



# **DEEP INDUSTRIES LIMITED**

**Oil and Gas  
Exploration, Production  
and Services**



**22<sup>nd</sup> Annual Report 2011-2012**



## DEEP INDUSTRIES LIMITED

### 22<sup>nd</sup> Annual Report 2011-2012

#### BOARD OF DIRECTORS

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

#### BANKERS

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

#### AUDITORS

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

#### SHARE TRANSFER AGENT

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

#### REGISTERED OFFICE

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

#### CORPORATE OFFICE

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

#### C O N T E N T S

Notice	1-4
Directors' Report	5-7
Management Discussion and Analysis	8-10
Corporate Governance Report	11-17
Auditors' Report	18-20
Balance Sheet	21
Profit & Loss Account	22
Cash flow Statement	23
Notes forming part of Accounts	24-36
Statement Under Section 212	37
Consolidated Auditors' Report	38
Consolidated Financial Statements	39-52



## NOTICE

NOTICE is hereby given that the Twenty-Second Annual General Meeting of the members of Deep Industries Limited will be held on Friday, the 28<sup>th</sup> September, 2012 at 10.30 A.M at Conference Room, GCA Club House, Sardar Patel Stadium, Motera, Gandhinagar, Gujarat to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as on 31<sup>st</sup> March, 2012 and Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Harish G. Bhinde, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint Auditors who shall hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting and to fix their remuneration.
4. To declare dividend on Equity Shares.

### SPECIAL BUSINESS:

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

1) Term	: - 5 years from 02.01.2012 to 01.01.2017
2) Basic Salary	: - ₹ 2,50,000 per month.
3) H.R.A.	: - 60% of the Basic Salary.
4) Special Allowance	will be ₹ 1,45,150 per month.
5) Food Allowance	will be ₹ 3,600 per month
6) Employee welfare Allowance	will be ₹ 40,000 per month.

”



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

**Other Terms & Conditions**

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

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

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

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

**By Order of Board of Directors**

**Date: 29<sup>th</sup> August, 2012**  
**Place : Ahmedabad**

**PARAS SAVLA**  
**Chairman & Managing Director**

**NOTES:**

1. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of business under Item No. 5, 6, 7 and 8 of the Notice is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE ON A POLE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing proxy should however, be deposited at the registered office of the company not later than 48 hours before the commencement of the meeting.
3. Corporate Members intending to send their authorised representative(s) to attend the Meeting are requested to send the proxies which must be supported by a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. The Register of Members and Share Transfer Book of the company will remain closed from 22<sup>nd</sup> September, 2012 to 28<sup>th</sup> September, 2012 (both days inclusive).
5. Members holding shares in dematerialized form are requested to intimate any kinds of changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name and e-mail address, etc., to their Depository Participant. These Changes will be then automatically reflected in the Company's records which will help the Company and Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to Link Intime India Pvt. Ltd. at Unit No. 303, 3<sup>rd</sup> Floor, Shoppers Plaza V, Opp. Municipal Market, Behind Shoppers Plaza II, Off C G Road, Ahmedabad – 380009.
6. Members/Proxies are requested to bring the Attendance Slip duly filled in.
7. As a measure of austerity, copies of the Annual Report will not be distributed at the Annual General Meeting; Members are requested to bring their copy of the Annual Report to the Meeting, if they need to refer to it.



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

9. Director retiring by rotation:

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

By Order of Board of Directors

Date: 29<sup>th</sup> August, 2012  
Place : Ahmedabad

PARAS SAVLA  
Chairman & Managing Director

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

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

##### Item No. 5

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

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

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

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

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

##### Item No 6 & 8:

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

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

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



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

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

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

**Item No. 7:**

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

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

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

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

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



## DIRECTORS REPORT

To  
The Members  
Deep Industries Limited,  
Ahmedabad.

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

### FINANCIAL RESULTS:

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

### DIVIDEND

Your Directors have recommended final dividend of Re.0.50/- (5 per cent) per Equity Share each of ₹ 10/- for financial year ended on 31<sup>st</sup> March, 2012, which, if approved at the ensuing Annual General Meeting will be paid to (i) those Equity Shareholders whose name appear in the Register of Members of the Company after giving effect to all valid share transfers in physical form lodged with the Company on or before 21<sup>st</sup> September, 2012 and (ii) to those members whose particulars as beneficial owners are furnished for this purpose, by the Depositories, viz. National Securities Depository Limited and Central Depository Services (India) Limited.

