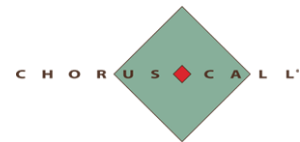




“Deep Industries Limited
Q4 & FY26 Earnings Conference Call”
May 15, 2026



**MANAGEMENT: MR. PARAS SAVLA – CHAIRMAN AND MANAGING
DIRECTOR – DEEP INDUSTRIES LIMITED
MR. ROHAN SHAH – DIRECTOR, FINANCE AND CHIEF
FINANCIAL OFFICER – DEEP INDUSTRIES LIMITED**

**MODERATOR: MR. ROHAN BARANWAL – ARIHANT CAPITAL
MARKETS LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to The Deep Industries Limited Q4 FY26 Earnings Conference Call. As a reminder, all participant 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 star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rohan Baranwal from Arihant Capital Markets Limited. Thank you, and over to you, sir.

Rohan Baranwal: Hello, and good afternoon to everyone. On behalf of Arihant Capital Markets Limited, I thank you all for joining the call into the Q4 and FY26 Earnings Con Call of Deep Industries.

Today from the management, we have Mr. Paras Savla, the Chairman and Managing Director of the company; Mr. Rohan Shah, the Director Finance and CFO of the company. So without any further delay, I'll hand over the call to the management for their opening remarks. Over to you, sir.

Paras Savla: Good morning, everyone, and thank you for joining us today to discuss our performance for the year ended 31st March 2026. We sincerely appreciate your continued interest and confidence in Deep Industries. I trust you have had the opportunity to review our financial results, press release and investor presentation, which have been made available on the company website and stock exchanges.

I'm joined today with our Director, Finance and CFO, Mr. Rohan Shah, who will take you through the financial performance for the year ended 31st March 2026 in detail after my remarks. Let me briefly take you through India's macroeconomic environment and the evolving dynamics of the energy sector.

The oil and gas sector is transitioning from a period of crisis management to a structural rebalancing. While 2026 was dominated by the shock of Strait of Hormuz closure, FY27 is expected to see a demand rebound as supply flows normalize.

According to current projections from EIA and OPEC, global oil demand is set to grow by 1.6 million barrels per day in 2027, reaching a record high of 106.2 million to 107.8 million barrels a day. Asia remains the primary driver of incremental demand, but the sentiment is one of energy security overhauls. A massive push is expected in FY27 towards natural gas as a bridge fuel.

India and China are aggressively expanding LNG regasification infrastructure to reduce reliance on volatile crude markets. India has rationalized royalty rates for oil and gas companies under the Oilfields Regulation and Development Act to boost growth in the upstream sector. Just this month, May 2026, the government slashed royalty rates to attract global majors and incentivize domestic players like ONGC to tackle difficult fields.

Royalty is now calculated on wellhead price with a fixed deduction 15% to 20%, removing the long-term -- long-standing disputes over post-production cost deductions. This marks a new era for India's oil and gas sector by removing long-standing inconsistencies in the royalty framework. To increase domestic production by FY27, the Indian government has pivoted from a revenue sharing mindset to an exploration first strategy.

The goal is to reverse the decade-long decline in crude production, which dropped to 28.4 MMT in 2024, '25 and hit the ambitious target of reducing oil import dependency. The government has launched special CBM rounds in 2025 and 2026. These unconventional sources are expected to start feeding into the national gas grid by early 2027, particularly in the Eastern states.

One of the most aggressive moves in the 2026 strategy is the shrinking of no-go areas. Huge swath of the Indian exclusive economic zone that was previously restricted due to defense or environmental concerns, nearly 1 million square kilometers have been opened for seismic service and drilling. One nation, one grid. The strategy isn't about digging, it's about moving the product efficiently.

Unified pipeline tariffs implemented to ensure that a factory in a remote area pays the same gas transport rate as one near a terminal. This incentivizes E&P companies by ensuring there is a steady national market for their gas. India's gas pipeline network is crossing 25,000 kilometers in 2026, aiming to connect almost every state to the national grid by the end of FY27.

With the vision of our Honorable Prime Minister, Shri Narendra Modiji for Atmanirbhar Bharat, country is actively pursuing investments for its exploration and production sector as a part of broader USD500 billion opportunity in its energy infrastructure by 2030. We are strategically positioned to capitalize on this opportunity, reinforcing our commitment to national energy security and long-term value creation.

Now I'll take you through the operational performance highlights and business momentum. During FY26, Deep Industries continued to deliver consistent operational performance with a sharp focus on safety, execution discipline and asset reliability across all operating sites. Across our core service offerings, onshore drilling, workover services, gas processing and production enhancement, asset utilization remained healthy during the quarter.

Continued policy thrust on expanding exploration acreage, strengthening gas infrastructure and enhanced [inaudible 0:06:45] integrated oilfield services. Our order book remains robust, revolving consistently over INR3,000 crores, providing multiyear revenue visibility and reinforcing confidence in our long-term growth outlook.

On the business updates, with regards to Kandla Energy and Chemicals Limited, we had acquired the company under corporate insolvency and resolution process in March 2025. The intent for this acquisition was to do a backward integration, enabling the management to source the chemicals and hydrocarbon fluids in-house that was manufactured by Kandla. Kandla was eventually merged with Deep Industries Limited effective from 30th March 2026.

