



DEEP ENERGY LLC
BALANCE SHEET AS ON 31ST MARCH, 2009

PARTICULARS	SCHEDULE	AMOUNTS		AS AT	
		USD	31-03-2009 USD	USD	31-03-2008 USD
SOURCES OF FUNDS :					
(I) SHARE HOLDER'S FUND :					
(i) Share Capital	1	28000		0	
(iii) Reserves & Surplus	2	<u>0</u>	28000	<u>0</u>	0
(II) LOAN FUNDS :					
(i) Secured Loan	3	0		0	
(ii) Unsecured Loans	4	<u>460</u>		<u>0</u>	
			460		0
TOTAL :			<u>28460</u>		<u>0</u>
APPLICATION OF FUNDS :					
(I) FIXED ASSETS					
(a) Gross Block	5	1000		0	
(b) Less : Depreciation Reserve Fund		<u>0</u>	1000	<u>0</u>	0
(II) INVESTMENTS					
	6		0		0
(III) CURRENT ASSETS, LOANS & ADVANCES					
(a) Inventories	7	0		0	
(b) Sundry Debtors	8	0		0	
(c) Cash & Bank Balances	9	1482		0	
(d) Loans, Advances & Deposites	10	<u>25000</u>		<u>0</u>	
			26482		0
Less : CURRENT LIABILITIES & PROVISIONS					
(a) Current Liabilities	11	0		0	
(b) Provisions		<u>0</u>		<u>0</u>	
			0		0
Net Current Assets			<u>26482</u>		<u>0</u>
MISC. EXPENSES (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)					
	12		978		0
TOTAL :			<u>28460</u>		<u>0</u>

For Deep Energy LLC

Rupesh Savla
Director

Date : 28th April 2009
Place : Ahmedabad



DEEP ENERGY LLC

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

PARTICULARS	SCHEDULE	AMOUNTS	AS AT	AMOUNTS	AS AT
		USD	31-03-2009	USD	31-03-2008
			USD		USD
(I) INCOME :			0		0
TOTAL :			<u>0</u>		<u>0</u>
(II) EXPENSES :					
- Operating Expenses	14		0		0
- Employees Remuneration & Benefits	15		0		0
- Administrative & Other Expenses	16		978		0
- Interest & Financial Charges	17		0		0
- Depreciation Expenses	5		0		0
- Preliminary Expenses Written off	12		0		0
TOTAL :			<u>978</u>		<u>0</u>
Profit Before Taxation			-978		0
Less : 1. Income Tax & F.B.T. Provision			0		0
Net profit after taxation			-978		0
Balance of Profit & Loss Account of Previous year			0		0
Balance Available for Appropriation			-978		0
Bal. of Profit & Loss Account carried to Bal.Sheet			-978		0
TOTAL :			<u>-978</u>		<u>0</u>

For Deep Energy LLC

Rupesh Savla
Director

Date : 28th April 2009
Place : Ahmedabad



DEEP ENERGY LLC
SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE 1 TO 10 ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH 2009

PARTICULARS	AS AT 31-03-2009	AS AT 31-03-2008
SCHEDULE - 1		
A. SHARE CAPITAL :		
Authorised Share Capital :	28000	0
Issued & Paid up Share Capital :	28000	0
SCHEDULE - 2		
RESERVES & SURPLUS :		
	0	0
TOTAL :	<u>0</u>	<u>0</u>
SCHEDULE - 3		
SECURED LOANS :		
	0	0
TOTAL :	<u>0</u>	<u>0</u>
SCHEDULE - 4		
UNSECURED LOANS :		
FROM OTHERS :		
- Loan From Coal Gas Mart	460	0
TOTAL :	<u>460</u>	<u>0</u>

SCHEDULE - 5
FIXED ASSETS :

SR NO.	PARTICULARS	GROSS BLOCK				DEPRECIATION BLOCK				NET BLOCK	
		OP. BAL AS ON 01.04.08	ADDITION DURING THE YEAR	DED. DURING THE YEAR	CLS. BAL AS ON 31.03.09	OP.BAL AS ON 01.04.08	ADDITION DURING THE YEAR	DEDU DURING THE YEAR	CLS. BAL AS ON 31.03.09	AS ON 31.03.09	AS ON 31.03.08
1	OIL WELLS	0	1000	0	1000	0	0	0	0	1000	0
	TOTAL	0	1000	0	1000	0	0	0	0	1000	0
	PREVIOUS YEAR	0	0	0	0	0	0	0	0	0	0

SCHEDULE - 6
INVESTMENTS :

	0	0
TOTAL :	<u>0</u>	<u>0</u>

SCHEDULE - 7
INVENTORIES :

	0	0
TOTAL :	<u>0</u>	<u>0</u>



DEEP ENERGY LLC
SCHEDULES FORMING PART OF THE BALANCE SHEET
SCHEDULE 11 TO 17 ANNEXED TO AND FORMING PART OF BALANCE SHEET
AS AT 31ST MARCH 2009

