

NOTICE

NOTICE is hereby given that the TWENTIETH ANNUAL GENERAL MEETING of the members of Deep Industries Limited will be held on Tuesday, the 8th of June, 2010 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 at 31st March, 2010 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. Prabodh K. Baruah, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Mr. Harish G. Bhide, 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.
5. To declare dividend on Equity Shares.

SPECIAL BUSINESS:

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

“RESOLVED FURTHER THAT pursuant to Section 31 and other applicable provisions of Companies Act, 1956 Articles of Association of the Company be and is hereby altered in the following manner:

1. The last line of Article 201(ii) of Article of Association is replaced by following line:
‘There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.’
2. New Article 62 A be inserted after existing Article 62 of Article of Association:
‘A common form of transfer shall be used for executing transfer of securities.’
3. New Article 47A be inserted after existing Article 47 of Article of Association:
‘Fully paid shares shall be free from all lien and that in the case of partly paid shares the Issuer’s lien shall be restricted to moneys called or payable at a fixed time in respect of such shares.’
4. New Article 34A be inserted after existing Article 34 of Article of Association:
‘Option or right to call of shares shall not be given to any person except with the sanction of the Issuer in general meetings.’

“RESOLVED FURTHER THAT Mr. Paras Savla, Chairman & Managing Director of the Company be and is hereby authorized to take all the steps for giving effect to the said resolutions.”

7. 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. 24,50,00,000/- divided in to 2,45,00,000 equity shares of Re.10/- each to Rs.35,00,00,000/- divided in to 3,50,00,000 equity shares of Re.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 substituted as under :

V. The Authorised Share Capital of the Company is Rs. 35,00,00,000 (Rupees Thirty Five Crores Only) divided in to 3,50,00,000 (Three Crores Fifty Lacs) Equity Shares of Rs.10 (Rs. Ten Only) each.”

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

“RESOLVED THAT in accordance with the provisions of Section 81(1A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) (the “Act”), and pursuant to the provisions of Chapter VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 the provisions of any other applicable laws including the Foreign Exchange Management Act, 1999 (FEMA), Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993 and



subject to any required approval, consent, permission and/or sanction of the Ministry of Finance (Department of Economic Affairs), the Securities and Exchange Board of India (the “SEBI”) and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon from time to time by Government of India (the “GOI”), the Reserve Bank of India (the “RBI”), Foreign Investment Promotion Board, SEBI and/or any other competent authorities, (including any amendment thereto or re-enactment thereof for the time being in force) and the enabling provisions of the Memorandum of Association and Articles of Association of the Company, the Listing Agreements entered into by the Company with the stock exchanges on which the Company’s shares are listed and subject to necessary approvals, permissions, consents and sanctions of statutory and other authorities, concerned, institutions or bodies, whether in India and/or abroad, as may be necessary, and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions and which may be agreed to or accepted by the Board of Directors of the Company (hereinafter referred to as the “Board”, which term shall include any committee thereof) consent of the Company be and is hereby accorded to the Board at their absolute discretion to create, offer, issue and allot in one or more tranches, in the course of domestic/international offerings to domestic/foreign investors/ institutional investors/foreign institutional investors, members, employees of the Company and/or its associates company(ies), non-resident Indians, companies or bodies corporate whether incorporated in India or abroad, to Qualified Institutional Buyers (“QIBs”) under Chapter VIII of the SEBI ICDR Regulations or a combination of the foregoing, Trusts, Mutual Funds, Banks, Financial Institutions, Insurance Companies, Pension Funds, Individuals or otherwise, whether shareholders of the Company or not, through a public issue, rights issue, private placement and/or any other permitted nature of offering, with or without an over-allotment option, equity shares and/or equity shares through Global Depository Receipts (“GDR”), American Depository Receipts (“ADR”), Foreign Currency Convertible Bonds (“FCCB’s”) or any such financial instrument convertible into equity shares (including warrants or otherwise, in registered or bearer form) and /or any security convertible into equity shares with or without voting/special rights or giving the holder a right to subscribe to equity shares including fully/partly convertible debentures, bonds, warrants, whether attached to other securities or otherwise and/or securities linked to equity shares, or any other securities (all of which are hereinafter collectively referred to as “Securities”) or any combination of Securities, for raising funds upto Rs. 125 crores or equivalent amount in foreign currency, whether secured by way of charge on the assets of the company or unsecured, as may be decided by the Board, through issue of prospectus and /or placement document and/ or other permissible/requisite offer documentation such terms and conditions including security, rate of interest etc., as may be deemed appropriate by the Board at its absolute discretion (subject to being permissible under applicable laws and regulations) including the discretion to determine the categories and combination of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, financial advisors and legal advisors.

