

DEEP INDUSTRIES LIMITED

Report  junction.com

19th Annual Report 2008-2009



DEEP INDUSTRIES LIMITED

BOARD OF DIRECTORS

Mr. Paras S. Savla
Mr. Rupesh K. Savla
Mr. Dharen S. Savla
Mr. Prabodhkumar G. Baruah
Mr. Harish G. Bhinde
Mr. Vijay R. Shah

Chairman & Managing Director
Managing Director
Executive Director
Independent Director
Independent Director
Independent Director

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 Bunglows,
Sabarmati-Kalol State Highway,
Motera, Gandhinagar-380005

CORPORATE OFFICE

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



ANNUAL REPORT 2008-09 DEEP INDUSTRIES LIMITED

NOTICE is hereby given that the NINETEENTH ANNUAL GENERAL MEETING of the members of Deep Industries Limited will be held on Friday, the 5th of June, 2009 at 04.00 P.M at Shree Vishwakarma Hall, Sabarmati Gandhinagar Highway, Near Visat Petrol Pump, Motera, Gandhinagar to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt Audited Balance Sheet as at 31st March, 2009 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. Dharen Savla, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Vijay R. Shah, who retires by rotation and being eligible offers himself for re-appointment.
4. 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.

SPECIAL BUSINESS:

5. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:

“RESOLVED THAT pursuant to section 94 and other applicable provisions, if any, of the Companies Act 1956 Authorized Share Capital of the Company be increased from Rs.22,00,00,000/- divided in to 2,20,00,000 Equity Shares of Rs.10/- each to Rs.24,50,00,000/- divided in to 2,45,00,000 Equity Shares of Rs.10/- each.”

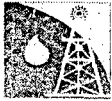
“RESOLVED FURTHER THAT subject to the approval of the members at the general meeting and pursuant to section 16 and other applicable provisions, if any, of the Companies Act 1956, Clause V of the Memorandum of Association of the Company be deleted and the following be substituted in its place

- V. The Authorised Share Capital of the Company is Rs- 24,50,00,000 (Rupees Twenty Four Crores and Fifty Lakhs Only) divided in to 2,45,00,000 (Two Crores and Forty Five lacs) Equity Shares of Rs.10 (Rs. Ten Only) each.”

6. To consider and if thought fit to pass with or without modification(s) the following resolution as an ordinary resolution:

“RESOLVED THAT in accordance with the provisions of Section 81 (1A) and all other applicable provisions, if any, of the Companies Act, 1956 and enabling provisions in the Memorandum and Articles of Association of the Company, the listing agreement entered into by the Company with the stock exchange where the shares of the Company are listed and in accordance with the guidelines issued by the Securities and Exchange Board of India and clarifications thereon issued from time to time and subject to the approval of the financial institutions, if any, and all such approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permissions and sanctions which may be agreed to by the Board of Directors of the Company (herein after referred to as “the Board” which term shall be deemed to include any duly authorized Committee thereof for the time being exercising the powers conferred on the Board by this resolution), the consent of the Company be and is hereby accorded to the Board to create, offer, issue and allot 35,00,000 Convertible Warrants of Rs. 58/- each aggregating to Rs. 20,30,00,000/- (Rupees Twenty Crores Thirty Lakhs Only) to the persons or Companies in which whether Director/s of the Company is/are a Director/s or not, and whether or not they are members of the Company, on preferential allotment basis and the said Convertible Warrants shall be convertible into equity shares of Rs. 10/- each at a premium of Rs. 48/- per share in one or more tranches within 18 (Eighteen) months from the date of allotment of Convertible Warrants in the manner as may be decided by the Board in this behalf provided however that the total allottees are less than fifty in numbers.”

“RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid Convertible Warrants and its conversion into Equity Shares shall be made at such time or times as the Board may in its absolute discretion decide, subject however to the compliance with the applicable guidelines, notifications, rules and regulation.”



