

DEEP INDUSTRIES LIMITED

Oil and Gas
Exploration, Production
and Services



22nd Annual Report 2011-2012



DEEP INDUSTRIES LIMITED

22nd Annual Report 2011-2012

BOARD OF DIRECTORS

Mr. Paras S. Savla	Chairman & Managing Director
Mr. Rupesh K. Savla	Managing Director
Mr. Dharen S. Savla	Executive Director
Mr. Premsingh Sawhney	Executive Director
Mr. Harish G. Bhide	Independent Director
Mr. Vijay R. Shah	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

SHARE TRANSFER 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, Gandhinagar - 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-Second Annual General Meeting of the members of Deep Industries Limited will be held on Friday, the 28th September, 2012 at 10.30 A.M at Conference Room, GCA Club House, Sardar Patel Stadium, Motera, Gandhinagar, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as on 31st March, 2012 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. Harish G. Bhide, who retires by rotation and being eligible offers himself for re-appointment.
3. 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 fix their remuneration.
4. To declare dividend on Equity Shares.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification the following resolutions as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Ajay Kumar Singhania, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 read with Article 138 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
6. To consider and if thought fit to pass with or without modification the following resolutions as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Premsingh Sawhney, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 read with Article 138 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
7. To consider and if thought fit to pass with or without modification the following resolutions as an Ordinary Resolution:
“**RESOLVED THAT** Mr. Kiritkumar V. Joshi, who was appointed as an Additional Director of the Company under Section 260 of the Companies Act, 1956 read with Article 138 of the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 from a member, in writing, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”
8. To consider and if thought fit to pass with or without modification the following resolutions as an Ordinary Resolution:
“**RESOLVED THAT** pursuant to the provisions of Section 198, 269 and 309 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956, or any statutory modification(s) or re-enactments thereof, approval of the company be and is hereby accorded to the appointment of Mr. Premsingh Sawhney as Whole Time Director of the Company for a period of 5 (Five) years with effect from January 2, 2012 on the remuneration and terms and conditions as given below with liberty to the Board of Directors to alter and vary the terms and conditions of appointment and /or remuneration, subject to the same not exceeding the limits specified under Schedule XIII to the Companies Act, 1956 or any other statutory modification(s) or re-enact thereof:
 - 1) Term : - 5 years from 02.01.2012 to 01.01.2017
 - 2) Basic Salary : - ₹ 2,50,000 per month.
 - 3) H.R.A. : - 60% of the Basic Salary.
 - 4) Special Allowance will be ₹ 1,45,150 per month.
 - 5) Food Allowance will be ₹ 3,600 per month
 - 6) Employee welfare Allowance will be ₹ 40,000 per month.



- 7) Leave Travel Allowances will be ₹ 5,000 per month.
- 8) Medical Allowance will be subject to maximum ₹ 1,250 per month.
- 9) Company's contribution to Provident Fund, Superannuation Fund or Annuity Fund where the said contribution are upto the limits which are not taxable under the Income-Tax, 1961.

Other Terms & Conditions

- 1) Mr. Premsingh Sawhney shall be liable to retire by rotation.
- 2) He shall not be entitled for the payment of sitting fees for attending the Board Meeting and Committee Meeting of the company.

“RESOLVED FURTHER THAT in the case of losses or inadequacy of profits in any financial year, the remuneration by way of salary, perquisites, allowances or any combinations thereof shall not exceed the aggregate of the annual remuneration as provided above or the minimum remuneration payable as per the limits set out in Section II of part II of Schedule XIII of the Companies Act, 1956 (including any statutory modification or re-enactments thereof, for the time being in force) or such other limits as may be prescribed by the Government from time to time as minimum remuneration.

“RESOLVED FURTHER THAT Mr. Premsingh Sawhney be and is hereby authorized to perform the duties of the Company and to carry out the orders and directions given by the Board from time to time in all respects and to do such acts and things necessary and incidental in the interest of the Company.”

“RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of Board of Directors

Date: 29th August, 2012
Place : Ahmedabad

PARAS SAVLA
Chairman & Managing Director

NOTES:

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under Item No. 5, 6, 7 and 8 of the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLE 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.
3. 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.
4. The Register of Members and Share Transfer Book of the company will remain closed from 22nd September, 2012 to 28th September, 2012 (both days inclusive).
5. Members holding shares in dematerialized form are requested to intimate any kinds of changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant. These Changes will be then automatically reflected in the Company's records which will help the Company and Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Pvt. Ltd. at Unit No. 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad – 380009.
6. Members/Proxies are requested to bring the Attendance Slip duly filled in.
7. 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.



8. The Ministry of Corporate Affairs (vide circular nos. 17/2011 and 18/2011 dated April 21, 2011 and April 29, 2011 respectively), has undertaken a 'Green Initiative in Corporate Governance' and allowed companies to send documents to its shareholders through an electronic mode. A recent amendment to the Listing Agreement with the Stock Exchanges permits companies to send soft copies of the Annual Report to all those shareholders who have registered their email address for the said purpose. Members are requested to support this Green Initiative by registering/updating their e-mail addresses for receiving electronic communications.

9. Director retiring by rotation:

Mr. Harish G. Bhide is Mechanical Engineer and has more than 43 years of experience in areas of Marketing and conducting on the job training Programme and Development of various Job training Modules. He has also been in the panel of Oil Industry Safety Directorate(OISD). He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He does not hold any shares in the Company.

By Order of Board of Directors

Date: 29th August, 2012
Place : Ahmedabad

PARAS SAVLA
Chairman & Managing Director

EXPLANATORY STATEMENT (Pursuant to Section 173(2) of the Companies Act, 1956)

As required by Section 173 of the Companies Act, 1956 ("Act") the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 5, 6, 7 and 8 of the accompanying Notice dated 29th August, 2012.

Item No. 5

Mr. Ajay Kumar Singhania was appointed as an Additional Director by the Board of Directors of the Company on 03.12.2011. As per provisions of Section 260 of the Companies Act, 1956 read with Article 138 of the Article of Association of Company, he holds office of director up to the date up to the date of this Annual General Meeting of the Company. Due notice and deposit under Section 257 of the Act, has been received from member proposing the appointment of Mr. Ajay Kumar Singhania as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

A brief profile of Mr. Ajay Kumar Singhania is set out hereunder as required under Clause 49 of Listing Agreement:-

Mr. Ajay Kumar Singhania aged 62 years, is a Chemical Engineering Graduate with MBA in General Management. He has more than 37 years of experience and superannuated as General Manager (Production) from ONGC in year 2010. In ONGC he had worked in various onshore geographical locations in India in the areas of operations and development of Oil & Gas field installations, Artificial Lift, Well Services, Enhance Oil Recovery, Gas Marketing, Project Management and planning of oil field related goods and services. He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He does not hold any shares in the Company.

The Board recommends the resolution as set out at Item no. 5 of the notice for your approval.

None of the Directors except the appointee is interested in the resolution set out in Item No. 6 of the Notice.

Item No 6 & 8:

Mr. Preamsingh Sawhney was appointed as an Additional Director by the Board of Directors of the Company on 02.01.2012. As per provisions of Section 260 of the Companies Act, 1956 read with Article 138 of the Article of Association of Company, he holds office of director up to the date of this Annual General Meeting of the Company. Due notice and deposit under Section 257 of the Act, has been received from member proposing the appointment of Mr. Preamsingh Sawhney as a Director of the Company. Further he has been appointed as Whole time Director of the Company w.e.f. 2nd January, 2012 for a period of five years by the Board of Directors on the terms and conditions as set out in Notice at Item 8. As per Companies Act, 1956, his appointment requires to be consented by the Members of the Company in the Annual General Meeting. Remuneration committee meeting held on 2nd January, 2012 approved the terms and conditions of his appointment.

A brief profile of Mr. Preamsingh Sawhney is set out hereunder as required under Clause 49 of Listing Agreement.

Mr. Preamsingh Sawhney aged 52 years, is M.Tech in Chemical Engineering. He has over 27 years of extensive and rich experience in the exploration & development of conventional & unconventional hydrocarbon resources. He had started his



professional career with the national oil company ONGC gaining experience in the Exploration and Production operations of the Conventional oil & gas industry. He had worked for about 10 years in ONGC. Later he moved to the private sector to gain experience in the Unconventional Hydrocarbon sector mainly Coal Bed Methane (CBM). He had also worked for Essar group (3 years) and Reliance Industries Limited (15 years). He was the operations manager for the first ever CBM project in India. Success of this project culminated in CBM industry taking shape in the country. He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He does not hold any shares in the Company.

The Board recommends the resolutions as set out at Item no. 6 & 8 of the notice for your approval.

None of the Directors except the appointee is interested in the resolution set out in Item No. 6 & 8 of the Notice.

Item No. 7:

Mr. Kiritkumar V. Joshi was appointed as an Additional Director by the Board of Directors of the Company on 29.06.2012. As per provisions of Section 260 of the Companies Act, 1956 read with Article 138 of the Article of Association of Company, he holds office of director up to the date of this Annual General Meeting of the Company. Due notice and deposit under Section 257 of the Act, has been received from member proposing the appointment of Mr. Kiritkumar V. Joshi as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation.

A brief profile of Mr. Kiritkumar V. Joshi is set out hereunder as required under Clause 49 of Listing Agreement:-

Mr. Kiritkumar V. Joshi aged 61 years, has done B.Sc. with Maths, Physics & Statistics and Diploma in Co-operation, from M.S. University, Baroda. He has more than 38 years of experience and had superannuated as Asst. General Manager from SBI in year 2011. He had over 3 decades of professional experience with the key focus on Banking Operations, Client Relationship Management and Team Management in the Banking Sector. During his career span, he had established a track record of achieving the projected targets, building dynamic sales teams and identifying high-yielding services and products. He does not hold any directorships in other companies nor is member or chairman of committees in other public Company. He does not hold any shares in the Company.

The Board recommends the resolution as set out at Item no. 7 of the notice for your approval.

None of the Directors except the appointee is interested in the resolution set out in Item No. 7 of the Notice.



DIRECTORS REPORT

To
The Members
Deep Industries Limited,
Ahmedabad.

Your Directors have pleasure in presenting Twenty-Second Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2012.

FINANCIAL RESULTS:

Particulars	(₹ In Lacs)	
	2011-12	2010-11
Sales/ Income from Operation	6043.92	4627.38
Other Income	91.46	187.01
Expenditure	3174.19	2063.21
Profit Before Interest and Depreciation	2961.19	2751.36
Less: Interest	449.43	375.05
Profit Before Depreciation	2511.76	2376.31
Less: Depreciation	705.80	623.24
Profit Before Tax	1805.95	1753.08
Less: Provision for Current Taxation	361.50	350.00
Deferred Taxation	241.44	217.47
Net Profit	1203.01	1185.69
Balance brought forward from last year	4067.41	3170.2
Exceptional Items (Profit/Loss)	0	0
Profit available for appropriation	5270.42	4355.81
APPROPRIATIONS:		
Transfer to General Reserve	150	150
Investment Reserve Fund	(0.85)	1.38
Proposed Dividend	124.38	117.5
Proposed Dividend Distribution Tax	20.18	19.52
Balance carried to Balance Sheet	4976.72	4067.41

DIVIDEND

Your Directors have recommended final dividend of Re.0.50/- (5 per cent) per Equity Share each of ₹ 10/- for financial year ended on 31st March, 2012, 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 21st September, 2012 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. Ajay Kumar Singhania, Mr. Kiritkumar Joshi were appointed as Additional Director upto the date of this report. They hold office upto the commencement of ensuing Annual General Meeting. Mr. Premsingh Sawhney is appointed as Additional Director and subsequently appointed as Whole time Director during the year under review. Mr. Prabodh Baruah has resigned from the Directorship during the year. Mr. Harish G. Bhide retire by rotation and being eligible, offer himself for re-appointment

For your perusal, a brief resume of the Directors being appointed/re-appointed and other relevant details are given in the Explanatory Statement and Note to the Notice convening the Annual General Meeting. The Board of Directors recommends their appointment/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 has 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 and its subsidiaries named Prabha Energy Private Limited, Deep Natural Resources Limited, Deep Energy LLC, U.S.A., 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, 2012 is included in Annual Report.

