



**DEEP  
Industries  
Limited**  
**Oil & Gas Exploration  
Production & Services**

25<sup>th</sup> October, 2016

To,  
Corporate Relations Department  
Bombay Stock Exchange Limited  
2<sup>nd</sup> 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 - 2<sup>nd</sup> Quarter ended on 30<sup>th</sup> 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 2<sup>nd</sup> quarter ended on 30-09-2016.

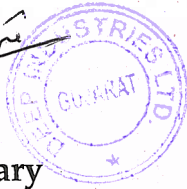
Please take note of the same.

Thanking You.

Yours faithfully,

**For, DEEP INDUSTRIES LIMITED**

  
**Akshit Soni**  
Company Secretary



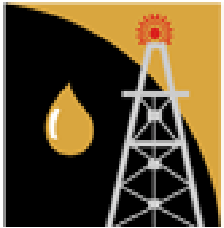
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Gujarat, India. Tel # 02717 298510, +91 98256 00533 | Fax # 02717 298520

Email: [info@deepindustries.com](mailto:info@deepindustries.com) | Website: <http://www.deepindustries.com>

CIN : L63090GJ1991PLC014833





**DEEP Industries Limited**  
Investor Presentation – October 2016

# Safe Harbor



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## 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
<b>EBITDA</b>	<b>41</b>	<b>19</b>	<b>117%</b>	<b>77</b>	<b>34</b>	<b>124%</b>	<b>96</b>
<i>EBITDA Margin</i>	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
<b>EBIT</b>	<b>33</b>	<b>16</b>	<b>112%</b>	<b>63</b>	<b>28</b>	<b>124%</b>	<b>77</b>
<i>EBIT Margin</i>	49.0%	45.5%		47.9%	45.9%	+200bps	45.3%
Finance costs	6	4		13	6		15
<b>PBT</b>	<b>27</b>	<b>12</b>	<b>127%</b>	<b>50</b>	<b>22</b>	<b>129%</b>	<b>62</b>
Tax	10	4		17	7		21
<b>PAT</b>	<b>17</b>	<b>8</b>	<b>109%</b>	<b>33</b>	<b>15</b>	<b>124%</b>	<b>41</b>
<i>PAT Margin</i>	24.8%	23.4%		25.1%	23.9%		24.2%
<b>Cash PAT</b>	<b>25</b>	<b>12</b>	<b>113%</b>	<b>48</b>	<b>22</b>	<b>121%</b>	<b>61</b>

Cash PAT=PAT+ Depreciation

# Standalone Balance Sheet



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

Rs. Cr	Sep-16	Mar-16
<b>Total Non Current Assets</b>	<b>591</b>	<b>489</b>
Fixed Assets	572	476
Non Current Investments	17	13
Long term loans & advances	2	0
Other Non Current assets	0	0
<b>Total Current Assets</b>	<b>116</b>	<b>134</b>
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
<b>TOTAL ASSETS</b>	<b>707</b>	<b>624</b>

# Historical Profit & Loss



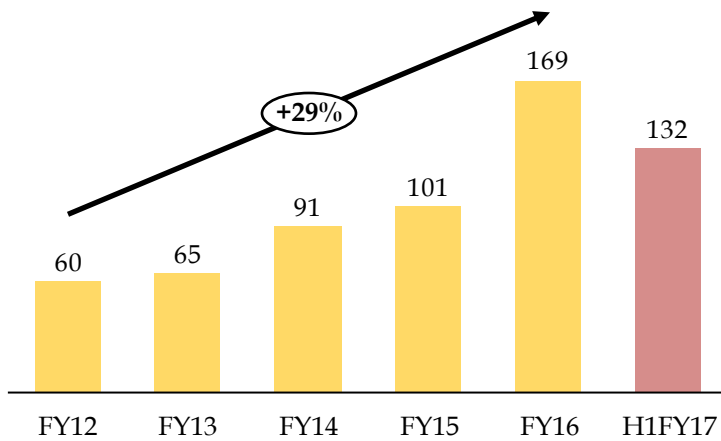
Rs. Cr	FY12	FY13	FY14	FY15	FY16
Revenue	60	65	91	101	169
Direct Expenses	20	16	22	24	40
Employee Expenses	7	7	9	13	14
Other Expenses	5	6	7	9	18
<b>EBITDA</b>	<b>29</b>	<b>36</b>	<b>52</b>	<b>55</b>	<b>96</b>
<i>EBITDA Margin</i>	47.5%	55.2%	57.4%	54.3%	56.9%
Other Income	1	2	1	1	1
Depreciation	7	10	12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