RESOLVED FURTHER THAT in case of any equity linked issue/offering, including without limitation, any GDR/ADR/FCCB offering, the Board be and is hereby authorised to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above or as may be in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank pari passu with the existing equity shares of the Company in all respects except provided otherwise under the terms of issue/offering and in the offer document and/or prospectus and/or offer letter and/or offering circular and/or listing particulars.

RESOLVED FURTHER THAT in case of allotment of Securities by way of QIP as per the provisions of Chapter VIII of the SEBI ICDR Regulations:

- (i) the number and/or conversion price in relation to equity shares that may be issued and allotted on conversion of Securities that may be issued pursuant to this resolution including by way of a Qualified Institutional Placement (“QIP”) in accordance with the SEBI ICDR Regulations as mentioned above shall be appropriately adjusted for corporate actions such as bonus issue, rights issue, split and consolidation of share capital, merger, demerger, transfer of undertaking, sale of division or any such capital or corporate restructuring;
- (ii) the Securities issued under QIP shall not be eligible to be sold for a period of one year from the date of allotment, except on a recognized Stock Exchange, or except as may be permitted from time to time by the SEBI ICDR Regulations;
- (iii) the total amount raised in such manner should not, together with the over-allotment option exceed Rs. 125 Crores.
- (iv) the relevant date for the determination of applicable price for the issue of the Securities means the date of the meeting in which the Board of the Company or the Committee of Directors decides to open the proposed issue;
- (v) the Company shall ensure that the Securities are fully paid up and that the issue of Securities is made within 12 (twelve) months from the approval of this resolution by the members of the Company, or such other time as may be allowed by the SEBI ICDR Regulations from time to time, at such price being not less than the price determined in accordance with the pricing formula of the aforementioned SEBI ICDR Regulations.



RESOLVED FURTHER THAT the Company and/or any entity, agency or body authorised and/or appointed by the Company, may issue depository receipts representing the underlying Securities issued by the Company in negotiable registered or bearer form with such features and attributes as are prevalent in international capital markets for instruments of this nature and to provide for the tradability and free transferability thereof as per international practices and regulations (including listing on one or more stock exchange(s) inside or outside India) and under the forms and practices prevalent in the international market.

RESOLVED FURTHER THAT the consent of the Company be and is hereby granted in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 and subject to all necessary approvals, to the Board to secure, if necessary all or any of the above securities to be issued by the creation of mortgage and/or charge on all or any of the Company's immovable and/or movable assets, both present and future, in such form and manner and on such terms as may be deemed fit and appropriate by the Board.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution(s), the Board, in consultation with the Lead Managers, Underwriters, Advisors and/or other persons as appointed by the Company, be and is hereby authorised to determine the form, terms and timing of the issue(s)/offering(s) including the investors to whom the Securities are to be allotted, issue price, face value, number of equity shares or other securities upon conversion or redemption or cancellation of the Securities, the price, premium or discount on issue/conversion of securities, rate of interest, period of conversion, listing on one or more Stock Exchanges in India and/or abroad and fixing of record date or book closure and related or incidental matters, as the Board in its absolute discretion deem fit and accept any modifications in the proposal as may be required by the authorities in such issues in India and/or abroad.

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Securities as may be required, including issue and allotment of equity shares upon conversion of any securities referred to above or as may be necessary in accordance with the terms of the offer, all such equity shares ranking pari passu and inter-se with the then existing equity shares of the Company in all respects.

RESOLVED FURTHER THAT in the event of issue of Securities by way of GDRs and / or ADRs, the relevant date on the basis of which price of the resultant shares shall be determined as specified under applicable law, shall be the date of the meeting in which the Board decides to open the proposed issue of Securities;

RESOLVED FURTHER THAT such of the Securities as are not subscribed may be disposed off by the Board in its absolute discretion in such a manner, as the Board may deem fit and as permissible by law.

