

DEEPAK MINING SERVICES PRIVATE LIMITED

ANNUAL REPORT

2011 – 2012

REGISTERED OFFICE

Deepak Complex, Opp. Golf Course, Shastri Nagar,

Yerawada, Pune-411 006

Tel: 020-6645 8000 Fax: 020-2668 3722

DEEPAK MINING SERVICES PRIVATE LIMITED

DIRECTORS' REPORT

To the Members,

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

FINANCIAL RESULTS

The Summarised financial results for the year are as under:

	(in Rupees)	
	2011-12	2010 - 2011
Gross Revenue	40,21,445	Nil
Profit / (Loss) Before Tax	31,80,863	(424,969)
<i>Less:</i>		
Provision for Income Tax	8,51,630	Nil
Provision for Fringe Benefit Tax	Nil	Nil
Provision for Deferred Tax	Nil	Nil
Net Profit / Loss After Tax	23,29,233	(424,969)
<i>Add:</i>		
Balance Brought Forward	(5,63,617)	(138,647)
Surplus carried to Balance Sheet	17,65,616	(563,617)

CURRENT OPERATIONS AND FUTURE OUTLOOK

During the year under review, your Company entered co-operation agreement with Runge Limited Australia (A global leader in geology and mine consulting).

There is going to be tremendous demand for mining in India. Deepak Fertilisers And Petrochemicals Corporation Limited, your Company's holding company, being the Country's single largest manufacturer of AN prills used for blasting operations in mining sector has a natural tilt towards mining industry with its excellent reputation and availability of mining professionals. In order to capitalize on this strength, your company intends to venture into mine consulting and Mine Development & Operation (MDO) contracts. Your Directors are confident that this would be achieved by creating a strong in-house team of mining professionals and a robust business model through business alliances with capable and reputed domestic and international players.

DEEPAK MINING SERVICES PRIVATE LIMITED

DIRECTORS

Shri S. C. Mehta retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

DEPOSITS

During the year under review, your Company has not accepted any deposits from the public.

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of sub-section (2AA) of Section 217 of the Companies Act, 1956, your Directors confirm that:

- (i) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- (ii) the accounting policies selected had been applied consistently and judgments and estimates made were 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 on 31st March, 2012 and of the profit of the Company for that period;
- (iii) proper and sufficient care had been taken for the maintenance of the adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
- (iv) the annual accounts had been prepared on a 'going concern' basis.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Your Company does not fall in the categories of Companies specified in Schedule of the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. Hence, the provisions of the said Rules are not applicable to your Company.

DEEPAK MINING SERVICES PRIVATE LIMITED

During the year under review, your Company has neither imported any Technology nor used any Foreign Exchange. Particulars with regard to foreign exchange earned are set out in Note no. 3 to the accounts.

EMPLOYEES

During the year under review, your Company did not have any employee. Hence, the provisions of Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975, as amended were not applicable.

AUDITORS

M/s. B. K. Khare & Co., Chartered Accountants, Mumbai, Auditors of the Company hold office until the conclusion of the ensuing Annual General Meeting. The Board of Directors recommend their appointment.

ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere appreciation to the Banks and Financial Institutions, Government Authorities and all other agencies for their continued support during the year.

For and on Behalf of the Board,



S. C. Mehta
Chairman

Place : Mumbai
Date : 17th May, 2012

Head Office : Mumbai

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B. K. KHARE & Co.
CHARTERED ACCOUNTANTS

AUDITOR'S REPORT

To The Members of

DEEPAK MINING SERVICES PVT LTD

We have audited the attached Balance Sheet of DEEPAK MINING SERVICES PVT LTD as at 31st March 2012, and also the Statement of Profit and Loss 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.

We conducted our audit in accordance with the generally accepted auditing standards in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, is not applicable to the company as per clause 1(iv) of the notification no G.S.R. 480 (E), dated 12.06.2003 of the said order.

Further to our comments in the Annexure referred to above, we report that:

- 1) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
- 2) In our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
- 3) The Balance Sheet and Statement of Profit and Loss dealt with by this report are in agreement with the books of accounts.



