



DEEP Industries Limited

BSE: 543288

NSE: DEEPINDS



No	Particular	No
1	Industry Overview	3
2	Company Overview	5
3	Business Verticles	6
4	Order Book	12
5	Return Matrix	13
6	Fund Flow	19
7	Subsidiaries under DIL	21
8	Company's Leadership team	24
9	Shareholding Pattern	25
10	Strengths and opportunities	26
11	Peer Comparision	28
12	Financial Statements	35
13	Valuation Method	38

Industry Overview

India's demand-supply gap

The cleanest way to understand India's oilfield-services opportunity is to begin not with rigs or compressors, but with India's hydrocarbon balance. The country remains one of the most important growth markets for hydrocarbons: the IEA says India was the single largest source of global oil demand growth in 2024 and expects India to account for more than one-third of global oil demand growth through 2030. At home, PPAC data shows petroleum-product consumption rising from **166 MMT in FY15 to 239 MMT in FY25**, which tells the same story in domestic terms. Yet supply has not kept pace. MoPNG's monthly summaries show crude-oil import dependence at **88.1%** in April–August 2024 and natural-gas import dependence at **50.2%** in April–July 2024. That imbalance is the basic reason upstream activity has moved back to the centre of Indian energy policy.

Exhibit 19: Consumption of petroleum products grew in the last 10 years

Consumption of petroleum products (mmt)	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25	10YearCAGR	3YearCAGR
LPG	18	19.6	21.6	23.3	24.9	26.3	27.6	28.3	28.5	29.7	31.3	5.7%	3.5%
Naphtha	11.1	13.3	13.2	12.9	14.1	14.3	14.1	13.2	12.1	13.8	13.2	1.7%	-0.2%
MS (Petrol)	19.1	21.8	23.8	26.2	28.3	30	28	30.8	35	37.2	40	7.7%	9.0%
ATF	5.7	6.3	7.1	7.6	8.3	8	3.7	5	7.4	8.2	9	4.6%	21.5%
SKO	7.1	6.8	5.4	3.8	3.5	2.4	1.8	1.5	0.5	0.5	0.4	-24.8%	-35.6%
HSD (Diesel)	69.4	74.6	76	81.1	83.5	82.6	72.7	76.7	85.9	89.6	91.4	2.8%	6.0%
LDO	0.4	0.4	0.4	0.5	0.6	0.6	0.9	1	0.7	0.8	0.8	8.7%	-6.2%
Lubricants & Greases	3.3	3.6	3.5	3.9	3.7	3.8	4.1	4.5	3.7	4.1	4.6	3.4%	0.7%
FO & LSHS	6.1	6.6	7.2	6.7	6.6	6.3	5.6	6.3	7	6.5	6.5	0.9%	1.3%
Bitumen	5.1	5.9	5.9	6.1	6.7	6.7	7.5	7.8	8	8.8	8.4	5.1%	2.2%
Petroleum coke	14.6	19.3	24	25.7	21.3	21.7	15.6	14.3	18.3	20.3	21.8	4.1%	15.2%
Others	5.9	6.4	6.6	8.3	11.7	11.4	12.8	12.3	15.8	14.7	11.6	7.0%	-1.9%
TOTAL	116	185	195	206	213	214	194	202	223	234	239	3.7%	5.8%

Source: PPAC

What makes the opportunity more compelling is that India is not short of geological room. DGH says India has **26 sedimentary basins** spread over more than **3 million square kilometres**, and that more than **1.06 million square kilometres** are already under active petroleum exploration licences across 18 basins. In simple terms, the country's challenge is no longer only one of resource potential; it is increasingly one of conversion turning acreage into drilled wells, connected facilities and commercially flowing hydrocarbons. That is exactly the point at which the support-services industry becomes important.

Domestic production is concentrated in mature onshore basins

India's domestic oil production is not evenly spread across the country; it is concentrated in a few established producing regions. **Assam, Gujarat and Rajasthan together account for more than 95% of India's oil production**, while ONGC and Oil India contributed around **70% of India's oil & gas production in FY25**. This matters because these are largely mature producing basins, where the opportunity is not only fresh exploration but also continuous drilling, workover, well intervention, compression, gas handling and production-enhancement activity. Mature fields do not sustain output automatically; they need repeated technical interventions to arrest decline and improve recovery. The rise in drilling activity reflects this shift. ONGC drilled a record **578 wells in FY25**, its highest in 35 years, while Oil India increased drilling from **35–40 wells historically to around 62 wells in FY25**, with plans to drill **75–80 wells in FY26**. This changes the way the industry should be read. The opportunity is not just that India needs more oil; it is that the existing producing basins need sustained field activity to maintain and improve output. That directly supports demand for rigs, workover services, artificial lift, stimulation, compression, dehydration, gas processing and production-enhancement services.

The policy reset

The policy architecture now reflects this urgency. The Hydrocarbon Exploration and Licensing Policy marked a shift from the older regime by introducing a uniform licence for conventional and unconventional hydrocarbons, an open acreage system, a revenue-sharing model instead of the earlier cost-recovery structure, and marketing and pricing

freedom for produced crude oil and natural gas. The logic is simple: reduce friction for operators, improve project economics and shorten the distance between acreage award and field development. More recent reforms have continued in the same direction. The government simplified the approval process for exploration and production by reducing approvals from **37 to 18**, with **nine approvals moved to self-certification**, while the Oilfields (Regulation and Development) Amendment Bill, 2024 was passed to improve policy stability for upstream operators. This matters because Indian upstream historically suffered from long approval cycles, regulatory delays and project execution bottlenecks. For the support-services industry, faster approvals mean quicker movement from licence award to drilling, appraisal, production facilities and field operations. This policy push is not only conceptual. By August 2025, **172 exploration blocks covering 3,78,652 sq. km** had been awarded under OALP rounds I to IX, while OALP-X was launched with **25 blocks**, making it one of the largest OALP rounds. The continuity of OALP, DSF and CBM rounds is important because support-services demand does not arise from policy announcements alone; it appears when acreage moves into drilling, testing, development and production. In that sense, India's upstream policy reset is gradually translating into a longer visible runway for oilfield-services providers.

Gas is becoming the centre of the next capex cycle

Within the wider upstream revival, natural gas matters disproportionately. India's stated objective is to increase the share of natural gas in the energy mix from roughly **6–7% to 15% by 2030**. This is not just a demand story; it is an infrastructure and field-services story. Gas production requires surface systems before it becomes commercially usable. Raw gas has to be compressed, dehydrated, processed and delivered at the right pressure and specification before it can enter a transmission pipeline or be used by downstream customers. The demand-enabling infrastructure is also expanding. India's gas pipeline network now exceeds **25,400 km**, while city-gas distribution authorisations cover **307 geographical areas**, effectively taking CGD coverage close to national scale. Gas consumption is also diversified: fertiliser, CGD, power, refineries and industrial users all form meaningful demand pools. This matters because gas is not a narrow niche fuel; it is becoming an industrial, urban and infrastructure commodity. As gas demand expands, the spend requirement shifts not only into exploration but also into the specialised surface layer compression, dehydration, gas gathering, processing and evacuation infrastructure.

Onshore first, offshore next

The sequencing of the opportunity is important. Onshore services are likely to lead the near-term cycle because they are cheaper to mobilise, faster to execute and easier to connect with existing pipelines and processing infrastructure. Onshore fields are also better suited for frequent interventions such as workovers, well revival, artificial lift, stimulation and production-enhancement pilots. Since India's current oil production is concentrated in mature onshore basins, the first layer of opportunity is likely to remain onshore drilling, workover, gas handling and integrated field services. Offshore is a larger but longer-cycle opportunity. Offshore basins can offer higher reserve potential and longer production plateaus, but they require marine assets, specialised vessels, offshore crews, safety systems, regulatory clearances and longer mobilisation cycles. This makes offshore support services more capital-intensive and technically demanding than onshore services. Therefore, the industry should be viewed as a two-speed market: onshore is the near-term execution opportunity, while offshore is the larger but more asset-heavy opportunity that opens up gradually as operators commit capital and service providers build marine capability.

Where support services sit in the value chain

Oil & gas support services are the execution layer between field ownership and saleable production. After an operator identifies or owns a block, monetisation depends on drilling rigs, workover units, compressors, dehydration units, gas-processing facilities, well-testing, cementing, logging, hydro-fracturing, coiled tubing, offshore vessels and O&M manpower. This is why the industry should not be viewed as basic equipment rental. It is a productivity-and-uptime business. The service provider's job is to keep wells producing, improve recovery from mature fields, raise gas pressure for transportation, remove moisture and impurities from gas, and deliver hydrocarbons at the required custody-transfer point. The commercial logic of the industry is outsourcing. Large operators can either own and maintain every rig, compressor, processing unit and offshore asset internally, or outsource specialised services under charter-hire, BOO / BOOM, day-rate or production-linked contracts. In India, this outsourcing pool remains underpenetrated. ONGC and Oil India still meet around **70% of gas-compression requirements internally** and outsource only around **30%**, whereas developed markets such as the US and Canada outsource nearly **70%** of gas compression. This creates room for specialist support-service providers as PSU-owned equipment ages and operators prefer lower capex, faster mobilisation and better uptime. The practical advantage of outsourcing is time and capital efficiency. Outsourced gas infrastructure can shorten monetisation timelines to around **6–8 months**, compared with **12–18 months** if operators build and manage the same infrastructure internally. Revenue models also vary by service line: rigs are typically billed on day rates, compression contracts are linked to volumes processed with minimum committed volumes, gas-processing assets can operate under charter-hire / BOO / BOOM models, and production-enhancement contracts can be linked to incremental output. This gives the industry a combination of utilisation-led revenue, contract-backed revenue and, in some cases, outcome-linked upside.

Company Overview

Deep Industries Limited (DIL) commenced its oil & gas services journey in **1991** under the leadership of Mr. Paras Savla and has built more than three decades of domain expertise in India's oil and gas field-services market. The company initially had exposure to both exploration & production and oil & gas support services; subsequently, the E&P business was demerged into a separate entity, leaving Deep focused on post-exploration oil and gas support services.

Today, DIL operates across a large part of the post-exploration value chain and positions itself as India's integrated onshore and offshore oil & gas services provider. DIL can be viewed as a **"picks-and-shovels" business** in the oil and gas industry. Rather than taking direct exploration risk, the company earns by providing the critical equipment, infrastructure and operating services required to drill, revive, process, compress, dehydrate and move hydrocarbons.

Its revenue model is largely service-led and asset-utilisation driven, with equipment and facilities offered on charter-hire / rental / service-contract structures. This allows customers to avoid large upfront capex, while Deep earns recurring revenue through deployment, operation and maintenance of specialised oilfield assets.

The company's core strength lies in natural gas-related services, particularly outsourced gas compression. Deep has a dominant position in India's outsourced gas-compression market and has expanded from compression into gas dehydration, gas processing, drilling and workover rigs, integrated project management and production-enhancement services.

An asset base of **20 onshore rigs**, including **6 drilling rigs and 14 workover rigs**, along with more than **80 gas-processing units**, reflecting the scale of its operating platform. Over time, Deep has moved up the value chain from single-service offerings to more integrated solutions. It now provides entire gas-processing facilities on charter hire, undertakes integrated project-management services, and has entered production-enhancement contracts for mature fields.

This shift is important because the company is no longer only renting equipment; it is increasingly becoming an operating partner that helps customers improve production, reduce capex burden and accelerate field monetisation. In January 2023, DIL expanded into offshore oil and gas support services through the acquisition of a **75% stake in Dolphin Offshore Enterprises (India) Ltd.** via the IBC route.

This acquisition broadened Deep's addressable market from onshore oilfield services into offshore marine and field-support services, adding another growth platform to the business. With onshore services, gas-processing capabilities, PEC entry and Dolphin-led offshore exposure, Deep has evolved into a broader oil and gas support-services platform rather than a single-segment contractor.

Demerger:

Deep Industries' present listed form was created through a demerger rather than a simple name change. Earlier, the group had two different businesses under the old Deep Industries structure — the oil & gas services business and the exploration & production / resource-owning business. Since both had very different risk profiles, capital needs and valuation characteristics, the group separated them through an NCLT-approved Scheme of Arrangement.

Under this scheme, the oil & gas services undertaking of the earlier Deep Industries Limited, later renamed Deep Energy Resources Limited, was transferred into Deep CH4 Limited with an appointed date of 1 April 2017. The scheme became effective in June 2020, after which Deep CH4 Limited was renamed Deep Industries Limited in September 2020 and listed separately in April 2021.

As part of the transfer, the services business moved into the present company along with its operating assets, liabilities, subsidiaries and contracts, and shareholders of the demerged company received shares in the resulting company in a 1:1 ratio. Post restructuring, Deep Energy Resources retained the E&P-linked business, while the current Deep Industries became a focused oil & gas field-services company operating in gas compression, gas dehydration, drilling / workover rigs, gas processing and integrated field services.

Business Verticles

Natural Gas Compression

Natural gas compression remains Deep's strongest and most defensible business. In gas fields, pressure often falls at the wellhead, during transportation, or as the field matures. Without adequate pressure, gas cannot move smoothly through pipelines or reach the processing / delivery point. Deep solves this by deploying compressor packages at client sites and operating them under charter-hire / BOO / BOOM models. So the customer does not buy the asset; it pays for availability, uptime and service execution. This is why compression is more than equipment rental. It is an uptime-led business where failure directly affects the customer's production and gas evacuation. Deep was among the first companies in India to offer high-pressure natural gas compression on a charter-hire basis. ONGC and Oil India still meet around **70%** of their compression requirement internally and outsource only **30%**; within that outsourced pool, Deep executes around **85–90%**. Developed markets such as the US and Canada outsource nearly **70%** of compression, which indicates room for India to shift further toward outsourcing as PSU-owned equipment ages. Deep also owns **70+ gas-compression units** ranging from **200 HP to 1,680 HP**, with total capacity of around **100,000 HP**.



Use case	What compression does	Why it matters
Artificial gas lift	Injects gas into wells	Helps improve production from mature / depleted fields
Gas transportation	Boosts pressure	Prevents pressure loss and enables smooth pipeline flow
Boil-off gas recovery	Compresses evaporated LNG gas	Reduces wastage during storage / transportation
Gas-based power	Supplies pressurised gas	Supports turbine-based power generation

This is Deep's margin anchor. The vertical has high entry barriers because it requires fleet scale, technical service capability, spares availability, safety record and customer trust. It also gives Deep recurring revenue visibility through multi-year contracts.

Client / contract relevance: Deep's long-standing customer base includes ONGC, Oil India, Cairn Oil & Gas, GSPC, GAIL, GSPL, CPCL and others across upstream, midstream and downstream oil & gas.