The appointed date of the scheme is 31st March 2025. Following the acquisition of Kandla in March 2025, management adopted a conservative accounting approach regarding inherited trade receivables. The company deferred the recognition of certain legacy receivables pending a full recoverability assessment.

We initiated a comprehensive 12-month reconciliation and recovery program to validate the collectability of these old trade receivables. After a year of intensive collection efforts and due diligence, it was determined that these old trade receivables do not meet our criteria for realization.

Consequently, to ensure a transparent and high-quality balance sheet as a part of our balance sheet strengthening exercise, the company has elected to write off these legacy trade receivables. This nonrecurring and noncash adjustment reflects our commitment to financial discipline. This has not impacted our core cash profitability in FY2026.

Our net cash flow from the operating activities have been increased to INR270 crores in FY26 from INR210 crores in FY2025.

In January 2026, a gas leak occurred during workover operations at Well Mori-5 in Andhra Pradesh under our production enhancement contract. Our emergency protocols and robust safety systems enabled a swift response in close coordination with ONGC and regulatory authorities. The situation was fully contained within 5 days. We are pleased to report that there were no injuries or loss of life.

While the incident has resulted into a 5- to 6-month shift in our production enhancement time line, keeping safety as our highest priority, our focus remains on resuming production enhancement operations and meeting our long-term output targets.

On strategic priorities with strengthened leadership team, the company is now set for continued growth for operational excellence and innovation. We are confident of sustainable growth in years to come by capturing new opportunities and deliver long-term value to our stakeholders.

In closing, we will continue our efforts on adopting best corporate governance and higher safety standards. Further, I would like to show our gratitude towards our employees for their dedication and professionalism, our clients for their continued trust and our partners for their collaboration. We also thank our investors for their ongoing support and confidence in these industries.

With that, I now invite Rohan to take you through the financial highlights for quarter 4 and FY26. Thank you.

Rohan Shah:

Thank you, Paras bhai. Investor friends, thank you for joining the call today. Happy to share with you another excellent quarterly and full year performance of Deep Industries Limited, reporting growth of more than 50% year-on-year. All the comparisons are on year-on-year basis, which would provide a fair evaluation.

As already mentioned by Paras bhai, under exceptional item, we have taken write-off of around INR208 crores of Kandla legacy trade receivables after intensive recovery process. However, the said write-off has not impacted our cash flows.

With regards to operational revenue for Q4 FY26, it has rose to INR248.7 crores, up by 49% year-on-year. For full year operating revenue jumped by 55% to INR891 crores. The strong growth momentum in top line comes from execution of our orders as well as consistent new order flows.

Control over costing and operational efficiencies have helped us post 71% year-on-year growth in EBITDA to INR106.85 crores in Q4 with EBITDA margin of 39%, and for full year EBITDA has shown growth of 44% to INR424.82 crores.

Net profit for the fourth quarter, excluding onetime exception item net of tax was at INR148.6 crores and for full year net profit, excluding onetime exception item net of tax stood at INR352.9 crores. Cash profit for the year stood at INR442 crores with cash profit margin of 46%. Our return ratios have also improved significantly in this year. Our adjusted ROE reached to 21.8% and adjusted ROCE has reached to 19.2%.

Our debt-to-EBITDA ratio has improved and remained very strong at 0.48. Our order book consistently revolving at INR3,000-plus crores gives us a clear visibility of growth in coming years. Through strategic diversification and expanded overseas operations, we have successfully reduced our single client dependence to below 40% of total operating revenue.

As we look ahead to FY27, Deep Industries is well-positioned for bright and promising future with excellent growth, building our strong performance in recent years. We are confident in our ability to maintain this project -- this positive trajectory.

As Paras bhai said, our success is driven by a solid foundation and operational excellence, a sharp focus on cost optimization and steadfast commitment to innovation. These strengths enable us to seize new opportunities as they arise in the energy sector.

With this, I now open the forum for question-and-answer. Thank you.

Moderator: The first question is from the line of Sudhir Bheda from Bheda Family.

Sudhir Bheda: Congratulation to all the Deep management for the excellent show for the FY26 and also for the -- taking the -- or trimming the balance sheet and making it very light. My questions are whether all the receivables are written off or still legacy debtors are still pending? And if it is pending, what are your views, why it has been -- not been written off?

Rohan Shah: So we have written off all old trade receivables of Kandla Energy. With our extensive effort of recoverability, we decided that it is not recoverable anymore. And so we decided to write-off those old trade receivables of Kandla. With regards to other legacy trade receivables of Dolphin, we have kept them outstanding in our books considering the arbitration awards received in our favor.

So out of total INR160 crores of Dolphin Group trade receivables, we have a good amount of arbitration award in our favor. And considering that as well as the client relationship, we are very optimistic on recovering all those trade receivables, and that's how we have kept them outstanding.

Sudhir Bheda: So if you remove that legacy receivables of Dolphin, then our debt numbers are quite lower, right, much lower than it is reported?

Rohan Shah: Yes.

Sudhir Bheda: Yes and sir, with the kind of order books we have, so what kind of growth do you project for next 2 years, like FY27 and FY28?

Paras Savla: So with the current trend that is going on, we are quite optimistic that this trajectory of growth that has been witnessed in past few years should keep continuing. But our sense is that it could be more than 25% to 30%.

Sudhir Bheda: Great. So that still on the higher base, it will continue -- will continue to grow at a healthy pace?

Paras Savla: Yes.