Cash PAT=PAT+ Depreciation

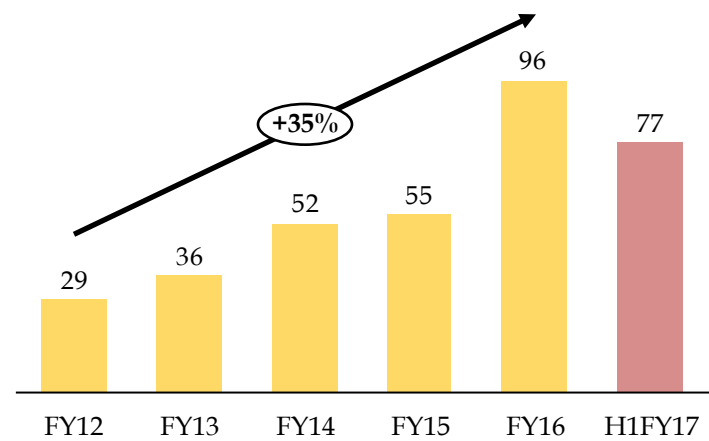
# Growth over the Years



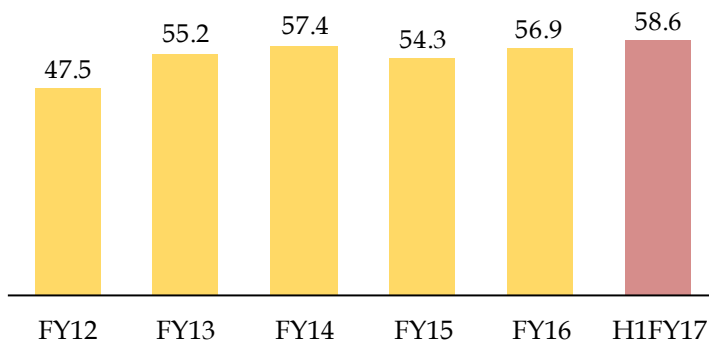
### Revenue (Rs Crs)



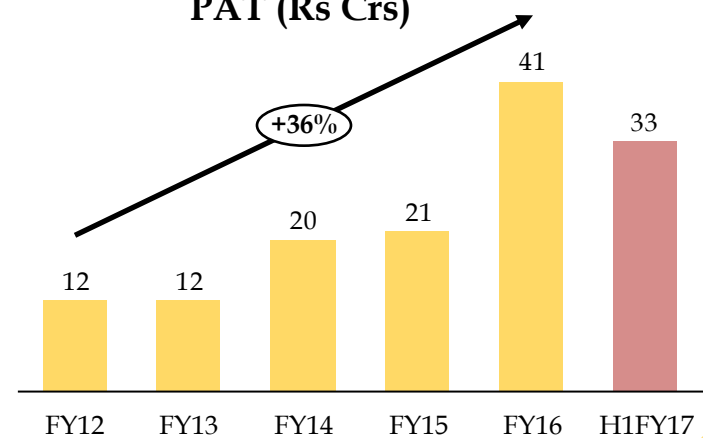
### EBITDA (Rs Crs)



