

**DEEP
Industries
Limited**

**Oil & Gas Exploration
Production & Services**

February 9, 2018

To,
Corporate Relations Department
Bombay Stock Exchange Limited
2nd Floor, P.J. Towers,
Dalal Street,
Mumbai-400 001
Scrip Code : 532760

To,
Corporate Relations Department
National Stock Exchange of India Ltd.
Exchange Plaza, Plot No. C/1, G-Block,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051.
Symbol: DEEPIND

Dear Sir/Madam,

Sub.: Investors/ Analysts Presentation – 3rd Quarter ended on 31st December, 2017.

With Reference to regulation 30 of SEBI (LODR) Regulation, 2015, please find herewith attached presentation made on financial results of the company for the Q3- FY 2017-18 quarter ended on 31-12-2017.

Please take note of the same.

Thanking You.

Yours faithfully,

For, DEEP INDUSTRIES LIMITED


Akshat Soni
Company Secretary



Encl: As Above



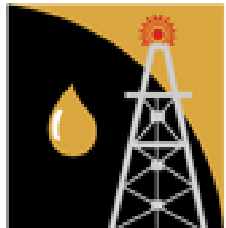
Registered Office:

12A & 14 Abhishree Corporate Park, Ambli Bopal Road, Ambli, Ahmedabad-380058
Gujarat, India. Tel # 02717 298510, +91 98256 00533 | Fax # 02717 298520

Email: info@deepindustries.com | Website: <http://www.deepindustries.com>

CIN : L63090GJ1991PLC014833





DEEP Industries Limited

Investor Presentation – February 2018

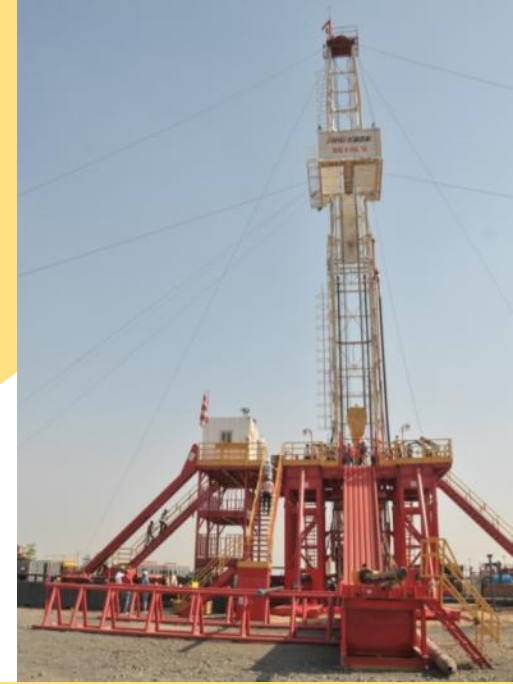
Safe Harbor



This presentation and the accompanying slides (the “Presentation”), which have been prepared by Deep Industries Ltd (the “Company”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This Presentation has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Presentation. This Presentation may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Presentation is expressly excluded.

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.



Performance Snapshot



Standalone Profit & Loss – As per IndAS



| Rs. Cr | Q3FY18 | Q3Y17 | YoY | 9MFY18 | 9MFY17 | YoY |
|----------------------|-----------|-----------|--------------|------------|------------|--------------|
| Revenue | 75 | 71 | 5.8% | 221 | 202 | 9.3% |
| Direct Expenses | 25 | 21 | | 68 | 59 | |
| Employee Expenses | 6 | 5 | | 16 | 14 | |
| Other Expenses | 6 | 4 | | 17 | 11 | |
| EBITDA | 38 | 41 | -9.2% | 120 | 119 | 0.8% |
| <i>EBITDA Margin</i> | 50.4% | 58.0% | | 54.1% | 58.6% | |
| Other Income | 3 | 1 | | 5 | 2 | |
| Depreciation | 10 | 9 | | 29 | 24 | |
| EBIT | 31 | 33 | -6.0% | 96 | 96 | -0.4% |
| <i>EBIT Margin</i> | 41.2% | 46.4% | | 43.4% | 47.6% | |
| Finance costs | 3 | 6 | | 8 | 18 | |
| PBT | 28 | 27 | 3.5% | 88 | 78 | 12.9% |
| Tax | 10 | 9 | | 31 | 27 | |
| PAT | 18 | 18 | 3.6% | 57 | 51 | 12.0% |
| <i>PAT Margin</i> | 24.6% | 25.1% | | 25.9% | 25.3% | |
| Cash PAT* | 28 | 27 | 3.7% | 86 | 75 | 14.7% |

