DEEP Industries Limited
Oil & Gas Exploration Production & Services

25th October, 2016

To,
Corporate Relations Department
Bombay Stock Exchange Limited
2nd Floor, P.J. Towers,
Dalal Street,
Mumbai – 400 001

Company Code : 532760

To,
Corporate Relations Department
National Stock Exchange of India Limited
Exchange Plaza,
Plot No, C/1, G-Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400051

Company Code : DEEPIND

Dear Sir/Madam,

Sub.: Investors/ Analysts Presentation - 2nd Quarter ended on 30th September, 2016.

With Reference to regulation 30 of SEBI (LODR) Regulation, 2015 , please find herewith attached presentation made on financial results of the company for 2nd quarter ended on 30-09-2016.

Please take note of the same.

Thanking You.

Yours faithfully,

For, DEEP INDUSTRIES LIMITED

Akshit Soni
Company Secretary

ISO 9001
ISO 14001
BS OHSAS 18001
BUREAU VERITAS
Certification
Excluding Design
UKAS QUALITY MANAGEMENT 008

Registered Office:
12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad-380058
Gujarat, India. Tel # 02717 298510, +91 98256 00533 I Fax # 02717 298520
Email: info@deepindustries.com I Website: http://www.deepindustries.com
CIN : L63090GJ1991PLC014833

DEEP Industries Limited

Investor Presentation – October 2016

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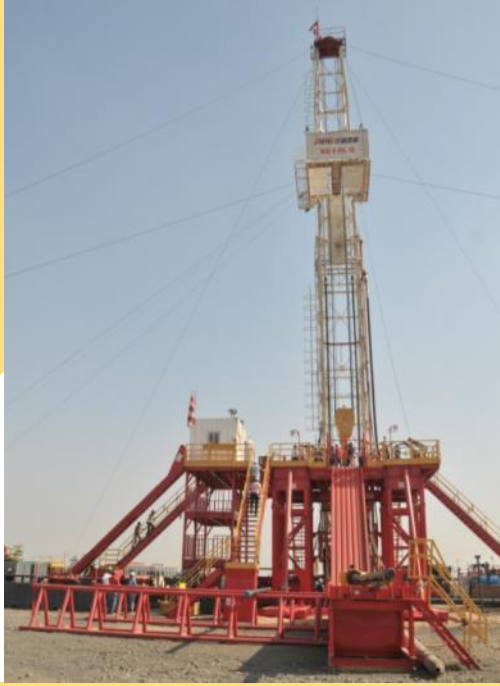
This presentation contains certain forward looking statements concerning the Company's future business prospects and business profitability, which are subject to a number of risks and uncertainties and the actual results could materially differ from those in such forward looking statements. The risks and uncertainties relating to these statements include, but are not limited to, risks and uncertainties regarding fluctuations in earnings, our ability to manage growth, competition (both domestic and international), economic growth in India and abroad, ability to attract and retain highly skilled professionals, time and cost over runs on contracts, our ability to manage our international operations, government policies and actions regulations, interest and other fiscal costs generally prevailing in the economy. The Company does not undertake to make any announcement in case any of these forward looking statements become materially incorrect in future or update any forward looking statements made from time to time by or on behalf of the Company.



Q2/H1 FY17 Financial Snapshot

Standalone Profit & Loss

Rs. Cr	Q2FY17	Q2FY16	YoY	H1FY17	H1FY16	YoY	FY16
Revenue	**68**	**34**	**97.1%**	**132**	61	**114%**	**169**
Direct Expenses	**18**	**9**		**38**	16		40
Employee Expenses	**5**	**4**		**10**	7		14
Other Expenses	**4**	**3**		**7**	4		18
EBITDA	**41**	**19**	**117%**	**77**	**34**	**124%**	**96**
EBITDA Margin	*60.2%*	*54.8%*	*+540bps*	*58.6%*	*56.1%*	*+250bps*	*56.9%*
Other Income	0	0		**0**	1		1
Depreciation	8	4		**15**	7		20
EBIT	**33**	**16**	**112%**	**63**	**28**	**124%**	**77**
EBIT Margin	*49.0%*	*45.5%*		*47.9%*	*45.9%*	*+200bps*	*45.3%*
Finance costs	6	4		**13**	6		15
PBT	**27**	**12**	**127%**	**50**	**22**	**129%**	**62**
Tax	10	4		**17**	7		21
PAT	**17**	**8**	**109%**	**33**	**15**	**124%**	**41**
PAT Margin	*24.8%*	*23.4%*		*25.1%*	*23.9%*		*24.2%*
Cash PAT	**25**	**12**	**113%**	**48**	**22**	**121%**	**61**

Cash PAT=PAT+ Depreciation

Standalone Balance Sheet

Rs. Cr	Sep-16	Mar-16
Shareholders Fund	**286**	**258**
Share Capital	29	18
Share Suspense Account	0	11
Reserves & Surplus	257	229
Total Non Current Liabilities	**301**	**225**
Long Term Borrowings	256	186
Deferred Tax liabilities	42	37
Other Long Term Liabilities	3	2
Total Current Liabilities	**120**	**141**
Short Term Borrowings	88	78
Trade Payables	24	15
Other Current Liabilities	4	31
Short term provision	4	17
TOTAL EQUITY & LIABILITIES	**707**	**624**

Rs. Cr	Sep-16	Mar-16
Total Non Current Assets	**591**	**489**
Fixed Assets	572	476
Non Current Investments	17	13
Long term loans & advances	2	0
Other Non Current assets	0	0
Total Current Assets	**116**	**134**
Current Investment	13	4
Inventories	6	6
Trade Receivables	54	56
Cash & Cash Equivalents	18	17
Short Term loans & Advances	24	49
Other current asset	1	3
TOTAL ASSETS	**707**	**624**