PARTICULARS	AS AT 31-03-2009	AS AT 31-03-2008
SCHEDULE - 8		
SUNDRY DEBTORS :	0	0
TOTAL :	<u>0</u>	<u>0</u>
SCHEDULE - 9 : CASH & BANK BALANCES		
(I) Cash on Hand	0	0
(II) Bank Balances :		
1. Copper Mark Bank Oklahoma City USA	<u>1482</u>	<u>0</u>
TOTAL :	<u>1482</u>	<u>0</u>
SCHEDULE - 10		
LOANS, ADVANCES AND DEPOSITS :		
Security Deposit with US Govt	<u>25000</u>	<u>0</u>
TOTAL :	<u>25000</u>	<u>0</u>
SCHEDULE - 11		
CURRENT LIABILITIES AND PROVISIONS :	0	0
TOTAL :	<u>0</u>	<u>0</u>
SCHEDULE - 12		
MISCELLANEOUS EXPENDITURE :		
(To the extent not written off or adjusted)		
(A) Profit & Loss Account	<u>978</u>	<u>0</u>
TOTAL MISCELLANEOUS EXPENDITURE :	<u>978</u>	<u>0</u>
SCHEDULE FORMING PART OF PROFIT & LOSS ACCOUNT AS AT 31ST MARCH, 2009		
SCHEDULE - 13		
OTHER INCOME :	0	0
TOTAL :	<u>0</u>	<u>0</u>
SCHEDULE - 14		
OPERATING EXPENSES :	0	0
TOTAL :	<u>0</u>	<u>0</u>
SCHEDULE - 15		
EMPLOYEES REMUNERATION & BENEFITS :	0	0
TOTAL :	<u>0</u>	<u>0</u>
SCHEDULE - 16		
ADMINISTRATIVE & OTHER EXPENSES :	978	0
TOTAL :	<u>978</u>	<u>0</u>
SCHEDULE - 17		
INTEREST & FINANCIAL CHARGES :	0	0
TOTAL :	<u>0</u>	<u>0</u>



CONSOLIDATED AUDITORS' REPORT

To,
The Members,
Deep Industries Limited.

1. We have Audited the attached Consolidated Balance Sheet of DEEP INDUSTRIES LIMITED, ("the Company") and its un-audited subsidiary DEEP ENERGY LLC as at 31st March, 2009 and also Consolidated Profit and Loss Account and also the Consolidated Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatement. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
 - (a) We did not audit the financial statement of Foreign Subsidiary namely Deep Energy LLC, whose financial statements reflect total assets of Rs. 14,43,497 as at 31st March 2009 and Total Revenue of Rs. Nil and Cash flow amounting to Rs. NIL for the year then ended.
 - (b) This Un-audited Financial Statements are approved by the Partner / Members of the Deep Energy LLC and as approved by the Management and our report in so far as it relates to the amount included in respect of the Subsidiary is based solely on such approved un-audited Financial Statements.
3. We report that the Consolidated Financial Statements have been prepared by the Companies Management in accordance with the requirement of Accounting Standards (AS 21), Consolidated Financial Statement notified by Companies (Accounting Standards) Rules, 2006.
4. Based on our audit as aforesaid and consideration of the un-audited financial statements and on the Other Financial Information of the Components and Accounts, approved by the Board of Directors as explained in paragraph 2 above and to the best of our information and according to the explanations given to us, we are of the opinion that the attached consolidated financial statement give a true and fair view in conformity with the accounting principles generally accepted in India :
 - I. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2009; and
 - II. in the case of the Consolidated Profit and Loss Account, of the profit /loss for year ended on that date; and
 - III. In the case of the Consolidated Cash Flow statement, of the cash flows for the year ended on that date.

PLACE : Ahmedabad
DATE : 28th April 2009

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

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



CONSOLIDATED BALANCE SHEET AS ON 31ST MARCH, 2009

Particulars	Schedule	Amount Rs.	As At 31/03/2009 Rs.	As At 31/03/2008 Rs.
SOURCES OF FUNDS :				
(I) SHARE HOLDER'S FUND				
(i) Share Capital	1	200000000		200000000
(ii) Convertible Warrant	1	40000000		40000000
(iii) Reserves & Surplus	2	<u>577957254</u>		<u>501536570</u>
			817957254	741536570
(II) LOAN FUNDS				
(i) Secured Loan	3	605007163		74771244
(ii) Unsecured Loans	4	<u>23337</u>		<u>0</u>
			605030500	74771244
MINORITY INTEREST				
		<u>137707</u>	137707	
(III) DEFERRED TAX LIABILITY				
			<u>54703787</u>	<u>25475034</u>
		TOTAL :	<u>1477829248</u>	<u>841782848</u>
APPLICATION OF FUNDS :				
(I) FIXED ASSETS				
(a) Gross Block	5	1049777764		484728655
(b) Less : Depreciation Reserve Fund		<u>87070246</u>		<u>50103208</u>
		962707518		434625447
(c) Add : Capital Work in Progress		<u>135288887</u>		<u>30380782</u>
			1097996405	465006229
(II) INVESTMENTS				
	6		147883373	72888623
(III) CURRENT ASSETS, LOANS & ADVANCES				
(a) Inventories	7	26568162		29063257
(b) Sundry Debtors	8	124689067		77263639
(c) Cash & Bank Balances	9	20245436		131026949
(d) Loans, Advances & Deposites	10	<u>104723696</u>		<u>105145093</u>
		276226361		342498938
Less : CURRENT LIABILITIES & PROVISIONS				
(a) Current Liabilities	11	30769497		17736250
(b) Provisions		<u>40987228</u>		<u>52289875</u>
			71756725	70026125
Net Current Assets			204469636	272472813
MISC. EXPENSES (TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED)				
	12		<u>27479835</u>	<u>31415183</u>
	TOTAL :		<u>1477829248</u>	<u>841782848</u>
Notes Forming Part of Accounts	18			

