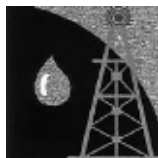


DEEP INDUSTRIES LIMITED

Oil and Gas
Exploration, Production
and Services



24th Annual Report 2013-2014



DEEP INDUSTRIES LIMITED
24th Annual Report 2013-2014

BOARD OF DIRECTORS

Mr. Paras S. Savla	Chairman & Managing Director
Mr. Rupesh K. Savla	Managing Director
Mr. Dharen S. Savla	Whole-time Director
Mr. Premsingh Sawhney	Whole-time Director
Mr. Harish G. Bhinde	Director
Mr. Vijay R. Shah	Director (Resigned w.e.f. 01.07.2014)
Mr. Ajay Kumar Singhania	Director (Resigned w.e.f. 01.04.2014)
Mr. Kirit Joshi	Director
Mr. Arun N. Mandke	Director (Appointed w.e.f. 28.06.2014)

BANKERS

State Bank of India
Bank of Baroda
Indusind Bank Ltd.
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 Bunglows,
Sabarmati-Kalol Highway,
Motera, Ahmedabad - 380 005
CIN: L63090GJ1991PLC014833
Phone: 079- 27571128 Fax: 079-26862077
E-mail: info@deepindustries.com
Website: www.deepindustries.com

CORPORATE OFFICE

6th Floor, Astron Tower,
Opp. Fun Republic Cinema,
S. G. Highway,
Ahmedabad - 380 015.
Phone: 079-26862076, 26862078 Fax: 079-26862077

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NOTICE

NOTICE is hereby given that the Twenty-Forth Annual General Meeting of the Members of Deep Industries Limited will be held on Thursday, the 11th September, 2014 at 10:30 A.M at Conference Hall, GCA Club House, Sardar Patel Stadium, Motera, Ahmedabad - 380005, Gujarat to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as on 31st March, 2014 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. Premsingh Sawhney who retires by rotation and being eligible offers himself for re – appointment.
3. To Declare Dividend on Equity Shares.
4. To appoint M/s Jayesh M. Shah & Co., Chartered Accountant, Ahmedabad (ICAI Firm Registration No. 104173W) as Auditor of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to authorize the Board to fix their remuneration.

SPECIAL BUSINESS:

5. To Consider and, if thought fit, to pass the following resolution, with or without Modifications as an Ordinary Resolution:-
“RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) (“the Act”) read with schedule IV of the Act, Mr. **Kirit Joshi (DIN: 05316488)**, Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Directors, be and is hereby appointed as an Independent Director of the Company to hold office for consecutive terms upto 31st March 2019.”
6. To Consider and if thought fit to pass the following resolution, with or without Modifications as an Ordinary Resolution:-
“RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) (“the Act”) read with schedule IV of the Act, Mr. **Harish Bhinde (DIN: 00504057)**, Director of the Company, in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Directors, be and is hereby appointed as an Independent Director of the Company to hold office for consecutive terms upto 31st March 2019.”
7. To Consider and, if thought fit, to pass the following resolution, with or without Modifications as an Ordinary Resolution:-
“RESOLVED THAT pursuant to the provisions of Sections 149, 150 & 152 and other applicable provisions of Companies Act, 2013 and the rules made thereunder (including any statutory modification(s) or re-enactment thereof) (“the Act”) read with schedule IV of the Act, **Mr. Arun Mandke (DIN: 00587604)**, who was appointed as an Additional Director of the Company, under Section 161 of the Companies Act, 2013 and the Articles of Association of the Company, and who holds office till the conclusion of this Annual General Meeting and in respect of whom the Company has received a notice in writing from a member proposing his candidature for the office of Directors, be and is hereby appointed as an Independent Director of the Company to hold office for consecutive terms upto 31st March 2019.”
8. To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a Special Resolution:-
“RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) and re enactment thereof for the time being in force) and the relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, consent of the Company be and is hereby accorded to the re-appointment of **Mr. Dharen Savla (DIN: 00145587)** as a Whole Time Director of the Company for a period of 5 (Five) years with effect from 21st June, 2014, on terms and conditions including remuneration as set out hereunder with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include any Committee of the Board constituted to exercise its powers, including the powers conferred by this Resolution) to alter and vary the terms and conditions of appointment and/or remuneration, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.
 - I. Salary: ₹ 2,50,000/- p.m.
 - II. Tenure: Five Years (From 21-06-2014 to 20-06-2019)
 - III. Perquisites and Amenities:
 - (a) Car and Telephone: Provision of car used for Company’s business and Telephone at residence will not be considered as perquisites. However, personal long distance calls and use of car for private purposes shall be billed by the Company.
 - (b) Mobile: Cost of Mobile Instrument and its bill will be paid by the Company.
 - (c) Electricity Charges: It will be paid by the Company



- (d) Insurance Premium: Insurance Premium (Term Plan) upto ₹ 3,00,000/- p.a. to be reimbursed by the Company on production of documentary evidence.
- (e) Club Fee: Club Fee upto ₹ 4,50,000/- p.a. to be reimbursed by the Company.

IV. Other Terms and Conditions:

- a. He shall not be entitled to any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.
- b. The Company will reimburse expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites.
- c. He shall be free to resign his office by giving three calendar months' notice in writing to the Company.
- d. The term of office of Mr. Dharen Savla as a Whole-time Director of the Company shall be subject to retire by rotation. "

"RESOLVED FURTHER THAT notwithstanding anything to contrary herein contained, where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, remuneration by way of salary, perquisites and other allowances or any combinations thereof shall not exceed the aggregate of the annual remuneration as provided above or the maximum remuneration payable as per the limits set out in Section II, Section III and Section IV of part II of Schedule V of the Companies Act, 2013 (including any statutory modifications 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 the Board be and is hereby authorised to do all acts and take necessary steps as may be necessary, proper or expedient to give effect to this resolution."

9. To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a **Special Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions, if any of the Company's Act, 2013 read with Schedule V prescribed under the Companies Act, 2013 and relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, consent of the Company be and is hereby accorded for increase in remuneration and variation in terms and conditions of appointment of **Mr. Paras Savla (DIN: 00145639)** w.e.f. 01.06.2014:

- 1. Salary: ₹ 2,50,000/- p.m.
- 2. Club Fee: Club Fee upto ₹ 4,50,000/- p.a. to be reimbursed by the Company
- 3. The term of office of Mr. Paras Savla, Managing Director of the Company shall be subject to retire by rotation.
- 4. The Company will reimburse expenses incurred for travelling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members, and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites."

"RESOLVED FURTHER THAT all other terms and conditions of his appointment shall remain unchanged. "

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take necessary steps as may be necessary, proper or expedient to give effect to this resolution."

10. To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a **Special Resolution:-**

"RESOLVED THAT pursuant to the provisions of Section 196, 197 and 203 and other applicable provisions, if any of the Company's Act, 2013 read with Schedule V prescribed under the Companies Act, 2013 and relevant provisions of the Articles of Association of the Company and all applicable guidelines as applicable from time to time, consent of the Company be and is hereby accorded for increase in remuneration and variation in terms and conditions of appointment of **Mr. Rupesh Savla (DIN: 00126303)** w.e.f. 01.06.2014:

- 1. Salary: ₹ 2,50,000/- p.m.
- 2. Club Fee: Club Fee upto ₹ 4,50,000/- p.a. to be reimbursed by the Company
- 3. The term of office of Mr. Rupesh Savla, Managing Director of the Company shall be subject to retire by rotation.
- 4. The Company will reimburse expenses incurred for traveling, board and lodging including for their respective spouses and attendant(s) during business trips, any medical assistance provided including for their respective family members; and provision of cars for use on the Company's business and telephone expenses at residence shall be reimbursed at actuals and not considered as perquisites."

"RESOLVED FURTHER THAT all other terms and conditions of his appointment shall remain unchanged. "

"RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take necessary steps as may be necessary, proper or expedient to give effect to this resolution."



11. To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a **Special Resolution**:-

“RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting of the Company held on 30th May, 2008 and pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification thereof) and other applicable provisions, if any, of the act and any Rules made there, the consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as “Board” which term shall include a Committee thereof authorized for the purpose) of the Company, to borrow, from time to time, any sum or sums of money (including non-fund based banking facilities) as may be required for the purpose of the business of the Company, from any Bank(s), Financial Institutional(s) or any other Institution(s), other person(s), firm(s), bodies corporate(s), whether in India or abroad, notwithstanding that the monies so borrowed together with the monies already borrowed (apart from temporary loans obtained from the Company’s Bankers in the ordinary course of business) may at any time exceed the aggregate of the paid up capital of the Company and its Free Reserve (reserves not set apart for any specific purpose) provided that the total amount that may be borrowed by the Board and outstanding at any point of time, shall not exceed the sum of ₹ 500 Crores (Rupees Five Hundred Crores only).

“RESOLVED FURTHER THAT the Board of Directors or its committee thereof be and is hereby authorized to decide all terms and conditions in relation to such borrowing, at their absolute discretion and to do all such acts, deeds and things and to execute all such documents, instruments and writings as may be required.”

12. To Consider and, if thought fit, to pass the following resolution, with or without Modifications as a **Special Resolution**:-

“RESOLVED THAT in supersession of the resolution passed at the Annual General Meeting of the Company held on 30th May, 2008 on the matter and pursuant to the provision of Section 180(1)(a) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and other applicable provisions, if any, of the act and any Rules made there under, consent of the Company be and is hereby accorded to the Board of Directors (hereinafter referred as “Board” which term shall include a Committee thereof authorized for the purpose) of the Company, to create any kind of mortgage(s), hypothecation(s), pledge(s) and/or charge(s), in addition to the mortgage(s), hypothecation(s), pledge(s) and/or charge(s) already created, in such form, manner and ranking and on such terms as the Board deems fit in the interest of the Company, on all or any of the movable and / or immovable properties of the Company (both present and future) and/or any other assets or properties, either tangible or intangible, of the Company and / or the whole or part of any of the undertakings of the Company together with or without the power to take over the management of the business or any undertaking of the Company in case of certain events of defaults, in favour of the Lender(s), Agent(s) and Trustee(s) for securing the borrowing availed or to be availed by the Company, by way of loans, debentures (comprising fully/partly Convertible Debentures and / or Non Convertible Debentures or any other security) or otherwise in foreign currency or in Indian rupees, from time to time, upto the limits approved or as may be approved by the shareholders under section 180(1)(c) of the Companies Act, 2013 (including any statutory modification or re-enactment thereof) and any rules made thereunder along with the interest, additional interest, accumulated interest, liquidated charges, commitment charges or costs, expenses and all other monies payable by the Company including any increase as a result of devaluation / revaluation / fluctuation in the rate of exchange.”

“RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors or any Committee thereof be and is hereby authorised to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.”

13. To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 14 and any other applicable provisions, if any, of the Companies Act, 2013, the Articles of Association of the Company be and is hereby altered in the following manner:

After article 132, the following new article 132A be inserted:

132A Chairman: The Directors in the Board Meeting or the Company in General Meeting may, from time to time, appoint any of the Directors as Chairman and Managing Director / Chief Executive Officer / equivalent position thereof in the Company.

“RESOLVED FURTHER THAT the Board of Directors of the Company 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 : 04.08.2014

Place : Ahmedabad

Registered Office: Deep Industries Limited

Opp. Suryanarayan Bunglows, Sabarmati – Kalol Highway,

N.H. No. 8, Motera, Ahmedabad – 380005

CIN: L63090GJ1991PLC014833

E-mail: info@deepindustries.com

PARAS SAVLA
Chairman & Managing Director



NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT GENERAL MEETING IS ENTITLED TO APPOINT A PROXY / PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. SUCH A PROXY / PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10 percent of the total share capital of the Company. A member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.
3. The Register of Members and the Share Transfer Books of the Company will remain closed From Saturday, 6th September, 2014 to Thursday, 11th September, 2014 (both days inclusive) to determine the entitlement of the shareholders to receive dividend for the year 2013-14.
4. As per clause 49 of the Listing Agreement(s), Information regarding appointment/re-appointment of Directors and Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business to be transacted at the meeting, are annexed hereto.
5. Members seeking any information or clarification on the accounts are requested to send a written queries to the Company at least 10 days before the date of the meeting to enable the Management to keep the required information available at the meeting.
6. All documents referred to in the accompanying notice and explanatory statement will be kept open for inspection at the Registered Office of the Company on all working days between 11:00 a.m. to 1:00 p.m. except Saturday prior to the date of Annual General Meeting.
7. Members holding shares in electronic form are hereby informed that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrar and Transfer Agents cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participant of the Members.
8. Electronic copy of the Annual Report for the year 2013-14 is being sent to all the members whose E-mail IDs are registered with the Company / Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their E-mail address, physical copies of the Annual Report for the year 2013-14 is being sent in the permitted mode.
9. Members may also note that the Notice of the 24th Annual General Meeting and the Annual Report for the year 2013-14 will also be available on the Company's website www.deepindustries.com for their download. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to cs@deepindustries.com.
10. Members are requested to bring their Attendance Slip along with their copy of the Annual Report to the Meeting.
11. Members are requested to provide their Client ID and DP ID numbers at the meeting for easy identification.
12. **GREEN INITIATIVE:**

The Ministry of Corporate Affairs ("MCA"), Government of India, through its Circular No. 17/2011 dated 21st April, 2011 and Circular No. 18/2011 dated 29th April, 2011, has allowed companies to send Annual Report comprising of Balance Sheet, Statement of the Profit & Loss, Directors' Report, Auditors' Report and Explanatory Statement etc., through electronic mode to the registered e-mail address of the members. Keeping in view of the underlying theme and the circulars issued by MCA, we propose to send future communications in electronic mode to the e-mail address provided by you to the depositories and made available by them being the registered address. By opting to receive communication through electronic mode you have the benefit of receiving communications promptly and avoiding loss in postal transits. The Annual Report and other communications/documents sent electronically would also be displayed on the Company's website: www.deepindustries.com. As a Member of the Company, you will be furnished free of cost, a printed copy of the Annual Report of the Company, upon the receipt of the requisition from you.

We request you to support this initiative and opt for the electronic mode of communication by submitting your e-mail address to your DP or to the Company's Registrar, in the interest of the environment.

13. The instructions for members for voting electronically are as under:-

In case of members receiving e-mail:

- i. Log on to the e-voting website www.evotingindia.com
- ii. Click on "Shareholders" tab.
- iii. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.



- v. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN*	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)(a) Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the last 8 digits of the demat account/folio number in the PAN field.(b) In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 100 then enter RA00000100 in the PAN field.
DOB#	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details#	Enter the Dividend Bank Details (Account Number) as recorded in your demat account or in the company records for the said demat account or folio. - Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on the cut off date i.e. 8 th August, 2014 in the Dividend Bank details field.

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN i.e. 140808031 of Deep Industries Limited on which you choose to vote.
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- xvi. If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

In case of members receiving the physical copy:

- (A) Please follow all steps from sl. no. (i) to sl. no. (xvi) above to cast vote.
- (B) The voting period begins on Thursday, September, 4, 2014 (9.00 am) and ends on Saturday, September, 6, 2014 (6.00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 8th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.
14. Mr. Rajesh Parekh, Practicing Company Secretary of M/s Rajesh Parekh & Co. (Membership No. A8073, COP No. 2939), 104, Ashwamegh Avenue, Nr. Mithakhali Underbridge, Navrangpura, Ahmedabad 380 009 has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.



EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 5

Mr. Kirit Joshi (DIN: 05316488) is an Independent Non-Executive Director (INED) of the Company. He joined Board of Director of the Company on 29th June, 2012.

Mr. Kiritkumar V. Joshi, aged 63 years, has done B.Sc. with Maths, Physics & Statistics and Diploma in Co-operation, from M.S. University, Baroda. He has more than 40 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, identifying high-yielding services and products.

Mr. Kirit Joshi is currently the Chairman of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee of the Board of Directors of the Company. He is not on the Board of Director of any other Company or Member of any Committee in any Company.

Mr. Kirit Joshi does not hold any shares of the Company. He is not related to any Directors of the Company.

Mr. Kirit Joshi retires by rotation at the ensuing Annual General Meeting of the Company under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, if any, Mr. Kirit Joshi being eligible and offering himself for appointment is proposed to be appointed as an Independent Director for consecutive terms upto 31st March 2019. A notice has been received from a member proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Kirit Joshi fulfills the Conditions as specified in the Companies Act, 2013 and the rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management. Copy of the draft letter for appointment of Mr. Kirit Joshi as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considered that his continues association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Kirit Joshi as an Independent Director of the Company. Accordingly the Board recommends the resolution no. 5 in relation to appointment of Mr. Kirit Joshi, as an Independent Director of the Company, for your approval as an ordinary resolution.

Mr. Kirit Joshi is deemed to be interested in the resolution. None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchanges.

Item No. 6

Mr. Harish Bhinde (DIN: 00504057) is an Independent Non-Executive Director (INED) of the Company. He joined Board of Director of the Company on 28th November, 2005.

Mr. Harish Bhinde, aged 74 years, is a Mechanical Engineer and has more than 45 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)

Mr. Harish Bhinde is currently the member of the, Nomination and Remuneration Committee of the Board of Directors of the Company. He is not on the Board of Director of any other Company or Member of any Committee in any Company.

Mr. Harish Bhinde does not hold any shares of the Company. He is not related to any Director of the Company.

Mr. Harish Bhinde's period of office is liable to determination by retirement of directors by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act, 2013, if any, Mr. Harish Bhinde being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for consecutive terms upto 31st March 2019. A notice has been received from a member proposing his candidature for the office of Independent Director of the Company.

In the opinion of the Board, Mr. Harish Bhinde fulfills the Conditions as specified in the Companies Act, 2013 and the rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management. Copy of the draft letter for appointment of Mr. Harish Bhinde as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board considered that his continues association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Harish Bhinde as an Independent Director of the Company. Accordingly the Board recommends the resolution no. 6 in relation to appointment of Mr. Harish Bhinde, as an Independent Director of the Company, for your approval as an ordinary resolution.

Mr. Harish Bhinde is deemed to be interested in the resolution. None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchanges.



Item No. 7

Mr. Arun Mandke (DIN: 00587604) was appointed as an additional director by the Board of Director of the Company on 28th June, 2014. As per the provisions of Section 161 of the Companies Act, 2013, he holds office upto the date of ensuing Annual General Meeting of the Company. As required under Section 160 of the Companies Act, 2013, the Company has received a notice from a Member proposing name of Mr. Arun Mandke as candidate for the office of the Director.

Mr. Arun Mandke, aged 66 years, is a Mechanical Engineer having more than 42 years of Experience in the field of Construction, Project Management, Operation & Maintenance of the Power, Fertilizer & Chemical Plants.

He has worked at various Senior Positions such as Manager / General Manager / Executive Director in Central Government Department (DAE), State Public Sector Undertaking (GACL), Reputed Private Sector Consultancy Company (DCPL), Reputed Private Construction Company (DWE) and Reputed Turn Key Project Manufacturing & Supplying Company (SEPL).

Mr. Arun Mandke is currently the member of the Audit Committee, Nomination and Remuneration Committee and Stakeholders and Relationship Committee of the Board of Directors of the Company. He is not on the Board of Director of any other Company or Member of any Committee in any Company.

Mr. Arun Mandke is not on the Board of Director of any other Company or Member of any Committee in any Company. Mr. Arun Mandke does not hold any shares of the Company. He is not related to any Director of the Company.

In the opinion of the Board, Mr. Arun Mandke fulfills the Conditions as specified in the Companies Act, 2013 and the rules made thereunder for his appointment as an Independent Director of the Company and is Independent of the management. Copy of the draft letter for appointment of Mr. Arun Mandke as an Independent Director setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day, excluding Saturday.

The Board recommends the resolution at item No. 7 of the notice in relation to appointment of Mr. Arun Mandke as a Director, for your approval as an ordinary resolution.

Mr. Arun Mandke is deemed to be interested in the resolution. None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchanges.

Item No. 8

The term of appointment as Whole-time Director of **Mr. Dharen Savla (DIN: 00145587)** expired 20th June, 2014. He was re-appointed by the Board of Directors for 5 (Five) years w.e.f. 21st June, 2014 upon the recommendations of Nomination and Remuneration Committee to the Board, as a Whole Time Director subject to approval of members at the ensuing Annual General Meeting on the terms and conditions as mentioned in the Special Resolution set out in the Notice.

Mr. Dharen Savla, aged 34 years, is having More than 10 years of experience in handling human resources and organizing training programmes for implementing different jobs for different sites and looking after Work Over Rig activities as well. He has completed B.Com from Gujarat University, Ahmedabad and MBA from Swinburne University of Technology, Australia.

Details of his Directorship in other Companies and Membership in Committees of that Companies are given below.

Sr. No.	Directorship in Companies	Names of Committees
1.	Deep Natural Resources Limited	NIL
2.	Deep Methane Private Limited	NIL
3.	Prabha Energy Private Limited	NIL

Mr. Dharen Savla is holding 4,00,725 Equity Shares of the Company. He is a relative of Mr. Paras Shantilal Savla, Chairman & Managing Director of the Company.

The Board considered that his continues association would be of immense benefit to the Company and it is desirable to continue to avail services of Mr. Dharen Savla as a Whole-Time Director of the Company. Accordingly the Board recommends the resolution Item no. 8 in relation to appointment of Mr. Dharen Savla, as a Whole-Time Director of the Company, for your approval as a Special Resolution.

Mr. Dharen Savla is related to Mr. Paras Shantilal Savla, therefore Mr. Paras Savla and Mr. Dharen Savla are deemed to be interested in the resolution. None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the resolution. This explanatory statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with Stock Exchanges.

Item No. 9

Mr. Paras Savla (DIN: 00145639) was reappointed as Managing Director for 5 years w.e.f. 01st March, 2010 at the Twentieth Annual General Meeting. In view of the increased business operations of the Company, the Board of Directors at their meeting held on 29th May, 2014 increased the remuneration and also varied the terms w.e.f. 01st June, 2014 as mentioned in the Special Resolution set out in the Notice.



Mr. Paras Savla, aged 43 years, is a Chairman & Managing Director of Deep Industries Ltd. He is a Commerce Graduate from Gujarat University. Under his vision, Deep Industries Ltd has become one of the prominent compression service provider to the Oil and Gas sector. He has the vast experience in Gas Compression Service sector.

Mr. Paras Savla is a member of Audit Committee and Stakeholders Relationship Committee. Details of his Directorship in other Companies and Membership in Committees of that Companies are given below.

Sr. No.	Directorship in Companies	Names of Committees
1.	Deep Natural Resources Limited	NIL
2.	Deep Methane Private Limited	NIL
3.	Prabha Energy Private Limited	NIL
4.	Deep Ch4 Private Limited	NIL
5.	Savla Enterprise Private Limited	NIL
6.	Adinath Exim Resources Limited	Audit Committee, Stakeholder Relationship Committee
7.	Yash Organochem Private Limited	
8.	Savla Oil & Gas Private Limited	NIL
9.	Deep Global Pte	NIL

Mr. Paras Savla is holding 4,00,550 Equity Shares of the Company.

The Board recommends the resolution at item no. 9, in relation to variation in terms and Conditions as Managing Director of Mr. Paras Savla for your approval as a Special Resolution.

Mr. Paras Savla is related to Mr. Dharen Savla, therefore Mr. Dharen Savla and Mr. Paras Savla are deemed to be interested in the resolution. None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the said resolution.

Item No. 10

Mr. Rupesh Savla (DIN: 00126303) was reappointed as Managing Director for 5 years w.e.f. 01st March, 2010 at the Twentieth Annual General Meeting. In view of the increased business operations of the Company, the Board of Directors at their meeting held on 29th May, 2014 increased the remuneration and also varied the terms w.e.f. 01st June, 2014 as mentioned in the Special Resolution set out in the Notice.

Mr. Rupesh Savla, aged 42 years, is a Managing Director of Deep Industries Ltd. He is a Commerce Graduate from Gujarat University and MBA from Bentley College, USA. He has vast experience in the co-ordination and execution of projects in the gas compression services.

Details of his Directorship in other Companies and Membership in Committees of that Companies are given below.

Sr. No.	Directorship in Companies	Names of Committees
1.	Deep Natural Resources Limited	NIL
2.	Deep Methane Private Limited	NIL
3.	Deep Ch4 Private Limited	NIL
4.	Deep Energy LLC	NIL
5.	Prabha Energy Private Limited	NIL
6.	Kanvel Oil & Gas Private Limited	NIL
7.	Deep Global Pte	NIL

Mr. Rupesh Savla is holding 23,37,332 Equity Shares of the Company

The Board recommends the resolution at item no. 10, in relation to variation in terms and Conditions as Managing Director of Mr. Rupesh Savla for your approval as a Special Resolution.

Mr. Rupesh Savla is deemed to be interested in the resolution. None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the said resolution.

Item No. 11

The Company had passed the resolution on 30th May, 2008 under Section 293(1)(d) of the Companies Act, 1956 to authorize the Board of Director to borrow up to ₹ 500 Crore (excluding temporary loans obtained from the Company's banker in the ordinary course of business for working capital).

Section 180(1)(c) of the Companies Act, 2013 which has replaced Section 293(1)(d) of the Companies Act, 1956 provides that the Board of Directors shall not borrow money in excess of the Company's paid-up share capital and free reserves, apart from temporary loans obtained from the Company's Bankers in the ordinary course of business, except with the consent of the Company accorded by way of a Special Resolution. Further, as per a clarification issued by Ministry of Corporate Affairs, the ordinary resolution earlier passed under Section 293(1)(d) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013.



Accordingly, it is, therefore, necessary for the members to pass a special resolution under Section 180(1)(c) of the Companies Act, 2013 to enable the Board of Directors to borrow money the outstanding amount of which at any time shall not exceed in the aggregate ₹ 500 Crores (Rupees Five Hundred Crores Only) which may exceed the paid up capital and free reserves of the Company for the time being.

The Board recommends the resolution at item no. 11 for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the said resolution.

Item No. 12

The Company had passed the resolution on 30th May, 2008 under Section 293(1)(a) of the Companies Act, 1956 and has authorized the Board of Directors to mortgage and/or charge all or any of the movable or immovable properties of the Company and/or the whole or any part of the undertaking(s) of the Company upto ₹ 500 Crore.

Section 180(1)(a) of the Companies Act, 2013 which has replaced Section 293(1)(a) of the Companies Act, 1956 provides that the Board of Directors shall create charge on all or any of the movable or immovable properties of the Company, except with the consent of the Company accorded by way of a special resolution. Further, as per a clarification issued by Ministry of Corporate Affairs, the ordinary resolution earlier passed under Section 293(1)(a) of the Companies Act, 1956 will remain valid for a period of one year from the date of notification of Section 180 of the Companies Act, 2013.

Accordingly, it is, therefore, necessary for the members to pass a special resolution under Section 180(1)(a) of the Companies Act, 2013 to enable the Company to create security upto limit specified in the resolution passed under Section 180(1)(c) of the Companies Act, 2013.

The Board recommends the resolution at item no. 12 for your approval as a Special Resolution.

None of the Directors or Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the said resolution.

Item No. 13

There was no restriction in the Companies Act, 1956 with respect to appointment of Chairpersons as well as the Managing Directors or Chief Executive Officers at the same time. As per the Provisions of Section 203 of the Companies Act, 2013, an individual cannot be appointed as the Chairperson as well as the Managing Director or Chief Executive Officer of the Company at the same time, unless Articles of the Company provides for such appointment. As the existing Articles of the Association does not provide the same provision, it is proposed to amend the Articles of Association of the Company by inserting new Article 132A as stated in the resolution after article 132 to comply with the provisions of the said section of the Companies Act, 2013. Hence, the Directors recommend this resolution for your acceptance.

A copy of the Articles of Association of the Company with proposed amendments is open for inspection of the Members at the Registered Office of the Company during normal business hours on any working days, excluding Saturday.

Except Mr. Paras Savla, Mr. Rupesh Savla, Mr. Dharen Savla and Mr. Premsingh Sawhney, none of the Directors, Key Managerial Personnel (KMP) of the Company or their relatives is in any way concerned or interested in the said resolution.

By Order of Board of Directors

Date : 04.08.2014
Place : Ahmedabad

PARAS SAVLA
Chairman & Managing Director

Details of Directors seeking re-appointment at the Annual General Meeting

(In pursuance of clause 49 of the Listing Agreement)

Name of the Director	Brief Resume and nature of Expertise in Functional area	List of other Directorship/ Committee membership in other Public Companies as on 31 st March 2014
Mr. Premsingh Sawhney	Mr. Premsingh Sawhney aged 54 years, is M. Tech. In Chemical Engineering. He has over 29 years of extensive and rich experience in the exploration and development of conventional & unconventional hydrocarbon resources.	Other Directorship NIL Committee Membership NIL



DIRECTORS' REPORT

To
The Members
Deep Industries Limited,
Ahmedabad

Your Directors have pleasure in presenting Twenty-Forth Annual Report together with the Audited Accounts of the Company for the Financial Year ended 31st March, 2014.

FINANCIAL RESULTS:

	(₹ In Lacs)	
Particulars	2013-14	2012-13
Sales/ Income from Operation	9076.76	6508.59
Other Income	121.35	180.57
Expenditure	3862.40	2913.42
Profit Before Interest and Depreciation	5335.71	3775.74
Less: Interest	852.97	642.88
Profit Before Depreciation	4482.74	2270.53
Less: Depreciation	1204.47	1006.84
Profit Before Tax	3278.27	2126.01
Less: Provision for: Current Taxation	655.98	425.00
Short Provision of Taxation	0	0
Deferred Taxation	617.97	487.41
Net Profit	2004.32	1213.59
Balance brought forward from last year	5855.42	4975.02
Exceptional Items (Profit/Loss)	0	0
Profit available for appropriation	7859.75	6188.61
APPROPRIATIONS:		
Transfer to General Reserve	200.00	150.00
Investment Reserve Fund	3.94	0.14
Proposed Dividend	292.00	157.50
Proposed Dividend Distribution Tax	49.63	25.55
Balance carried to Balance Sheet	7314.18	5855.42

DIVIDEND

Your Directors have recommended final dividend of ₹ 1/- (10%) per Equity Share each of ₹ 10/- for financial year ended on 31st March, 2014, 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 5th September, 2014 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.

DIRECTORS

Mr. Ajaykumar Singhania and Mr. Vijay Shah, Independent Directors of the Company have resigned from the Board w.e.f. 1st April, 2014 & 1st July, 2014 respectively.



Mr. Premsingh Sawhney retires by rotation and being eligible, offer himself for re-appointment.