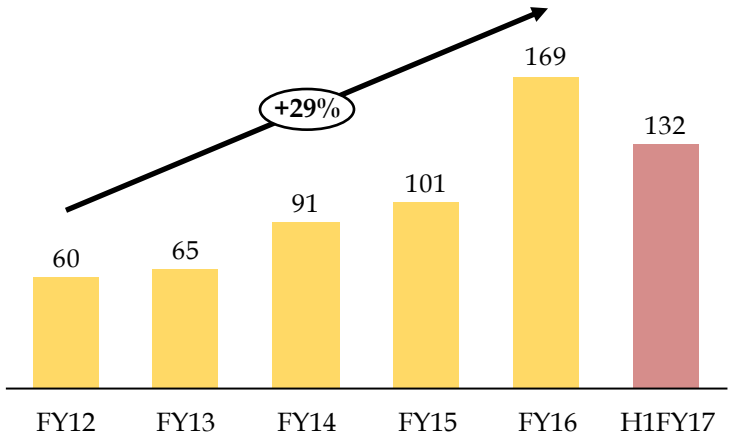
Historical Profit & Loss

Rs. Cr	FY12	FY13	FY14	FY15	FY16
Revenue	**60**	**65**	**91**	**101**	**169**
Direct Expenses	**20**	**16**	**22**	**24**	40
Employee Expenses	**7**	**7**	**9**	**13**	14
Other Expenses	**5**	**6**	**7**	**9**	18
EBITDA	**29**	**36**	**52**	**55**	**96**
EBITDA Margin	*47.5%*	*55.2%*	*57.4%*	*54.3%*	*56.9%*
Other Income	1	2	1	1	1
Depreciation	7	10	12	12	20
EBIT	**23**	**28**	**41**	**44**	**77**
EBIT Margin	*37.3%*	*42.5%*	*45.5%*	*43.6%*	*45.3%*
Finance costs	4	6	9	11	15
PBT	**18**	**21**	**33**	**33**	**62**
Tax	6	9	13	12	21
PAT	**12**	**12**	**20**	**21**	**41**
PAT Margin	*19.9%*	*18.7%*	*22.1%*	*21.0%*	*24.2%*
Cash PAT	**19**	**22**	**32**	**33**	**61**

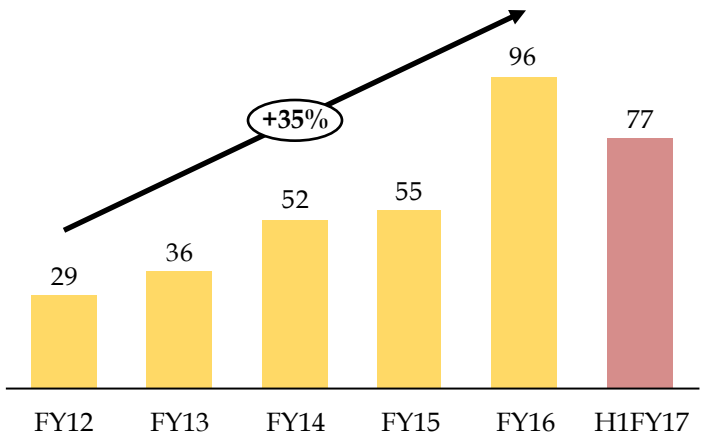
Cash PAT=PAT+ Depreciation

Growth over the Years

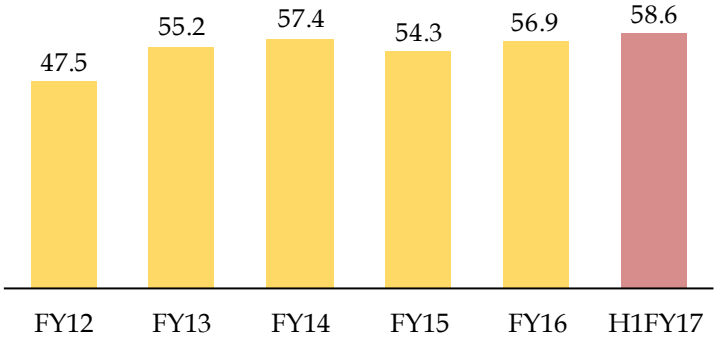
Revenue (Rs Crs)



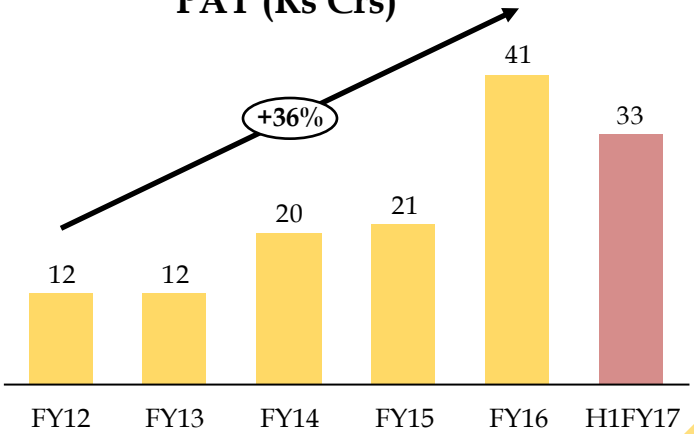
EBITDA (Rs Crs)



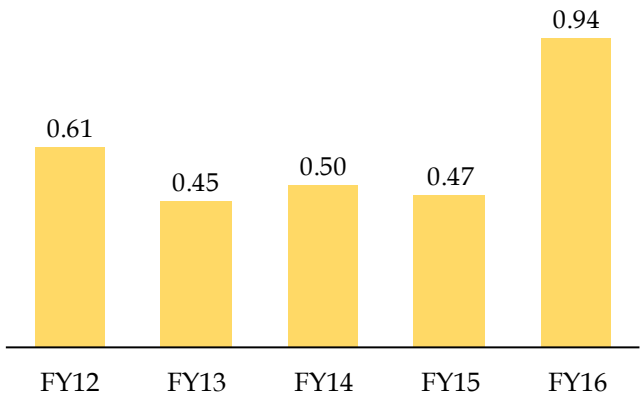
EBITDA Margin (%)