*Cash PAT=PAT+ Depreciation

Standalone Balance Sheet – As per IndAS



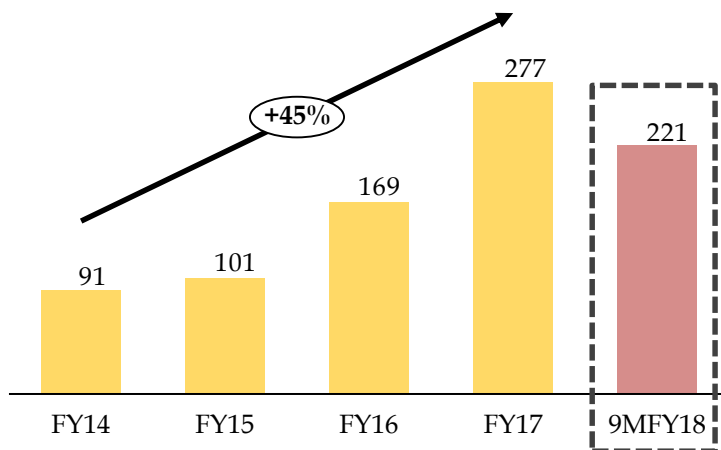
| Rs. Cr | Sept-17 |
|--|------------|
| Non Current Assets | 579 |
| Property Plat & Equipment | 501 |
| Capital Work In Progress | 52 |
| Intangible Assets | 0 |
| Investments | 19 |
| Loans | 1 |
| Other Financial Assets | 5 |
| Other Non – Current assets | 1 |
| Total Current Assets | 176 |
| Inventories | 11 |
| Trade Receivables | 74 |
| Investments | 49 |
| Cash & Cash Equivalents | 18 |
| Bank Balance other then cash & cash equivalent | 8 |
| Loans | 0 |
| Other Financial Assets | 1 |
| Other current asset | 15 |
| TOTAL ASSETS | 755 |

| Rs. Cr | Sept-17 |
|---------------------------------------|------------|
| Equity | 418 |
| Share Capital | 32 |
| Other Equity | 386 |
| Non Current Liabilities | 220 |
| Borrowings | 167 |
| Deferred Tax Liabilities (Net) | 50 |
| Other Non –Current Liabilities | 3 |
| Total Current Liabilities | 116 |
| Borrowings | 5 |
| Trade Payables | 9 |
| Other Financial Liabilities | 82 |
| Current tax liabilities (Net) | 11 |
| Provisions | 4 |
| Other Current Liabilities | 5 |
| TOTAL EQUITY & LIABILITIES | 755 |

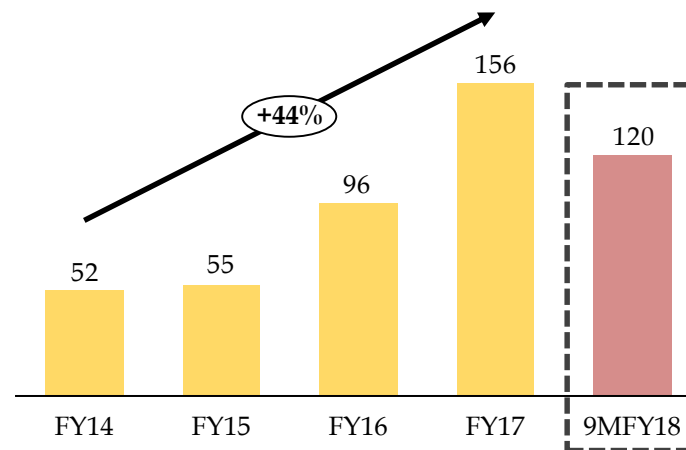
Growth over the Years



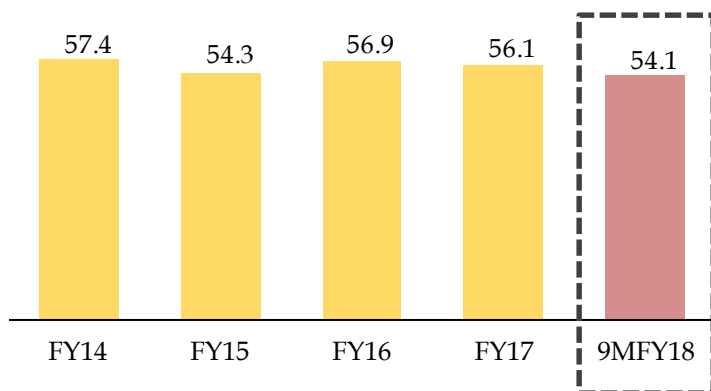
Revenue (Rs Crs)