Your Directors state that Mr. Kirit Joshi, Mr. Harish Bhinde & Arun Mandke who are proposed to be appointed as Independent Directors for consecutive terms upto 31st March, 2019.

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

SUBSIDIARY COMPANY:

Pursuant to provisions of Section 212(8) of Companies Act, 1956, The Ministry of Corporate Affairs, Government of India, vide its circular dated February 8, 2011 has granted general exemption from attaching Balance Sheet, Profit & Loss A/c. and other documents of Subsidiaries with the Balance Sheet of the Holding Company. The annual accounts of the Subsidiary Companies and their related detailed information will be made available to any member of the Company and its Subsidiaries named Prabha Energy Private Limited, Deep Natural Resources Limited, Deep Energy LLC, U.S.A., Deep Global PTE, Singapore, 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, 2014 is also attached.

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

M/s. Jayesh M. Shah & Co., Chartered Accountants, the Statutory Auditors of the Company, who retire at the ensuing Annual General Meeting and are eligible for re-appointment. They have furnished a Certificate regarding their eligibility for re-appointment as Statutory Auditor of the Company, pursuant to Section 139(1) of the Companies Act, 2013 read with rules. The Board of Directors recommends their re-appointment for 2014-15.

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.

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 employee) Rules, 1975 as amended, the names and other particulars of the employees are set out in the Annexure to the Director's Report. Having regards to the provisions to 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 other 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:

(₹ in Lacs)		
Particulars	2013-14	2012-13
Earnings	Nil	Nil
Outgo	2673.24	451.67

DETAILS OF UNCLAIMED SHARES

In terms of Clause 5A(I) of Listing Agreement as on 31st March, 2014

Particulars	No. of Shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 1, 2012	4	1489
Number of shareholders who approached to Issuer / Registrar for transfer of shares from suspense account during the year 2013-14	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year 2013-14	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, 2014	4	1489

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

ACKNOWLEDGEMENT

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 : 04.08.2014
Place : Ahmedabad

PARAS SAVLA
Chairman & Managing Director



MANAGEMENT DISCUSSION AND ANALYSIS

Deep Industries Limited (DIL) is a well diversified oil & gas Company serving the industry since 1991 with business interest in Air and Gas Compression, Work Over, Drilling and Oil & Gas Exploration and Production. DIL is the first Company in India to provide high pressure Air and Gas compressors on charter hire basis. DIL is the largest Natural Gas Compression services provider in India. DIL is providing work-over and drilling services to exploration and production (E&P) Companies through its fleet of rigs. DIL has also expanded in Exploration and Production Business of Oil, Gas and Coal Bed Methane.

OPPORTUNITIES AND THREATS

The Oil and Gas sector in India is full of opportunities across its value chain and sub sectors such as opportunities for foreign investments and technology partnership in the upstream sector, opportunities for E&P services and equipment companies. This sector offers great future opportunities for both Indian and International Companies driven by factors such as vastly unexplored and under explored sedimentary basins, Unconventional hydrocarbon exploration activities gaining momentum in India. The NELP was introduced to increase investment in India's domestic sector, especially the private sector investments. A total of nine rounds of acreage awards have been completed.

The Oil and Gas sector has many opportunities but at the same time its dealing with some fundamental issues which can be hinder its progress and thwart the achievement of its growth objective such as shortages of skills, technology and equipment in upstream sector, ambiguity on policies relating to pricing and marketing of domestic gas as well as the gas end user segment policies creating hurdles to gas market development etc.

STRATEGY OF THE COMPANY

Deep Industries Limited is in business of Oil and Gas field services and 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 in India. The Company executes contract compression on turnkey basis, which includes supply of Equipment, Installation, Commissioning and Operation & Maintenance of gas engine driven compressor packages.

DRILLING AND WORK-OVER BUSINESS

Company has 6 workover Rigs of various capacities and 1 Drilling Rigs operating with various renowned E&P Companies in Oil & Gas sector across India. Company has done various Drilling & work over operations. DIL has been successfully in serving long term contracts since last 10 years. Company has bid for various drilling contracts within India as well as across the globe.

OIL AND GAS EXPLORATION AND PRODUCTION BUSINESS

Deep Industries Limited (DIL) and its subsidiary companies are holding large acreage of good onshore exploration & production assets in both conventional and unconventional category. The total acreage operated by the Company is over 11800 sq km with prognosticated hydrocarbon resources of over 1350 Million Barrels of Oil Equivalent (MMBOe). Out of 10 blocks, 3 blocks are in development phase, one in appraisal phase and rest in exploration phase.

NELP VII:

Deep Industries Limited signed the Production Sharing Contract for SR-ONN-2005/1 block with Government of India under the New Exploration Licensing Policy (NELP) VII round in 2008. The block is located in the state of Chhattisgarh. Numerous gas shows occurring in the basin show the generation and accumulations of hydrocarbons and the area is considered to have a good hydrocarbon generation potential. Application for Petroleum Exploration License (PEL) for carrying out exploration work submitted to the state government and grant expected very soon. The Company has completed the Environment Impact Assessment (EIA) studies and currently preparing for carrying out Public Hearing.

NELP IX:

Deep Energy LLC, subsidiary of Deep Industries Limited, along with its consortium partners was awarded with 3 on land oil & gas blocks under NELP IX bidding round. The Production Sharing Contracts for three blocks were signed with the Government of India in 2012. Two blocks (VN-ONN-2010/1 & VN-ONN-2010/2) are located in Madhya Pradesh with cumulative area of around 8600 sq. km. One block, CB-ONN-2010/3 is located in the highly prospective Cambay basin in Gujarat. Application for Petroleum Exploration Licenses has been filed with the respective State Governments for all the three blocks. Grant for PEL is expected in due course. s. Application for Petroleum Exploration License has been filed with the respective State Governments for all the blocks.



COAL BED METHANE (CBM) PROJECTS

SR-CBM-2005/III(India)

DIL has completed Phase-I of the CBM contract by drilling 9 core holes and 5 production test wells. DIL has acquired CBM reservoir parameters like coal thickness, gas content, permeability etc from the phase-I campaign and a fairway area has been identified. After developing the necessary infrastructure, the production test wells are currently under dewatering stage. Further, DIL plans to drill few more test wells as a part of Phase-II program so as to substantiate the field results obtained so far. DIL is also carrying out market survey for finding the customers for selling gas which will be produced from the block.

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

DIL has obtained environmental clearance for carrying out Exploration activities in the block and has also applied to the state government of Andra Pradesh for Petroleum Exploration License (PEL) for the block. Based on the G&G data for the block, a few prominent coal seams have occurrence in the block area. The corehole locations have been identified and land for the core holes has already been acquired. Onsite execution of the planned activities will be undertaken soon after the PEL is received.

Melak Mendung III CBM (Indonesia)

The block is located in Indonesia and covers an area of about 996 sq. Kms with a prognosticated in place gas resource of 2900 bcf. The Production Sharing Contract for the block signed with SKKMIGAS on 1st August 2011. The consortium led by DIL has setup an office in Jakarta with required manpower. The work program and the budget for the block have been approved by SKKMIGAS. Well locations have been identified and currently land acquisition activities and other environmental baseline studies are under progress. After completion of which, the core hole drilling will be started in the block.

MARGINAL FIELDS

The three Onshore Marginal Fields were awarded to DIL by Oil and Natural Gas Corporation Limited ("ONGC"), during April 2007, as a part of its "Marginal Field Monetization Program". The Fields are part of the Jaisalmer-Mari High basin containing 1.42 BCM of gas reserves, spread across 100 Km2 and are located in the state of Rajasthan approximately 100 kms north of Jaisalmer. DIL has completed all its committed work program of the assessment period and has submitted development plans for the three fields. DIL is actively looking for gas utilization tie-ups for selling the gas produced from these fields.

FINANCIAL ANALYSIS OF DEEP INDUSTRIES LIMITED

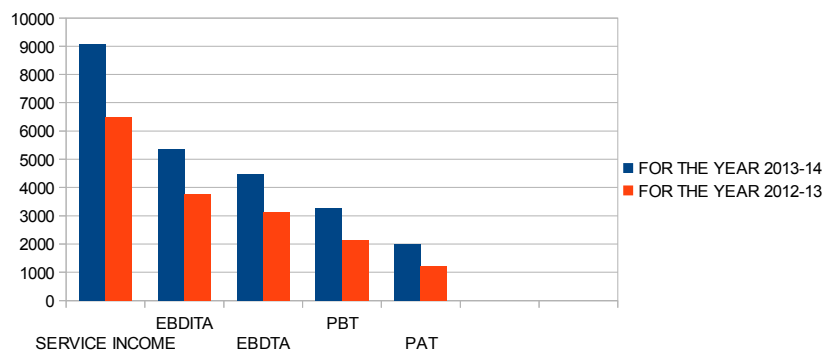
SERVICE INCOME

(₹ In Lacs)

Nature of Services	FY 13-14	FY 12-13	Change	Change %
Air, Gas Compression & Work Over Operation Services	9076.76	6508.59	2568.17	39.46
Total Business Income	9076.76	6508.59	2568.17	39.46

(₹ In Lacs)

	FOR THE YEAR 2013-14	FOR THE YEAR 2012-13
SERVICE INCOME	9076.76	6508.59
EBDITA	5335.71	3775.74
EBDTA	4482.77	3132.86
PBT	3278.27	2126.01
PAT	2004.32	1213.60





OTHER INCOME

Other Income decreased from ₹ 180.57 Lacs to ₹ 121.35 Lacs.

OPERATING EXPENSES

Operating Expenses has increased from ₹ 1643.84 Lacs to ₹ 2243.39 Lacs. Operating Expense as a percentage of Operating Income has been decreased from 25.26% to 24.72% which is well below as per Industry norms.

STAFF COST

Employees' Remuneration & Benefits has increased from ₹ 676.91 Lacs to ₹ 928.50 Lacs which shows increase of 37.17% in actual terms. However, the same has been decreased from 10.40% to 10.23% in terms of percentage of operating income as compare to previous year. Staff cost also includes Director's Remuneration.

OTHER COST

Other Expense has increased from ₹ 553.54 Lacs to ₹ 651.39 Lacs which is in line with increase in total income and is well within Industry norms.

FINANCIAL CHARGES

Interest & Financial Charges has increased from ₹ 642.88 Lacs to ₹ 852.97 as compared to previous year. Financial Charges as a percentage of operating income has decreased from 9.88% to 9.40% compare to previous year.

DEPRECIATION

Depreciation has increased from ₹ 1006.84 Lacs to ₹ 1204.47 Lacs. This shows increase of 19.63% over the previous year. This is mainly because of Increase in Plant and Machinery and which has contributed to increase operating income.

RISKS & CONCERN

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

INTERNAL CONTROL SYSTEMS

The Company has built adequate systems of internal controls to safeguard all assets against loss from unauthorised use or disposition as well as ensuring the preparation of timely and accurate financial information. Regular internal audits and checks are carried out to provide assurance that adequate systems are in place and that the responsibilities at various levels are discharged effectively.

HEDGING POLICY

In order to reduce the uncertainty arising on account of exchange rate movements and currency movement on foreign exchange exposures, Company has in place the hedging policy to secure forex exposures either naturally or otherwise so that the volatility does not impact the core business of the Company. The policy aims at monitoring the market condition for favourable development and minimising the risk arising out of forex fluctuations with minimum cost of hedging.

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 organisation. In order to meet the industries demand, we have appointed experienced professionals in Technical as well as Finance Departments. Apart from that every year, we hire new pool of latent 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 responsibilities in respect of the forward looking statements herein, which may undergo changes in future on the basis of subsequent developments, information or events.



CORPORATE GOVERNANCE REPORT

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

The Company has improved the quality of Corporate Governance through the integrity of management, transparency in corporate reporting, financial reporting, commitment level of individual board member and participation of stakeholders in the management. The Company has strong legacy of fair, transparent and ethical governance practices. We take pleasure in reporting that your Company's existing policies and procedures are in conformity with the requirements stipulated under Clause 49 of the Listing Agreement and the Company is committed to maintain the highest Standard of Corporate Governance to maintain proper Compliance with all the applicable legal and regulatory requirements under which the Company is carrying out its activities.

1. BOARD OF DIRECTORS

The Board of Directors as on the date of this report comprises of 7 (Seven) Directors out of which 4 (four) Directors are Executive, Non-Independent and 3 (Three) Directors are Non – Executive, Independent Directors. The Board of Directors met 10 (Ten) times during the Financial Year 2013-14 as per the details mentioned below.

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, 2014**
Paras S. Savla	CMD-Executive	10	Yes	2 (Member)	2
Rupesh K. Savla	MD-Executive	10	No	NIL	1
Dharen S. Savla	WTD-Executive	9	Yes	NIL	1
Prem Singh Sawhney	WTD-Executive	6	No	NIL	NIL
Harish G. Bhide	NED (I)	5	No	NIL	NIL
Ajay Kumar Singhania (up to 31 st March, 2014)	NED (I)	6	No	NIL	NIL
Vijay Shah (up to 30 th June, 2014)	NED (I)	7	Yes	NIL	NIL
Kiritkumar V. Joshi	NED (I)	6	No	NIL	NIL
Arun N. Mandke (w.e.f. 28 th June, 2014)	NED (I)	—	—	—	NIL

* Chairmanship/Membership of the Audit Committee and Stakeholders Relationship Committee of other Companies is considered.

** Excludes Directorship in Private/Foreign Companies and Companies incorporated Under Section 25 of the Companies Act, 1956 and Section 8 of the Companies Act, 2013.

· 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, 2014, 10 (Ten) meetings of the Board of Directors were held on following dates:

Ten Meetings of the Board of Directors were held during the Financial Year 2013-14 on 25.05.2013, 03.07.2013, 09.08.2013, 14.10.2013, 14.11.2013, 19.11.2013, 07.12.2013, 31.12.2013, 14.02.2014 and 24.03.2014.



2. AUDIT COMMITTEE

The Audit Committee of the Company as on 31st of March, 2014 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(s) read with Section 177 of the Companies Act, 2013.

The terms of reference of Audit Committee cover the matters specified for Audit Committee under the Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, 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.

As on 31st March, 2014, 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	4
Mr. Harish G. Bhide	Member	Non- Executive, Independent	4
Mr. Paras Savla	Member	Executive, Non- Independent	4

Four Meetings of Audit Committee were held during the financial year 2013-14 on 25.05.2013, 09.08.2013, 14.11.2013, and 14.02.2013.

3. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Company has Stakeholders Relationship Committee of Directors to look into the Redressal of Investors Grievances related to the share transfer, transmissions, transpositions, re-materialization, 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, 2014, the composition of the Stakeholders Relationship Committee and the details of meetings attended by its members are given below:

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

Four Meetings of Stakeholders Relationship Committee were held during the financial year 2013-14 on 25/05/2013, 09/08/2013, 14/11/2013 and 14/02/2014.

4. NOMINATION AND REMUNERATION COMMITTEE

The Company has Nomination and 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, 2014, the composition of the Nomination and Remuneration Committee and the details of meetings attended by its members are given below:

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



Details of Nomination and Remuneration of Managing Directors and Executive Director for the Financial Year 2013-14 are as under:

Sr No.	Name of Director	Amount Paid (₹ In Lacs)
1.	Paras Savla (Chairman & Managing Director)	19.08
2.	Rupesh Savla (Managing Director)	18.00
3.	Dharen Savla (Whole Time Director)	19.34
4	Mr. Premsingh Sawhney (Whole Time Director)	67.03

One Meetings of Nomination and Remuneration Committee were held during the financial year 2013-14 on 14th November, 2013.