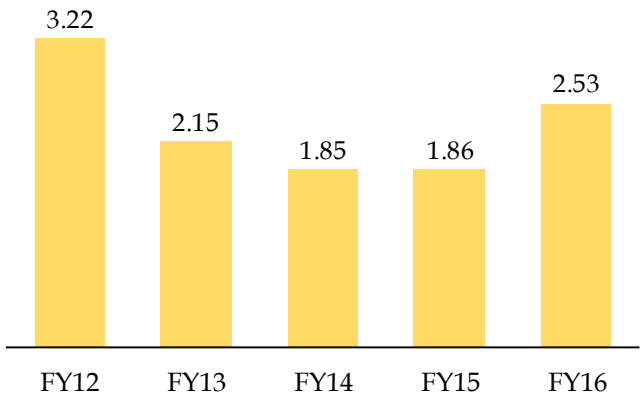


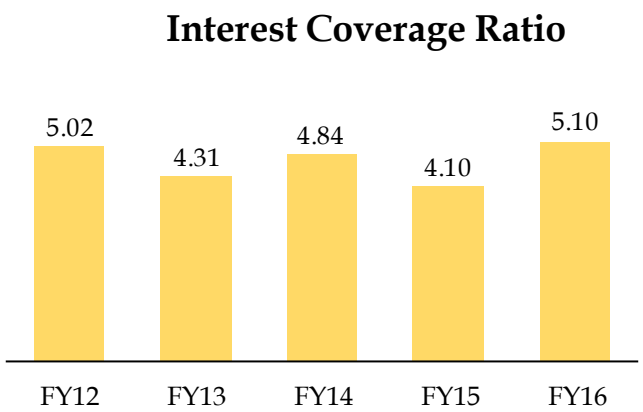
PAT (Rs Crs)

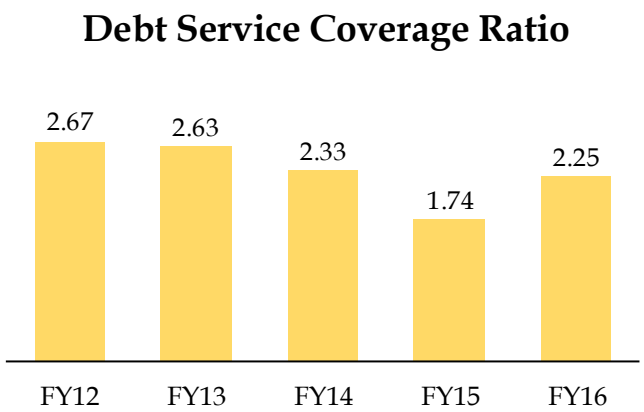


Strong Balance Sheet









Care A-/Crisil A- and Care A2+/Crisil A2+rated for Long term & Short Term Bank Loans

About Us

Deep Industries

Focused on Deploying Fuel Efficient, latest Equipment in the Oil and GAS Industry with a Vision to become an Integrated Solution Provider with a focus on Domestic and International Market

- Diversified Oil-Gas company with presence in Oil Field Services and Exploration & Production
- More than 2 decades of experience in Oil-Gas with large clients in Public and Private space
- Long term association with US based vendors providing competitive edge
- 1st Mover advantage in Gas Compression and De—hydration segment in India
- Well experienced and technically sound team with vast experience in the industry
- Care A-/Crisil A- and Care A2+/Crisil A2+rated for Long term & Short term bank loans

Key Milestones

2016: Awarded contract worth INR 2,468 Mn in Gas Dehydration Business for Rajamundry Phase II
2015: Awarded contract worth INR 1,750 Mn for two Drilling Rig Services.
2015: Awarded contracts worth INR 2,780 Mn in Gas Dehydration Business
2014: Award of 25% stake in North Karanpura CBM Block
2013: Award of Largest onshore workover rig contract from Cairn India ltd
2011: Awarded India's Largest Gas Compression Contract at Rajamundary by ONGC, Kariakal by HOEC
2011: Awarded 1 CBM Block in Indonesia; Winner of 3 O&G Blocks under NELP IX

2011 - 2015

Entry into Gas Dehydration

2006 - 2010

Entry into E&P

2010: Natural Gas Compression Contract at Borohola by ONGC; and Gamnewala by ONGC; ISO 14001:2004 & BS OHSAS 18001:2007 Certification

2008: Contract awarded for Natural Gas Compression at Balol by ONGC and Kemalapuram by CPCL ; Awarded 1 Onshore O&G block under NELP VII

2007: Awarded 3 marginal fields by ONGC

2006: Awarded 2 CBM blocks under CBM III and Initial Public Offer ("IPO")

2001 - 2005

Entry into Rigs

2005: Purchased one 100 Ton Cardwell KB 500 S Axle Mobile Rig

Registered with International Association of Drilling Contractors ("IADC") & ISO 9001-2000 certification

2004: Sales Representation Agreement with reputed and experienced compressor packagers in USA

2001: Gas compression Equipment Lease and Service Agreement with Hanover, Asia Inc. USA

1991 - 2000

Entry into Gas Compression

1997: Contract awarded for Natural Gas Compression by ONGC

1994: Contract awarded for Air Compression by ONGC ; Strategic shift from providing Crude Oil/Liquid transport services to providing Air/Gas compression services

1991: Commenced activities of providing liquid transportation services

Management Team

Paras Savla

Chairman & MD

First generation entrepreneur with over 25 years experience in Oil & Gas industry. Nominated as a finalist for the CNBC 14th ABLA, in Oct 15

Rupesh Savla

Managing Director

MBA from Bentley College, USA, has over 20 years of experience in execution of projects in the oil and gas sector

Dharen Savla

Executive Director

MBA from Swinburne University of Technology, Australia, is instrumental in the Work Over Rig and Drilling Rig Activities along with responsibility of HR

