



“DEEP Industries Limited Q1 FY17 Earnings
Conference Call”
29th July, 2016

MANAGEMENT: MR. PARAS SAVLA – CMD, DEEP INDUSTRIES LIMITED

MR. ROHAN SHAH – CFO

SGA –INVESTOR RELATIONS

- **Moderator**

- Ladies and gentlemen, good day and welcome to the quarterly Conference Call hosted by Prabhudas Lilladher. This Conference Call may contain forward looking statements about the company which are based on the beliefs, opinions and expectations of the company as on date of this call. These statements are not a guarantee for future performance and involves risks and uncertainties that are difficult to predict. As a reminder all participants' lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call please signal an operator by pressing “*” then “0” on your touchtone telephone. Please note that this conference is being recorded. Now I hand the conference over to Mr. Abhishek Dutta. Thank you and over to you sir.

- **Mr. Abhishek Dutta – Prabhudas Lilladher.**

- Good morning everyone and welcome to Deep Industries Q1 FY `17 Conference Call. We have with us on the management Mr. Paras Savla – Chairman & Managing Director and Mr. Rohan Shah – CFO of Deep Industries. We will start with the quarterly results followed by Q&A. Over to you sir.

- **Mr. Paras Savla – Chairman & Managing Director**

- Good morning everyone. Let me introduce us, I am Paras Savla, Chairman & Managing Director of Deep Industries. A very warm welcome to our quarter end June 2016 Earnings Conference Call. Along with me I have Mr. Rohan Shah, Chief Financial Officer and SGA our Investor Relationship Advisor. I hope everyone had an opportunity to look



- at our results. The presentation has been uploaded on the stock exchange and company website.
- Let me start with a brief introduction about the company. Our services business is divided in three verticals mainly Gas Compression, Workover & Drilling Rigs and Gas Dehydration Unit. We are one of the leading companies in the outsource gas compression and dehydration business with more than two decades of experience in oil and gas services business and having large client base in public as well as private space. Gas Compression contracts are on turnkey basis and includes supply of equipment and installation commissioning, operation and maintenance. We are the largest private sector company in this segment in India and command majority market stake. We have 56 Natural Gas Compressors ranging from 200 horsepower to 2000 horsepower with compression capability of above 3.5 million MMSCMD of natural gas on daily basis. We have technical tie-ups with reputed and experienced compressor packages for the supply of gas compression packages which gives us an advantage and enables us to provide customised product at faster pace. All these factors along with our team of skilled and experienced engineers and long term relationship with our client gives us an edge over competition and maintain our leadership position.
 - Coming to the rigs division, we are leading solution provider for Air Drilling, Workover and Drilling Services to oil and gas companies in India. We have a strong fleet of 3 drilling rigs and 9 workover rigs with various capacities. We provide complete solutions related to exploration and production of hydrocarbons. Government's push for energy has created demand for onshore drilling rigs and benign raw materials prices of our favourable opportunity for the company. Also there is a vacuum in the market due to exit of some of the players in this segment enabling us to gain market share.
 - Moving ahead to the Gas Dehydration business. Let me begin by giving a background, gas exploring companies have for quite some time ignored key safety measures which has resulted in accidents at sites, case in point being the blast at GAIL site. This led to increased scrutiny on the processes followed by the producers and transporters of gas and resulted in regulation being made more stringent. This necessitated gas producers to get a dehydration unit installed at the site before sending gas through pipeline as made it by the stricter implementation of regulations. We are one of the few companies in India who qualify to provide gas dehydration on contractual basis based on our technical tie-ups 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.
 - Now I shall ask our CFO, Mr. Rohan Shah to share with you the financial highlights during the quarter.
 - **Mr. Rohan Shah – CFO**



- Good morning everyone I believe you must have got a chance to go through our Q1 results. Revenue from operations for the quarter is Rs. 64.39 crores which indicates 17.33% growth on Q on Q basis and 136.29% growth on Year On Year basis. EBITDA for the quarter is Rs. 36.98 crores which indicates 21% growth on Q on Q basis and 132% growth on Year On Year basis. Net profit of the quarter end 30th June, 2016 is Rs. 16.31 crores which is a 27.25% increase on Q on Q basis and 142% increase on Year On Year basis. During the quarter we have witnessed revenue coming from Gas Compression Units of around Rs. 25 crores from Rigs Unit around Rs. 17 crores and from Gas Dehydration Units around Rs. 22 crores. We have a total debt of around Rs. 310 crores. For the current quarter we have incurred CAPEX of approx. Rs. 68 crores. Our order book at the end of current quarter stood at approx Rs. 845 crores and during Q1 we have added orders of almost Rs. 35 crores. With this I now leave the floor open for questions.
- **Moderator**
- Thank you. We will now begin the question and answer session. Anyone who wishes to ask a question may press “*” and “1” on their touchtone phone. If you wish to remove yourself from the question queue you may press “*” and “2”. Participants are requested to use handsets while asking a question.
- Ladies and gentlemen we will wait for a moment while the question queue assembles.
- The first line is from Mr. Sudhir Bheda. Please go ahead.
- **Mr. Sudhir Bheda**
- Congratulations sir on the excellent set of numbers and also the way your company has shown the growth in the last 2-3 years, it's a remarkable achievement. One question is when we can see revenue flowing from E&P division?
- **Mr. Paras Savla – Chairman & Managing Director**
- We have already started looking at investment in one of our blocks in North Karanpura. We are infact exploring options to transfer our E&P assets into the subsidiary company. And eventually try and have a revenue model coming in from the subsidiary business on that E&P matter. So we expect the revenues to start by 2018-19.
- **Mr. Sudhir Bheda**
- So any guidance what can be the revenue down the next 3-5 years?
- **Mr. Paras Savla – Chairman & Managing Director**
- I think visibility on the revenues would be known once we have started drilling and getting into the development phase. So I believe it would be clear by the end of the year that what could be the possible revenues coming in from E&P business.