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:

- Applying for the tender in the name or on behalf of the Company;
- Opening or Closing of Company's bank account(s);
- Making application to or representation before any statutory, legislative or judicial authority or government department;
- 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 Savla. Mr. Paras Savla is the Chairman of the Committee. The Committee met Six times during the year 2013-14 and attended by all members.

6. GENERAL BODY MEETING

Details of last three Annual General Meetings:

Year	Date	Time	Venue	No. of Special Resolution
2010-11	07/09/2011	10.30 A.M.	Conference Room, GCA Club House, Sardar Patel Stadium, Motera, Gandhinagar, Gujarat	Nil
2011-12	28/09/2012	10.30 A.M.	Conference Room, GCA Club House, Sardar Patel Stadium, Motera, Gandhinagar, Gujarat	Nil
2012-13	19/09/2013	10.30 A.M.	Conference Room, GCA Club House, Sardar Patel Stadium, Motera, Gandhinagar, Gujarat	Nil

No Resolution was passed through the Postal Ballot during the year under review.

During the year, the Company has passed a Special Resolution for issuance of 29,50,000 Convertible Warrants to Promoter/Promoter Group in the Extra Ordinary General Meeting held on 19th December, 2013.

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.

Outstanding GDRs/ADRs/Warrants or any Convertible instruments and its likely impact on equity

The Company has not issued ADR/GDR during the year.

The Board of Directors of the Company has made allotment of 29,50,000/- Convertible warrants of ₹ 34/- each to the promoters / promoter group on December 31, 2013 on preferential basis:

As on March 31, 2014, 29,50,000 Convertible Warrants of ₹ 34/- each are outstanding. The Company has allotted 29,50,000 equity shares of ₹ 10/- each at a premium of ₹ 24/- each upon the Conversion of Convertible Warrants as on 22nd April, 2014.

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 Limited (BSE). These results are also available on Company's website i.e. 'www.deepindustries.com'.

9. GENERAL SHAREHOLDER INFORMATION

(i) 24th Annual General Meeting

- Date : 11th September, 2014
- Time : 10.30 a.m.
- Venue : Conference Hall, GCA Club House,
Sardar Patel Stadium,
Motera, Ahmedabad, Gujarat

(ii) Date of Book closure: 6th September, 2014 to 11th September, 2014 (Both days inclusive)

(iii) Financial calendar for the year 2014-15

Board Meeting for approval of quarterly results (tentative schedule)

- June 30, 2014. : On 04th August, 2014
- September 30, 2014 : On or before 15th November, 2014
- December 31, 2014 : On or before 14th February, 2015
- March 31, 2015 : On or before 30th May, 2015

(iv) Dividend payment

The Board of Directors at their meeting held on 29/05/2014 recommended a dividend of ₹ 1 per Equity Share of the face value of ₹ 10/- each for the financial year 2013-2014, subject to approval of the Shareholders. Dividend, if approved by the Shareholders will be paid within prescribed statutory period.

(v) Listing on Stock Exchange along with stock code

The Equity Shares of the Company are listed on Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The Company has paid Annual Listing Fees for the year 2014-15.

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



(vii) **Market Price Data:**

High & Low price (based on closing price) during each month in last Financial Year 2013- 2014

MONTH	BSE		NSE	
	HIGH	LOW	HIGH	LOW
April, 2013	44.25	30.50	44.20	31.15
May, 2013	43.50	34.70	43.80	34.55
June, 2013	40.55	26.50	40.60	26.10
July, 2013	34.70	26.40	34.25	26.15
August, 2013	29.40	21.90	29.90	21.05
September, 2013	31.05	22.10	31.00	21.30
October, 2013	30.85	26.25	30.50	26.35
November, 2013	41.30	27.55	41.25	27.50
December, 2013	48.20	36.40	48.00	36.20
January, 2014	50.50	37.30	50.40	37.15
February, 2014	42.60	37.00	42.90	36.15
March, 2014	46.50	36.40	46.65	36.90

(viii) **Distribution of Shareholding as on 31st March, 2014**

No. of Shares	No. of Holders	% of holders	No. of Shares	% of holding
1 to 500	9544	84.23	14,44,575	5.50
501 to 1000	910	8.03	7,49,625	2.86
1001 to 2000	403	3.56	6,20,447	2.36
2001 to 3000	153	1.35	3,98,365	1.52
3001 to 4000	66	0.58	2,40,018	0.91
4001 to 5000	57	0.50	2,69,515	1.03
5001 to 10000	91	0.80	6,70,128	2.55
10001 and above	107	0.94	2,18,57,327	83.27
Total	11331	100	2,62,50,000	100.00

(ix) **Shareholding Pattern of the Company as on 31st March, 2014**

Sr.No.	Category	No. of shares held	% of shareholding
1	Promoters	1,69,45,025	64.55
2	Mutual Fund and UTI	—	—
3	Clearing Member	2,39,172	0.91
4	Foreign Institutional Investors	42190	0.16
5	Private Corporate Bodies	32,20,504	12.27
6	NRIs/OCBs	1,30,422	0.50
7	Indian Public	56,72,687	21.61
8	Banks, Financial Institutions, Insurance Co. (Central/State Government Institution)	—	—
9	GDR	—	—
	Total	2,62,50,000	100



(x) Registrar and Share Transfer Agents

The Investors may contact the Company's Registrar and Transfer Agent for the lodgment 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, 2014, 2,62,49,889 Equity Shares, representing 99.99% Share Capital of the Company are in electronic form. The transfer of these Shares is done directly through the depositories without any involvement of the Company. The Board of Directors of Company has delegated the powers regarding share transfer, splitting/consolidation of share certificate and issue of duplicate share certificate, re-materialization of shares, etc. to the Registrar and Share Transfer Agent of the Company. The Registrar and Share Transfer Agent process the transfer of Shares in physical form, within stipulated time, if documents are complete in all respects.

(xii) Address for correspondence

The Shareholders may address their communication/grievances at the following address.
The Company Secretary
Deep Industries Limited
6th Floor, Astron Tower, Opposite Fun Republic Cinema, S.G. Highway, Ahmedabad-380 015.

for and on behalf of the Board of Directors

Date : 04/08/2014
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, 2014.

Date : 29/05/2014
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, 2014, 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 : 29/05/2014
Place : Ahmedabad**

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



INDEPENDENT AUDITORS' REPORT

To,
The Members,
Deep Industries Limited.

1. We have audited the accompanying financial statements of **DEEP INDUSTRIES LIMITED ("the Company")** which comprise the Balance Sheet as at 31st March, 2014 and Profit and Loss Account and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information on that date annexed thereto.
2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
 - (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014 ; and
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date ; and
 - (c) In the case of Cash Flow statement, of the cash flows for the year ended on that date.
6. As required by the Companies (Auditor's report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
7. As required by section 227(3) of the Act, we report that:
 - (a) have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit ;
 - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit & Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance sheet, Statement of Profit and Loss Account and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013;
 - (e) On the basis of written representation received from the directors, as on 31st March 2014 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

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

(JAYESH M. SHAH)
Proprietor

Place : Ahmedabad
Date : 29th May, 2014



ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 6 of the Auditors' Report of even date to the members of Deep Industries Limited on the financial statements for the year ended 31st March, 2014.)

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 the Companies covered in the register maintained under section 301 of the Companies Act, 1956. In respect of the said loans the maximum amount outstanding at any time during the year is ₹ 14.01 Lacs and the year end balance is ₹ 11.4 Lacs. The company has not granted loans secured or unsecured to firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
(b) In our opinion and according to the information and explanations given to us, terms and conditions of such interest bearing loans are not prima facie prejudicial to the interest of the Company.
(c) The principal amounts, are repayable on demand and there is no repayment schedule.
(d) In respect of said loan, the same are repayable on demand and therefore the question of overdue amount does not arise.
(e) The Company has not taken any loans secured or unsecured, from Companies and firms covered in the register maintained under Section 301 of the Companies Act, 1956. The Company has taken interest bearing unsecured loans from other parties covered in the register maintained under Section 301 of the Companies Act, 1956. In respect of the said loans the maximum amount outstanding at any time during the year is ₹ 199.90 Lacs and the yearend balance is ₹ NIL.
(f) In our opinion and according to the information and explanations given to us, terms and conditions of such interest bearing loans are not prima facie prejudicial to the interest of the Company.
(g) The principal amounts, are repayable on demand and there is no repayment schedule.
(h) In respect of said loan, the same have been paid off and therefore the question of overdue amount does not arise.
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 as prescribed by the Central Government of India under clause (d) of subsection (1) of Section 209 of the Companies Act, 1956 in respect of the Company products are not applicable. Hence, the provisions of Clause (viii) of paragraph 4 of the Order are not applicable to the Company.



9. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues to the extent applicable with the appropriate authorities in India. However, in case of delays in few instances the same has been deposited along with interest due thereon.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, wealth tax, sales tax, custom duty, excise duty and cess which have not been deposited on account of any dispute. The particulars of dues of service tax as at 31st March, 2014 which have not been deposited on account of a dispute, are as follows:

Name of Statute	Nature of Dues	Amount (₹ Lacs)	Related Period	From where the dispute is pending
Service tax	Short payment of Service tax	96.36	F.Y 2006-07 to F.Y 2011-2012	Service tax dept.
Service tax	Short Payment of Service tax	49.91	F Y 2012-13 to 30.09.2013	Service Tax Department

10. The Company does not have any accumulated losses as at 31st March, 2014 and has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
11. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to any bank.
12. In our opinion and according to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. In our opinion, the Company is not a chit fund or a nidhi /mutual benefit fund/ society. Therefore, the provisions of Clause (xiii) of Paragraph 4 of the Order are not applicable to the Company.
14. Based on our examination of the records and evaluation of the related internal controls, the Company has maintained proper records of transactions and contracts in respects of its investments, securities and other investments and timely entries have been made therein. All Shares, Securities and other investments have been held by the Company in its own name.
15. In our opinion and according to information and explanation given to us, the Company has not given guarantee for any loan taken by other from Bank/ Financial Institutions which are prejudicial to the interest of the Company.
16. To the best of our knowledge and belief and according to the information and explanations given to us, in our opinion, the term loans & other facilities obtained during the year were, applied by the Company for the purpose for which they were obtained.
17. According to the information and explanations given to us and on the basis of overall examination of the Balance Sheet of the Company, in our opinion, there are no short term funds raised during the year which have been used for long term investment.
18. In our opinion and according to the information and explanations given to us, the Company has made preferential allotment of 29,50,000 Convertible Warrants of ₹ 10 each at the price of ₹ 34 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 May, 2014

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



BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No	₹ As at 31st March 2014	₹ As at 31st March 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	262500000	262500000
(b) Reserves and Surplus	4	1582874443	1457139670
(c) Money Received Against Shares Warrants	3	90270000	0
		1935644443	1719639670
2 Share Application Money pending for Allotement		-	-
3 Non-current Liabilities			
(a) Long-term Borrowings	5	839464921	731353184
(b) Deferred Tax Liabilities	6	235369441	173572482
(c) Other Long-term Liabilities	7	14958322	986329
		1089792684	905911995
4 Current Liabilities			
(a) Short-term Borrowings	8	278263996	143533854
(b) Trade Payables	9	60347204	56156723
(c) Other Current Liabilities	10	2524450	5100760
(d) Short-term Provisions	11	219350498	172294822
		560486148	377086158
TOTAL ₹		3585923275	3002637823
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
i) Tangible Assets	12	2375098826	1970310751
ii) Intangible Assets	12	2898007	3184399
iii) Capital Work in Progress	12	514572989	498269312
		2892569822	2471764462
(b) Non-current Investments	13	2870984	2870929
(c) Long-term Loans and Advances	14	7035520	26052453
(d) Other Non-Current Assets	15	26479397	24694158
		36385901	53617540
2 Current Assets			
(a) Current Investments	16	41497913	37176285
(b) Inventories	17	40501668	47573424
(c) Trade Receivables	18	166741040	135987188
(d) Cash and Cash Equivalents	19	111341388	65715940
(e) Short-term Loans and Advances	20	267129259	164110012
(f) Other Current Assets	21	29756283	26692948
		656967551	477255796
TOTAL ₹		3585923275	3002637798

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 May 2014

Place : Ahmedabad

For Deep Industries Limited

Paras Savla

Chairman & Managing Director

Rupesh Savla

Managing Director

Rohan Shah

Chief Financial Officer

Bhavika Bhatt

Company Secretary

Date : 29th May 2014

Place : Ahmedabad



STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH 2014

Particulars	Note No	₹ For the Year Ended 31/03/2014	₹ For the Year Ended 31/03/2013
I. INCOME			
Revenue from Oil & Gas Services		907676236	650858812
II Other Income	22	12135067	18056842
III Total Revenue (I + II)		919811303	668915654
IV Expenses			
- Operating Expense	23	224338998	164384336
- Employee benefits expenses	24	92849817	67691487
- Finance Costs	25	85297213	64288473
- Depreciation and Amortization expense	12	120447033	100684415
- Other Expenses	26	65139153	55353933
- Preliminary Expense Written Off		3911874	3911874
Total Expenses		591984088	456314518
V Profit before exceptional items and tax (III - IV)		327827215	212601136
VI Exceptional items		—	
VII Profit/(Loss) before tax (V - VI)		327827215	212601136
VIII Tax Expense :			
(1) Current Tax		65598000	42500000
(2) Deferred Tax		61796959	48741381
		127394959	91241381
IX Profit / (Loss) for the year (VII - VIII)		200432256	121359755
X Earnings per Equity Share of ₹ 10 each			
— Basic		7.64	4.62
— Diluted		6.93	4.62

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 May 2014
Place : Ahmedabad

For Deep Industries Limited

Paras Savla
Chairman & Managing Director

Rupesh Savla
Managing Director

Rohan Shah
Chief Financial Officer

Bhavika Bhatt
Company Secretary

Date : 29th May 2014
Place : Ahmedabad



CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2014

PARTICULARS	₹ 2013-14	₹ 2012-13
CASH FLOWS FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit & Loss Account	327827215	212601136
Adjustment for :		
Depreciation Expenses	120447033	100684415
Interest Expenses	85297213	64288473
Dividend Income	-8743	-11955
Interest Income	-5125424	-4427224
(Gain)/ Loss Foreign Currency Fluctuation	-2306533	-86401
(Profit)/Loss on Sale of Investments	-4533145	-8030100
(Profit)/Loss on Sale of Fixed Assets	34797	530421
Preliminary Expenses Written Off	3911874	3911874
Operating Profit before Working Capital Changes	525544287	369460639
Changes in Working Capital		
Adjustment for		
Inventories	7071756	-4331059
Trade Receivables	-32539091	87594113
Loans & Advances (Long, Short & others)	-53458347	177059652
Trade Payable & Other Liabilities	-18867317	-290952610
CASH FLOW FROM OPERATION	427751288	338830735
Cash Flow from Exceptional Claim		
Income Tax Paid During the Year (Net off Refund Received)	-37519176	-18779090
NET CASH GENERATED BY OPERATING ACTIVITIES	390232112	320051645
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Addition in		
Capital Work in Progress	-599987081	-181379889
Sale of Fixed Assets	18165000	1141450
Purchase of Investments	-29247968	-37176285
Sale of Investments	24926285	47698640
Interest Income	5125424	4427224
Dividend Income	8743	11955
Profit from Sale of Investments	4533145	8030100
NET CASH USED IN INVESTING ACTIVITIES	-576476452	-157246805
CASH FLOWS FROM FINANCING ACTIVITIES :		
Interest Paid	-85297213	-64288473
Foreign Currency Fluctuation Gain	2306533	86401
Proceeds from Issue of Share Capital/Convertible Warrants (Net of Expenses / Recovery of Expenses)	90270000	78375000
Proceeds from Secured Loans	242841879	-138488380
Dividend and Dividend Distribution Tax Paid	-18251411	-14407999
NET CASH FROM FINANCING ACTIVITIES	231869788	-138723451
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	45625448	24081389
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	65715940	41634551
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	111341388	65715940

As per our report of even date attached

For Deep Industries Limited

For & on Behalf of

Jayesh M. Shah & Co.