RESOLVED FURTHER THAT the Board be and is hereby authorised to appoint or modify the terms of appointment or terminate the appointment and enter into and execute all such arrangements / agreements / contracts, with any lead manager(s) / underwriter(s) / global coordinator(s) / book runner(s) / merchant banker(s) / stabilising agent(s) / guarantor(s) / depository(ies) / listing agent(s) / trustees / legal counsel / custodian(s) / principal paying agent(s) / paying agent(s)/ conversion agent(s) / transfer agent(s) / process agent(s) / advisor(s) / registrar(s) / bankers and all such agencies or entities, within and outside India, as may be involved or concerned in such issue / offering of the Securities and to remunerate all such agencies and entities as may be involved in cash or in other permissible form including by way of payment of commission, brokerage, fees, expenses and reimbursement of their actual expenses incurred in relation to the issue/offering/listing of Securities and other expenses, if any or the like, as the Board may deem fit, subject to applicable laws and regulations;

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution(s), the Board be authorized on behalf of the Company to take all actions and to do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient to the issue or allotment of the aforesaid Securities and listing thereof with the stock exchange(s) where the Company's shares are listed and to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the aforesaid Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be authorized to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution(s) and matters flowing from, connected with and incidental to any of the matters mentioned in the aforesaid resolution, the Board be and is hereby authorised on behalf of the Company to take all actions and to resolve and settle all questions and difficulties that may arise in the proposed issue / offer, allotment and conversion of any of the aforesaid Securities, utilization of the issue proceeds and to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."



9. To consider and if thought fit to pass with or without modification(s) the following resolution as an 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. Paras Savla be and is hereby reappointed as Managing Director of the Company for a period of Five Years w.e.f. 01/03/2010 at a remuneration and other terms and conditions as mentioned below :

- (a) SALARY : Rs. 150000/- p.m.
- (b) PERQUISITES AND AMENITIES :
1. 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.
 2. Electricity Charges : Paid by the Company.
 3. Mobile : Cost of Mobile Instrument and its bill will be paid by the Company.
 4. Insurance Premium : Insurance Premium (Term Plan) upto Rs. 3,00,000/- to be reimbursed by the Company on production of documentary evidence).

(c) OTHER TERMS AND CONDITIONS :

- a. He shall not be entitled to any sitting fees for attending the meeting of the Board of Directors or any committee thereof.
- b. The Company will reimburse Mr. Paras Savla expenses incurred by him for entertainment, travelling and other expense in connection with the business of the Company. However personal long distance calls and use of car for private purposes shall be billed by the Company.
- c. Mr. Paras Savla shall be free to resign his office by giving three calendar months’ notice in writing to the Company.
- d. Mr. Paras Savla shall be entitle 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.
- e. During the tenure of his term of office he shall not be liable to retire by rotation.

“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.”

10. To consider and if thought fit to pass with or without modification(s) the following resolution as an 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. Rupesh Savla be and is hereby appointed as Managing Director of the Company for a period of Five Years w.e.f. 01/03/2010 at a remuneration and other terms and conditions as mentioned below :

- (a) SALARY : Rs. 150000/- p.m.
- (b) PERQUISITES AND AMENITIES :
1. 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.



2. Electricity Charges : Paid by the Company.
3. Mobile : Cost of Mobile Instrument and its bill will be paid by the Company.
4. Insurance Premium : Insurance Premium (Term Plan) upto Rs. 3,00,000/- to be reimbursed by the Company on production of documentary evidence.

(c) OTHER TERMS AND CONDITIONS :

- a. He shall not be entitled to any sitting fees for attending the meeting of the Board of Directors or any committee thereof.
- b. The Company will reimburse Mr. Rupesh Savla expenses incurred by him for entertainment, travelling and other expense in connection with the business of the Company. However personal long distance calls and use of car for private purposes shall be billed by the Company.
- c. Mr. Rupesh Savla shall be free to resign his office by giving three calendar months' notice in writing to the Company.
- d. Mr. Rupesh Savla 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.
- e. During the tenure of his term of office he shall not be liable to retire by rotation.