Sudhir Bheda: So that means that FY28 can we see a profit of maybe INR450 crores or INR500 crores kind of -- is it possible?

Paras Savla: So with the growing trajectory, I don't see that to be an issue or to be a concern because the growth has already been demonstrated for past few years. And with the current situation that has arisen in relation to the crude oil, I think India has put a lot of focus on drilling activities and trying to produce more of oil and gas. So definitely, this will enhance our business opportunities. And keeping that in mind, I think that could be quite possible.

Sudhir Bheda: Great. And sir, last question. Now recently, government has come out with the coal gasification scheme. So do we qualify for that? Do we have a technology for coal gasification? Or it is like can we, are planning to venture into this?

Paras Savla: Various areas where company is actively looking into it. One of that, as we had already mentioned earlier that we were exploring the possibilities of green hydrogen projects. Having said that coal gasification, geothermal is something that is aligning to our business activities. So going forward, we might -- so we have already started looking into it. And at an appropriate, we may look into this with a strong commitment as we go forward.

Sudhir Bheda: Great, great. And if you allow, sir, last question. So now there is a delay in production enhancement scheme. So then will you trim down the project or you are still that whatever target you have set for FY27, that will be achieved for production sharing contract?

Paras Savla: So as I mentioned, because of the incident that took place, our activities have been a bit delayed for a quarter or 2. Once -- I think we -- it should be regularizing maybe a month or 2 may more. But going forward, these numbers or the projections that what we have should

come around. Maybe it will have an impact of maximum, as I mentioned, 1 or 2 quarters, but everything else is just intact.

Sudhir Bheda : **Thank you very much and All the best.**

Paras Savla : **Thank You**

Moderator: The next question is from the line of Manan Shah from Moneybee. Please go ahead.

Manan Shah: Ya hi, Thank you for the opportunity and Congratulations for good set of numbers. My first question was on Dolphin. So in this quarter, we have seen a spike in the revenues of Dolphin as well as on the expense side. So can you provide some light of what has transpired in Dolphin in the current quarter?

Rohan Shah: Yes. So in Dolphin, we had a good quarter in terms of revenue. So our revenue has jumped up. And along with it, it was some expenditure has also been risen. So there was one opportunity ongoing where we had some higher rates in between the contract. And so with that higher rates with gross revenue, the expenditure was also rose to the extent.

Manan Shah: Like compared to the results to the December quarter where we were having net of expense revenue and margins, the profitability was much healthier. So I mean, taking this opportunity, overall, our profitability was impacted rather than being positively impacted?

Rohan Shah: Yes, yes. So overall profitability in terms of actual profit would remain intact. Probably in terms of margin, you will have seen a little decline. But if you look from profit perspective, it would be in line.

Manan Shah: Okay. My second question was in terms of the -- in the presentation, we are talking of getting into higher HP drilling rigs. I believe you're talking about 2,000 HP. We have tried this earlier also via a JV. So this is the same opportunity that we are again reexploring? And what gives you the confidence of qualifying this time?

Paras Savla: So these tenders have been coming in the past, but we believe that as we go forward, the kind of inquiries that could be floated from our clients would be much higher in numbers. And we are sure with the qualification, we will surely qualify for the same.

Manan Shah: Okay. So this time, we'll be doing it by ourselves or again, we are going to be doing it via a JV?

Paras Savla: Of course, it would be via JV.

Manan Shah: Okay. And what is the current bid pipeline?

Paras Savla: It's close to around INR500 crores, INR600-odd crores.

Manan Shah: Okay. My next question was on the PEC contract. So there has been a stop production order given by the APPCB over there on the Mori-5 well. So I wanted to understand whether the

enhancement of production in this particular -- how critical was Mori-5 in that entire plan? And how do we plan to then get around this stop production order over there?

Paras Savla: This stop production order was given only for this particular well, which is already in a question. So we have already shut off this well for now for all the compliance and regulatory matters. In short span of time, we may try to keep this well activated, but that is again in the eventuality or in the passage of some time.

So it is difficult for us to really comment on this. But barring this stop order, this was restricted only to that particular well. All our other activities related to other wells and the areas for gas production, they are completely intact, and we are still producing gas and we are selling the gas.

Manan Shah: Okay. So despite the stop production for this particular well, we are still confident that once the operations commence, we should be able to get to that run rate of INR120 crores to INR150-odd crores from this particular contract?

Paras Savla: Yes, yes. So we are already doing some amount of -- I mean, a reasonable amount of gas production. But as I mentioned, there is a gap of around 1 or 2 quarters for the equipment to be hired and put back to production. So once we have that, it will again regain to what our original projections were.

Manan Shah: Okay. My next question was on that one of our rig was damaged, I believe, the workover rig. And because of that, we had enforced force majeure and then we were not able to participate in the workover rig contract. So any update over there? Are we now able to participate in the new workover rig contracts?

Paras Savla: So both the fire incident -- sorry, or the incident of the rig that was damaged is a separate issue, but those matters are currently under active consideration, and they are going through the formalities. So we are very confident that in short passage of time, we'll have that clarity coming in.

Manan Shah: Okay. Understood. And my last question is on the overall order book. You gave a very good overall macro picture. But when should we see that translating into incremental order flow for the -- because our order book has stagnated at around this INR3,000 crore odd level for the past 4, 5 quarters.

So when can we see the macro demand finally translating into orders and which sector -- which of the various works that we do, whether it is drilling or gas compression or gas dehydration or the gas processing, where do you see the potential out of all these sectors?