- **Mr. Sudhir Bheda**
- Okay. Thank you.
- **Moderator**
- Thank you. We have the next question from the line of Abhishek Jain from Motilal Oswal Private Equity. Please go ahead.
- **Mr. Abhishek Jain - Motilal Oswal Private Equity**
- Good morning sir, very good set of numbers. A couple of questions the order book which you have stated for Rs. 845 crores, the execution cycle of this order book still lying? My second question is could you throw some light on the capital allocation of company businesses and how the capital allocation is done right now?
- **Mr. Rohan Shah – CFO**
- We will answer about capital allocation so as of now for E&P business we have invested around 45 cr. which are lying there under our capital work in progress. So majority of our capital employed is in our services business and as Mr. Savla has said our focus on services business is higher in Deep Industries Limited. Eventually, we wish to move out our E&P assets into subsidiary companies.
- **Mr. Abhishek Jain - Motilal Oswal Private Equity**
- Between the oil services, between each of the businesses is there a split of capital allocation between Gas Dehydration, how is it....?
- **Mr. Paras Savla – Chairman & Managing Director**
- We have not done any allocation of capital in the services business. We normally try and make a capital investment based on the orders that we get. So we have not planned any allocation as such for the services business.
- **Moderator**
- Sir, should we proceed to the next question?
- **Mr. Paras Savla – Chairman & Managing Director**
- Yeah.
- **Moderator**
- Abhishek Jain, hello.



- **Mr. Abhishek Jain - Motilal Oswal Private Equity**
- Hello.
- **Moderator**
- Yeah, are you done sir?
- **Mr. Abhishek Jain - Motilal Oswal Private Equity**
- Yes.
- **Moderator**
- Thank you. We have the next question from the line of Mr. Nishit Master from Elara Capital. Please go ahead.
- **Mr. Nishit Master - Elara Capital**
- Thank you for taking my question. I was just looking at the notes to accounts for the results. Note number 4 states about the amalgamation of 5 companies with Deep Industries. Now just wanted to get some clarity on these transactions and were these promoter entities? And post amalgamation what would be the shareholding of the promoters?
- **Mr. Rohan Shah – CFO**
- All of these were promoter entities. So we had merged all promoter companies and in fact we had fall back those entities into Deep Industries to avoid double taxation at the dividend distribution level. So all 5 promoter entities had been merged with Deep Industries and on the date of Balance Sheet that is on 31st March, 2016 share to the merged company's shareholders were not issued. So certain portion of shares were there into share suspense which we had now issued and it has now come again into share capital accounts so this note is about that. And with the scheme of mergers not a single share on promoter's group has been increased. So there is no change in shareholding due to this scheme.
- **Mr. Nishit Master - Elara Capital**
- Okay. Thank you. Thank you very much.
- **Moderator**
- Thank you. A reminder for the participants, if you have a question you may press "*" and "1". Anyone who has a question may press "*" and "1". The next question is from the line of Naresh Kumar from Money Curve Investment. Please go ahead.



- **Mr. Naresh Kumar - Money Curve Investment**
- Good morning sir. Thanks for the opportunity and great set of numbers. I just wanted to know for the order book we have which is Rs. 845 crores plus what I heard. Do we have enough capacity or will we have to incur CAPEX on how much in the next 1-2 years?
- **Mr. Paras Savla – Chairman & Managing Director**
- As far as the numbers are concerned for the current financial year, we have done all the CAPEX so we are not anticipating any CAPEX to be done atleast for the order book that we have. Going forward if we get more orders there is a likely position that we may have to do an additional CAPEX. The order book that is mentioned at approx Rs. 845 crores all the needed CAPEX has been done.
- **Mr. Naresh Kumar - Money Curve Investment**
- Okay. My second question is on the distribution between Gas Compression and Gas Dehydration which I believe are probably the top two businesses. What could be our revenue breakup in Q1, these three segments?
- **Mr. Rohan Shah – CFO**
- Infact I had mentioned that nevertheless out of Rs. 64 crores of revenue of Q1, Rs. 25 crores are coming from Gas Compression and Rs. 22 crores are coming from Gas Dehydration.
- **Mr. Naresh Kumar - Money Curve Investment**
- Okay. All right thanks. That's it from my side, thank you.
- **Moderator**
- Thank you. The next question is from the line of Rishabh Poddar from GSP. Please go ahead.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Good morning sir, I have 2-3 questions or more if you could just allow me to ask those also. Firstly, if you could just let me know how has been our order book for each of the verticals, Gas Compression, Workover and Gas Dehydration? And in what timeframe these will be executed out of the total order book of Rs. 845 crores?
- **Mr. Rohan Shah – CFO**
- This approx Rs. 845 crores order book would be executed in next 3 years so from now you can say next 2.5 years kind of...



- **Mr. Rishabh Poddar - JHP SECURITIES**
- By FY `19 it will be completed?
- **Mr. Paras Savla – Chairman & Managing Director**
- Yes.
- **Mr. Rohan Shah – CFO**
- And order book in-between vertical for us, these entire verticals are part of our services business so probably in-between verticals segregation we have not done.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- But proportionately also will do roughly 20-40-60%. How is it like, I mean a ballpark figure has to be mentioned? I mean I will surely contact you offline also if possible.
- **Mr. Rohan Shah – CFO**
- Sure. Proportionately you can consider it like 40% out of total order book, around 40% would be from GDU that is Gas Dehydration and around 30% would be from Rigs and 30% would be from Gas Compression.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- And how are the margins profile for each of the verticals?
- **Mr. Rohan Shah – CFO**
- The margins at the company level we are maintaining it in the range of 55-58%.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- But I think these customers would be separate for separate orders I mean same customers are giving you all the three orders at one go or how is it?
- **Mr. Rohan Shah – CFO**
- The orders could come in from any, our business is more with the E&P business companies. So there is quite a possibility of providing all the three services to a common client like ONGC as we provide all these three services to them.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- And mostly all are repeat orders also, repeat customers also...?