As per our report of even date attached

Jayesh M. Shah & Co.
Chartered Accountants

For **Deep Industries Limited**

Jayesh M. Shah
Proprietor
M. No. 30638

Paras Savla
Chairman & Managing Director

Rupesh Savla
Managing Director

Place : Ahmedabad
Date : 28th April, 2009

Place : Ahmedabad
Date : 28th April, 2009



CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED ON 31ST MARCH, 2009

Particulars	Schedule	Amount Rs.	As At 31/03/2009 Rs.	As At 31/03/2008 Rs.
(I) INCOME :				
- Transportation Income		958891		534062
- Gas Compression Income		217719966		133673105
- Work Over Activities Income		104272956		62471736
- Air Compression Income		12078320		3492962
- Other Income	13	9277345		15631903
TOTAL :		<u>344307478</u>		<u>215803768</u>
(II) EXPENSES :				
- Operating Expenses	14	82179260		50609314
- Employees Remuneration & Benefits	15	40931828		23533781
- Administrative & Other Expenses	16	27444188		18428745
- Interest & Financial Charges	17	30204818		7557614
- Depreciation Expenses	5	37077547		22691287
- Misc. Expenses Written off	12	3941922		3941922
TOTAL :		<u>221779562</u>		<u>126762663</u>
Profit Before Taxation			122527916	89041105
Less : 1. Income Tax & F.B.T. Provision	14957592		17825000	
2. Short Provision of Taxation	2192819		-32532	
3. Deferred Tax Provision	29228753	46379164	327223	18119691
Profit Before Minority Interest		76148752		70921414
ADD : Loss of Minority Interest		4308		0
Exceptional items		0		-25660596
Balance of Profit & Loss Account of Previous year		<u>124494711</u>		<u>79603703</u>
Balance Available for Appropriation		<u>200647771</u>		<u>124864521</u>
* Appropriation				
1) Transfer to General Reserve		0		0
2) Proposed Dividend		0		0
3) Tax On Proposed Dividend		0		0
4) Investment Reserve Fund		2267759		369810
Bal. of Profit & Loss Account carried to Bal.Sheet		<u>198380012</u>		<u>124494711</u>
TOTAL :		<u>200647771</u>		<u>124864521</u>
Basic Earnings per Share Rs.		3.81		2.26
Diluted Earnings per Share Rs.		3.81		2.26

Notes Forming Part of Accounts 18

As per our report of even date attached

Jayesh M. Shah & Co.

Chartered Accountants

For **Deep Industries Limited**

Jayesh M. Shah

Proprietor

M. No. 30638

Paras Savla

Chairman & Managing Director

Rupesh Savla

Managing Director

Place : Ahmedabad

Date : 28th April, 2009

Place : Ahmedabad

Date : 28th April, 2009



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED

Particulars	As At 2008-09 Rs.	As At 2007-08 Rs.
CASH FLOWS FROM OPERATING ACTIVITIES :		
Net Profit before tax as per Profit & Loss Account	122532224	89041105
Adjustment for :		
Depreciation Expenses	37077547	22691287
Interest Expenses	26072703	7557614
Interest Expenses on late payment of TDS	43753	0
Dividend Income	-6430214	-12931565
Interest Income	-1978235	-1846191
Profit/(Loss) on Sale of Investments	-276548	-222473
Profit/(Loss) on Sale of Fixed Assets	-80509	0
Preliminary Expenses Written Off	3941922	3941922
Operating Profit before Working Capital Changes	180902642	108231699
Change in Working Capital		
Adjustment for		
Inventories	2495095	4362835
Sundry Debtors	-47425428	-56356044
Loans & Advances	12770287	-21634767
Trade Payable & Other Liabilities	13033247	-2461353
CASH FLOW FROM OPERATION	161775844	32142370
Cash Flow from Exceptional Claim		219834
Income Tax & Cenvat Credit	-40801949	-40801949
NET CASH GENERATED BY OPERATING ACTIVITIES	120973895	6701328
CASH FROM INVESTING ACTIVITIES :		
Purchase of Fixed Assets & Changes in Work in Capital	-674873777	-155730141
Sale of Fixed Assets	4886555	13694469
Purchase of Investments	-74994750	0
Sale of Investments	0	197569481
Interest Income	1978235	1846191
Dividend Income	6430214	12931565
Profit from Sale of Investments	276548	222473
CASH FLOW FROM FINANCING ACTIVITIES :		
Interest Paid	-26072703	-7557614
Interest Expenses on late payment of TDS	-43753	
Proceeds from Issue of Share Capital/Convertible Warrants (Net of Expenses / Recovery of Expenses)	0	40608255
Minority Interest & Capital Reserve	405331	
Proceeds from Secured Loans	530235919	13096865
Proceeds from Unsecured Loans	23337	0
Forex Investment Reserve	-6564	
Dividend and Dividend Tax Paid	0	0
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(110,781,513)	123382872
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	131026949	7644078
CASH AND CASH EQUIVALENTS AT THE CLOSE OF THE YEAR	20245436	131026950

As per our report of even date attached

For & on Behalf of

Jayesh M. Shah & Co.