"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."

11. 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. Dharen Savla, Executive Director be increased from Rs. 1,00,000 per month to Rs. 1,50,000 per month with effect from 1st March, 2010 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."

Date: 26.04.2010

Registered Office:

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

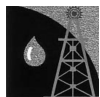
By Order of Board of Directors

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.6, 7, 8, 9, 10 & Item No. 11 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. The Register of Members and Share Transfer Book of the company will remain closed from 2nd June, 2010 to 8th June, 2010 (both days inclusive).
4. Members holding shares in physical form are requested to intimate 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. Corporate Members intending to send their authorised representative(s) to attend the Meeting are requested to send a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
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. 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: 26.04.2010

Registered Office:

Opp. Suryanarayan Bunglows,
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. 6

At the time of listing application made with National Stock Exchange Limited the Company had given undertaking for alteration of Articles of Association of the Company as prescribed in the notice, as per Rule 19(2) (a) of the Securities Contracts (Regulation) Rules, 1957 and as per requirement of National Stock Exchange Limited. As per the provision of Sec 31 of the Companies Act, 1956, a Company shall not alter its Articles except with the consent of the members in the General Meeting of the Company. As such Company had given undertaking to National Stock Exchange for alteration of Article at the ensuing Annual General meeting of the Company. As such your Directors recommend to pass the Special resolution for alteration of Article of Association of the Company as set out in the notice.

The Articles of Association of the Company with proposed amendment is available for inspection in at the Registered Office of the Company during business hours.

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

ITEM NO. 7

The Company proposes to enhance and strengthen its equity capital base by way of infusion of further equity capital by issue of equity shares or such other security which would be later on converted into equity shares or give right to the holders of the securities to subscribe to the equity capital at a later date. Hence, the Authorised Share Capital of the Company is required to be increased from Rs. 24.50 Crores divided into 2,45,00,000 Equity Shares of Rs. 10/- each to Rs. 35.00 Crores divided into 3,50,00,000 Equity Shares of Rs. 10/- each. Pursuant to provisions of Section 94 and Section 16 of the Companies Act, 1956 consent of members are 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.

The Memorandum of Association of the Company with proposed amendment is available for inspection in at the Registered Office of the Company during business hours.

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



ITEM NO. 8

The Special Resolution contained in the Notice at Item No. [8] relates to a proposal by the Company to raise capital through Global Depository Receipts (“**GDR**”), American Depository Receipts (“**ADR**”), Foreign Currency Convertible Bonds (“**FCCB’s**”) or any such financial instrument convertible into equity shares (hereinafter referred to as “**Securities**”) including by means of a issue of Securities to Qualified Institutional Buyers (“**QIBs**”) as defined under the Securities & Exchange Board of India ((Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations**”).

The Company proposes to enhance and strengthen its equity capital base by way of infusion of further equity capital by issue of equity shares or such other security which would be later on converted into equity shares or give right to the holders of the securities to subscribe to the equity capital at a later date. As you are already aware that the Company has been awarded two Coal Bed Methane (CBM) Blocks at Singrauli in Madhya Pradesh and Godavari Valley (North) in Andhra Pradesh. The Company has acquired the land for the extraction/execution of 8 coreholes. Land acquisition for Test wells is under process. In Godavari (N) land acquisition for Core hole drilling is underway. The Company has obtained the Petroleum Exploration License (PEL) by the state government (Director Geology & Mining Madhya Pradesh). The Company is awaiting for Petroleum Exploration Licences (PEL) for Godavari (N) block. The Company has been awarded Consent of Operation (CFO) by Madhya Pradesh Pollution Control Board (MPPCB) on August 4, 2008. CFO process for GV(N) block is under process. In Singrauli Block, the Company has successfully completed drilling of three core holes and drilling of fourth, fifth and sixth coreholes is underway. Based on the results found, our Company has already initiated planning for Test wells. For completion of these wells, Company has already placed two rigs and deployment of two additional rigs is under final process. The proposed infusion of funds upto Rs. 125 crores is to part finance the expenditure as mentioned above in respect of to CBM Blocks as well as Capital Expenditure and Working Capital requirements for expansion of air and gas compression business, work over rig and drilling rig business, marginal field and any other services and businesses as deemed fit by Board of Directors of the Company, as per the provisions of Memorandum of Association of the Company.