- **Mr. Rohan Shah – CFO**
- Yeah, there are bunch full of E&P players
- **Mr. Rishabh Poddar - JHP SECURITIES**
- How do you foresee the industry going forward because of the lower crude prices and how new CAPEX are about to come? What's your sense in that direction?
- **Mr. Paras Savla – Chairman & Managing Director**
- We believe that on every drop of oil there is an opportunity. As far as the E&P companies are concerned they would be more focused on lowering their CAPEX towards drilling new wells. So we foresee going forward, the companies have been very active, some of the companies have been rather aggressive in drilling campaigns. That has also enhanced the opportunities in the market. So we see a good number and good orders to be getting executed in the next 2-3 years.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- And if you could just mention the split between our revenue domestic and export. How that has been and how that is expected to move likely going forward?
- **Mr. Rohan Shah – CFO**
- As of now our entire revenue is domestic so we have not yet ventured out of India.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- And in terms of your EPC business, not EPC, E&P business you have oil and gas and CBM. So which is more likely to come up you mentioned by FY `18-`19 first lot of revenue will come in?
- **Mr. Rohan Shah – CFO**
- It would be the CBM business that would show the first flavour of revenues which is into our subsidiary company now.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Agreed subsidiary but that will be consolidated because it would be 100% owned, right?
- **Mr. Rohan Shah – CFO**
- Absolutely.
- **Mr. Rohan Shah – CFO**



- Not 100% but yes it would be consolidated.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Who would be the partner not 100% then?
- **Mr. Paras Savla – Chairman & Managing Director**
- Promoters.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Promoters, okay. Then what is the split I mean company owned and promoter owned?
- **Mr. Rohan Shah – CFO**
- Company would be owning 71%.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- And when is the oil and gas likely to come up?
- **Mr. Rohan Shah – CFO**
- I think Mr. Savla has mentioned is around 2018-19.
- **Mr. Paras Savla – Chairman & Managing Director**
- It should be around 2018-19 is something that we expect.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- So CBM would come before that?
- **Mr. Paras Savla – Chairman & Managing Director**
- So we are discussing about CBM only.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- No, I was asking when oil and gas would come in, CBM you mentioned 2018-19. What could be the potential when oil and gas would come in?
- **Mr. Paras Savla – Chairman & Managing Director**
- I believe it would be the same period because we have marginal oil and gas blocks in Rajasthan so they are also the ones that we are expecting the production to come in by 2018-19 on a very conservative basis.



- **Mr. Rishabh Poddar - JHP SECURITIES**
- So what are the proven reserves or what kind of reserves do we have there, exploratory reserves, preliminary estimates?
- **Mr. Paras Savla – Chairman & Managing Director**
- These reserves could be established after we have done certain amount of work. we would be happy to inform you maybe offline or once we have some data numbers coming in.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- But if those reserves are proven and we get a feel of going ahead with the projects. What kind of capacity, I mean CAPEX would be required to bring it to commercial viability?
- **Mr. Paras Savla – Chairman & Managing Director**
- That again as I said would depend on the reserves and the data that comes up. The investment plan or the CAPEX would be decided only once we know exactly what number of wells have we to drill.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- But what timeframe we will be getting that certainty or the reports?
- **Mr. Paras Savla – Chairman & Managing Director**
- We are working on it, we expect by the end of this year we should have a complete clarity on what could be the possible CAPEX on these blocks.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Okay. Any other company who have certain blocks in those basic near surrounding areas?
- **Mr. Paras Savla – Chairman & Managing Director**
- Yes there are other companies as well, the blocks, the major blocks that we have currently in our subsidiary block that we have got is in Jharkhand. Very adjacent to it there is another block of Bokaro where ONGC is already operational. Then there is one more block of Essar in Raniganj, they have been all operational now and GEECL, Great Eastern Energy Corporation is also operational in those areas, they are already selling the gas.



- **Mr. Rishabh Poddar - JHP SECURITIES**
- So all these three are operational so what is the estimate of their reserves roughly because since same belt is there we can have a gut feeling that our reserves would also be more or less similar in size or 10-15% here and there?
- **Mr. Paras Savla – Chairman & Managing Director**
- We will come back to you with the numbers as I am not very sure on the possible numbers and the details they have. So I would be happy to inform you once I get those details inform you offline.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- And how is the order book moving like, you mentioned Rs. 845 crores executable in 3 years. But definitely when you execute certain orders this year you would also be bagging new orders. So how has been the orders intake pipeline?
- **Mr. Paras Savla – Chairman & Managing Director**
- We have bided various projects for Workover and Drilling Rigs and we have bided certain projects for Gas Compression as well. And there is a good pipeline coming up for Gas Dehydration as well. So in our business the order book would always depend on award of contracts. But jus to give an idea there is an ongoing demand so the contract would be placed for 3 years or 5 years and post the completion of that contract the companies again come up for the retendering process. These are always high once you have the equipments working in those areas and there have been companies and there have been sites where we are working for more than 15 years now.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Just to have a better understanding further are the number of orders increasing or are the order size increasing, how is it or both are increasing?
- **Mr. Paras Savla – Chairman & Managing Director**
- Yeah order sizes are increasing.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Okay. Order sizes are increasing. And in terms of the rig capabilities what is the life of the rigs, different rigs will have different life. I mean replacement of rigs will definitely cost a good amount?



- **Mr. Paras Savla – Chairman & Managing Director**
- Normally the rigs life varies from 20-25 years it has been seen across and the fleet that we have of our rigs is very young. If you have to make an average I believe the average life of our rigs would be in the range of around 5 years.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Okay. Average range is 5 years. How many rigs do we have currently and if you can state in their different usage?
- **Mr. Paras Savla – Chairman & Managing Director**
- We have in all 12 rigs of which 9 are workover rigs and 3 are drilling rigs.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- And what would be the rates for these rigs if peak rates and bottom of the cycle rates?
- **Mr. Paras Savla – Chairman & Managing Director**
- It is not about the peak and the bottom, it is mainly on day rates that you keep on bidding but we have various capacity rigs. We start from a 30 ton capacity and some rigs in workover go beyond 100 ton rate. So rates would depend anywhere from Rs. 60,000-70,000 a day rate and it may go upto Rs. 6 lacs a day rate. So that is a wide range.
- **Moderator**
- I am sorry to interrupt Rishabh but we already have a queue waiting.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Sure. No issues. I will come back again.
- **Moderator**
- Just press “*” and “1” sir, I am sorry about this.
- **Moderator**
- Thank you. We have a next line from Satish Mishra from HDFC Securities. Please go ahead.
- **Mr. Satish Mishra - HDFC Securities**
- Good morning sir.



