



**Oil & Gas Exploration
Production & Services**

November 18, 2019.

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: Investor/Analysis Presentation- 2nd Quarter ended on 30th September, 2019.

With reference to regulation 30 (6) of SEBI (LODR) Regulation, 2015, please find attached herewith presentation made on financial results of the Company for the 2nd quarter ended on 30th September, 2019.

You are requested to take the same on your record.

Thanking you.

Yours faithfully,

For, DEEP INDUSTRIES LIMITED


Akshit Soni,
Company Secretary & Compliance Officer



Encl: Investor Presentation



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 – November 2019



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.



The slide features a white background with a diagonal split. The top-left portion is a solid mustard yellow, and the bottom-right portion is a solid grey. The text 'Performance Snapshot' is centered in a bold, black, serif font.

Performance Snapshot



Order Wins

The Company secured fresh & repeat orders for the amount of Rs. 116 Crores approx. during the recent period.

01 **Natural Gas Compression**

Received various Fresh as well as Repeat and Extension Orders from Different clients including ONGC worth Rs. 88 Crs approx. for the period ranging from 1 to 3 years for Natural Gas Compression Services.

02 **Natural Gas Dehydration**

Received Order for Gas Dehydration services from ONGC worth Rs. 28.49 Crs for period of 3 years



Standalone Profit & Loss

Particulars (Rs. Cr)	Standalone				
	Q2 FY20	Q1 FY20	Q2 FY19	H1 FY19	H1 FY18
Revenue	50.14	71.29	54.83	121.42	128.64
Direct Expenses	19.16	26.85	12.02	46.01	32.67
Employee Expenses	6.01	4.62	4.86	10.64	10.77
Other Expenses	4.69	8.31	7.66	13.00	15.26
EBITDA	20.28	31.51	30.27	51.77	69.94
Other Income	0.77	0.58	0.38	1.35	1.35
Depreciation	6.58	6.58	8.85	13.15	17.72
EBIT	14.47	25.51	21.80	39.97	53.57
Finance costs	2.57	2.28	2.03	4.85	5.97
PBT	11.90	23.23	19.77	35.12	47.60
Tax	-18.20	6.68	6.73	-11.52	16.47
PAT	30.10	16.55	13.04	46.64	31.13
Cash PAT*	36.68	23.13	21.89	59.79	48.85

For the Integrated Project Services vertical, the operations and revenues are having direct impact of season and weather. During Q2 FY20, operation were affected due to heavy monsoon for most part of the quarter and due to such monsoon break, services could not be provided as per estimation. This has resulted in lower revenues in Q2 FY 20 vis-à-vis Q1 FY20.

* Cash PAT= PAT+ Depreciation



Standalone Balance Sheet

Rs. Cr	Sep-19	Mar-19	Sep-18
Non Current Assets	521	505	524
Property Plat & Equipment	458	468	489
Capital Work In Progress	43	16	13
Intangible Assets	0	0	0
Investments	19	19	19
Other Financial Assets	1	1	1
Other Non - Current assets	0	0	2
Total Current Assets	243	207	182
Inventories	12	10	8
Investments	9	10	15
Trade Receivables	132	117	118
Cash & Cash Equivalentents	12	17	19
Bank Bal. other then above	31	27	6
Loans	0	0	0
Other Financial Assets	0	0	1
Other current asset	47	26	15
TOTAL ASSETS	764	711	706

Rs. Cr	Sep-19	Mar-19	Sep-18
Equity	551	510	481
Share Capital	32	32	32
Other Equity	519	478	449
Non Controlling Interest	0	0	0
Total Non Current Liabilities	83	101	129
Borrowings	39	39	70
Trade Payables	0	0	1
Deferred Tax Liabilities (Net)	44	62	58
Other Non -Current Liabilities	0	0	1
Provisions	0	0	0
Total Current Liabilities	130	100	96
Borrowings	13	3	7
Trade Payables	37	22	15
Other Financial Liabilities	50	44	40
Current tax liabilities (Net)	24	24	28
Provisions	0	0	0
Other Current Liabilities	6	6	6
TOTAL EQUITY & LIABILITIES	764	711	706

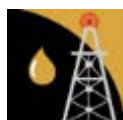


Consolidated Profit & Loss

Particulars (Rs. Cr)	Consolidated				
	Q2 FY20	Q1 FY20	Q2 FY19	H1 FY20	H1 FY19
Revenue	52.93	66.20	71.19	119.13	157.94
Direct Expenses	19.76	28.91	22.82	48.68	52.62
Employee Expenses	6.97	5.60	5.83	12.57	12.36
Other Expenses	10.14	4.01	8.52	14.15	16.48
EBITDA	16.06	27.68	34.02	43.73	76.48
Other Income	2.32	0.58	0.39	2.90	1.37
Depreciation	6.60	6.57	8.85	13.18	17.72
EBIT	11.78	21.69	25.56	33.45	60.13
Finance costs	2.69	2.08	2.04	4.78	5.98
PBT	9.09	19.61	23.52	28.67	54.15
Tax	-17.81	6.67	6.73	-11.13	16.47
PAT	26.90	12.94	16.79	39.80	37.68
Cash PAT*	33.50	19.51	25.64	52.98	55.40

Note: While consolidating the financials, elimination of intercompany Sales between the Holding and subsidiary companies has been given effect. This has been adjusted against Consolidated Revenues whereas the corresponding adjustment is made against the Fixed Assets/ CWIP, hence corresponding expenses could not be adjusted.