Chartered Accountants

F. R. N. 104173W

Jayesh M. Shah

Proprietor

M. No. 30638

Date : 29th May 2014

Place : Ahmedabad

Paras Savla

Chairman & Managing Director

Rupesh Savla

Managing Director

Rohan Shah

Chief Financial Officer

Bhavika Bhatt

Company Secretary

Date : 29th May 2014

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 contractor 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 up to the period of loan or up to March 31, 2014 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 capitalized as part of such assets up to the date, assets are ready for its intended to use. All other borrowing costs are recognized as an expense in the year in which they are incurred.

K. Tax on Income

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

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

L. Income

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

M. Provision, Contingent Liabilities and Contingent Assets.

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

N. Cash Flow Statement

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



NOTES FORMING PARTS OF FINANCIAL STATEMENTS

Particulars	₹ As at 31st March, 2014	₹ As at 31st March, 2013
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Note - 3 : SHARE CAPITAL

1. AUTHORISED CAPITAL

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

2,62,50,000 Equity Shares of ₹ 10/- each fully Paid up with voting rights (P.Y. 2,62,50,000 Equity Shares of ₹ 10/- each)	262500000	262500000
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TOTAL

262500000	262500000
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3. Reconciliation of number of Equity shares outstanding at the beginning & at the end of the reporting year

	As at 31 March 2014		As at 31 March 2013	
Particulars (Equity Shares of ₹ 10 Each Fully Paid up)	No of Shares	Value ₹	No of Shares	Value ₹
— At the beginning of the year	26250000	262500000	24875000	248750000
— Movement during the period (Shares Warrant Issued and Converted into Equity Shares)	0	0	1375000	13750000
— Outstanding at the end of the year	26250000	262500000	26250000	262500000

4. Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2014		As at 31 March 2013	
Name of the Shareholders (Equity Shares of ₹ 10 Each Fully Paid up)	No. of Share held	% of Holding	No. of Share held	% of Holding
KANVEL FINANCE PVT. LTD.	4591080	17.49%	4591080	17.49%
SAVLA ENTERPRISE PVT. LTD.	2277000	8.67%	2277000	8.67%
PRABHAVATI PROPERTIES PVT. LTD.	1892500	7.21%	1892500	7.21%
RUPESH K SAVLA	1599832	6.09%	1271895	4.85%
	10360412		10032475	

5. CONVERTIBLE WARRANTS

Issued, subscribed & Paid up :

(i) 29,50,000 warrants of ₹ 34/- each issued. Out of which ₹ 30.60 each per warwnats received during the year (Previous Year 1375000 of ₹ 76/- each)	90270000	104500000
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Less: Conversion to fully paid up equity shares :

(Previous Year 1375000 warrants converted to fully paid up equity shares of ₹ 10/- each at a premium of Rs 66 per share)

0	90270000	(104500000)	0
	90270000		0

TOTAL

TERMS AND RIGHTS ATTACHED TO WARRANTS:

During the year 29,50,000 share warrants issued at price of ₹ 34/- each for which ₹ 30.60 each has been received and are pending for allotment.

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

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 ₹ 34/- per share having the face value of ₹ 10/- each and at a premium of ₹ 24/- per equity share.

The Equity Shares arising out of such conversion shall be allotted on the Conversion Date. 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 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.

Money Received towards convertible warrants have been utilized for various 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, 2014	₹ As at 31st March, 2013
Note - 4 : RESERVES & SURPLUS			
A	Capital Reserve - Securities Premium		
	Opening Balance	706087500	615337500
	Addition during the year	0	90750000
	Written back during the year	0	0
	Closing Balance	706087500	706087500
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	80000000	65000000
	Addition during the year	20000000	15000000
	Written back during the year	0	0
	Closing Balance	100000000	80000000
D	Investment Reserve Fund		
	Opening Balance	586364	572414
	Addition during the year	394295	13950
	Written back during the year	0	0
	Closing Balance	980659	586364
E	Foreign Currency Monetary Translation Reserve		
	Opening Balance	44923372	21581380
	Add/Less : Effect of Foreign Exchange Rate Variation During the year	(40534893)	23341992
	(Less): Transfer to Statement of Profit & Loss	0	0
	Closing Balance	4388479	44923372
F	Surplus in Statement of Profit & Loss		
	Opening Balance	585542384	497501654
	Addition during the year	200432256	121359755
	Less: Proposed Equity Dividend for the year	(29200000)	(15750000)
	Less: Tax on Proposed Equity Dividend	(4962540)	(2555050)
	Less: Investment Reserve Fund	(394295)	(13950)
	Less: Transfer to General Reserve	(20000000)	(15000000)
	Closing Balance	731417805	585542384
	TOTAL	1582874443	1457139645



**ANNUAL REPORT 2013-14
DEEP INDUSTRIES LIMITED**

Sr. Particulars No	₹ As at 31st March, 2014	₹ As at 31st March, 2013
Note - 5 : LONG TERM BORROWINGS		
I) Term Loans		
A From Banks		
Secured	1117728917	874887038
Less: Short Borrowings Due within next 12 Months	(278263996)	(143533854)
TOTAL	839464921	731353184
B From Others Financial Institution		0
Secured	0	0
Less: Short Borrowings Due within next 12 Months	0	0
TOTAL	0	0
TOTAL	839464921	731353184

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, IDBI Bank, EXIM Bank and Indusind Bank 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 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 and Bank of Baroda which are backed by Letter of Undertaking from State Bank of India, IDBI Bank and Indusind Bank who has sanctioned the Term Loans. Though Rollover Period of one of the 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) Repayment of Term Loan of State Bank of India and Indusind Bank 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, 2014	₹ As at 31st March, 2013
Note - 6 : DEFERRED TAX LIABILITIES		
Opening Balance	173572482	124831101
Addition during the year	61796959	48741381
Written back during the year		
Closing Balance	235369441	173572482

Note - 7 : OTHER LONG TERM LIABILITIES

A Acceptance (Refer Note 27 Point 'M')		
i Acceptance	5887371	28927
ii Other than Acceptance		
a Buyer's Credit Interest accrued but not due on borrowings	269999	957402
b Others	8800952	0
TOTAL	14958322	986329



ANNUAL REPORT 2013-14
DEEP INDUSTRIES LIMITED

Sr. Particulars No	₹ As at 31st March, 2014	₹ As at 31st March, 2013
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Note - 8 : SHORT TERM BORROWINGS

A SECURED

i Working Capital Credit facility*		
- From Bank	62370963	76362475
ii Buyers credit arrangements	0	0
iii Foreign Currency Term Loan	117745405	63187740
iv Term Loan	95623932	1565389
v Vehicle Loan from Bank and Other Financial Institution	2523696	2418250

(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 Immoveable property situated at Ahmedabad held in the name of Directors and Relative of Directors.

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

TOTAL	278263996	143533854
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B UNSECURED LOANS

TOTAL	0	0
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Note - 9 : TRADE PAYABLES

A Acceptance (Refer Note 27 Point 'M')	60347204	56156723
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B Other than Acceptance	0	0
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TOTAL	60347204	56156723
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Note - 10 : OTHER CURRENT LIABILITIES

A Statutory Dues	2068106	4978506
B Unclaimed Dividend	175892	122254
C Other Liabilities	280452	0

TOTAL	2524450	5100760
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Note - 11 : SHORT TERM PROVISIONS

A Provision for Salary	9432793	6992711
B Provision for Current Year Income Tax	65598000	42500000
C Proposed Dividend	29200000	15750000
D Tax on Proposed Equity Dividend	4962540	2555050
E Provision for Other Expense	110157165	104497061

TOTAL	219350498	172294822
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Note - 12 : FIXED ASSETS

Sr.	NAME OF THE ASSET	Gross Block				Depreciation				Net Block	
		As at 01.04.2013	Additions during the year	Deduction during the year	As at 31.03.2014	As at 01.04.2013	Additions during the year	Deduction during the year	As at 31.03.2014	As at 31.3.2014	As at 31.3.2013
(A)	Tankers	835000			835000	828687	2526		831213	3787	6313
(B)	Cranes	697075			697075	412074	78839		490913	206162	285001
(C)	Vehicles	20924281	1057359	2474822	19506818	5087206	1990424	590025	6487605	13019213	15837075
(D)	Air Compressor	11503401	0	0	11503401	8583125	750599		9333724	2169677	2920276
(E)	Gas Compressor	1819866127	215122989	0	2034989116	243006548	91404002		334410550	1700578566	1576859568
(F)	Computers	6272582	101825	0	6374407	5090180	551387		5641567	732840	1182402
(G)	Shed, Foundation & Road	22261518	16496087	0	38757605	15022573	8533925		23556498	15201107	7238945
(H)	Office Building	7165158	0	0	7165158	3250081	391509		3641590	3523568	3915077
(I)	RIGS	444987394	308511122	16315000	737183516	90094595	15312775		105407370	631776146	354892799
(J)	Office Equip, Fur. & Fixtures	9666241	136469	0	9802710	3541833	616395		4158228	5644482	6124408
(K)	Other Plant & Machinery	1664515	1287960	0	2952475	615637	93560		709197	2243278	1048878
	Total " A "	2345843292	542713811	18789822	2869767281	375532539	119725941	590025	494668455	2375098826	1970310742
B)	Tangible Assets										
(A)	Softwares	4095765	434700	0	4530465	911366	721092	0	1632458	2898007	3184399
	Total " B "	4095765	434700	0	4530465	911366	721092	0	1632458	2898007	3184399
C)	Capital Work in Progress										
(A)	Capital Work in Progress	498269312	192707834	176404157	514572989	0	0	0	0	514572989	498269312
	Total " C "	498269312	192707834	176404157	514572989	0	0	0	0	514572989	498269312
	Total " A + B + C "	2848208369	735856345	195193979	3388870735	376443905	120447033	590025	496300913	2892569822	2471764462
	PREVIOUS YEAR	2643486342	902061689	697339662	2848208369	277402853	100684415	1643361	376443907	2471764462	

Notes :

* Addition Include Foreign Exchange Difference of ₹ (-)17,82,390 (Previous Year ₹ 22641233)



ANNUAL REPORT 2013-14
DEEP INDUSTRIES LIMITED

Sr. No	Particulars	No. of Shares 31st March, 2014	₹ As at 31st March, 2014	No. of Shares 31st March, 2013	₹ As at 31st March, 2013
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
	100% share in Deep Global Pte. Ltd.	1	55	0	0
B	In Other Entities:				
<u>QUOTED:</u>					
	1. Ganesh Benzoplast Limited	5000	76844	5000	76844
	2. Vama Industries Limited	2500	69111	2500	69111
	3. Power Trading Corporation	4000	728484	4000	728484
<u>UNQUOTED:</u>					
	1. Mehsana Nagarik Co-Op Sahakari Bank Ltd.	400	10000	400	10000
	2. National Saving Certificate		145000		145000
	TOTAL		2870984		2870929
	Market Value of Quoted Investment		321150		288075
	Book Value of Unquoted Investment		1851545		1851490

Sr. No	Particulars	₹ As at 31st March, 2014	₹ As at 31st March, 2013
--------	-------------	-----------------------------	-----------------------------

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 (Advances to Subsidiary Company)	1140782	678321
C	Balance with Govt. Authorities (Unsecured, Considered Good)		
	VAT Receivable	1900532	1900532
D	Other Loans and Advances (Unsecured, Considered good)		
	Advances to Vendors	3994206	23212903
	Other Advance	0	260697
	TOTAL	7035520	26052453

Note - 15 : OTHER NON-CURRENT ASSETS

Long Term Trade Receivables

Outstanding for more than Twelve Months

	Unsecured, Considered good	26479397	24694158
	TOTAL	26479397	24694158

Note - 16 : CURRENT INVESTMENTS

Sr. No	Particulars	No. of Units 31st March, 2014	₹ As at 31st March, 2014	No. of Units 31st March, 2013	₹ As at 31st March, 2013
Investments in Mutual Fund Unquoted					
A	SBI Magnum Income Fund - Growth	890419	27192582	441696	12250000
B	SBI Debt Fund Series 367 Days 1 Growth	0	0	2492628	24926285
C	IDBI FMP - Series IV 90 Days	1430533	14305331	0	0
	TOTAL		41497913		37176285
	Market Value of Unquoted investments		41070543		39563455



**ANNUAL REPORT 2013-14
DEEP INDUSTRIES LIMITED**

Sr. No	Particulars	₹ As at 31st March, 2014	₹ As at 31st March, 2013
Note - 17 : INVENTORIES			
A	Stores & Spares (Valued at Lower of Cost or Market Value)	37271062	45008257
B	Stock of Oil	3230606	2565167
	TOTAL	40501668	47573424
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	1641134	10090978
B	Trade receivables outstanding for a period less than Six months from the date they are due for payment		
	Unsecured, considered good	165099906	125896210
	TOTAL	166741040	135987188
Note - 19 : CASH AND CASH EQUIVALENTS			
A	Cash and Cash Equivalents		
i	Cash on hand	388568	275733
ii	Balances with Banks		
	- In Current Account	-4202778	1301253
	- In EEFC Account	46	46
	- In ESCROW Account	101765	101291
	- Unpaid Dividend with HDFC Bank	71980	72030
	- Unpaid Dividend with IDBI Bank	103913	50224
	- Unpaid Warrant with HDFC Bank	1001	1001
	- Unpaid Warrant with IDBI Bank	10375	0
B	Other Bank Balances		
	In Fixed Deposits held as Margin Money *	114866518	63914362
	TOTAL	111341388	65715940
* Balance with Bank include Deposit held as Margin Money amounting to ₹ 2,92,25,376 (as at 31/03/2013 ₹ 1,66,19,224) 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	4773567	4775087
2	Loan to Staff	415229	186230
3	Prepaid Expenses	11705754	4606960
4	Balance with Govt Authorities		
	- CENVAT Receivable	18633239	16986477
	- Advance Tax and TDS for Prior Years (Net of Provision)	6011060	8800708
	- Advance Tax and TDS Current Year	63924143	34515789
5	Others		
	- Foreign Currency Receivable	98919828	94238761
	- Advances to Vendors	62746439	0
	TOTAL	267129259	164110012
Note - 21 : OTHER CURRENT ASSETS			
1	Interest Accrued on Deposit	5014510	3624478
2	Preliminary Expense	7913891	11825765
3	Deferred Forward Premium	6793915	4135832
4	Advance Recoverable in Cash or Kind:		
	Others Receivable	10033967	7106873
	TOTAL	29756283	26692948