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.

Notes to Accounts referred to in the Auditor's report are self-explanatory and do not call for any other 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 (Particulars 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)	
	2011-12	2010-11
Earnings	Nil	Nil
Outgo	6571.99	1058.39

Details of unclaimed shares in terms of Clause 5A(I) of listing agreement as on 31st March, 2012

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, 2011	4	1489
Number of shareholders who approached to Issuer / Registrar for transfer of shares from suspense account during the year 2011-12	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year 2011-12	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, 2012	4	1489

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

ACKNOWLEDGEMENTS

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 : 29th August, 2012
Place : Ahmedabad

PARAS SAVLA
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

COMPANY OVERVIEW

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. 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.

INDUSTRY OUTLOOK

During the financial year 2011 - 2012, the crude oil and natural gas had registered a negative growth in India. The Indian economy is estimated to grow by 6.9 per cent in 2011-12, after having grown at the rate of 8.4 per cent in each of the two preceding years. However, by any cross country comparison, India remains among the front-runners in growth. Due to increasing energy requirement across the globe, prices of Oil and Gas have remained high.

OPPORTUNITIES & THREATS:

There are numerous opportunities in Oil and Gas Industry in India. Till date, Nine rounds of acreage awards have been completed in ten years in which over 260 blocks were licensed out to companies. There will be even more opportunities especially in unconventional sector.

Major issues faced by the Oil & Gas sector in India are skilled manpower, technology, infrastructure and equipment shortage.

STRATEGY OF THE COMPANY

Deep Industries Limited is in business of Oil and Gas Services, Exploration and Production. The company is planning to raise its drilling and compression capacity. Company is also looking to get into Offshore Drilling business. 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 Contract Compression service provider in India. Currently the Company is executing various natural gas compression projects with various Public and Private sector companies of India. The contract value of these projects is more than 280 Crores. The Company executes contract compression on turnkey basis, which includes supply of Equipment, Installation, Commissioning and Operation & Maintenance of gas engine driven compressor packages. The company is the largest private-sector Natural Gas compression company in India with more than 40,000 HP Compressors. Company is compressing about 35 Lacs Standard Cubic Meters of gas per day.

DRILLING AND WORK-OVER BUSINESS

Company has 6 Workover 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 500 wells. DIL has been successful in serving long term contracts since last 8 years. Company has bid for various drilling contracts within India as well across the globe.

OIL AND GAS EXPLORATION AND PRODUCTION BUSINESS

DIL has signed one Production Sharing Contract for Oil and Gas block in Chattisgarh in NELP-VII by Government of India. Total acreage of Company along with its partners is about 10,000 Sq. Km.

VN-ONN-2010/1, VN-ONN-2010/2 and CB-ONN-2010/3:

Deep Energy LLC (DEL), USA, subsidiary of Deep Industries Limited with its consortium partners has signed Production Sharing Contract for 3 Onshore blocks in NELP IX by Government of India. VN-ONN-2010/1 and VN-ONN-2010/2 blocks are situated in 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.

COAL BED METHANE (CBM) PROJECTS

Company has signed contracts for 2 CBM blocks namely SR-CBM-2005/III & GV(N)-CBM-2005/III under CBM III bidding round of Govt. of India.

SR-CBM-2005/III

DIL has completed drilling of 8 coreholes and also completed its drilling campaign of 5 test wells in its Phase-I Minimum Work Programme (MWP). DIL also drilled 1 additional corehole as additional work. The company has acquired CBM reservoir parameters like Thickness of coal seams, Gas content, Permeability, coal properties, etc., from the corehole campaign. The Economic Assessment of the Singrauli block has been carried out by Advanced Resources International, USA reporting positive results on economic viability. A sizable area of the block has been identified as a fairway for CBM production. Company is going ahead to Second phase of the exploration program.



GV (North)-CBM-2005/III

Deep Industries Limited has been accorded Environmental Clearance and 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 and for remaining 3 sites is in progress and activities will start once PEL is received.

Melak Mendung III CBM block in INDONESIA:

Company has signed the CBM production sharing contract (PSC) with BPMIGAS, the Indonesian Petroleum sector regulator, on 1st August 2011 along with its consortium partner. This CBM block "Melak Mendung III" is located in the East Kalimantan, Indonesia. Total area of the block is 995.7 Sq. Kms.

MARGINAL FIELDS

The company had signed Service Contract for the development of three onshore marginal fields with Oil and Natural Gas Corporation Limited. These fields are situated at Ghotaru, Bankia and Kharatar in Jaisalmer District, Rajasthan. These fields are spread over an area of 100 sq. km have a cumulative natural gas reserve base of 1.42 BCM. Marginal fields offer significant upside potential in terms of reserve accretion. Company is on the verge to start production from these fields in very short time.

FINANCIAL ANALYSIS OF DEEP INDUSTRIES LIMITED

SERVICE INCOME

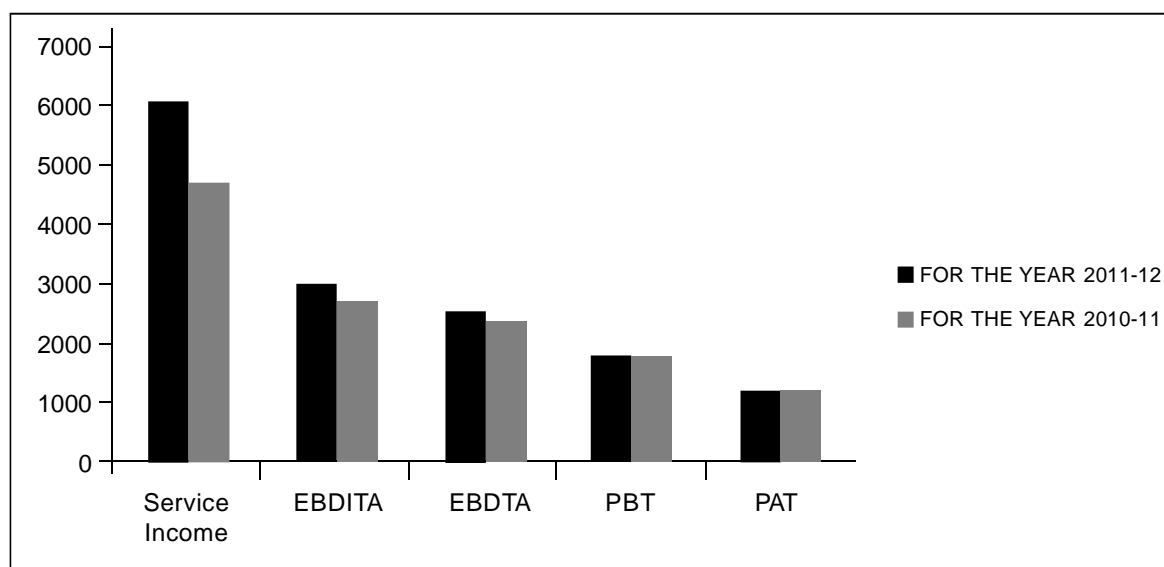
(₹ In Lacs)

Nature of Services	FY 11-12	FY 10-11	Change	Change %
Air, Gas Compression & Work Over Operation Services	6043.92	4627.38	1416.54	30.61
Total Business Income	6043.92	4627.38	1416.54	30.61

Service income of the Company has increased from ₹ 4627.38 lacs to ₹ 6043.92 lacs which show increase of 30.61% in operational income over the previous year.

(₹ In Lacs)

	FOR THE YEAR 2011-12	FOR THE YEAR 2010-11
SERVICE INCOME	6043.92	4627.38
EBDITA	2961.18	2751.36
EBDTA	2511.75	2376.31
PBT	1805.95	1753.08
PAT	1203.01	1185.61





OTHER INCOME

Other income decreased from ₹ 187.01 lacs to ₹ 91.46 lacs. Such decrease is mainly due to Foreign Exchange Rate Fluctuation.

OPERATING EXPENSES

Operating Expenses has increased from ₹ 1026.94 lacs to ₹ 1991.16 lacs commensurate with increased operations of the company. Operating expenses as a percentage of operating income has been increased from 16.74% to 32.45% which is still well with in industry norms.

STAFF COST

Employees' Remuneration & Benefits has increased from ₹ 603.93 lacs to ₹ 658.58 lacs which shows increase of 9.05%. Staff cost as a percentage of operating income has decrease from 10.73% to 9.84% compare to previous year. Staff Cost also includes Director's remuneration.

OTHER COST

Other Expenses has increased from 393.03 lacs to 485.34 lacs.

FINANCIAL CHARGES

Interest & Financial Charges has increased from ₹ 375.05 lacs to ₹ 449.43 lacs which shows increase of 19.83%. Financial Charges as a percentage of operating income has increase to 7.33% compared to 6.11% in the previous year. The said increase is in line with addition of fixed assets during the year.

DEPRECIATION

Depreciation has increased from ₹ 623.24 lacs to ₹ 705.80 lacs, with marginal increase of 13.25% over the previous year. This is because of addition to plant & machinery during the year which will reflect major increase in revenue during F.Y. 2011-12.

RISKS & CONCERNS

1. Prolonged deliveries of equipment from suppliers due to high demand.
2. Cyclical nature of business as it is dependent on oil & gas prices.
3. High cost of bidding in international market.
4. Scarcity of skilled personnel in market.
5. Dependence on few key customers.

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 achievement of Company's objectives and strategies. The Company provides to the employees a fair and equitable work environment and support from their peers with a view to develop their capabilities leaving them with the freedom to act and to take responsibilities for the task assigned. We provide our employees outstanding career development opportunities and reward to the staff for their good performance and loyalty to the organization. In order to meet 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 institute 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 responsibility 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 the date of this report 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, 2012**
Paras S. Savla	CMD - Executive	17	Yes	2(Member)	2
Rupesh K. Savla	MD - Executive	17	Yes	NIL	1
Dharen S. Savla	WTD - Executive	12	Yes	NIL	1
Prem Singh Sawhney (w.e.f. 02.01.2012)	WTD - Executive	2	N.A.	NIL	NIL
Vijay R. Shah	NED (I)	13	Yes	NIL	2
Harish G. Bhide	NED (I)	9	No	NIL	NIL
Prabodh Kumar Baruah (upto 08.06.2011)	NED (I)	1	N.A.	NIL	NIL
Ajay Kumar Singhania (w.e.f. 03.12.2011)	NED (I)	4	N.A.	NIL	NIL
Kiritkumar V. Joshi	NED(I)	N.A.	N.A.	N.A.	N.A.

