



# “Deep Industries Limited Q2 FY-26 Earnings Conference Call”

**November 10, 2025**



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**Moderator:** Ladies and gentlemen, good day and welcome to the Deep Industries Q2 and H1 FY26 Earnings Conference Call hosted by Adfactors PR.

As a reminder all participant lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘\*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Paras Savla – Chairman & MD of Deep Industries for their opening remarks. Thank you and over to you, sir.

**Paras Savla:** Good morning, everyone. Thank you for joining us today. It's a pleasure to connect with all of you as we discuss our performance for the 2<sup>nd</sup> Quarter and First Half of FY26. I trust you had a chance to go through our Results, Press Release and Investor Presentation available on the company's website and Stock Exchanges.

I am joined by our Director Finance and CFO – Mr. Rohan Shah, who will share a detailed Financial Overview after my address.

The Quarter 2 and First Half of FY26 has been another period of outstanding performance and strong execution for Deep Industries. India's oil and gas sector continues to witness renewed momentum backed by the government's strong push for domestic exploration, production growth and a long-term energy security. This ongoing activity has created a positive business environment and we continue to benefit from it as one of the key integrated service providers in the country. Deep Industries has maintained its growth trajectory by enhancing operational efficiency, deploying assets effectively and deepening engagement with marquee clients in both PSUs and private segments.

We at Deep Industries have always believed in providing value-added services to our clients. Value-added services can give one-stop solution to the client and it reduces costs and saves time for them with efficient output. A value-added service for us has become a margin-assertive opportunity and gives us flexibility to perform in one more efficient manner.

Our production enhancement contract at Rajahmundry field is progressing well with stable production achieved and further optimization measures underway. We expect this project to deliver incremental contributions to our output in the coming quarters. In the midstream segment, we continue to operate one of India's largest fleets of gas compression units while also expanding our footprint in modular gas processing systems under the Lease-Operate-Maintain model. We are seeing increasing interest in these solutions from PSU clients operating in challenging gas fields where reliability and cost efficiencies are critical. As of now, our order book stands strong at around Rs 3,050 odd crores providing long-term revenue visibility and reaffirming our healthy business pipeline.

Looking ahead, our focus for the remainder of FY26 will be on; 1. Achieving the highest levels of operational efficiency and safety across all our sites. 2. Strengthening our participation in production enhancement and unconventional resource development. 3. Scaling up the deployment of charter hiring of entire gas processing facilities and 4. Pursuing selective value-accuracy opportunities that enhance our service offerings and profitability.

The first half has laid a solid foundation for the remainder for the year. With a robust project pipeline, a favorable policy environment, and strong execution capabilities, we are well positioned to capitalize on emerging opportunities in India's energy sector. We remain committed to sustainable growth and long-term value creation for all our stakeholders. With that, I now invite Mr. Rohan Shah to present the financial highlight for Quarter 2 and half-year FY26. Thank you.

**Rohan Shah:**

Thank you, Paras bhai. Investor friends, thank you for joining the call today.

I am pleased to share with you another strong quarterly and half-yearly performance of Deep Industries Limited. All comparisons are on a year-on-year basis, which would provide a fair evaluation. For the quarter ended September 30<sup>th</sup> 2025, revenue for Q2 FY26 stood at Rs. 221 crores up by 69.2% year-on-year. Good control over operating costs and enhanced utilization of key assets helped us post EBITDA of Rs. 112.9 crores in Q2 FY26, reflecting 74.7% YOY growth with an EBITDA margin of 46.6%. We continued to maintain healthy EBITDA margins in the range of 45%-46%, ensuring strong operating cash generation to support our future growth trajectory.

Net profit for the quarter was Rs. 71.2 crores, up by 71.4% YOY. Now on half year ended September 30<sup>th</sup> 2025, revenue for H1 FY26 stood at Rs. 420.5 crores, registering 65.5% YOY growth. EBITDA for H1 FY26 was Rs. 207.9 crores, up by 64.9% YOY with an average EBITDA margin of 45.7%. PAT for H1 FY26 was Rs. 132.9 crores, showing 65.6% YOY growth. As on date, our order book stood at Rs. 3,050 crores, providing strong revenue visibility for coming quarters.

With this I now open the forum for questions and answers. Thank you.

**Moderator:**

Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Sudeep Anand from Systematix Group. Please go ahead.

**Sudeep Anand:**

Good morning, sir and many congratulations for a very good set of numbers. Few questions, we will start with the rig business. What is the current status of the couple of rigs which is likely to join the fleet in H2 and how do we see the tendering process and any guidance on rig addition for H2 and FY27?