Chartered Accountants

For Deep Industries Limited

Jayesh M. Shah

Proprietor

M. No. 30638

Place : Ahmedabad

Date : 28th April, 2009

Paras Savla

Chairman & Managing Director

Place : Ahmedabad

Date : 28th April, 2009

Rupesh Savla

Managing Director



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	As At 31/03/2009 Rs.	As At 31/03/2008 Rs.
SCHEDULE - 1		
A. SHARE CAPITAL :		
Authorised Share Capital :		
22000000 Equity Shares of Rs. 10/- each (Previous Year 22000000 Equity Shares of Rs.10/- each)	220000000	220000000
Issued & Paid up Share Capital :		
20000000 Equity Shares of Rs. 10/- each fully Paid up (P.Y. 20000000 Equity Shares of Rs.10 each)	200000000	200000000
B. CONVERTIBLE WARRANTS		
Issued subscribed & Paid up :		
20,00,000 Warrants of Rs.200/- Each & Rs.20 Paid up on Each Warrants (Previous Year 2000000 Warrants)	40000000	40000000
20,00,000 Convertible Warrants of Rs. 200/- each are allotted on preferential basis, shall carry right/entitlement to subscribe on a future date not exceeding 18 months from the date of allotment(i.e. 31.01.08) of such warrants to equivalent number of equity shares of the Company of Rs. 10 each at a premium of Rs. 190/- per equity share in one or tranches.		
TOTAL :	<u>240000000</u>	<u>240000000</u>
SCHEDULE - 2		
RESERVES & SURPLUS :		
(I) Capital Reserve - Share Premium		
As per last Balance Sheet	356587500	356587500
(II) General Reserve		
As per last Balance Sheet	20000000	20000000
Transfer from profit & Loss A/c	<u>0</u>	<u>0</u>
	20000000	20000000
(III) Investment Reserve Fund		
As per Last Balance Sheet	454359	84549
Add : Provided during the year	<u>2267759</u>	<u>369810</u>
Closing Balance at the end of the year	2722118	454359
(IV) Profit & Loss Account Balance		
(V) Capital Reserve on investments done in Subsidiary	267624	0
TOTAL :	<u>577728384</u>	<u>501536570</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	As At 31/03/2009 Rs.	As At 31/03/2008 Rs.
SCHEDULE - 3		
SECURED LOANS :		
1. State Bank of India		
Term Loan	318537212	0
Foreign Currency Loan(Buyer's Credit)	235977843	0
Working Capital Loan	48180907	0
2. Bank of Baroda Term Loan	0	38821982
3. AXIS Bank Cash Credit Account	0	32731616
4. Vehicle Loan	2311201	3217646
TOTAL :	<u>605007163</u>	<u>74771244</u>

NOTE :

- (1) Term Loan from State Bank of India as mentioned above is secured by hypothecation of Air Compressor, Gas Compressor, Work over Rig and other Misc. Assets and further secured by personal guarantee of Directors and equitable mortgage of immovable properties of directors relative of director situated at Ahmedabad & Modasa.
- (2) Working Capital Loan from State Bank of India as mentioned above is secured by hypothecation of stock and book debt & further secured by personal guarantee of directors and equitable mortgage of immovable property situated at Ahmedabad & Modasa held in name of director and relative of director.
- (3) Buyer's Credits are obtained from overseas branches of State Bank of India which are backed by Letter of Undertaking from State Bank of India, Commercial Branch, Ahmedabad which has sanctioned the Term Loan.
- (4) Borrowing from Vehicle Loan are from banks and secured against hypothecation of vehicle and personal guarantee of Directors.

SCHEDULE - 4

**UNSECURED LOANS :
FROM OTHERS :**

Loan from Minority Interest Partner

	23337	0
TOTAL :	<u>23337</u>	<u>0</u>



SCHEDULES FORMING PART OF THE CONSOLIDATE BALANCE SHEET AS AT 31ST MARCH, 2009

SCHEDULE - 5 FIXED ASSETS :

Sr. No	PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
		Opp. Bal as on 1-04-08	Add. During the year	Ded. During the year	Cls Bal. as on 31-03-09	Op. Bal. As on 1-04-08	Add. During the Year	Ded. During the Yr.	Cls Bal. as on 31-03-09	As on 31-3-09 Rs.	As on 31-3-08 Rs.
(A)	TANKERS	790000	45000	0	835000	784616	1664	0	786281	48719	5384
(B)	CRANE	697075	0	0	697075	17879	78839	0	96718	600357	679196
(C)	VEHICLES	6495613	2993552	34000	9455165	1341496	767398	4690	2104204	7350961	5154117
(D)	AIR COMPRESSOR	4960848	6542553	0	11503401	4887441	685616	0	5573057	5930344	73407
(E)	GAS COMPRESSOR	311148210	304946950	4876555	611218605	30506868	19486648	104397	49889119	561329486	280641342
(F)	COMPUTERS	3496149	477408	0	3973557	2474673	356373	0	2831046	1142511	1021476
(G)	SHED, FOUNDATION & ROAD	5580143	7322869	0	12903012	1993583	2972163	0	4965746	7937266	3586560
(H)	OFFICE BUILDING	5098588	2059770	0	7158358	641593	559405	0	1200998	5957360	4456994
(I)	R I G	139166736	242980052	0	382146788	6463785	11635083	0	18098868	364047919	132702951
(J)	OFFICE EQUIP, FUR. & FIXTURES	6422216	2346677	0	8768893	746512	488457	0	1234969	7533924	5675704
(K)	OTHER PLANT & MACHINERY	873076	200123	6009	1067190	244770	45900	1431	289239	777951	628306
(L)	OIL WELLS	0	50720	0	50720	0	0	0	0	50720	0
	TOTAL (A)	484728655	569965673	4916564	1049777764	50103217	37077547	110518	87070246	962707518	434625437
(L)	CAPITAL WORK IN PROGRESS (B)	30380783	393495303	288587199	135288887	0	0	0	0	135288887	30380783
	TOTAL (A + B)	515109438	963460976	293503763	1185066651	50103217	37077547	110518	87070246	1097996405	465006220
	PREVIOUS YEAR	239489669	277057929	89181938	427365660	46751836	9858531	786972	55823395	371542265	192737835