* Chairmanship/membership of the Audit Committee and the Shareholders' Grievance Committee 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)

Minimum Four Board Meetings are required to be held in each year. During the Financial Year ended on 31st March, 2012 17(Seventeen) meetings of the Board of Directors were held on following dates:

Seventeen meetings of Board of Directors were held during the Financial year 2011-12 on 02.05.2011, 14.05.2011, 02.06.2011, 19.07.2011, 25.07.2011, 03.08.2011, 06.08.2011, 30.08.2011, 06.09.201, 09.09.2011, 22.10.2011, 14.11.2011, 03.12.2011, 09.12.2011, 02.01.2012, 14.02.2012 and 28.03.2012.

2. AUDIT COMMITTEE

The Audit Committee of company as on 31st of March, 2012 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.



The terms of reference of Audit Committee cover the matters as specified for Audit Committee under the 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 reflect 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 auditors about the finding during the audit of the company.
- Keeping watch on timely payment to shareholders and creditors.
- Reviewing the performance of Statutory Auditors.
- Reviewing the management discussion and analysis of financial condition and result of operations.
- Reviewing of significant related party transactions, if any.

Mr. Vijay R. Shah is the Chairman of the Committee. The Chairman was present at the last Annual General Meeting. As on 31st March, 2012, 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. Prabodh G. Baruah*	Member	Non- Executive, Independent	1
Mr. Paras Savla	Member	Executive, Non- Independent	3

* Mr. Prabodh G. Baruah has ceased to be a member of the Audit Committee w.e.f 08.06.2011 on his resignation as a Director.

The Board has, at its meeting held on 25th July 2011, re-constituted the Committee by appointing Mr. Paras Savla as member of the Committee.

Five meetings of Audit Committee were held during the financial year 2011-12 on 14.05.2011, 02.06.2011, 03.08.2011, 14.11.2011 and 14.02.2012.

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, 2012, the composition of the Investors Grievance 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. Prabodh G. Baruah*	Member	Non- Executive, Independent	1
Mr. Paras Savla	Member	Executive, Non- Independent	3

* Mr. Prabodh G. Baruah has ceased to be a member of the Investor Grievance Committee w.e.f 08.06.2011 on his resignation as a Director.

The Board has, at its meeting held on 25th July, 2011, re-constituted the Committee by appointing Mr. Paras Savla as member of the Committee. Four meetings of Investors Grievances Committee were held during the financial year 2011-12 on 14.05.2011, 03.08.2011, 14.11.2011 and 14.02.2012.

During the year ended 31st March, 2012, the Company has received Nil complaints and there is no complaint outstanding as on 31st March, 2012.



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, 2012, 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. Prabodh G. Baruah*	Member	Non- Executive, Independent	1
Mr. Ajay Kumar Singhania	Member	Non- Executive, Independent	1

* Mr. Prabodh G. Baruah has ceased to be a member of the Remuneration Committee w.e.f 08.06.2011 on his resignation as a Director. Mr. Ajay Kumar Singhania has been appointed as the member of Committee after appointing him as the Additional Director of the company.

Details of Remuneration of Managing Directors and Executive Director for the financial year 2011-12 are as under:

Sr No.	Name of Director	Amount Paid (₹ In Lacs)
1.	Paras Savla (Chairman & Managing Director)	19.06
2.	Rupesh Savla (Managing Director)	18.00
3.	Dharen Savla (Executive Director)	19.44
4	Mr. Premsingh Sawhney (Whole Time Director) *	18.75

* appointed w.e.f. January 2, 2012

One Meeting of Remuneration Committee was held during the financial year 2011-12 on 01.02.2012

5. ROUTINE TRANSACTION COMMITTEE

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

Terms of Reference

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

- (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 Fifteen times during the year 2011-12 and attended by all members.

6. GENERAL BODY MEETING

Details of last three Annual General Meetings:

Year	Date	Time	Venue	No. of Special Resolutions
2008-09	05/06/2009	4.00 P.M.	Shree Vishwakarma Hall, Sabarmati Gandhinagar Highway, Near Visat Petrol Pump, Motera Gandhinagar	3
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

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

During the year, the Company has passed special resolutions for issuance of 27,50,000 Convertible Warrants to promoters



& relatives of promoter group and for raising funds by way of issue of FCCB/GDR/QIP in the Extra Ordinary General Meeting held on 23rd November, 2011

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 of the Company. 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 requirements complied with has been disclosed at the relevant places.

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) 22nd Annual General Meeting

- Date : 28th September, 2012
- Time : 10.30 a.m.
- Venue : Conference Room, GCA Club House, Sardar Patel Stadium, Motera, Gandhinagar, Gujarat

(ii) Date of Book closure: 22nd September, 2012 to 28th September, 2012 (Both days inclusive)

(iii) Financial calendar for the year 2012-13

Board Meeting for approval of quarterly results (tentative schedule)

- June 30, 2012. : On or before 14th August, 2012
- September 30, 2012 : On or before 15th November, 2012
- December 31, 2012 : On or before 14th February, 2013
- March 31, 2013 : On or before 14th May, 2013

(iv) Dividend payment

The Board of Directors at their meeting held on 29/08/2012 recommended a final dividend of ₹ 0.50 per equity share of the face value of ₹ 10/- each for the financial year 2011-2012, subject to approval of the shareholders. Final dividend, if approved by the shareholders will be paid on or after 3rd October, 2012.

(v) Listing on Stock Exchange

The equity shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange Limited (NSE). The company has paid Annual Listing Fees for the year 2012-13.

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



(vii) **Market Price Data:**

High & Low price (based on closing price) and number of shares traded during each month in last Financial Year 2011 - 2012.

MONTH	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April, 2011	71.50	62.10	71.90	62.15
May, 2011	63.50	52.30	63.50	52.50
June, 2011	67.40	52.60	67.90	52.20
July, 2011	91.40	68.00	91.20	68.10
August, 2011	81.40	61.00	81.00	61.00
September, 2011	90.80	66.35	90.75	68.00
October, 2011	79.40	71.40	79.40	70.10
November, 2011	78.10	56.60	78.00	62.50
December, 2011	73.50	55.50	71.90	55.15
January, 2012	74.35	56.00	74.65	56.00
February, 2012	75.40	58.60	75.50	59.10
March, 2012	71.70	60.15	71.70	59.70

(viii) **Distribution of shareholding as on 31st March 2012.**

No. of Shares	No. of Holders	% of holders	No. of Shares	% of holding
1 to 500	10413	86.21	15,16,725	6.1
501 to 1000	878	7.27	7,14,870	2.87
1001 to 2000	358	2.96	5,49,621	2.21
2001 to 3000	137	1.13	3,53,504	1.42
3001 to 4000	58	0.48	2,08,114	0.84
4001 to 5000	59	0.49	2,79,763	1.12
5001 to 10000	81	0.67	6,05,245	2.43
10001 and above	94	0.78	2,06,47,158	83
Total	12078	100	2,48,75,000	100

(ix) **Shareholding Pattern of the Company as on 31st March, 2012**

Sr.No.	Category	No. of shares held	% of shareholding
1	Promoters	1,42,60,150	57.33
2	Mutual Fund and UTI	5,92,699	2.38
3	Clearing Member	4,63,243	1.86
4	Foreign Institutional Investors	42190	0.17
5	Private Corporate Bodies	28,50,961	11.46
6	NRIs/OCBs	1,14,040	0.46
7	Indian Public	65,51,717	26.34
8	Banks, Financial Institutions, Insurance Co. (Central/State Government Institution)	-	-
9	GDR	-	-
	Total	2,48,75,000	100



(x) Registrar and Share Transfer Agents

The investors may contact the Company's Registrar and Transfer Agent for the lodgement of transfer deeds and other documents or for any grievances / complaints 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, 2012, 2,48,74,889 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 company.

The Board of Directors of 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 30 days from the date of its lodgement, if documents are complete in all respects.

(xii) Outstanding GDRs/ADRs/Warrants or any Convertible instruments and its likely impact on equity.

The Company has not issued any GDR/ADR during the year. The Board of Directors of the company has made allotment of 27,50,000/- Convertible warrants of ₹ 76/- each to the Promoters / Relatives of Promoter on December 9, 2011 on preferential basis after receiving 25% application money from them in accordance with relevant SEBI guidelines.

The company has, on receipt of 100 % consideration in respect of 13,75,000 warrants, converted their warrants into equity shares and has allotted 13,75,000 equity shares of ₹ 10/- each at a premium of ₹ 66/- per Shares to Promoters/ Relatives of promoter. This has increase the stake of Promoters in the company from 54.83 % to 57.33 %. The company has obtained all the Listing, Trading and other permission & approvals from the stock exchanges and these shares are admitted on the stock exchanges to be dealt there at.

As on March 31, 2012 outstanding Convertible Warrants represent 13,75,000 equity shares of ₹ 10/- each. After conversion of the said warrants, the paid up equity share capital of the Company shall be ₹ 26,25,00,000 divided into 2,62,50,000 Equity Shares of ₹ 10/- each.

(xiii) Address for correspondence

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

The Company Secretary & Compliance Officer

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: 29th August, 2012

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, 2012.

Date : 29/08/2012
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, 2012, 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 : 29.08.2012
Place : Ahmedabad**

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



AUDITORS' REPORT

To,
The Members,
Deep Industries Limited.

1. We have audited the attached Balance Sheet of **DEEP INDUSTRIES LIMITED** as at 31st March, 2012 and also Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's report) Order, 2003 as amended by the Companies (Auditor's report) Amendment Order, 2004 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
- 4 Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - (ii) 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 ;
 - (iii) The Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company ;
 - (iv) In our opinion, the Balance sheet and Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - (v) On the basis of written representation received from the directors, as on 31st March 2012 and taken on record by the Board of Directors of the Company and the information and explanations given to us, we report that none of the directors is disqualified as on 31st March 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts subject to the effect of such adjustments, if any, as might have been required for and read together with the significant accounting policies and notes thereon give the information required by the Companies Act, 1956, 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 Balance Sheet, of the state of affairs of the Company as at 31st March, 2012 ; and
 - ii. in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
 - iii. In the case of Cash Flow statement, of the cash flows for the year ended on that date.

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

Place : Ahmedabad
Date : 29th August, 2012

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

ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of the Auditors' Report of even date to the members of Deep Industries Limited on the financial statements for the year ended 31st March, 2012.)

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 two subsidiary Company. In respect of the said loans the maximum amount outstanding at any time during the year is Rs. 36.62 Lacs and the year end balance is ₹ 16.76 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 free 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 on 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 Rs. 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 has not been 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. 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, 2012 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	69.22	F.Y 2006-07 to F.Y 2010-2011	Service tax dept.