"RESOLVED FURTHER THAT the Convertible Warrants and equity shares after conversion of Warrants to be so issued and allotted shall be subject to the provisions of the memorandum and articles of association of the Company and Equity shares after conversion of Warrants shall rank pari passu with the existing equity shares of the company."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to accept any modification(s) to or to modify the terms of issue of the said Convertible Warrants and new Equity shares subject to the provisions of the Companies Act, 1956 and SEBI Guidelines / Regulations, without being required to seek any further consent or approval of the Company in general meeting."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution the Board be and is hereby authorized to do all acts, deeds and things as the Board may in its absolute discretion consider necessary, proper, desirable or appropriate for making the said issue as aforesaid and to settle any question, difficulty or doubt that may arise in this regard in such manner and to such person(s) as the Board may deem fit and proper in its absolute discretion to be most beneficial to the Company."

7. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT in pursuance to the provisions of Section 198, 269, 309, 310, 317 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956 and in pursuance to the provisions of Articles of Association of the Company, salary of Mr. Paras Savla, Managing Director be increased from Rs. 75,000 per month to Rs. 1,00,000 per month with effect from 1st June, 2009 and that the other terms and conditions including the perquisites and amenities presently being paid shall remain the same."

"RESOLVED FURTHER THAT notwithstanding anything to the 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 combination 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 of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors."

"RESOLVED FURTHER THAT the Board be and is hereby empowered to decide not to pay any remuneration or reduce the remuneration which the Board may consider reasonable, in such financial year where there are no profits or the same are considered inadequate by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company."

8. To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

"RESOLVED THAT in pursuance to the provisions of Section 198, 269, 309, 310, 317 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956 and in pursuance to the provisions of Articles of Association of the Company, salary of Mr. Rupesh Savla, Managing Director be increased from Rs. 75,000 per month to Rs. 1,00,000 per month with effect from 1st June, 2009 and that the other terms and conditions including the perquisites and amenities presently being paid shall remain the same."

"RESOLVED FURTHER THAT notwithstanding anything to the 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 combination 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 of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors."

"RESOLVED FURTHER THAT the Board be and is hereby empowered to decide not to pay any remuneration



or reduce the remuneration which the Board may consider reasonable, in such financial year where there are no profits or the same are considered inadequate by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company."

9. To consider and if thought fit to pass with or without modification the following resolution as a special resolution:-

"RESOLVED THAT in pursuance to the provisions of Section 198, 269, 309, 310, 317 and other applicable provisions, if any of the Companies Act, 1956 read with Schedule XIII prescribed under the Companies Act, 1956 and in pursuance to the provisions of Articles of Association of the Company, Mr. Dharen Savla be and is hereby re-appointed as Executive Director of the Company on the terms and conditions as mentioned below:

- | | |
|--------------------------------|---|
| I. Salary | : Rs. 1,00,000/- p.m. |
| II. Tenure | : Five Years (From 21-06-2009 to 20-06-2014) |
| 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) Insurance Premium | : Life Insurance Premium upto Rs. 1,10,000/- to be paid by the Company under Employer – Employee Scheme. |

IV. Other Terms and Conditions :

- He shall not be entitled to any sitting fees for attending the meetings of the Board of Directors or any Committee thereof.
- The Company will reimburse Mr. Dharen Savla expenses incurred by him for entertainment, traveling and other expenses in connection with the business of the Company.
- He shall be free to resign his office by giving three calendar months' notice in writing to the Company.
- He shall be entitled to compensation for loss of office in accordance with the provisions of Section 318 of the Act, if at any time his office is determined before the expiry of his term of office.
- In the event of loss, inadequacy of profit in any year as contemplated by part III of Schedule XIII of the Companies Act, 1956, minimum remuneration as above shall be paid to him.
- The term of office of Mr. Dharen Savla as Executive Director of the Company shall be subject to retirement by rotation.

"RESOLVED FURTHER THAT Shri Dharen Savla be and is hereby authorized to look after day to day affairs of the Company and exercising all the powers such as opening and operating Bank Account, borrowing funds for Company, lending and investing surplus funds of the Company, acquiring plant and machinery, bidding tenders for getting contracts, issuing Power of Attorney on behalf of the Company in favour of other directors and employees of the Company in connection with bidding, submission and negotiation of tenders and execution of work orders and contracts, recruiting employees for the Company's work, negotiating, dealing, taking legal action and filing civil or criminal or other case against any person on behalf of the Company, representing before the Government and other authorities on behalf of the Company and to do all such acts and things necessary and incidental in the interest of the Company."