Gas Dehydration

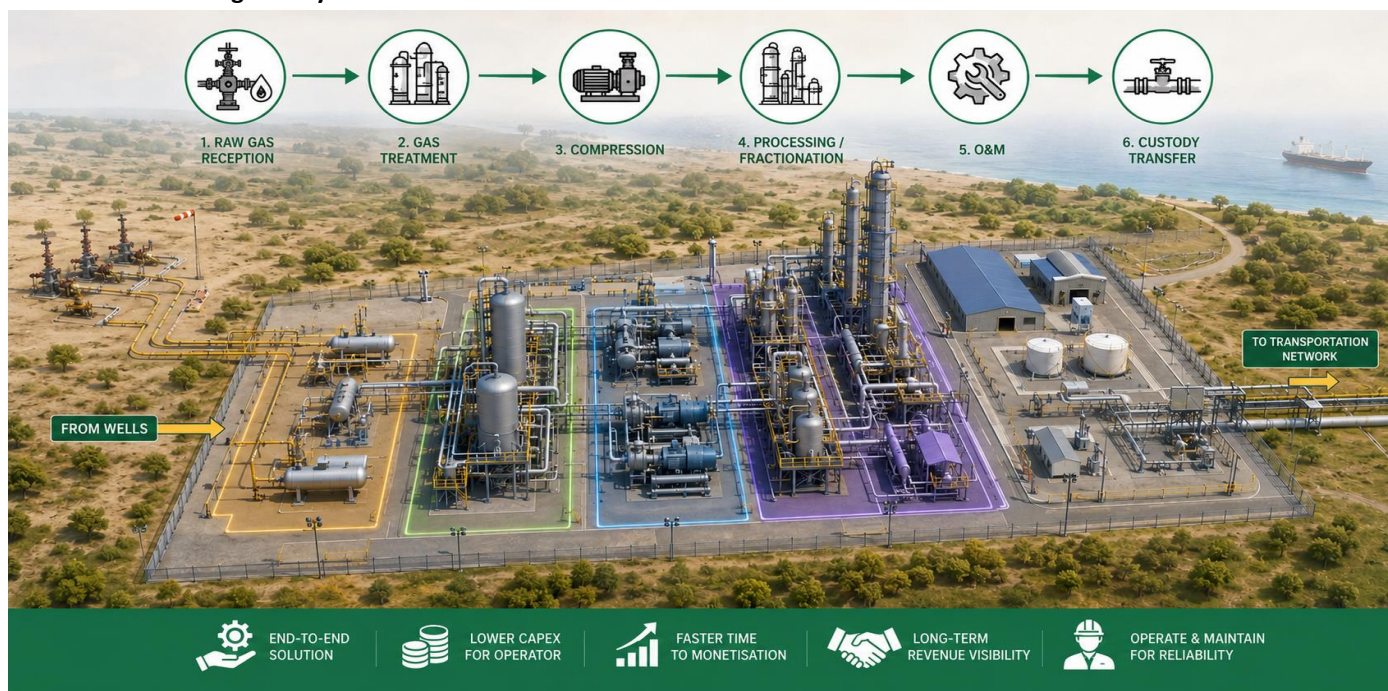
Gas produced from wells is not always pipeline-ready. It normally contains water vapour and heavier hydrocarbons, which can damage pipelines, reduce gas quality and create operational issues during transmission. Gas dehydration removes this moisture and helps bring gas within required transmission standards. This makes dehydration a critical service, not a discretionary add-on. Deep provides gas dehydration and conditioning systems on a charter-hire / operating basis. The logic is similar to compression: the customer avoids building and maintaining its own dehydration infrastructure, while Deep supplies the unit, operates it and ensures uptime. The service is especially relevant for fields where gas needs to be delivered into pipelines or used by downstream industrial customers. Deep's annual report notes that the company is a pioneer in charter hiring of gas compression and gas dehydration, and that gas processing / dehydration has become part of its broader value-added service portfolio.



Customer problem	Deep's role	Business quality
Gas contains moisture / heavier hydrocarbons	Deploys dehydration / conditioning unit	Recurring service revenue
Gas must meet pipeline norms	Reduces water / hydrocarbon dew point	Mission-critical uptime
Customer wants to avoid capex	Charter-hire model	Asset-backed contract model

Gas dehydration is smaller than compression, but strategically important because it sits in the same gas-handling chain. It strengthens Deep's position as a full natural-gas service provider rather than only a compressor vendor.

Entire Gas Processing Facility



This is one of Deep's most important value-added verticals. Here, Deep does not simply provide a compressor or dehydration unit. It provides the entire surface-processing facility required to receive hydrocarbons from wells, process them, and deliver them at the custody-transfer point.

The service includes design, supply, installation, commissioning, operation and maintenance of production systems.

The customer logic is powerful. An E&P operator may have discovered gas or hydrocarbons but may not want to spend time and capital building a full processing facility. Deep converts what would normally be an EPC / owner-funded project into a charter-hire model. This reduces upfront capex for the operator and speeds up monetisation, while giving Deep a longer-tenure, higher-value revenue stream.

Facility stage	What Deep provides
Raw gas reception	Receives hydrocarbons from wells
Gas treatment	Removes impurities / prepares gas for processing
Compression	Raises pressure for movement / delivery
Processing / fractionation	Processes hydrocarbons for final delivery
O&M	Runs and maintains the facility during contract period

The best example is **Project Jaya** for Cairn Energy, where Deep delivered the entire surface facility and produced-fluid processing network from the wellhead to the transportation point on a charter-hire basis. Cairn later extended the contract by another two years. Deep also operates two facilities for ONGC at **Bokaro and Kakinada**. Management Estimated capex of around ₹40cr for Bokaro, ₹30cr for Kakinada and ₹90cr for Jaya, with combined annual revenue potential of around ₹130cr from these three projects.

This vertical shows Deep moving up the value chain. It is no longer just renting assets; it is operating the surface infrastructure that helps customers monetise gas. This should structurally improve revenue visibility and customer stickiness.

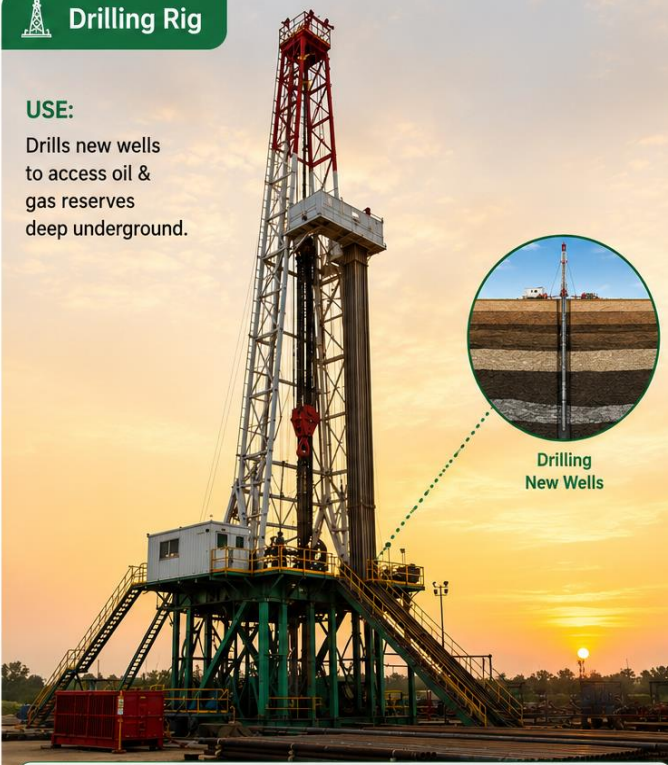
Drilling & Workover Rigs

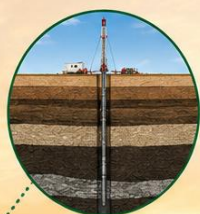


Drilling Rig

USE:

Drills new wells to access oil & gas reserves deep underground.





Drilling New Wells

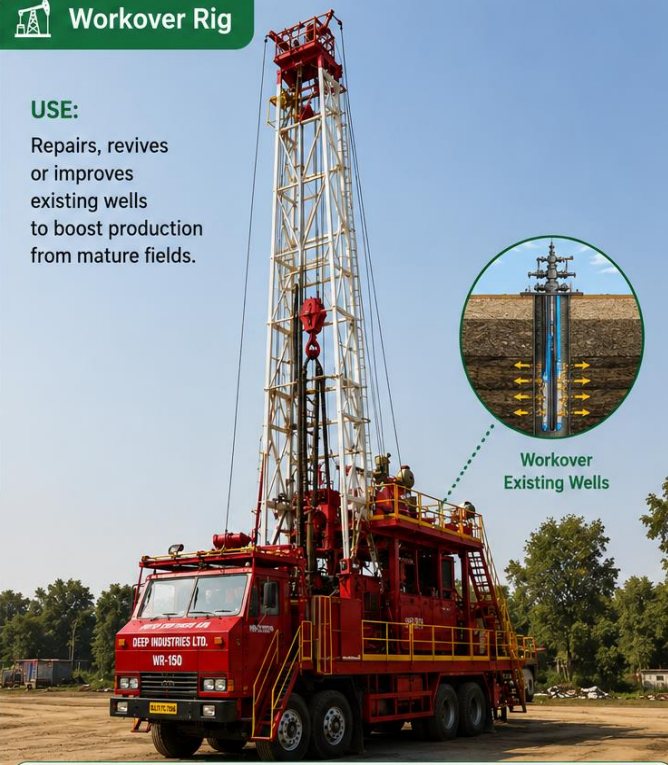
- Supports field development & new production
- Handles deeper & complex wells with higher HP
- Drives upstream capex & future production

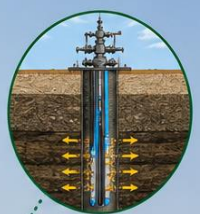


Workover Rig

USE:

Repairs, revives or improves existing wells to boost production from mature fields.





Workover Existing Wells

- Restores & enhances output from existing wells
- Cost-effective solution for mature fields
- Improves production efficiency & extends well life

Drilling and workover rigs are Deep's execution-heavy vertical. Drilling rigs are used to drill new wells, while workover rigs are used to repair, revive or improve output from existing wells. This vertical is directly linked to upstream capex and mature-field activity. When India's E&P activity increases, rig demand rises; when fields mature, workover demand rises.

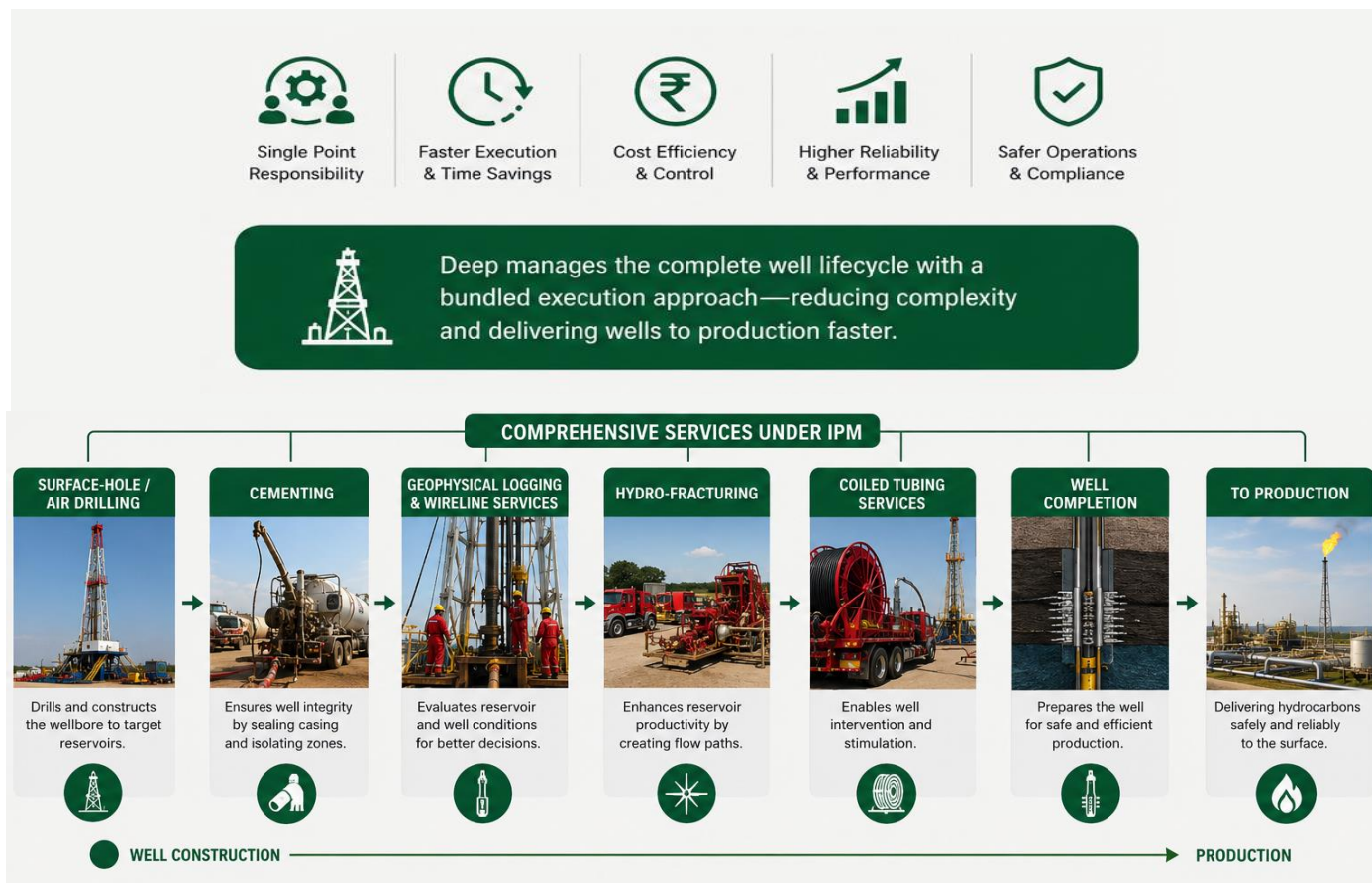
An asset base of **20 onshore rigs**, including **6 drilling rigs** and **14 workover rigs**. The company had operating rigs deployed across Gujarat, Tripura, Assam, Andhra Pradesh and Jharkhand, with drilling rigs of around **1,000 HP** and workover rigs ranging from **30 MT to 150 MT**.

Rig type	What it does	Why customer needs it
Drilling rig	Drills new wells	Supports field development and new production
Workover rig	Repairs / revives existing wells	Supports mature-field production recovery
Higher HP rigs	Handles deeper / complex wells	Expands addressable tender universe

The best example is **Project Jaya** for Cairn Energy, where Deep delivered the entire surface facility and produced-fluid processing network from the wellhead to the transportation point on a charter-hire basis. Cairn later extended the contract by another two years. Deep also operates two facilities for ONGC at **Bokaro** and **Kakinada**. Management Estimated capex of around **₹40cr for Bokaro**, **₹30cr for Kakinada** and **₹90cr for Jaya**, with combined annual revenue potential of around **₹130cr** from these three projects.

This vertical shows Deep moving up the value chain. It is no longer just renting assets; it is operating the surface infrastructure that helps customers monetise gas. This should structurally improve revenue visibility and customer stickiness.

Integrated Project Management



Integrated Project Management, or IPM, is Deep's bundled execution model. Instead of the customer hiring separate vendors for drilling, workover, cementing, logging, wireline services, hydro-fracturing, coiled tubing and well completion, Deep manages the work under one integrated contract. The aim is to reduce coordination complexity for the customer and move the well from drilling to production faster. This is where Deep starts looking less like an equipment owner and more like a field-execution partner. It combines its own assets and domain knowledge with third-party resources where required.

Deep provides services such as surface-hole drilling, air drilling, workover, cementing, geophysical logging, wireline services, hydro-fracturing, coiled tubing and well-completion operations under IPM. Standalone business mix shows IPM rising from **6% in FY23 to 14% in FY24**, before moderating to **10% in FY25**. Management expects IPM to grow **10–15%**, with EBITDA margins of around **40–45%**.

IPM service	Role in field execution
Surface-hole / air drilling	Well construction
Cementing	Well integrity
Logging / wireline	Reservoir and well evaluation
Hydro-fracturing / coiled tubing	Stimulation / intervention
Well completion	Transition from drilling to production

Selan Exploration's integrated drilling-services order is a good example of Deep moving beyond standalone rig deployment into broader field execution. ONGC and Oil India remain important customers for rig and IPM-related work. IPM improves wallet share. It can also lift margins because Deep captures more of the field-service chain rather than only one activity.

Offshore Services through Dolphin



Offshore Services through Dolphin

Deep entered offshore services through Dolphin Offshore, which adds a different capability set from its onshore business. Offshore services require marine assets, safety systems, offshore crews, dynamic positioning capability and operating credentials. This is more capital-intensive than onshore services, but contract sizes can be larger and asset-level margins can be attractive once vessels are deployed.

