Rollover Period of Buyers credit 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, Buyers Credit arrangement is classified as Non-Current Liabilities.
- iii) During the year, Company has availed Foreign Currency Term Loan credit facility from Export Import Bank of India (EXIM Bank), Moratorium Period provided by the Bank for a period of 18 Months from 08/09/2011. The Term Loan is secured by Pari Passu charge on the securities as mentioned in para 'i' above. As Installment is Due after 31/03/2013 (after 12 Month from Balance sheet) it is classified as Non-Current Liabilities.
- iv) During the year, Company has availed Term Loan credit facility from Industrial Development Bank of India Ltd. (IDBI Bank) with Moratorium Period provided by the Bank for a period of 18 Months from 1st Disbursement i.e. 17/02/2012. IDBI Term Loan is secured by Pari Passu charge on the securities as mentioned in para 'i' & 'iii' above. As Installment is Due after 31/03/2013 (after 12 Month from Balance sheet) it is classified as Non-Current Liabilities.
- v) Repayment of Term Loan of State Bank of India are repayable in Five years. Term Loan of EXIM Bank and IDBI Bank are repayable in Seven years with moratorium period as stated here in above.

Sr. Particulars No	₹ As at 31st March, 2013	₹ As at 31st March, 2012
Note - 6 : DEFERRED TAX LIABILITIES		
Opening Balance	124854890	100711175
Addition during the year	48588486	24143133
Written back during the year		582
Closing Balance	173443376	124854890

Note - 7 : OTHER LONG TERM LIABILITIES

A Acceptance (Refer Note 27 Point 'M')		
i Acceptance	28927	192417
ii Other than Acceptance		
a Buyer's Credit Interest accrued but not due on borrowings	957402	1686640
b Others	0	21059570
TOTAL	986329	22938627