ANNUAL REPORT 2013-14
DEEP INDUSTRIES LIMITED

Sr. Particulars	₹ As at	₹ As at
No	31st March, 2014	31st March, 2013
Note - 22 : OTHER INCOME		
1 Bank FDR Interest (TDS ₹ 4,55,065)	5022944	4050973
2 Other Interest Income (TDS ₹ 9,828)	102480	376251
3 Dividend Income from Others	8743	11955
4 Profit on Sale of Investments	4533145	8030100
5 Exchange Rate Fluctuation (net)	2306533	86401
6 <u>Other Non-Operating Income:</u>		
- Kasar Vatav	161222	250512
- Insurance Claim Received	0	5170264
- Tender Fee	0	80386
TOTAL	12135067	18056842
Note - 23 : OPERATING EXPENSE		
1 Consumption Spares, Oil & Other Operating Expense	164667545	161232445
2 Equipment Running & Maintenance Exps	59671453	3151891
TOTAL	224338998	164384336
Note - 24 : EMPLOYEE BENEFITS EXPENSE		
1 Salaries, Wages, Bonus etc	75052978	57937305
2 Director Remuneration & Perquisites	12344746	5682034
3 Contribution to Provident and Other funds	1092711	1142443
4 Staff Welfare expenses	4359382	2929705
TOTAL	92849817	67691487
Note - 25 : FINANCE COSTS		
Interest Expenses		
1 Interest Expenses on Hypothecation & Term loan	34509573	14329492
2 Interest & Finance Charges on Foreign Credit	32858539	34899113
3 Other Interest & Finance Charges	741875	374046
Other Borrowing Cost		
4 Other Bank Charges	10762186	5137636
Foreign Currency Transaction & Translation Expenses:		
5 Forward/ Option Contract Premium	6425040	9548186
TOTAL	85297213	64288473



ANNUAL REPORT 2013-14
DEEP INDUSTRIES LIMITED

Sr. Particulars No	₹ As at 31st March, 2014	₹ As at 31st March, 2013
Note - 26 : OTHER EXPENSES		
1 Electricity Expenses	1353765	1069761
2 Rent	7160358	6579271
3 Repairs	2518556	10809554
4 Insurance	3333890	2031324
5 Rates & Taxes	1792693	736036
6 Communication Exp	1776019	1357832
7 Traveling Exp. (Including Director Travelling ₹ 36,15,034)	11212189	9442428
8 Printing & Stationery	384331	279400
9 Donations	3840000	1896300
10 Legal & Professional Charges	10975648	6567855
11 Payment to Auditors		
- Audit Fees	120000	107500
- Taxation Matters	20000	25000
- Certification & Other Matters	0	50000
12 Net Loss on Foreign currency transaction	0	0
13 Bad Debt Written off	19432	1797217
14 Loss on Sale of Fixed Asset	34797	530421
15 Xerox expense	159758	149123
16 Guest House Expenses	226920	963664
17 Conveyance Expense	1375551	937235
18 Entertainment Expense	74410	146050
19 Sales Promotion & Gifts	634013	934460
20 Advertisement Expenses	140847	140044
21 Hotel Boarding & Lodging Exp (Including Director Lodging)	2358415	3838965
22 Security Equipments Service charges	885324	673676
23 Tender Expenses	682123	351051
24 Office Expenses	1299023	968153
25 Listing Fee Stock Exchange	150000	150058
26 Interest on Service tax/Income tax	1721600	146093
27 Freight & Landing Charges	114067	25662
28 Diesel & Petrol Exp	5799252	1077589
29 Labour Charges	2216870	95062
30 ROC Filing Fee	6164	4750
31 ISO Certification Expenses	247965	75000
32 Safety Expenses	79731	11112
33 Service Tax Expense	0	19130
34 Guest House Electricity Expense	86480	54556
35 Franking Charges	1684000	100
36 Miscellaneous Expenses	654962	1312501
TOTAL	65139153	55353933

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	2013-14	2012-13
A Value of imports calculated on CIF basis		
1. Imports		
Capital Goods, Freight, Insurance	₹ 23,29,00,783/-	₹ 98,33,921/-
Spare Parts & Expenses	₹ 3,44,23,535/-	₹ 3,53,32,597/-
2. Exports		
Receipt on Sale of Capital Assets	₹ 1,63,15,000/-	-
B Expenditure in Foreign Currency		
Spares, Equipment, Freight & Expense	₹ 26,73,24,318/-	₹ 2,33,41,927 /-
Director's Travelling Expenses	₹ 23,53,581/-	₹ 27,45,770 /-
Other Travelling Expenses	₹ 7,47,060/-	₹ 8,45,780/-
Interest on Foreign Loan	₹ 1,84,45,173/-	₹ 1,90,78,821/-
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 ₹ 1962.65 Lacs(31st March 2013 ₹ 1849.82 Lacs) to banks as at 31st March 2014.

ii. Other Contingent Liabilities not provided for;

Name of Statute	Amount (₹ Lacs) 31.03.2014	Amount (₹ Lacs) 31.03.2013
Service tax	146.27	96.36

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

Particulars	Year Ended 31st March 2014 (₹)	Year Ended 31st March 2013 (₹)
Disclosures in respect of agreement for Office premises taken on lease:		
(i) Lease Payments recognized in the Profit and Loss Account in the year	58,12,578/-	74,23,183/-
(ii) Future Minimum lease payments under non cancellable operating lease:		
- Not later than one year	65,58,111/-	58,12,587/-
- Later than one year but not later than five years	Nil	65,58,111/-
- 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 issued 29,50,000 Convertible Warrants of ₹ 34/- each under Section 81(1A) of the Companies Act, 1956. Out of these, the Company has received amount of ₹ 9,02,70,000 during the year towards this Convertible Warrants i.e. against 29,50,000 Convertible Warrants at ₹ 30.60 each. These Convertible 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 ₹34/- per share having the face value of ₹ 10/- each and at a premium of ₹ 24/- per equity share.

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 Deep Global PTE. LTD. Prabha Energy Pvt. Ltd.
Enterprises significantly influenced by KMP or RKMP	Deep Methane Private Limited Adinath Exim Resources Limited
Key Management Personnel	Mr. Paras Savla Mr. Rupesh Savla Mr. Dharen Savla Mr. Premsingh Sawhney Mr. Ajaykumar Singhania Mr. Vijay Shah Mr. Harish Bhide
Relative of Key Management Personnel (RKMP)	Mr. Kirit Joshi Mr. Manoj Savla Mrs. Avani Savla Mrs. Mita Manoj Savla Mrs. Priti Paras Savla



(i) Transactions during the financial year 2013-14 with the related parties are shown below:

Nature of transaction	KMP	RKMP	Subsidiaries	Enterprises significantly influenced
Remuneration & Sitting fees	12112883 (12065000)	96000 (96000)		
Rent	2115998 (2452266)	2415998 (3006466)		372000 (372000)
Security Deposit	984000 (984000)	1416000 (1416000)		
Perquisites	241863 (762033)			
Loan Given/Returned	19990804 (NIL)		462461 (2112070)	
Loan Received Back	19990804 (NIL)		0 (3110000)	
Outstanding Loan Balance at Year End			8004083 (678321)	
Investment			1841544 (1841490)	

Note: Figures in bracket represents previous year's figures

K. In compliance of Accounting Standard 22 on "Accounting for taxes on Income" issued by Institute of Chartered Accountants of India, the Company has provided Accumulated net deferred tax liability in respect of timing difference as on 31st March, 2014. The item - wise details of deferred tax liability as on 31.03.2014 are as under:

	(₹ in Lacs)	
Deferred Tax Liability	2013-14	2012-13
Difference between book and tax difference as on 1st April	1735.72	1248.31
Add/(Less): Deferred Tax Liability (net)		
(a) On account of Depreciation and other expense (net)	617.97	487.41
Less : Deferred Tax Assets	-	-
Deferred Tax Liability (Net)	617.97	487.41
Difference between book and tax difference as on 31st March	2353.69	1735.72

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.

Particulars	31.03.2014	31.03.2013
Calculation of EPS		
Profit after tax (₹ in lacs)	200432256	121359755
Weighted Average Number of shares considered as outstanding in computation of Basic EPS	262500000	262500000
Weighted Average Number of shares considered as outstanding in computation of Diluted EPS	289050000	262500000
Basic EPS, Shares of face value of ₹ 10 each (in ₹)	7.64	4.62
Diluted EPS, Shares of face value of ₹ 10 each (in ₹)	6.93	4.62



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. Foreign Currency exposures that are not hedged by derivative instruments as on 31st March 2014 amount to ₹ 58.97 Cr. The unhedged exposures are naturally hedged by future foreign currency earnings and or earnings linked to foreign currency.

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

SIGNATURE TO NOTES '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 May 2014

Place : Ahmedabad

For Deep Industries Limited

Paras Savla

Chairman & Managing Director

Rupesh Savla

Managing Director

Rohan Shah

Chief Financial Officer

Bhavika Bhatt

Company Secretary

Date : 29th May 2014

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	Deep Global Pte Ltd
1	Financial years of the Subsidiary Company ended on	31st March,2014	31st March,2014	31st March,2014	31st March,2014
2	Shares of the Subsidiary Company held on the above date and extent of holding				
	a) Equity Shares	350000	25000	-	1
	b) Extent of Holding	70%	71%	90%	100%
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	₹ 2,661	₹ 12,422	(₹ 8267) (US\$ 135.90)	(₹ 495599) (US\$ 8956)
	b) For the previous financial years of the Subsidiary/since it became the Holding company's subsidiary	(₹ 213087)	₹ 52,696	(₹ 218000) (US\$ 4940.10)	(₹ 495599) (US\$ 8956)
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 : 29/05/2014
Place : Ahmedabad

Paras Savla
Chairman & Managing Director

Rupesh Savla
Managing Director

Rohan Shah
Chief Financial Officer

Bhavika Bhatt
Company Secretary



CONSOLIDATED INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Deep Industries Limited.

1. We have audited the accompanying consolidated financial statements of **DEEP INDUSTRIES LIMITED ("the Company")** and its subsidiaries (the Company and its subsidiaries constitute "the Group") as at 31st March, 2014 which comprise the Consolidated Balance Sheet as at 31st March, 2014 and consolidated Profit and Loss Account and the consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information on that date annexed thereto.
2. Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the Consolidated financial position, consolidated financial performance and Consolidated cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ('the Act') read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
3. Our responsibility is to express an opinion on these Consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountant of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.
5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India
 - i. in the case of the consolidated Balance Sheet, of the state of affairs of the Company as at 31st March, 2014 ; and
 - ii. in the case of the consolidated Profit and Loss Account, of the profit for the year ended on that date ; and
 - iii. In the case of consolidated Cash Flow statement, of the cash flows for the year ended on that date.
6. We did not audit the financial statements of Foreign Subsidiary namely Deep Energy LLC, whose financial statements reflect total assets of ₹ 16,51,761/- as at 31st March 2014 and Total Revenue of ₹ NIL and Cash outflow amounting to ₹ 9,186/- for the year then ended. And on the unaudited financial statements wherein the Company's share of loss aggregates to ₹ 8,267/-.
7. We did not audit the financial statements of wholly owned Foreign Subsidiary namely Deep Global PTE Ltd. whose financial statements reflect total liability of ₹ 42,232/- as at 31st March 2014 and Total Non Operating Revenue of ₹ 4,144 and Net Cash outflow amounting to ₹ 4,95,599/- for the year then ended. And on the unaudited financial statements wherein the Company's share of loss aggregates to ₹ 4,95,599/-.
8. We have relied on these Un-audited Financial Statements which are approved by the Member/Manager of Deep Energy LLC and Deep Global PTE Ltd. 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.
9. We report that the Consolidated Financial Statements have been prepared by the Companies Management in accordance with the requirement of Accounting Standard 21, Consolidated Financial Statement as notified by Companies (Accounting Standards) Rules, 2006.

FOR AND ON BEHALF OF
JAYESH M. SHAH & CO.

Chartered Accountants
Firm Reg. no. 104173W

(JAYESH M. SHAH)

Proprietor

Mem. No. : 30638

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Place : Ahmedabad
Date : 29th May, 2014



CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH 2014

Particulars	Note No	₹ As at 31st March 2014	₹ As at 31st March 2013
I. EQUITY AND LIABILITIES			
1 Shareholders' Funds			
(a) Share Capital	3	262500000	262500000
(b) Reserves and Surplus	4	1582262900	1457050405
(c) Money Received Against Shares Warrants	3	90270000	0
		1935032900	1719550405
2 Share Application Money pending for Allotement		-	-
3 Minority Interest		273078	267813
		273078	267813
4 Non-current Liabilities			
(a) Long-term Borrowings	5	839464921	731353184
(b) Deferred Tax Liabilities	6	235239134	173443376
(c) Other Long-term Liabilities	7	14958322	986329
		1089662377	905782889
5 Current Liabilities			
(a) Short-term Borrowings	8	278263996	143533854
(b) Trade Payables	9	60347204	56156723
(c) Other Current Liabilities	10	2600665	5110768
(d) Short-term Provisions	11	219462232	172319822
		560674097	377121166
TOTAL ₹		3585642452	3002722273
II. ASSETS			
1 Non-current Assets			
(a) Fixed Assets			
i) Tangible Assets	12	2375149546	1970361471
ii) Intangible Assets	12	2938332	3248553
iii) Capital Work in Progress	12	514653722	498350040
		2892741600	2471960064
(b) Non-current Investments	13	1029439	1029439
(c) Long-term Loans and Advances	14	7747270	26768941
(d) Other Non-Current Assets	15	26479397	24694158
		35256106	52492538
2 Current Assets			
(a) Current Investments	16	41906707	37401913
(b) Inventories	17	40501668	47573424
(c) Trade Receivables	18	166861040	136144796
(d) Cash and Cash Equivalents	19	111459013	65838068
(e) Short-term Loans and Advances	20	267132304	164585247
(f) Other Current Assets	21	29784013	26726224
		657644745	478269671
TOTAL RS...		3585642452	3002722273

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 May 2014

Place : Ahmedabad

For Deep Industries Limited

Paras Savla

Chairman & Managing Director

Rupesh Savla

Managing Director

Rohan Shah

Chief Financial Officer

Bhavika Bhatt

Company Secretary

Date : 29th May 2014

Place : Ahmedabad



STATEMENT OF CONSOLIDATED PROFIT AND LOSS FOR THE YEAR ENDED ON 31ST MARCH 2014

Particulars	Note No	₹ For the Year Ended 31/03/2014	₹ For the Year Ended 31/03/2013
I. INCOME			
Revenue from Oil & Gas Services		907796236	650858812
Sales (Trading)		0	1890475
II Other Income	22	12162559	18150897
III Total Revenue (I + II)		919958795	670900184
IV Expenses			
- Trading Purchase		0	1718750
- Operating Expense	23	224338998	164384336
- Employee benefits expenses	24	92849817	67691487
- Finance Costs	25	85389469	64299910
- Depreciation and amortization expense	12	120470862	100708244
- Other Expenses	26	65650158	55473955
- Preliminary Expense Written Off		3917420	3917420
Total Expenses		592616724	458194102
V Profit before exceptional items and tax (III - IV)		327342071	212706082
VI Exceptional items		—	—
VII Profit/(Loss) before tax (V - VI)		327342071	212706082
VIII Tax Expense :			
(1) Current Tax		65597649	42515000
(2) Deferred Tax		61795758	48588486
		127393407	91103486
IX Profit / (Loss) for the year (VII - VIII)		199948664	121602596
X Earnings per Equity Share of ₹ 10 each			
— Basic		7.62	4.63
— Diluted		6.92	4.63