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Branch Office : Bengaluru

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- 4) In our opinion, the Balance Sheet and Statement of Profit and Loss dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- 5) On the basis of written representations received from the directors, as on 31st March, 2012 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- 6) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the company as at 31st March 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date;
and

For B.K.Khare & Co.
Chartered Accountants



SANTOSH PARAB

Partner

Firms Registration No.: 105102W

Membership No : 47942

Place: - Mumbai

Dated: - 17th May, 2012

DEEPAK MINING SERVICES PVT. LTD.
 Deepak Complex, Opp.Golf Course, Shastrinagar, Yerawada, Pune-411 006
STATEMENT OF PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED

Particulars	Note No.	31.03.2012 Rupees	31.03.2011 Rupees
I Revenue from Operations	8	3,489,315	-
II Other Income	9	532,130	-
III Total revenue (I+II)		4,021,445	-
IV EXPENSES			
Other Expense	10	840,582	424,969
Total Expenses		840,582	424,969
Profit / (Loss) Before Tax		3,180,863	(424,969)
Current Tax		851,630	-
Deferred Tax		-	-
Profit After Tax		2,329,233	(424,969)
Earnings per equity Share :		232.92	(42.50)

As per our attached report of even date
 For **B. K. KHARE & CO**
 Chartered Accountants

Santosh Parab
 Partner
 Membership No.047942

Place : Pune
 Date : 17/05/2012

For & on behalf of Board of Director


S.C.Mehta
 Director


DR.T.K.Chatterjee
 Director

Place : Mumbai
 Date : 17/05/2012



Firm Registration No.105102W

NOTE 1

Notes forming part of Balance Sheet as on 31st March 2012 and Statement of Profit & Loss for the year ended on that date.

A) Significant Accounting Policies & Notes to Accounts

There is no change in accounting policies as compared to previous year except for the changes expressly reported in this Annexure.

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The accompanying financial statements have been prepared under the historical cost convention, on the accrual basis of accounting and in accordance with the Accounting Standards specified by Section 211 (3C) of the Companies Act, 1956.

2. USE OF ESTIMATES

The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires estimates and assumption to be made that affect the reported amounts of assets & liabilities & disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual result could differ from those estimates and differences between actual results and estimates are recognized in the periods in which the results are known/materialise.

3. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are recorded at the exchange rates prevailing on the date of the transaction.

Foreign currency denominated assets and liabilities (monetary items) are translated into Indian Rupees at the exchange rates prevailing on the Balance Sheet date and the resulting gain/loss is recorded in the Statement of Profit and Loss.

Exchange differences arising on settlement of transactions and translation of monetary items are recognized as income or expense in the period in which they arise.

4. REVENUE RECOGNITION

Revenue for services rendered is recognised on the basis of services rendered and billed to client based on contractual obligation.

Revenue is recognized where it is earned and no significant uncertainty exists as to its realisation or collection.



5. INCOME TAX

Income taxes are accounted for in accordance with Accounting Standard 22 on "Accounting for Taxes on Income". Taxes comprise both current and deferred tax.

Current tax is determined as the amount of tax payable in respect of taxable income for the year based on the provisions of the Income Tax Act, 1961.

6. EARNINGS PER SHARE

Company reports basic and diluted Earnings per Share (EPS) in accordance with Accounting Standard 20 on "Earnings Per Share". Basic EPS is computed by dividing the net profit or loss for the year by the weighted average number of Equity shares outstanding during the year.

B) NOTES TO FINANCIAL STATEMENTS

1. Earnings per Share (EPS) :

Sr No.	Particulars	31 March 2012	31 March 2011
a)	Profit for the period (Rs.)	23,32,073	(4,24,969)
b)	Profit attributable to Equity Shareholders (Rs.)	23,32,073	(4,24,969)
c)	No. of Equity Shares outstanding during the year.	10,000	10,000
d)	Nominal Value of Equity Shares (Rs.)	10/-	10/-
e)	Basic Earning per Share (Rs.) (c/d)	233.21	(42.50)

Note: There is no dilution to the Basic EPS as there are no dilutive potential equity shares.

2. Related party disclosures

Following are the transactions with related parties

	Holding Company	Total
Reimbursement of Expenses / Services	8,36,581 (NIL)	8,36,581 (NIL)
Balance Payable at the year end	4,55,234 (4,10,751)	4,55,234 (4,10,751)

The figures in brackets pertain to previous year



3. Foreign Currency Earnings

		Total
Revenue from operations	34,89,315	34,89,315
Reimbursement of Expense	4,85,425	4,85,425
Foreign Exchange Gain	46,705	46,705

4. Disclosure regarding share capital

Equity shares have been issued with equitable rights & terms.

Note:

Name of the related parties and description of relationship:

Holding Company Deepak Fertilisers and Petrochemicals Corporation Limited



NOTE 2
Share Capital

Partuculars	31.03.2012 Amount Rs.	31.03.2011 Amount Rs.
Authorised 10,000 Equity Shares of Rs. 10/- each	100,000	100,000
Issued, Subscribed & Paid Up 10,000 Equity Shares of Rs.10/- each fully paid up.	100,000	100,000
TOTAL	100,000	100,000

NOTE 2 A

Reconciliation of number of shares outstandin at the beginning & end of the reporting

Particulars	31.03.2012		31.03.2011	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Shares Issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	10,000	100,000	10,000	100,000