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DEEP INDUSTRIES LIMITED**

Sr. No	Particulars	As at 31st March, 2013	As at 31st March, 2012								
Note - 8 : SHORT TERM BORROWINGS											
A SECURED											
i	Working Capital Credit facility*										
	- From Bank	76362475	77274126								
ii	Buyers credit arrangements	0	0								
iii	Foreign Currency Term Loan	63187740	0								
iv	Term Loan	1565389	36971								
v	Vehicle Loan from Bank and Other Financial Institution	2418250	1875552								
(Secured by Hypothecation of Vehicles and Personal Gurantee of Directors)											
* - (Working Capital cash credit facilities of State Bank of India is secured by Hypothecation of Inventory and Book Debt and Further secured by Personal Gurantee of Director and Equitable Mortgage of Immovable property situated at Ahmedabad and Modasa held in the name of Directors and Relative of Directors..)											
- (Working Capital Facility of IDBI is secured by Second Charge on Secutiries as mentioned in hereinabove).											
TOTAL		143533854	79186649								
B UNSECURED LOANS											
TOTAL		0	0								
TOTAL		143533854	79186649								
Note - 9 : TRADE PAYABLES											
A Acceptance (Refer Note 27 Point 'M')											
		56156723	117479157								
B Other than Acceptance											
		0	0								
TOTAL		56156723	117479157								
Note - 10 : OTHER CURRENT LIABILITIES											
A Statutory Dues											
		4988514	18654178								
B Unclaimed Dividend											
		122254	75080								
TOTAL		5110768	18729258								
Note - 11 : SHORT TERM PROVISIONS											
A Provision for Salary											
		6992711	5631285								
B Provision for Current Year Income Tax											
		42515000	36150000								
C Proposed Dividend											
		15750000	12437500								
D Tax on Proposed Equity Dividend											
		2555050	2017673								
E Provision for Other Expense											
		104507061	257415806								
TOTAL		172319822	313652264								
Note - 12 : FIXED ASSETS											
Sr.	NAME OF THE ASSET	Gross Block			Depreciation			Net Block			
		As at 01.04.2012	Additions during the year	Deduction during the year	As at 31.03.2013	As at 01.04.2012	Additions During the year	Deduction During the year	As at 31.03.2013	As at 31.3.2013	As at 31.3.2012
(A)	Tankers	835000			835000	824478	4209		828687	6313	10522
(B)	Cranes	697075			697075	333235	78839		412074	285001	363840
(C)	Vehicles	18935915	5303598	3315232	20924281	5118170	1612397	1643361	5087206	15837075	13817745
(D)	Air Compressor	11503401	0	0	11503401	7830608	752517		8583125	2920276	3672793
(E)	Gas Compressor	1161428342	658437785	0	1819866127	164945127	78061421		243006548	1576859578	996483204
(F)	Computers	5725248	547334	0	6272582	3961328	1128852		5090180	1182402	1763920
(G)	Shed, Foundation & Road	17455089	4806429	0	22261518	11989800	3032773		15022573	7238945	5465289
(H)	Office Building	7158358	6800	0	7165158	2815441	434640		3250081	3915077	4342917
(I)	RIGS	444804644	182750	0	444987394	75233252	14861343		90094595	354892799	369571392
(J)	Office Equip, Fur. & Fixtures	9027278	638963	0	9666241	2946982	594851		3541833	6124407	6080296
(K)	Other Plant & Machinery	1550231	114284	0	1664515	542379	73258		615637	1048878	1007852
(L)	Oil Wells	50720	0	0	50720	0	0		0	50720	50720
Total " A "		1679171301	670037943	3315232	2345894012	276540802	100635100	1643361	375532541	1970361471	1402630488
B) Intangible Assets											
(A)	Softwares	3811029	431736	0	4242765	921068	73144	0	994212	3248553	2889961
Total " B "		3811029	431736	0	4242765	921068	73144	0	994212	3248553	2889961
C) Capital Work in Progress											
Capital Work in Progress		960782465	231592010	694024435	498350040	0	0	0	0	498350040	960782444
Total " C "		960782465	231592010	694024435	498350040	0	0	0	0	498350040	960782444
Total " A + B + C "		2643764795	902061689	697339667	2848486817	277461870	100708244	1643361	376526753	2471960064	2366302895
Previous Year		1631848775	1062675214	51037665	2643486324	207249395	70579696	426238	277402853	2366302895	
Addition include Foreign Exchange Difference ` 22641233 (Previous Year ` (215813836)) and Borrowing Cost of ` 6213366 (Previous year ` 23483826)											



Sr. No	Particulars	No. of Shares 31st March, 2013	₹ As at 31st March, 2013	No. of Shares 31st March, 2012	₹ As at 31st March, 2012
Note -13: NON-CURRENT INVESTMENTS					
Trade Investments					
<u>UNQUOTED:</u>					
A	<u>In Other Entities:</u>				
<u>QUOTED:</u>					
1.	Ganesh Benzoplast Limited	5000	76844	5000	76844
2.	Vama Industries Limited	2500	69111	2500	69111
3.	Power Trading Corporation	4000	728484	4000	728484
<u>UNQUOTED:</u>					
1.	Mehsana Nagarik Co-Op Sahakari Bank Ltd.	400	10000	400	10000
2.	National Saving Certificate		145000		145000
TOTAL			1029439		1029439
Market Value of Quoted Investment			288075		302025
Book Value of Unquoted Investment			1851490		1851490

Sr. No	Particulars	₹ As at 31st March, 2013	₹ As at 31st March, 2012
Note - 14 : LONG TERM LOANS AND ADVANCES			
Advances Recoverable in Cash or Kind:			
A	Deposits		
	Unsecured, Considered good	0	0
B	Loans and Advances		
	Secured, Considered good (US Surety Bond)	1268000	1268000
C	Balance with Govt. Authorities (Unsecured, Considered Good)		
	VAT Receivable	1900532	1900532
D	Other Loans and Advances (Unsecured, Considered good)		
	Advances to Vendors/Creditors	23339712	15298457
	Other Advance	260697	0
TOTAL		26768941	18466989