* Cash PAT=PAT+ Depreciation



Consolidated Balance Sheet

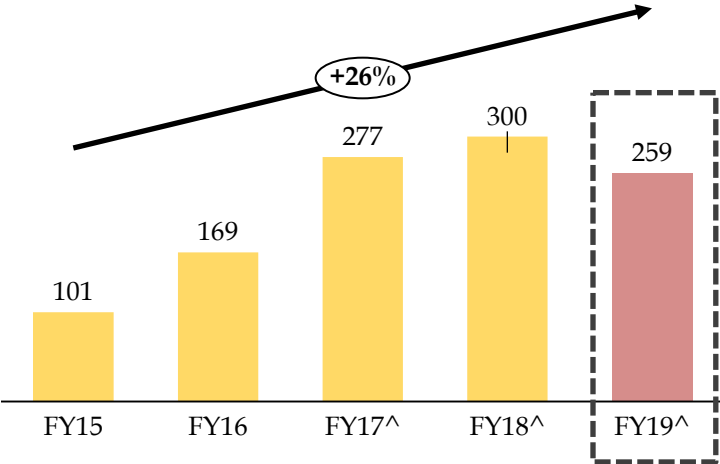
Rs. Cr	Sep-19	Mar-19
Non Current Assets	568	534
Property Plat & Equipment	468	468
Capital Work In Progress	99	64
Intangible Assets	0	0
Investments	0	0
Other Financial Assets	1	1
Other Non - Current assets	0	0
Total Current Assets	299	263
Inventories	29	18
Investments	9	10
Trade Receivables	138	127
Cash & Cash Equivalents	13	22
Bank Balance other then above	30	27
Loans	0	0
Other Financial Assets	31	29
Other current asset	49	29
TOTAL ASSETS	867	797

Rs. Cr	Sep-19	Mar-19
Equity	571	525
Share Capital	32	32
Other Equity	534	488
Non Controlling Interest	5	5
Total Non Current Liabilities	84	120
Borrowings	40	52
Trade Payables	0	0
Deferred Tax Liabilities (Net)	44	62
Other Non -Current Liabilities	0	6
Provisions	0	0
Total Current Liabilities	211	152
Borrowings	14	38
Trade Payables	94	34
Other Financial Liabilities	65	49
Current tax liabilities (Net)	27	24
Provisions	0	0
Other Current Liabilities	12	7
TOTAL EQUITY & LIABILITIES	867	797

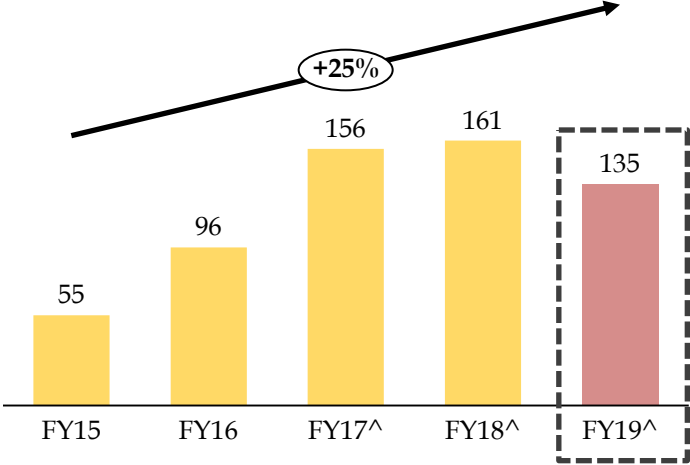


Performance over the Years

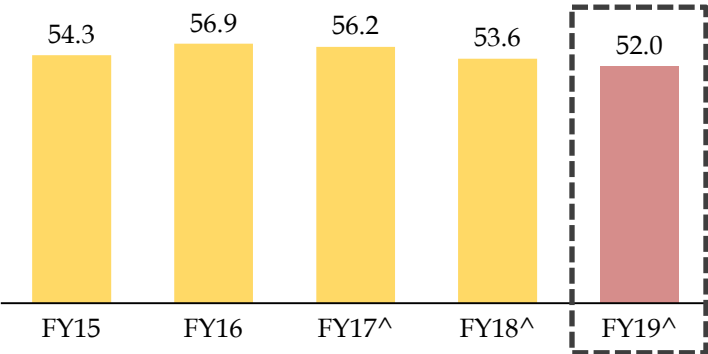
Revenue (Rs Crs)