NOTE 2 B

Details of Shareholders holding more than 5% shares in the Company

Name of Shareholder	31.03.2012		31.03.2011	
	No.of Shares	% of Holding	No.of Shares	% of Holding
Deepak Fertilisers & Petrochemicals Corporation Ltd.	9,998	99.980	9,998	99.980
	9,998	99.980	9,998	99.980

NOTE 3

Reserves & Surplus

Particulars	31.03.2012 Amount Rs.	31.03.2011 Amopunt Rs.
A) General Reserve		
Opening Balance	-	-
Transfer from Profit & Loss A/C	232,837	-
Total	232,837	-
Opening Balance	(563,616)	(138,647)
Add: Profit for the Current Year	2,329,233	(424,969)
Less: Transfer to General Reserve	232,837	-
	1,532,779	(563,616)
Total	1,765,616	(563,616)



NOTE 4
Current Liabilities

Particulars	31.03.2012 Amount Rs.	31.03.2011 Amount Rs.
Tds Payable	36,421	-
Trade Payables	808,263	473,417
	844,684	
Short term Provisions		
Provision for Expenses	200	200
Provision for Income Tax	851,630	-
	851,830	
TOTAL	1,696,514	473,617

NOTE 5
Trade Receivables

PARTICULARS	31.03.2012 Amount Rs.	31.03.2011 Amount Rs.
exceeding six months from the date they were due for payment.	-	-
Others unsecured considered good	2,890,308	-
Total	2,890,308	-

NOTE 6
Cash & Cash equivalents

Particulars	31.03.2012 Amount Rs.	31.03.2011 Amount Rs.
Cash on hand	-	-
Cash at Bank	637,812	10,000
	637,812	10,000

NOTE 7
Other Current assets

Particulars	31.03.2012 Amount Rs.	31.03.2011 Amount Rs.
Service Tax Credit Receivable	34,010	-
TOTAL	34,010	-

NOTE 8
Revenue from Operations

Particulars	31.03.2012 Amount Rs.	31.03.2011 Amount Rs.
Consultancy fees	3,489,315	-
Total	3,489,315	-



NOTE 9**Other Income**

Particulars	31.03.2012 Amount Rs.	31.03.2011 Amount Rs.
Reimbursement of Expenses	485,425	-
Foreign Exchange Gain (Net)	46,705	-
Total	532,130	-

NOTE 10**Expenditures**

Particulars	31.03.2012 Amount Rs.	31.03.2011 Amount Rs.
Audit Fees	24,532	20,000
Bank Charges	4,831	2,283
General Expenses	3,380	-
Consultancy Fees	410,000	-
Filing & Legal Fees	2,758	1,000
Travelling Expenses	81,213	332,499
Marketing Expenses	-	69,188
Professional Fees	313,868	-
Total	840,582	424,969

NOTE**Auditors Remuneration**

Particulars	31.03.2012 Amount Rs.	31.03.2011 Amount Rs.
Statutory Audit Fees	24,532	20,000
Total	24,532	20,000

NOTE 11

The revised schedule VI has become effective from 1st April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification /

As per our attached report of even date
For **B. K. KHARE & CO.**
Chartered Accountants

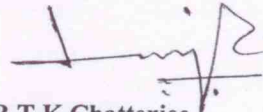
Santosh Parab
Partner
Membership No.047942

Firm Registration No.105102W

Place : Pune
Date : 17/05/2012

For & on behalf of Board of Director


S.C. Mehta
Director


DR. T.K. Chatterjee
Director

Place : Mumbai
Date : 17/05/2012



Balance Sheet Abstract & Company's General Business Profile

1. Registration details: -

Registration no. (CIN) - U14100PN2008PTC132562
Balance sheet date - 31st March 2012.

2. Capital raised during the period (Amount Rs. ,000): -

Public issue - Nil.
Rights issue - Nil.
Bonus issue - Nil.
Private placement - Nil

3. Position of mobilization & deployment of funds (Amount Rs., 000): -

Total liabilities	- 35.62	Total assets	- 35.62
<u>Sources of funds:</u> -			
Paid up capital	- 1.00	Reserves & surplus	- 17.66
Secured loans	- Nil	Unsecured loans	- Nil
Deferred tax liab.	- Nil		
<u>Application of funds:</u> -			
Fixed assets	- Nil	Investments	- Nil
Net Current assets	- 18.68	Misc. Expenditure	- Nil
Profit & loss	- 23.29	Deferred Tax Asset	- Nil

4. Performance of the Company (Amount Rs. ,000): -

Turnover	- Nil	Total expenses	- 8.41
Profit before tax	- 31.81	Profit after tax	- 23.29
Earning per share Rs.	- 232.92	Dividend	- Rs. Nil

5. Generic names of three principal products/services of the Company -

Item code No. - N.A.