Paras Savla: You would have seen the last 4 or 5 quarters, there was a significant amount of the major order that was coming out through the way of PEC. So if you see even if that considering that INR3,000 crores of order book, the kind of implementation or the kind of execution that is done, that has again remained stable. So which means there has been an active flow of orders that have come, and that's how the order book has remained same.

But having said that, there are new PECs also coming up. And as I also mentioned, the new opportunities of the higher capacity rigs and all that put together will definitely give an indication of higher order book. So maybe in some quarter or 2, you would see that numbers also coming quite above to what the current levels are.

Moderator: The next question is from the line of Manan Vandur from Wallfort Fund Management. Please go ahead

Manan Vandur: Congratulations to the Team. Sir, I have three questions. Sir, out of the bid pipeline that we have of INR500 crores to INR600 crores, does this also include PEC? And if not, then how are we looking towards more of PEC contracts?

Rohan Shah: So this INR500 crores to INR600 crore bidding pipeline is consisting of bids already submitted. With regards to PEC, one recent tender has come up, which is yet to bid. And so to answer to your question, PEC is not included in this bidding pipeline.

Manan Vandur: Okay. And that recent tender, sir, how much could that be? And who is the competition for us?

Rohan Shah: So as of now, it has just come last week only. So we are just evaluating. So in terms of value, probably we'll not be able to quantify as of now. But yes, we stand very good chance as we are quite capable of executing this kind of contracts with in-house assets and expertise. And this tender is also for 15 years.

Manan Vandur: Okay, sir. Got it. Thank you. And sir, just two more questions. Sir, do we hedge against the dollar for all of our contracts? Otherwise, like it would become beneficial for us if the INR depreciates. Do we do that?

Rohan Shah: So no, we do not hedge because rupee is constantly depreciating. So at the end of day, it is in our interest. And so we have kept those dollar receivable position open.

Manan Vandur: Okay. That is really great to hear. And sir, just last question. Sir, does the price of crude oil affect our order book in different segments like dehydration compression, PEC because our PEC contracts are linked with crude oil production. So I think the last PEC contract that we took of ONGC, it was around INR1,400 crores or something.

And that I'm assuming the crude oil, our realization we would have taken at \$70 or something. So now it is \$100. I understand it can come back down. But overall, let's say, this keeps on hovering \$90, \$80 or whatever it increases. So does that also affect our order book and increase our PEC order book?

Rohan Shah: Yes, definitely. Because in PEC, we are having a free gas price mechanism. And as you rightly said, with increase in gas price, this order book can increase upward. With regards to the first question of crude oil impact, so other than PEC in our services business, we do not have any direct impact of crude oil price. But yes, sentiment definitely helps us in increasing the demand of services.

Manan Vandur: Okay. So gas prices help us, not crude oil prices, correct?

- Rohan Shah:** Both in a way because our drilling rig drills well for both oil and gas.
- Manan Vandur:** Okay. Understood. Understood. And just a clarification, last thing, not a question. Sir, one of the previous participants asked around FY27 PAT could be around INR400 crores plus. So just a clarification that did I hear it right or wrong?
- Rohan Shah:** Yes. So I think the earlier participant was asking about FY28. But the way we are growing, we are quite optimistic to grow around 25%, 30% year-on-year even in '27, '28 as well.
- Manan Vandur:** okay. Understood. Thank you so much. Thats it from my side. Thanks.
- Rohan Shah** **Thank you.**
- Moderator:** The next question is from the line of Harsh Shah from 7 Rivers.Please go ahead.
- Harsh Shah:** **Good Morning Sir.** Sir, just following back on Dolphin Offshore. While our revenue has grown up sequentially from INR30 crores to INR45 crores, EBITDA in absolute terms has also come down significantly from INR22 crores to INR12 crores.
- So I mean, if you can clarify a bit on that because other expense at INR16 crores is significantly higher. So is there any one-off in this quarter? Have we preloaded any expenses, which is not expected to recur in subsequent years? How should we look at EBITDA for Dolphin now?
- Rohan Shah:** Yes. So with regards to Q4, we had one, one-off item of ECL, which is expected credit loss provisioning of around INR10 crores. And I think that is a one-off item. If you will exclude that, then margins are in parity.
- Harsh Shah:** Okay. So even if you exclude that, our EBITDA is at INR22 crores. Now revenue has gone up from INR30 crores to INR45 crores, but EBITDA has remained at INR22 crores. So what explains that?
- Rohan Shah:** Yes, as I said earlier, there was one opportunity where we had charged the gross rate instead of net. And in that, our revenue was higher, but parallely expenses were also higher to some extent in some of time period during Q4. And I think that impact is appearing. Otherwise, on absolute number basis, they are intact.
- Harsh Shah:** No. But at INR30 crores, we did INR22 crores EBITDA, that incremental INR15 crore revenue should have fetched some profit, right, INR3 crores, INR4 crores even if the expenses were high?
- Rohan Shah:** No, so see, at the end of day, you are dealing with an equipment which needs repairing over a period of time or within the contract period, there are some breakdown or repairing works coming on and off.
- So for us, probably we always believe that our performance should be evaluated year-on-year basis, not on quarter-on-quarter because it may happen that in one quarter, you have higher repairing expenditure. In one quarter, you have a very low repairing expenditure and all. And

so ideally for my business in terms of charter hiring, I think year-on-year evaluation is more effective.