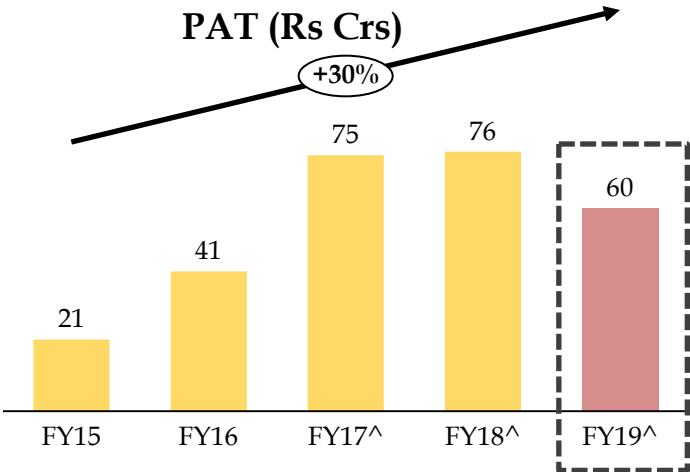
EBITDA (Rs Crs)



EBITDA Margin (%)



PAT (Rs Crs)



Standalone Financials

[^] As per IndAS



Historical Standalone Profit & Loss

Rs. Crs	FY13	FY14	FY15	FY16	FY17^	FY18^	FY19^
Revenue	65	91	101	169	277	300	259.1
Direct Expenses	16	22	24	40	84	91	76.2
Employee Expenses	7	9	13	14	20	23	20.6
Other Expenses	6	7	9	18	17	26	27.7
EBITDA	36	52	55	96	156	161	134.7
<i>EBITDA Margin</i>	55.2%	57.4%	54.3%	56.9%	56.2%	53.6%	52.0%
Other Income	2	1	1	1	9	7	2.4
Depreciation	10	12	12	20	34	39	33.9
EBIT	28	41	44	77	132	129	103.2
<i>EBIT Margin</i>	42.5%	45.5%	43.6%	45.3%	47.4%	42.9%	39.8%
Finance costs	6	9	11	15	22	12	11.6
PBT	21	33	33	62	109	117	91.6
Tax	9	13	12	21	34	41	31.9
PAT	12	20	21	41	75	76	59.6
<i>PAT Margin</i>	18.7%	22.1%	21.0%	24.2%	27.1%	25.3%	23.0%
Cash PAT*	22	32	33	61	109	115	93.6