### EBITDA Margin (%)



### PAT (Rs Crs)

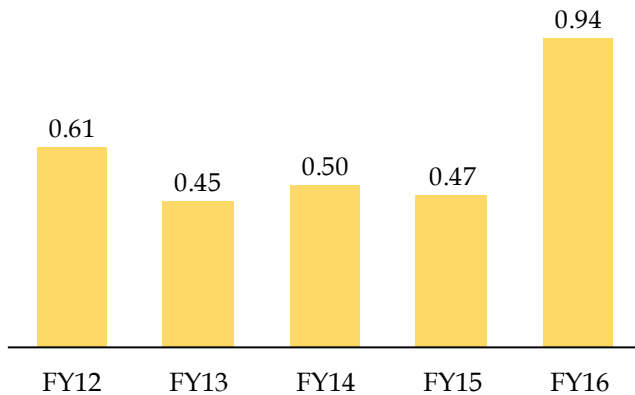




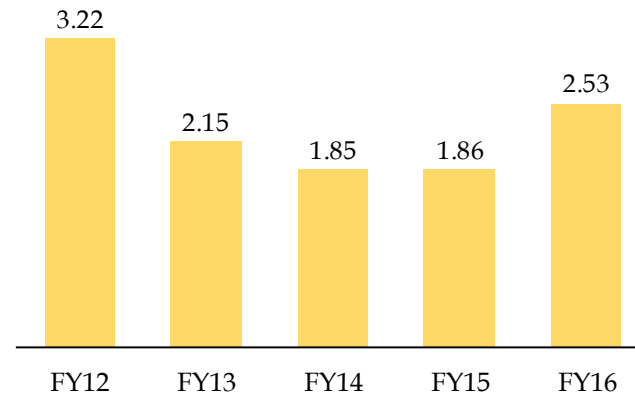
# Strong Balance Sheet



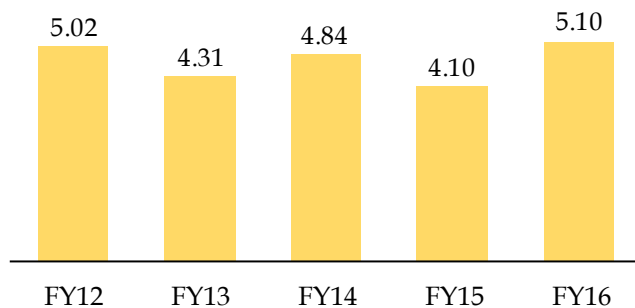
### Net Debt/Equity



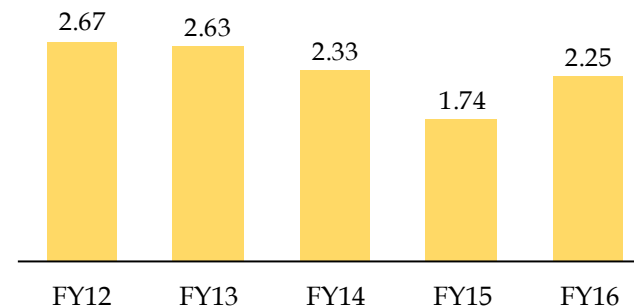
### Net Debt/EBITDA



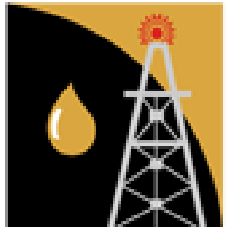
### Interest Coverage Ratio



### Debt Service Coverage Ratio



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



About Us



## Deep Industries



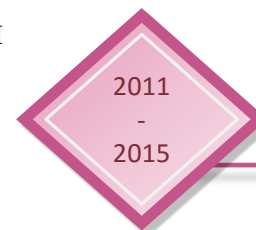
**Focused on Deploying Fuel Efficient, latest Equipment in the Oil and GAS Industry with a Vision to become an Integrated Solution Provider with a focus on Domestic and International Market**