Harsh Shah: Fair enough. Fair enough. And sir, we did revenue of almost INR900 crores. And from what I believe our order inflow for the year was somewhere around INR950 crores. Now since we're guiding 25% kind of a revenue growth, which comes to roughly around INR1,100 crores, do we expect corresponding increase in the order book inflow as well? So just to keep that rolling revenue visibility intact?

Rohan Shah: Yes. So we are expecting some good amount of order to come in, in current financial year. I think Paras bhai was just mentioning about higher capacity drilling rigs and new PEC contracts and all. So the order inflow or I would say, bidding is exceptionally increasing well. And we are hopeful optimistic that this order book will also improve quite a good from this number.

Harsh Shah: And sir, how do we expect the mix to change going ahead? Are we bidding more for gas processing or more for drilling or it would be more on the IPM side?

Paras Savla: As a matter of fact, we would try to bid as the opportunity comes within our focus sectors. So it is very difficult to identify that which vertical or which sector would be growing how much. As we speak, to us, I think every sector in the -- in an oil and gas business is growing in more or less the same symmetric.

So I think we have to still wait and see how the numbers are getting -- numbers are going to reflect or in the order book. So it's just the order book that we have to keep watching. And then probably maybe at the end of the year, we can make some assessment on which sector did how much.

Harsh Shah Got it Got it. Thank you so much sir.

Moderator: The next question is from the line of Sanjay Shah from KSA Securities. Please go ahead.

Sanjay Shah: Good morning Gentleman. and Congrats on great set of numbers. So my question was regarding how much operating leverage is still available from the existing assets before any next major capex cycle?

Rohan Shah: So with regards to rig segment, our assets are 100% utilized. And so with any new order coming in, we'll have to do capex of new rig. With regards to Gas Processing segment, we have still availability of around 12%, 15%. So till that extent, we may use our available fleet. And post that, we'll have to go for capex.

Sanjay Shah: So what is the management top three strategic priorities for next 3 years?

Rohan Shah: See, if we talk about top 3 priorities, of course, PEC is one. Second priority for us is higher capacity drilling rigs. And third priority definitely to add a fleet into offshore segment as well. So largely, these 3 sectors or 3 priorities we are working on for coming year.

- Sanjay Shah:** So sir, what is the road map of Dolphin Offshore and our international subsidiary, means offshore opportunity pipeline in India and overseas. How large is the current market opportunity?
- Rohan Shah:** See for offshore market is huge and opportunities are great, but we have been selective in picking up the opportunity because -- we have just entered into offshore segment with one asset only, and we wish to add this split to further assets one by one. So we would be going watchful and selective while taking those opportunities. Having said so, in market opportunities are immense.
- Sanjay Shah:** So have we finalized on any capex or guidelines for next 3 years, what we need and which vertical we need to do that?
- Rohan Shah:** Yes. So with regard to capex, we are doing capex of around INR150 crores under PEC this year. And we would be adding a few more assets under rig segment and Gas Processing segment as well. So more or less for this year, we are targeting to have capex of around INR300 crores -- and if we'll be able to achieve some good orders in offshore segment, then this capex can increase further.
- Sanjay Shah:** That's great Sir. Very helpful. Thank you very much and all the best.
- Rohan Shah:** Thank you
- Moderator:** The next question is from the line of Darshil Jhaveri from Crown Capital. Please go ahead.
- Darshil Jhaveri:** Firstly, congratulations on a great set of results. Hopefully, I'm audible?
- Rohan Shah:** Yes.
- Darshil Jhaveri:** Yes. Hi, sir. First question, sir, all the write-offs from Kandla we've taken, right? Like there's nothing else left for us to take in Kandla, right? Or any like other write-offs?
- Rohan Shah:** Correct.
- Darshil Jhaveri:** Okay. Fair enough, sir. And sir, just wanted to know that -- so going forward, like how do you see our EBITDA margins like our revenue, you've given a very good guidance of 25%, 30% growth, right? So in terms of EBITDA, how do you see that, sir? How do you see that growing right now?
- Rohan Shah:** So EBITDA would be -- remain on growth trajectory only. And probably what we believe is we should be able to maintain EBITDA of 44%, 45% year-on-year. It may vary 1% or 2% here and there, but no major movement.
- Darshil Jhaveri:** Okay. Okay. Fair enough, sir. Fair enough, sir. And sir, just wanted to know like when we are planning for another INR150 crores of Gas and Rig segment, so what is the revenue potential from that?

Like I wanted to understand like in terms of do we -- are we planning for a bigger round of massive capex or something like a Dolphin acquisition that we did. So are we planning to go for something like that? Or what is the potential from the current capex, sir?

Rohan Shah: No. So the capex of another INR150 crores is pertaining primarily to the equipments, majorly rigs and gas processing units, which we believe we will be able to secure orders. For gas processing, we are eyeing on one tender which we have already bided.

We may get some good order in coming months. So based on the bidding which we have done, we have estimated that around INR150 crores kind of capex we may have to incur on getting award of those bids.

Darshil Jhaveri: Okay. Okay. Fair enough, sir. And sir, just like on an overall basis, like I think on our subsidiaries like from Kandla and the green hydrogen, what do you feel that potential can be right now, sir, for us, like any kind of traction that you're getting or what is the plan with that part of this business, sir?