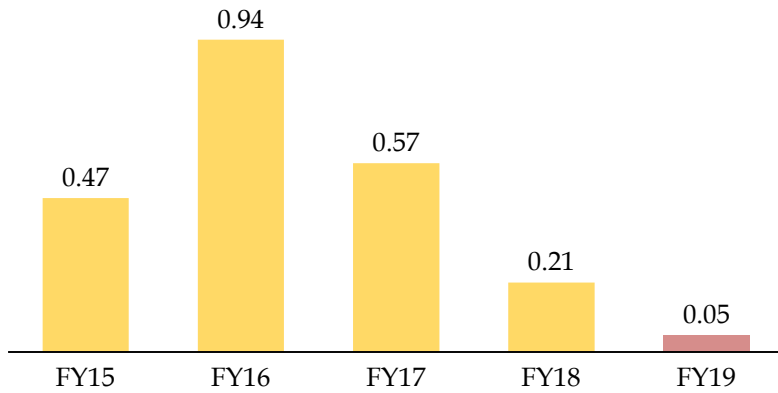
* Cash PAT=PAT+ Depreciation

^ As per IndAS

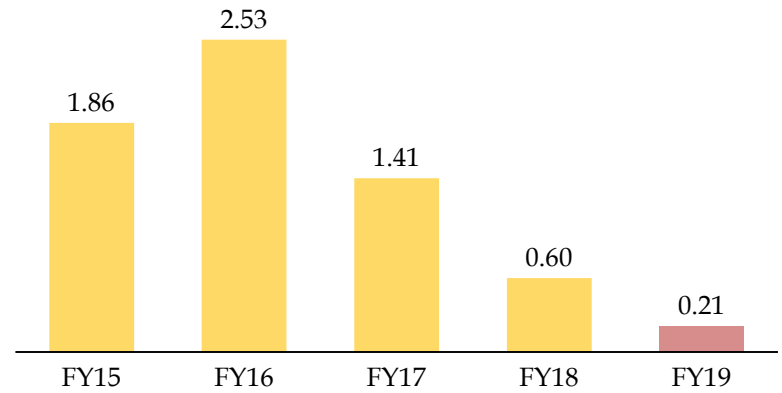


Strong Balance Sheet

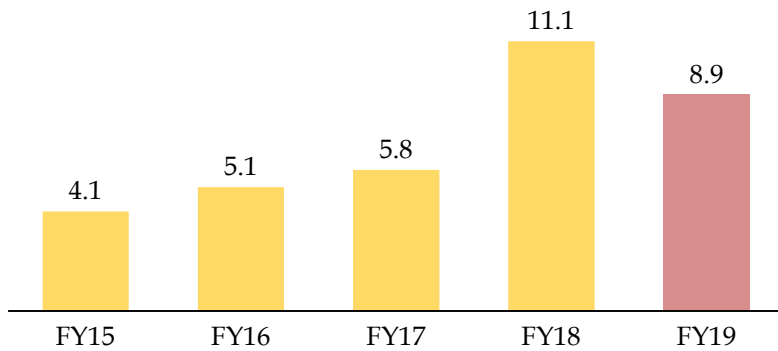
Net Debt/Equity



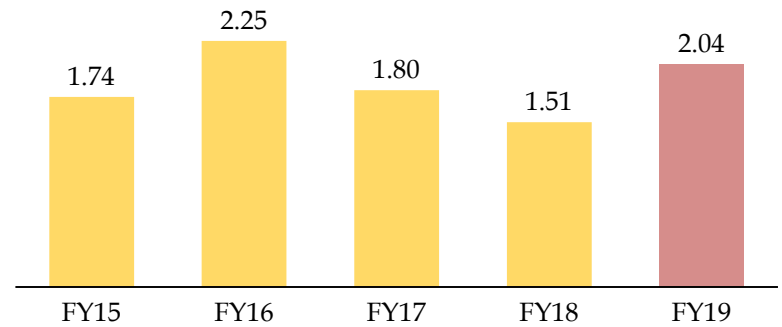
Net Debt/EBITDA



Interest Coverage Ratio



Debt Service Coverage Ratio



Segregation of Services Business and E&P Business

- Proposed to separate **Services Business** and **E&P Business** in 2 separate listed entities with a view to have their own management expertise, financial and operational resources
- **E&P Business** to remain in Deep Industries Ltd., while **Services Business** to be demerged in a Separate Listed Entity by way of Scheme of Demerger
- Upon Scheme being effective, Resulting Entity housing **Services Business** to have mirror shareholding as that of current listed entity
- Scheme of Demerger to be approved by NCLT
- All Services business assets i.e. Rigs, Gas compressors Packages, Gas Dehydration Packages, employees with technical competence, existing contracts, other requisite assets & liabilities relating to services business shall be transferred to new entity
- Demerger shall not impact the existing contracts with our clients

Proposed Demerger to result in value unlocking of Services Business

Workover & Drilling rigs, Natural Gas Compression & Natural Gas Dehydration are covered in this segment



Services Business



Exploration and Production (E&P)



- This includes Exploration and Production of Oil & Gas
- Out of 7 blocks - 4 blocks are in development phase and rest in exploration phase

Recent Oil Ministry Decision a big Positive

A big BOOST to the Domestic Oil-Gas Services Industry in India

Specialized Services

For premium bids and specialised drilling and completion services, the required local content has been pegged at 10% for the first year, 15% in next two years and 20% in the fourth and fifth years

Local content preference

State run firms under petroleum ministry to implement program where local companies participation to be increased over the years across value chain

Purchase Preference

Manufacturers or service providers who meet the local content targets and whose quoted price is within 10% of lowest valid price bid, would be eligible for 10% purchase preference for a stipulated portion of the purchase order, on matching such price

Onshore Rigs

Onshore drilling or workover rigs will require 50% local content in the first year, 60% in next two years and 70% in the last two years



CBM + DSF – a huge opportunity for Service Providers



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



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



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



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





About Us

Deep Industries Limited



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
- » Technically sound team with vast experience in the industry
- » Credit ratings for Long Term Bank Facilities is "A-" and "A2+" for Short Term Bank Facilities by CARE Rating



Management Team



Mr. Paras Savla

Chairman & MD

First generation promoter with over 26 years experience in Oil & Gas industry



Mr. Rupesh Savla

Managing Director

MBA from Bentley College, USA, has over 22 years of experience in execution of projects in the oil and gas sector



Mr. Dharen Savla

Managing Director, Prabha Energy Pvt. Ltd. (PEPL)

MBA from Swinburne University, Australia, with over 14 years experience.

Is instrumental in managing business in Subsidiary company PEPL



Mr. Premsingh Sawhney

Director and CEO, Prabha Energy Pvt. Ltd.

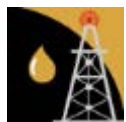
Over 25 years of experience in exploration and development of conventional & unconventional hydro carbon resources. Past assignments include ONGC, Essar & RIL