- » 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

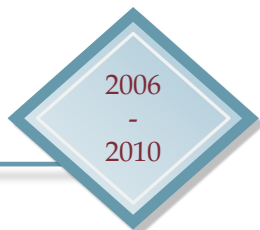
# Key Milestones



- 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 Rajamundry by ONGC, Kariakal by HOEC
- 2011:** Awarded 1 CBM Block in Indonesia; Winner of 3 O&G Blocks under NELP IX

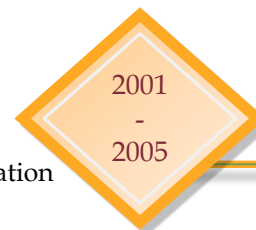


Entry into Gas Dehydration

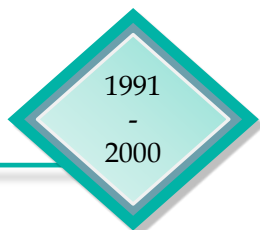


Entry into E&P

- 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")



Entry into Rigs



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 II 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

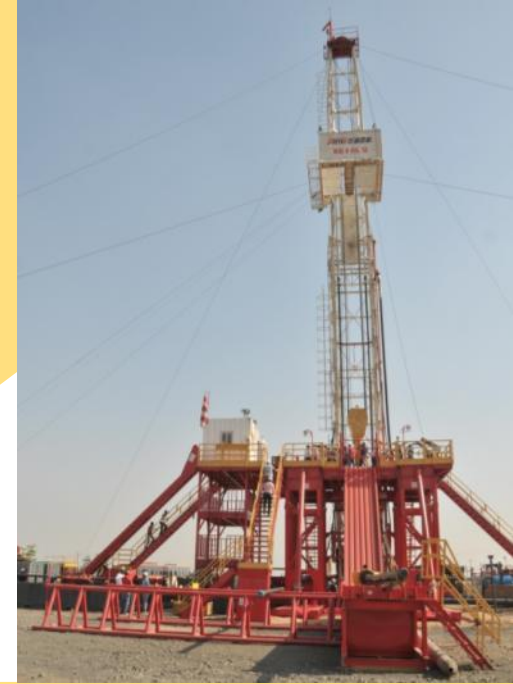
Oil & Gas Exploration & Production from conventional and unconventional resources in India and Indonesia

## Service Business

# Long Term Client Relationships



...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

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

**02**

Solution provider for Drilling and Workover jobs

Oil Producers

**03**

Pioneer in Onshore Gas Dehydration Solutions

Onshore Exploration Companies

# Gas Compression Division



# Leadership in Gas Compression Business...

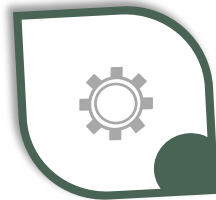


## Pioneer

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

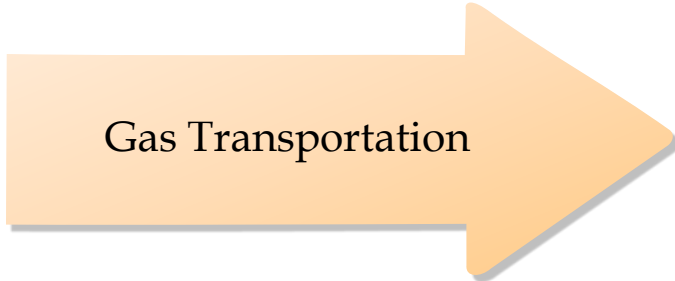
Active technical backup with International Companies



## 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...



## 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.

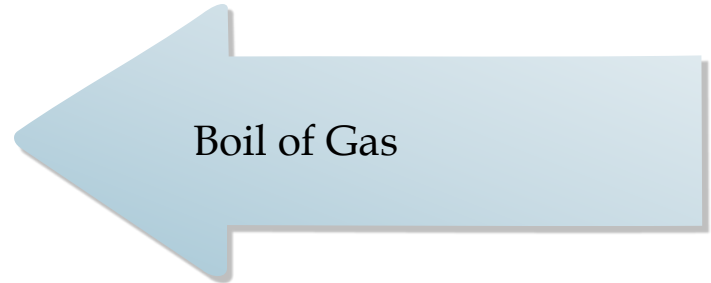


## Power Generation

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.