It is proposed to create, offer, issue and allot Securities at such price, at a discount (if permissible) or premium to market price or prices in such manner and on such terms and conditions including security, rate of interest, and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise, as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories and combination of Investors to whom the offer, issue and allotment shall be made at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with lead managers, either in foreign currency or equivalent Indian Rupees inclusive of such premium as may be determined by the Board, in any convertible foreign currency, as the Board at its absolute discretion may deem fit and appropriate.

The Special Resolution also seeks to empower the Board to undertake a qualified institutional placement with qualified institutional buyers as defined under the SEBI ICDR Regulations apart from other options of private/public placements. The Board, may in its discretion adopt this mechanism, as prescribed under Chapter VIII of the SEBI ICDR Regulations. The pricing of the Securities to be issued to qualified institutional buyers pursuant to Chapter VIII of the SEBI ICDR Regulations shall be freely determined subject to such price not being less than the price calculated in accordance with Chapter VIII of the SEBI ICDR Regulations. The pricing of the Securities in other mode of placements would be as per applicable statutory provisions.

The Equity Shares allotted or arising out of conversion of any Securities would be listed. The issue/allotment/conversion would be subject to the availability of regulatory approvals, as applicable to the particular issue/allotment/conversion. The conversion of Securities held by foreign investors into Equity Shares would be subject to the applicable foreign investment cap under the prevailing Foreign Direct Investment norms applicable to the Company.

The Securities proposed to be issued under the authority of this Resolution, if necessary, may be secured by way of charge/hypothecation/mortgage on the Company’s assets as may be finalized by the Board of Directors in consultation with the Security Holders/Trustees for the holders of the said Securities. As the documents to be executed between the security holders/trustees for the holders of the said Securities and the Company may contain the power to take over the management of the Company in certain events, enabling approval is also sought under Section 293(1)(a) of the Companies Act, 1956.

As and when the Board does take a decision on matters on which it has the discretion, necessary disclosures will be made to the stock exchanges under the provisions of the Listing Agreement, as required.

Section 81(A) of the Companies Act, 1956, and the relevant clauses of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed, inter-alia provide that when it is proposed to increase the issued capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of such Company in the manner laid down in the said Section 81 unless the shareholders in a General Meeting decide otherwise. Since, the Special Resolution proposed in the business of the Notice may result in the issue of shares of the Company otherwise than to the shareholders of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956, and the Listing Agreement. The Special Resolution, if passed, will



have the effect of allowing the Board to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company/otherwise then on pro rata basis to the existing shareholders of the Company.

The Board believes that such an issue of Securities of the Company is in the interest of the Company and therefore recommends the resolution for your approval.

None of the Directors of the Company is, in any way, concerned or interested in the Resolution.

ITEM NO. 9, 10, 11

The term of appointment of Mr. Paras Savla and Mr. Rupesh Savla, Managing Directors expired on 28th February, 2010. they were reappointed by the Board of Directors for 5 years with effect from 1st March, 2010 subject to approval of the members at the ensuing Annual General Meeting on the terms and conditions as mentioned in the Special Resolutions set out in the Notice.

The Board of Directors at their meeting held on 6th May, 2009 re-appointed Mr. Dharen Savla as Executive Director for five years with effect from 21st June, 2009. In view of increased business operations in Compression and Work over rigs business and commencement of business operations in CBM and Marginal fields, the Board at their meeting held on 22nd January, 2010, increased the remuneration of Shri Dharen Savla from Rs.1,00,000/- to Rs. 1,50,000/- per month keeping perquisites and amenities and other terms and conditions of his appointment same as specified in the Special resolution passed at the AGM held on 5th June, 2009.