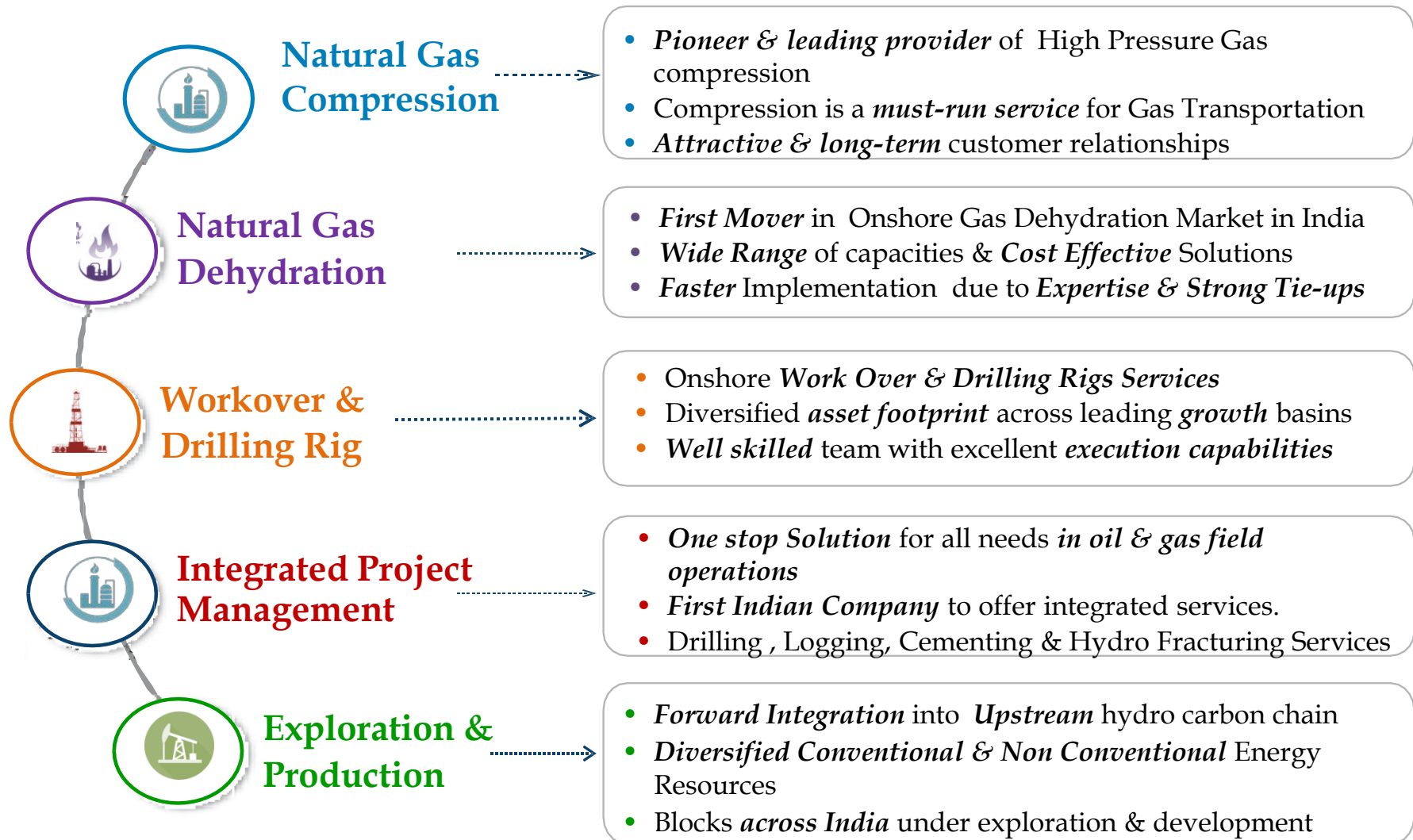
Mr. Rohan Shah

CFO

Holds CA Degree from The ICAI. He has about 13 years of experience of which he has been associated with our company for over 9 years



Diversified Capabilities



Long Term Client Relationships



...a testimony of our capabilities





Services Business

Customized Solution Provider in Oil & Gas Value Chain

Natural Gas Compression

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

Natural Gas Dehydration

02

First mover in Onshore Gas Dehydration Business

End use/Application
Onshore Exploration Companies

Work Over & Drilling Rigs

03

Solution provider for Drilling and Workover jobs

End use/Application
Oil and Gas Producers

Integrated Project Management

04

One stop solution for Oil & Gas Field Operations

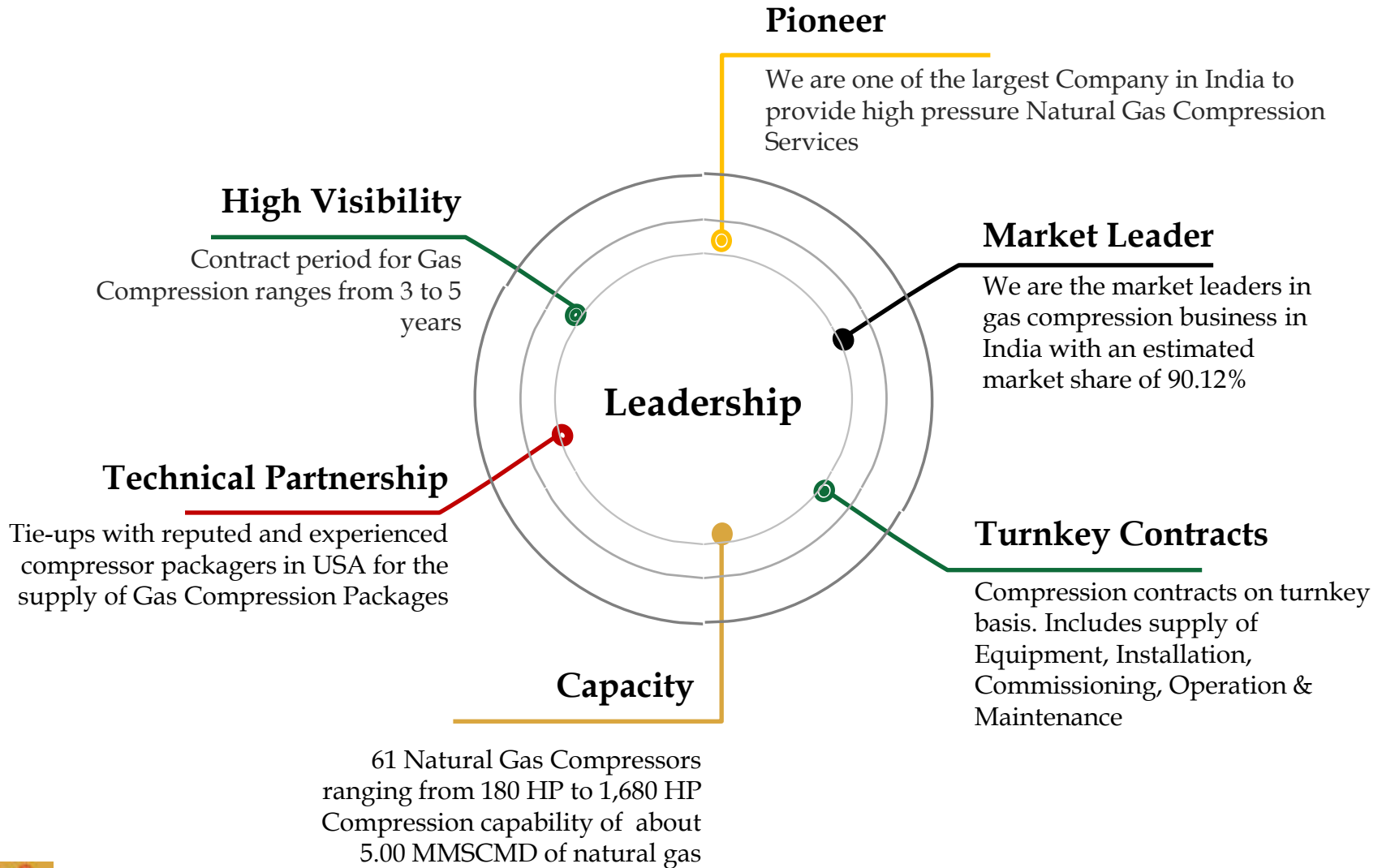
End use/Application
Oil Exploration & Production Companies