- Rohan Shah:** Our couple of rigs are on the way from China to our sites and we are expecting them to get it deployed one in December and one in Q4. With regards to new opportunities, we have bid quite a few tenders for rigs and we are waiting for their [inaudible 0:08:38]
- Sudeep Anand:** In terms of PEC, what was the gas price realization during the quarter and what was the average production level?
- Rohan Shah:** Sorry, I just missed that.
- Sudeep Anand:** Under the production enhancement contract, what was the gas price volume and the realization?
- Rohan Shah:** Gas price realized was around \$7.5 MMBTU and average volume would be somewhere around 1,70,000 cubic meter a day.
- Sudeep Anand:** That's it from my side, sir. Thank you.
- Moderator:** Thank you. The next question comes from the line of Akhilesh Rawat, from Ridhanta Vision Private Limited. Please go ahead.
- Akhilesh Rawat:** First of all, sir, I want to congratulate on a good set of numbers. So, I have only one question. So, as an investor presentation, you have mentioned that your order book has crossed Rs. 3,050 crores as of November, 2025. So, growing at 53% CAGR since financial year 2022. So, what proportion of this order book is expected to convert into revenue over the next 12 to 24 months? And how should we think about the mix between high margin segments and like charter higher gas processing facilities versus drilling and offshore services?
- Rohan Shah:** So, out of this total order book of more than Rs. 3,050 crores, almost Rs. +1,300 crores is for a production enhancement contract, which is for 15 years. So, if we remove that, more than Rs. 1,650 crores of order book is executable over 2.5 years.
- Akhilesh Rawat:** This ONGC production enhancement contract, as you mentioned in PPT is Rs. 1,402 crores for 15 years. And as you mentioned that majority of the revenue will come in first 10 years. So, can you please quantify like expected EBITDA margin range for this project and explain like how the revenue ramp up will occur over financial year '26 to financial year '28?
- Rohan Shah:** So, we are expecting on full year basis revenue from this particular contract to the tune of Rs. 140 to Rs. 150 crores from next financial year onwards. And the margins we are expecting out of this contract in range of around 50% kind of EBITDA.
- Akhilesh Rawat:** Thank you. That's it from my side. All the best for upcoming quarters.
- Rohan Shah:** Thank you.

**Moderator:** Thank you. The next question is from the line of Dhaval Popat from Choice International Limited. Please go ahead.

**Dhaval Popat:** Thank you for the opportunity and congratulations on a very good set of numbers. A follow up on the question that was just asked regarding the Rajahmundry field operations ramp up, how these are panning out and what should we expect in the rest half of the year for this field, as in should the revenues be in the line of about Rs. 35 crores or so? That is my first question. And second question I have is around if the oil prices dip from here on for the next year, what is the impact on the rate chart that we could see and how much EBITDA margins could be impacted on the back of this?

**Rohan Shah:** So, from production enhancement contract, since we have now started crossing over baseline, so revenue from H2, we can expect to the tune of around Rs. (+35) crores and maybe even more. And from next year onwards on full year basis, it should be more than Rs. 140 crores kind of revenue on full year basis. To answer to your second question of crude oil price, I believe our majority of contracts are fixed price contract and they are long term contracts of 3 years. So largely movement in crude oil price is not affecting our services business because even if crude oil price is higher or lower, the activity of production is continuously going on in India being energy deficient country. And so, we have seen in last 20-25 years, this crude oil price movement generally not affecting us much.

**Dhaval Popat:** Thank you for answering my questions.

**Rohan Shah:** Thank you.

**Moderator:** Thank you. The next question is from the line of Sudhir Bheda from Bheda family office. Please go ahead.

**Sudhir Bheda:** Good morning and hearty congratulations to entire Deep team for delivering the exceptional result quarter after quarter. So, my hearty congratulations to entire Deep team. Sir, two questions. Just wanted to understand about the other income part. So, is this kind of sustainable income or how we should look into it going forward to second half and next year?

**Rohan Shah:** Other income largely consists of interest and mutual fund M2M growth and to certain extent it is revaluation on foreign currency valuation on your overseas receivables. So more or less we believe this kind of other income would continue in next half as well.

**Sudhir Bheda:** And sir, just wanted to understand, see we have all time high order book and then just wanted to understand order pipeline for next 12 months. How much we will bid and what is the winning ratio over there so we can have a fair idea about the next year's growth?

**Paras Savla:** So, we have a bidding pipeline close to 700 odd crores. How much of that would get converted it is only the matter of time but out of our experience we believe it would be good substantial numbers that can get converted. But having said that, that is not only the bidding pipeline,

there is a constant bidding happening. So, every month-on-month we keep on bidding new projects and therefore these numbers are a little dynamic. They keep on increasing. So, as we speak it's 700 crores but it has a high potential to grow these numbers in the next quarters.

**Sudhir Bheda:** And lastly sir, just wanted to understand, we will employ two rigs in next two quarters and then next year also we will get the full revenue from Dolphin also. So, what is the next year's outlook in terms of growth if you can throw some light on that.