- **Mr. Paras Savla – Chairman & Managing Director**
- Good morning.
- **Mr. Satish Mishra - HDFC Securities**
- Sir, just to understand this Gas Dehydration business. In your PPT you have mentioned that we have contract for dehydrating for about 3.1mm SCMD in one of your old PPTs. So just to understand like in India we have around 80-90mm SCMD of gas production so Gas Dehydration is related only to onshore or is it related to offshore production also?
- **Mr. Paras Savla – Chairman & Managing Director**
- It is related to offshore as well but we think that in an offshore clients have already put up the dehydration plants. So the requirement of dehydration plant is more likely on onshore projects for now. And the larger production of gas in India is coming through an offshore fields. I am unable to segregate the quantum of onshore and offshore but just to answer your question that is perhaps the reason the quantity of gas being produced and the quantity of gas that would be possibly coming out for dehydration would have a great difference.
- **Mr. Satish Mishra - HDFC Securities**
- And sir again just to understand like for example Oil India, I believe they have their volumes from onshore. Like all the orders which you have mentioned from ONGC is it the timeline that as per government programme you have some time period upto which you have to install all these dehydration units or how it works?
- **Mr. Paras Savla – Chairman & Managing Director**
- ONGC has been quite active on coming out with the dehydration business because majority of the gas that is being sold by ONGC is through the GAIL's pipeline. As I mentioned the accident was on the GAIL's pipeline and there were stipulations coming in from the government to ensure that all the transporting companies have the, dehydrated gas before it is been transported. So ONGC is probably the first of them to take an initiative and start it and I am very sure that going forward Oil India would also have the dehydration plants coming in.
- **Mr. Satish Mishra - HDFC Securities**
- But so far none of the players already had this unit, right, neither Oil India for any of their pipelines? It is absolutely new in India basically...
- **Mr. Paras Savla – Chairman & Managing Director**
- But the onshore I believe yes Oil India, rather ONGC they did not install the dehydration facilities but now they have slowly started.



- **Mr. Satish Mishra - HDFC Securities**
- And sir just second question on the same line. So this I believe like for example if I just see your orders so for 3 years, 5 years you are quoting an order of Rs. 250 crores odd. So this time it is the first time you will be installing some equipments and then there will be services. So just to understand the same order if it comes for recontract after 3 years so there will be no more equipments. So what will be the services amount, roughly just to understand that this Rs. 250 crores will it be in the same range after 3 years, another 3 years or will it reduce significantly?
- **Mr. Paras Savla – Chairman & Managing Director**
- We believe as I said the life of these equipments range anywhere between 20-25 years. So if we have been using these set of equipments for the contracts for 3 years, possibly if the same contract is coming again for tender and if you are able to get it, of course the possibility of getting that tender is very high because you would have recovered sizable amount of CAPEX which we have incurred on that. So for that new project we need not require to do any new capital investment and the same investment would then start giving the returns without having new capital investment done on those.
- **Mr. Satish Mishra - HDFC Securities**
- Okay. So basically for dehydration also the equipment life is in the same range 20-25 years?
- **Mr. Paras Savla – Chairman & Managing Director**
- Yes.
- **Mr. Satish Mishra - HDFC Securities**
- And from the order quantum will more or less remain same, basically our margins will improve or slightly the order quantum will also increase?
- **Mr. Paras Savla – Chairman & Managing Director**
- Order quantum will increase because we foresee a lot many orders to come in the Gas Compression business, in Dehydration as well as in the Rigs segment. And now the moment we start on adding the new equipments of course which would be added with the new order book as well. But assuming for a moment that if you are not going to have any new capital investment then there is a possibility of continuing these kind of an order book for next few years or maybe thereafter also.
- **Mr. Satish Mishra - HDFC Securities**
- Just last 1-2 questions then I will come back in queue. What will be the CAPEX in FY `18?



- **Mr. Paras Savla – Chairman & Managing Director**
- Based on tenders bided or tenders are in pipeline we are estimating CAPEX of around Rs. 300 crores to be done in FY `17 and `18 put together. So we have just arrived at the data by putting a probability of award of contract versus CAPEX required.
- **Mr. Satish Mishra - HDFC Securities**
- Okay. And mostly it will be debt funded so basically debt will keep on increasing with the new orders?
- **Mr. Paras Savla – Chairman & Managing Director**
- If the debt will increase the revenues also would increase thereby. As I said we have already done the CAPEX of securing around Rs. 300 crores revenue as an example for a year. So that necessarily means that we need not do any new CAPEX. Now if we want to move for having more new revenues coming with the equipments we have to incur a CAPEX. And that would be of course backed by the new debt.
- **Mr. Satish Mishra - HDFC Securities**
- Fine, got it sir. Thank you so much sir.
- **Moderator**
- Thank you. A reminder for the participants, if you have a question you may press “*” and “1”. We have the next question from the line of Jayesh Gandhi from Harshad Gandhi Securities. Please go ahead.
- **Mr. Jayesh Gandhi - Harshad Gandhi Securities**
- Just a single question. In our business do we get repeat orders or the repeat orders are, I mean is it based on the comfort level of the client or it depends on who bids the lowest. I mean how does it work?
- **Mr. Paras Savla – Chairman & Managing Director**
- Normally, it is on the bidding process since large amount of our business has been with PSUs it necessitates them to come out with the tender. If it has been a private customer other than the PSU it largely goes on that comfort and the contract get extended. But in the PSUs they again come out for the retenders and of course goes without saying who all are the lowest bidders are always getting the orders. But in our case we would be having the equipments working for them for so many years. There is a possibility that we maynot encounter the competition so there is a high chance of our orders getting re-awarded. And for the last 20 years we have witnessed the same on many instances. As I said there are certain sites where we had been operating at single site for more than 15 years now.