The re-appointment of Shri Paras Savla, Shri Rupesh Savla and increase in salary 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. 9, 10 and 11 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: 26.04.2010

Registered Office:

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

By Order of Board of Directors

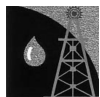
PARAS SAVLA

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 2010
Mr. Prabodh G. Baruah	He is a post-graduate in Petroleum Technology and Bachelor Degree in Mechanical Engineering and has 39 years of vast experience in Oil & Gas Industry. He has worked as a member of the Task Group of the Ministry of Petroleum and Natural Gas to implement the vision of integrating the petroleum pipeline in India. He has also served as the Chairman of the Institute of Engineers of India.	Other Directorship NIL Committee Membership NIL
Mr Harish G. Bhide	He has a Diploma in Mechanical Engineering. He has more than 43 years of experience out of which 32 years with Indian Oil Corporation limited.	Other Directorship NIL Committee Membership NIL



DIRECTORS REPORT

To
The Members
Deep Industries Limited,
Ahmedabad.

Your Directors have pleasure in presenting Twentieth Annual Report together with the Audited Accounts of the company for the financial year ended 31st March, 2010.

FINANCIAL RESULTS:

	(Rs. In Lacs)	
Particulars	2009-10	2008-09
Sales/ Income from Operation	5533.80	3350.30
Other Income	74.66	92.77
Expenditure	2492.62	1544.54
Profit Before Interest and Depreciation	3115.84	1898.53
Less: Interest	415.32	302.05
Profit Before Depreciation	2700.52	1596.48
Less: Depreciation	583.07	370.77
Profit Before Tax	2117.45	1225.71
Less:		
Provision for: Current Taxation F.B.T	438.50	149.58
Short Provision of Taxation	—	21.92
Deferred Taxation	242.36	292.29
Net Profit	1436.59	761.92
Balance brought forward from last year	1984.19	1244.95
Exceptional Items (Profit/Loss)	0.00	0.00
Profit available for appropriation	3420.78	2006.87
APPROPRIATIONS:		
Transfer to General Reserve	150.00	0.00
Investment Reserve Fund	(23.72)	22.68
Proposed Dividend	106.25	0.00
Proposed Dividend Distribution Tax	18.05	0.00
Balance carried to Balance Sheet	3170.20	1984.19

DIVIDEND

Your Directors have recommended 5% dividend on Equity Shares for financial year ended on 31st March, 2010, 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 1st June, 2010 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.

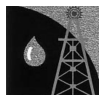
MANAGEMENT DISCUSSION AND ANALYSIS

A report on Management Discussion and Analysis (MDA), which forms part of this report, inter alia, deals adequately with the operations as also current and future outlook of the company.

CORPORATE GOVERNANCE

Pursuant to Clause 49 of the Listing Agreement with the Stock Exchange, a separate section titled "Corporate Governance" is attached to this Annual Report.

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



DIRECTORS

Mr. Prabodh G. Baruah and Mr. Harish G. Bhide retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

DIRECTORS RESPONSIBILITY STATEMENT

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

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

SUBSIDIARY COMPANY:

The Company has attached Unaudited Financial Results for the Financial Year 2009-10 of Deep Energy, LLC in USA. During the year under review, the Company has set up Subsidiary Companies, 'Deep Natural Resources Ltd.' for exploration, production & development of crude oil, coal bed methane (CBM) and natural gas and 'Prabha Energy Pvt. Ltd.' for generation of electrical power by conventional and non-conventional methods. The Company has attached Audited Financial Statements of 'Deep Natural Resources Limited' and 'Prabha Energy Pvt. Ltd.' for the Financial Year 2009-10. The statement under Section 212 of the Companies Act, 1956 for the Financial Year ended on 31st March, 2010 is also attached.

CONSOLIDATED FINANCIAL STATEMENTS

In accordance with Accounting Standard AS-21 on Consolidated Financial Statements read with Accounting Standard AS-23 on Accounting for Investment in Subsidiary Companies, the Audited Consolidated Financial Statements are provided in the Annual Report. These statements have been prepared on the basis of financial statements received from subsidiary 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 conclusion of the ensuing Annual General Meeting. The Auditors 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 at Schedule 18 of Balance Sheet are self-explanatory in respect of any qualification of auditors in their Report.

INSURANCE

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

PARTICULARS OF EMPLOYEES

The company has not paid any remuneration attracting the provisions of Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of employee) Rules, 1975.

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.