10. The Company does not have any accumulated losses as at 31st March, 2012 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 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 : 29th August, 2012

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



BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No	₹ As at 31st March 2012	₹ As at 31st March 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	248750000	235000000
(b) Reserves and Surplus	4	1239992947	1022452432
(c) Money Received Against Shares Warrants	3	26125000	-
		1514867947	1257452432
2 Share Application Money pending for Allotement			
		-	-
3 Non-current Liabilities			
(a) Long-term Borrowings	5	934766362	330748358
(b) Deferred Tax Liabilities	6	124831101	100686638
(c) Other Long-term Liabilities	7	22938627	21565256
		1082536090	453000252
4 Current Liabilities			
(a) Short-term Borrowings	8	79186649	66492519
(b) Trade Payables	9	117479157	19038128
(c) Other Current Liabilities	10	18684145	15189252
(d) Short-term Provisions	11	313642264	128964793
		528992215	229684691
TOTAL ₹		3126396253	1940137374
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
i) Tangible Assets	12	1402579770	1067875354
ii) Intangible Assets	12	2801978	2609687
iii) Capital Work in Progress	12	960701714	354114339
		2366083462	1424599380
(b) Non-current Investments	13	2725929	2725929
(c) Long-term Loans and Advances	14	18748431	20679568
(d) Other Non-Current Assets	15	29257601	29257601
		50731961	52663098
2 Current Assets			
(a) Current Investments	16	47698640	46002099
(b) Inventories	17	43242365	33192417
(c) Trade Receivables	18	220213557	129651989
(d) Cash and Cash Equivalents	19	41634551	53631358
(e) Short-term Loans and Advances	20	329563115	178214087
(f) Other Current Assets	21	27228601	22182945
		709580829	462874895
TOTAL ₹		3126396253	1940137374

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 : 29th August 2012
Place : Ahmedabad

For Deep Industries Limited

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 29th August 2012
Place : Ahmedabad



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2012

Particulars	Note No	₹ For the Year Ended 31/03/2012	₹ For the Year Ended 31/03/2011
I. INCOME			
Revenue from Oil & Gas Services		604391579	462737626
II Other Income	22	9145914	18700610
III Total Revenue (I + II)		<u>613537493</u>	<u>481438236</u>
IV Expenses			
- Operating Expense	23	199115710	102694428
- Employee benefits expenses	24	65857719	60392829
- Finance Costs	25	44943124	37504814
- Depreciation and Amortization expense	12	70579696	62323765
- Other Expenses	26	48533878	39302949
- Preliminary Expense Written Off		3911874	3911874
Total Expenses		<u>432942001</u>	<u>306130658</u>
V Profit before exceptional items and tax (III - IV)		180595492	175307578
VI Exceptional items		—	—
VII Profit/(Loss) before tax (V - VI)		<u>180595492</u>	<u>175307578</u>
VIII Tax Expense :			
(1) Current Tax		36150000	35000000
(2) Deferred Tax		24144463	21746761
		<u>60294463</u>	<u>56746761</u>
IX Profit / (Loss) for the year (VII - VIII)		<u>120301029</u>	<u>118560817</u>
X Earnings per Equity Share of ₹ 10 each			
— Basic		5.12	5.50
— Diluted		5.04	5.50

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 : 29th August 2012
Place : Ahmedabad

For Deep Industries Limited

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 29th August 2012
Place : Ahmedabad



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2012

PARTICULARS	₹ 2011-12	₹ 2010-11
CASH FLOWS FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit & Loss Account	180595492	175307578
Adjustment for :		
Depreciation Expenses	70579696	62323765
Interest Expenses	44943124	31293731
Dividend Income	-93935	-2184196
Interest Income	-6976167	-4883643
(Gain)/ Loss Foreign Currency Fluctuation	951889	-6451210
(Profit)/Loss on Sale of Investments	-1696550	-83218
(Profit)/Loss on Sale of Fixed Assets	160771	2812
Preliminary Expenses Written Off	3911874	3911874
	111780703	83929915
Operating Profit before Working Capital Changes	292376195	259237493
Changes in Working Capital		
Adjustment for		
Inventories	-10049948	-12948926
Trade Receivables	-90561568	-25853273
Loans & Advances	-193701624	-15015062
Trade Payable & Other Liabilities	329264985	-11291955
	34951845	-65109216
CASH FLOW FROM OPERATION	327328040	194128277
Cash Flow from Exceptional Claim		
Income Tax Paid During the Year (Net off Refund Received)	-43523991	-40987228
	-43523991	-40987228
NET CASH GENERATED BY OPERATING ACTIVITIES	283804049	153141049
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Addition in		
Capital Work in Progress	-991392974	-227709304
Sale of Fixed Assets	750000	9500
Purchase of Investments	-22698640	0
Sale of Investments	21002099	71894802
Interest Income	6976167	4883643
Dividend Income	93935	2184196
Profit from Sale of Investments	1696550	83218
	-983572864	-148653945
NET CASH USED IN INVESTING ACTIVITIES	-983572864	-148653945
CASH FLOWS FROM FINANCING ACTIVITIES :		
Interest Paid	-44943124	-31293731
Foreign Currency Fluctuation Gain	-951889	6451210
Proceeds from Issue of Share Capital/Convertible Warrants (Net of Expenses / Recovery of Expenses)	130625000	97875000
Proceeds from Secured Loans	616712134	-51960929
Dividend and Dividend Distribution Tax Paid	-13670113	-12387202
	687772008	8684348
NET CASH FROM FINANCING ACTIVITIES	687772008	8684348
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-11996807	13171452
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	53631358	40459906
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	41634551	53631358

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 : 29th August 2012

Place : Ahmedabad

For Deep Industries Limited

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 29th August 2012

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 year end are restated at the year end rate. In case of items which are covered by forward exchange contract, the difference between year end rate and rate on the date of the contract is recognised as exchange difference and premium paid on forward contracts and option contract is recognised over the life of the contract.
- (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, 2012 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 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

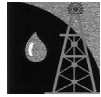
Company's Income comprises of Work over Rig Services, Gas Compression and Air Compression and Other Oil and Gas Services.

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, 2012	₹ As at 31st March, 2011
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Note - 3 : SHARE CAPITAL

1. AUTHORISED CAPITAL

3,50,00,000 Equity Shares of ₹ 10/- each with voting rights	<u>350000000</u>	<u>350000000</u>
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2. ISSUED, SUBSCRIBED & PAID UP EQUITY SHARE CAPITAL

2,48,75,000 Equity Shares of ₹ 10/- each fully Paid up with voting rights (P.Y. 23500000 Equity Shares of ₹ 10/- each)	248750000	235000000
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(During the year, 13,75,000 Equity shares of ₹ 10/- each fully paid up were issued on Conversion of Convertible Warrants)

TOTAL

<u>248750000</u>	<u>235000000</u>
------------------	------------------

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 2012		As at 31 March 2011	
	No of Shares	Value ₹	No of Shares	Value ₹
— At the beginning of the year	23500000	235000000	21250000	212500000
— Movement during the period (Shares Warrant Issued and Converted into Equity Shares)	1375000	13750000	2250000	22500000
— Outstanding at the end of the year	24875000	248750000	23500000	235000000

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, 2012		As at 31st March, 2011	
	No. of Share held	% of Holding	No. of Share held	% of Holding
KANVEL FINANCE PVT. LTD.	4591080	18.46%	4591080	19.54%
SAVLA ENTERPRISE PVT. LTD.	2277000	9.15%	2277000	9.69%
PRABHAVATI PROPERTIES PVT. LTD.	1892500	7.61%	1892500	8.05%
IDFC PREMIER EQUITY FUND	0		1506121	6.41%
ADINATH EXIM RESOURCES LTD	0		1228000	5.23%
	8760580		11494701	

5. CONVERTIBLE WARRANTS

Issued, subscribed & Paid up :

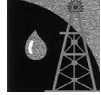
(i) 22,50,000 Warrants of ₹ 58/- Each & ₹ 14.50/- Paid up on Each Warrant issued during the previous year	0	32625000
(ii) 13,75,000 warrants of ₹ 76/- each to make it fully paid of ₹ 76/- each during the year	104500000	
(iii) 13,75,000 warrants of ₹ 76/- each to make it & Application Money of ₹19/- each received during the year	26125000	0
(iv) 22,50,000 warrants of ₹ 43.5/- each to make it fully paid of ₹ 58/- each during the year	0	97875000
Less: 13,75,000 warrants converted to fully paid up equity shares of ₹ 10/- each at a premium of ₹ 66 per share	(104500000)	*26125000 (130500000)
TOTAL	<u>26125000</u>	<u>0</u>

TERMS AND RIGHTS ATTACHED TO WARRANTS:

(During the year 27,50,000 Shares Warrants issued at price of ₹ 76 each of which 13,75,000 warrant fully paid up (₹ 76 each) converted in to Equity Shares. Balance 13,75,000 Warrant of ₹ 76 each paid up ₹ 19 Each is pending for Allotment.

The offer is made selectively to the Promoters and Relatives of Prmoter'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 shall be 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.

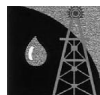
If the allottee of warrant does not opt for conversion and does not make balance payment within 18 months, the amount paid on application and allotment will be forfeited.

The amount payable on application shall be ₹ 19/- per convertible warrant and the balance amount of ₹ 57/- 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, 2012	₹ As at 31st March, 2011
Note - 4 : RESERVES & SURPLUS			
A	Capital Reserve - Securities Premium		
	Opening Balance	524587500	416587500
	Addition during the year	90750000	108000000
	Written back during the year	0	0
	Closing Balance	615337500	524587500
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	50000000	35000000
	Addition during the year	15000000	15000000
	Written back during the year	0	0
	Closing Balance	65000000	50000000
D	Investment Reserve Fund		
	Opening Balance	487164	349335
	Addition during the year	85250	137829
	Written back during the year	0	0
	Closing Balance	572414	487164
E	Foreign Currency Monetary Translation Reserve		
	Opening Balance	636720	4452177
	Add; Effect of Foreign Exchange Rate Variation During the year	21581380	636720
	(Less): Transfer to Statement of Profit & Loss	(636720)	(4452177)
	Closing Balance	21581380	636720
F	Surplus in Statement of Profit & Loss		
	Opening Balance	406741048	317019734
	Addition during the year	120301029	118560818
	Less: Proposed Equity Dividend for the year	(12437500)	(11750000)
	Less: Tax on Proposed Equity Dividend	(2017673)	(1951675)
	Less: Investment Reserve Fund	(85250)	(137829)
	Less: Transfer to General Reserve	(15000000)	(15000000)
	Closing Balance	497501653	406741048
	TOTAL	1239992947	1022452432



Sr. Particulars No	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Note - 5 : LONG TERM BORROWINGS		
i) Term Loans		
A From Banks		
Secured	1013375418	395487071
Less: Short Borrowings Due within next 12 Months	(78609056)	(65314926)
TOTAL	934766362	330172145
B From Others Financial Institution		0
Secured	577593	1153806
Less: Short Borrowings Due within next 12 Months	(577593)	(577593)
TOTAL	0	576213
TOTAL	934766362	330748358

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

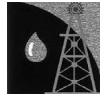
- i) Rupee Term Loan and Foreign Currency Term Loan from State Bank of India as mentioned above is secured by hypothecation of Air Compressor, Gas Compressor, Work over Rigs and other Misc. Assets and further secured by personal guarantee of Directors and equitable mortgage of immovable properties situated 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.