Note - 15 : OTHER NON-CURRENT ASSETS

Long Term Trade Receivables

Outstanding for more than Twelve Months

	Unsecured, Considered good	24694158	29257601
TOTAL		24694158	29257601

Note - 16 : CURRENT INVESTMENTS

Sr. No	Particulars	No. of Units 31st March, 2013	₹ As at 31st March, 2013	No. of Units 31st March, 2012	₹ As at 31st March, 2012
Investments in Mutual Fund Unquoted					
A	SBI DFS - 15 MONTH-5- GROWTH			2269864	22698640
B	Templeton India Income Opportunities Fund	0	0	2500000	25000000
C	SBI DEBT FUND SERIES- 367 DAYS 1 GROWTH	2492628	24926285		
D	SBI Magnum Income Fund - Growth	441696	12250000		
E	HDFC CASH MANAGEMENT FUND	22526	225628	33619	337285
TOTAL			37401913		48035925
Market Value of Unquoted investments			39789082		52994609



Sr. Particulars No	₹ As at 31st March, 2013	₹ As at 31st March, 2012
Note - 17 : INVENTORIES		
A Stores & Spares (Valued at Lower of Cost or Market Value)	45008257	41618474
B Stock of Oil	2565167	1623891
TOTAL	47573424	43242365
Note - 18: TRADE RECEIVABLES		
A Trade receivables outstanding for a period exceeding Six months from the date they are due for payment		
Unsecured, considered good	10090978	39627618
B Trade receivables outstanding for a period less than Six months from the date they are due for payment		
Unsecured, considered good	126053818	180585939
TOTAL	136144796	220213557
Note - 19 : CASH AND CASH EQUIVALENTS		
A Cash and Cash Equivalents		
i Cash on hand	275892	156001
ii Balances with Banks		
- In Current Account	1341238	2789775
- In EEFC Account	46	-241
- In ESCROW Account	101291	0
- Unpaid Dividend with HDFC Bank	72030	75078
- Unpaid Dividend with IDBI Bank	50224	0
- Unpaid Warrant with HDFC Bank	1001	401
- Copper Mark Bank Oklahoma City USA	81984	84381
B Other Bank Balances		
In Fixed Deposits held as Margin Money *	63914362	39491838
TOTAL	65838068	42597233
* Balance with Bank include Deposit held as Margin Money amounting to ₹ 16619224 (as at 31/03/2012 ₹ 22617289) which have an original maturity more than 12 month.		
Note - 20 : SHORT TERM LOANS AND ADVANCES		
Advances to be Recoverable :		
1 Security Deposits	4775087	10886427
2 Loan to Staff	186230	91539
3 Prepaid Expenses	4606960	4480657
4 Short Term Loans and advances		
Unsecured, considered good	448374	564355
5 Balance with Govt Authorities		
- CENVAT Receivable	16986477	30219314
- Advance Tax and TDS for Prior Years (Net of Provision)	8800708	5014152
- Advance Tax and TDS Current Year	34542650	40121477
- Professional Tax Receivable	0	800
6 Others		
- Foreign Currency Receivable	94238761	238603750
TOTAL	164585247	329982470
Note - 21 : OTHER CURRENT ASSETS		
1 Interest Accrued on Deposit	3624478	2322933
2 Preliminary Expense	11859041	15776461
3 <u>Deferred Forward Premium</u>	4135832	8794551
4 Advance Recoverable in Cash or Kind: Others Receivable	7106873	373478
TOTAL	26726224	27267423