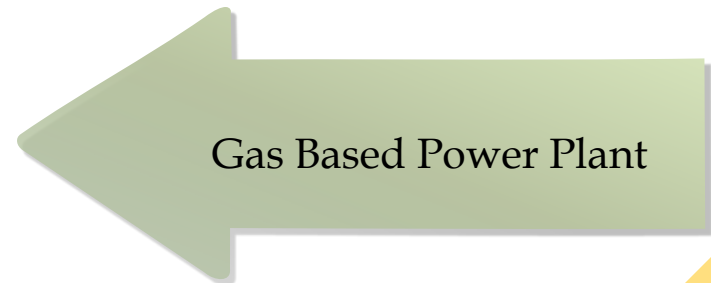
## Distribution

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



## 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.



# ...With High Entry Barriers



## Technical Expertise

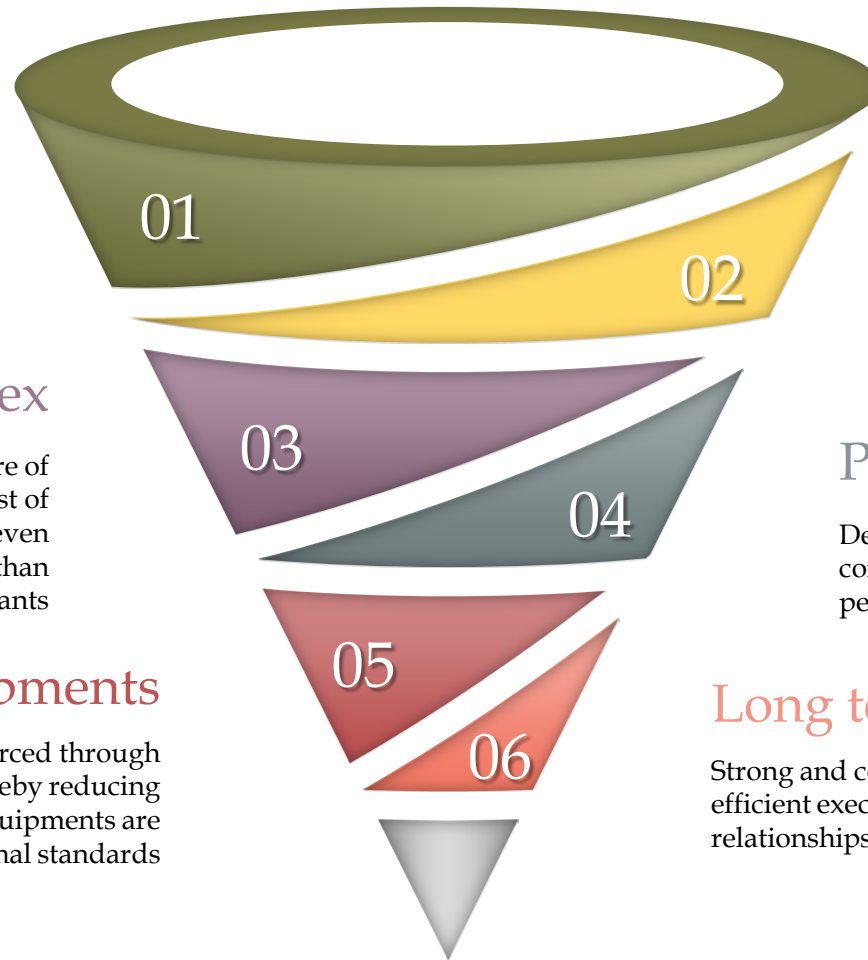
Skilled engineers are required to install, mobilize and operate equipments