Note - 6 : DEFERRED TAX LIABILITIES

Opening Balance	100686638	78939877
Addition during the year	24144463	21746761
Written back during the year		
Closing Balance	124831101	100686638

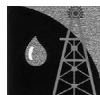
Note - 7 : OTHER LONG TERM LIABILITIES

A Acceptance (Refer Note 27 Point 'M')		
i Acceptance	192417	77973
ii Other than Acceptance		
a Buyer's Credit Interest accrued but not due on borrowings	1686640	427713
b Others	21059570	21059570
TOTAL	22938627	21565256



ANNUAL REPORT 2011-12
DEEP INDUSTRIES LIMITED

Sr. Particulars No	₹ As at 31st March, 2012			₹ As at 31st March, 2011						
Note - 8 : SHORT TERM BORROWINGS										
A SECURED										
i Working Capital Credit facility*										
- From Bank				77274126		63966904				
ii Buyers credit arrangements				0		0				
iii Foreign Currency Term Loan				0		0				
iv Term Loan				36971		987548				
v Vehicle Loan from Bank and Other Financial Institution				1875552		1538067				
(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).										
- (Working Capital Facility of Deutsche Bank AG is secured by plege of approved mutual fund investment held in the name of the company.										
TOTAL				79186649		66492519				
B UNSECURED LOANS										
TOTAL				0		0				
				79186649		66492519				
Note - 9 : TRADE PAYABLES										
A Acceptance (Refer Note 27 Point 'M')										
				117479157		19038128				
B Other than Acceptance										
				0		0				
TOTAL				117479157		19038128				
Note - 10 : OTHER CURRENT LIABILITIES										
A Statutory Dues				18609066		15145735				
B Unclaimed Dividend				75080		43517				
TOTAL				18684145		15189252				
Note - 11 : SHORT TERM PROVISIONS										
A Provision for Salary				5631285		4913955				
B Provision for Current Year Income Tax				36150000		78850000				
C Proposed Dividend				12437500		11750000				
D Tax on Proposed Equity Dividend				2017673		1951675				
E Provision for Other Expense				257405806		31499163				
TOTAL				313642264		128964793				
Note - 12 : FIXED ASSETS										
Sr.	NAME OF THE ASSET	Gross Block			Depreciation			Net Block		
		As at 01.04.2011	Additions during the year	Deduction during the year	As at 31.03.2012	As at 01.04.2011	Additions during the year	Deduction during the year	As at 31.03.2012	As at 31.3.2011
A) Tangible Assets										
(A) Tankers	835000	0	0	835000	817462	7016	0	824478	10523	17538
(B) Cranes	697075	0	0	697075	254396	78839	0	333235	363840	442679
(C) Vehicles	15022304	5250619	1337008	18935915	4082629	1461779	426238	5118170	13817746	10939675
(D) Air Compressor	11503401	0	0	11503401	7078091	752517	0	7830608	3672793	4425310
(E) Gas Compressor	825589210	335839132	0	1161428342	121754584	43190543	0	164945127	996483207	703834626
(F) Computers	5173324	551924	0	5725248	3518522	442806	0	3961328	1763916	1654802
(G) Shed, Foundation & Road	14972245	2482844	0	17455089	9994489	1995311	0	11989800	5465290	4977756
(H) Office Buildings	7158358	0	0	7158358	2332895	482546	0	2815441	4342916	4825462
(I) RIGS	383533078	61271566	0	444804644	54264632	20968620	0	75233252	369571392	329268446
(J) Office Equip, Fur. & Fixtures	8878782	148496	0	9027278	2379373	567609	0	2946982	6080296	6499409
(K) Other Plant & Machinery	1464116	86115	0	1550231	474464	67915	0	542379	1007852	989652
Total " A "	1274826893	405630696	1337008	1679120581	206951539	70015501	426238	276540802	1402579770	1067875354
B) Intangible Assets										
(A) SOFTWARES	2907543	756486	0	3664029	297856	564195	0	862051	2801978	2609687
Total " B "	2907543	756486	0	3664029	297856	564195	0	862051	2801978	2609687
C) Capital Work in Progress										
(A) Capital Work in Progress	354114339	656288032	49700657	960701714	0	0	0	0	960701714	354114339
Total " C "	354114339	656288032	49700657	960701714	0	0	0	0	960701714	354114339
Total " A + B + C "	1631848775	1062675214	51037665	2643486324	207249395	70579696	426238	277402853	2366083462	1424599380
PREVIOUS YEAR	1404175804	328525016	100852045	1631848775	144949651	62323765	24021	207249395	1424599380	



Sr. No	Particulars	No. of Shares 31st March, 2012	₹ As at 31st March, 2012	No. of Shares 31st March, 2011	₹ As at 31st March, 2011
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
TOTAL			2725929		2725929
Market Value of Quoted Investment			302025		387275
Book Value of Unquoted Investment			1851490		1851490

Sr. No	Particulars	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Note - 14 : LONG TERM LOANS AND ADVANCES			
Advances Recoverable in Cash or Kind:			
A	Deposits		
	Unsecured, Considered good	0	0
B	Loans and Advances		
	Unsecured, Considered good (Loan given to Subsidiary Company)	1676251	3607388
C	Balance with Govt. Authorities (Unsecured, Considered Good)		
	VAT Receivable	1900532	1900532
D	Other Loans and Advances (Unsecured, Considered good)		
	Advances to Vendors	15171648	15171648
TOTAL		18748431	20679568

Note - 15 : OTHER NON-CURRENT ASSETS

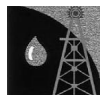
Long Term Trade Receivables

Outstanding for more than Twelve Months

	Unsecured, Considered good	29257601	29257601
TOTAL		29257601	29257601

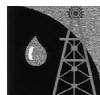
Note - 16 : CURRENT INVESTMENTS

Sr. No	Particulars	No. of Units 31st March, 2012	₹ As at 31st March, 2012	No. of Units 31st March, 2011	₹ As at 31st March, 2011
Investments in Mutual Fund Unquoted					
A	SBI DFS - 15 MONTH-5- GROWTH			2100210	21002099
B	Templeton India Income Opportunities Fund	2500000	25000000	2500000	25000000
C	SBI DEBT FUND SERIES- 367 DAYS 1 GROWTH	2269864	22698640		
TOTAL			47698640		46002099
Market Value of Unquoted investments			52657324		48166355

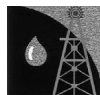


ANNUAL REPORT 2011-12
DEEP INDUSTRIES LIMITED

Sr. No	Particulars	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Note - 17 : INVENTORIES			
A	Stores & Spares (Valued at Lower of Cost or Market Value)	41618474	32055889
B	Stock of Oil	1623891	1136528
	TOTAL	43242365	33192417
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	39627618	110322414
B	Trade receivables outstanding for a period less than Six months from the date they are due for payment		
	Unsecured, considered good	180585939	19329575
	TOTAL	220213557	129651989
Note - 19 : CASH AND CASH EQUIVALENTS			
A	Cash and Cash Equivalents		
i	Cash on hand	155811	318320
ii	Balances with Banks		
	- In Current Account	1911664	727174
	- In EEFC Account	(241)	0
	- Unpaid Dividend with HDFC Bank	75078	43517
	- Unpaid Warrant with HDFC Bank	401	338
B	Other Bank Balances		
	In Fixed Deposits held as Margin Money *	39491838	52542009
	TOTAL	41634551	53631358
* Balance with Bank include Deposit held as Margin Money amounting to ₹ 22617289 (as at 31/03/2011 ₹ 47824369) 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	11031427	11008937
2	Loan to Staff	91539	41660
3	Prepaid Expenses	4480657	5048349
4	Balance with Govt Authorities		
	- CENVAT Receivable	30219314	10278105
	- Advance Tax and TDS for Prior Years (Net of Provision)	5014152	80461832
	- Advance Tax and TDS Current Year	40121477	0
	- Professional Tax Receivable	800	0
5	Others		
	- Foreign Currency Receivable	238603750	28486291
	- Advance for Goods	0	42888913
	TOTAL	329563115	178214087
Note - 21 : OTHER CURRENT ASSETS			
1	Interest Accrued on Deposit	2322933	1427246
2	Preliminary Expense	15737639	19649513
3	Deferred Forward Premium	8794551	856264
4	Advance Recoverable in Cash or Kind:		
	Others Receivable	373478	249922
	TOTAL	27228601	22182945



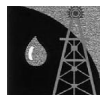
Sr. Particulars No	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Note - 22 : OTHER INCOME		
1 Bank FDR Interest	5910624	2899551
2 Other Interest Income	1065543	1984092
3 Dividend Income from Others	93935	2184196
4 Profit on Sale of Investments	1696550	83218
5 Exchange Rate Fluctuation (net)	0	6451210
6 <u>Other Non-Operating Income:</u>		
- Kasar Vatav	341026	2863076
- Insurance Claim Received	38236	504816
- Bad Debt Recovered	0	1730451
TOTAL	9145914	18700610
Note - 23 : OPERATING EXPENSE		
1 Consumption Spares, Oil & Other Operating Expense	191478203	98678985
2 Equipment Running & Maintenance Exps	7637508	4015443
TOTAL	199115710	102694428
Note - 24 : EMPLOYEE BENEFITS EXPENSE		
1 Salaries, Wages, Bonus etc	56502136	51005770
2 Director Remuneration & Perquisites	5650003	5638973
3 Contribution to Provident and Other funds	899226	817264
4 Staff Welfare expenses	2806354	2930822
TOTAL	65857719	60392829
Note - 25 : FINANCE COSTS		
Interest Expenses		
1 Interest Expenses on Hypothecation & Term loan	23518576	13705944
2 Interest & Finance Charges on Foreign Credit	7596669	10866424
3 Other Interest & Finance Charges	4001473	333758
Other Borrowing Cost		
4 Other Bank Charges	6453711	7262513
Foreign Currency Transaction & Translation Expenses:		
5 Forward/ Option Contract Premium	3372695	5336175
TOTAL	44943124	37504814



Sr. No	Particulars	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Note - 26 : OTHER EXPENSES			
1	Electricity Expenses	788025	674195
2	Rent	11117475	6419766
3	Repairs	876179	1395137
4	Insurance	2380661	2003407
5	Rates & Taxes	2016441	796357
6	Communication Exp	1630120	2478566
7	Traveling Exp. (Including Director Travelling ₹ 25,42,973)	7898064	7225476
8	Printing & Stationery	204134	468571
9	Donations	15372	1452400
10	Legal & Professional Charges	6197376	5033809
11	Payment to Auditors		
	- Audit Fees	100000	100000
	- Taxation Matters	25000	25000
	- Certification & Other Matters	50000	25000
12	Net Loss on Foreign currency transaction	951889	0
13	Bad Debt Written off	2992916	648333
14	Loss on Sale of Fixed Asset	160771	2812
15	Xerox expense	118552	147519
16	Guest House Expenses	1434422	1354503
17	Conveyance Expense	766973	513776
18	Entertainment Expense	241911	274590
19	Sales Promotion & Gifts	728900	423239
20	Advertisement Expenses	111384	481286
21	Hotel Boarding & Lodging Exp (Including Director Lodging)	948312	1096885
22	Security Service charges	1263093	695807
23	Tender Expenses	469790	389116
24	Office Expenses	896002	650919
25	Listing Fee Stock Exchange	296006	178750
26	Interest on Service tax	223098	144188
27	Freight & Landing Charges	281095	0
28	Diesel & Petrol Exp	2679849	0
29	Labour Charges - Misc	55595	292822
30	ROC Filing Fee	5724	528625
31	ISO Certification Expenses	0	136130
32	Safety Expenses	21993	392084
33	Service Tax Expense	0	678754
34	Guest House Electricity Expense	40857	103730
35	Franking Charges	4100	1239700
36	Miscellaneous Expenses	541799	831698
	TOTAL	48533878	39302949