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 May 2014
Place : Ahmedabad

For Deep Industries Limited

Paras Savla
Chairman & Managing Director

Rupesh Savla
Managing Director

Rohan Shah
Chief Financial Officer

Bhavika Bhatt
Company Secretary

Date : 29th May 2014
Place : Ahmedabad



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED ON 31.03.2014

PARTICULARS	₹ 2013-14	₹ 2012-13
CASH FLOWS FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit & Loss Account	327342071	212706082
Adjustment for :		
Depreciation Expenses	120470862	100708244
Interest Expenses	85389469	64299910
Dividend Income	-31909	-30968
Interest Income	-5125606	-4327146
(Gain)/ Loss Foreign Currency Fluctuation	-2310677	-86401
(Profit)/Loss on Sale of Investments	-4533145	-8030100
(Profit)/Loss on Sale of Fixed Assets	34797	530421
Preliminary Expenses Written Off	3917420	3917420
	<u>197811211</u>	<u>156981380</u>
Operating Profit before Working Capital Changes	525153282	369687462
Changes in Working Capital		
Adjustment for		
Inventories	7071756	-4331059
Trade Receivables	-32501483	87436505
Loans & Advances	-52978374	176160191
Trade Payable & Other Liabilities	-18756310	-290987714
	<u>-97164411</u>	<u>-31722076</u>
CASH FLOW FROM OPERATION	427988871	337965385
Cash Flow from Exceptional Claim		
Income Tax Paid During the Year (Net off Refund Received)	-37522221	-18779090
	<u>-37522221</u>	<u>-18779090</u>
NET CASH GENERATED BY OPERATING ACTIVITIES	390466650	319186295
CASH FLOWS FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Addition in		
Capital Work-in Progress	-599987081	-181379889
Sale of Fixed Assets	18165000	1141450
Purchase of Investments	-29431079	-37516285
Sale of Investments	24926285	48150297
Interest Income	5125606	4327146
Dividend Income	31909	30968
Profit from Sale of Investments	4533145	8030100
	<u>-576636215</u>	<u>-157216213</u>
NET CASH USED IN INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES :		
Interest Paid	-85389469	-64299910
Foreign Currency Fluctuation Gain	2310677	86401
Proceeds from Issue of Share Capital/Convertible Warrants	90270000	78375000
(Net of Expenses / Recovery of Expenses)		
Capital Reserve	8835	5641
Proceeds from Secured Loans	242841879	-138488380
Dividend and Dividend Distribution Tax Paid	-18251411	-14407999
	<u>231790511</u>	<u>-138729247</u>
NET CASH FROM FINANCING ACTIVITIES		
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	45620945	23240835
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	65838068	42597233
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	111459013	65838068

As per our report of even date attached

For Deep Industries Limited

For & on Behalf of

Jayesh M. Shah & Co.

Chartered Accountants

F. R. N. 104173W

Jayesh M. Shah

Proprietor

M. No. 30638

Date : 29th May 2014

Place : Ahmedabad

Paras Savla

Chairman & Managing Director

Rupesh Savla

Managing Director

Rohan Shah

Chief Financial Officer

Bhavika Bhatt

Company Secretary

Date : 29th May 2014

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 2014.

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
	2013-14	2012-13	
Deep Energy LLC	90	90	USA
Deep Natural Resources Limited	70	70	India
Prabha Energy Private Limited	71.43	71.43	India
Deep Global Pte Ltd	100	NIL	Singapore

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, 2014	₹ As at 31st March, 2013
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Note - 3 : SHARE CAPITAL

1. AUTHORISED CAPITAL

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

2,62,50,000 Equity Shares of ₹ 10/- each fully Paid up with voting rights (P.Y. 2,62,50,000 Equity Shares of ₹ 10/- each) (During the year, 13,75,000 Equity shares of ₹ 10/- each fully paid up were issued on Conversion of Convertible Warrants)	262500000	262500000
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TOTAL

262500000	262500000
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3. Reconciliation of number of Equity shares outstanding at the beginning & at the end of the reporting year

	As at 31 March 2014		As at 31 March 2013	
Particulars (Equity Shares of ₹ 10 Each Fully Paid up)	No of Shares	Value ₹	No of Shares	Value ₹
— At the beginning of the year	26250000	262500000	24875000	248750000
— Movement during the period (Shares Warrant Issued and Converted into Equity Shares)	0	0	1375000	13750000
— Outstanding at the end of the year	26250000	262500000	26250000	262500000

4. Details of Equity Shares held by shareholders holding more than 5% of the aggregate shares in the Company

	As at 31st March, 2014		As at 31st March, 2013	
Name of the Shareholders (Equity Shares of ₹ 10 Each Fully Paid up)	No. of Share held	% of Holding	No. of Share held	% of Holding
KANVEL FINANCE PVT. LTD.	4591080	17.49%	4591080	17.49%
SAVLA ENTERPRISE PVT. LTD.	2277000	8.67%	2277000	8.67%
PRABHAVATI PROPERTIES PVT. LTD.	1892500	7.21%	1892500	7.21%
RUPESH K SAVLA	1599832	6.09%	1271895	4.85%
	10360412		10032475	

5. CONVERTIBLE WARRANTS

Issued, subscribed & Paid up :

(i) 29,50,000 warrants of ₹ 34/- each issued. Out of which ₹ 30.60 each per warrants received during the year (Previous Year 1375000 of ₹ 76/- each)	90270000	104500000
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Less: Conversion to fully paid up equity shares :

(Previous Year 1375000 warrants converted to fully paid up equity shares of ₹ 10/- each at a premium of ₹ 66 per share)	0	(104500000)
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TOTAL

90270000	0
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TERMS AND RIGHTS ATTACHED TO WARRANTS:

During the year 29,50,000 share warrants issued at price of ₹ 34/- each for which ₹ 30.60 each has been received and are pending for allotment.

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

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 ₹ 34/- per share having the face value of ₹ 10/- each and at a premium of ₹ 24/- per equity share.

The Equity Shares arising out of such conversion shall be allotted on the Conversion Date. 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 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.

Money Received towards convertible warrants have been utilized for various 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 preceeding the Balance sheet date.

Sr. No	Particulars	₹ As at 31st March, 2014	₹ As at 31st March, 2013
Note - 4 : RESERVES & SURPLUS			
A	Capital Reserve - Securities Premium		
	Opening Balance	706087500	615337500
	Addition during the year	0	90750000
	Written back during the year	0	0
	Closing Balance	706087500	706087500
B	Capital Reserve		
	Opening Balance	400000000	400000000
	Addition during the year	0	0
	Written back during the year	0	0
	Closing Balance	400000000	400000000
C	General Reserve		
	Opening Balance	800000000	650000000
	Addition during the year	200000000	150000000
	Written back during the year	0	0
	Closing Balance	1000000000	800000000
D	Investment Reserve Fund		
	Opening Balance	586364	572414
	Addition during the year	394295	13950
	Written back during the year	0	0
	Closing Balance	980659	586364
E	Foreign Currency Monetary Translation Reserve		
	Opening Balance	44923372	21581380
	Add/Less : Effect of Foreign Exchange Rate Variation During the year	(40534893)	23341992
	(Less): Transfer to Statement of Profit & Loss	0	0
	Closing Balance	4388479	44923372
F	Surplus in Statement of Profit & Loss		
	Opening Balance	585164013	496953994
	Addition during the year	199948664	121602596
	Add: (Profit)/Loss of Minority Interest	(5265)	(73577)
	Less: Proposed Equity Dividend for the year	(29200000)	(15750000)
	Less: Tax on Proposed Equity Dividend	(4962540)	(2555050)
	Less: Investment Reserve Fund	(394295)	(13950)
	Less: Transfer to General Reserve	(20000000)	(15000000)
	Closing Balance	730550577	585164013
G	Non-Monetary Foreign Currency Translation Reserve	255704	289156
	TOTAL	1582262900	1457050405



**ANNUAL REPORT 2013-14
DEEP INDUSTRIES LIMITED**

Sr. Particulars No	₹ As at 31st March, 2014	₹ As at 31st March, 2013
Note - 5 : LONG TERM BORROWINGS		
I) Term Loans		
A From Banks		
Secured	1117728917	874887038
Less: Short Borrowings Due within next 12 Months	(278263996)	(143533854)
TOTAL	839464921	731353184
B From Others Financial Institution		0
Secured	0	0
Less: Short Borrowings Due within next 12 Months	0	0
TOTAL	0	0
TOTAL	839464921	731353184

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, IDBI Bank, EXIM Bank and Indusind Bank 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 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 and Bank of Baroda which are backed by Letter of Undertaking from State Bank of India, IDBI Bank and Indusind Bank who has sanctioned the Term Loans. Though Rollover Period of one of the 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) Repayment of Term Loan of State Bank of India and Indusind Bank 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, 2014	₹ As at 31st March, 2013
Note - 6 : DEFERRED TAX LIABILITIES		
Opening Balance	173443376	124854890
Addition during the year	61795758	48588486
Written back during the year		
Closing Balance	235239134	173443376

Note - 7 : OTHER LONG TERM LIABILITIES

A Acceptance (Refer Note 27 Point 'M')		
i Acceptance	5887371	28927
ii Other than Acceptance		
a Buyer's Credit Interest accrued but not due on borrowings	269999	957402
b Others	8800952	0
TOTAL	14958322	986329



ANNUAL REPORT 2013-14
DEEP INDUSTRIES LIMITED

Sr. Particulars No	₹ As at 31st March, 2014	₹ As at 31st March, 2013
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Note - 8 : SHORT TERM BORROWINGS

A SECURED

i Working Capital Credit facility*		
- From Bank	62370963	76362475
ii Buyers credit arrangements	0	0
iii Foreign Currency Term Loan	117745405	63187740
iv Term Loan	95623932	1565389
v Vehicle Loan from Bank and Other Financial Institution	2523696	2418250

(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 Immoveable property situated at Ahmedabad held in the name of Directors and Relative of Directors.

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

TOTAL	278263996	143533854
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B UNSECURED LOANS

TOTAL	0	0
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TOTAL	278263996	143533854
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Note - 9 : TRADE PAYABLES

A Acceptance (Refer Note 27 Point 'M')

	60347204	56156723
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B Other than Acceptance

TOTAL	0	0
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TOTAL	60347204	56156723
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Note - 10 : OTHER CURRENT LIABILITIES

A Statutory Dues	2068106	4988514
B Unclaimed Dividend	175892	122254
C Other Liabilities	356667	0

TOTAL	2600665	5110768
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Note - 11 : SHORT TERM PROVISIONS

A Provision for Salary	9432793	6992711
B Provision for Current Year Income Tax	65597649	42515000
C Proposed Dividend	29200000	15750000
D Tax on Proposed Equity Dividend	4962540	2555050
E Provision for Other Expense	110268899	104507061

TOTAL	219461881	172319822
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Note - 12 : FIXED ASSETS

Sr.	NAME OF THE ASSET				Gross Block				Depreciation				Net Block		
	As at 01.04.2013	Additions during the year	Deduction during the year	As at 31.03.2014	As at 01.04.2013	Additions During the year	Deduction During the year	As at 31.03.2014	As at 31.3.2014	As at 31.3.2013					
(A) Tankers	835000			835000	828687	2526		831213	3787	6313					
(B) Cranes	697075			697075	412074	78839		490913	206162	285001					
(C) Vehicles	20924281	1057359	2474822	19506818	5087206	1990424	590025	6487605	13019213	15837075					
(D) Air Compressor	11503401	0	0	11503401	8583125	750599		9333724	2169677	2920276					
(E) Gas Compressor	1819866127	215122989	0	2034989116	243006548	91404002		334410550	1700578566	1576859568					
(F) Computers	6272582	101825	0	6374407	5090180	551387		5641567	732840	1182402					
(G) Shed, Foundation & Road	22261518	16496087	0	38757605	15022573	8533925		23556498	15201107	7238945					
(H) Office Building	7165158	0	0	7165158	3250081	391509		3641590	3523568	3915077					
(I) RIGS	444987394	308511122	16315000	737183516	90094595	15312775		105407370	631776146	354892799					
(J) Office Equip, Fur. & Fixtures	9666241	136469	0	9802710	3541833	616395		4158228	5644482	6124408					
(K) Other Plant & Machinery	1664515	1287960	0	2952475	615637	93560		709197	2243278	1048878					
(L) Oil Wells	50720	0	0	50720	0	0	0	0	50720	50720					
Total " A "	2345894012	542713811	18789822	2869818001	375532539	119725941	590025	494668455	2375149546	1970361462					
B) Intangible Assets															
(A) Softwares	4242765	434700	0	4677465	994212	744921	0	1739133	2938332	3248553					
Total " B "	4242765	434700	0	4677465	994212	744921	0	1739133	2938332	3248553					
C) Capital Work in Progress															
Capital Work in Progress	498350045	192707834	176404157	514653722	0	0	0	0	514653722	498350040					
Total " C "	498350045	192707834	176404157	514653722	0	0	0	0	514653722	498350040					
Total " A + B + C "	2848486827	735856345	195193979	3389149188	376526751	120470862	590025	496407588	2892741600	2471960064					
Previous Year	2643764795	902061689	697339667	2848486817	277461870	100708244	1643361	376526753	2471960064						

Notes :

* Addition Include Foreign Exchange Difference of ₹ (-)17,82,390 (Previous Year ₹ 22641233)



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DEEP INDUSTRIES LIMITED

Sr. No	Particulars	No. of Shares 31st March, 2014	₹ As at 31st March, 2014	No. of Shares 31st March, 2013	₹ As at 31st March, 2013
Note -13: NON-CURRENT INVESTMENTS					
Trade Investments					
<u>UNQUOTED:</u>					
A	<u>In Other Entities:</u>				
<u>QUOTED:</u>					
1.	Ganesh Benzoplast Limited	5000	76844	5000	76844
2.	Vama Industries Limited	2500	69111	2500	69111
3.	Power Trading Corporation	4000	728484	4000	728484
<u>UNQUOTED:</u>					
1.	Mehsana Nagarik Co-Op Sahakari Bank Ltd.	400	10000	400	10000
2.	National Saving Certificate		145000		145000
TOTAL			1029439		1029439
Market Value of Quoted Investment			321150		288075
Book Value of Unquoted Investment			1851545		1851490

Sr. No	Particulars	₹ As at 31st March, 2014	₹ As at 31st March, 2013
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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	3994206	23339712
	Other Advance	584532	260697
TOTAL		7747270	26768941

Note - 15 : OTHER NON-CURRENT ASSETS

Long Term Trade Receivables

Outstanding for more than Twelve Months

	Unsecured, Considered good	26479397	24694158
TOTAL		26479397	24694158

Note - 16 : CURRENT INVESTMENTS

Sr. No	Particulars	No. of Units 31st March, 2014	₹ As at 31st March, 2014	No. of Units 31st March, 2013	₹ As at 31st March, 2013
Investments in Mutual Fund Unquoted					
A	SBI Magnum Income Fund - Growth	890419	27192582	441696	12250000
B	SBI Debt Fund Series 367 Days 1 Growth	0	0	2492628	24926285
C	IDBI FMP - Series IV 90 Days	1430533	14305331	0	0
D	HDFC Cash Management Fund	40751	408794	22526	225628
TOTAL			41906707		37401913
Market Value of Unquoted investments			41479337		39789082