The key asset is **Prabha**, a DP2 accommodation barge owned through Dolphin's subsidiary structure. The barge has been leased to **Ballast Shipping S.A. de C.V.** for three years from April 2025, with total estimated contract value of around **US\$32.85 million / ₹280cr**. Management Estimates this can add **₹900 million+ annual revenue** from Prabha.

Offshore asset / service	Role
DP2 accommodation barge	Offshore accommodation and support
AHTS vessels	Anchor handling / towing / supply support
PSV vessels	Platform supply services
DSV vessels	Diving and subsea support
Marine operations	Offshore asset management and execution

*Growth expected to accelerate from FY27 as two more assets are added. Management expects **40%+ YoY growth** and **80%+ EBITDA margins** in Dolphin as the asset base scales.*

Dolphin gives Deep a second platform beyond onshore gas and rigs. The opportunity is attractive, but execution risk is also higher because vessel acquisition, refurbishment, mobilisation and contract timing can create lumpiness.

Client base

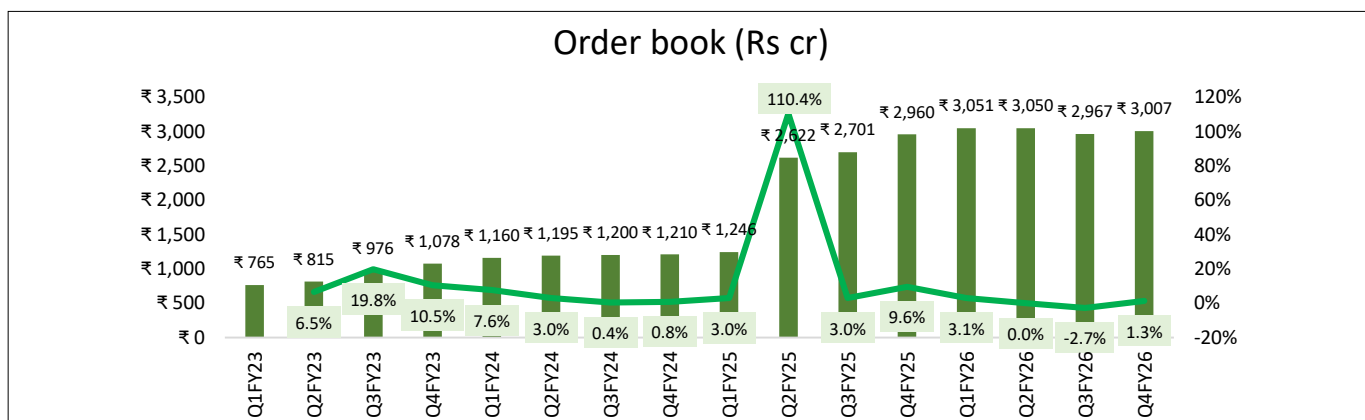
Deep's customer base is spread across upstream, midstream and downstream oil & gas, although ONGC remains the anchor customer. Long-standing customers including **ONGC**, **Cairn Oil & Gas**, **Oil India**, **HOEC**, **Selan Exploration**, **Niko Resources**, **GSPL**, **Gujarat Gas**, **Assam Gas**, **Naftogaz India**, **GSPC**, **GAIL**, **CPCL**, **Reliance Industries**, **Gujarat Alkalies & Chemicals** and **Essar Oil**.

Segment	Customers
Upstream / E&P	    
Midstream / transportation & processing	   
Downstream / refining & distribution	      

Q3FY26 commentary also suggests gradual diversification of client concentration, with exposure increasing to Oil India, GSPCL and Vedanta alongside ONGC / GAIL.

Order Book

Deep's customer base is spread across upstream, midstream and downstream oil & gas, although ONGC remains the anchor customer. Long-standing customers including **ONGC, Cairn Oil & Gas, Oil India, HOEC, Selan Exploration, Niko Resources, GSPL, Gujarat Gas, Assam Gas, Naftogaz India, GSPC, GAIL, CPCL, Reliance Industries, Gujarat Alkalies & Chemicals and Essar Oil.**



Deep's order book has structurally changed over the last four years. From **₹765 crore in Q1FY23**, the order book increased gradually to **₹1,246 crore by Q1FY25**, mainly through the normal standalone business gas compression, gas processing, rigs, workover and IPM contracts. The real step-change came in **Q2FY25**, when the order book jumped to **₹2,622 crore**, largely due to the **₹1,402 crore ONGC Production Enhancement Contract (PEC)**. Since then, the order book has remained broadly in the **₹2,700–3,050 crore** range, ending at around **₹3,007 crore in Q4FY26**. This is important because the order book is no longer only a short-duration service backlog; it now has three layers fast-executing standalone contracts, a long-tenure PEC contract, and Dolphin-led offshore revenue visibility.

Order book bucket	Value	Execution timeline	Nature	Comment
Standalone core order book ex-PEC	₹1,600–1,650 crore	Mostly executable over 2.5–3 years	Gas compression, gas processing, rigs, workover, IPM	This is the main recurring backlog that converts into revenue through asset deployment and service execution
ONGC PEC Rajahmundry	₹1,402 crore	15 years; front-loaded over first 10 years	Production enhancement contract	Not a normal service order; revenue depends on incremental production above baseline
Dolphin / Prabha visibility	₹280 crore over 3 years	3-year lease from FY26	Offshore barge lease	Better treated as subsidiary-level contracted revenue visibility, not purely part of standalone order book
Tender / bidding pipeline	₹700–800 crore	Award dependent	Future order replenishment	Important for replacing executed order book and sustaining growth

Deep's order book should be read in **three separate layers**. First, the **standalone core order book of ₹1,600–1,650 crore** is the faster-executing portion, linked to rigs, gas compression, gas-processing facilities, workover and IPM contracts, and should largely convert over the next **2.5–3 years**. Second, the **₹1,402 crore ONGC Rajahmundry PEC** is different from normal service orders because it is a **15-year production-linked contract**, where revenue depends on incremental production above the baseline; hence, it will ramp gradually rather than convert evenly every year. Third, **Dolphin should be treated separately** from the standalone order book: the Prabha DP2 barge has a **3-year offshore lease worth ₹280 crore**, implying roughly **₹90 crore annual revenue visibility**, but this is subsidiary-level contracted revenue, not the same as Deep's core standalone backlog. The quarterly movement in order book should not be over-analysed. The book moved from **₹3,050 crore in Q2FY26 to ₹2,967 crore in Q3FY26**, before recovering to **₹3,007 crore in Q4FY26**, indicating that execution and replenishment are happening together. The important factor is Deep's tendering engine: the company reportedly participates in tenders every **15–20 days**, with a **25%+ success rate in rig tenders** and a much stronger **50%+ success rate in gas-processing tenders**. This difference makes sense because rig tenders are more competitive and day-rate driven, while gas processing is Deep's stronger technical niche, supported by its established track record and leadership in outsourced gas services. Management also indicated an active bidding pipeline of around **₹700–800 crore**, with L1 status in **1–2 tenders**. So, the key takeaway is that Deep's order book is not dependent only on one large PEC order; it is supported by a faster-converting standalone book, a long-tenure PEC contract, Dolphin's offshore visibility and a regular tendering cycle that helps replenish the book as execution happens.

Return Matrix

Profit and Loss Statement Analysis

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Revenue Form Operation	₹ 318	₹ 262	₹ 194	₹ 322	₹ 341	₹ 427	₹ 576	₹ 891
COGS	₹ 110	₹ 91	₹ 70	₹ 149	₹ 145	₹ 179	₹ 237	₹ 400
Gross Profit	₹ 208	₹ 170	₹ 123	₹ 172	₹ 197	₹ 248	₹ 339	₹ 491
Gross Profit Margin	66%	65%	64%	54%	58%	58%	59%	55%
Employee Benefit Expenses	₹ 24	₹ 25	₹ 27	₹ 28	₹ 34	₹ 48	₹ 62	₹ 78
as a % of Revenue	8%	10%	14%	9%	10%	11%	11%	9%
Other Expenses	₹ 31	₹ 20	₹ 16	₹ 30	₹ 32	₹ 40	₹ 45	₹ 57
as a % of Revenue	10%	8%	8%	9%	9%	9%	8%	6%
EBITDA	₹152	₹125	₹81	₹115	₹131	₹159	₹231	₹355
EBITDA Margin	48%	48%	42%	36%	38%	37%	40%	40%
Depreciation & Amortization	₹ 98	₹ 90	₹ 88	₹ 24	₹ 30	₹ 34	₹ 41	₹ 59
as a % of Revenue	31%	34%	45%	7%	9%	8%	7%	7%
EBIT	₹ 54	₹ 36	₹ -7	₹ 91	₹ 101	₹ 125	₹ 190	₹ 296
EBIT Margin	17%	14%	-4%	28%	30%	29%	33%	33%
Other Income	₹ 2	₹ 3	₹ 7	₹ 5	₹ 11	₹ 36	₹ 32	₹ 70
as a % of Total Revenue	1%	1%	3%	1%	3%	8%	5%	7%
Finance Cost	₹ 12	₹ 11	₹ 9	₹ 5	₹ 5	₹ 8	₹ 12	₹ 18
as a % of Revenue	4%	4%	5%	1%	2%	2%	2%	2%
Extraordinary & Prior Period Items	₹ 0	₹ 0	₹ 0	₹ 0	₹ 45	₹ 2	₹ -251	₹ -208
EBT	₹ 44	₹ 28	₹ -10	₹ 91	₹ 152	₹ 154	₹ -40	₹ 140
EBT Margin	14%	11%	-5%	28%	44%	36%	-7%	16%
Tax Expenses	₹ 31	₹ -3	₹ -75	₹ 18	₹ 26	₹ 29	₹ 38	₹ -57
PAT	₹ 14	₹ 31	₹ 65	₹ 72	₹ 125	₹ 125	₹ -79	₹ 197
PAT Margin	4%	12%	34%	23%	37%	29%	-14%	22%

Revenue Analysis

FY20 :- Revenue declined from **₹318 crore in FY19 to ₹262 crore in FY20**, down **18% YoY**. The fall was mainly due to a weaker oilfield-services environment and company-specific disruption from the ONGC gas-dehydration contract dispute. ONGC had awarded Deep a **₹310 crore GDU contract in 2014**, but terminated it in 2017, creating a revenue and customer-momentum overhang. The broader crude cycle was also weak due to US shale supply and OPEC/Saudi supply pressure, which kept upstream spending cautious. The demerger was more of a transition context, not a directly quantified revenue Wipeout.

FY21 :- Revenue declined further from **₹262 crore in FY20 to ₹194 crore in FY21**, down **26% YoY**. The main reason was COVID-led disruption in field execution, especially during **Q1 FY21 and the early part of Q2 FY21**, when lockdowns created labour and mobility issues at project sites. Deep's revenue depends on physical deployment of rigs, compressors, dehydration units and manpower, so restricted movement directly delayed execution and billing. The crude-price shock in early 2020 also kept upstream activity cautious, adding pressure to an already weak oilfield-services environment. Hence, FY21 was a disruption-led low point rather than a normal operating year.

FY22 :- Revenue jumped from **₹194 crore in FY21 to ₹322 crore in FY22**, up **66% YoY**, mainly because FY21 was a heavily disrupted COVID base. As lockdown restrictions eased, field activity normalised and delayed execution started converting into billing. Deep's business requires on-site deployment of rigs, compressors and manpower, so once mobility and site access improved, revenue recovered sharply. This was also the first cleaner year for the focused oil & gas services platform after the demerger / listing transition, which helped execution visibility. Order book was rebuilding as well, reaching around **₹630 crore by Q4FY22**, giving the company a stronger base for future revenue conversion.

FY23 & FY24 :- After the sharp FY22 recovery, revenue growth in **FY23 was modest**, moving from **₹322 crore to ₹341 crore**, up only **6% YoY**. This was because FY22 had already absorbed the post-COVID rebound, while FY23 became more of an **order-book build-up year** rather than a revenue breakout year. The unexecuted order book reached around **₹1,000 crore**, up **71% YoY**, but large oilfield-service orders take time to convert into revenue because equipment has to be mobilised, commissioned and deployed at site. Dolphin Offshore was also acquired in FY23, but its meaningful revenue contribution was still a couple of years away. In **FY24**, revenue jumped to **₹427 crore**, up **25% YoY**, as the earlier order book started converting into execution; the order book further improved to around **₹1,210 crore**, and growth was supported by core gas compression, rigs, integrated services and early contribution from value-added gas-processing offerings.

FY25 :- Revenue increased from **₹427 crore in FY24 to ₹576 crore in FY25**, up **35% YoY**, driven by stronger execution in the core oil & gas services business and a wider consolidated revenue base. Standalone revenue itself grew from **₹381.91 crore to ₹477.48 crore**, showing that growth was not only subsidiary-led but also came from Deep's core services. The order book also moved sharply from around **₹1,250 crore in Q1FY25 to ₹2,960 crore by Q4FY25**, mainly after the **₹1,402 crore ONGC PEC order**, though PEC was more of a future revenue trigger than a full FY25 revenue contributor. FY25 also saw better traction in value-added services, especially entire gas-processing facilities on charter hire, while Dolphin Offshore became more visible in the consolidated business. **FY20:** Revenue declined from **₹318 crore in FY19 to ₹262 crore in FY20**, down **18% YoY**. The fall was not because Deep's core gas-compression model structurally weakened; it was mainly a combination of a weak oilfield-services environment and company-specific disruption from the ONGC gas-dehydration dispute. The ONGC issue remained an overhang on a historically important customer relationship, while upstream spending was also cautious during the weak crude cycle. So FY20 should be read as a lower-activity year, where revenue fell but the company still retained its core service platform.

FY26:- Revenue increased from **₹576 crore in FY25 to ₹891 crore in FY26**, up **55% YoY**. The growth had two clear parts. First, the core onshore business scaled strongly: ex-Dolphin revenue was still around **₹775 crore**, supported by higher execution in rigs, gas compression, gas processing and initial PEC billing. Rig utilisation remained strong, gas-processing projects such as Bokaro / Kakinada had a fuller-year contribution, and PEC started from April 2025, though it was still in ramp-up mode. Second, Dolphin contributed around **₹116 crore** because FY26 was the first year where its offshore assets started monetising properly. The key driver was the **Prabha DP2 barge**, which began revenue from May 2025 under a three-year offshore lease; at a daily charter rate of around **US\$30,000** and more than **320 operating days annually**, this asset alone has roughly **₹90 crore annual revenue potential**. Dolphin also had contribution from offshore support / tug-related operations, where the AHT exposure started in early FY26 with daily revenue potential of **US\$17,000–20,000**.

Percentage break down of DIL's revenue

Revenue Contribution	FY23	FY24	FY25	FY26
Rigs	39%	39%	30%	79%
Total Gas:	49%	50%	53%	
A. Gas Compressors	46%	43%	42%	
B. Gas Dehydration	3%	4%	3%	
C. Integrated Gas Facility	0%	3%	8%	
Production Enhancement	0%	0%	0%	13%
Dolphin Offshore	0%	2%	13%	
Others Subsidiaries (DID+RAAS+SAAR)	12%	9%	4%	
Total Revenue	100%	100%	100%	100%

Gross Profit / Gross Profit Margin

Deep's gross margin was high at **64–66% during FY19–FY21** because revenue was more tilted toward gas compression / gas services, where direct field cost is lighter; COGS was only **₹110 crore, ₹91 crore and ₹70 crore** against revenue of **₹318 crore, ₹262 crore and ₹194 crore**. The margin reset happened in **FY22**, when revenue recovered to **₹322 crore**, but COGS more than doubled to **₹149 crore**, pulling gross margin down to **54%**. The core reason is that Deep's "Cost of Materials Consumed" is not factory raw material; it is the cost of running oilfield assets in the field diesel / power for drilling and workover rigs, lubricants, coolants, hydrocarbon fluids, imported compressor / rig spares, crane and transport cost for mobilisation, and repair / overhaul during redeployment. FY22 was painful because post-COVID field restart happened at the same time crude had moved up sharply due to demand reopening, OPEC+ supply discipline and the Russia-Ukraine shock, which pushed up diesel, oil, spares and logistics costs; since Deep's contracts are mostly day-rate / charter-hire / service contracts, this cost inflation does not get passed through immediately and hits gross margin first.