Sr. Particulars No	₹ As at 31st March, 2013	₹ As at 31st March, 2012
Note - 22 : OTHER INCOME		
1 Bank FDR Interest (TDS ₹ 4,53,146)	4050973	5977918
2 Other Interest Income	276173	666525
3 Dividend Income from Others	30968	108975
4 Profit on Sale of Investments	8030100	1696550
5 Exchange Rate Fluctuation (net)	86401	0
6 <u>Commission Income</u>	175120	0
7 Other Non-Operating Income:		
- Kasar Vatav	250512	341026
- Insurance Claim Received	5170264	38236
- Tender Fee	80386	0
TOTAL	18150897	8829230
Note - 23 : OPERATING EXPENSE		
1 Consumption Spares, Oil & Other Operating Expense	161232445	191478203
2 Equipment Running & Maintenance Exps	3151891	7637508
TOTAL	164384336	199115710
Note - 24 : EMPLOYEE BENEFITS EXPENSE		
1 Salaries, Wages, Bonus etc	57937305	56502136
2 Director Remuneration & Perquisites	5682034	5650003
3 Contribution to Provident and Other funds	1142443	899226
4 Staff Welfare expenses	2929705	2806354
TOTAL	67691487	65857719
Note - 25 : FINANCE COSTS		
Interest Expenses:		
1 Interest Expenses on Hypothecation & Term loan	14329492	23518576
2 Interest & Finance Charges on Foreign Credit	34899113	7596669
3 Other Interest & Finance Charges	374046	4001473
Other Borrowing Cost		
4 Other Bank Charges	5149073	6483177
Foreign Currency Transaction & Translation Expenses:		
5 Forward/ Option Contract Premium	9548186	3372695
TOTAL	64299910	44972590



Sr. No	Particulars	₹ As at 31st March, 2013	₹ As at 31st March, 2012
Note - 26 : OTHER EXPENSES			
1	Electricity Expenses	1069761	788025
2	Rent	6579271	11117475
3	Repairs	10809554	876179
4	Insurance	2031324	2380661
5	Rates & Taxes	736036	2016441
6	Communication Exp	1357832	1630120
7	Traveling Exp. (Including Director Travelling ₹ 26,60,273)	9442428	7898064
8	Printing & Stationery	284350	204134
9	Donations	1896300	15372
10	Legal & Professional Charges	6567886	6197376
11	Payment to Auditors		
	- Audit Fees	117500	100000
	- Taxation Matters	25000	25000
	- Certification & Other Matters	50500	50000
12	Net Loss on Foreign currency transaction	0	951889
13	Bad Debt Written off	1797217	2992916
14	Loss on Sale of Fixed Asset	530421	160771
15	Xerox expense	149123	118552
16	Guest House Expenses	963664	1434422
17	Conveyance Expense	937235	766973
18	Entertainment Expense	146050	241911
19	Sales Promotion & Gifts	934460	728900
20	Advertisement Expenses	140044	111384
21	Hotel Boarding & Lodging Exp (Including Director Lodging)	3838965	948312
22	Security Service charges	673676	1263093
23	Tender Expenses	445051	469790
24	Office Expenses	968153	896002
25	Listing Fee Stock Exchange	150058	296006
26	Interest on Service tax	146093	223098
27	Freight & Landing Charges	25662	281095
28	Diesel & Petrol Exp	1077589	2679849
29	Labour Charges - Misc	95062	55595
30	ROC Filing Fee	10411	5724
31	ISO Certification Expenses	75000	0
32	Safety Expenses	11112	21993
33	Service Tax Expense	19130	0
34	Guest House Electricity Expense	54556	40857
35	Franking Charges	100	4100
36	Miscellaneous Expenses	1317381	541799
	TOTAL	55473955	48533878

Note 27 : Additional Information pursuant to Revised Schedule VI to the Companies Act 1956 is given as under so far as applicable to the Company.

Particulars	2012-13	2011-12
A Value of imports calculated on CIF basis		
Capital Goods, Freight, Insurance	₹ 98,33,921/-	₹ 62,81,32,825/-
Spare Parts	₹ 3,53,32,597 /-	₹ 2,74,73,009/-
B Expenditure in Foreign Currency		
Spares, Equipment, Freight	₹ 2,33,41,927 /-	₹ 66,13,32,454/-
Bank Charges & Other Expense	₹ 8,038 /-	₹ 2,10,993/-
Director's Travelling Expenses	₹ 27,45,770 /-	₹ 15,92,744/-
Interest on Foreign Loan	₹ 1,90,78,821/-	₹ 44,47,186
C Earnings in Foreign Currency		
Interest Income	NIL	67,294/-

D. Considering nature of activity it is not possible to ascertain the elements of Capital Commitment Expenditure to be executed on capital account.