**ANNUAL REPORT 2013-14
DEEP INDUSTRIES LIMITED**

Sr. Particulars No	₹ As at 31st March, 2014	₹ As at 31st March, 2013
Note - 17 : INVENTORIES		
A Stores & Spares (Valued at Lower of Cost or Market Value)	37271062	45008257
B Stock of Oil	3230606	2565167
TOTAL	40501668	47573424
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	1641134	10090978
B Trade receivables outstanding for a period less than Six months from the date they are due for payment		
Unsecured, considered good	165219906	126053818
TOTAL	166861040	136144796
Note - 19 : CASH AND CASH EQUIVALENTS		
A Cash and Cash Equivalents		
i Cash on hand	388752	275892
ii Balances with Banks		
- In Current Account	-4166970	1341238
- In EEFC Account	46	46
- In ESCROW Account	101765	101291
- Unpaid Dividend with HDFC Bank	71980	72030
- Unpaid Dividend with IDBI Bank	103913	50224
- Unpaid Warrant with HDFC Bank	1001	1001
- Unpaid Warrant with IDBI Bank	10375	0
- Prosperity Bank Oklahoma City	81633	81984
B Other Bank Balances		
In Fixed Deposits held as Margin Money *	114866518	63914362
TOTAL	111459013	65838068
* Balance with Bank include Deposit held as Margin Money amounting to ₹ 2,92,25,376 (as at 31/03/2013 ₹ 1,66,19,224) which have an original maturity more than 12 month.		
Note - 20 : SHORT TERM LOANS AND ADVANCES		
Advances to be Recoverable :		
1 Security Deposits	4773567	4775087
2 Loan to Staff	415229	186230
3 Prepaid Expenses	11705754	4606960
4 Short Term Loans and advances		
Unsecured, considered good		448374
5 Balance with Govt Authorities		
- CENVAT Receivable	18633239	16986477
- Advance Tax and TDS for Prior Years (Net of Provision)	6011060	8800708
- Advance Tax and TDS Current Year	63927188	34542650
6 Others		
- Foreign Currency Receivable	98919828	94238761
- Advances to Vendors	62746439	0
TOTAL	267132304	164585247
Note - 21 : OTHER CURRENT ASSETS		
1 Interest Accrued on Deposit	5014510	3624478
2 Preliminary Expense	7941621	11859041
3 Deferred Forward Premium	6793915	4135832
4 Advance Recoverable in Cash or Kind:		
Others Receivable	10033967	7106873
TOTAL	29784013	26726224



**ANNUAL REPORT 2013-14
DEEP INDUSTRIES LIMITED**

Sr. Particulars No	₹ As at 31st March, 2014	₹ As at 31st March, 2013
Note - 22 : OTHER INCOME		
1 Bank FDR Interest (TDS ₹ 4,53,146)	5022944	4050973
2 Other Interest Income (TDS ₹ 10,008)	102662	276173
3 Dividend Income from Others	31909	30968
4 Profit on Sale of Investments	4533145	8030100
5 Exchange Rate Fluctuation (net)	2310677	86401
6 Commission Income		175120
7 <u>Other Non-Operating Income:</u>		
- Kasar Vata	161222	250512
- Insurance Claim Received	0	5170264
- Tender Fee	0	80386
TOTAL	12162559	18150897
Note - 23 : OPERATING EXPENSE		
1 Consumption Spares, Oil & Other Operating Expense	164667545	161232445
2 Equipment Running & Maintenance Exps	59671453	3151891
TOTAL	224338998	164384336
Note - 24 : EMPLOYEE BENEFITS EXPENSE		
1 Salaries, Wages, Bonus etc	75052978	57937305
2 Director Remuneration & Perquisites	12344746	5682034
3 Contribution to Provident and Other funds	1092711	1142443
4 Staff Welfare expenses	4359382	2929705
TOTAL	92849817	67691487
Note - 25 : FINANCE COSTS		
Interest Expenses:		
1 Interest Expenses on Hypothecation & Term loan	34509573	14329492
2 Interest & Finance Charges on Foreign Credit	32858539	34899113
3 Other Interest & Finance Charges	824395	374046
Other Borrowing Cost		
4 Other Bank Charges	10771922	5149073
Foreign Currency Transaction & Translation Expenses:		
5 Forward/ Option Contract Premium	6425040	9548186
TOTAL	85389469	64299910



ANNUAL REPORT 2013-14
DEEP INDUSTRIES LIMITED

Sr. Particulars	₹ As at	₹ As at
No	31st March, 2014	31st March, 2013
Note - 26 : OTHER EXPENSES		
1 Electricity Expenses	1353765	1069761
2 Rent	7160358	6579271
3 Repairs	2518556	10809554
4 Insurance	3333890	2031324
5 Rates & Taxes	1792693	736036
6 Communication Exp	1776019	1357832
7 Traveling Exp. (Including Director Travelling ₹ 36,15,034)	11212189	9442428
8 Printing & Stationery	384331	284350
9 Donations	3840000	1896300
10 Legal & Professional Charges	10975648	6567886
11 Payment to Auditors		
- Audit Fees	130000	117500
- Taxation Matters	20000	25000
- Certification & Other Matters	0	50500
12 Net Loss on Foreign currency transaction	0	0
13 Bad Debt Written off	19432	1797217
14 Loss on Sale of Fixed Asset	34797	530421
15 Xerox expense	159758	149123
16 Guest House Expenses	226920	963664
17 Conveyance Expense	1375551	937235
18 Entertainment Expense	74410	146050
19 Sales Promotion & Gifts	634013	934460
20 Advertisement Expenses	140847	140044
21 Hotel Boarding & Lodging Exp (Including Director Lodging)	2358415	3838965
22 Security Equipments Service charges	885324	673676
23 Tender Expenses	682123	445051
24 Office Expenses	1798801	968153
25 Listing Fee Stock Exchange	150000	150058
26 Interest on Service tax/Income tax	1721600	146093
27 Freight & Landing Charges	114067	25662
28 Diesel & Petrol Exp	5799252	1077589
29 Labour Charges	2216870	95062
30 ROC Filing Fee	7391	10411
31 ISO Certification Expenses	247965	75000
32 Safety Expenses	79731	11112
33 Service Tax Expense	0	19130
34 Guest House Electricity Expense	86480	54556
35 Franking Charges	1684000	100
36 Miscellaneous Expenses	654962	1317381
TOTAL	65650158	55473955

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	2013-14	2012-13
A Value of imports calculated on CIF basis		
1. Imports		
Capital Goods, Freight, Insurance	₹ 23,29,00,783/-	₹ 98,33,921/-
Spare Parts	₹ 3,44,23,535 /-	₹ 3,53,32,597 /-
2. Exports		
Receipt on Sale of Capital Assets	₹ 1,63,15,000/-	NIL
B Expenditure in Foreign Currency		
Spares, Equipment, Freight	₹ 26,73,24,318/-	₹ 2,33,41,927 /-
Bank Charges & Other Expense	₹ 5,08,929/-	₹ 8,038/-
Director's Travelling Expenses	₹ 23,53,581/-	₹ 27,45,770 /-
Other Travelling Expenses	₹ 7,47,060/-	₹ 8,45,780/-
Interest on Foreign Loan	₹ 1,84,45,173/-	₹ 1,90,78,821/-
C Earnings in Foreign Currency		
Other Non Operating Income	₹ 4,144/-	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 ₹ 1962.65 Lacs (31st March 2013 ₹ 1849.82 Lacs) to banks as at 31st March 2014.

ii. Other Contingent Liabilities not provided for;

Name of Statute	Amount (₹ Lacs) 31.03.2014	Amount (₹ Lacs) 31.03.2013
Service tax	146.27	96.36

- 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 2014 (₹)	Year Ended 31 st March 2013 (₹)
Disclosures in respect of agreement for Office premises taken on lease:		
(i) Lease Payments recognized in the Profit and Loss Account in the year	58,12,578/-	74,23,183/-
(ii) Future Minimum lease payments under non cancellable operating lease:		
- Not later than one year	65,58,111/-	58,12,587/-
- Later than one year but not later than five years	Nil	65,58,111/-
- Later than Five year	Nil	Nil

G. Segment Reporting

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

H. Impairment of Assets

The carrying amounts of assets are reviewed at each balance sheet date, if there is any indication of impairment based on internal/external factors. An impairment loss will be recognised wherever the carrying amount of an asset exceeds its estimated recoverable amount. The recoverable amount is greater of the assets’ net selling price and value in use. In assessing the value in use the estimated future cash flows are discounted to the present value at the weighted average cost of capital. During the year there are no impairment losses on assets of the Company.

- I.** The Company during the Financial Year has issued 29,50,000 Convertible Warrants of ₹ 34/- each under Section 81(1A) of the Companies Act, 1956. Out of these, the Company has received amount of ₹ 9,02,70,000 during the year towards this Convertible Warrants i.e. against 29,50,000 Convertible Warrants at ₹ 30.60 each. These Convertible 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 ₹ 34/- per share having the face value of ₹ 10/- each and at a premium of ₹ 24/- per equity share.

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 Deep Global PTE Ltd
Enterprises significantly influenced by KMP or RKMP	Deep Methane Private Limited	Adinath Exim Resources Limited
Key Management Personnel	Mr. Paras Savla Mr. Dharen Savla Mr. Ajaykumar Singhania Mr. Harish Bhide	Mr. Rupesh Savla Mr. Premsingh 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 2013-14 with the related parties are shown below:

Nature of transaction	KMP	RKMP	Subsidiaries	Enterprises significantly influenced
Remuneration & Sitting fees	12112883 (12065000)	96000 (96000)		
Rent	2115998 (2452266)	2415998 (3006466)		372000 (372000)
Security Deposit	984000 (984000)	1416000 (1416000)		
Perquisites	241863 (762033)			
Loan Given/ Returned	19990804 (NIL)			
Loan Received Back	19990804 (NIL)			

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, 2014. For item - wise details of deferred tax liability as on 31.03.2014 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	31.03.2014	31.03.2013
Profit after tax (₹ in lacs)	199948664	121602596
Weighted Average Number of shares considered as outstanding in computation of Basic EPS	26250000	262500000
Weighted Average Number of shares considered as outstanding in computation of Diluted EPS	26250000	262500000
Basic EPS, Shares of face value of ₹ 10 each (in ₹)	7.62	4.63
Diluted EPS, Shares of face value of ₹ 10 each (in ₹)	6.92	4.63

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, 2014 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 NOTES '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 May 2014

Place : Ahmedabad

For Deep Industries Limited

Paras Savla

Chairman & Managing Director

Rupesh Savla

Managing Director

Rohan Shah

Chief Financial Officer

Bhavika Bhatt

Company Secretary

Date : 29th May 2014

Place : Ahmedabad

Deep Industries Limited**CIN:** L63090GJ1991PLC014833

Registered Office: Opp, Suryanarayan Bunglows, Sabarmati-Kalol Highway, N.H. No. 8,
Motera, Ahmedabad – 380005 Tel (079)27571128 Fax (079)26862077
Website: www.deepindustries.com E-mail: info@deepindustries.com

ATTENDANCE SLIP

This attendance slip duly filled in is to be handed over at the entrance of the meeting hall.

For Demat Shares

For Physical Shares

DP ID:	REGD FOLIO NO. :
Client ID:	NO. OF SHARES HELD:

Full name of the member attending: _____

Name of the Proxy: _____

(To be filled in if Proxy Forms has been duly deposited with the Company):

I hereby record my presence at the **24th Annual General Meeting** of the Company being held at Conference Hall, GCA Club House, Sardar Patel Stadium, Motera, Ahmedabad – 380005 on Thursday, 11th September, 2014 at 10:30 a.m.

Member's / Proxy's Signature

(To be signed at the time of handing over the slip)

Note: Persons attending the Annual General Meeting are requested to bring their copies of Annual Report.

Deep Industries Limited**CIN:** L63090GJ1991PLC014833

Registered Office: Opp, Suryanarayan Bunglows, Sabarmati-Kalol Highway, N.H. No. 8,
Motera, Ahmedabad – 380005 Tel (079)27571128 Fax (079)26862077
Website: www.deepindustries.com E-mail: info@deepindustries.com

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

I/We, being the member(s) of _____ Shares of the above named Company, hereby appoint;

1. Name: _____	E-mail Id: _____
Address: _____	Signature: _____

or failing him

2. Name: _____	E-mail Id: _____
Address: _____	Signature: _____

or failing him

3. Name: _____	E-mail Id: _____
Address: _____	Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company, to be held on the 11th day of September, 2014 at 10:30 a.m. at Conference Hall, GCA Club House, Sardar Patel Stadium, Motera, Ahmedabad – 380005 and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Particulars of Resolution	Option	
		For	Against
	Ordinary Business		
1.	Adoption of Financial Statement for the year ended on 31st March, 2014		
2.	Re-appointment of Mr. Premsingh Sawhney, Director retiring by rotation		
3.	Declaration of Dividend on Equity Shares		
4.	Appointment of Statutory Auditors		
	Special Business		
5	Re-appointment of Mr. Kirit Joshi as an Independent Director		
6	Re-appointment of Mr. Harish Bhinde as an Independent Director		
7	Appointment of Mr. Arun Mandke as an Independent Director		
8	Re-appointment of Mr. Dharen Savla as a Whole-time Director		
9	Variation in terms and conditions of the appointment of Mr. Paras Savla, Chairman and Managing Director		
10	Variation in terms and conditions of the appointment of Mr. Rupesh Savla, Managing Director		
11	To authorize to borrow under Section 180(1)(c) of the Companies Act, 2013		
12	To authorize to create mortgage/charge under Section 180(1)(a) of the Companies Act, 2013		
13	To amend the Articles of Association of the Company		

Signed this _____ day of _____ 2014

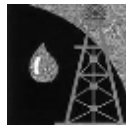
Signature of Shareholders

Affix
Revenue
Stamp

Signature of Proxy holder(s)

Note: This form of Proxy in order to be effective should be duly Completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

To,




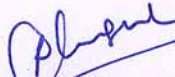
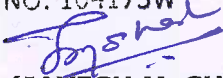
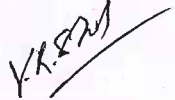


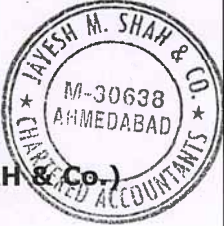

DEEP INDUSTRIES LIMITED

Registered Office :

Opp. Suryanarayan Bungalows,
Sabarmati-Kalol Highway,
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CIN: L63090GJ1991PLC014833
Phone: 079- 27571128 Fax: 079-26862077
E-mail: info@deepindustries.com
Website: www.deepindustries.com

Pratiksha Printers, A'bad. 98252 62512

FORM A**Date: 29th May, 2014**

1.	Name of the Company	Deep Industries Limited
2.	Annual Financial Statements for the year ended	31st March, 2014
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	N.A.
5.	Signed by- <ul style="list-style-type: none">• CEO / Managing Director• CFO• Auditor of the Company• Audit Committee Chairman	<p> (PARAS SAVLA)</p> <p> (ROHAN SHAH)</p> <p>For, and on behalf of JAYESH M. SHAH & CO. CHARTERED ACCOUNTANTS FIRM REGI. NO. 104173W</p> <p> (JAYESH M. SHAH & Co.) M. NO. 30638 M. No. 030638</p> <p> (VIJAY SHAH)</p> <p>   </p>