Gas Compression Division



Leadership in Gas Compression Business...



...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.



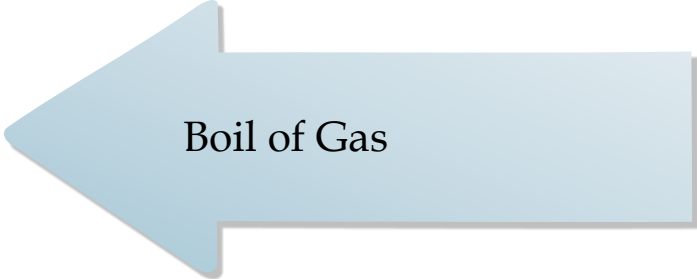
Artificial Gas Lift

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

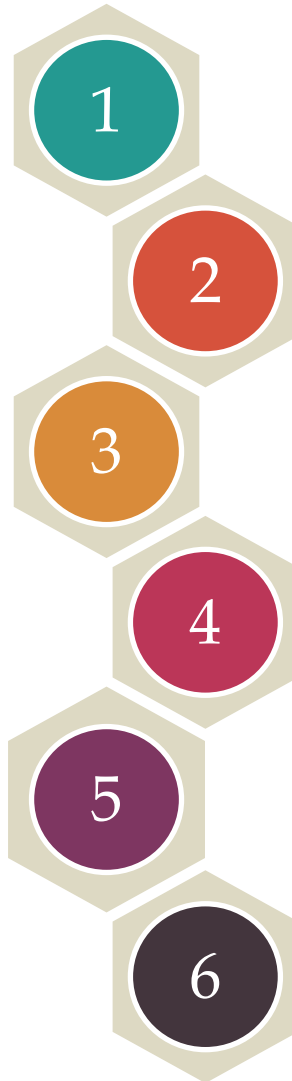
Skilled engineers are required to install, mobilize and operate equipments

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



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.

Recently received re-award for Contract of Gas Dehydration from ONGC Agartala for their 2 sites for 1 MMSCMD for the period of another 3 years.



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



Work Over & Drilling 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

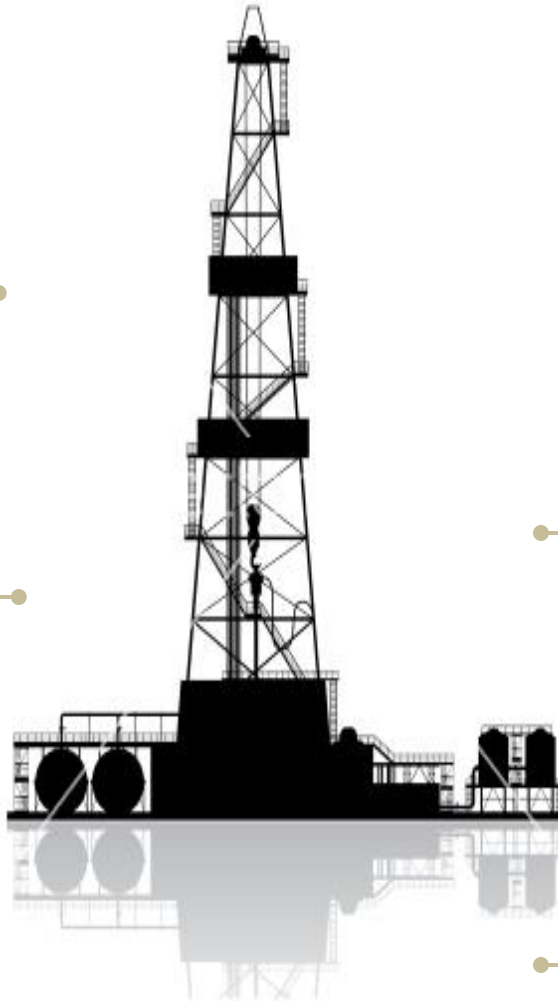
- Build a diversified team which has required skill set to carry out planning and execution of large size project.