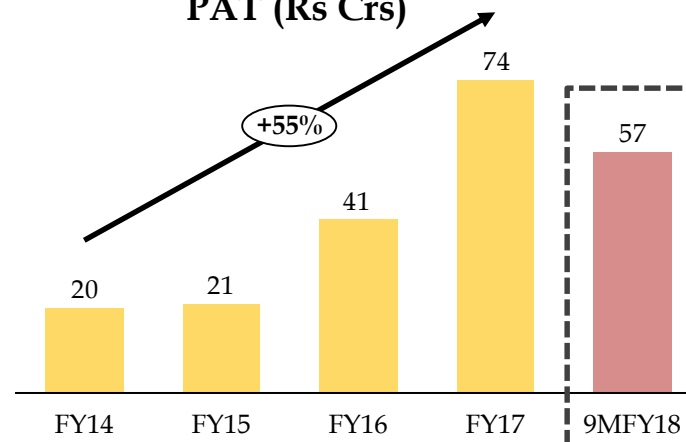
EBITDA (Rs Crs)



EBITDA Margin (%)



PAT (Rs Crs)



9MFY18 financials are as per IndAS

Standalone Balance Sheet – As per I-GAAP



| Rs. Cr | Mar-17 | Mar-16 |
|---------------------------------------|------------|------------|
| Shareholders Fund | 378 | 258 |
| Share Capital | 32 | 18 |
| Share Suspense Account | - | 11 |
| Reserves & Surplus | 346 | 229 |
| Total Non Current Liabilities | 226 | 225 |
| Long Term Borrowings | 177 | 186 |
| Deferred Tax liabilities | 47 | 37 |
| Other Long Term Liabilities | 2 | 2 |
| Total Current Liabilities | 148 | 141 |
| Short Term Borrowings | 95 | 78 |
| Trade Payables | 10 | 15 |
| Other Current Liabilities | 1 | 31 |
| Short term provision | 42 | 17 |
| TOTAL EQUITY & LIABILITIES | 753 | 624 |

| Rs. Cr | Mar-17 | Mar-16 |
|---------------------------------|------------|------------|
| Total Non Current Assets | 585 | 489 |
| Fixed Assets | 564 | 476 |
| Non Current Investments | 19 | 13 |
| Long term loans & advances | 2 | 0 |
| Other Non Current assets | - | - |
| Total Current Assets | 168 | 134 |
| Current Investment | 27 | 4 |
| Inventories | 11 | 6 |
| Trade Receivables | 66 | 56 |
| Cash & Cash Equivalents | 25 | 17 |
| Short Term loans & Advances | 36 | 49 |
| Other current asset | 3 | 3 |
| TOTAL ASSETS | 753 | 624 |

Historical Profit & Loss



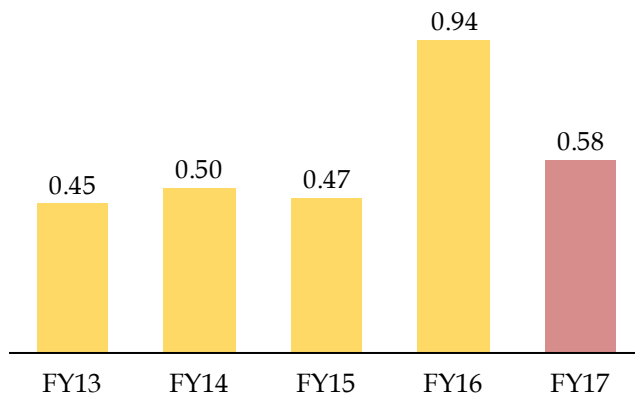
| Rs. Cr | FY13 | FY14 | FY15 | FY16 | FY17 |
|----------------------|-----------|-----------|-----------|-----------|------------|
| Revenue | 65 | 91 | 101 | 169 | 277 |
| Direct Expenses | 16 | 22 | 24 | 40 | 84 |
| Employee Expenses | 7 | 9 | 13 | 14 | 20 |
| Other Expenses | 6 | 7 | 9 | 18 | 17 |
| EBITDA | 36 | 52 | 55 | 96 | 156 |
| <i>EBITDA Margin</i> | 55.2% | 57.4% | 54.3% | 56.9% | 56.1% |
| Other Income | 2 | 1 | 1 | 1 | 8 |
| Depreciation | 10 | 12 | 12 | 20 | 34 |
| EBIT | 28 | 41 | 44 | 77 | 130 |
| <i>EBIT Margin</i> | 42.5% | 45.5% | 43.6% | 45.3% | 47.0% |
| Finance costs | 6 | 9 | 11 | 15 | 22 |
| PBT | 21 | 33 | 33 | 62 | 108 |
| Tax | 9 | 13 | 12 | 21 | 34 |
| PAT | 12 | 20 | 21 | 41 | 74 |
| <i>PAT Margin</i> | 18.7% | 22.1% | 21.0% | 24.2% | 26.7% |
| Cash PAT | 22 | 32 | 33 | 61 | 108 |