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	2011-12	2010-11
A Value of imports calculated on CIF basis		
Capital Goods, Freight, Insurance	₹ 62,81,32,825/-	₹ 8,96,17,520/-
Spare Parts & Expenses	₹ 2,74,73,009/-	₹ 1,44,34,073/-
B Expenditure in Foreign Currency		
Spares, Equipment, Freight & Expense	₹ 65,56,05,834/-	₹ 10,40,51,593/-
Director's Travelling Expenses	₹ 15,92,744/-	₹ 17,88,330/-
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 ₹ 1730.22 Lacs (31st March 2011 ₹ 1767.31 Lacs) to banks as at 31st March 2012.

ii. Other Contingent Liabilities not provided for;

Name of Statute	Amount (₹ Lacs)	Amount (₹ Lacs)
	31.03.2012	31.03.2011
Service tax	69.22	4.35

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 2012 (₹)	Year Ended 31 st March 2011 (₹)
Disclosures in respect of agreement for Office premises taken on lease:		
(i) Lease Payments recognized in the Profit and Loss Account in the year	91,20,840/-	48,13,774/-
(ii) Future Minimum lease payments under non cancellable operating lease:		
- Not later than one year	91,20,840/-	91,20,840/-
- Later than one year but not later than five years	2,47,78,281/-	3,38,99,121/-
- 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

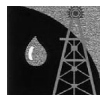
The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater 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 ₹ 13,06,25,000/- towards value of 27,50,000 Convertible Warrants issued during previous year at ₹ 76 each. The said allottees have made full payment for 13,75,000 warrants i.e. ₹ 76 each. For balance 13,75,000 warrants the said allottees have made payment of ₹ 19 each (application money). On full payment of 13,75,000 warrant, the said allottees have exercised the option of conversion to equity shares on 28.03.2012. On conversion ₹ 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 Share 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 Visat Automobiles
Key Management Personnel	Mr. Paras Savla Mr. Rupesh Savla Mr. Dharen Savla Mr. Prem Singh Sawhney Mr. Ajaykumar Singhania Mr. Vijay Shah Mr. Harish Bhide 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 2011-12 with the related parties are shown below:

Nature of transaction	KMP	RKMP	Subsidiaries	Enterprises significantly influenced
Remuneration & Sitting fees	7285000 (5400000)	96000 (95760)		
Contribution to charitable institutions				NIL (101000)
Rent	5047913 (2822211)	6647027 (3606078)		372000 (372000)
Security Deposit	3797820 (3797820)	5323020 (5323020)		
Perquisites	250003 (238972)			
Loan Given			486548 (3833750)	
Loan Received Back			2417685 (6586100)	
Outstanding Loan Balance at Year End			1676251 (3607388)	
Investment			1841490 (230970)	

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, 2012. The item - wise details of deferred tax liability as on 31.03.2012 are as under:

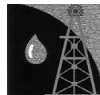
	(₹ in Lacs)	
Deferred Tax Liability	2011-12	2010-11
Difference between book and tax difference as on 1st April	1006.87	789.40
Add/(Less): Deferred Tax Liability (net)		
(a) On account of Depreciation and other expense	241.44	217.47
Less : Deferred Tax Assets	-	-
Deferred Tax Liability (Net)	241.44	217.47
Difference between book and tax difference as on 31st March	1248.31	1006.87

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	31.03.2012	31.03.2011
Profit after tax (₹ in lacs)	120416025	118560817
Weighted Average Number of shares considered as outstanding in computation of Basic EPS	23515068	21545000
Weighted Average Number of shares considered as outstanding in computation of Diluted EPS	23858818	21545000
Basic EPS, Shares of face value of ₹ 10 each (in ₹)	5.12	5.50
Diluted EPS, Shares of face value of ₹ 10 each (in ₹)	5.05	5.50



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 Company 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 ,2012 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 : 29th August 2012

Place : Ahmedabad

For Deep Industries Limited

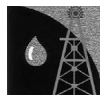
Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 29th August 2012

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,2012	31st March,2012	31st March,2012
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	(₹ 345688)	₹ 6783	(₹ 129329) (US\$ 2987.10)
	b) For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	₹ 301	₹ 1714	(₹ 85037) (US\$ 1819.80)
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

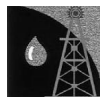
For Deep Industries Limited

Date : 29th August 2012
Place : Ahmedabad

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman & Managing Director

Rupesh Savla
Managing Director



CONSOLIDATED AUDITORS' REPORT

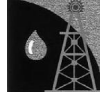
To,
The Members,
Deep Industries Limited.

1. We have audited the attached Consolidated Balance Sheet of **DEEP INDUSTRIES LIMITED** ("the Company") and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2012 and also Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 - a) We did not audit the financial statements of Foreign Subsidiary namely Deep Energy LLC, whose financial statements reflect total assets of ₹ 16,37,285/- as at 31st March 2012 and Total Revenue of ₹ 67,294/- and Cash flow amounting to ₹ 1,37,225/- for the year then ended. And on the unaudited financial statements wherein the Company's share of loss aggregates to ₹ 1,29,329/-.
 - b) We have relied on these Un-audited Financial Statements which are approved by the Partner/ Members 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.
3. 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.
4. Based on our audit as aforesaid and consideration of the un-audited financial statements and on the Other Financial Information of the Components and Accounts, approved by the Board of Directors as explained in paragraph 2 above and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statements 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 Group as at 31st March, 2012 ; and
 - ii. in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date ; and
 - iii. in the case of Consolidated Cash Flow statement, of the cash flows of the Group for the year ended on that date.

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

Place : Ahmedabad
Date : 29th August, 2012

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



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2012

Particulars	Note No	₹ As at 31st March 2012	₹ As at 31st March 2011
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	248750000	235000000
(b) Reserves and Surplus	4	1239728803	1022650048
(c) Money Received Against Shares Warrants	3	26125000	-
		1514603803	1257650048
2 Share Application Money pending for Allotement			
		-	-
3 Minority Interest			
		194237	354046
		194237	354046
4 Non-current Liabilities			
(a) Long-term Borrowings	5	934766362	330748358
(b) Deferred Tax Liabilities	6	124854890	100711175
(c) Other Long-term Liabilities	7	22938627	21565256
		1082559879	453024789
5 Current Liabilities			
(a) Short-term Borrowings	8	79186649	66492519
(b) Trade Payables	9	117479157	36197146
(c) Other Current Liabilities	10	18729257	15244113
(d) Short-term Provisions	11	313652264	128974793
		529047327	246908570
TOTAL RS...		3126405247	1957937452
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
i) Tangible Assets	12	1402630490	1067926074
ii) Intangible Assets	12	2889961	2721499
iii) Capital Work in Progress	12	960782444	354114336
		2366302895	1424761909
(b) Non-current Investments	13	884439	884439
(c) Long-term Loans and Advances	14	18340180	3168532
(d) Other Non-Current Assets	15	29257601	29257601
		48482220	33310572
2 Current Assets			
(a) Current Investments	16	48035925	46226944
(b) Inventories	17	43242365	33192417
(c) Trade Receivables	18	220213557	149990767
(d) Cash and Cash Equivalents	19	42597233	53886132
(e) Short-term Loans and Advances	20	330263628	194341397
(f) Other Current Assets	21	27267423	22227313
		711620131	499864970
TOTAL RS...		3126405247	1957937452

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 : 29th August 2012

Place : Ahmedabad

For Deep Industries Limited

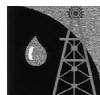
Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 29th August 2012

Place : Ahmedabad



STATEMENT OF CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2012

Particulars	Note No	₹ For the Year Ended 31/03/2012	₹ For the Year Ended 31/03/2011
I. INCOME			
Revenue from Oil & Gas Services		604391579	462737626
Sales (Trading)		229745	30985685
II Other Income	22	8829230	18204294
III Total Revenue (I + II)		<u>613450554</u>	<u>511927605</u>
IV Expenses			
- Trading Purchase		274524	26051465
- Operating Expense	23	199115710	102694428
- Employee benefits expenses	24	65857719	60392829
- Finance Costs	25	44972590	37535019
- Depreciation and amortization expense	12	70603525	62347594
- Other Expenses	26	48740544	43694340
- Preliminary Expense Written Off		3917420	3917420
Total Expenses		<u>433482032</u>	<u>336633094</u>
V Profit before exceptional items and tax (III - IV)		179968522	175294511
VI Exceptional items		—	—
VII Profit/(Loss) before tax (V - VI)		<u>179968522</u>	<u>175294511</u>
VIII Tax Expense :			
(1) Current Tax		36150000	35000000
(2) Current Tax (Expense related to Prior Years)		1821	
(3) Deferred Tax		24143715	21761181
		<u>60295536</u>	<u>56761181</u>
IX Profit / (Loss) for the year (VII - VIII)		<u>119672986</u>	<u>118533330</u>
X Earnings per Equity Share of Rs. 10 each			
— Basic		5.09	5.50
— Diluted		5.02	5.50

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 : 29th August 2012
Place : Ahmedabad

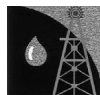
For Deep Industries Limited

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 29th August 2012
Place : Ahmedabad



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2012

PARTICULARS	₹ 2011-12	₹ 2010-11
CASH FLOWS FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit & Loss Account	179968522	175294511
Adjustment for :		
Depreciation Expenses	70603525	62347594
Interest Expenses	44945067	31293731
Dividend Income	-108975	-2196731
Interest Income	-7076130	-4374792
(Gain)/ Loss Foreign Currency Fluctuation	951889	-6451210
(Profit)/Loss on Sale of Investments	-1696550	-83218
(Profit)/Loss on Sale of Fixed Assets	160771	2812
Preliminary Expenses Written Off	3917420	3917420
	111697018	84455606
Operating Profit before Working Capital Changes	291665540	259750117
Changes in Working Capital		
Adjustment for		
Inventories	-10049948	-12948926
Trade Receivables	-70222790	-46192051
Loans & Advances	-195377612	-13061400
Trade Payable & Other Liabilities	312096218	5926924
	36445868	-66275453
CASH FLOW FROM OPERATION	328111408	193474665
Cash Flow from Exceptional Claim		
Income Tax Paid During the Year (Net off Refund Received)	-43525812	-40987228
	-43525812	-40987228
NET CASH GENERATED BY OPERATING ACTIVITIES	284585596	152487437
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Addition in		
Capital Working Progress	-991473707	-227709304
Sale of Fixed Assets	75000	9500
Purchase of Investments	-22813580	0
Sale of Investments	21004599	71963554
Interest Income	7076130	4374792
Dividend Income	108975	2196731
Profit from Sale of Investments	1696550	83218
NET CASH USED IN INVESTING ACTIVITIES	-983651034	-149081509
CASH FLOWS FROM FINANCING ACTIVITIES :		
Interest Paid	-44943124	-31293731
Foreign Currency Fluctuation Gain	-953832	6451210
Proceeds from Issue of Share Capital/Convertible Warrants	130625000	97875000
(Net of Expenses / Recovery of Expenses)		
Capital Reserve	6474	-8503
Proceeds from Secured Loans	616712134	-51960929
Dividend and Dividend Distribution Tax Paid	-13670113	-12387202
NET CASH FROM FINANCING ACTIVITIES	687776539	8675845
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	-11288899	12081773
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	53886132	41804359
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	42597233	53886132

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 : 29th August 2012

Place : Ahmedabad

For Deep Industries Limited

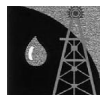
Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 29th August 2012

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 2012.