- **Mr. Jayesh Gandhi - Harshad Gandhi Securities**
- And are we currently bidding for any orders? Are we L1 or anything of that sort? Typically sir Gas Dehydration.
- **Mr. Paras Savla – Chairman & Managing Director**
- There are few projects that are very shortly coming up in dehydration. I believe there are no new tenders right now in the pipeline which have been bided. But we are expecting a lot of new tenders to come out in next couple of months.
- **Mr. Jayesh Gandhi - Harshad Gandhi Securities**
- And that will be also of the same scale, I mean of which last?
- **Mr. Paras Savla – Chairman & Managing Director**
- It would be of the similar scale and as well some of them are even on a very higher scale.
- **Mr. Jayesh Gandhi - Harshad Gandhi Securities**
- And sir one last question. From what I am seeing in the last 2-3 orders which we have got is in the range of Rs. 250 crores or something that has dehydration. Are we in a condition, I mean are we capable to get higher contracts also say Rs. 500-600 crores....?
- **Mr. Paras Savla – Chairman & Managing Director**
- Absolutely. Yes.
- **Mr. Jayesh Gandhi - Harshad Gandhi Securities**
- Okay. That's all from my side. Congratulations and best of luck for the future.
- **Mr. Paras Savla – Chairman & Managing Director**
- Thank you.
- **Moderator**
- Thank you. The next question line from Sudhir Bheda from Right Time Consultancy. Please go ahead.
- **Mr. Sudhir Bheda - Right Time Consultancy**
- Sir one question. You have just concluded the non bidding agreement for E&P division to divest around 40% at around Rs. 130-140 crores I believe. That will value the E&P



- business at around Rs. 300-350 crores. So what are the chances that this will be converted into bidding agreement and when it is likely to happen?
- **Mr. Rohan Shah – CFO**
 - We are into active discussion with the investors , legal due diligence and term sheet negotiations are going on. So once we will have some concurrent decision coming up we will definitely let you know.
 - **Mr. Sudhir Bheda - Right Time Consultancy**
 - But these figures are putting your E&P business at around Rs. 350 crores or so that valuation?
 - **Mr. Rohan Shah – CFO**
 - Correct. So this is for a CBM block which is there in subsidiary called Prabha Energy Private Limited.
 - **Mr. Sudhir Bheda - Right Time Consultancy**
 - That is one block so other blocks are not included in that?
 - **Mr. Rohan Shah – CFO**
 - No.
 - **Mr. Paras Savla – Chairman & Managing Director**
 - No, others are not included and they would be parallel.
 - **Mr. Sudhir Bheda - Right Time Consultancy**
 - That is separate, this is a valuation for one block?
 - **Mr. Paras Savla – Chairman & Managing Director**
 - One block, correct.
 - **Mr. Sudhir Bheda - Right Time Consultancy**
 - Okay. Thank you.
 - **Moderator**
 - Thank you. We have the next question line from Paras Adenwala from Capital Portfolio Advisors. Please go ahead.



- **Mr. Paras Adenwala - Capital Portfolio Advisors**
- Pardon my ignorance because this is the first time that I am studying your company. If you have to breakup your revenues into recurring and non recurring or visible businesses and things where you know they are lumpy. How would you really split up the business?
- **Mr. Rohan Shah – CFO**
- For us revenue is from services business and largely from contract driven. So for us it's recurring in terms of as Mr. Savla suggested that in most of the cases we got re-awarded from the existing contracting sales. So for us we can treat it as our 90% revenue is recurring.
- **Mr. Paras Adenwala - Capital Portfolio Advisors**
- And 10% is lumpy?
- **Mr. Rohan Shah – CFO**
- You can say so.
- **Mr. Paras Adenwala - Capital Portfolio Advisors**
- And in terms of margins what is it like, the recurring is more profitable or how does it really work?
- **Mr. Rohan Shah – CFO**
- The recurring is always profitable because we would have been able to recover the portion of CAPEX that we have done in the initial contract. So once it comes for a retender definitely that is going to yield a good margin. As already mentioned in our results if you could see, the average EBITDA margins that we had been operating across all our verticals is around 55-58%.
- **Mr. Paras Adenwala - Capital Portfolio Advisors**
- And in terms of drivers for growth since you are into other businesses as well which probably could be more lumpy as we move along. Could you just explain what will keep on driving the high growth rates that you are marching up?
- **Mr. Rohan Shah – CFO**
- Sorry, you need to say that again, which segment were you referring to?
- **Mr. Paras Adenwala - Capital Portfolio Advisors**



- Now exploration and these businesses tend to be a little lumpy. So, in terms of both the recurring business and exploration probably we do understand what really does good. But in the services and the recurring business what is it that really drives the high growth rates?
- **Mr. Rohan Shah – CFO**
 - Again I said in the services business the CAPEX that we would have done in the initial year would be coming back in the first or the second contract. So once it comes for the retendering definitely we do not have to service any debts, that becomes a lot helpful in improving the bottomline. So if you keep on continuing the same processes on the retendering the margins and the returns on the retendering projects would definitely be higher.
- **Mr. Paras Adenwala - Capital Portfolio Advisors**
 - Typically what is the kind of asset turnover that you would have on every capital expenditure, every asset that you install?
- **Mr. Rohan Shah – CFO**
 - If you have to see it as an average, normally I believe the new tenders and the contracts that we have recently won for the dehydration business or for the drilling rigs I believe asset turn ratio is almost around 0.8 or so. And typically if you have to see our compression business I believe that asset turn ratio was in the range of around 0.6 or so. To be very precise if you need those numbers we can get back to you offline and we will be happy to give you those asset turn numbers.
- **Mr. Paras Adenwala - Capital Portfolio Advisors**
 - Because in the past I am looking at your asset turn, it is very very low at 0.27-0.28 and all that you know. So when you say 0.8, 0.6 that seems to be significantly higher than what you have notched up in the past.
- **Mr. Rohan Shah – CFO**
 - I believe 0.2 and 0.27 is something that I don't understand but maybe I will get in contact with you offline and have a clarity on what exactly you would have seen those because we have never witnessed such asset turn ratio in the past.
- **Mr. Paras Adenwala - Capital Portfolio Advisors**
 - Okay. Probably we need to discuss that offline. And finally on the debt component and interest cover as you keep on growing and you install a new asset then you get fresh turnover that's the kind of business model that you have. And all these assets need to be funded in the short term by debt and till the time you start getting cash flows. So would you say that your debt equity and interest cover will continue to be the same as



in the past or do you see that kind of deteriorating in the short term and then improving as you move along. How does it really work?

- **Mr. Paras Savla – Chairman & Managing Director**

- If you would seen in the past years our debt equity was less than 1 and even at these time we around 1. So we have always tried and maintained to have a proper balance between the debt and equity by having proper leverage policies. Even going forward we expect our debt equity ratio to be in these ranges and we will try to maintain it in the best possible manner.