Cash PAT=PAT+ Depreciation

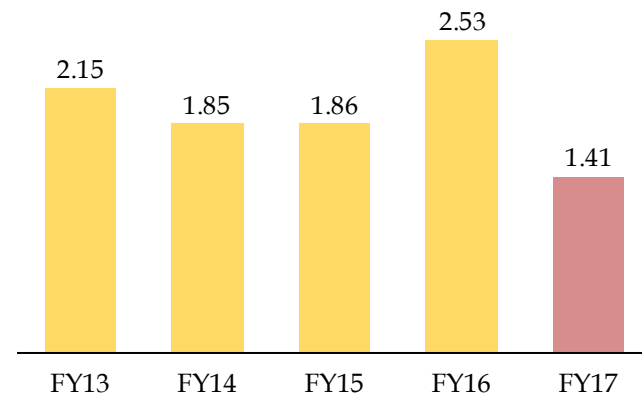
Strong Balance Sheet



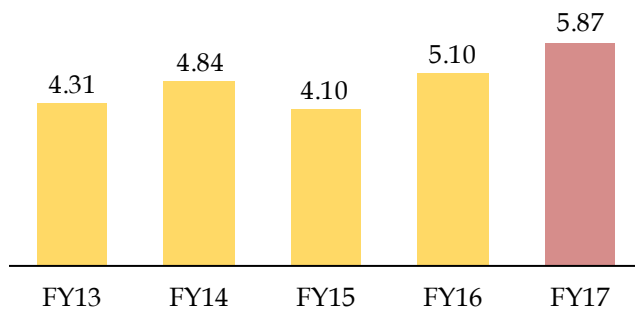
Net Debt/Equity



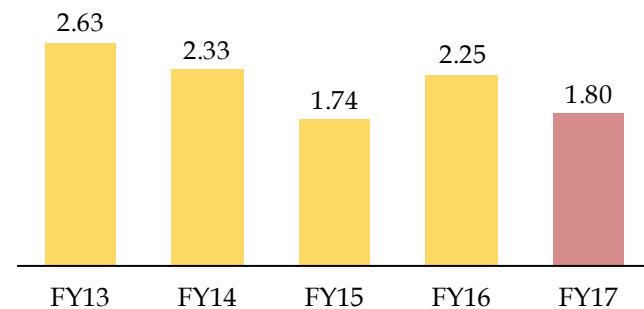
Net Debt/EBITDA



Interest Coverage Ratio



Debt Service Coverage Ratio



Recent Oil Ministry Decision a big +ve



CBM + DSF – a huge opportunity for Service Providers



CBM Activities to get a boost in terms of increased production thereby benefitting Service Providers

The government expects to monetize 40 million tonnes of oil and 22 billion cubic metres (BCM) of gas reserves over 15 years through the awarding of contracts

CBM - Free Pricing + Marketing

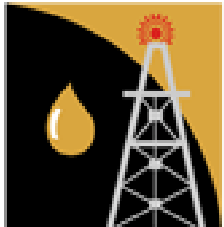
Increased Activity

Award of Contract Areas under the Discovered Small Fields (DSF) 2016

DSF to benefit outsourced Oil-Gas Service providers

The CCEA has approved move for pricing and marketing freedom to give a fillip Small CBM Blocks

The CCEA approved the award of 31 contract areas. The DSF bid round envisages a revenue-sharing model, with pricing and marketing freedom to the contractors. Under a unified licensing policy, contractors can explore any resource: oil, gas or shale



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
- » Long term association with US based vendors providing competitive edge
- » Technically sound team with vast experience in the industry
- » More than 2 decades of experience in Oil & Gas with large clients in Public and Private space
- » 1st Mover advantage in Gas Compression and De-hydration segment in India
- » Recently Credit ratings upgraded to "A" and "A1" for Long term and Short Term Bank Facilities by CARE Rating

Management Team



Paras Savla
Chairman & MD

First generation promoter with over 21 years experience in Oil & Gas industry.