Prem Sawhney

ED & CEO for E&P

27 years of experience in exploration and development of conventional & unconventional hydro carbon resources. Past assignments include ONGC, Essar & Reliance Industries

A.K. Singhania

Sr. Advisor

B.E(Chem), MBA with ore than 37 years of experience Served as GM of ONGC with specialisation in several areas of Oil and Gas operations

N.S. Ghai

Sr. Advisor

Holder of certificate in drilling from International Well Control Forum and has over 46 years of experience in drilling for Oil & Gas and CBM ll conventional wells in ONGC, Reliance Industries and Essar

Vipul Singhal

Sr. Advisor

Has experience of 12+ years in planning, drilling and completions. He has worked as Drilling Engineer in Reliance Industries Limited and supervised operations

Rohan Shah

CFO

Holds CA degree from The Institute of Chartered Accounts of India and holds a B.Com degree from Gujarat University. He has about 10 years of post qualification experience

Well Diversified Portfolio

Gas Compression

01

First Company in India to provide high pressure Natural Gas Compression Solutions on contractual basis

Workover & Drilling Rigs

02

One of the Key Player in India providing Onshore Workover and Drilling Rigs Services

Gas Dehydration

03

First Company in India to provide Natural Gas Dehydration Solutions on contractual basis

Exploration & Production

04

Oil & Gas Exploration & Production from conventional and unconventional resources in India and Indonesia

Service Business

Long Term Client Relationships

ओएनजीसी ONGC

CAIRN

ऑयल इंडिया लिमिटेड OIL INDIA LIMITED

GSPC

GACL Promoting Green Technology Gujarat Alkalies & Chemicals Ltd.

ESSAR

HOEC

GP GSPL GUJARAT STATE PETRONET LTD.

GUJARAT GAS

Selan Exploration

CPCL

JTI

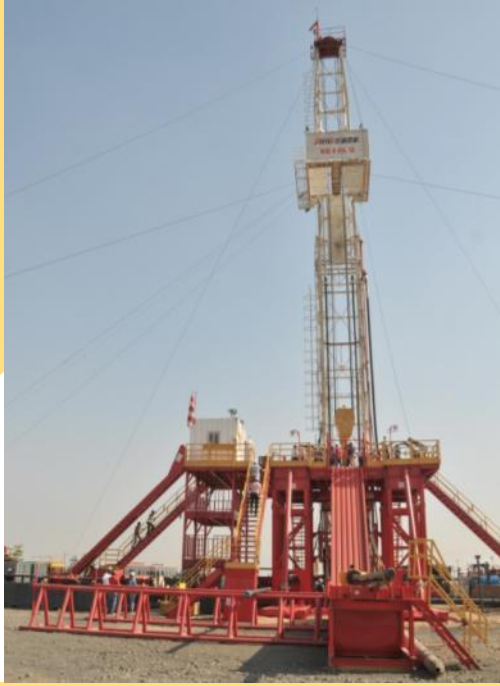
Reliance Industries Limited

NIKO RESOURCES LTD

PRIVATE LIMITED NAFTOGAZ INDIA

ASSAM GAS COMPANY LTD (A GOVT OF ASSAM UNDERTAKING)

...a testimony of our capabilities



Service Business

Customized Solution Provider in Oil & Gas Value Chain

Gas Compression

01

Customised End to End solutions on turnkey basis Equipment + Installation + O&M

Gas Gathering Stations, Gas Lift, Gas Power Plants, National Grids and LNG Terminals

Workover & Drilling Rigs

02

Solution provider for Drilling and Workover jobs

Oil Producers

Gas Dehydration

03

Pioneer in Onshore Gas Dehydration Solutions

Onshore Exploration Companies

Gas Compression Division

Leadership in Gas Compression Business…

Pioneer

We are the first Company in India to provide high pressure Natural Gas Compression Solutions

High Visibility

Contract period for Gas Compression ranges from 3 to 5 years

Market Leader

We are the largest private sector company in this segment in India and command majority market share

Technology Tie-Ups

Tie-ups with reputed and experienced compressor packagers in USA for the supply of Gas Compression Packages

Turnkey Contracts

Compression contracts on turnkey basis. Includes supply of Equipment, Installation, Commissioning, Operation & Maintenance

Technical Partnership

Active technical backup with International Companies

Capacity

56 Natural Gas Compressors ranging from 200 HP to 2,000 HP Compression capability of above 3.5 MMSCMD of natural gas daily

…In A Growing Market with Varied Applications…

Gas Transportation

Distribution

During transportation of Gas through pipeline, there is pressure loss. Compression of Natural Gas is required to boost the pressure to ensure that Natural Gas flows through pipeline

Reduce Loss of Evaporation

Due to heat entering the cryogenic tank during storage and transportation, a part of the LNG in the tank continuously evaporates creating a gas called Boil-Off Gas (BOG). We compress the said Natural Gas to ensure recovery of same.

Boil of Gas

Artificial Gas Lift

Enhanced Oil Recovery

Artificial gas lift is used so that Oil production from Well can be enhanced. Can be used in mature, depleted fields, where the reservoir can no longer produce under its natural energy. Gas compression is used to inject gas into Wells.

Power Generation

In gas-turbine power plants, Natural Gas is used as fuel to drive turbines. These turbines are in turn connected to generators which actually produce the electricity. Gas Compression is used to boost pressure of Natural Gas which is used as fuel.