ANNUAL REPORT 2008-09
DEEP INDUSTRIES LIMITED

"RESOLVED FURTHER THAT notwithstanding anything to the 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 combination 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 of Part II of Schedule XIII of the Companies Act, 1956, whichever is lower, unless otherwise determined by the Board of Directors."

"RESOLVED FURTHER THAT the Board be and is hereby empowered to decide not to pay any remuneration or reduce the remuneration which the Board may consider reasonable, in such financial year where there are no profits or the same are considered inadequate by the Board."

"RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors be and are hereby severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, expedient and proper in the best interest of the Company."

Date : 06.05.09

Registered Office:

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

By Order of Board of Directors

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, 8 & Item No. 9 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 POLL 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. The Register of Members and Share Transfer Book of the company will remain closed from 30th May, 2009 to 5th June, 2009 (both days inclusive).
4. Members holding shares in physical form are requested to intimate the Registrar and Share Transfer Agent of the company i.e. Link Intime India Private Limited, 211 Sudarshan Complex, Near Mithakali Six Roads Navrangpura, Ahmedabad-380009 change, if any, in their registered address along with pin code. Members holding shares in electronic form may update such details with their respective Depository Participant.
5. Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, where the equity shares of the company are listed, additional information pertaining to Directors proposed for re- appointment at the Annual General Meeting is attached hereto.

Date : 06.05.09

Registered Office:

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

By Order of Board of Directors

PARAS SAVLA

Chairman & Managing Director

**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF COMPANIES ACT, 1956****ITEM NO. 5**

As you are already aware that the Company has been awarded two Coal Bed Methane Blocks at Singrauli in Madhya Pradesh and Godavari Valley (North) in Andhra Pradesh. To part finance expenditure for establishing site offices, initial surveys, consultation fees and expenses for obtaining the various Licences and approvals from the State Governments and Central Government like Petroleum Exploration Licence, Environmental Clearances etc. and drilling of Core Wells and other related expenditures required as per minimum work programme for these two CBM Blocks, the Company had made preferential issue of 20,00,000 Convertible Warrants of Rs. 200/- each convertible into 20,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 190/- per share within 18 months from the date of allotment. The Company allotted 20,00,000 Convertible Warrants to promoter group companies and non-promoters on 31-01-2008 and received Rs. 20/- per Convertible Warrants aggregating Rs. 4,00,00,000/-. The Company received letters from two promoter group companies who were allotted 10,00,000 Convertible Warrants stating that they would not opt for conversion of warrants into Equity Shares by making balance payment. As such the Company has forfeited application money of Rs. 2,00,00,000/- paid by them on Convertible Warrants.

The Company has acquired land for drilling of core wells on lease hold basis at Singrauli Block in Madhya Pradesh. The Company is in process of acquiring land for drilling of core wells on leasehold basis at Godavari Valley (North) Block in Andhra Pradesh. The Company has established site offices at both CBM Blocks. The Company has obtained environment clearances in respect of both CBM Blocks. The Company has already conducted initial survey of both blocks. The Company has obtained approvals from Madhya Pradesh Pollution Control Board and Petroleum Exploration Licence in respect of CBM Block at Singrauli in Madhya Pradesh. The Company is awaiting approval of Andhra Pradesh Pollution Control Board and Petroleum Licence in respect of CBM Block at Godavari Valley (North) in Andhra Pradesh. Out of application money of Rs. 4,00,00,000/- raised by the Company by preferential allotment made on 31-01-2008, the Company has made expenditure of Rs. 1.97 crores for establishing site offices, payment of consultation fees for obtaining environment clearances, approval of Pollution Control Boards and Petroleum Exploration Licences from State Governments and Central Government and some expenses for drilling of one core well at Singrauli in Madhya Pradesh. Due to various measures taken by the Company, the expenditure for execution of minimum work programme would be lower than Rs. 64.02 crores as estimated earlier.