Rupesh Savla
Managing Director

MBA from Bentley College, USA, has over 18 years of experience in execution of projects in the oil and gas sector



Dharen Savla
Executive Director

MBA from Swinburne University of Technology, Australia with over 14 years experience, is instrumental in the Work Over Rig and Drilling Rig Activities



Preamsingh Sawhney
Director.
ED & CEO for PEPL

Over 20 years of experience in exploration and development of conventional & unconventional hydro carbon resources. Past assignments include ONGC, Essar & Reliance Industries



Rohan Shah
CFO

Holds CA degree from The Institute of Chartered Accounts of India. He has about 11 years of work experience of which he has been associated with our company for over 7 years .

Well Diversified Portfolio



Gas Compression

01

One of the first Company in India to provide high pressure Natural Gas Compression Services on contractual basis

Workover & Drilling Rigs

02

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

Gas Dehydration

03

One of the first Company in India to provide Natural Gas Dehydration Services on contractual basis

Exploration & Production

04

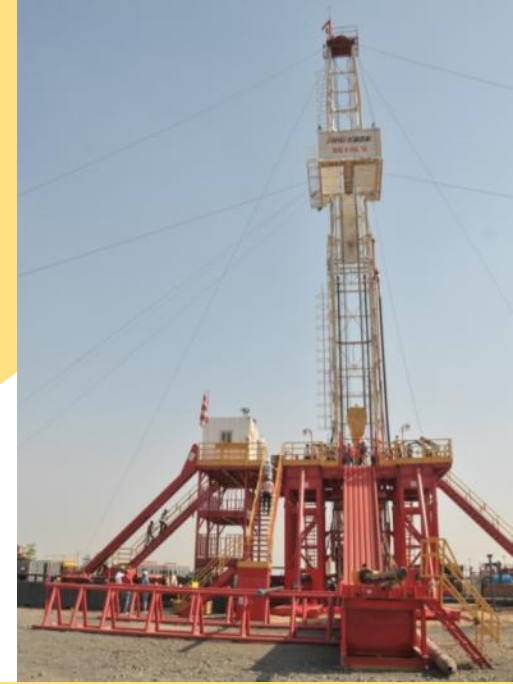
Oil & Gas Exploration & Production from conventional and unconventional resources in India and Indonesia

Service Business

Long Term Client Relationships



...a testimony of our capabilities



Service Business



Customized Solution Provider in Oil & Gas Value Chain



Gas Compression

Workover & Drilling Rigs

Gas Dehydration

01

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

End use/Application

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

02

Solution provider for Drilling and Workover jobs

End use/Application

Oil Producers

03

First mover in Onshore Gas Dehydration Business

End use/Application

Onshore Exploration Companies

Gas Compression Division



Leadership in Gas Compression Business...



Pioneer

We are one of the largest Company in India to provide high pressure Natural Gas Compression Services

High Visibility

Contract period for Gas Compression ranges from 3 to 5 years

Market Leader

We are the market leaders in gas compression business in India with an estimated market share of 90.12%