Gas Based Power Plant

…With High Entry Barriers

Technical Expertise

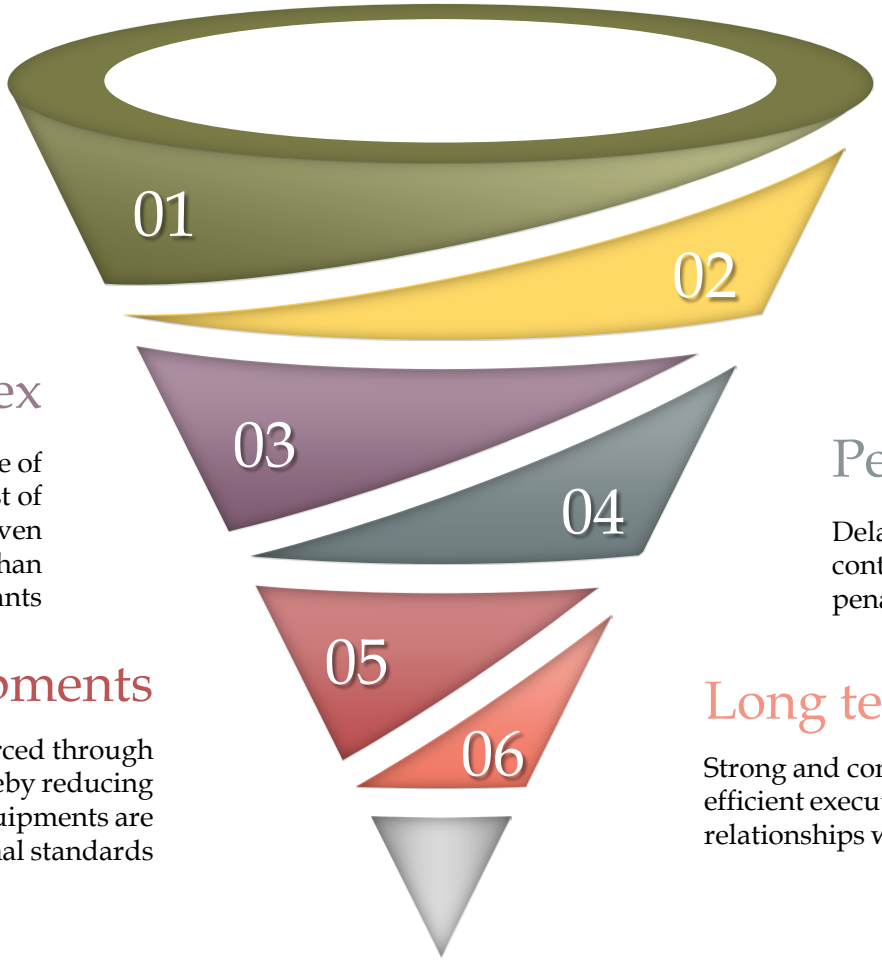
Skilled engineers are required to install, mobilize and operate equipments

Capex

Capex required is high due to nature of equipments and size of projects. Most of our equipments have achieved breakeven ensuring us a favorable position than relatively newer entrants

High Quality Equipments

Our fleet of equipments are sourced through tie-ups in USA thereby reducing commissioning timelines. Equipments are designed as per international standards



Customization

Expertise and Technical tie ups enables us to provide customized solutions in quickest possible timelines

Penalties

Delay in installation, lower than contractual output result in high penalties

Long term Relationships

Strong and consistent track record of efficient execution leads to long term relationships with customers

We are a Preferred End to End Solution Provider

Rigs Division

Capitalising on Technology & Innovation

Leading Solution provider for Coring, Air Drilling, Work over and Drilling Rig Services to Oil-Gas companies in India

Assets & Capacities

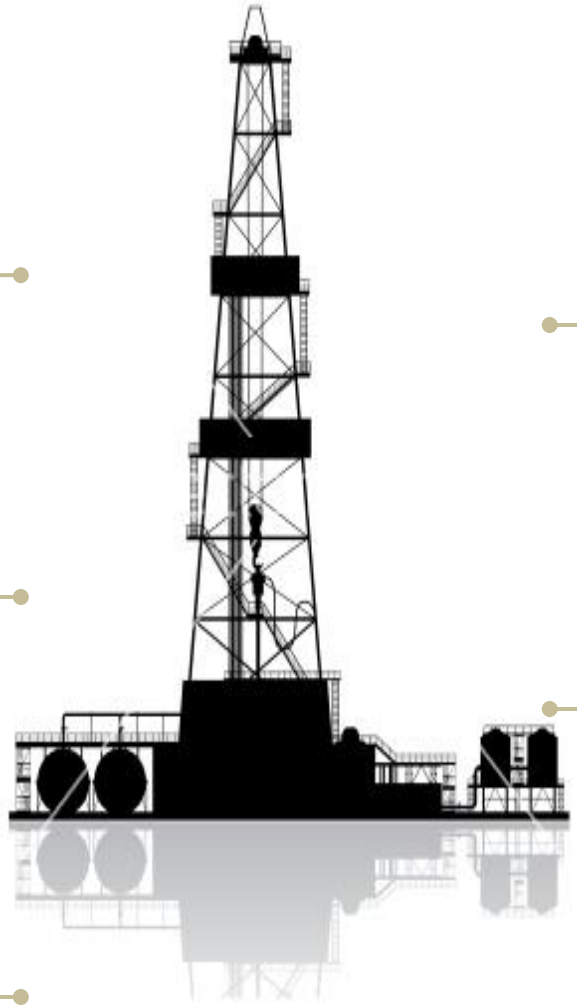
- Owns & Operates 3 Drilling and 9 Workover Rigs with various capacities
- Rigs are capable of drilling upto 3,500 m and perform workover operations in the depth range of 2,500 m to 4,200 m

Clients

- Successfully served long term contracts with Companies like ONGC GSPC OIL Niko Selan, RIL, Essar & Cairn since last decade

Capabilities

- Build a diversified team which has required skill set to carry out planning and execution of large size projects
- Successfully drilled directional wells in Essar Raniganj CBM Block