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	As At 31/03/2009 Rs.		As At 31/03/2008 Rs.	
SCHEDULE - 6				
INVESTMENTS :				
(A) LONG TERM INVESTMENTS :				
(i) Quoted Investments :				
1. Ganesh Benzoplast Limited	5000	76844	5000	76844
2. Vama Industries Limited	2500	69111	2500	69111
3. Manglore Refinery Project Ltd.	450	26141	450	26141
4. Power Trading Corporation	4000	728484	4000	728484
(B) CURRENT INVESTMENTS :				
(i) Unquoted Investments :				
1. DSP Blackrock Govt. Sec. Fund	1182459	13024910		0
2. HDFC Cash Management Fund	1280254	12842870		0
3. ICICI Prudential Short Term Plan	459345	5385595		0
4. IDFC Arbitrage Plus Fund	636820	6671316		0
5. Kotak Bond Regular Dividend	2374253	26146278		0
6. Principal Liquid Plus Fund	541379	5424619		0
7. Reliance Money Manager Fund	7120	7126237		0
8. SBI Magnum Gilt Fund	1727219	17836311		0
9. SBI-SHF Ultra Short Term Insi. Growth	2902303	29037543		0
10 UTI Treasury Advantage Fund	15545	15549360		0
11 UTI G-SEC Fund	690601	7927755		0
12 DSP ML FTP Series - 10		0	883675	8797402
13 Reliance Monthly Interval Fund		0	697352	6980641
14 Dws Credit Opportunities Cash Fund		0	1025934	10000000
15 Dws Quarterly Interval Fund		0	2500000	25000000
16 ING Fixed Maturity Fund		0	1200000	12000000
17 ING Short Term Income Fund		0	279243	3000000
18 Principal Liquid Plus Fund		0	504495	5000000
19 DSP ML Short Term Plan		0	119035	1200000
		<u>147873373</u>		<u>72878623</u>
(ii) Unquoted Investments :				
Mehsana Nagarik Co-Op Sahakari Bank Ltd.	400	10000	400	10000
(Book value of unquoted investments is Rs. 10,000/-)				
TOTAL :		<u><u>147883373</u></u>		<u><u>72888623</u></u>
(D) DETAILS OF INVESTMENTS PURCHASE AND SOLD DURING THE YEAR :				
		NO. OF UNITS		
	FACE VALUE	(IN LACS)	COST RS.	
I. VARIOUS CATEGORIES OF MUTUAL FUND UNITS	10	223.54	281913114	
	AS AT 31ST MARCH 2009		AS AT 31ST MARCH 2008	
(E) AGGREGATE VALUE OF				
	BOOK VALUE	MARKET VALUE	BOOK VALUE	MARKET VALUE
QUOTED INVESTMENT	900580	343240	900580	446221
UNQUOTED INVESTMENT	147993313	145828535	71988043	72816181



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	As At 31/03/2009 Rs.	As At 31/03/2008 Rs.
SCHEDULE - 7		
INVENTORIES :		
(At Cost or market price whichever is lower)		
(As valued, verified and certified by the Management)		
Stock of Stores & Spares	26322381	28843498
Stock of Oil	245781	219759
TOTAL :	<u>26568162</u>	<u>29063257</u>
SCHEDULE - 8		
SUNDRY DEBTORS :		
(Unsecured Considered Good)		
Over Six Months	5333422	12171168
Others	119355645	65092471
TOTAL :	<u>124689067</u>	<u>77263639</u>
SCHEDULE - 9		
CASH & BANK BALANCES		
(I) Cash on Hand	122218	152717
(II) Bank Balances :		
(a) With Schedule Bank		
1. In Current Account	1179558	-185233
2. In Fixed Deposit Account	18867385	130987722
	<u>20046943</u>	<u>130802489</u>
(a) With Other Bank		
1. Mehsana Nagrik Sahakari Bank Current Account (Maximum o/s Balance during the year Rs.132847 (Rs.101,888/- in Previous Year)	1127	71744
2. Copper Mark Bank Oklahoma City USA	75149	
	<u>76276</u>	<u>71744</u>
TOTAL :	<u>20245437</u>	<u>131026950</u>
SCHEDULE - 10		
LOANS , ADVANCES AND DEPOSITS :		
(Unsecured Considered Good)		
(Advances Recoverable in cash or in kind or for the value to be received.)		
Income Tax & Cenvat Receivable	78427449	66078558
Other Loans, Advances & Deposits	26296248	39066535
TOTAL :	<u>104723696</u>	<u>105145093</u>
SCHEDULE - 11		
CURRENT LIABILITIES AND PROVISIONS :		
(A) Current Liabilities :		
(i) Sundry Creditors	13901231	8073861
(iii) Other Liabilities	3935364	2608234
(iv) Duties & Taxes Payable	12932902	7054155
TOTAL :	<u>30769497</u>	<u>17736250</u>
(B) Provisions :		
Taxation & F.B.T. Provisions	40987228	52289875
	40987228	52289875
TOTAL :	<u>71756725</u>	<u>70026125</u>



SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Particulars	As At 31/03/2009 Rs.	As At 31/03/2008 Rs.
SCHEDULE - 12		
MISCELLANEOUS EXPENDITURE :		
(To the extent not written off or adjusted)		
(A) Preliminary Expenses		
Opening Balance	31415183	35965360
Less : Amount Written Back	0	-608255
Less : Written off during the year	3941922	3941922
TOTAL (A) :	<u>27473261</u>	<u>31415183</u>
(B) Forex Investment Reserve		
Deep Energy LLC	6574	0
TOTAL (B) :	<u>6574</u>	<u>0</u>
TOTAL MISCELLANEOUSE EXPENDITURE :	<u>27479835</u>	<u>31415183</u>

**SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2009**

SCHEDULE - 13		
OTHER INCOME :		
Interest Received	1978235	1846191
Profit/Loss on sale of Investment (Net)	276548	222473
Dividend Received	6430214	12931565
Misc. Income	492197	404349
Foreign Currency Fluctuation Gain	19642	227325
Profit/(Loss) on sale of Fixed Assets	80509	0
TOTAL :	<u>9277345</u>	<u>15631903</u>
SCHEDULE - 14		
OPERATING EXPENSES :		
Air Compressor Running & Maintenance Expenses	3020302	1508038
Tanker Running & Maintenance Expenses	863007	549143
Vehicle Running and Maintenance Expenses.	3066819	1838502
Gas Compressor Running & Maintenance Expenses	34189467	25540427
Rig Running & Maintenance Expenses	41039664	21173204
TOTAL :	<u>82179260</u>	<u>50609314</u>
SCHEDULE - 15		
EMPLOYEES REMUNERATION & BENEFITS :		
Salaries & Bonus	38991763	22848694
Employee Welfare & Staff Eminties	702993	52987
Contribution to Employees' benefit fund	1237072	632100
TOTAL :	<u>40931828</u>	<u>23533781</u>
SCHEDULE - 16		
ADMINISTRATIVE & OTHER EXPENSES :		
Bank Charges	4767324	1578634
Insurance Premium	1320638	638687
Stationary & Printing Expenses	687507	265030
Telephone & Communication Expenses	1345152	1403259
Travelling Expenses (Directors Travelling Rs. 1649856/-)	3988103	3111900
Directors' Remuneration	2700000	1740000
Vehicle Expenses	163013	158370
Professional, Consulting & Legal Expenses	1466199	1167738
Donation Expenses	2678150	1361501
Electricity Expenses	838598	626481
Interest on Income Tax & T.D.S.	43753	0
Audit Fees	25000	20000
Other Expenses	7338611	6343603
Municipal Tax	74794	13542
TOTAL :	<u>27444188</u>	<u>18428745</u>



SCHEDULES FORMING PART OF CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 2009

Particulars	As At 31/03/2009 Rs.	As At 31/03/2008 Rs.
SCHEDULE - 17		
INTEREST & FINANCIAL CHARGES :		
Bank Interest On Hypothecation	4132115	964537
Bank Interest On Term Loan	20024009	6226188
Other Interest Expenses	0	207143
Buyer's Credit Interest	2109777	0
Finance Charges on Foreign Credit	3831719	0
Finance Charges on Vehicle Loan	107198	159746
TOTAL :	<u>30204818</u>	<u>7557614</u>

SCHEDULE - 18

Notes forming part of the Consolidated Financial Accounts for the year ended 31st March, 2009.

A. Principles of Consolidation :

The Consolidated financial statements (CFS) relate to Deep Industries Limited ("The Company") and its un-audited subsidiary Deep Energy LLC. The CFS has been prepared in accordance with Accounting Standard 21 on "Consolidated Financial Statements" (AS – 21) on the following basis:

- The financial statements of the company and its Subsidiary are 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 inter group balances and inter group transactions including unrealise profit/ losses in period end inventories. The difference between the Companies Cost of Investments in the subsidiary, over its portion of equity at the time acquisition of shares is recognized in the Consolidated Financial Statements as Goodwill or Capital Reserve as a case may be. Minority interest share in net profit/loss of consolidated subsidiary for the year is adjusted against the income of the group in order to arrive at the net income attributable to share holders of the Company. Minority interest share in net assets of consolidated subsidiary is presented in the consolidated Balance Sheet separate from liabilities and the Equity of the Companies Share Holders. Minority Interest in the Consolidated Financial Statement is identify and recognized after taking in to consideration the amount of Equity / Losses attributable to the minorities.
- In case of foreign subsidiary, being non integral foreign operations, revenue items are translated at the average rate prevailing during the period. Assets, liabilities and Equity are translated at the closing rate. Any Exchange difference arising on translation is recognized in the "Foreign Currency Translation Reserve".

B. Significant Accounting Policies :

1. 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.

2. 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.

3. Fixed Assets and Depreciation

- Fixed Assets are stated at cost net of cenvat, less accumulated depreciation. All cost, including financing



cost till commencement of assets put to use, effect of foreign exchange contracts and adjustment arising from exchange rate variations attributable to the fixed assets are capitalised.

- (b) Expenditure including finance costs related to borrowed funds for the fixed assets incurred on projects under implementation are included under "Capital Work in Progress". These expenses are transferred to fixed assets on commencement of respective projects.
- (c)
 - (i) Depreciation on Shed & construction at contactor site is provided considering the period of the initial contract.
 - (ii) Depreciation on Tanker & Office Building is provided on Written down Value Method as per the rate prescribed in Schedule XIV and in accordance with Section 205(2)(b) of the Companies Act, 1956.
 - (iii) Depreciation on Fixed Assets other than stated above in Para I & ii is provided on Straight Line Method as per rate prescribed in Schedule XIV and in accordance with Section 205(2)(b) of the Companies Act, 1956, considering the life of the Asset..