Rohan Shah: Yes. So green hydrogen, we have just entered an MOU, and we have started exploring opportunities. So it would be a little early to comment on the size of opportunity. So we have just tried to add one more vertical as a part of our diversification exercise.

And we would be probably in 2 quarters or 2, 3 quarters, we may have some substantial numbers or facts to discuss about that. With regards to Dolphin, of course, we are bullish and eyeing on opportunities. So we may add a few more assets in the fleet.

Darshil Jhaveri: Okay. Fair enough. And sir, just last question from my end. Sir, in our business, is there some seasonality? Or is it very constant revenue like type of like, because -- so how do we see H1 like because of the war or something, is there like possibility of some contract getting delayed or some execution? Or how does that work, sir? Like so in terms of like H1, H2, like it will be similar? Or how does it go forward, sir?

Rohan Shah: Yes, yes. For our services business, I think there is no similar -- seasonality.

Darshil Jhaveri: Okay. So Q1 can be similar to Q4 like in general, sir?

Rohan Shah: Yes, yes. So for us, our services are 24/7, 365 days. So there is no seasonal effect into it. So almost you can say it would be consistently in same period.

Darshil Jhaveri: Okay Fair Enough.. That sir from my side. Thank you so much sir

Rohan Shah: Thank you

Moderator: The next question is from the line of Pankaj from Axis Capital. Please go ahead.

Pankaj: A very good morning and Thanks for all the great results, lots of congratulations for that. I have some very quick basic questions. On the P&L side, I can see a tax expense of a negative number. Is it because of the debtor written off which we have done for that INR208-odd

crores? Or is it something else? Whatever it is, is there a benefit which is expected to accrue -- to continue to accrue in the next financial year also?

Rohan Shah: Yes. So that reversal is pertaining to that debtor reversal, and it is linked with that exceptional item.

Pankaj: Okay. And in continuation to one response you actually gave for you exploring the higher capacity drilling rigs. Is there some capex also which possibly will be kind of coming as part of that? If yes, do you have some idea on the quantum? And is there some funding plan which you have thought about that?

Rohan Shah: So yes, we'll be able to secure 2,000 horsepower drilling rig contract, we'll have to go for a new rig and capex would definitely be there. So our primary estimate is the rig can be of around INR100 crores or INR100 crores to INR120 crores, but that depends on the availability of equipment as well.

Pankaj: And sir, you plan to fund this through internal accruals or you plan to do something else as part of that?

Rohan Shah: Yes, internal accrual and debt.

Pankaj: Okay. And my last question is that out of INR3,000-odd crores order book, how much is likely to get executed in FY27, sir?

Rohan Shah: So this INR3,000 crore order book consists of one 15-year contract and rest of the contracts are on an average life of 2.5 years. So I would say more than INR800 crores kind of orders would be executed for this financial year out of this INR3,000 crores. And rest, we are expecting some good numbers to add in, which will contribute further.

Pankaj: Okay. That's great. Sorry, taking the liberty of asking last question, one more last question. On the working capital side on the debtor, we have seen a significant improvement. I assume this has nothing to do with that INR208-odd crores written-off which we have done. Irrespective, so is there a plan to kind of do some more stuff on that side so as to bring it to a reasonable level of, say, 90-odd days?

Rohan Shah: Yes. So it has improved definitely with one write-off because those old trade receivables were unnecessarily showing my working capital cycle large. With regards to another some INR160-odd crores of old trade receivables, they are still there in the trade receivables. But for them, we are very much optimistic of recovery. And so we have kept them in those receivables.

Pankaj: But there is no possibility of provision debt -- bad debt kind of stuff out of those numbers, right?

Rohan Shah: No. As of now, we have a fair amount of visibility because of some arbitration awards already received in our favor. And so we believe that we'll have a good amount of recovery out of those.

Pankaj : Thanks a lot for all the answers and all the best for your future endeavours.

- Moderator:** The next question is from the line of Rohan Mehta from Strateasy. Please go ahead.
- Rohan Mehta:** First of all, let me compare Dolphin Offshore year-on-year. Can you give me a revenue trajectory and margin profile year-on-year rather than just comparing quarter-on-quarter? I'm asking for a guidance for the FY27?
- Rohan Shah:** Yes. So on revenue front, we believe if we'll be able to secure additional assets, then it will grow way high. But with the single assets which we are already operating, we are expecting top line of around INR150 crores from this financial year and the current FY27 with EBITDA of almost 60%.
- Rohan Mehta:** Perfect. And the second is a bookkeeping question. So our loan to subsidiaries has gone up considerably. Any light that you can throw on that? And will that remain that way?
- Rohan Shah:** Yes. So that would go to reduce it because the large chunk has been given to Dolphin for setting up this entire business. So since now Dolphin is earning quite well, those loans would be returning.
- Rohan Mehta:** Perfect. Thank you so much sir. That's it from me.
- Rohan Shah:** Thank You
- Moderator:** The next question is from the line of Parth Agarwal from Bastion Research. Please go ahead.
- Parth Agrawal:** Hi Thank you for the opportunity my questions have been answered. Thank you so much.
- Moderator:** The next question is from the line of Parth, an Individual Investor. Please go ahead.
- Parth:** So firstly, congratulations to the entire Deep team for such exceptional results. My question pertains to the QIP, which we were planning earlier. So are we still going to go through with it given that the cash flows have improved drastically?
- Rohan Shah:** No. So we have decided not to go ahead with QIP.
- Parth:** Okay. Okay. And sir, my second question is on the new rigs, if there have been any new rigs deployed in Q4? And like what would be the horsepower and what would be the revenue coming from these new rigs?
- Rohan Shah:** So the new rigs mobilized in Q4 were all workover rigs with 100 and 150 ton capacity. So they would have -- all these three put together would have started contributing more than INR 1.5 crores a month kind of.
- Parth:** Okay. Okay. So -- understood, understood. So sir, the full quarter will come in this year. And also, sir, one last question, if I could squeeze in.
- The MOU, which we have signed with Advait Green Energy for hydrogen, maybe if you could comment where Deep would come in, in this MOU? And I know you don't want to comment on the time lines, but like the technology part or the...?