That is why **Consumption of Spares, Oil & Other Operating Expenses** rose from ₹62 crore in FY21 to ₹107 crore in FY22, while **Equipment Running & Maintenance** rose from ₹13 crore to ₹42 crore. From FY23–FY25, gross margin recovered to 58–59% as the restart shock normalised, but it did not return to the old 64–66% band because the business mix had become more execution-heavy through rigs, IPM, gas-processing facilities and offshore operations, which need more fuel, spares, maintenance and mobilisation. In FY26, revenue scaled to ₹891 crore, but COGS also rose to ₹400 crore, reducing gross margin to 55%, mainly because growth came from higher asset utilisation across rigs, gas processing, early PEC work and Dolphin offshore. The Kandla Energy acquisition is relevant here because it gives Deep backward integration into hydrocarbon fluids / chemicals used in drilling and field operations, which can gradually reduce dependence on external sourcing for some consumables.

EBITDA / EBITDA Margin

Deep's EBITDA margin was high at 48% in FY19–FY20 because the business was still dominated by gas compression / gas-related services, where margins are structurally superior and overhead requirement is limited. In FY21, EBITDA margin fell to 42% as revenue dropped to ₹194 crore, but Deep had to retain skilled operators, engineers and field teams, so employee cost became heavier at 14% of revenue. In FY22, EBITDA margin bottomed at 36%, mainly due to the gross-margin cost shock already discussed. From FY23–FY24, margin stayed in the 37–38% band because Deep was building a broader execution platform rigs, IPM and gas-processing facilities which needed higher manpower and project-support costs before full scale benefits came through. In FY25, EBITDA margin improved to 40% as gas compression remained large, integrated gas facilities scaled up and Dolphin started contributing.

In FY26, EBITDA rose sharply from ₹231 crore to ₹355 crore, while margin stayed at 40% despite gross margin falling from 59% to 55%. The reason was operating leverage: employee cost and other expenses together fell from 19% of revenue in FY25 to 15% in FY26, as revenue scaled faster than overheads.

Dolphin also helped the mix, contributing ₹116 crore revenue with ₹72 crore operating profit, implying ~62% operating margin, while early PEC and gas-processing execution added scale. So FY26 EBITDA was protected by overhead absorption + Dolphin's high-margin offshore contribution + initial PEC / gas-processing ramp-up, even though direct field costs kept gross margin under pressure.

PAT / PAT Margin

Deep's PAT is not directly comparable year-to-year because several years are distorted below EBITDA by depreciation, other income, exceptional items and tax. In FY19–FY21, depreciation was abnormally high at ₹98 crore, ₹90 crore and ₹88 crore, mainly because the P&L still carried goodwill amortisation from the earlier scheme / demerger structure; in FY21 itself, total D&A of ~₹88 crore included only ~₹23 crore physical depreciation and around ₹64 crore goodwill amortisation.

This kept FY19 PAT low at ₹14 crore / 4% margin despite strong EBITDA. FY20 PAT improved to ₹31 crore / 12% margin even though EBIT fell, mainly because the tax line turned into a ₹3 crore credit. FY21 is the most misleading year: Deep had an EBT loss of ₹10 crore, but a ₹75 crore tax credit from reversal of goodwill-related deferred tax converted it into reported PAT of ₹65 crore / 34% margin.

From FY22, PAT became operationally cleaner because goodwill amortisation stopped and D&A fell sharply to ₹24 crore, helping PAT reach ₹72 crore / 23% margin. FY23 reported PAT jumped to ₹125 crore / 37% margin, but it included a ₹45 crore exceptional gain from Dolphin / IBC balance-sheet clean-up, so reported PAT was higher than core earnings. FY24 PAT stayed at ₹125 crore / 29% margin with only ₹2 crore exceptional gain, but ₹36 crore other income still supported the bottom line.

FY25 reported PAT turned negative at ₹79 crore loss only because of a ₹251 crore exceptional loss linked to Kandla and Dolphin Shipping legacy clean-up and asset write-offs; otherwise the operating business was profitable. In FY26, PAT recovered to ₹197 crore / 22% margin despite another ₹208 crore exceptional loss from final Kandla debtor write-off, because EBIT was stronger at ₹296 crore, other income rose to ₹70 crore due to treasury income / MTM gains / forex gains, finance cost was manageable at ₹18 crore, and the exceptional debtor write-off created a ₹57 crore tax credit.

So the clean read is: Deep's operating profitability has improved, but reported PAT has been repeatedly distorted by goodwill accounting in FY19–FY21, IBC-related exceptional gains / losses in FY23–FY26, and large deferred-tax movements.

Pre-Tax ROCE and Pre-Tax ROIC

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
EBIT	₹ 54	₹ 36	₹ -7	₹ 91	₹ 101	₹ 125	₹ 190	₹ 296
Equity	₹ 970	₹ 997	₹ 1,062	₹ 1,130	₹ 1,379	₹ 1,527	₹ 1,915	₹ 2,112
Debt	₹ 63	₹ 62	₹ 41	₹ 32	₹ 70	₹ 160	₹ 205	₹ 203
Pre Tax ROCE	5%	3%	-1%	8%	7%	7%	9%	13%
Fixed Assets	₹ 984	₹ 951	₹ 868	₹ 873	₹ 1,027	₹ 1,199	₹ 1,339	₹ 1,528
Working Capital	₹ 118	₹ 146	₹ 134	₹ 137	₹ 242	₹ 285	₹ 577	₹ 481
Pre Tax ROIC	5%	3%	-1%	9%	8%	8%	10%	15%

Pre-tax ROCE

Deep's pre-tax ROCE fell from **5% in FY19 to 3% in FY20 and -1% in FY21** because the company was carrying a large capital base, but operating profit collapsed. EBIT declined from **₹54 crore in FY19 to -₹7 crore in FY21**, while equity stayed high at **₹970-1,062 crore** because the asset-heavy oilfield-services platform remained on the balance sheet even when utilisation was weak due to COVID disruption and the ONGC GDU overhang. ROCE recovered to **8% in FY22** as field execution normalised and EBIT improved to **₹91 crore**. During **FY23-FY24**, ROCE stayed muted at **7%** despite EBIT rising to **₹101-125 crore**, because Deep was reinvesting ahead of revenue conversion: equity increased through retained profits / reserves, debt rose from **₹70 crore to ₹160 crore**, and capital was deployed into rigs, gas-processing assets and Dolphin. In **FY25**, ROCE improved to **9%** as EBIT scaled to **₹190 crore**, but the return was still capped by a larger capital employed base. The real improvement came in **FY26**, where pre-tax ROCE rose to **13%** as EBIT jumped to **₹296 crore**, while debt remained broadly stable at **₹203 crore**. This indicates that the earlier capex and platform build-out finally started converting into stronger operating profit through higher execution, gas processing, Dolphin contribution and initial PEC ramp-up.

Pre-tax ROIC

Deep's pre-tax ROIC should be read through how efficiently its **fixed assets + working capital** generate EBIT. During **FY19-FY21**, ROIC fell from **5% to -1%** because Deep continued to carry a large fixed-asset base of **₹984 crore in FY19 and ₹868 crore in FY21**, but utilisation and billing were weak, so the asset base did not generate enough operating profit. In **FY22**, ROIC recovered to **9%** because the existing asset base started earning again after COVID normalisation, while fixed assets stayed broadly stable at **₹873 crore** and working capital remained controlled at **₹137 crore**. During **FY23-FY24**, ROIC stayed around **8%** because Deep was putting capital to work before full earnings came through: fixed assets increased from **₹1,027 crore to ₹1,199 crore**, and working capital rose from **₹242 crore to ₹285 crore** as the order book and execution base expanded. In **FY25**, ROIC improved to **10%**, but the improvement was capped because working capital jumped to **₹577 crore**, reflecting higher receivables / project capital tied up in a larger business. In **FY26**, ROIC improved to **15%** because EBIT increased to **₹296 crore**, while working capital reduced to **₹481 crore**. Part of this reduction came from the **₹208 crore Kandla legacy debtor write-off**, which cleaned up unrecoverable old receivables and reduced capital locked in working capital. Since this write-off was below EBIT, FY26 ROIC shows two things together: stronger operating profit from the expanded platform and a cleaner working-capital base after the Kandla clean-up.

Reinvestment and Debt-to-Equity Ratio

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Reinvestment Amount	₹ 42	₹ 127	₹ 0	₹ 84	₹ 165	₹ 105	₹ 251	₹ 307
CFO Before Working Capital	₹ 153	₹ 126	₹ 81	₹ 116	₹ 134	₹ 169	₹ 248	₹ 379
Reinvestment Rate	27%	101%	0%	73%	123%	62%	101%	81%
Debt	₹ 63	₹ 62	₹ 41	₹ 32	₹ 70	₹ 160	₹ 205	₹ 203
Equity	₹ 970	₹ 997	₹ 1,062	₹ 1,130	₹ 1,379	₹ 1,527	₹ 1,915	₹ 2,112
Debt/Equity	0.06	0.06	0.04	0.03	0.05	0.10	0.11	0.10

Reinvestment Ratio

Deep's reinvestment pattern shows that this is a **capacity-building oilfield-services business**, where growth requires upfront capex and working capital before revenue fully converts. In **FY19**, reinvestment was moderate at **₹42 crore / 27% of CFO before working capital**, because the company was operating on an established asset base. In **FY20**, reinvestment jumped to **₹127 crore / 101%**, but this was not a strong growth signal; revenue was falling, yet cash was still absorbed in capex and working capital. **FY21 reinvestment was almost nil** as COVID disrupted field execution and fresh expansion slowed. From **FY22 onward**, reinvestment restarted with normalisation: FY23 reinvestment rose to **₹165 crore / 123%**, as Deep began building capacity for the next order-book cycle, while FY24 appeared lower at **₹105 crore / 62%** because working-capital release partly offset heavy capex. In **FY25 and FY26**, reinvestment stayed high in absolute terms at **₹251 crore and ₹307 crore**, driven by gas-processing assets, new rigs, Dolphin refurbishment / offshore assets and PEC-related deployment. FY26 reinvestment rate moderated to **81%** because CFO before working capital expanded to **₹379 crore**; however, this number also includes a **₹208 crore non-cash exceptional add-back**, so the clean read is: Deep is still in a heavy reinvestment phase, but stronger operating scale and non-cash addbacks allowed the company to fund most of the expansion without materially increasing debt.

Debt-to-Equity

Deep's balance sheet has moved through two phases. In the first phase, the company deleveraged aggressively: debt reduced from **₹63 crore in FY19 to ₹32 crore in FY22**, while equity increased from **₹970 crore to ₹1,130 crore**, bringing D/E down from **0.06x to 0.03x** and effectively making the company very low / near-zero net debt. From **FY23 onward**, debt increased because Deep shifted back into a capex-led growth cycle new rigs, gas-processing facilities, Dolphin Offshore revival / Prabha refurbishment, and PEC-related equipment required upfront capital. This took debt from **₹70 crore in FY23 to ₹160 crore in FY24 and ₹205 crore in FY25**. However, the ratio remained comfortable at only **0.05x–0.11x** because the consolidated equity base also expanded from **₹1,379 crore in FY23 to ₹1,915 crore in FY25**, helped by retained earnings, reserves and consolidation effects. In **FY26**, debt stayed broadly flat at **₹203 crore**, while equity increased further to **₹2,112 crore**, reducing D/E slightly to **0.10x**. So the key takeaway is that Deep has taken debt for growth capex, not for survival; even after funding rigs, Dolphin and PEC, leverage remains very conservative, and higher operating cash generation is now helping fund expansion without a major increase in borrowings.

Return on Equity

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
PAT	₹ 14	₹ 31	₹ 65	₹ 72	₹ 125	₹ 125	₹ -79	₹ 197
Revenue from operations	₹ 318	₹ 262	₹ 194	₹ 322	₹ 341	₹ 427	₹ 576	₹ 891
PAT Margin	4%	12%	34%	23%	37%	29%	-14%	22%
Revenue from operations	₹ 318	₹ 262	₹ 194	₹ 322	₹ 341	₹ 427	₹ 576	₹ 891
Total Assets	₹ 1,218	₹ 1,236	₹ 1,173	₹ 1,260	₹ 1,587	₹ 1,911	₹ 2,393	₹ 2,595
Total Assets Turnover	0.26	0.21	0.17	0.26	0.22	0.22	0.24	0.69
Total Assets	₹ 1,218	₹ 1,236	₹ 1,173	₹ 1,260	₹ 1,587	₹ 1,911	₹ 2,393	₹ 2,595
Equity	₹ 970	₹ 997	₹ 1,062	₹ 1,130	₹ 1,379	₹ 1,527	₹ 1,915	₹ 2,112
Financial leverage	1.26	1.24	1.10	1.12	1.15	1.25	1.25	1.23
Return on Equity	1%	3%	6%	6%	9%	8%	-4%	19%

DuPont ROE

Deep's ROE should not be read mechanically because the PAT-margin leg has been distorted repeatedly by goodwill amortisation, deferred tax and exceptional items. In **FY19**, ROE was only **1%** mainly because PAT margin was just **4%**, as strong EBITDA was absorbed by high D&A and tax. In **FY20**, ROE improved to **3%**, but asset turnover fell from **0.26x to 0.21x**, so the improvement was not operating-led; it came largely from a favourable tax line. **FY21 ROE of 6% is misleading** because asset turnover fell further to **0.17x** due to COVID-led revenue disruption, while PAT margin optically jumped to **34%** only because a large deferred-tax credit converted a pre-tax loss into reported profit. In **FY22**, ROE stayed around **6%**, but quality improved because asset turnover recovered to **0.26x** and PAT was cleaner after goodwill amortisation stopped. In **FY23**, ROE improved to **9%**, mainly due to the **37% PAT margin**, but that margin was boosted by the Dolphin-related exceptional gain, while asset turnover remained low at **0.22x** as the asset base expanded ahead of revenue conversion. In **FY24**, ROE dipped to **8%** as the exceptional gain normalised and assets kept building for gas processing, rigs and Dolphin.

In **FY25**, reported ROE turned negative at **-4%** only because of the **₹251 crore exceptional loss**, not because the operating business deteriorated. In **FY26**, ROE recovered to around **9–10%** as PAT recovered to **₹197 crore** and asset turnover improved to about **0.34x** on higher revenue of **₹891 crore**, while financial leverage stayed conservative at **~1.23x**. The key conclusion is that Deep's ROE has historically been driven more by PAT distortions and asset utilisation than by leverage; FY26 shows better operating scale and asset sweating, but reported ROE is still below its true operating potential because PAT is affected by the **₹208 crore exceptional / prior-period loss**.