Technology Tie-Ups

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

Technical Partnership

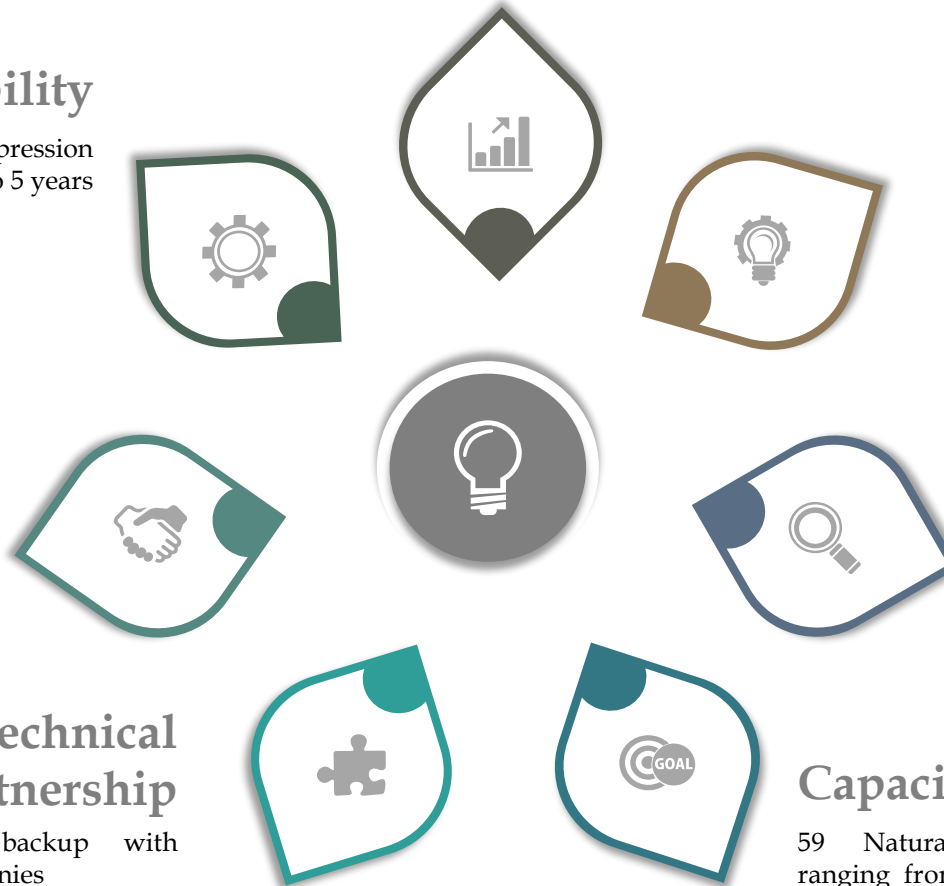
Active technical backup with International Companies

Turnkey Contracts

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

Capacity

59 Natural Gas Compressors ranging from 180 HP to 1,680 HP
Compression capability of about 5.00 MMSCMD of natural gas



...In A Growing Market with Varied Applications...



Gas Transportation

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.

Artificial Gas Lift

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.

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

Boil of Gas

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.

Gas Based Power Plant

...With High Entry Barriers



Technical Expertise

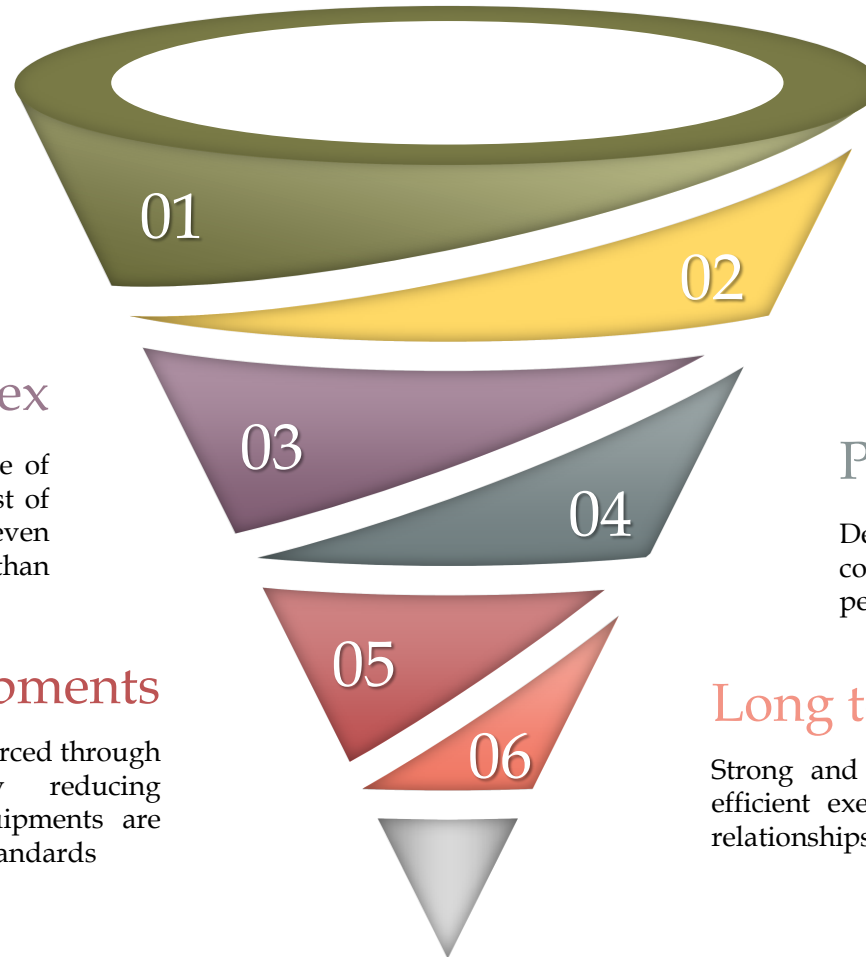
Skilled engineers are required to install, mobilize and operate equipments

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

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 9 Workover Rigs with capacity ranging from 30T to 100T, 2 Drilling Rig with capacity of 1000Hp & 1 coring Rig.