As such the Company proposes to raise Rs. 20.30 Crores by making allotment of 35,00,000 Convertible Warrants of Rs. 58/- each on preferential basis to Promoters/Promoter Group. Hence, the Authorised Share Capital of the Company is required to be increased from Rs. 22.00 Crores divided into 2,20,00,000 Equity Shares of Rs. 10/- each to Rs. 24.50 Crores divided into 2,45,00,000 Equity Shares of Rs. 10/- each. Pursuant to provisions of Section 94 and Section 16 of the Companies Act, 1956 consent of members is required to be obtained for increase in Authorised Share Capital and alter clause V of Memorandum of Association of the Company in consequence thereof.

The Directors recommend the resolution for your approval.

None of the Directors of the Company is interested in the said resolution.

ITEM NO. 6

As you are already aware that the Company has been awarded two Coal Bed Methane Blocks at Singrauli in Madhya Pradesh and Godavari Valley (North) in Andhra Pradesh. To part finance expenditure for establishing site offices, initial surveys, consultation fees and expenses for obtaining the various Licences and approvals from the State Governments and Central Government like Petroleum Exploration Licence, Environmental Clearances etc. and drilling of Core Wells and other related expenditures required as per minimum work programme for these two CBM Blocks, the Company had made preferential issue of 20,00,000 Convertible Warrants of Rs. 200/- each convertible into 20,00,000 Equity Shares of Rs. 10/- each at a premium of Rs. 190/- per share within 18 months from the date of allotment. The Company allotted 20,00,000 Convertible Warrants to promoter group companies and non-promoters on 31-01-2008 and received Rs. 20/- per Convertible Warrants aggregating Rs. 4,00,00,000/-. The Company received letters from two promoter group companies who were allotted 10,00,000 Convertible Warrants stating that they would not opt for conversion of warrants into Equity Shares by making balance payment. As such the Company has forfeited application money of Rs. 2,00,00,000/- paid by them on Convertible Warrants. The Company has acquired land for drilling of core wells on lease hold basis at Singrauli Block in Madhya Pradesh. The Company is in process of acquiring land for drilling of core wells on leasehold basis at Godavari Valley (North) Block in Madhya Pradesh.

The Company has established site offices at both CBM Blocks. The Company has obtained environment clearances in respect of both CBM Blocks. The Company has already conducted initial survey of both blocks. The Company has obtained approvals from Madhya Pradesh Pollution Control Board and Petroleum Exploration Licence in respect of CBM Block at Singrauli in Madhya Pradesh. The Company is awaiting approval of Andhra Pradesh Pollution Control Board



and Petroleum Licence in respect of CBM Block at Godavari Valley (North) in Andhra Pradesh. Out of application money of Rs. 4,00,00,000/- raised by the Company by preferential allotment made on 31.01.2008, the Company has made expenditure of Rs. 1.97 crores for establishing site offices, payment of consultation fees for obtaining environment clearances, approval of Pollution Control Boards and Petroleum Exploration Licences from State Governments and Central Government and some expenses for drilling of one core well at Singrauli in Madhya Pradesh. Due to various measures taken by the Company, the expenditure for execution of minimum work programme would be lower than Rs. 64.02 crores as estimated earlier.

The Company proposes to raise Rs. 20.30 Crores by making allotment of 35,00,000 Convertible Warrants of Rs. 58/- each on preferential basis to Promoters/Promoter Group to part finance the expenditure as mentioned above in respect of two CBM Blocks as well as capital expenditure and working capital required for expansion of air and gas compression business, work over rig business and marginal field business of the Company. Such Convertible Warrants shall be converted into one Equity Share of Rs. 10/- each at a premium of Rs. 48/- per share within 18 months from the date of allotment of Convertible Warrants pursuant to the guidelines issued by SEBI in this regard and certified by the company's auditors. The proposed preferential allotment would not result in any change in the control over your company.

The other details as required by guidelines issued by SEBI for preferential issue are as under:

A Intention of the Promoters to subscribe to the offer:

The promoters i.e. promoters/ promoter group intend to subscribe to the preferential offer of 35,00,000 Convertible Warrants.

B Share holding pattern before and after preferential allotment of Convertible Warrants i.e. after conversion of Convertible Warrants into Equity Shares within 18 months from the date of allotment of Convertible Warrants.