Cash conversion Ratio, Cash Conversion Cycle and FCFF

Particulars	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
CFO Before taxes/ EBITDA	67%	44%	106%	53%	59%	172%	89%	81%
CFO Before taxes/EBITDA (5Y)					63%	90%	98%	91%
Trade Receivable Days	₹ 146	₹ 217	₹ 240	₹ 154	₹ 270	₹ 237	₹ 373	₹ 197
Inventory Days	₹ 16	₹ 37	₹ 73	₹ 45	₹ 49	₹ 42	₹ 38	₹ 39
Trade Payable Days	₹ 26	₹ 50	₹ 61	₹ 43	₹ 59	₹ 35	₹ 45	₹ 38
Cash Conversion Cycle	136.0	204.1	252.9	155.4	259.3	243.7	365.3	197.2
FCFF (cr)	₹ 102	₹ -10	₹ 76	₹ 26	₹ -25	₹ 44	₹ 1	₹ 53

Cash Conversion Ratio & Cash Conversion Cycle:

Deep's cash conversion is structurally lumpy because the business is executed through large PSU / institutional contracts, where billing and cash collection depend on deployment, certification, milestone approval and customer payment cycles. That is why CFO before tax / EBITDA moved unevenly — **44% in FY20, 106% in FY21, 53–59% in FY22–FY23, 172% in FY24, 89% in FY25 and 81% in FY26** — but the 5-year average improved to **91% by FY26**, showing that cash conversion is acceptable over a cycle. The real working-capital drag is receivables, not inventory: inventory days stayed modest at **38–39 days in FY25–FY26**, while receivable days drove most of the volatility. Receivable days rose from **146 days in FY19 to 240 days in FY21** due to COVID / execution disruption, improved to **154 days in FY22**, then stretched again to **373 days in FY25** as the company scaled order execution and consolidated old receivables from acquired entities. In **FY26**, receivable days dropped sharply to **197 days**, bringing the cash conversion cycle down from **365 days to 197 days**. This improvement was not only because revenue scaled to **₹891 crore**; it also reflects clean-up of legacy acquired receivables, especially the Kandla debtor write-off, which reduced reported receivables and made the working-capital base cleaner. So FY26 shows a much healthier cash cycle, but the business still remains collection-cycle dependent because large oilfield-service contracts do not convert into cash immediately.

FCFF

Deep's FCFF has been volatile because operating cash is repeatedly reinvested into rigs, gas-processing facilities, Dolphin assets, PEC equipment and working capital. FY19 FCFF was strong at **₹102 crore** because the company was harvesting cash from an existing asset base with limited fresh capex. FY20 turned negative at **-₹10 crore** because revenue weakened while capex and receivables still absorbed cash. FY21 FCFF improved to **₹76 crore**, but that was partly because COVID slowed fresh capex rather than because the business became structurally cash-light. From FY22–FY25, FCFF stayed muted because Deep restarted its capex cycle: FY25 is the clearest example, where EBITDA was strong but FCFF was only **₹1 crore** as capex and working capital consumed most of the cash. In **FY26**, FCFF improved to **₹53 crore** because operating cash generation scaled up and the cash conversion cycle improved, but it is still not a fully mature free-cash-flow profile because capex remained heavy at around **₹217 crore** and working capital still absorbed cash. The clean read is that Deep has moved from near-zero FCFF in FY25 to positive FCFF in FY26, but the company is still in reinvestment mode; free cash flow will become more meaningful only when the current asset additions start generating cash without the same level of incremental capex and receivable build-up.

Fund Flow

Consolidated fund flow

Inflows	FY-19 to FY-26		Outflows	FY-19 to FY-26	
Operating profit before working capital changes	₹ 1,405	93%	Net Working Capital	₹ -259	18%
Interest received	₹ 46	3%	Net addition to fixed Assets	₹ -823	56%
Dividend received	₹ 1	0%	Net Loan Given	₹ -151	10%
Net Debt Addition	₹ 52	3%	Proceeds from Fixed Deposits	₹ -15	1%
Total Inflow	₹ 1,504	100%	Dividend paid	₹ -69	5%
			Interest paid	₹ -79	5%
			Investments	₹ -26	2%
			Repayment of Lease Liabilities	₹ -0	0%
			Income tax paid	₹ -56	4%
			Total Outflow	₹ -1,477	100%

Inflows:

Deep's cumulative fund inflow was largely generated internally, not through leverage. Out of total inflows of **₹1,504 crore**, **₹1,405 crore / 93%** came from operating profit before working capital changes. This is important because the company was expanding into rigs, gas-processing facilities, Dolphin Offshore and PEC during the same period, yet net debt addition was only **₹52 crore / 3%** of total inflows.

Interest received of **₹46 crore / 3%** was useful, but secondary. The main read-through is that Deep's growth has been primarily funded by operating cash generation, not by aggressive borrowing or equity dilution.

Outflows:

The outflow side shows where this operating cash was deployed. The largest use was **net addition to fixed assets of ₹823 crore / 56%**, which fits Deep's asset-heavy model: compressors, rigs, gas-processing units, Dolphin offshore assets and PEC equipment have to be purchased / refurbished before revenue can scale.

The second major use was **net working capital of ₹259 crore / 18%**, reflecting the nature of PSU / institutional contracts where execution and billing happen before final collection. **Net loans given of ₹151 crore / 10%** is also meaningful and should be monitored because it is capital deployed outside direct operating fixed assets.

Dividends, interest and tax together were only a smaller part of outflows, showing that most funds were recycled back into growth assets and working capital. Overall, the fund flow confirms that Deep is in a reinvestment phase: the business generates cash, but most of it is being redeployed into capacity creation rather than distributed or left idle.

Debt Table

Years	FY19	FY20	FY21	FY22	FY23	FY24	FY25	FY26
Borrowings / Debt	₹75	₹72	₹50	₹37	₹75	₹168	₹217	₹221
<i>Y-O-Y Growth</i>		-3%	-30%	-27%	105%	124%	29%	2%
Total Long Term Debt	₹39	₹56	₹8	₹11	₹38	₹97	₹104	₹109
<i>Y-O-Y Growth</i>		42%	-85%	33%	232%	157%	8%	4%
Total Long Term lease Liability	₹0	₹0	₹0	₹0	₹0	₹1	₹0	₹0
Total Short Term Debt	₹23	₹5	₹32	₹20	₹32	₹62	₹101	₹94
<i>Y-O-Y Growth</i>		-77%	492%	-37%	58%	92%	63%	-7%
Total Interest	₹12	₹11	₹9	₹5	₹5	₹8	₹12	₹18
Total Average Cost of Borrowing	16%	15%	15%	11%	9%	7%	6%	8%
Loans as a % of Total Asset	6%	6%	4%	3%	5%	9%	9%	9%
D/E	0.06	0.06	0.04	0.03	0.05	0.10	0.11	0.10
Interest Coverage Ratio	4.51	3.36	-0.75	19.05	19.30	14.78	16.06	13.66

Debt Profile

Deep's debt profile shows a clear shift from **deleveraging to growth funding**, but not a leverage-led balance sheet. During **FY19–FY22**, borrowings fell from **₹75 crore to ₹37 crore** as the company paid down term loans and stayed conservative through the ONGC dispute / COVID period; long-term debt dropped from **₹56 crore in FY20 to ₹8–11 crore in FY21–FY22**, interest cost fell from **₹12 crore to ₹5 crore**, and D/E reduced to just **0.03x**. From **FY23 onward**, debt rose because Deep moved into a capex cycle to execute a much larger order book: borrowings increased to **₹75 crore in FY23, ₹168 crore in FY24 and ₹217 crore in FY25**, funding new rigs, gas-processing assets, Dolphin Offshore revival / Prabha refurbishment and PEC-related mobilisation. The nature of debt also changed — long-term debt rose to **₹109 crore in FY26** for asset creation, while short-term debt peaked at **₹101 crore in FY25** due to working-capital and mobilisation needs before easing to **₹94 crore in FY26** as projects started generating revenue. Despite borrowings rising almost **6x from FY22 to FY26**, D/E stayed controlled at **0.10x**, loans remained only **9% of total assets**, and interest coverage stayed strong at **13.66x** in FY26. The average borrowing cost has also structurally improved from **15–16% in FY19–FY21 to 6–8% in recent years**, though it ticked up to **8% in FY26** as the borrowing mix shifted toward expansion and working-capital funding. Overall, Deep has used debt mainly to fund growth assets, not to plug operating weakness; the balance sheet remains under-levered, with enough headroom for future capex if new assets generate expected returns.

Subsidiaries under DIL

Debt Table

Subsidiary / Step-down subsidiary	Relationship & shareholding	Since when / acquisition date	Acquisition / investment cost	Role in Deep's structure	Current status / relevance
Raas Equipment Private Limited	Subsidiary — 80%	15-Jun-20	Equity investment: ₹0.08 lakh; preference investment: ₹150 lakh	Manufactures / develops booster compressor packages of 22 kW and 37 kW for oil & gas applications	Supports Deep's compression-equipment capability; FY25 turnover ₹10.87 crore, loss ₹1.40 crore
Deep International DMCC	Subsidiary — 100%	20-Jun-20	Equity investment: ₹8.90 lakh	Dubai-based international arm for gas-processing services across Middle East, Africa and Asia; also trades customised gas-processing equipment	Key overseas platform; FY25 turnover ₹18.52 crore, PAT ₹3.18 crore
Deep Onshore Drilling Services Private Limited	Subsidiary — 74%	20-Jun-20	Equity investment: ₹0.74 lakh	JV / technical platform to support gas-field services and drilling expertise	Small entity; FY25 turnover nil, marginal profit
Deep Onshore Services Private Limited	Subsidiary — 100%	23-Jun-20	Equity investment: ₹300.10 lakh	Strategic holding / acquisition vehicle; used to acquire Dolphin Offshore Enterprises and Dolphin Offshore Shipping	Important SPV for offshore expansion; FY25 loss ₹5.01 crore
Dolphin Offshore Enterprises (India) Limited	Step-down subsidiary — 74.99%	02-Jan-23	Acquired through IBC route; reported acquisition consideration around ₹27 crore for 75% stake	Main offshore services platform; gives Deep access to offshore oil & gas support services	FY25 turnover ₹14.88 crore, PAT ₹3.24 crore; key asset platform for Prabha / offshore contracts
Dolphin Offshore Enterprises (Mauritius) Private Limited	Step-down subsidiary — 100%	Part of Dolphin offshore structure	Separate acquisition price not disclosed; part of Dolphin group structure	Offshore international entity connected to Dolphin's marine / offshore structure	FY25 profit ₹46.19 crore; strategically linked to offshore assets
Beluga International DMCC	Step-down subsidiary — 100%	28-Dec-23	Separate acquisition price not disclosed	Offshore asset / marine operations vehicle; linked with Prabha DP2 barge and offshore fleet strategy	FY25 loss ₹0.16 crore; important for offshore asset deployment
Breitling Drilling Services Private Limited	Subsidiary — 74%	12-Jul-23	Equity investment: ₹0.07 lakh	Intended for higher-capacity drilling / rig tenders, including JV-led opportunities	Currently non-operational / yet to commence meaningful operations
SAAR International FZ-LLC	Subsidiary — 100%	Incorporated 29 Mar 2024; direct WOS effective 8 Apr 2024	Equity investment: ₹5.83 lakh	UAE-based oil & gas trading / business platform	FY25 turnover ₹3.78 crore, PAT ₹1.73 crore
Deep Exploration Services Private Limited	Subsidiary — 100%	Acquired 15 Jan 2025	Equity investment: ₹0.11 lakh	Acquired with equity stake and working rights; objective includes compression, drilling / workover, gas dehydration and E&P-related activities	Yet to commence operations as per FY25 disclosure
Dolphin Offshore Shipping Limited	Step-down subsidiary — 100%	21-Jan-25	Acquired under NCLT-approved resolution plan; agreed consideration ₹1 lakh for 100% equity	Owns / supports offshore shipping assets, including tug-fleet capability	Being revived; FY25 turnover ₹0.13 crore, loss ₹1.58 crore
Kandla Energy & Chemicals Limited	Subsidiary — 100%	31-Mar-25	Acquired through liquidation / NCLT process; agreed consideration ₹1 lakh for 100% equity	Chemicals and hydrocarbon-fluid manufacturing; potential backward integration for drilling, IPM and PEC	Being revived; strategic for in-house fluids / chemical capability

Dolphin Offshore Enterprises (India) Ltd

Deep Industries acquired Dolphin Offshore Enterprises (India) Ltd. through the IBC / NCLT route in January 2023. This was not a normal acquisition of a growing company; it was a stressed-asset acquisition where Dolphin had already gone through insolvency. Historically, Dolphin was a known offshore oilfield-services player, but the business had collapsed due to weak capital management and legacy liabilities. Deep's acquisition was therefore more of a **platform revival** than a simple asset purchase. The key attraction was that Dolphin already had offshore credentials, client history, marine-service capabilities and an existing listed structure all of which would have taken Deep years to build organically.

Particulars	Details
Acquisition route	IBC / NCLT
Control acquired	Jan-23
Initial stake	94.98% through 30,00,000 shares
Current stake	74.99% after fresh equity issuance / QIP
Key purpose	Entry into offshore oilfield services
Main asset revived	Prabha DP2 accommodation barge
Verifiable funding proxy	₹27.52 crore loan for Dolphin revival

The important point is that Deep did not sell down its stake. The reduction from ~95% to 74.99% happened because Dolphin issued fresh shares at its own level, including through QIP. This brought capital into Dolphin for refurbishment / asset revival and reduced Deep's percentage holding, while control still remained with Deep. So the transaction should be read as **stake dilution due to new equity issuance**, not promoter exit.

Strategically, Dolphin gives Deep a faster route into offshore services. Before Dolphin, Deep was largely an onshore oilfield-services company with strengths in gas compression, rigs, gas dehydration, gas processing and integrated project work. Offshore services are different because they require marine assets, vessel qualification, safety approvals, offshore operating track record and specialised manpower. Building this from scratch could have taken years. By acquiring Dolphin, Deep got an existing offshore platform that could be revived and scaled.

The first major monetisation of Dolphin is the **Prabha DP2 accommodation barge**, earlier known as Vikrant Dolphin. The vessel has accommodation capacity for around 275 people and is owned through Dolphin's overseas subsidiary structure. After acquisition, the vessel was refurbished and deployed internationally. In April 2025, the Prabha barge entered into a three-year lease arrangement in Mexico with an estimated contract value of around **US\$32.85 million**, or approximately **₹281 crore**, net of operating expenses. The disclosed daily rental was around **US\$30,000 net of opex**, making this a high-margin offshore revenue stream.

Asset / contract	Details
Vessel	Prabha DP2 accommodation barge
Capacity	~275 persons
Contract tenure	3 years
Geography	Mexico
Contract value	~US\$32.85 million / ~₹281 crore
Daily rental	~US\$30,000 net of opex
Revenue start	FY26

This is why Dolphin's contribution became visible in FY26. In FY24 and FY25, Dolphin's reported operating revenue was still small because the platform was under revival and Prabha was not fully operational. FY26 is the first real year where the offshore asset started contributing meaningfully. Dolphin reported around **₹116 crore revenue and ₹72 crore operating profit**, implying an operating margin of nearly **62%**. This is meaningfully higher than Deep's consolidated EBITDA margin and shows why the acquisition can improve the group's margin profile if asset utilisation remains strong.

This is why Dolphin's contribution became visible in FY26. In FY24 and FY25, Dolphin's reported operating revenue was still small because the platform was under revival and Prabha was not fully operational. FY26 is the first real year where the offshore asset started contributing meaningfully. Dolphin reported around **₹116 crore revenue and ₹72 crore operating profit**, implying an operating margin of nearly **62%**. This is meaningfully higher than Deep's consolidated EBITDA margin and shows why the acquisition can improve the group's margin profile if asset utilisation remains strong.

Particulars	FY26
Dolphin revenue	₹116 crore
Operating profit	₹72 crore
Operating margin	~62%
Contribution to Deep revenue	~13%

The risk is that Dolphin is still in an early revival phase. Near-term earnings are concentrated around Prabha and a small number of marine assets, so vessel downtime, contract renewal, counterparty risk, refurbishment delays or slower asset additions can make revenue lumpy. Offshore services are also more capital-intensive than Deep's traditional onshore services. Therefore, Dolphin should be viewed as a high-margin offshore growth platform, but not yet as a fully mature and diversified offshore fleet business.