4. Investments

Long Term Investments, Current Investments and Investments in subsidiary are carried at cost. During the year the Company has made provision of Rs. 1,02,981/- (Rs.3,82,855/- previous year) for diminution in the value of Long Term Investments and Rs.21,64,778/- (Nil previous year) towards diminution in the value of Current Investments. Unquoted investments are stated at book value.

5. Debtors

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

6. Inventories

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

7. 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 The difference in 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, in which case they are adjusted to the carrying cost of such assets.
- (c) Non monetary foreign currency items if any are carried at cost.

8. Basis of Accounts

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

9. 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) During the year the Company has made the payment of Rs. 456,248/- towards Gratuity Expenses on actual payment.
- (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.

10. Borrowing Cost

Borrowing costs include interest, fees and other charges incurred in connection with the borrowing of funds and is considered as revenue expenditure for the year in which it is incurred except for borrowing costs attributed to the acquisition/improvement of qualifying capital assets which is capitalized as cost of that assets.



11. Tax on Income

Current Tax is determined on the basis of the amount of tax payable in respect of taxable income for the year. Fringe Benefit Tax is provided as per provision of the Income Tax Act, 1961.

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.

12. Income

Company's Income comprises of Work Over Rig Services, Gas Compression, Air Compression and Tankers Hire Charges.

13. Other Income

Other Income is consisting of interest, dividend, profit/loss on sale of investment and assets and miscellaneous income.

14. Contingent Liabilities

Provision is made for all known liabilities and contingent liabilities not provided for :

Particulars	Amount (Rs. in lacs)
Counter Guarantee given to the Bankers in respect of guarantees issued in favour of Government of India, Government Bodies & other contractees	1182.17
Tax Matters: Disputed Liability in respect of Income Tax Demand (Matters under Appeal)	38.20

B. Managerial Remuneration

Director Remuneration :

Particulars	Amount (Rs. In lacs)
Salaries	27.00
Perquisites	2.59
Total	29.59

Computation of Net Profit in accordance with Section 198 & 309 of the Companies Act, 1956

Particulars	Amount (Rs. in lacs)
Profit before Taxes as per Profit and Loss Account	1225.28
Add : Managerial Remuneration	27.00
Less : Profit on Sale of Fixed Assets	0.81
Less : Profit on Sale of Investments	2.77
Net Profit	1248.70

Sr. No.	Particulars	Amount Paid (Rs. In Lacs)	Maximum Amount Restricted upto 11% of Net Profit
1.	Chairman and Managing Director	11.23	137.36
2.	Managing Director	9.36	
3.	Executive Director	9.00	
	TOTAL	29.59	



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.

D. Other Information pursuant to paragraphs 3, 4, 4A, 4B and 4D of Para-II of the Schedule VI is given as under so far as applicable to the Company.

(a) The Company has not employed any person drawing remuneration of Rs.2,00,000/- per month or more or Rs.24,00,000/- per annum.

(b) As the Company is engaged in providing services there is no manufacturing activity carried out and information in respect of installed capacity, production capacity, raw material consumption, opening and closing stock of goods produced and consumption of indigenous and imported raw materials and spares thereof and turnover of goods produced is not given.

(c) Value of imports calculated on CIF basis

Particulars	2008-09	2007-08
Capital Goods, Freight , Insurance	Rs 23,29,22,098	Rs.10,12,28,352
Spare Parts	Rs. 28,09,347	Rs. 4,77,649

(d) Expenditure in Foreign Currency

Particulars	2008-09	2007-08
Spares, Equipment, Freight	Rs.23,57,31,445	Rs.10,17,06,001
Director's Travelling Expenses	Rs. 6,76,985	Rs. 8,12,328

(e) Earnings in Foreign Currency

Particulars	2008-09	2007-08
	-	-

(f) Payment to Statutory Auditors

Particulars	2008-09	2007-08
Audit Fees	Rs. 25,000	Rs. 20,000
Taxation Matters	Rs. 15,000	Rs. 10,000
Others	Rs. 30,000	Rs. 15,256
Total	Rs.70,000	Rs. 45,256

E. Capital Commitment Expenses: Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) are Rs. 10 Crores.

F. Figures are rounded off to the nearest rupee and the previous year figures are regrouped wherever necessary.

G. Expenses in nature of fooding, vehicle hiring and guest house related to operation have been debited to operating expense & relevant expenses which were shown under the head Administrative Expenses in previous year have been regrouped to that extent. Cenvat Credit receivable is shown under Income Tax & Cenvat Credit Receivable which were shown under Other Loans, Advances & deposits.

H. Segment Reporting

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

I. 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 assets 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 is no impairment losses on assets of the Company.

J. The Company in the previous financial year has issued 20,00,000 Convertible Warrants of Rs. 200/- each aggregating Rs. 40,00,00,000/- and has received Rs. 4,00,00,000/- being Rs. 20/- per Convertible Warrants. The said Convertible Warrants were allotted on 31st January 2008. The proceeds of the preferential issue will be used for exploration operations(Coal Bed Methane Blocks) at Singrauli (Madhya Pradesh) and Godavari Valley (North) – (Andhra Pradesh). Till 31st March 2009, the Company has incurred Rs. 1,96,94,280/- towards development of abovementioned CBM blocks for which convertible warrants were issued in last year.