E Contingent Liabilities:

i. Bank Guarantees

The company has given counter guarantees aggregating to ₹ 1849.82 Lacs (31st March 2012 ₹ 1730.22 Lacs) to banks as at 31st March 2013.

ii. Other Contingent Liabilities not provided for;

Name of Statute	Amount (₹ Lacs) 31.03.2013	Amount (₹ Lacs) 31.03.2012
Service tax	96.36	69.22

F The specified disclosures for non cancellable Operating Leases as required by Accounting Standard 19 – “Leases” are given below:

Particulars	Year Ended 31 st March 2013 (₹)	Year Ended 31 st March 2012 (₹)
Disclosures in respect of agreement for Office premises taken on lease:		
(i) Lease Payments recognized in the Profit and Loss Account in the year	74,23,183/-	91,20,840/-
(ii) Future Minimum lease payments under non cancellable operating lease:		
- Not later than one year	58,12,587/-	91,20,840/-
- Later than one year but not later than five years	65,58,111/-	2,47,78,281/-
- Later than Five year	Nil	Nil

G. Segment Reporting

Since 90% of consolidated revenue of the Company and its subsidiaries comes from primary domestic single segment i.e. Oil and Gas service activity and so there are no separate reportable segments as per Accounting Standard 17 - “Segment Reporting” issued by the Council of the Institute of Chartered Accountants of India.

H. Impairment of 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 will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets’ net selling price and value in use. In assessing the value in use the estimated future cash flows are discounted to the present value at the weighted average cost of capital. During the year there are no impairment losses on assets of the Company.

I. The Company during the Financial Year has received ₹ 7,83,75,000/- towards the balance value on 13,75,000 Convertible Warrants which were issued during the financial year 2011-12. The said allottees have made full payment for 13,75,000 warrants i.e. ₹ 76 each. On full payment of 13,75,000 warrant, the said allottees have exercised their option of conversion of Warrants to equity shares on 30.03.2013. On conversion on 30.03.2013, ₹ 1,37,50,000 is transferred to Issued Capital being issue of 13,75,000 equity shares of ₹ 10/- each and ₹ 9,07,50,000/- is transferred to Securities Premium account being Share premium of ₹ 66/- each.

J. As per Accounting Standard - 18, the disclosures of transactions with the related parties as defined in the Accounting Standard are given below:

(i) List of related parties where control exists and related parties, with whom transactions have taken place and relationships

Subsidiary Company	Deep Energy LLC, USA Prabha Energy Pvt. Ltd.	Deep Natural Resources Limited
Enterprises significantly influenced by KMP or RKMP	Deep Methane Private Limited Shree Kuchhi Jain Sewa Samaj	Adinath Exim Resources Limited
Key Management Personnel	Mr. Paras Savla Mr. Dharen Savla Mr. Ajaykumar Singhania Mr. Harish Bhide	Mr. Rupesh Savla Mr. Preme Singh Sawhney Mr. Vijay Shah Mr. Kirit Joshi
Relative of Key Management Personnel (RKMP)	Mr. Manoj Savla Mrs. Mita Manoj Savla Mrs. Shital Rupesh Savla	Mrs. Avani Savla Mrs. Priti Paras Savla

(i) Transactions during the financial year 2012-13 with the related parties are shown below:

Nature of transaction	KMP	RKMP	Subsidiaries	Enterprises significantly influenced
Remuneration & Sitting fees	12065000 (7285000)	96000 (96000)		
Contribution to charitable institutions				371000 (NIL)
Rent	2452266 (5047913)	3006466 (6647027)		372000 (372000)
Security Deposit	984000 (3797820)	1416000 (5323020)		
Perquisites	762033 (250003)			

Note: Figures in bracket represents previous year's figures

K. In compliance of Accounting Standard 22 on "Accounting for taxes on Income" issued by Institute of Chartered Accountants of India, the Group has provided accumulated net deferred tax liability in respect of timing difference as on 31st March, 2013. For item - wise details of deferred tax liability as on 31.03.2013 see Note 6.