Overall, the Dolphin acquisition was strategically important because Deep acquired offshore capability at a low entry cost and converted a stressed asset into a revenue-generating platform. The acquisition expands Deep from an onshore services company into an onshore-plus-offshore oilfield-services player. The real value creation will depend on whether Dolphin can move beyond Prabha and build a broader, consistently utilised offshore fleet over the next few years.

Company's Leadership team



Mr. Paras Savla

Chairman & Managing Director

Has over **three decades of experience** and is a Commerce graduate from Gujarat University. Under his leadership, Deep evolved from a transportation-service entity into a broader energy infrastructure and oil & gas equipment-solutions company. He has played a key role in shaping the company's long-term strategic direction and growth journey.



Mr. Rupesh Savla

Managing Director

Has over **28 years of experience** in the energy sector. He holds an MBA from Bentley College, USA, and a Commerce degree from Gujarat University. His role focuses on operational expansion, project coordination and implementation across the company's service portfolio.



Mr. Rohan Shah

Director Finance & CFO

Chartered Accountant with over **19 years of experience** in finance, accounts, audit and statutory compliance. He has been associated with Deep for more than **15 years** and has held senior finance roles including CFO. Before joining Deep, he worked with ICICI Bank, and in 2019 he received the "Financial Express CFO of the Year" award in the Small Enterprises – Services category.

Shareholding Pattern

Shareholder	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25	Mar-26
Promoters	63.99%	63.99%	63.49%	63.49%	63.49%	63.49%
Rupesh Kantilal Savla Family Trust	-	-	-	-	-	31.49%
Rupesh Savla Family Trust	-	31.49%	31.49%	31.49%	31.49%	-
Shantilal Savla Family Trust	-	12.70%	12.70%	12.70%	12.70%	12.70%
Priti Paras Savla	-	6.43%	6.43%	6.43%	6.43%	6.43%
Dharam Shantilal Savla	-	6.43%	6.43%	6.43%	6.43%	6.43%
Mita Manoj Savla	-	4.16%	4.16%	4.16%	4.16%	4.16%
Shail M Savla	-	2.27%	2.27%	2.27%	2.27%	2.27%
Savla Oil and Gas Private Limited	-	0.50%	0.00%	0.00%	0.00%	-
Shantilal Murjibhai Savla	-	0.00%	0.00%	0.00%	0.00%	0.00%
Avani Dharam Savla	-	0.00%	0.00%	0.00%	0.00%	0.00%
Parashbhai Shantilal Savla	-	0.00%	0.00%	0.00%	0.00%	0.00%
Manoj Shantilal Savla	-	0.00%	0.00%	0.00%	0.00%	0.00%
Prabhaben Shantilal Savla	-	0.00%	0.00%	0.00%	0.00%	0.00%
Rupesh Kantilal Savla	-	0.00%	0.00%	0.00%	0.00%	0.00%
Sheetal Rupesh Savla	-	0.00%	0.00%	0.00%	0.00%	0.00%
Aarav Rupesh Savla	-	0.00%	0.00%	0.00%	0.00%	0.00%
FII's	0.00%	3.71%	1.45%	1.82%	2.17%	1.81%
Antara India Evergreen Fund Ltd	-	2.44%	-	-	-	-
DII's	5.86%	0.00%	0.00%	0.00%	1.17%	1.13%
Antara India Evergreen Fund Ltd	3.51%	-	-	-	-	-
Heshika Growth Fund	1.24%	-	-	-	-	-
Mavira Growth Opportunities Fund	-	-	-	-	1.03%	1.03%
Government	0.02%	0.02%	0.02%	0.00%	0.00%	0.00%
Public	30.13%	32.27%	35.04%	34.67%	33.17%	33.57%
R L Tradecom Private Limited	4.00%	-	-	-	-	-
Monit Exim LLP	-	4.00%	4.00%	3.84%	3.71%	3.71%
Pushpaben Gadhecha	-	1.56%	1.56%	-	1.29%	-
Anushree Himanshubhai Shah	-	-	1.35%	-	-	-
Monarch Infraparks Private Limited	-	-	1.29%	-	-	-
Rakesh Rajkrishan Aggarwal	1.24%	-	-	-	-	-
Rikhav Securities Limited	-	1.09%	-	-	-	-
Foreign Nationals	0.00%	-	-	-	-	-
No. of Shareholders	17,723	17,424	19,387	29,241	38,459	37,304

Strengths and opportunities

Strength / Opportunity	Data points	Why it matters
1. Mature-field revival demand	Assam, Gujarat and Rajasthan account for >95% of India's oil production . ONGC and Oil India contribute around 70% of India's oil & gas production . ONGC drilled 578 wells in FY25 ; Oil India drilled ~62 wells in FY25 and plans 75–80 wells in FY26 .	Mature fields need continuous drilling, workover, compression and production enhancement. This creates repeat demand for Deep's services.
2. Leadership in outsourced gas compression	Deep has an estimated ~85% market share in outsourced gas compression, excluding CGD. Gas compression contributed 42% of FY25 revenue .	This is Deep's strongest moat. Compression is mission-critical, and switching vendors can disrupt production.
3. Specialised asset base	20 onshore rigs : 6 drilling rigs + 14 workover rigs; 70+ gas compressor units ; 80+ gas-processing units .	Large asset ownership improves tender eligibility, faster mobilisation and entry barriers.
4. Charter-hire model	Deep provides compressors, rigs and gas-processing facilities on rental / charter-hire / service-contract basis. Bokaro, Kakinada and Jaya had estimated capex of ₹40 crore, ₹30 crore and ₹90 crore , with combined annual revenue potential of ₹130 crore .	Customers avoid upfront capex; Deep earns recurring revenue with better asset utilisation.
5. Moving up the value chain	Portfolio now includes compression, dehydration, gas processing, drilling / workover, IPM and PEC. IPM contribution rose from 6% in FY23 to 14% in FY24 , then 10% in FY25 .	Deep is becoming a field-execution partner, not just an equipment supplier.
6. Strong order book visibility	Total order book around ₹3,000 crore . Core standalone book executable over 2.5–3 years ; ₹1,402 crore ONGC PEC has 15-year tenure.	Provides revenue visibility and supports asset utilisation. PEC adds long-duration upside.
7. Dolphin Offshore optionality	Dolphin contributed ₹116 crore revenue and ₹72 crore operating profit in FY26, implying 62% operating margin . Prabha DP2 barge has a 3-year lease worth US\$32.85 million / ₹281 crore .	Adds high-margin offshore exposure and a second growth platform beyond onshore services.

Risk

ONGC Concentration and Past Dispute Risk

ONGC is Deep Industries' most important customer and also one of its biggest concentration risks. More than **50% of Deep's revenue is linked to ONGC**, and several key growth drivers including rigs, gas processing, compression and the **₹1,402 crore Production Enhancement Contract** are also connected to ONGC. This makes the relationship strategically valuable, but it also means any delay in tendering, certification, billing, contract execution or dispute with ONGC can have a direct impact on revenue visibility, receivables and investor perception.

The risk is not theoretical because Deep has already faced a major dispute with ONGC in the past. In **June 2014**, ONGC awarded Deep a **₹310 crore Gas Dehydration Unit contract**. The contract was later terminated by ONGC in **August 2017**, along with restrictions on Deep's participation in new projects. Deep challenged the termination, and the matter went through arbitration. In **Q1FY23**, the arbitration tribunal ruled in Deep's favour and awarded compensation of around **₹108 crore** for wrongful termination / breach of contract. ONGC challenged the award, but Deep received around **75% of the award amount**, roughly **₹80–85 crore**, in FY24. The balance amount remains dependent on the final legal outcome, and the received amount has not been treated as normal operating revenue because the matter is still legally contested.

Period	Event
Jun-14	ONGC awarded Deep a ₹310cr Gas Dehydration Unit contract
Aug-17	ONGC terminated the contract and restricted Deep from new project participation
Q1FY23	Arbitration ruled in Deep's favour and awarded compensation of ₹108 cr
Q1FY24	Deep received around 75% of the award , roughly ₹80–85 cr
Q4FY25	Civil court order was passed in Deep's favour
Current position	Balance amount remains subject to final legal outcome

*The key issue is not just whether Deep receives the remaining **25%** of the arbitration award. The bigger concern is that ONGC remains central to Deep's business model even after this dispute. Deep has continued to win work from ONGC, which shows that the commercial relationship has not broken down; however, the past episode highlights the risks involved in large PSU contracts contract interpretation, documentation, equipment compliance, certification, termination rights and long legal timelines can materially affect cash flows. Therefore, ONGC should be viewed as both a major opportunity and a major concentration risk for Deep Industries.*

Other Key Risks

Risk	Data	Why it matters
1. Upstream capex and oil & gas cycle risk	Deep's services sit after exploration and depend on drilling, workover, compression, gas processing and field-development activity. FY21 revenue fell to ₹194 crore , partly due to COVID disruption and weak upstream activity.	If crude / gas prices weaken or E&P companies slow capex, tendering and asset deployment can get delayed. Monitor ONGC / Oil India capex, drilling activity and new tender flow.
2. PSU tender and pricing risk	Deep participates frequently in tenders. Success rate is stronger in gas-processing tenders at 50%+ , but lower in rig tenders at 25%+ . Core standalone order book is executable over ~2.5–3 years .	Growth depends on continuous order replenishment. If tender awards slow or pricing becomes aggressive, asset utilisation and margins can moderate after current backlog execution.
3. Input cost, fuel and imported spares risk	Spares, oil and operating expenses are the largest COGS line: ₹62 crore in FY21 → ₹107 crore in FY22 → ₹224 crore in FY25 . Compressors / engines are largely imported from the US, while rigs are sourced from China.	Fuel, spares, logistics, forex and import lead times can pressure gross margins. Pass-through may not be available in every contract, especially during transition / mobilisation periods.
4. Receivable and cash-conversion risk	Receivable days were 373 days in FY25 , improving to 197 days in FY26 . Cash conversion cycle also improved from 365 days to 197 days , partly helped by legacy receivable clean-up.	EBITDA may not convert into cash immediately because large PSU / institutional contracts require certification, milestone billing and collection. Monitor CFO/EBITDA and receivable ageing.
5. PEC execution risk	ONGC PEC contract is ₹1,402 crore with 15-year tenure . Revenue depends on incremental production above baseline, not normal rental billing.	PEC can create long-duration upside, but execution risk is higher. If production enhancement is slower than expected, revenue, margin and ROIC can disappoint.
6. Dolphin Offshore concentration and offshore-cycle risk	Dolphin generated ₹116 crore revenue and ₹72 crore operating profit in FY26, implying ~62% margin . A large part is linked to Prabha DP2 barge's 3-year lease worth ~US\$32.85 million / ~₹281 crore .	Dolphin is high-margin but still asset-concentrated. Vessel downtime, contract gap, counterparty delay or offshore capex slowdown can make earnings lumpy.
7. Capex-heavy model and utilisation risk	Reinvestment was ₹251 crore in FY25 and ₹307 crore in FY26 . Fixed assets increased from ₹1,339 crore to ₹1,528 crore , and D&A rose from ₹41 crore to ₹59 crore .	Deep must keep rigs, compressors, gas-processing units and offshore assets deployed. If utilisation falls, depreciation and maintenance costs remain fixed while revenue weakens.
8. Acquisition clean-up and subsidiary complexity	Exceptional losses were ₹251 crore in FY25 and ₹208 crore in FY26 , mainly linked to acquired-entity clean-up. Group now includes Dolphin, Beluga, Kandla, Deep DMCC and other subsidiaries.	Acquisitions create growth optionality, but also accounting noise. Monitor inter-company loans, guarantees, write-offs, subsidiary losses and adjusted PAT vs reported PAT.

Peer Comparison

Onshore Business

YEARS	FY21	FY22	FY23	FY24	FY25
REVENUE FROM OPERATIONS					
Deep Industries Limited (Stand.)	₹178	₹272	₹301	₹382	₹477
Asian Energy Services Ltd	₹229	₹260	₹110	₹305	₹465
Jindal Drilling & Industries Ltd	₹398	₹420	₹512	₹617	₹828
GROSS PROFIT MARGIN					
Deep Industries Limited (Stand.)	64%	55%	55%	56%	57%
Asian Energy Services Ltd	36%	41%	26%	28%	25%
Jindal Drilling & Industries Ltd	40%	45%	51%	48%	42%
EBITDA MARGIN					
Deep Industries Limited (Stand.)	44%	38%	38%	39%	40%
Asian Energy Services Ltd	24%	25%	-17%	14%	14%
Jindal Drilling & Industries Ltd	14%	25%	34%	32%	29%
PAT MARGIN					
Deep Industries Limited (Stand.)	35%	39%	26%	27%	27%
Asian Energy Services Ltd	10%	15%	-40%	8%	9%
Jindal Drilling & Industries Ltd	-1%	15%	19%	8%	26%
ROIC					
Deep Industries Limited (Stand.)	0%	10%	6%	8%	9%
Asian Energy Services Ltd	18%	24%	-26%	12%	17%
Jindal Drilling & Industries Ltd	2%	6%	11%	14%	7%
ROCE					
Deep Industries Limited (Stand.)	0%	9%	5%	6%	7%
Asian Energy Services Ltd	14%	15%	-18%	7%	8%
Jindal Drilling & Industries Ltd	1%	3%	5%	6%	6%
TOTAL ASSET TURNOVER					
Deep Industries Limited (Stand.)	0.16	0.22	0.22	0.24	0.26
Asian Energy Services Ltd	0.66	0.77	0.37	0.79	0.79
Jindal Drilling & Industries Ltd	0.23	0.25	0.28	0.30	0.30
LEVERAGE (ASSETS/EQUITY)					
Deep Industries Limited (Stand.)	1.10	1.11	1.17	1.29	1.33
Asian Energy Services Ltd	1.71	1.40	1.49	1.38	1.48
Jindal Drilling & Industries Ltd	1.54	1.42	1.42	1.50	1.75
RETURN ON EQUITY					
Deep Industries Limited (Stand.)	6%	10%	7%	8%	10%
Asian Energy Services Ltd	11%	16%	-22%	9%	11%
Jindal Drilling & Industries Ltd	-1%	5%	7%	4%	14%
LEVERAGE (DEBT/EQUITY)					
Deep Industries Limited (Stand.)	0.04	0.02	0.05	0.11	0.15
Asian Energy Services Ltd	0.02	0.03	0.11	0.08	0.06
Jindal Drilling & Industries Ltd	0.29	0.18	0.16	0.22	0.10

Business-model

Company	What the business actually is	What that usually does to the numbers
Deep Industries	Asset-led oilfield support company spanning gas processing, gas compression, gas dehydration, drilling/workover, IPM and production enhancement. Management states Deep now covers more than 70% of the post-exploration value chain and runs a rental / charter-hire-heavy model.	Usually produces high gross/EBITDA margins, but also low asset turns because compressors and rigs sit on the balance sheet for long periods.
Asian Energy	Integrated energy infrastructure services platform that has reduced reliance on seismic and diversified into O&M, production facility construction, mineral infrastructure/material handling, and now also crude-oil revenue through participatory interest in an oilfield.	Usually produces higher turnover, but margins depend heavily on project mix and project-related expense, so volatility is much higher.
Jindal Drilling	Pure-play drilling services company; annual report states 100% of turnover comes from drilling services. Economics are driven by jack-up rig deployment, day rates, refurbishment and utilisation.	Delivers strong operating leverage when rigs are fully contracted, but margins remain cyclical because direct rig costs and charter rates move with the market.