K. 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
Enterprises significantly Influenced by KMP or RKMP	Deep Methane Private Limited
	Visat Automobiles
	Smt. Prabhaben Kantilal Velji Savla Charitable Trust
	Prabhaben Shantilal Savla Charitable Trust
Key Managerial Personnel	Mr. Paras Savla
	Mr. Rupesh Savla
	Mr. Dharen Savla
	Mr. Prabodh Baruah
	Mr. Vijay Shah
	Mr. Harish Bhide
Relative of Key Management Personnel (RKMP)	Mr. Manoj Savla
	Mr. Avani Savla

- (ii) Transactions during the financial year 2008-09 with the related parties are shown below :

Nature of Transactions	KMP	RKMP	Subsidiaries	Enterprises significantly influenced
Remuneration & Sitting Fees	2700000	96000	0	0
	(1800000)	(96000)	-	-
Contribution to Charitable Institutions	-	-	-	2300000
	-	-	-	-
Rent	670080	586080	-	341000
	(670080)	(586080)	-	-
Petrol, Diesel, Gas, Oil etc.	-	-	-	4573830
	-	-	-	(3030640)
Security Deposit	-	-	-	372000
	-	-	-	(0)
Perquisites	259145	-	-	-
	(548213)	(100000)	-	-
	-	-	-	-
	-	-	-	-
Note : Figures in bracket represents previous year's amount.				



- L. 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, 2008. The item - wise details of deferred tax liability as on 31.03.2009 are as under:

	(Rs. in Lacs)	
Deferred Tax Liability	2008-09	2007-08
Difference between book and tax difference as on 1st April	254.75	251.48
(a) Depreciation	292.29	3.27
Less : Deferred Tax Assets	-	-
Deferred Tax Liability (Net)	292.29	3.27
Difference between book and tax difference as on 31st March	547.04	254.75

- M. 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.

Circulation of EPS

Particulars	31.03.2009	31.03.2008
Profit After Tax (Rs. in Lacs)	76153060	45260818
Weighted Average Numbers of shares considered as outstanding in computation of Basic EPS	20000000	20000000
Basic EPS of Face Value Rs. 10 Each (in Rs.)	3.81	2.26
Diluted EPS of Face Value Rs. 10 Each (in Rs.)	3.81	2.26

- N. Current Liability related to Small Scale Industrial Undertakings

Sundry Creditors of Rs.1,39,01,231/- presented in Schedule 11 under the head Current Liabilities. Out of that Rs.5,780/- dues relating to Small Scale Industries Undertaking names of which is Brinda Industries.

SIGNATURE TO SCHEDULE '1' TO '18'

For & on Behalf of
Jayesh M. Shah & Co.
Chartered Accountants

Jayesh M. Shah
Proprietor
M. No. 30638

Place : Ahmedabad
Date : 28th April, 2009

For **Deep Industries Limited**

Paras Savla
Chairman & Managing Director

Place : Ahmedabad
Date : 28th April, 2009

Rupesh Savla
Managing Director

DEEP INDUSTRIES LIMITED

PROXY FORM

Members Folio No. _____

DP ID _____

Client ID _____

I/We _____ of _____
being a Member/Members of **Deep Industries Limited.**, hereby appoint
_____ or failing him
_____ of _____ or failing
him _____ of _____ as my/our Proxy to attend and vote for me/
us and on my/our behalf at the Annual General Meeting of the Company to be held on Friday, the
5th of June, 2009 or any adjournment thereof.

Signed this _____ Day of _____ 2009.

Signed by the said _____

of _____

Affix
Rs. 2/-
Revenue
Stampe

Note : If a member is unable to attend the Meeting, he may sign this form and send it to the Company's Registered Office at : Opp. Suryanarayan Bunglows, Sabarmati-Kalol State Highway, Motera, Gandhinagar-380005, so as to reach them not less than 48 hours before the Meeting

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

DEEP INDUSTRIES LIMITED

Opp. Surnarayan Bunglows, Sabarmati-Kalol State Highway,
Motera, Gandhinagar-380005

ATTENDANCE SLIP

I hereby record my presence at the Annual General Meeting convened at Shree Vishwakarma Hall, Sabarmati Gandhinagar Highway, Near Visat Petrol Pump, Motera Gandhinagar on Friday, the 5th of June, 2009.

Members Folio No. _____

DP ID _____

Client ID _____

Name of the Member attending the Meeting

In case of proxy, Name of Proxy

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

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

Book Post

To

DEEP INDUSTRIES LIMITED

Regd. Office : Opp. Suryanarayan
Bunglows, Sabarmati-Kalol State Highway,
Motera, Gandhinagar-380005



DEEP INDUSTRIES LIMITED

19th Annual Report 2008-2009



DEEP INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Paras S. Savla	<i>Chairman & Managing Director</i>
Mr. Rupesh K. Savla	<i>Managing Director</i>
Mr. Dharen S. Savla	<i>Executive Director</i>
Mr. Prabodhkumar G. Baruah	<i>Independent Director</i>
Mr. Harish G. Bhinde	<i>Independent Director</i>
Mr. Vijay R. Shah	<i>Independent Director</i>

BANKERS

State Bank of India
UTI Bank Ltd.
Bank of Baroda

AUDITORS

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

SHARE TRANSFER AGENT

Link Intime India Private Limited
211, Sudershan Complex,
Mitkhali Six Roads,
Navrangpura,
Ahmedabad-380009

REGISTERED OFFICE

Opp. Suryanarayan Bungalows,
Sabarmati-Kalol State Highway,
Motera, Gandhinagar-380005

CORPORATE OFFICE

6th Floor, Astron Tower,
Opp. Fun Republic Cinema,
S. G. Highway,
Ahmedabad-380015