- **Mr. Paras Adenwala - Capital Portfolio Advisors**

- And finally on your return ratios that is return on capital employed, that is around 14% for the last 2-3 years. Would you say that this will stay at the current levels or do you see that improving?

- **Mr. Rohan Shah – CFO**

- It would probably be staying on the current levels and for return on capital employed since we are into continuous growth space. So every year we are adding some new assets so Year On Year it would be like some assets which are not providing revenue during the year or providing revenue for some smaller time. So for us I think better way to look at ROCE is on matured assets which according to us is around 18-18.5% the reason you have been seeing the return on capital at 14.5% is because the investments or the CAPEX that is being done in the current financial year would start yielding the returns in the next financial year. So the period of that financial year would have a drop but if you see it on absolute terms or rather on a matured asset the return on capital investment ranges around 18%.

- **Mr. Paras Adenwala - Capital Portfolio Advisors**

- Yours is regularly set installation business, you install asset and get turnover. So it becomes a normal business and therefore the return on capital employed is also kind of looked in terms of a continuing business. And therefore to say that to look at matured business and look at assets separately probably would be a little inappropriate because you keep on installing assets so that's the nature of your business. And also considering the fact that yours is largely a service oriented business probably the return ratios could have been better. If you look at the other services business while I do understand that other services are different from what you deliver. But 14% to me seems a little lower when you say that you a 90% services business.

- **Mr. Rohan Shah – CFO**

- I appreciate your point but if we look at from different perspective like one day I stop incurring new CAPEX and I will earn from my existing assets only then this return on



- capital employed would be as high as I was referring on matured assets. So when you are into growth phase you have to do CAPEX Year On Year as you also confirmed....
- **Mr. Rohan Shah – CFO**
 - Just to answer your question we said that we have some Rs. 300 crores of debt and that is on around Rs. 845 crores of order books. If you have to see next 3 years if you are not doing any CAPEX from here onwards we would be able to pay all the debts and then we will have all the capital investment lying free with us which would yield us the returns without any debt. It is a continuing process and we believe that the returns should be looked on the matured assets and not on the standalone Balance Sheet that you see.
 - **Mr. Paras Adenwala - Capital Portfolio Advisors**
 - I am sorry just last one that's on the cash flows. Since you are a growth oriented business with tremendous potential would it be fair to say that since the growth rates are very high you would always be cash flow negative every year?
 - **Mr. Paras Savla – Chairman & Managing Director**
 - We are not cash flow negative. If you see, if you have to see this financial we are cash positive, we are not cash negative.
 - **Mr. Paras Adenwala - Capital Portfolio Advisors**
 - So the cash flow positive or just around neutral?
 - **Mr. Paras Savla – Chairman & Managing Director**
 - I think this year we are positive.
 - **Mr. Paras Adenwala - Capital Portfolio Advisors**
 - Okay. Fine. That's about it. Thank you very much.
 - **Mr. Paras Savla – Chairman & Managing Director**
 - Thank you.
 - **Moderator**
 - Thank you. Participants if you have a question you may press “*” and “1”. The next line is from Bhavya Gandhi from I-Wealth Management. Please go ahead.
 - **Mr. Bhavya Gandhi from I-Wealth Management**
 - Hi sir. Congrats for a very good set of numbers.



- **Mr. Paras Savla – Chairman & Managing Director**
- Thank you.
- **Mr. Bhavya Gandhi from I-Wealth Management**
- Sir, just one clarification that you had stated in the next 2 years you are going to do a CAPEX of Rs. 300 crores odd. So if you just give some numbers for a number of compressors or dehydration what it would be this year and what it would be in next year will be helpful for us?
- **Mr. Paras Savla – Chairman & Managing Director**
- Bhavya, the number that we have said are the expected numbers looking in the new compressors that are coming up, the new dehydration business is coming up and the new drilling business is coming up. We had try to make a probability on one stand about how we stand today and how are the orders that is possible that we get it. Looking at those numbers we have estimated this, it would be unfair on our part if we have to give a segmentwise the numbers of each segment to be done as a CAPEX.
- **Mr. Bhavya Gandhi from I-Wealth Management**
- No but whatever current order book we have is for 3-4 years, this has been for 2-3 years. So for that we could not do on CAPEX or is it an incremental CAPEX for an incremental order?
- **Mr. Paras Savla – Chairman & Managing Director**
- It would be the incremental CAPEX for the incremental order. As I said the current order book of approx Rs. 845 crores we have done with all the CAPEX for these order books. So we need not do any new CAPEX for these order book. But going forward we said we are expecting to do a CAPEX of Rs. 300 crores, it necessarily means that, that would also bring the new revenues along with it.
- **Mr. Bhavya Gandhi from I-Wealth Management**
- So just the understanding is like what we are saying that our 56 compressors, 12-13 rigs and 7-9 dehydration can yield you a revenue of Rs. 800 crores in 3 years, right?
- **Mr. Paras Savla – Chairman & Managing Director**
- Correct.
- **Mr. Bhavya Gandhi from I-Wealth Management**
- Okay. That is the right understanding, right sir?



- **Mr. Paras Savla – Chairman & Managing Director**
- Correct. Absolutely right.
- **Mr. Bhavya Gandhi from I-Wealth Management**
- Okay. Thank you so much.
- **Moderator**
- Thank you. We have the next question from the line of Pritesh Vora from Incedco. Please go ahead.
- **Mr. Pritesh Vora – Incedco**
- Good morning sir.
- **Mr. Paras Savla – Chairman & Managing Director**
- Good morning.
- **Mr. Pritesh Vora – Incedco**
- Congratulations for excellent set of numbers. I want to understand the drilling business what sort of gross block and net block deployed in the drilling and workover business? What sort of asset value?
- **Mr. Paras Savla – Chairman & Managing Director**
- Drilling rigs we have got contract for 2 – 1000 HP drilling rigs in the last year itself.. So out of that till FY `16 my block is consisting of workover rigs only. So drilling rigs out of 2 drilling rigs, one has been put to use in April this quarter and second would be deployed or will come into my asset by August. So both drilling rigs put together is around having CAPEX of around Rs. 84 crores.
- **Mr. Pritesh Vora – Incedco**
- And what was the total 9 workover rigs, what can be the net block of those rigs?
- **Mr. Rohan Shah – CFO**
- I think Rs. 109 crores is in gross block, probably my financial results are showing segregated number for rigs and the compressors on my annual reports itself. So it would be around Rs. 109 crores or Rs. 115 crores for 9 workover rigs.
- **Mr. Pritesh Vora – Incedco**