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
	2011-12	2010-11	
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

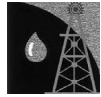
Investments other than in subsidiaries have been accounted as per Accounting Standard (AS-13) Accounting for Investments.

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, 2012	₹ As at 31st March, 2011
-------------	-----------------------------	-----------------------------

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

2,48,75,000 Equity Shares of ₹ 10/- each fully Paid up with voting rights **248750000** 235000000
(P.Y. 235000000 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)

TOTAL

248750000 235000000

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 2012		As at 31 March 2011	
	No of Shares	Value ₹	No of Shares	Value ₹
— At the beginning of the year	23500000	235000000	21250000	212500000
— Movement during the period (Shares Warrant Issued and Converted into Equity Shares)	1375000	13750000	2250000	22500000
— Outstanding at the end of the year	24875000	248750000	23500000	235000000

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, 2012		As at 31st March, 2011	
	No. of Share held	% of Holding	No. of Share held	% of Holding
KANVEL FINANCE PVT. LTD.	4591080	18.46%	4591080	19.54%
SAVLA ENTERPRISE PVT. LTD.	2277000	9.15%	2277000	9.69%
PRABHAVATI PROPERTIES PVT. LTD.	1892500	7.61%	1892500	8.05%
IDFC PREMIER EQUITY FUND	0		1506121	6.41%
ADINATH EXIM RESOURCES LTD	0		1228000	5.23%
	8760580		11494701	

5. CONVERTIBLE WARRANTS

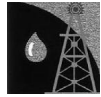
Issued, subscribed & Paid up :

(i) 22,50,000 Warrants of ₹ 58/- Each & ₹ 14.50/- Paid up on Each Warrant issued during the previous year	0		32625000	
(ii) 13,75,000 warrants of ₹ 76/- each to make it fully paid of ₹ 76/- each during the year	104500000			
(iii) 13,75,000 warrants of ₹ 76/- each to make it & Application Money of ₹19/- each received during the year	26125000		0	
(iv) 22,50,000 warrants of ₹ 43.5/- each to make it fully paid of ₹ 58/- each during the year	0		97875000	
Less: 13,75,000 warrants converted to fully paid up equity shares of ₹ 10/- each at a premium of ₹ 66 per share	(104500000)	*26125000	(130500000)	0
TOTAL		<u>26125000</u>		<u>0</u>

TERMS AND RIGHTS ATTACHED TO WARRANTS:

(During the year 27,50,000 Shares Warrants issued at price of ₹ 76 each of which 13,75,000 warrant fully paid up (₹ 76 each) converted in to Equity Shares. Balance 13,75,000 Warrant of ₹ 76 each paid up ₹ 19 Each is pending for Allotment. The offer is made selectively to the Promoters and Relatives of Prmoter'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 shall be 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.

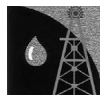
If the allottee of warrant does not opt for conversion and does not make balance payment within 18 months, the amount paid on application and allotment will be forfeited.

The amount payable on application shall be ₹ 19/- per convertible warrant and the balance amount of ₹ 57/- 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, 2012	₹ As at 31st March, 2011
Note - 4 : RESERVES & SURPLUS			
A	Capital Reserve - Securities Premium		
	Opening Balance	524587500	416587500
	Addition during the year	90750000	108000000
	Written back during the year	0	0
	Closing Balance	<u>615337500</u>	<u>524587500</u>
B	Capital Reserve		
	Opening Balance	40000000	40000000
	Addition during the year	0	0
	Written back during the year	0	0
	Closing Balance	<u>40000000</u>	<u>40000000</u>
C	General Reserve		
	Opening Balance	50000000	35000000
	Addition during the year	15000000	15000000
	Written back during the year	0	0
	Closing Balance	<u>65000000</u>	<u>50000000</u>
D	Investment Reserve Fund		
	Opening Balance	487164	349335
	Addition during the year	85250	137829
	Written back during the year	0	0
	Closing Balance	<u>572414</u>	<u>487164</u>
E	Foreign Currency Monetary Translation Reserve		
	Opening Balance	636720	4452177
	Add; Effect of Foreign Exchange Rate Variation During the year	21581380	636720
	(Less): Transfer to Statement of Profit & Loss	<u>(636720)</u>	<u>(4452177)</u>
	Closing Balance	<u>21581380</u>	<u>636720</u>
F	Surplus in Statement of Profit & Loss		
	Opening Balance	406661623	316965424
	Addition during the year	119672986	118533330
	Less: Proposed Equity Dividend for the year	<u>(12437500)</u>	<u>(11750000)</u>
	Less: Tax on Proposed Equity Dividend	<u>(2017673)</u>	<u>(1951675)</u>
	Less: Investment Reserve Fund	<u>(85250)</u>	<u>(137829)</u>
	Less: Transfer to General Reserve	<u>(15000000)</u>	<u>(15000000)</u>
	Closing Balance	<u>496953994</u>	<u>406661623</u>
G	Non-Monetary Foreign Currency Translation Reserve	<u>283515</u>	<u>277041</u>
	TOTAL	<u><u>1239728803</u></u>	<u><u>1022650048</u></u>



Sr. Particulars No	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Note - 5 : LONG TERM BORROWINGS		
i) Term Loans		
A From Banks		
Secured	1013375418	395487071
Less: Short Borrowings Due within next 12 Months	(78609056)	(65314926)
TOTAL	934766362	330172145
B From Others Financial Institution		
Secured	577593	1153806
Less: Short Borrowings Due within next 12 Months	(577593)	(577593)
TOTAL	0	576213
TOTAL	934766362	330748358

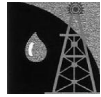
Nature of Security and Term of Repayment for Long Term Secured borrowings

- 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, 2012	₹ As at 31st March, 2011
Note - 6 : DEFERRED TAX LIABILITIES		
Opening Balance	100711175	78949994
Addition during the year	24143133	21761181
Written back during the year	582	
Closing Balance	124854890	100711175

Note - 7 : OTHER LONG TERM LIABILITIES

A Acceptance (Refer Note 27 Point 'M')		
i Acceptance	192417	77973
ii Other than Acceptance		
a Buyer's Credit Interest accrued but not due on borrowings	1686640	427713
b Others	21059570	21059570
TOTAL	22938627	21565256

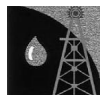


ANNUAL REPORT 2011-12
DEEP INDUSTRIES LIMITED

Sr. Particulars No	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Note - 8 : SHORT TERM BORROWINGS		
A SECURED		
i Working Capital Credit facility*		
- From Bank	77274126	63966904
ii Buyers credit arrangements	0	0
iii Foreign Currency Term Loan	0	0
iv Term Loan	36971	987548
v Vehicle Loan from Bank and Other Financial Institution	1875552	1538067
(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).		
- (Working Capital Facility of Deutsche Bank AG is secured by plege of approved mutual fund investment held in the name of the company.		
TOTAL	79186649	66492519
B UNSECURED LOANS		
TOTAL	0	0
	79186649	66492519
Note - 9 : TRADE PAYABLES		
A Acceptance (Refer Note 27 Point 'M')	117479157	36197146
B Other than Acceptance	0	0
TOTAL	117479157	36197146
Note - 10 : OTHER CURRENT LIABILITIES		
A Statutory Dues	18654178	15200596
B Unclaimed Dividend	75080	43517
TOTAL	18729257	15244113
Note - 11 : SHORT TERM PROVISIONS		
A Provision for Salary	5631285	4913955
B Provision for Current Year Income Tax	36150000	78850000
C Proposed Dividend	12437500	11750000
D Tax on Proposed Equity Dividend	2017673	1951675
E Provision for Other Expense	257415806	31509163
TOTAL	313652264	128974793
Note - 12 : FIXED ASSETS		

Sr.	NAME OF THE ASSET	Gross Block			Depreciation			Net Block			
		As at 01.04.2011	Additions during the year	Deduction during the year	As at 31.03.2012	As at 01.04.2011	Additions During the year	Deduction During the year	As at 31.03.2012	As at 31.3.2012	As at 31.3.2011
A)	Tangible Assets										
(A)	Tankers	835000	0	0	835000	817462	7016	0	824478	10523	17538
(B)	Cranes	697075	0	0	697075	254396	78839	0	333235	363840	442679
(C)	Vehicles	15022304	5250619	1337008	18935915	4082629	1461779	426238	5118170	13817746	10939675
(D)	Air Compressor	11503401	0	0	11503401	7078091	752517	0	7830608	3672793	4425310
(E)	Gas Compressor	825589210	335839132	0	1161428342	121754584	43190543	0	164945127	996483207	703834626
(F)	Computers	5173324	551924	0	5725248	3518522	442806	0	3961328	1763916	1654802
(G)	Shed, Foundation & Road	14972245	2482844	0	17455089	9994489	1995311	0	11989800	5465290	4977756
(H)	Office Buildings	7158358	0	0	7158358	2332895	482546	0	2815441	4342916	4825462
(I)	RIGS	383533078	61271566	0	444804644	54264632	20968620	0	75233252	369571392	329268446
(J)	Office Equip, Fur. & Fixtures	8878782	148496	0	9027278	2379373	567609	0	2946982	6080296	6499409
(K)	Other Plant & Machinery	1464116	86115	0	1550231	474464	67915	0	542379	1007852	989652
(L)	Oil Wells	50720	0	0	50720	0	0	0	0	50720	50720
	Total " A "	1274877613	405630696	1337008	1679171301	206951538	70015501	426238	276540801	1402630490	1067926074
B)	Intangible Assets										
(A)	Softwares	3054543	756486	0	3811029	333044	588024	0	921068	2889961	2721499
	Total " B "	3054543	756486	0	3811029	333044	588024	0	921068	2889961	2721499
C)	Capital Work in Progress										
(A)	Capital Work in Progress	354114336	656368765	49700657	960782444	0	0	0	0	960782444	354114336
	Total " C "	354114336	656368765	49700657	960782444	0	0	0	0	960782444	354114336
	Total " A + B + C "	1632046492	1062755947	51037665	2643764774	207284582	70603525	426238	277461869	2366302895	1424761909
	PREVIOUS YEAR	1185066651	342056463	122896591	1404373522	87070246	58319359	428584	144961021	1254912501	

Notes : *Addition Include Foreign Exchange Difference of ₹ 21581383 (Previous Year ₹ (1495546)) and Borrowing Cost of ₹ 23483826 (Previous Year ₹ 3883552)