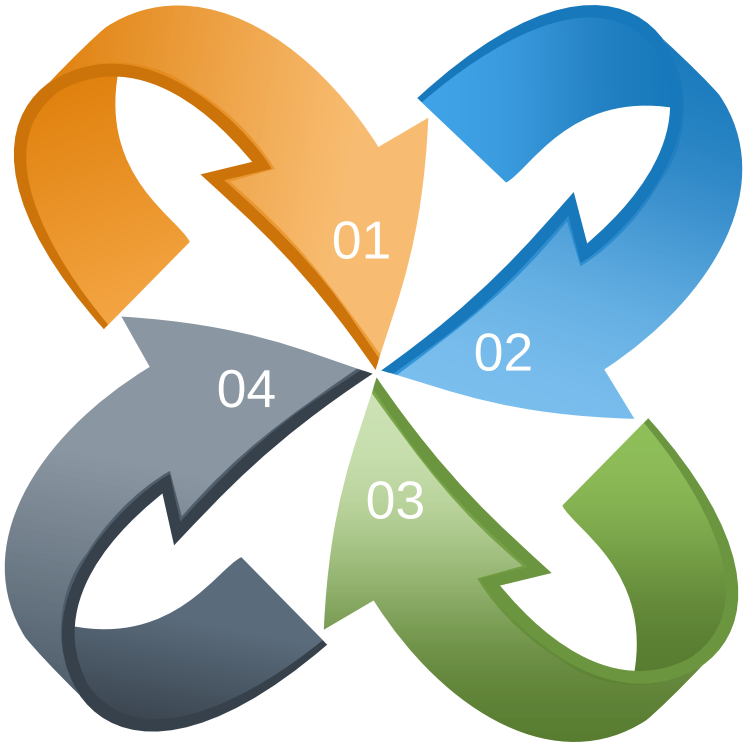
Expertise

- Provided complete solutions related to Exploration & Production of hydrocarbons
- Developed cost effective solutions which result in substantial savings to Clients

Focus

- Focus will be to expand in Onshore Drilling Business as there is a vacuum in the industry with few experienced players exiting the business

Growth Drivers



Government's Energy Push

India has a stated policy of increasing energy reserves where the PSU's contribute significantly.

Onshore Drilling Opportunity

Investments in Onshore drilling is low compared to offshore

Benign Raw Material Prices

Low crude prices, soft metal prices and availability of skilled labor improves margin profile significantly

Low Competition

Competition is low with the exit of few key players making the segment an attractive play for serious long term contenders

Gas Dehydration Division

Leveraging Technical Capabilities to Grab Opportunities

Blast at the GAIL site increased scrutiny on the processes followed by the producers and transporters of Gas and resulted in regulations being made more stringent

This necessitated Gas Producers to get a dehydration units installed at the site before selling Gas through pipeline, as needed by the stricter implementation of regulations

We are one of the few companies in India who qualifies to provide Gas Dehydration on contractual basis based on our technical tie-up with experienced companies and our experience of quantum of Gas compressed

We have tie-ups with reputed and experienced Gas Dehydration packagers in USA for the supply of Gas Dehydration Packages

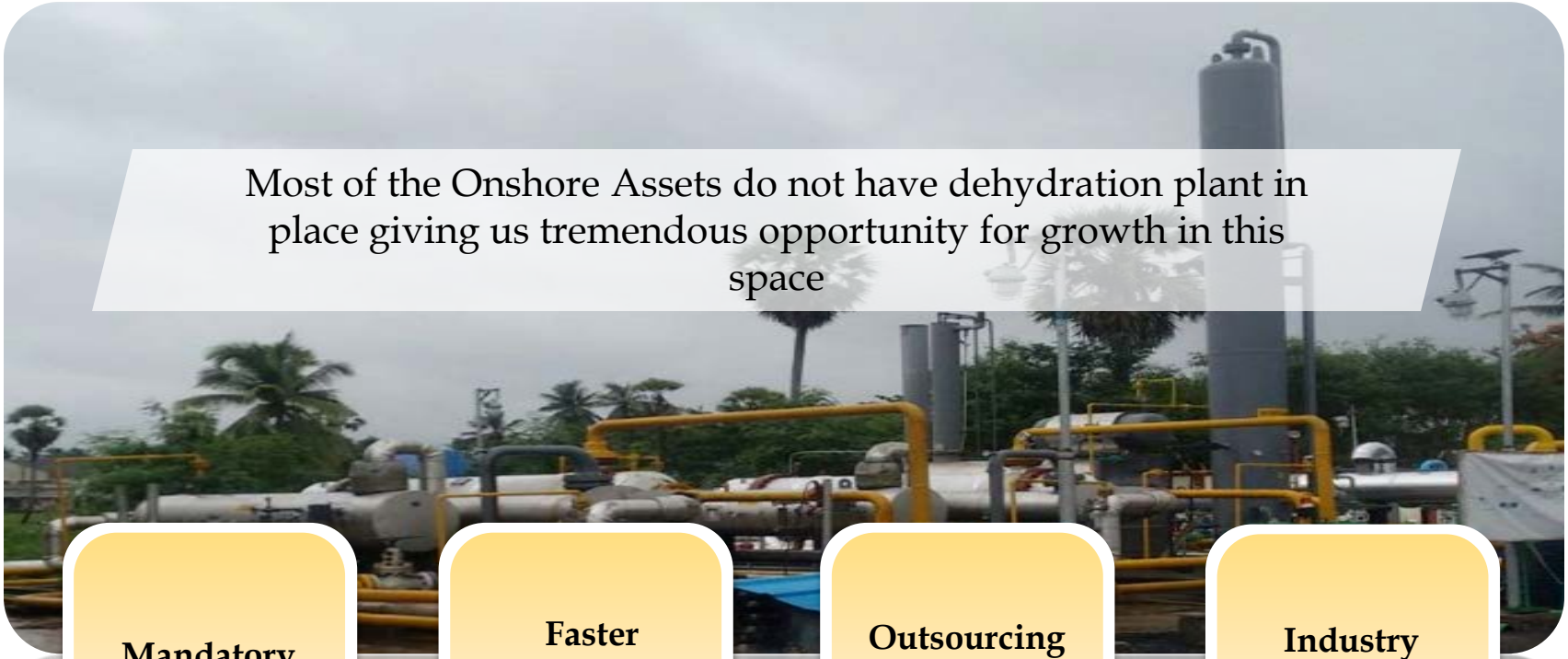
Contracts for installation units

ONGC Rajahmundry :