- Rohan Shah:** Yes. So the intention is to provide a balance of plant, excluding the main equipment. And we are eyeing on converting this kind of project to be given on charter hire. So we are exploring those opportunities where we can pitch in with our style of work of giving entire project on hiring basis.
- Parth** Understood understood Sir. Thank you and all the best sir.
- Rohan Shah** Thank You.
- Moderator:** The next question is from the line of Srikar Sai, an Individual Investor. Please go ahead.
- Srikar Sai:** Thank you for the opportunity Sir. Sir, we have the PECs which have come out with 2 fields. One is Gamij, Ahmedabad and the other one is Geleki in Assam. So both of these are so huge and the main differentiating factor is the development wells.
- So for Gamij, someone has to do 15 wells per year for 3 years straight. And for Geleki, 5 wells. So are we like eyeing for both of these fields because Geleki, the oil in place is 2.5x our Rajahmundry asset PEC. And also there's a huge amount of oil in place for Geleki. Even Gamij, it doesn't have gas that much, it has too much of crude oil.
- So looking at the size of these both fields, I think it's going to require a huge amount of money. So because of this new requirement of minimum number of wells for both the field. So are we having that financial capability to bid for these 2 fields because it will I mean for 1 year, it's going to exceed more than INR100 crores, INR150 crores per field or something like that?
- Paras Savla:** See, As far as the financial capability goes, we have that ability to invest that kind of money into these projects. But having said that, what would be the kind of work program, what would be the kind of investment and what would be the kind of bidding strategy would depend once we have completed our studies.
- So internally, we are looking at the bids, we are trying to study them out. But the answer to that is, yes, we are capable of doing it, but the outcome will only be dependent on once we have completed the complete understanding of geology and how we are going to invest and what is the kind of plan that we are going to do.
- Srikar Sai:** Great. Sir, the other thing is RAAS equipment. I think because of the CGD, I mean, the government push after the Iran crisis, I think we have started offering even online compressors. So earlier, we were only doing boosters, if I'm not wrong. And the revenue potential for RAAS was around INR100 crores. Is the revenue potential increased because of this new offering? Or was it offered even before, sir?
- Paras Savla:** Yes. We remain very confident that now online compressor demand has been growing significantly, and we are also trying to develop our net into the online compressor. We have done one trial of making such compressor.

We are under testing of these compressors. So once it's done and if this demand gets converted from the booster compressors to online, I think we would be - we would definitely be participating in this kind of the requirements.

Srikar Sai: Great, great. And the last final question, sir, can we expect around INR950 crores in FY27, the revenue sir. Around INR950 crores, FY27?

Rohan Shah: Yes. So we are expecting growth of around 25% to 30% year-on-year, so definitely.

Srikar Sai: Yes. And also, sir, there are 2 drillers, Shivganga and Bvishal, they are about to get listed, and they are also raising a huge amount of money. So they might be listed at a very good rate. So I think congratulations on them listing because many investors will be having someone to compare with, right? So Shivganga Drillers has around 5 drilling and Bvishal is into well intervention and also they are into PEC. So we might get someone to compare with sir, right?

Rohan Shah: Yes, yes. So it is always good to have a peer comparison so that we can show how good we are.

Srikar Sai: Yes. And the last question is regarding Advait, how much...

Rohan Shah: I think there are a few more participants are in line. If you can just come back in line.

Moderator: The next question is from the line of Sudhir Bheda from Bheda Family. Please go ahead.

Sudhir Bheda: Thanks for the opportunity again. Sir, my question is like the capex plans are there, and we are investing in rigs. So what kind of ROI we are looking at the new capex?

Rohan Shah: Definitely more than 20% kind of. The opportunities are shaping up with higher capacity, you will have a good margin as well.

Sudhir Bheda: So it is like 20% plus?

Rohan Shah: Correct.

Sudhir Bheda: Yes. That would be great. Thank you, thank you so much.

Moderator: The next question is from the line of Sanjay Shah from Pranishta. Please go ahead.

Sanjay Shah: Thank you. Paras bhai, If you could just be kind enough to tell us how you think about the company, not from fiscal '27 or '28, but just from a 3- to 5-year perspective, just given the track record and what we have achieved, how big the company can be in terms of revenue, in terms of the business composition, production enhancement, some of the other initiatives. If you could just lay out the road map qualitatively or with numbers, that would be really useful.

Paras Savla: So Sanjay bhai, the fact is with the kind of the environment that is currently going on for oil and gas, I think it's very exciting and the sector is getting promising day by day. The services are getting more into play, the various services of all our verticals that we are active into. I

believe now government is laying more focus on drilling more wells, trying to produce more oil and gas. So in turn, everything, it's looking quite promising.