Scale and profitability comparison

Metric	Deep Industries	Asian Energy	Jindal Drilling
Revenue	₹178→272→301→382→477 Cr FY22 was a clear post-Covid snapback; management explicitly said the company was back on a “strong growth track”. FY23–FY25 growth then came from the same rental / charter-hire oilfield model scaling across compression, dehydration, processing, workover and drilling, with broader service coverage than before.	₹229→260→110→305→465 Cr FY21–FY22 benefited from the company’s shift beyond classical oilfield work into mineral infrastructure, O&M and material handling. FY23 then collapsed because both oil & gas and mineral / other energy segment revenues fell sharply. FY24–FY25 recovered as revenue normalised and FY25 growth was led mainly by mineral and other energy sectors, while management continued to reduce dependence on seismic.	₹398→420→512→617→828 Cr Revenue scaled as the five-rig base stayed active, renewal contracts were won at higher rates in FY23, and FY24 added / redeployed rigs under fresh three-year contracts with ~99% efficiency. FY25 still reached record sales even in a weaker pricing backdrop.
Gross profit margin	64%→55%→55%→56%→57% Structurally the best in the set because Deep is primarily an asset-rental / charter-hire business, not a low-margin EPC contractor. FY22’s margin reset was explicitly linked to fuel and steel price hikes plus planned maintenance. By FY25, cost of materials consumed was ₹203.8 crore on ₹477.5 crore revenue, keeping gross margin near 57%.	36%→41%→26%→28%→25% Asian’s margin is fundamentally a project-cost story. FY22 improved as revenue and profitability rose. FY23 collapsed because revenue fell to roughly ₹110 crore while project-related expense stayed heavy. FY24 and FY25 recovered only partly because project-related expense rose almost in step with revenue, especially in mineral infrastructure.	40%→45%→51%→48%→42% This is the cleanest “revenue minus direct rig cost” series in the peer set. FY22 expanded because direct operating cost fell even as revenue rose. FY23 stayed very strong on higher rates / better renewals and saving in charter hire rental. FY24–FY25 compressed as rig hire and drilling operation costs rose sharply and FY25 management flagged lower charter rates.

EBITDA margin	44%→38%→38%→39%→40% Deep's EBITDA margin stays unusually high because the business has powerful fixed-cost absorption once its chartered assets are deployed. After the FY22 reset from input-cost pressure and maintenance, margins stabilised on cost control, better revenue mix and more profitable asset utilisation.	24%→25%→-17%→14%→14% This row explains why Asian is not a direct "annuity rental" peer. When FY23 revenue broke, the company moved into losses and EBITDA turned negative. FY24–FY25 recovered as revenue and profit returned, but EBITDA remained capped because the business still carries a heavy project-related cost base.	14%→25%→34%→32%→29% Jindal's operating leverage is very strong when rigs are on contract. FY22–FY24 benefited from full / near-full rig deployment, higher day rates and very high operating efficiency. FY25 still stayed strong in absolute terms, but margin softened as pricing pressure returned.
PAT margin	35%→39%→26%→27%→27% The broad read-through is correct Deep converts revenue into cash profit very well but the company-reported series is flatter than your sheet. FY21 was abnormally high because of a one-time deferred-tax liability write-back; FY22 was explicitly described as a renormalisation year. After that, Deep settled into durable mid-20s net conversion, helped by recurring charter income and meaningful other income.	10%→15%→-40%→8%→9% Directionally, this is exactly the right story: FY22 was healthy, FY23 collapsed into losses as revenue halved, and FY24–FY25 repaired back to positive single digits as the mix improved and revenue recovered. The magnitude of movement reflects the volatility of a project-heavy business in transition.	-1%→15%→19%→8%→26% Your series does not line up exactly with the annual-report standalone margin series, but the business message is unchanged: net margins scaled sharply with higher utilisation and better pricing through FY23, stayed healthy in FY24, and moderated in FY25 as finance cost and rate pressure increased, even though absolute profit still reached a record level.

Capital efficiency and balance sheet comparison

Metric	Deep Industries	Asian Energy	Jindal Drilling
ROIC / ROCE	ROIC: 0→10→6→8→9% ROCE: 0→9→5→6→7% Returns improved only gradually because Deep is still an asset-heavy fleet business. Management's own ratio disclosures repeatedly link better ROCE / return on investment to higher profitable utilisation of capital and assets, not to leverage. So Deep's return profile is steady but slow-grinding, not explosive.	ROIC: 18→24→-26→12→17% ROCE: 14→15→-18→7→8% Asian's returns are the most volatile because the earnings line is the most volatile. FY23 went negative when the company moved into losses; FY24–FY25 recovered as revenue and profits returned. This is a business that can look very efficient in good project years and very poor in weak years.	ROIC: 2→6→11→14→7% ROCE: 1→3→5→6→6% Directionally this makes sense for an offshore driller: returns rose through FY24 as profits improved and debt came down, then moderated in FY25 as margins softened. FY25 annual-report commentary still says ROCE improved because profit before tax rose while long-term debt fell, so the business remained healthy even as pricing got tougher.
Total asset turnover	0.16→0.22→0.22→0.24→0.26x Lowest in the group, and structurally so. Deep's annual report assigns ~25-year lives to gas compressors and ~30-year lives to rigs, so the asset base is large relative to yearly revenue. The gradual improvement comes from better sales and utilisation, not from an asset-light model.	0.66→0.77→0.37→0.79→0.79x Highest turnover in the set because Asian monetises projects and working capital faster than a pure fleet owner. FY23's collapse simply mirrors the revenue crash; the rebound to ~0.8x in FY24–FY25 shows how quickly the asset base can be sweated when project flow is normal.	0.23→0.25→0.28→0.30→0.30x Better than Deep, but still constrained by the capital intensity of a jack-up rig fleet. The rise through FY24 came from more rigs operating at very high efficiency; FY25 held the turnover level even though margins softened.

Financial leverage	1.10→1.11→1.17→1.29→1.33x Assets/equity has drifted up as Deep funded new projects and asset additions, but this is still not an aggressively levered balance sheet. The same period saw debt/equity remain low, implying the rise is more about growth capex and project assets than financial stress.	1.71→1.40→1.49→1.38→1.48x This looks higher than debt alone would suggest because project businesses carry working-capital liabilities as well. Financial debt itself stayed low 0.03x in FY22, 0.10x in FY23, 0.08x in FY24 and 0.06x in FY25 while equity was also supported by warrant conversions and a return to profitability.	1.54→1.42→1.42→1.50→1.75x The fleet keeps total assets large relative to equity. Even so, by FY25 long debt had actually fallen materially. So the higher assets/equity in your sheet likely reflects current-liability / operating balance-sheet expansion around rig operations and purchases rather than stress from long-term borrowings. That is an inference, but it fits the annual-report note that current liabilities increased because of purchase of a rig while long-term debt decreased.
ROE	6%→10%→7%→8%→10% ROE is modest because Deep combines high margins with low leverage and low asset turns. Improvements have come from profit growth and better capital use, not from financial gearing.	11%→16%→22%→9%→11% ROE is basically the mirror image of Asian's earnings volatility: strong in FY22, sharply negative in FY23, then normalising as the business returned to profit. The swing is about earnings cyclicity, not a balance-sheet blow-up.	-1%→5%→7%→4%→14% Even though the exact percentages in your sheet differ from annual-report calculations, the economic shape is the same: weak ROE in FY21, then sharply better ROE as the fleet earned more and debt reduced. Among the three, Jindal's ROE is the most sensitive to small changes in rig pricing and utilisation.
Debt/equity	0.04→0.02→0.05→0.11→0.15x Deep remains conservatively financed. FY22 improved after repayment of significant borrowings; FY24–FY25 moved up because of new loans for projects / higher gross borrowings, but the company is still comfortably below peer risk levels.	0.02→0.03→0.11→0.08→0.06x Debt stayed low throughout the cycle. The FY23 spike was driven by new vehicle / working-capital loans and the impact of losses; thereafter debt/equity eased back as profitability recovered and equity expanded.	0.29→0.18→0.16→0.22→0.10x Jindal is the one peer where debt historically mattered more because offshore rigs are capital-intensive. The important point is FY25: long-term debt and debt/equity both came down sharply as profits rose, so the balance sheet actually de-risked while revenue grew.

Deep Industries is the **highest-margin business** among the three peers. Its standalone economics are driven by gas compression, gas dehydration, gas processing, rigs and charter-hire / asset-rental contracts. This structure gives Deep the best gross margin and EBITDA margin profile in the peer set, but also keeps asset turnover low because compressors, rigs and gas-processing assets remain on the balance sheet. So Deep's model is not built for high asset velocity; it is built for **stable margins, recurring asset deployment and conservative compounding**.

Asian Energy is comparable only at the **integrated upstream / field-services level**, not as a direct business-model peer. Unlike Deep's asset-rental-heavy model, Asian has operated more as a project, O&M, infrastructure and execution-led platform. That is why its asset turnover is much higher than Deep, but margins and returns are far more volatile. FY23 shows this clearly, when revenue contraction pushed margins and returns sharply negative. The FY24–FY25 recovery looks genuine, but the business remains more mix-sensitive because revenue quality depends on the type of projects executed rather than long-duration rental income.

Jindal Drilling is the best comparison for the **rig / drilling-services side** of Deep, but not for Deep's gas compression and gas-processing moat. Jindal is larger in revenue scale and more directly exposed to drilling-cycle economics. When rig utilisation, day rates and contract renewals are strong, operating leverage works sharply in its favour, as seen during FY22–FY24. But FY25 also shows the other side of the cycle: revenue still grew strongly, but gross and EBITDA margins moderated as pricing and operating costs became less favourable. This makes Jindal a higher-scale but more cyclical peer.

Overall, the matrix shows three different business models rather than three identical peers: **Deep wins on margin quality and balance-sheet conservatism; Asian wins on asset turnover but has higher project-mix volatility; Jindal wins on scale and drilling-cycle upside but carries higher cyclicality.** Deep's key differentiator is that it combines high-margin gas compression / gas processing with asset ownership and low leverage, whereas Asian is more project-execution-led and Jindal is more drilling-cycle-led.

Offshore Business

YEARS	FY24	FY25
REVENUE FROM OPERATIONS		
Dolphin Offshore Enterprises (India) Ltd	₹6	₹74
SEAMEC Ltd	₹729	₹652
GROSS PROFIT MARGIN		
Dolphin Offshore Enterprises (India) Ltd	78%	65%
SEAMEC Ltd	54%	57%
EBITDA MARGIN		
Dolphin Offshore Enterprises (India) Ltd	-54%	62%
SEAMEC Ltd	33%	33%
PAT MARGIN		
Dolphin Offshore Enterprises (India) Ltd	86%	63%
SEAMEC Ltd	17%	13%
Pre-tax ROIC		
Dolphin Offshore Enterprises (India) Ltd	-3%	25%
SEAMEC Ltd	12%	10%
Pre-tax ROCE		
Dolphin Offshore Enterprises (India) Ltd	-2%	10%
SEAMEC Ltd	9%	7%
TOTAL ASSET TURNOVER		
Dolphin Offshore Enterprises (India) Ltd	0.03	0.16
SEAMEC Ltd	0.52	0.47
LEVERAGE (ASSETS/EQUITY)		
Dolphin Offshore Enterprises (India) Ltd	0.00	0.61
SEAMEC Ltd	1.54	1.37
RETURN ON EQUITY		
Dolphin Offshore Enterprises (India) Ltd	0%	6%
SEAMEC Ltd	13%	9%
LEVERAGE (DEBT/EQUITY)		
Dolphin Offshore Enterprises (India) Ltd	0.00	0.61
SEAMEC Ltd	0.36	0.23

Metric	Dolphin Offshore	SEAMEC	Interpretation
Business model	Offshore platform being revived after acquisition; FY24–FY25 numbers reflect restart phase, subsidiary activation and asset monetisation.	Established offshore marine-services company with operating fleet across DSVs / OSVs / offshore support assets.	Dolphin is not yet a mature peer to SEAMEC. SEAMEC is the operating benchmark; Dolphin is the turnaround case.
Revenue	₹6 crore → ₹74 crore	₹729 crore → ₹652 crore	Dolphin's revenue jump is from a very low base and reflects reactivation of the offshore structure. SEAMEC is already at scale; FY25 revenue decline reflects softer fleet deployment / utilisation rather than business failure.
Gross margin	78% → 65%	54% → 57%	Dolphin's gross margin is optically high because the revenue base is still small and asset-heavy offshore leasing has low direct operating cost once deployed. SEAMEC's margin is more stable and representative of a mature offshore services business.
EBITDA margin	-54% → 62%	33% → 33%	Dolphin moved from negative EBITDA in FY24 to high margin in FY25 because fixed costs got absorbed once revenue started flowing. SEAMEC's stable 33% margin shows mature fleet economics — lower volatility, but also lower upside than a successful asset restart.
PAT margin	86% → 63%	17% → 13%	Dolphin's PAT margin should not be read as normal operating margin because FY24–FY25 profit was influenced by tax / exceptional / subsidiary effects. SEAMEC's PAT margin is cleaner and more comparable to steady-state offshore operations.
Pre-tax ROIC	-3% → 25%	12% → 10%	Dolphin's ROIC improvement shows asset activation from a dormant base. SEAMEC's ROIC moderated because revenue declined while the asset base remained large. Dolphin's return spike is early-cycle; SEAMEC's return is steadier but lower.
Pre-tax ROCE	-2% → 10%	9% → 7%	Dolphin moved into positive returns as offshore assets started earning. SEAMEC's ROCE slipped due to lower earnings on an established capital base. Dolphin has upside if utilisation sustains, but returns are not yet proven across cycles.
Asset turnover	0.03x → 0.16x	0.52x → 0.47x	This is the most important comparison. Dolphin's asset turnover is still very low because assets were recently revived / funded and are not yet fully monetised. SEAMEC generates much higher revenue per rupee of assets because its fleet is already operational.
Debt / Equity	0.00x → 0.61x	0.36x → 0.23x	Dolphin re-levered to fund offshore revival and asset ramp-up. SEAMEC deleveraged in FY25 despite lower revenue. Dolphin is entering the capex cycle; SEAMEC is managing an already-built fleet.
ROE	0% → 6%	13% → 9%	Dolphin's ROE is still modest despite high PAT margin because the balance sheet has expanded ahead of steady-state earnings. SEAMEC's ROE is lower YoY but still reflects a functioning offshore platform with established asset utilisation.

Dolphin and SEAMEC should not be read as equal-stage peers. **SEAMEC is the mature offshore benchmark**, while **Dolphin is a revived offshore asset platform that is still moving from balance-sheet build-up to revenue generation**.

This is why SEAMEC has far higher revenue scale and asset turnover, while Dolphin shows sharper margin and return swings.

The key strength in Dolphin is not FY25 revenue scale; it is the **operating leverage visible once offshore assets start earning**. Revenue moved from **₹6 crore to ₹74 crore**, EBITDA margin moved from **-54% to 62%**, and ROIC moved from **-3% to 25%**.

That shows the power of asset activation. But the low asset turnover of **0.16x** also shows that Dolphin is still far from full utilisation of its offshore asset base.

SEAMEC, on the other hand, shows what a steadier offshore services platform looks like. Revenue declined from **₹729 crore to ₹652 crore**, but EBITDA margin stayed stable at **33%**, indicating cost discipline and operating resilience.

However, ROCE and ROIC moderated because offshore assets are capital-heavy and any drop in utilisation directly affects returns.