Phase I - 5 sites for 1.6 MMSCMD has been commissioned
Phase II - 4 sites for 1.5 MMSCMD has been commissioned

ONGC Agartala – 2 sited for 1 MMSCMD has been awarded and is under mobilization

Immense Opportunity due to Government Regulation



Most of the Onshore Assets do not have dehydration plant in place giving us tremendous opportunity for growth in this space

Mandatory

Government has made it mandatory to have the Gas Dehydrated before they can be inserted to the Gas pipelines

Faster Implementation

Time taken from award to Implementation is faster due to our Technical Qualification, Expertise and Tie-ups

Outsourcing Benefits

Clients can outsource the activity to the Private sector, with the expertise, and focus on their Core Business

Industry Potential

The immediate potential at present state to Dehydrate Gas is estimated to be additional ~10 MMSCMD

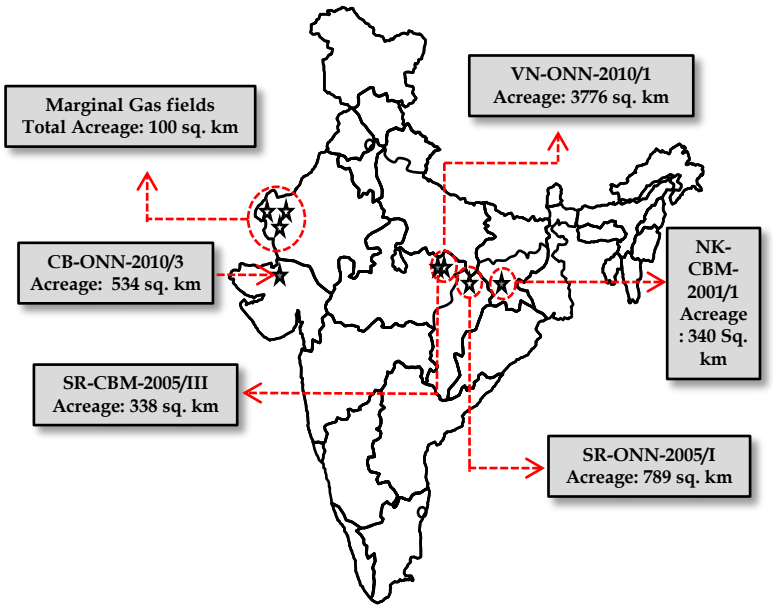
Exploration & Production

Exploration & Production Portfolio

Diversified into Oil & Gas exploration in 2006-07 seeing the opportunity in the space and unconventional energy being the future and thus is in the league of producers, service providers and technology providers

Out of 9 blocks - 3 blocks are in development phase, one in appraisal phase and rest in exploration phase. Additionally, one more CBM block is being acquired by the company at the subsidiary company level

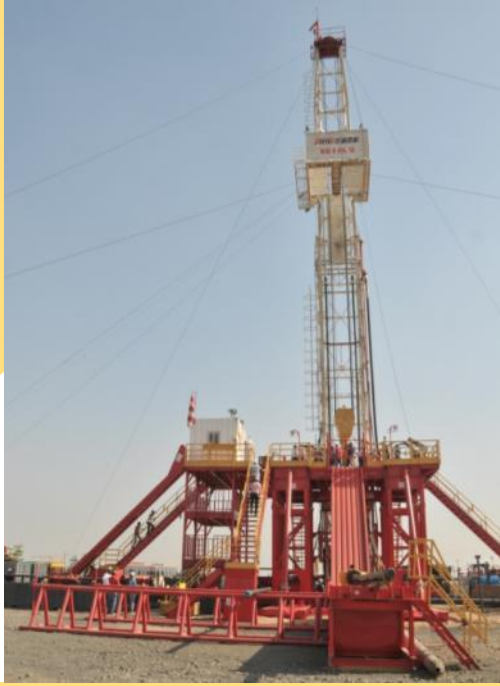
The total acreage operated by the company is over 6,865 sq km with prognosticated hydrocarbon resources of over 1,147 Million Barrels of Oil Equivalent (MMBOe).



Total Acreage holding:

Reservoir Type	India	Indonesia	Total
Oil & Gas	5,199 sq. km	-	5,199 sq. km
CBM	670 sq. km	996 sq. km	1,666 sq. km

Maps not to scale. All data, information, and maps are provided "as is" without warranty or any representation of accuracy, timeliness or completeness

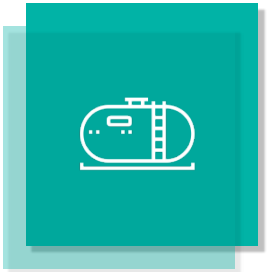


Business Potential

Growing Market Potential

Gas Compression

Gas demand is expected to increase by 5.4% p.a over 2007-30 as per IEA.
Out of the total Gas Compression Business in India currently only 20% is being done through Outsourcing Gas Compression Model



Gas Dehydration

Government has made it mandatory to have the Gas dehydrated before they can be inserted to the gas pipelines
We are one of the few qualifying companies to do it on contractual basis

Workover & Drilling Rigs

There lies a vacuum in onshore rigs business with few experienced players exiting the market
The Company has been aggressively growing its Rigs business

Exploration and Production

North Karanpura CBM block is under development phase and is expected to start Gas Production by end of FY18

Opportunities Just Ahead

Market leader in Gas Compression and Dehydration business on a Contractual basis with majority market share in compression business	Increase market share in Gas Compression Business
Only Company in India able to provide wide range of Compression and Dehydration on a short time line and on customisation basis	Leverage our experience and track record in the Gas Compression to get new contracts for Gas Dehydration
Best Technical and Engineering Team for Gas Compression, Onshore Rigs, Gas Dehydration Business and CBM	Focus on Margin Expansion along with the Growth in the respective businesses
56 Gas Compressors of over 50,000 HP and compressing above 3.5 MMSCMD, 9 Work Over Rigs, 3 Drilling Rig and 9 dehydration units with 3.1 MMSCMD capacity	Expansion of assets base to cater to new opportunities in all three segments of Oil and Gas Services backed by order book
Strong Relationships with almost all the Producers in India	Capitalize on increased demand on exit of one of the large players, primarily in Onshore Drilling Rig space

Certificates….