Our business has already been growing more than 30% year-on-year, if you could see the last 2 or 3 years. And we tend to believe that this kind of traction will continue for at least -- I don't - - but at least we have a vision for at least 3 to 5 years is something that this kind of a growth should keep continuing.

Maybe a few percentages here and there. But barring that, now that government has a great move, on this sector, it won't be surprised company could even get double in next 3 to 5 years. You never know that. But that's quite possible as we -- and now as we being the player in the industry, we have quite a big market share as far as the onshore operations go.

And now we are also trying to lay our focus into a bit into an offshore as well. So that put together, along with our growing demand of all our verticals. So we are quite hopeful that in next 3 to 5 years, company would grow significantly from where we are here today.

Sanjay Shah: Understood. And sir, if I were to just ask you one more question, I don't know whether it's a fair question or not. But amongst the different business segments that we have, would it be fair to say that the most exciting would be the opportunities in the production enhancement?

Paras Savla: Yes, definitely production enhancement would be very exciting because that concept allows the company to grow to produce more oil and gas and get the revenues out of it. So definitely, that is one of our bull's eye. We are quite very closely monitoring these opportunities. But having said that entire value chain into the sector is also equally promising because as I had mentioned, we have a good amount of market share as far as these services go.

And therefore, any demand that is coming up would give us an advantage to win those kind of a projects. So PEC, definitely, yes, it is quite a good and promising business that we are looking into. But every sector of whatever work that we are doing are equally exciting.

Sanjay Shah: Perfect. If I can just squeeze in one last question to Rohan bhai then. Rohanbhai about the Prabha Industries receivables given the rights issue out there, has that been now in some ways reversed in terms of the cash flows?

Rohan Shah: Yes, yes. In fact, we have received a good amount of loan return back from Prabha. And I think in this year, it would be almost nil now.

Sanjay Shah **Perfect.** Thank you both All the best, .Its really exciting. Thank you thank you so much.

Rohan Shah Thank you.

Moderator: The next question is from the line of Bhavya Gandhi from Bajaj Alternative Investment Limited. Please go ahead.

Bhavya Gandhi: **Thanks for the oppoutunity.** Sir, I just wanted to reconcile the number growth number for the next year. If we exclude the PEC, our order book currently stands at INR1,500-odd crores. And if it's average order execution period is 2.5 years, that comes to closer to INR600-odd

crores versus you are guiding 25% to 30% growth on the current numbers, which is around INR1,100-odd crores. So where is the difference in the revenue coming from?

Rohan Shah: The differential revenue would come from the new orders, which we are expecting to get in, in first 6 months of this year, where we'll be able to mobilize those projects probably in first 6 months.

Bhavya Gandhi: Okay. So to meet that gap of incremental revenue, how much orders do we require?

Rohan Shah: So, of course, we are eyeing on some good amount of order conversion. And based on those orders only we have considered that. So you can just reverse calculate the balance amount. So there are 2, 3 major contracts we are eyeing on, which we believe should be awarded in the next month or so. So that will definitely add into our revenue.

Bhavya Gandhi: Okay. Got it. And just one last thing on the incremental oil exploration, is it happening more on the offshore side or on the onshore side also, we are seeing some traction? Because if you look at the ONGC, they are planning \$20 billion capex on the offshore side. Nothing mentioned on the onshore side. So just wanted to understand if there is incremental push on the onshore as well?

Paras Savla: I believe the push is equally both on onshore and offshore. And while it would not be -- I don't know whether that would be any documented thing or that what kind of opportunities are looked forward for onshore and offshore. But we've been industry are constantly witnessing this, that the push is coming in from all the areas. And as a matter of fact, if you even see that it's -- the clients are not only ONGC, it's ONGC also Oil India and now a lot of private players as well.

And I'm not getting into a comparison of what onshore and offshore is. But if you get some time, please look into our presentation where we have mentioned that what are the pros and cons, not the cons, but what are the pros of both onshore and offshore, which will give you a visibility that why drilling onshore is also something that one cannot miss into this sector.

Bhavya Gandhi : Got it. Fair enough. **Thank you so much really appreciate. Thats it from my side Thank you.**

Moderator: The next question is from the line of Parth, an individual investor. Please go ahead.

Parth: So first of all good morning and thank you for the opportunity. I'm just having one request like can you -- I mean, from next time, can you provide a detailed footnote of the order book?

Rohan Shah: Detailed footnote by me, if you can just explain.

Parth: I'm not able to hear your voice. Hello? Am I audible?

Rohan Shah: Yes, yes, you are audible.

Parth: So I'm just asking like can you provide some detailed footnote of the order book like many companies provide like first, there is an opening order book, for example, then there is some

addition -- new additions, then there could be some executions or deletions and then there is closing order book. Like that sort of thing can you provide?

Rohan Shah: Yes. I think quarter-on-quarter, we do provide order book, but the way which you are saying, we can look into it.

Parth: Yes. So it would be very helpful if you can provide from the next time as many investors follow your order book, so it would be really very helpful.

Rohan Shah: Sure.

Parth: Thank you

.Rohan Shah Thank you.

Moderator: Thank you. As there are no further questions from the participants, I now hand the conference over to the management for closing comments.

Rohan Shah: Thank you, everyone, for joining this call. It was pleasure interaction with you all. If you have any further queries, you can directly connect us. We would be happy to answer all your queries. Thank you.

Moderator: Thank you. On behalf of Arihant Capital Markets Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.