Sr. No.	Category	As on 31/03/2009	Holding Percentage	After the Conversion of Warrants*	Holding Percentage	After the Conversion of Warrants**	Holding Percentage
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1.	Promoters & Promoter Group	93,85,150	46.93	1,28,85,150	52.59	1,28,85,150	54.83
2.	Mutual Funds	35,28,931	17.64	35,28,931	14.41	35,28,931	15.02
3.	Foreign Institutional Investor	5,89,793	2.95	5,89,793	2.41	5,89,793	2.51
4.	NRI/OCBs	1,11,333	0.56	1,11,333	0.45	1,11,333	0.47
5.	Banks	100	0.01	100	0.01	100	0.01
6.	Bodies Corporate	9,80,434	4.90	9,80,434	4.00	9,80,434	4.17
7.	Indian public (including Clearing Members)	54,04,259	27.01	64,04,359	26.13	54,04,359	22.99
	Total	2,00,00,000	100	2,45,00,000	100	2,35,00,000	100

* Promoter group has declined to opt for conversion of 10,00,000 warrants allotted on 31-01-2008. If other allottees opt for conversion, the total number of equity shares would be 2,45,00,000 and shareholding pattern would be as per Column 5 and 6.

** Considering that other allottees also decline for conversion of 10,00,000 warrants allotted on 31-01-2008, total number of equity shares would be 2,35,00,000 and shareholding pattern would be as per Column 7 and 8.

Note: The Company had made preferential allotment of 20,00,000 Convertible Warrants of Rs. 200/- each aggregating to Rs. 40.00 crores on 31-01-2008. Each such warrant was convertible into one equity share of Rs. 10/- each at a premium of Rs. 190/- per share within 18 (eighteen) months from the date of allotment. The said warrants were allotted to following allottees :



ANNUAL REPORT 2008-09
DEEP INDUSTRIES LIMITED

Sr. No.	Name of the Allottee	Category	No. of Convertible Warrants
1.	Prabhavati Properties Private Limited	Promoter / Promoter Group	5,00,000
2.	Kanvel Finance Pvt. Ltd.	Promoter / Promoter Group	5,00,000
3.	Mr. Manoj Mittal	Non Promoter	4,50,000
4.	Mr. Chetan Mehta	Non Promoter	4,50,000
5.	Mr. Amit Pandya	Non Promoter	1,00,000
	Total		20,00,000

Out of above, two allottees namely Prabhavati Properties Pvt. Ltd. and Kanvel Finance Pvt. Ltd. belonging to promoters / promoter group have intimated the Company that they would not opt for conversion of the warrants into equity shares by making balance payment. As such the company has forfeited the application money of Convertible Warrants paid by them. In the above table, shareholding pattern before and after conversion of 10,00,000 Convertible Warrants allotted on 31-01-2008 to persons belonging to non-promoter group and also after conversion of warrants proposed to be issued and allotted in this preferential issue if such persons opt for conversion of warrants by making balance payment within 18 (eighteen) months from the date of allotment is mentioned.

In the above table, shareholding pattern before and after conversion of warrants proposed to be issued and allotted in this preferential issue if the persons belonging to non-promoter group who were allotted 10,00,000 Convertible Warrants on 31-01-2008 do not opt for conversion of warrants by making balance payment within 18 (eighteen) months from the date of allotment is also mentioned in view of the current capital market and price of the shares of the Company.

C Proposed time within which allotment may be completed:

The said Preferential issue is proposed to be completed/implemented within the period of 15 days from the date of this Annual General Meeting approving such an issue or within the period of 15 days from the date of in-principle approval for listing of Equity Shares after conversion of warrants received from the Stock Exchange.

D Identity of the proposed allottees and the percentage of post preferential issue on expanded capital:

Sr. No.	Proposed Allottees	No. of Shares	% of post-preferential issue capital held by them*	% of post-preferential issue capital held by them**
1.	Prabhavati Properties Private Limited	18,92,500 (including 1,42,500 shares already held)	7.72	8.05
2.	Kanvel Finance Private Limited	45,91,080 (including 28,41,080 shares already held)	18.74	19.54

Promoter group has declined to opt for conversion of 10,00,000 warrants allotted on 31-01-2008. If other allottees opt for conversion, the total number of equity shares would be 2,45,00,000 and shareholding pattern would be as per Column 5 and 6.