BUREAU VERITAS Certification

DEEP INDUSTRIES LIMITED

REGISTERED OFFICE
OPP. SURYANARAYAN BUNGLOWS, SABARMATI-KALOL STATE HIGHWAY, MOTERA, AHMEDABAD – 380 005, GUJARAT, INDIA.

This is a multi-site certificate, additional site details are listed in the appendix to this certificate

Bureau Veritas Certification certify that the Management System of the above organisation has been audited and found to be in accordance with the requirements of the management system standards detailed below

Standards

ISO 9001:2008 & ISO 14001:2004

Scope of certification

PROVISION OF EQUIPMENTS AND SERVICES OF GAS COMPRESSION AND ON-SHORE DRILLING RIG OPERATIONS FOR OIL AND GAS SECTOR.

Certification cycle start date: **22 July 2013**

Subject to the continued satisfactory operation of the organisation's Management System, this certificate expires on: **21 July 2016**

Original certification date: **22 July 2010**

Certificate No. IND13.5714U/QE Version : 1 Revision date: **21 July 2013**

Certification Authority
R. K. SHARMA – Director

UKAS 008

Certification body address: *Brandon House, 180 Borough High Street, London SE1 1LB, United Kingdom*

Local office: *"Marwah Centre" 8th Floor, Krishanlal Marwah Marg, Opp. Anas Industrial Estate, Off Saki Vihar Road, Andheri (East), Mumbai – 400 072, India*

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Further clarifications regarding the scope of this certificate and the applicability of the management system requirements may be obtained by consulting the organization. To check this certificate validity please call **+91 22 6695 6300.**

BUREAU VERITAS Certification

DEEP INDUSTRIES LIMITED

REGISTERED OFFICE
OPP. SURYANARAYAN BUNGLOWS, SABARMATI-KALOL STATE HIGHWAY, MOTERA, AHMEDABAD – 380 005, GUJARAT, INDIA.

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Standard

BS OHSAS 18001:2007

Scope of certification

PROVISION OF EQUIPMENTS AND SERVICES OF GAS COMPRESSION AND ON-SHORE DRILLING RIG OPERATIONS FOR OIL AND GAS SECTOR.

Certification cycle start date: **22 July 2013**

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Original certification date: **22 July 2010**

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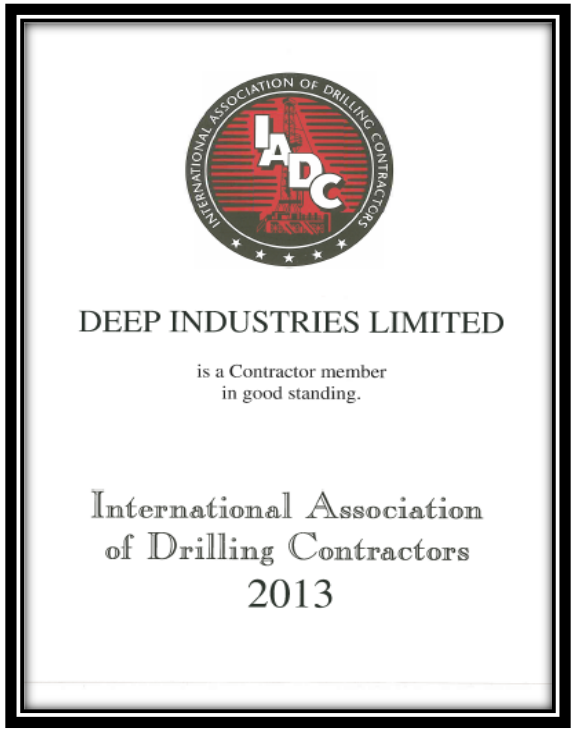


INTERNATIONAL ASSOCIATION OF DRILLING CONTRACTORS

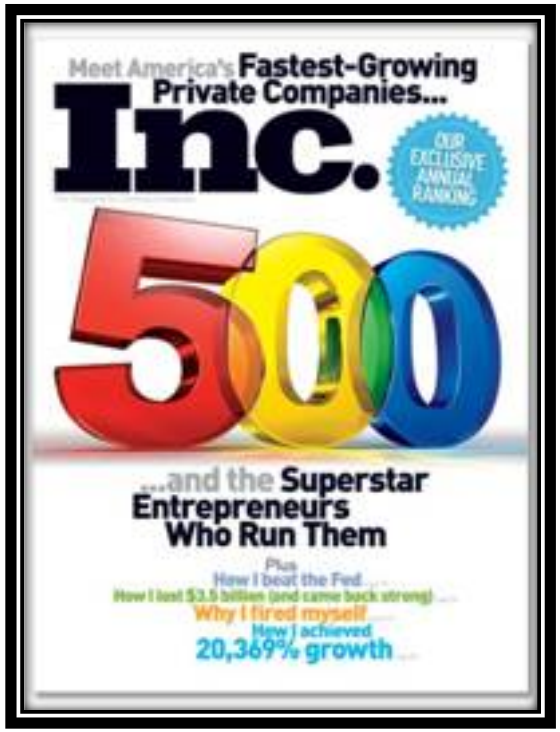
IADC

DEEP INDUSTRIES LIMITED

is a Contractor member
in good standing.

International Association
of Drilling Contractors
2013

… And Accolades



For further information, please contact:

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