Clients

- Successfully served long term contracts with PSUs since last decade

Capabilities

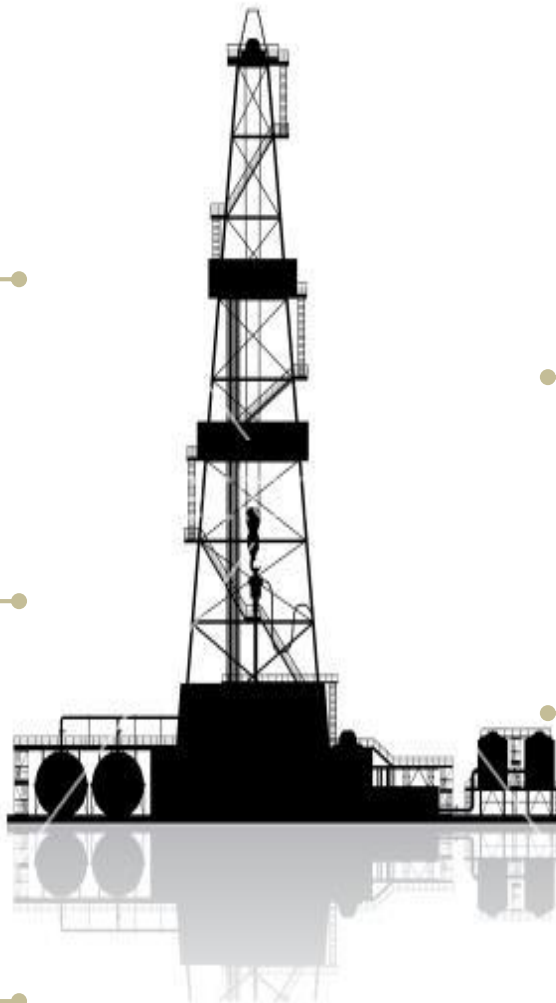
- Build a diversified team which has required skill set to carry out planning and execution of large size project.

Expertise

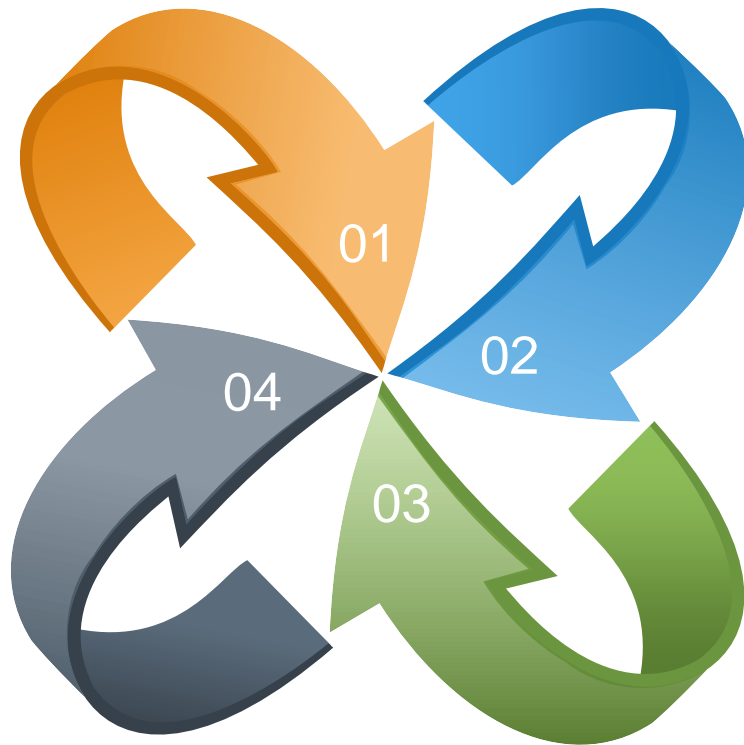
- Provided complete solutions related to Exploration & Production of hydrocarbons
- Developed cost effective solutions which result in substantial savings to Clients

Focus

- Focus will be to expand in Onshore Drilling Business as there is a significant opportunity in the Industry.