## 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

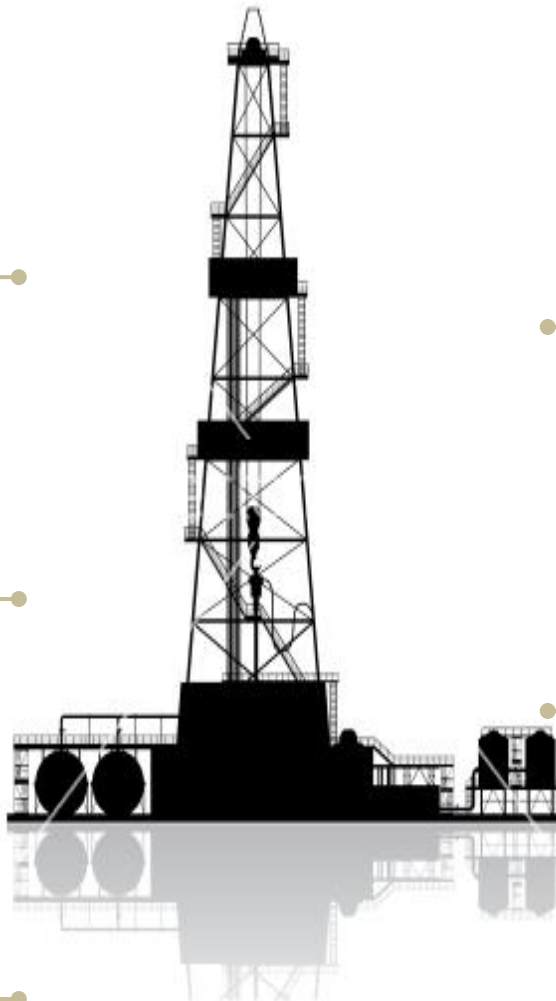
- Build a diversified team which has required skill set to carry out planning and execution of large size projects
- Successfully drilled directional wells in Essar Raniganj CBM Block

### Expertise

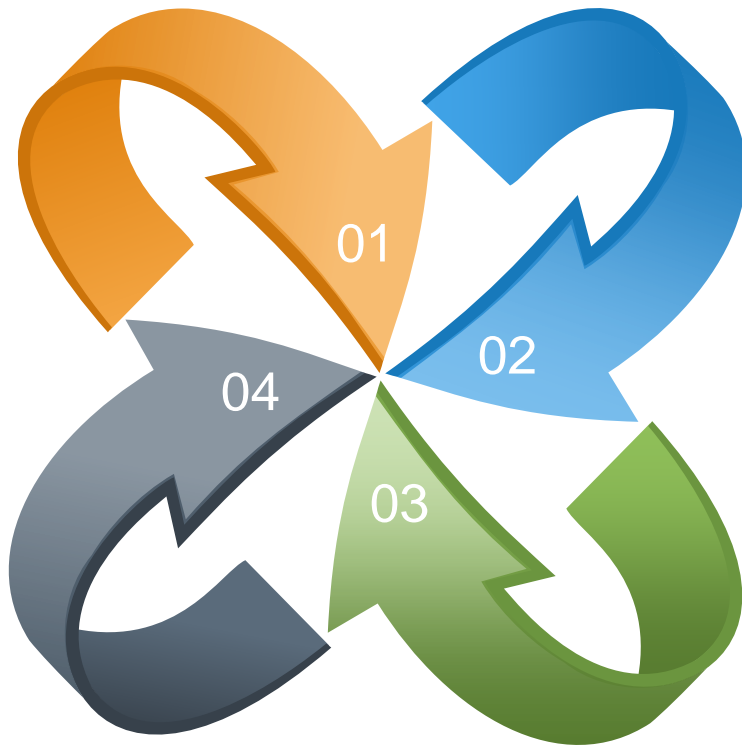
- Provided complete solutions related to Exploration & Production of hydrocarbons
- Developed cost effective solutions which result in substantial savings to Clients