- For 9 workover rigs. And generally if you want to consider development and the exploration what sort of percentage will be employed in exploration versus the development of these rigs?
- **Mr. Paras Savla – Chairman & Managing Director**
- As we said the services business and the exploration business are both different so we have not done any segregation within the services business. If we have to do the services business we look at the entire business as one which comprises of compressors, dehydration unit and the drilling rigs or the workover rigs. So we have anticipated a lot of orders to come in these 3 segments and we are quite excited about these opportunities going forward. So we keep on getting the orders we will be doing capital allocation on that.
- **Mr. Pritesh Vora – Incedco**
- Sir my question was your dehydration and compression was mostly operation business. I wanted to understand within your drilling service business how much portion is going towards the exploration and what sort of portion is going towards the development of those assets? Is there any breakup available?
- **Mr. Paras Savla – Chairman & Managing Director**
- That breakup would be available with the client. Actually as far as our services are concerned we keep on providing them for the exploration as well as for the development stage. So there are many projects which our clients are getting into an exploration stage, we have our services deployed there and majority but I would still say majority of them are on the development stage. So for us entire rigs are under services business not a single one under E&P. So, I think you might want to know about which rigs are there under E&P development, that's what I understand, is it right?
- **Mr. Pritesh Vora – Incedco**
- Yeah.
- **Mr. Paras Savla – Chairman & Managing Director**
- So that is not the case the entire rigs fleet is for the services business.
- **Mr. Pritesh Vora – Incedco**
- Right. And what sort of order book do you have on those two drilling rigs which you had deployed from April? What sort of visibility do you have?
- **Mr. Paras Savla – Chairman & Managing Director**



- 3 years contract and both put together are having around Rs. 180 crores of order book. So you can say technically about Rs. 60 crores a year....
- **Mr. Pritesh Vora – Incedco**
- All right sir. Thank you very much.
- **Mr. Paras Savla – Chairman & Managing Director**
- Thank you.
- **Moderator**
- Thank you. We have the next question from the line of Rishabh Poddar from JHP Securities. Please go ahead.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Thanks a lot for giving me another opportunity to ask questions. I have few more questions. One you mentioned that you are being the service provider for last many years for similar clients. But I believe that will be the case for other of your competitors as well. So how do we differentiate among our competitors and who are our largest 2-3 competitors?
- **Mr. Paras Savla – Chairman & Managing Director**
- As we said for the Gas Compression business we are doing this business for now two decades and we have a sizable market share. So we don't see any competition or I would say a very little competition as far as the Gas Compression business is concerned because of many many reasons. But however there are 1-2 other companies who have been active in this space. And of course the numbers are not very high but one of them is John Energy and other one is the Assam company, Assam Air Products.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- But those are, both are unlisted entities?
- **Mr. Paras Savla – Chairman & Managing Director**
- Both are unlisted.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- And in terms of your merger of 5 Group Companies, you mention that there has been no increase or decrease in change in promoter holdings. So I just wanted to understand what those companies brought to our books that is Deep Industries books along with them. And how can it be possible that there has been no change in promoter holdings



because you mentioned those were your promoter entities. So definitely there had been some consideration given by Deep Industries to those entities in lieu of the asset acquired or liabilities acquired?

- **Mr. Rohan Shah – CFO**

- All these 5 companies were holding companies from promoter's group before merging those companies. So all 5 companies are more or less having investments in their books so before merging those companies we have cleaned their Balance Sheets keeping just investment in Deep Industries there. And then we merged all 5 or you can say we fall back those 5 into Deep and the shareholding, the shares which they were holding of Deep are in turn been issued to shareholders of those companies.

- **Mr. Rishabh Poddar - JHP SECURITIES**

- Okay, got it. So what other businesses do those entities had and where did those businesses move out?

- **Mr. Paras Savla – Chairman & Managing Director**

- They were basically the holding companies so you cannot say that there was any major line of business in those companies....

- **Mr. Rishabh Poddar - JHP SECURITIES**

- It was just investments.

- **Mr. Paras Savla – Chairman & Managing Director**

- Correct.

- **Mr. Rishabh Poddar - GSP SECURITIES**

- And another thing what led to you make a move into E&P business?

- **Mr. Paras Savla – Chairman & Managing Director**

- The reason we found that there are enormous opportunities in E&P business. There are a lot of areas including the CBM in the country which is yet to be explored and it is one of the areas where the relative investment compared to a conventional oil and gas is low, the returns are very good with a low risk in it. We found that, that was perfectly suitable to our size and to our numbers as well.

- **Mr. Rishabh Poddar - JHP SECURITIES**



- So maximum we will focus on CBM rather than Oil and Gas?
- **Mr. Paras Savla – Chairman & Managing Director**
- For now yes, atleast for 2-5 years we foresee the CBM opportunities to be doing good and we have our focus on that.
- **Mr. Rishabh Poddar - GSP SECURITIES**
- Any technical partner, technical expertise we are tying up with for both the...?
- **Mr. Paras Savla – Chairman & Managing Director**
- Having our own experience of doing oil and gas services we ourselves get qualified and we have been getting awards on our own technical expertise. So we ourselves are going to develop this block.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Sir any operational CBM project currently in India? What kind of cost of production do they have currently?
- **Mr. Paras Savla – Chairman & Managing Director**
- I am not aware about the cost of production and the rate that would be having but yes there are 3-4 CBM projects which are operational, one of them as I said is Essar in Raniganj. We have Great Eastern Energy Corporation...
- **Mr. Rishabh Poddar - JHP SECURITIES**
- And ONGC.
- **Mr. Paras Savla – Chairman & Managing Director**
- Yeah. Then we have ONGC in Bokaro and we have Reliance Industries at Sohagpur.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- The JSPL CBM has not taken off currently?
- **Mr. Paras Savla – Chairman & Managing Director**
- Sorry?
- **Mr. Rishabh Poddar - GSP SECURITIES**
- The JSPL was also, I mean Jindal Steel & Power was also....?