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 first companies in India who qualifies to provide Gas Dehydration on charter hire basis.

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 sites for 1 MMSCMD has been commissioned



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



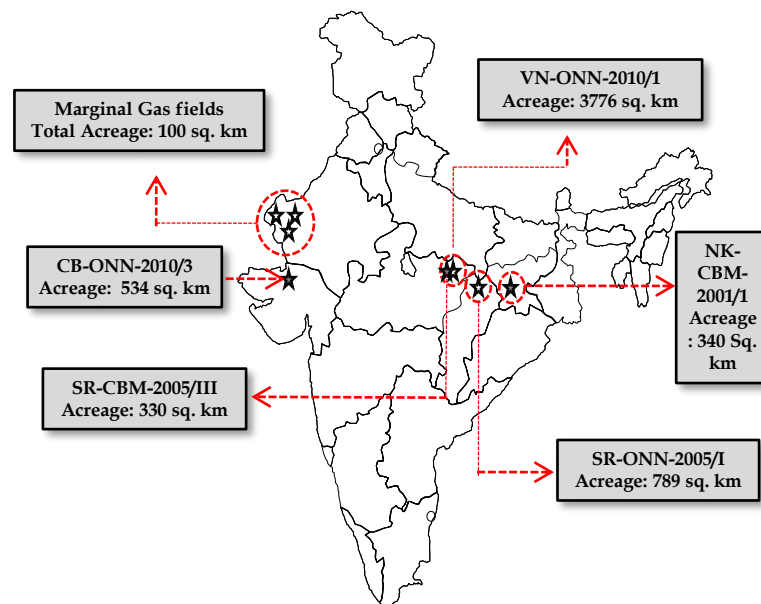
Exploration & Production Portfolio



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 - 4 blocks are in development phase, 1 block in appraisal phase and rest in exploration phase. These include 1 CBM block acquired by our subsidiary company

The total acreage operated by the company is over 6,865 sq km.



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 |



Business Potential



Growing Market Potential



Gas Compression

In 2005, India natural gas compression services market was valued at USD 88.51 Mn and this is projected to reach USD 139.29 Mn by 2021



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 first companies to enter the gas dehydration services business



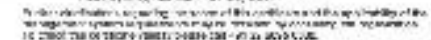
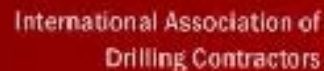
Workover & Drilling Rigs

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

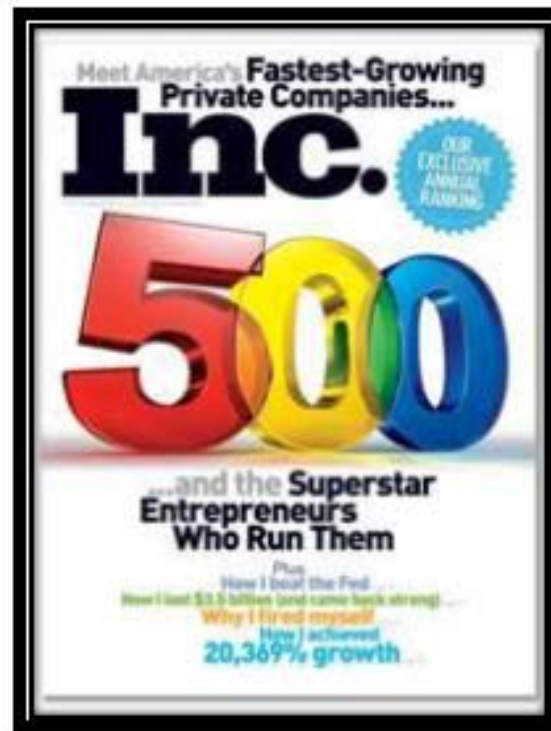


Exploration and Production

The North Karanpura CBM block which has been awarded to our subsidiary, PEPL, is in the development phase and , as per our expectation gas production will start in the 2 years.



... And Accolades





For further information, please contact:

Company :

Deep Industries Ltd

CIN: L63090GJ1991PLC014833

Mr. Rohan Shah, CFO

rohan@deepindustries.com

www.deepindustries.com

Investor Relations Advisors :

Strategic Growth Advisors Pvt. Ltd.

CIN: U74140MH2010PTC204285

Mr. Shogun Jain / Mr. Pratik R. Shah

shogun.jain@sgapl.net / pratik.shah@sgapl.net

+91 77383 77756 / +91 97692 60769

www.sgapl.net