### 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

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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

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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 awarded and is under mobilization

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# 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



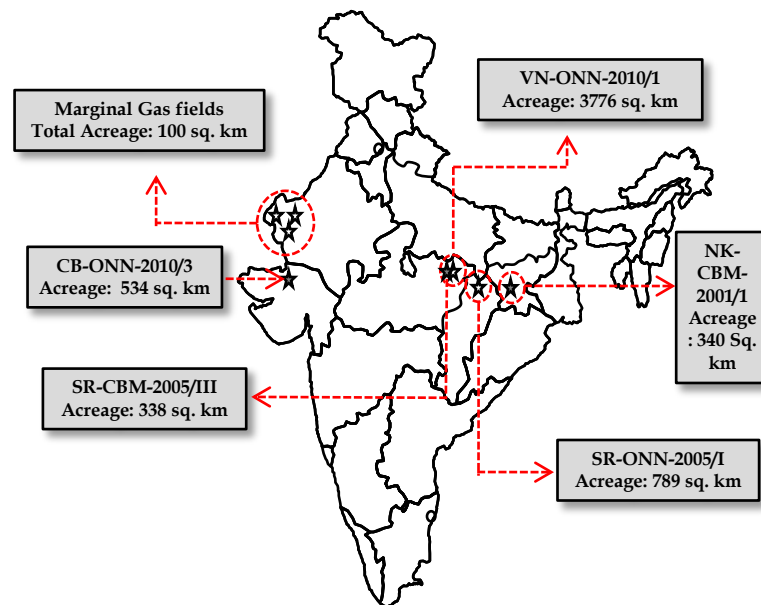
# Exploration & Production Portfolio



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

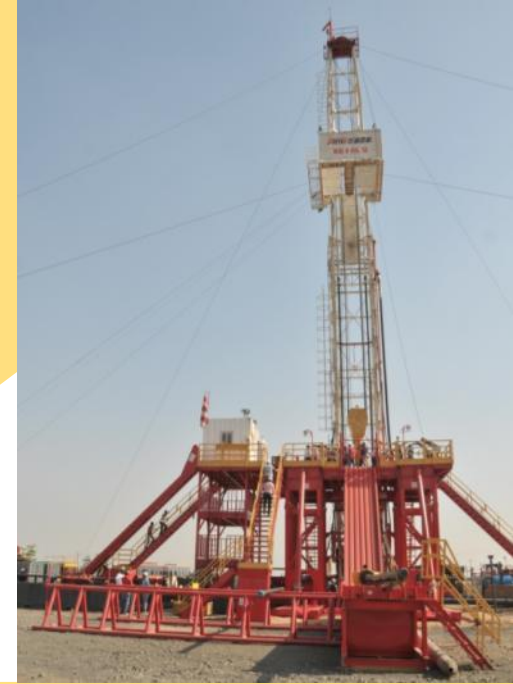
Out of 9 blocks - 3 blocks are in development phase, one in appraisal phase and rest in exploration phase. Additionally, one more CBM block is being acquired by the company at the subsidiary company level

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



Business Potential

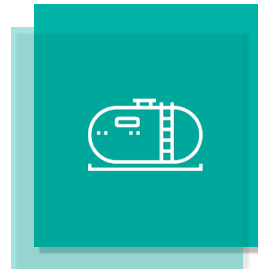


# Growing Market Potential



## 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....





**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**

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*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. **IND13.5714UQE** Version: 1 Revision date: **21 July 2013**