- **Mr. Paras Savla – Chairman & Managing Director**
- No, it has not taken up.
- **Moderator**
- Sir, I am sorry to interrupt but can we move on to the next question.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Just the last one, there are no further questions.
- **Moderator**
- Okay.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Sir, in relation to the Reliance Industries and ONGC dispute where ONGC mentioned that Reliance has taken over their gas allocation beneath the sea, KG-D6. How do we tackle such issues and are we also a service provider wherein we can increase the downfall in the production of Reliance Industries? How we can help out in this crisis situation?
- **Mr. Paras Savla – Chairman & Managing Director**
- We have not gone through any such scenario so I am unable to answer how and what the dispute between ONGC and Reliance was. I am unable to answer that, sorry.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- No, but service capabilitywise whenever there is a shortfall in gas output let's say what role do we have to play in that particular area?
- **Mr. Paras Savla – Chairman & Managing Director**
- You have to just go ahead for the enhanced oil recovery or the plans to boost your oil and gas production by drilling more wells, doing workover applying the hydrofrac technologies to ensure that the gas production moves. So there are all different ways of ensuring that the production sustains or increases.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- But we have not seen that in the case of Reliance Industries for the last 4-5 years. The production has not been peaked out or not even increased from where it is currently. It is estimated to be plus 30, 40 MMSCMD.
- **Mr. Paras Savla – Chairman & Managing Director**



- Actually I am unaware about their production profiles and the reasons why they are not been able to move. But as far as our CBM business is concerned I am pretty sure that....
- **Mr. Rishabh Poddar - JHP SECURITIES**
- No, those are not CBM business...?
- **Mr. Paras Savla – Chairman & Managing Director**
- No, they are not, they are offshore business I know, you are talking about...
- **Mr. Rishabh Poddar - JHP SECURITIES**
- KG-D6.
- **Mr. Paras Savla – Chairman & Managing Director**
- KG-D6, yes.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- So Reliance is not such a large client of ours?
- **Mr. Paras Savla – Chairman & Managing Director**
- No, they are not.
- **Mr. Rishabh Poddar - JHP SECURITIES**
- Okay. Fine sir. Thanks a lot. I will connect you offline as well.
- **Moderator**
- Thank you. We have the next question from the line of Aditya Gupta from Narnolia Securities Limited. Please go ahead.
- **Mr. Aditya Gupta - Narnolia Securities Limited**
- Thank you for taking my question. Sir, can you please provide breakup of your order book worth Rs. 845 crores?
- **Mr. Paras Savla – Chairman & Managing Director**
- We have not segregated, as I said we have always been seeing our services business as one group. To just give you a rough idea that between Rs. 845 crores around 40% of them should come in from dehydration business and around 30% each between the gas compression and the rig business.



- **Mr. Aditya Gupta - Narnolia Securities Limited**
- Okay. Thank you sir.
- **Moderator**
- Thank you. We have the next line from Paras Adenwala from Capital Portfolio Advisors. Please go ahead.
- **Mr. Paras Adenwala - Capital Portfolio Advisors**
- Sir, I just have a very micro question since you are so actively involved in energy segment. With oil prices kind of stabilising are you seeing a return of investments into the sector which had been kind of frozen for the last couple of years?
- **Mr. Paras Savla – Chairman & Managing Director**
- As far as our services is concerned as I said we find an opportunity on every drop of oil. Our strategies have been more useful to us, we have been very aggressive in these markets. We have been offering our services and in turn that has been beneficial because if you have see a backward channel all the capital investments have also gone down compared to the oil prices the way they have gone down, the capital investment on the equipments has also gone down. So for us we find a good opportunity even in the dropping market and of course if you see the kind of returns that we already have, we have been having these returns for almost 10 years now. If you get a chance to look at our numbers for last 10 years we have been able to sustain these kind of margins.
- **Mr. Paras Adenwala - Capital Portfolio Advisors**
- Also this decline in investments in the industry, is it now stemming or the decline continues?
- **Mr. Paras Savla – Chairman & Managing Director**
- That is something that I am unable to comment on that because that’s a larger issue and larger political issues involved. So I will have no idea on that.
- **Mr. Paras Savla – Chairman & Managing Director**
- Okay. Thank you.
- **Moderator**
- Thank you. The last question is from the line of Pritesh Vora from Incedco. Please go ahead.
- **Mr. Pritesh Vora – Incedco**



- Sir, you mentioned about the drilling rig visibility what sort of visibility do we have on our workover rigs?
- **Mr. Paras Savla – Chairman & Managing Director**
- The workover rigs are rigs which have ongoing work despite of the crude oil prices going down and upwards it is something that if you have to produce oil, you have to do the workover activities. So I believe with the aging of the wells the activity of workover is something that will keep on and on. It is something like a doctor, you need a doctor every now and then.
- **Mr. Pritesh Vora – Incedco**
- Do the client hire for a number of days or how they generally place an order?
- **Mr. Paras Savla – Chairman & Managing Director**
- Some of the clients hire for a number of wells, large clients like Essar, Reliance, ONGC, Oil India they hire for years, from 3-5 years.
- **Mr. Pritesh Vora – Incedco**
- Right. So I was just asking in that respect what sort of visibility do we have?
- **Mr. Paras Savla – Chairman & Managing Director**
- There is a huge visibility, I mean we have a good demand so they are on ongoing jobs so going forward we foresee these numbers to go up but I am unable to comment on what kind of numbers we would be looking at in future. But atleast for now in workover we foresee the numbers to go ahead the way they are.
- **Mr. Pritesh Vora – Incedco**
- All right sir. Wish you all the best. Thank you very much.
- **Mr. Paras Savla – Chairman & Managing Director**
- Thank you very much.
- **Moderator**
- Thank you. I now hand over the conference to Abhishek Dutta for closing comments.
- **Mr. Abhishek Dutta – Prabhudas Lilladher.**
- Thank you so much Mr. Savla and Mr. Rohan Shah for taking your time out for the conference call. Thank you so much sir.



- **Mr. Paras Savla – Chairman & Managing Director**
- Thank you.
- **Mr. Rohan Shah – CFO**
- Thank you.
- **Moderator**
- Thank you. On behalf of Prabhudas Lilladher that concludes this conference. Thank you all for joining us and you may now disconnect your lines.
- **END.**