### MANAGEMENT DISCUSSION AND ANALYSIS

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

### CORPORATE GOVERNANCE REPORT

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

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



## **DIRECTORS**

Mr. Ajay Kumar Singhania, Mr. Kiritkumar Joshi were appointed as Additional Director upto the date of this report. They hold office upto the commencement of ensuing Annual General Meeting. Mr. Prem Singh Sawhney is appointed as Additional Director and subsequently appointed as Whole time Director during the year under review. Mr. Prabodh Baruah has resigned from the Directorship during the year. Mr. Harish G. Bhinde retire by rotation and being eligible, offer himself for re-appointment

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

## **DIRECTORS RESPONSIBILITY STATEMENT**

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

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

## **SUBSIDIARY COMPANY:**

Pursuant to provisions of Section 212(8) of companies Act, 1956, The Ministry of Corporate Affairs, Government of India, vide its circular dated February 8, 2011 has granted general exemption from attaching Balance Sheet, Profit & Loss A/c. and Other documents of subsidiaries with the balance sheet of the holding company. The annual accounts of the subsidiary companies and their related detailed information will be made available to any member of the Company and its subsidiaries named Prabha Energy Private Limited, Deep Natural Resources Limited, Deep Energy LLC, U.S.A., seeking such information at any point of time. The annual accounts of the said subsidiary companies will also be kept open for inspection at the registered office of the respective subsidiary companies. The statement as required under Section 212(e) of the Companies Act, 1956 for the Financial Year ended on 31<sup>st</sup> March, 2012 is included in Annual Report.

## **CONSOLIDATED FINANCIAL STATEMENTS**

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

## **AUDITORS**

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

Notes to Accounts referred to in the Auditor's report are self-explanatory and do not call for any other further comments.

## **INSURANCE**

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

## **PARTICULARS OF EMPLOYEES**

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





such particulars may write to Company Secretary at the Registered Office of the Company.

### **CONSERVATION OF ENERGY AND TECHNOLOGY ABSORPTION**

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

### **FOREIGN EXCHANGE EARNING AND OUTGO**

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

	(₹ in Lacs )	
Particulars	2011-12	2010-11
Earnings	Nil	Nil
Outgo	6571.99	1058.39

### **Details of unclaimed shares in terms of Clause 5A(I) of listing agreement as on 31<sup>st</sup> March, 2012**

Particulars	No. of Shareholders	No. of shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year i.e. as on April 1, 2011	4	1489
Number of shareholders who approached to Issuer / Registrar for transfer of shares from suspense account during the year 2011-12	Nil	Nil
Number of shareholders to whom shares were transferred from suspense account during the year 2011-12	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2012	4	1489

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

### **ACKNOWLEDGEMENTS**

Your Directors wish to place on record their deep sense of appreciation for the commitment displayed by all the employees of the Company resulting in successful performance during the year under review.

Your Directors also take this opportunity to place on record the co-operation, assistance and continued support extended by the Banks, Government Authorities, Vendors and Shareholders during the year under review.

**for and on behalf of the Board of Directors**

**Date : 29<sup>th</sup> August, 2012**  
**Place : Ahmedabad**

**PARAS SAVLA**  
**Chairman & Managing Director**



## MANAGEMENT DISCUSSION AND ANALYSIS

### COMPANY OVERVIEW

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

### INDUSTRY OUTLOOK

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

### OPPORTUNITIES & THREATS:

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

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

### STRATEGY OF THE COMPANY

Deep Industries Limited is in business of Oil and Gas Services, Exploration and Production. The company is planning to raise its drilling and compression capacity. Company is also looking to get into Offshore Drilling business. Company is focused on exploring and developing the acreages that it has acquired in NELP and CBM rounds. Company is also looking to buy producing oil and gas acreages worldwide.

### GAS COMPRESSION BUSINESS

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

### DRILLING AND WORK-OVER BUSINESS

Company has 6 Workover Rigs of various capacities and 2 Drilling Rigs operating with various renowned E&P Companies in Oil & Gas sector across India. Company has done work over operations on more than 500 wells. DIL has been successful in serving long term contracts since last 8 years. Company has bid for various drilling contracts within India as well across the globe.

### OIL AND GAS EXPLORATION AND PRODUCTION BUSINESS

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

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

Deep Energy LLC (DEL), USA, subsidiary of Deep Industries Limited with its consortium partners has signed Production Sharing Contract for 3 Onshore blocks in NELP IX by Government of India. VN-ONN-2010/1 and VN-ONN-2010/2 blocks are situated in Madhya Pradesh state and CB-ONN-2010/3 block is located in Gujarat state. Total area of VN-ONN-2010/1 is 3776 Sq. Kms, VN-ONN-2010/2 is 4909 Sq. Kms and CB-ONN-2010/3 is 534 sq. Kms.

### COAL BED METHANE (CBM) PROJECTS

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

### SR-CBM-2005/III

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