Expertise

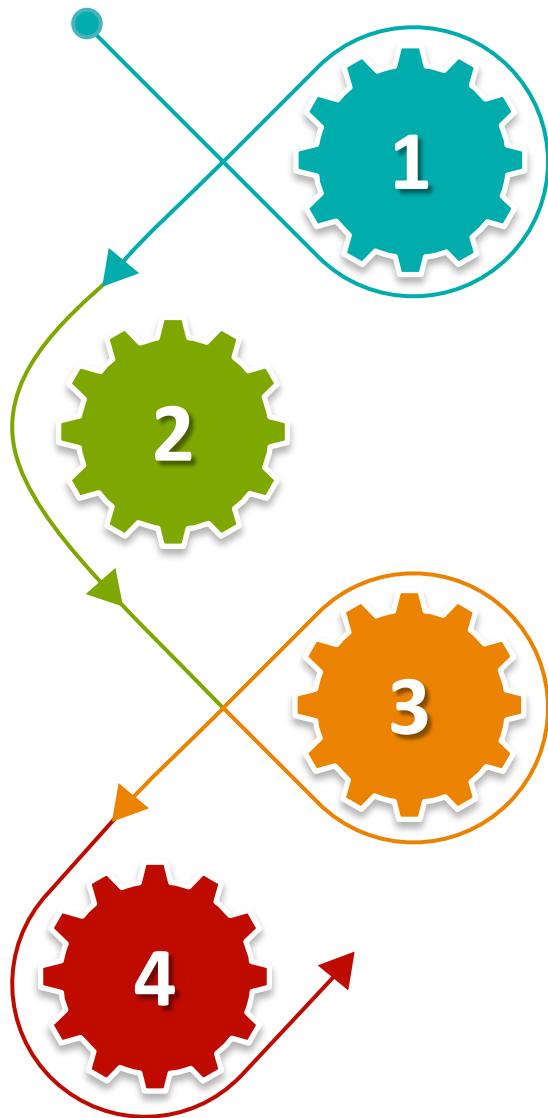
- Provided complete solutions related to Exploration & Production of hydrocarbons
- Developed cost effective solutions which result in substantial savings to Clients

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



Integrated Project Management



Integrated Project Management Services

- Integrated Project Management (IPM) is a turnkey solution to drill and complete a well or a number of wells under single contract.
- Under IPM, we are Focusing on complete project, using in-house expertise as well as third party services.
- Services included under IPM are:
 - Surface Hole Drilling
 - Air Drilling
 - Cementing
 - Geophysical Logging, wire line service
 - Hydro Fracturing & Coiled tubing
 - Well Completion Services-Workover operations to Production



Exploration & Production

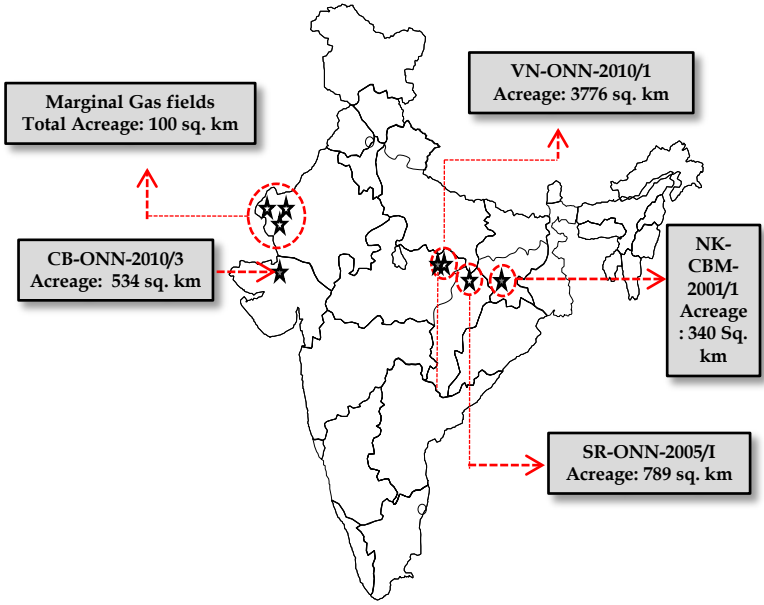


Exploration & Production Portfolio

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 7 blocks - 4 blocks are in development 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 5,539 sq km.



Total Acreage holding:

Reservoir Type	Total
Oil & Gas	5,199 sq. km
CBM	340 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



Natural 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



Natural 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



Integrated Project Management Service

IPM being one stop solution for Oil and Gas producers, it is getting very much popular in present scenario.
There's huge opportunity as demand is increasing and very few MNC players are there in market.