L. Earnings per Share

The earnings considered in ascertaining the Company's EPS represent profit for the year after tax. Basic EPS is computed and disclosed using the weighted average number of equity shares outstanding during the year.

Calculation of EPS

Particulars	31.03.2013	31.03.2012
Profit after tax (₹ in lacs)	121602596	119672986
Weighted Average Number of shares considered as outstanding in computation of Basic EPS	26250000	23515068
Weighted Average Number of shares considered as outstanding in computation of Diluted EPS	26250000	23858818
Basic EPS, Shares of face value of ₹ 10 each (in ₹)	4.63	5.09
Diluted EPS, Shares of face value of ₹ 10 each (in ₹)	4.63	5.02

M. Current Liability related to Micro, Small and Medium Enterprises

The Company has not received information from vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence disclosure relating to amount unpaid to as at year end together with interest paid /payable under this Act have not been given.

The Company is making efforts to get the confirmation from the vendors as regards their status under the Act.

N. The Group prepares and represents its financial statements as per Schedule VI to the Companies Act, 1956 as applicable to it from time to time. In view of revision to the Schedule VI as per notification issue during the year by the Central Government, the financial statements for the financial year ended 31st March, 2013 have been prepared as per the requirements of the Revised Schedule VI to the Companies Act, 1956. The previous year figures have been accordingly regrouped/ re-classified to conform to the current year's classification.

Signature to Note 1 to 27

As per our report of even date attached

For & on Behalf of
Jayesh M. Shah & Co.
Chartered Accountants
F. R. N. 104173W
Jayesh M. Shah
Proprietor
M. No. 30638
Date : 25th May 2013
Place : Ahmedabad

For Deep Industries Limited

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 25th May 2013
Place : Ahmedabad



DEEP INDUSTRIES LIMITED

Registered Office : Opp. Suryanarayan Bunglows, Sabarmati-Kalol State Highway, Motera, Ahmedabad - 380 005

PROXY FORM

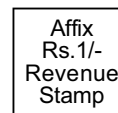
Memberships Folio No. _____

DP ID _____

Client ID _____

I/We _____ of _____
being a Member/Members of Deep Industries Limited, hereby appoint
_____ or failing him
_____ of _____ or failing him
him _____ of _____ as my/our Proxy to attend and vote for me/us
and on my/our behalf at the Annual General Meeting of the Company to held on Thursday, the 19th September, 2013 or any
adjournment thereof.

Signed this _____ Day of _____ 2013.



Signed by the said _____

of _____

Note : If a member is unable to attend the Meeting, he may sign this form and send it to the Company's Registered Office at :
Opp. Suryanarayan Bunglows, Sabarmati-Kalol State Highway, Motera, Ahmedabad - 380 005, so as to reach them not less
than 48 hours before the Meeting.

----- TERE HERE -----

DEEP INDUSTRIES LIMITED

Registered Office : Opp. Suryanarayan Bunglows, Sabarmati-Kalol State Highway, Motera, Ahmedabad - 380 005

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting convened at Conference Room, GCA Club House, Sardar Patel
Stadium, Motera, Ahmedabad, Gujarat on Thursday, the 19th September, 2013

Members Folio No. _____

DP ID _____

Client ID _____

Name of the Member attending the Meeting

In case of proxy, Name of Proxy

(Signature of Member/Proxy)
(To be signed at the time of
handing over this slip)

Note : Members/Joint Members are requested to bring the attendance slip with them.