Financial Statements

Profit and Loss Statement

Income Statement	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Net Revenue From Operations	₹194	₹322	₹341	₹427	₹576	₹891	₹1,060	₹1,368
Cost of Goods Sold	₹70	₹149	₹145	₹179	₹237	₹400	₹466	₹588
Gross Profit	₹123	₹172	₹197	₹248	₹339	₹491	₹594	₹779
Employee benefits expenses	₹27	₹28	₹34	₹48	₹62	₹78	₹90	₹116
Other Expenses	₹16	₹30	₹32	₹40	₹45	₹57	₹83	₹101
EBITDA	₹81	₹115	₹131	₹159	₹231	₹355	₹420	₹562
Depreciation and amortisation expenses	₹88	₹24	₹30	₹34	₹41	₹59	₹71	₹85
EBIT	-₹7	₹91	₹101	₹125	₹190	₹296	₹349	₹477
Other Income	₹7	₹5	₹11	₹36	₹32	₹70	₹28	₹38
Finance cost	₹9	₹5	₹5	₹8	₹12	₹18	₹19	₹16
PBT	-₹10	₹91	₹107	₹152	₹211	₹348	₹357	₹499
Exceptional Items	₹0	₹0	₹45	₹2	-₹251	-₹208	₹0	₹0
PBT after Exceptional Item	-₹10	₹91	₹152	₹154	-₹40	₹140	₹357	₹499
Tax expenses	-₹75	₹18	₹26	₹29	₹38	-₹57	₹90	₹126
PAT	₹65	₹72	₹125	₹125	-₹79	₹197	₹268	₹373
Non-Controlling Interest	₹0	₹0	₹2	₹1	₹11	₹17	₹23	₹32
PAT For Shareholder	₹65	₹72	₹123	₹124	-₹90	₹180	₹244	₹341
EPS	₹10.2	₹11.3	₹19.3	₹19.4	-₹14.0	₹28.1	₹38.2	₹53.3
No of Shares	6.40	6.40	6.40	6.40	6.40	6.40	6.40	6.40

Balance Sheet

Balance Sheet	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
ASSETS								
Non-current assets								
Total Fixed Assets	₹483	₹488	₹642	₹814	₹954	₹1,143	₹1,372	₹1,487
Goodwill	₹385	₹385	₹385	₹385	₹385	₹385	₹385	₹385
Financial Assets								
Investments	₹16	₹17	₹1	₹1	₹1	₹1	₹1	₹1
other financial assets	₹1	₹5	₹2	₹1	₹91	₹135	₹135	₹135
Other non-current assets	₹37	₹49	₹44	₹38	₹52	₹90	₹90	₹90
Total Non-current assets	₹922	₹943	₹1,075	₹1,239	₹1,483	₹1,754	₹1,983	₹2,097
Current assets								
Inventories	₹39	₹40	₹46	₹49	₹60	₹94	₹106	₹123
Financial Assets								
Investments	₹13	₹56	₹47	₹141	₹151	₹141	₹100	₹150

Trade receivables	₹128	₹135	₹252	₹277	₹589	₹480	₹551	₹684
Cash and cash equivalents	₹19	₹12	₹20	₹27	₹17	₹15	₹4	₹63
Bank balances other than Cash	₹26	₹20	₹22	₹28	₹34	₹37	₹37	₹37
Others financial assets	₹1	₹1	₹8	₹78	₹9	₹24	₹24	₹24
Other current assets	₹24	₹53	₹116	₹72	₹49	₹49	₹49	₹49
Total Current assets	₹250	₹317	₹512	₹673	₹909	₹841	₹872	₹1,130
Total Assets	₹1,173	₹1,260	₹1,587	₹1,911	₹2,392	₹2,595	₹2,854	₹3,227
EQUITY AND LIABILITIES								
EQUITY								
Equity share capital	₹32	₹32	₹32	₹32	₹32	₹32	₹32	₹32
Other Equity	₹1,030	₹1,098	₹1,338	₹1,411	₹1,788	₹1,967	₹2,212	₹2,553
	₹0	₹0	₹9	₹84	₹95	₹113	₹136	₹168
Total Equity	₹1,062	₹1,130	₹1,379	₹1,527	₹1,915	₹2,112	₹2,380	₹2,753
LIABILITIES								
Non-current liabilities								
Financial Liabilities								
Borrowings	₹8	₹11	₹38	₹97	₹104	₹109	₹109	₹109
Lease liabilities	₹0	₹0	₹0	₹1	₹0	₹0	₹0	₹0
Deferred tax liabilities (Net)	₹31	₹49	₹61	₹66	₹71	₹61	₹61	₹61
Provisions	₹0	₹0	₹0	₹0	₹0	₹0	₹0	₹0
Total Non-current Liabilities	₹39	₹60	₹98	₹163	₹175	₹170	₹170	₹170
Current liabilities								
Financial Liabilities								
Borrowings	₹32	₹20	₹32	₹62	₹101	₹94	₹84	₹70
Trade Payables	₹32	₹38	₹55	₹41	₹72	₹93	₹95	₹109
Other financial liabilities	₹3	₹5	₹7	₹10	₹11	₹11	₹11	₹11
Other Current liabilities	₹4	₹6	₹10	₹104	₹102	₹100	₹100	₹100
Provisions	₹0	₹0	₹0	₹0	₹0	₹15	₹15	₹15
Current tax liabilities (Net)	₹0	₹0	₹5	₹4	₹17	₹0	₹0	₹0
Total Current liabilities	₹72	₹70	₹109	₹221	₹302	₹313	₹305	₹305
Total Liabilities	₹111	₹130	₹208	₹384	₹478	₹483	₹475	₹475
Total Equity and Liabilities	₹1,173	₹1,260	₹1,587	₹1,911	₹2,393	₹2,595	₹2,855	₹3,228

Cashflow Statement	FY21	FY22	FY23	FY24	FY25	FY26	FY27E	FY28E
Cash flow from operating activities								
Profit/(loss) before tax and exceptional items	₹ -10	₹ 91	₹ 152	₹ 154	₹ -40	₹ 140	₹ 357	₹ 499
Non-cash Adjustment to reconcile Profit before tax to net cash flow:								
Depreciation and amortisation expense	₹ 88	₹ 24	₹ 35	₹ 34	₹ 41	₹ 59	₹ 71	₹ 85
Interest Income	₹ -3	₹ -2	₹ -5	₹ -17	₹ -15	₹ -19	₹ -28	₹ -38
Interest Expense	₹ 9	₹ 4	₹ 6	₹ 8	₹ 12	₹ 18	₹ 19	₹ 16
Exceptional Items	₹ 0	₹ 0	₹ 0	₹ 0	₹ 251	₹ 208	₹ 0	₹ 0
miscellaneous Expenses	₹ -3	₹ -1	₹ -54	₹ -10	₹ -1	₹ -27	₹ 0	₹ 0
Operating profit/(loss) before working capital change	₹ 81	₹ 116	₹ 134	₹ 169	₹ 248	₹ 379	₹ 420	₹ 562
(Increase)/decrease in trade receivables, Loans & Advances and Other Assets	₹ 25	₹ -33	₹ -62	₹ 26	₹ -59	₹ -86	₹ -71	₹ -133
(Increase)/decrease in inventories	₹ -12	₹ -1	₹ -8	₹ -4	₹ -10	₹ -35	₹ -12	₹ -17
Increase/(decrease) in Trade Payables, Other Liabilities & Provisions	₹ -8	₹ -22	₹ 12	₹ 83	₹ 27	₹ 30	₹ 2	₹ 14
Changes in Working Capital	₹ 4	₹ -56	₹ -58	₹ 105	₹ -42	₹ -91	₹ -81	₹ -136
Cash (used in)/generated from operating activities	₹ 85	₹ 60	₹ 77	₹ 274	₹ 206	₹ 288	₹ 339	₹ 427
Direct tax paid, (net of refunds)	₹ -4	₹ -6	₹ 5	₹ -20	₹ 4	₹ -18	₹ -90	₹ -126
Net cash (used in)/generated from operating activities (A)	₹ 81	₹ 55	₹ 82	₹ 255	₹ 210	₹ 270	₹ 249	₹ 301
Cash flow from investing activities								
Purchase/ Disposal of fixed assets & CWIP (Net)	₹ -5	₹ -29	₹ -107	₹ -211	₹ -208	₹ -217	₹ -300	₹ -200
Loans given to/ received back from others	₹ 0	₹ 0	₹ 0	₹ -74	₹ -32	₹ -44	₹ 0	₹ 0
Proceeds from Fixed Deposits/Earmarked deposits	₹ 0	₹ 0	₹ 0	₹ -6	₹ -6	₹ -3	₹ 0	₹ 0
Interest Received	₹ 3	₹ 2	₹ 3	₹ 19	₹ 8	₹ 7	₹ 28	₹ 38
(Purchase)/ Sale of Investment	₹ -10	₹ -50	₹ 2	₹ -45	₹ -10	₹ 25	₹ 41	₹ -50
Dividend Received	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0	₹ 0
Net cash (used in)/generated from investing activities (B)	₹ -11	₹ -76	₹ -102	₹ -317	₹ -248	₹ -233	₹ -231	₹ -212
Cash flow from financing activities								
Proceeds/(Repayment) from Borrowings	₹ -44	₹ 23	₹ 41	₹ 59	₹ 79	₹ 17	₹ 0	₹ 0
Net Increase/(Decrease) in Working Capital Borrowings	₹ 0	₹ 0	₹ 0	₹ 30	₹ -23	₹ -19	₹ -10	₹ -15
Lease Liability Payment	₹ 0	₹ 0	₹ 0	₹ -0	₹ -0	₹ 0	₹ 0	₹ 0
Finance Cost	₹ -9	₹ -4	₹ -6	₹ -8	₹ -12	₹ -17	₹ -19	₹ -16
Dividend on Equity Shares paid	₹ 0	₹ -4	₹ -6	₹ -12	₹ -16	₹ -20	₹ 0	₹ 0
Net cash (used in)/generated from financing activities (C)	₹ -54	₹ 14	₹ 29	₹ 69	₹ 28	₹ -39	₹ -29	₹ -31
Net Increase/(decrease) in cash and cash equivalents (A+B+C)	₹ 16	₹ -7	₹ 8	₹ 7	₹ -10	₹ -2	₹ -11	₹ 58
Cash and cash equivalent at the beginning of the period	₹ 4	₹ 19	₹ 12	₹ 20	₹ 27	₹ 17	₹ 15	₹ 4
Cash and cash equivalent at the end of the period	₹ 19	₹ 12	₹ 20	₹ 27	₹ 17	₹ 15	₹ 4	₹ 63

Valuation Method

DCF

Discounted Cash Flow	Entry		Exit	
Date	3/31/2026	3/31/2027	3/31/2028	3/31/2028
Year Fraction		1	1	1
PAT		₹268	₹373	
NOPAT		₹261	₹357	
EBIT		₹349	₹477	
Plus: Depreciation & Amortization		₹71	₹85	
EBITDA		₹420	₹562	
Less: Operating Taxes		₹90	₹126	
Less: Changes in Working Capital		₹81	₹136	
Net Cash provided by operating activities		₹249	₹301	
Cash Flow from Investing/net Capex		-₹231	-₹212	
Int paid		₹19	₹16	
Int (1-tax rate)		₹14	₹12	
Net debt		-₹10	-₹15	

FCFF (Exit multiple)	₹0	₹18	₹89	₹4,499
Transactional FCFF (Exit multiple)	₹0	₹18	₹89	₹4,499
Intrinsic Value (Exit multiple)-FCFF				
Enterprise Value	₹3,252			
Cash	₹251			
Debt	₹179			
Equity Value	₹3,324			
Equity Value/Share	₹519			
Rate of Return				
Current Price				₹447
Target Price				₹519
TP Upside				16%

Scenarios (Intrinsic Value (Exit multiple)-FCFF)		EV/EBITDA				
		6	7	8	9	10
WACC	₹519					
	15%	₹423	₹489	₹556	₹622	₹689
	17%	₹409	₹473	₹537	₹601	₹666
	19%	₹395	₹457	₹519	₹581	₹643
	21%	₹383	₹443	₹503	₹563	₹623
	23%	₹371	₹429	₹487	₹545	₹603

FCFE (Exit multiple)	₹0	₹23	₹86	₹4,853
Transactional FCFE (Exit multiple)	₹0	₹23	₹86	₹4,853
Intrinsic Value (Exit multiple)-FCFE				
Equity Value	₹3,447			
Equity Value/Share	₹539			
Rate of Return				
Current Price				₹447
Target Price				₹539
TP Upside				21%

Scenarios (Intrinsic Value (Exit multiple)-FCFE)		PE				
		11	12	13	14	15
COST OF EQUITY	₹539					
	16%	490	533	576	620	663
	18%	473	515	557	599	641
	20%	458	498	539	579	620
	22%	443	482	521	560	599
	24%	429	467	504	542	580

Exit Multiple through EV/EBITDA Multiple

Exit EV/EBITDA	
TTM EBITDA	₹355
Last Year Forecasted FY28	₹562
EV	₹3,014
Entry EV/EBITDA	8.5
Exit EV/EBITDA	8.0
CAGR	26%

		EV/EBITDA				
EBITDA Growth	22%	6	7	8	9	10
	22%	3%	11%	18%	26%	32%
	24%	4%	13%	20%	28%	35%
	26%	6%	14%	22%	30%	37%
	28%	8%	16%	24%	32%	39%
	30%	9%	18%	26%	34%	41%

Exit Multiple through PE Multiple

Exit P/E	
TTM PAT	₹180
Last Year Forecasted FY28	₹341
Market Cap	₹2,864
Entry P/E	16
Exit P/E	13
CAGR	38%

		P/E				
PAT Growth	24%	11	12	13	14	15
	34%	11%	16%	21%	26%	30%
	36%	13%	18%	23%	28%	32%
	38%	14%	20%	24%	29%	34%
	40%	16%	22%	27%	31%	36%
	42%	18%	23%	28%	33%	38%

Disclaimer:

These Research Reports (hereinafter called reports) have been prepared and presented by Trinetra Capital, which does not constitute any offer or advice to sell or does solicitation to buy any securities. The information presented in these reports, are for the intended recipients only. Further, the intended recipients are advised to exercise restraint in placing any dependence on these reports, as the sender Trinetra Capital, neither guarantees the accuracy of any information contained herein nor assumes any responsibility in relation to losses arising from the errors of fact, opinion or the dependence placed on the same.

Despite the information in these documents have been previewed on the basis of publicly available information, internal data, personal views of the research analyst(s) and other reliable sources, believed to be true, we do not represent it as accurate, complete or exhaustive.

It should not be relied on as such, as these documents are for general guidance only. Besides this, the research analyst(s) are bound by stringent internal regulations and legal and statutory requirements of the Securities and Exchange Board of India (SEBI) and the analysts' compensation was, is, or will be not directly or indirectly related with the other companies and/or entities of and have no bearing whatsoever on any recommendation, that they have given in the research report.

Trinetra Capital or any of its affiliates/group companies shall not be in any way responsible for any such loss or damage that may arise to any person from any inadvertent error in the information contained in this report. Trinetra Capital has not independently verified all the information, which has been obtained by the company for analysis purposes, from publicly available media or other sources believed to be reliable. Accordingly, we neither testify nor make any representation or warranty, express or implied, of the accuracy, contents or data contained within these documents.

We hereby declare that the information herein may change any time due to the volatile market conditions, therefore, it is advised to use your own discretion and judgment while entering into any transactions, whatsoever. Individuals employed as research analyst/s by Trinetra Capital or their associates are not allowed to deal or trade in securities, within thirty days before and five days after the publication of a research report as prescribed under SEBI Research Analyst Regulations.

Subject to the restrictions mentioned in above paragraph, we and our affiliates, officers, directors, employees, and their relatives may: (a) from time to time, have long or short positions acting as a principal in, and buy or sell the securities or derivatives thereof, of Company mentioned herein or (b) be engaged in any other transaction involving such securities and earn profits.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee the performance of the intermediary or provide any assurance of returns to investors. Investment in the securities market is subject to market risks. Read all the related documents carefully before investing.

Our Credentials

SEBI Registered RA:INH0000015783

Website: <https://trinetraassetmanagers.com/>

Date: 29th April, 2026

Analyst Name: Priyam Shah