Considering that other allottees also decline for conversion of 10,00,000 warrants allotted on 31-01-2008, total number of equity shares would be 2,35,00,000 and shareholding pattern would be as per Column 7 and 8.

The relevant clause of the listing agreements executed by the company with the stock exchange in India where the company's securities are listed and the provisions of Section 81(1A) provides, inter alia, that when it is proposed to increase the issued capital of the Company by allotment of further shares, such shares shall be first offered to the existing shareholders of the Company for subscription unless the shareholders decide otherwise in a general meeting.

The said special resolution will, if passed, enable the Board on behalf of the Company, to issue and allot equity shares on a preferential basis to the persons and companies whether or not they are members of the Company as permitted by section 81(1A) of the Companies Act, 1956. The Company, in consultation with its advisors, experts and others concerned, will fix the detailed terms and conditions of the issue which will be in line with the requirements of the guidelines issued by the Securities and Exchange Board of India (SEBI) and by other concerned authorities.



The Directors recommend the Resolution for your approval.

Shri Paras Savla, Shri Rupesh Savla and Shri Dharen Savla, directors of the company may be deemed to be concerned or interested in the resolution to the extent of the Convertible Warrants that may be subscribed to by the companies in which they are Directors or Promoters.

ITEM NO. 7, 8 & 9

Shri Paras Savla and Shri Rupesh Savla were appointed as Managing Directors of the Company for the period of five years with effect from 1st March, 2005 on a monthly salary of Rs. 25,000 and Rs. 20,000 respectively and perquisites and amenities vide ordinary resolution passed on Extra Ordinary General Meeting held on 1st March, 2005. The Board of Directors at their meeting held on 8th November, 2007 increased salary of Shri Paras Savla from Rs. 25,000 per month and salary of Shri Rupesh Savla from Rs. 20,000 per month to Rs. 75,000 per month keeping perquisites and amenities and other terms and conditions of their appointment same as specified in the ordinary resolution passed at the EGM held on 1st March, 2005. The Board of Directors at their meeting held on 6th May, 2009 increased salary of Shri Paras Savla and Shri Rupesh Savla from Rs. 75,000 per month to Rs. 1,00,000 per month w.e.f. 1st June, 2009 keeping perquisites and amenities and other terms and conditions of their appointment same as specified in the ordinary resolution passed at the EGM held on 1st March, 2005.

Shri Dharen Savla was appointed as Executive Director of the Company for the period of five years with effect from 21.06.2004. The Board of Directors at their meeting held on 6th May, 2009 re-appointed him as Executive Director for five years with effect from 21st June, 2009. His re-appointment as per the terms and conditions as mentioned in the Special Resolution as set out in the Notice requires approval of the members at the Annual General Meeting.

The increase in salary of Shri Paras Savla, Shri Rupesh Savla and re-appointment of Shri Dharen Savla will be in accordance with section 198, 269, 309, 310, 317 and other applicable provisions, if any, read with provisions of Schedule XIII of the Companies Act, 1956 without requiring the approval of Central Government.

The Directors recommend the Special Resolutions no. 7, 8 and 9 for your approval.

Except Shri Paras Savla, Shri Rupesh Savla and Shri Dharen Savla, none of the Directors of the Company are concerned or interested in the said Resolution.

Date : 06.05.09

Registered Office:

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

By Order of Board of Directors

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 2009
Mr. Dharen Savla	He is a Masters in Business Administration from Swinburne University of Technology, Victoria, Australia having passed out in 2003. Since then, he has been associated with our Company, looking after the Human Resources Department, devising training needs and programmes, in line with the job requirements at site and at the office. He is also looking after Work Over Rig activities.	Other Directorship Deep Methane Pvt. Ltd. Committee Membership NIL
Mr Vijay R. Shah	He is a Fellow Member of the Institute of Chartered Accountants of India, with 26 years of experience in Accounts and Finance. He has been into practice undertaking various statutory audits, taxation and project appraisals.	Other Directorship Kautilya Fin Securities Ltd. Saurashtra Chemical Ltd. Adishwar Motors Pvt. Ltd. Committee Membership NIL