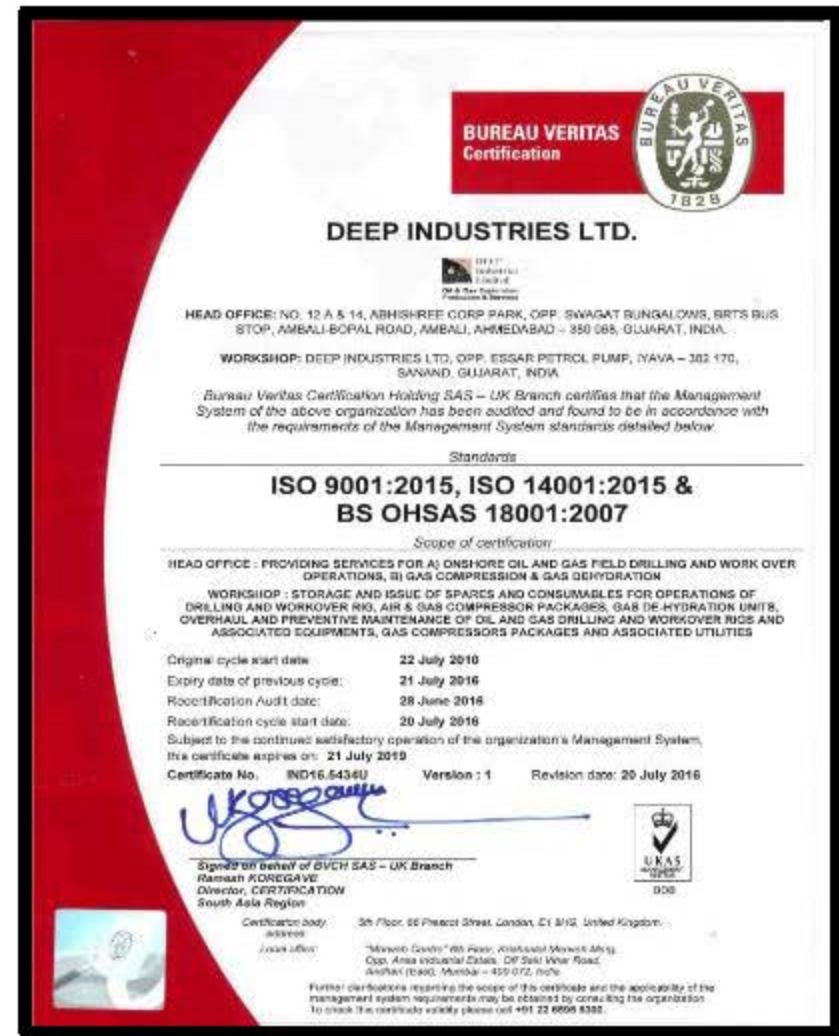


Exploration and Production

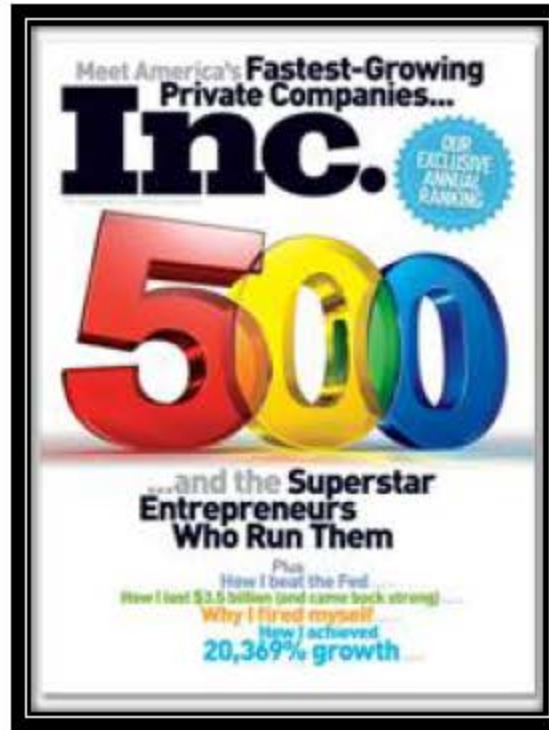
The North Karanpura CBM block which has been awarded to our subsidiary, PEPL, is in the development phase and , as per our expectation gas production will start in next financial year.



Certificates....



... And Accolades






Corporate Social Responsibility

Socially Responsible Corporate – “Smart Class” Initiative (1/2)

Deep Industries Ltd. undertook an initiative to install Smart Classes in 100 schools with a view to enable holistic development of students through the use of modern technology. This facility has already been installed in 45 schools



The graphic features a cartoon boy with glasses and a yellow laptop, sitting on a yellow surface. The background is teal with various white icons representing technology and communication. The text 'Smart Student' is prominently displayed in white on the teal background.

Smart Student

SUPPORTED BY

DEEP Industries Limited
Oil & Gas Exploration
Production & Services

NGO PARTNER

YUVA
UNSTOPPABLE



Socially Responsible Corporate – “Smart Class” Initiative (2/2)



For further information, please contact:

Deep Industries Ltd

CIN: L63090GJ1991PLC014833

Mr. Rohan Shah, CFO

rohan@deepindustries.com

www.deepindustries.com