Sr. No	Particulars	No. of Shares 31st March, 2012	₹ As at 31st March, 2012	No. of Shares 31st March, 2011	₹ As at 31st March, 2011
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
TOTAL			884439		884439
Market Value of Quoted Investment			302025		387275
Carrying Value of Unquoted Investment			10000		10000

Sr. No	Particulars	₹ As at 31st March, 2012	₹ As at 31st March, 2011
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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	15171648	0
TOTAL		18340180	3168532

Note - 15 : OTHER NON-CURRENT ASSETS

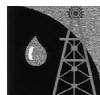
Long Term Trade Receivables

Outstanding for more than Twelve Months

	Unsecured, Considered good	29257601	29257601
TOTAL		29257601	29257601

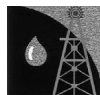
Note - 16 : CURRENT INVESTMENTS

Sr. No	Particulars	No. of Units 31st March, 2012	₹ As at 31st March, 2012	No. of Units 31st March, 2011	₹ As at 31st March, 2011
Investments in Mutual Fund Unquoted					
A	SBI DFS - 15 MONTH-5- GROWTH			2100210	21002099
B	Templeton India Income Opportunities Fund	2500000	25000000	2500000	25000000
C	SBI DEBT FUND SERIES- 367 DAYS 1 GROWTH	2269864	22698640		
D	HDFC CASH MANAGEMENT FUND	33619	337285	22422	224845
TOTAL			48035925		46226944
Market Value of Unquoted investments			52994609		48391200

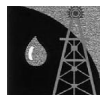


**ANNUAL REPORT 2011-12
DEEP INDUSTRIES LIMITED**

Sr. Particulars No	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Note - 17 : INVENTORIES		
A Stores & Spares (Valued at Lower of Cost or Market Value)	41618474	32055889
B Stock of Oil	1623891	1136528
TOTAL	43242365	33192417
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	39627618	110322414
B Trade receivables outstanding for a period less than Six months from the date they are due for payment		
Unsecured, considered good	180585939	39668353
TOTAL	220213557	149990767
Note - 19 : CASH AND CASH EQUIVALENTS		
A Cash and Cash Equivalents		
i Cash on hand	156001	318846
ii Balances with Banks		
- In Current Account	2789775	759816
- In EEFC Account	(241)	0
- Unpaid Dividend with HDFC Bank	75078	43517
- Unpaid Warrant with HDFC Bank	401	338
- Copper Mark Bank Oklahoma City USA	84381	221606
B Other Bank Balances		
In Fixed Deposits held as Margin Money *	39491838	52542009
TOTAL	42597233	53886132
* Balance with Bank include Deposit held as Margin Money amounting to ₹ 22617289 (as at 31/03/2011 ₹ 47824369) 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	11031427	11008937
2 Loan to Staff	91539	41660
3 Prepaid Expenses	4480657	5048349
4 Short Term Loans and advances		
Unsecured, considered good	564355	941815
5 Balance with Govt Authorities		
- CENVAT Receivable	30219314	10278105
- Advance Tax and TDS for Prior Years (Net of Provision)	5014152	80461832
- Advance Tax and TDS Current Year	40130826	13847
- Professional Tax Receivable	800	0
6 Others		
- Foreign Currency Receivable	238603750	28486291
- Advance for Goods/ Creditors	126809	58060561
TOTAL	330263628	194341397
Note - 21 : OTHER CURRENT ASSETS		
1 Interest Accrued on Deposit	2322933	1427246
2 Preliminary Expense	15776461	19693881
3 Deferred Forward Premium	8794551	856264
4 Advance Recoverable in Cash or Kind:		
Others Receivable	373478	249922
TOTAL	27267423	22227313



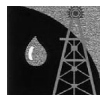
Sr. No	Particulars	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Note - 22 : OTHER INCOME			
1	Bank FDR Interest	5977918	2899551
2	Other Interest Income	666525	1475241
3	Dividend Income from Others	108975	2196731
4	Profit on Sale of Investments	1696550	83218
5	Exchange Rate Fluctuation (net)	0	6451210
6	<u>Other Non-Operating Income:</u>		
-	Kasar Vatav	341026	2863076
-	Insurance Claim Received	38236	504816
-	Bad Debt Recovered	0	1730451
	TOTAL	8829230	18204294
Note - 23 : OPERATING EXPENSE			
1	Consumption Spares, Oil & Other Operating Expense	191478203	98678985
2	Equipment Running & Maintenance Exps	7637508	4015443
	TOTAL	199115710	102694428
Note - 24 : EMPLOYEE BENEFITS EXPENSE			
1	Salaries, Wages, Bonus etc	56502136	51005770
2	Director Remuneration & Perquisites	5650003	5638973
3	Contribution to Provident and Other funds	899226	817264
4	Staff Welfare expenses	2806354	2930822
	TOTAL	65857719	60392829
Note - 25 : FINANCE COSTS			
Interest Expenses:			
1	Interest Expenses on Hypothecation & Term loan	23518576	13705944
2	Interest & Finance Charges on Foreign Credit	7596669	10866424
3	Other Interest & Finance Charges	4001473	333758
Other Borrowing Cost			
4	Other Bank Charges	6483177	7292718
Foreign Currency Transaction & Translation Expenses:			
5	Forward/ Option Contract Premium	3372695	5336175
	TOTAL	44972590	37535019



Sr. No	Particulars	₹ As at 31st March, 2012	₹ As at 31st March, 2011
Note - 26 : OTHER EXPENSES			
1	Electricity Expenses	788025	674195
2	Rent	11117475	6419766
3	Repairs	876179	1395137
4	Insurance	2380661	2003407
5	Rates & Taxes	2016441	796357
6	Communication Exp	1630120	2478566
7	Traveling Exp. (Including Director Travelling Rs. 25,42,973)	7898064	7225476
8	Printing & Stationery	204134	468571
9	Donations	15372	1452400
10	Legal & Professional Charges	6321658	5035759
11	Payment to Auditors		
	- Audit Fees	110000	110000
	- Taxation Matters	25000	25000
	- Other Matters	50000	25000
12	Net Loss on Foreign currency transaction	951889	0
13	Bad Debt Written off	2992916	648333
14	Loss on Sale of Fixed Asset	160771	2812
15	Xerox expense	118552	147519
16	Guest House Expenses	1434422	1354503
17	Conveyance Expense	766973	513776
18	Entertainment Expense	241911	274590
19	Sales Promotion & Gifts	728900	423239
20	Advertisement Expenses	111384	481286
21	Hotel Boarding & Lodging Exp (Including Director Lodging)	948312	1096885
22	Security Service charges	1263093	695807
23	Tender Expenses	469790	4763870
24	Office Expenses	896002	650919
25	Listing Fee Stock Exchange	296006	178750
26	Interest on Service tax	223098	144188
27	Freight & Landing Charges	281095	3087
28	Diesel & Petrol Exp	2679849	0
29	Labour Charges - Misc	55595	292822
30	ROC Filing Fee	6330	529225
31	ISO Certification Expenses	0	136130
32	Safety Expenses	21993	392084
33	Service Tax Expense	0	678754
34	Guest House Electricity Expense	40857	103730
35	Franking Charges	4100	1239700
36	Miscellaneous Expenses	613577	832698
	TOTAL	48740544	43694340

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	2011-12	2010-11
A Value of imports calculated on CIF basis		
Capital Goods, Freight, Insurance	₹ 64,63,25,125/-	₹ 8,96,17,520/-
Spare Parts	₹ 1,94,54,516/-	₹ 1,44,34,073/-
B Expenditure in Foreign Currency		
Spares, Equipment, Freight	₹ 66,57,79,640/-	₹ 10,40,51,593/-
Bank Charges & Other Expense	₹ 2,10,993/-	₹ 29,865/-
Director's Travelling Expenses	₹ 15,92,744/-	₹ 17,88,330/-
C Earnings in Foreign Currency		
Interest Income	₹ 67,294/-	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 ₹ 1730.22 Lacs (31st March 2011 ₹ 1767.31 Lacs) to banks as at 31st March 2012.

ii. Other Contingent Liabilities not provided for;

Name of Statute	Amount (₹ Lacs) 31.03.2012	Amount (₹ Lacs) 31.03.2011
Service tax	69.22	4.35

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 2012 (₹)	Year Ended 31 st March 2011 (₹)
Disclosures in respect of agreement for Office premises taken on lease:		
(i) Lease Payments recognized in the Profit and Loss Account in the year	91,20,840/-	48,13,774/-
(ii) Future Minimum lease payments under non cancellable operating lease:		
- Not later than one year	91,20,840/-	91,20,840/-
- Later than one year but not later than five years	2,47,78,281/-	3,38,99,121/-
- 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

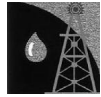
The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater 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 ₹ 13,06,25,000/- towards value of 27,50,000 Convertible Warrants issued during previous year at ₹ 76 each. The said allottees have made full payment for 13,75,000 warrants i.e. ₹ 76 each. For balance 13,75,000 warrants the said allottees have made payment of ₹ 19 each (application money). On full payment of 13,75,000 warrant, the said allottees have exercised the option of conversion to equity shares on 28.03.2012. On conversion ₹ 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 Share 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 Visat Automobiles	Adinath Exim Resources Limited
Key Management Personnel	Mr. Paras Savla Mr. Dharen Savla Mr. Ajaykumar Singhanian 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 2011-12 with the related parties are shown below:

Nature of transaction	KMP	RKMP	Subsidiaries	Enterprises significantly influenced
Remuneration & Sitting fees	7285000 (5400000)	96000 (95760)		
Contribution to charitable institutions				NIL (101000)
Rent	5047913 (2822211)	6647027 (3606078)		372000 (372000)
Security Deposit	3797820 (3797820)	5323020 (5323020)		
Perquisites	250003 (238972)			

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, 2012. For item - wise details of deferred tax liability as on 31.03.2012 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	31.03.2012	31.03.2011
Profit after tax (₹ in lacs)	119672986	118560817
Weighted Average Number of shares considered as outstanding in computation of Basic EPS	23515068	21545000
Weighted Average Number of shares considered as outstanding in computation of Diluted EPS	23858818	21545000
Basic EPS, Shares of face value of ₹ 10 each (in ₹)	5.09	5.50
Diluted EPS, Shares of face value of ₹ 10 each (in ₹)	5.02	5.50

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 ,2012 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 : 29th August 2012

Place : Ahmedabad

For Deep Industries Limited

Bhavika Bhatt
Company Secretary

Paras Savla
Chairman &
Managing Director

Rupesh Savla
Managing Director

Date : 29th August 2012

Place : Ahmedabad



DEEP INDUSTRIES LIMITED

Registered Office : Opp. Suryanarayan Bunglows, Sabarmati-Kalol State Highway, Motera, Gandhinagar - 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 Friday, the 28th September, 2012 or any
adjournment thereof.

Signed this _____ Day of _____ 2012.

Affix
Rs.1/-
Revenue
Stamp

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, Gandhinagar - 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, Gandhinagar - 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, Gandhinagar, Gujarat on Friday, the 28th September, 2012

Members Folio No. _____

DP ID _____

Client ID _____

Name of the Member attending the Meeting

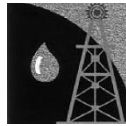
In case of proxy, Name of Proxy

(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.

BOOK-POST

To,



DEEP INDUSTRIES LIMITED

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