  
 Certification Authority  
**R. K. SHARMA – Director**

  
 008

Certification body address: **Brandon House, 440 Borough High Street, London SE1 1LB, United Kingdom**  
 Local office: **"Merivan Centre" 8th Floor, Kankarwadi Market Ring, Opp. Area Industrial Estate, Off Salt Vihar Road, Andher (East), Mumbai – 400 072, India.**

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**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 standard detailed below*

---

*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**  
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. **IND13.5714HS** Version: 1 Revision date: **21 July 2013**


  
 Certification Authority  
**R. K. SHARMA – Director**

  
 008

Local office: **"Merivan Centre" 8th Floor, Kankarwadi Market Ring, Opp. Area Industrial Estate, Off Salt Vihar Road, Andher (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 6698 6300.

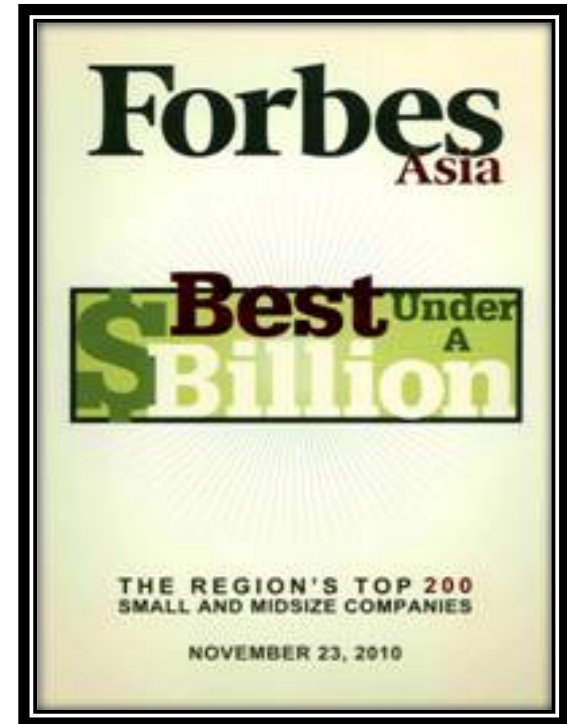
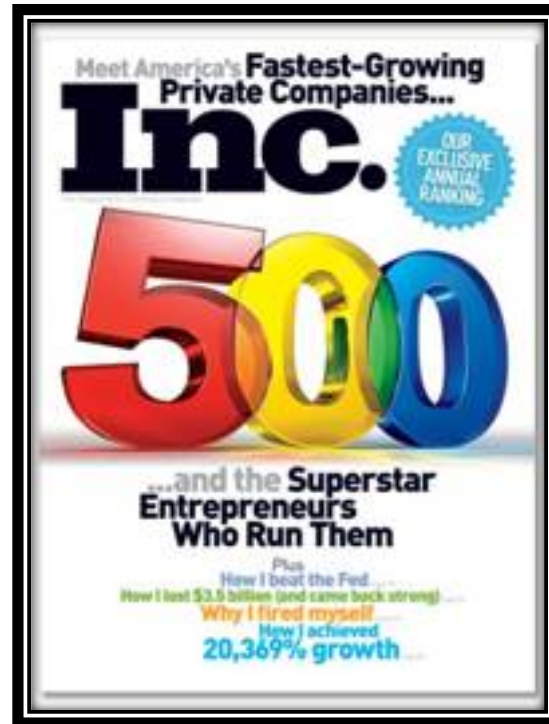


**DEEP INDUSTRIES LIMITED**

is a Contractor member  
in good standing.

**International Association  
of Drilling Contractors  
2013**

# ... And Accolades





For further information, please contact:

**Company :**

**Deep Industries Ltd**

CIN: L63090GJ1991PLC014833

Mr. Rohan Shah, CFO

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[www.deepindustries.com](http://www.deepindustries.com)

**Investor Relations Advisors :**

**Strategic Growth Advisors Pvt. Ltd.**

CIN: U74140MH2010PTC204285

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