**Rohan Shah:** Yes, so as you rightly mentioned these rigs which are being deployed in current year....

**Sudhir Bheda:** And also, production enhancement, so, these three growth drivers would be the production enhancement, additional rigs and then Dolphin. So then on these three accounts what would be the growth outlook for next year.

**Rohan Shah:** Correct, so production enhancement contract and new addition of rigs which have not contributed on full year basis in current financial year, they would start contributing revenue on full year basis from next financial year onwards. And of course, Dolphin will also have full year revenue from next financial year onwards. So, all put together we are expecting growth of another 35% to 38% kind of growth on year-on-year basis in next financial year as well.

**Sudhir Bheda:** That's good. Thank you for your time and all the best.

**Rohan Shah:** Thank you.

**Moderator:** Thank you. The next question is from the line of Aaryan Doshi from Divitia Investments. Please go ahead.

**Aaryan Doshi:** Congratulations on the very good results. I just wanted to ask one question. So, the margins have been stable around 43% to 45% over the last few quarters. Even the PEC contracts on the Dolphin offshore, the margins improvement like the 45% number will increase or the number would be same in the next quarter. And also, the revenue growth rate, the numbers would be same or the number would be increased?

**Rohan Shah:** So, margin we believe it should improve a bit going forward and we are expecting our EBITDA margins to grow upwards beyond 45% in coming quarters. With regards to revenue, yes, it would be a little higher than the current quarters because the new assets would start adding revenue in coming quarters and it will give a growth over previous quarters.

**Aaryan Doshi:** Thank you so much sir. This was the only question.

**Moderator:** Thank you. The next question is from the line of Sidharta from Capri Global Housing Finance. Please go ahead.

- Sidharta:** Congratulations for the good set of results. So, the only question is in the last con-call you have intended going for some fundraise. So, can you give some color on that?
- Rohan Shah:** So, we have taken all required approvals for fundraise and we are, we have done some non-deal roadshows as well. So, we are waiting for just a perfect time to get into it.
- Sidharta:** So what's the quantum of the fundraise you are looking at?
- Rohan Shah:** So, it is around (+300) crores kind of quantum which we are looking at it.
- Sidharta:** So can we expect this to be closed by the end of financial year, calendar year or financial year?
- Rohan Shah:** Yes, looking forward to it.
- Sidharta:** Thank you sir.
- Moderator:** Thank you. The next question comes from the line of Nirvana Laha from Badrinath Holdings. Please go ahead.
- Nirvana Laha:** Thanks for the opportunity, sir. Congrats on a great set of results. Sir, you commented on the other income I missed that. Can you please repeat that?
- Rohan Shah:** So other income consists of interest income, then mutual fund income and mark-to-market of funds as well as some overseas receivables on foreign currency fluctuation.
- Nirvana Laha:** None of that pertains to recovery of receivables, right? It's just the amount of receivables because of FOREX gain?
- Rohan Shah:** Yes, FOREX gain, fluctuation, correct.
- Nirvana Laha:** And you said this is expected to continue for the next two quarters. Did I hear you right? Like, why would you expect so? Because we have never been at these levels of other income in the past. It's been less than crores.
- Rohan Shah:** So, interest and mutual fund income would definitely be continue to go in coming quarters as well. Of course, I cannot comment on revaluation gain on foreign currency.
- Nirvana Laha:** And if you can give some comment on the standalone growth. So actually, before this, we were also growing quite fast, like by 30%-40%. But for the last two quarters, we have now started showing 60% to 70% YoY growth in standalone. So what projects are actually contributing to this? Like, why has the growth gone up to 50%-60% now? Which new projects are contributing? Because I don't think the production enhancement has started.

- Rohan Shah:** No, the production enhancement has of course started, but with a lower amount because it is just an initial phase. In addition to that, we have added quite a few assets in this year. Like, in last 8 months, we have added six more rigs. I think those assets, when it comes on operation, it will start adding into your top line. And in this entire gas processing services also, we have added one project. I think in the last two quarters, there are sizable projects, which has been added into our operating fleet and that has given growth on revenue.
- Nirvana Laha:** Got it, sir. So, you expect for H2 also, this kind of YoY standalone to continue 60% kind of growth?
- Rohan Shah:** Yes, so H2 would continue the momentum and we are expecting H2 would have a growth over H1.
- Nirvana Laha:** That's great to hear, sir. Final question on Prabha, is the full depreciation run rate in for the barge from this quarter? There's been a sharp jump in Dolphin depreciation. Is the full amount quarterly run rate, is it sufficient or can it increase further from here?
- Rohan Shah:** The estimated life for depreciation we have considered as 15 years. And so based on that, this depreciation would start kicking in. So, in last quarter for some part, it was under capital work in progress. And so last quarter, depreciation would have been lower than the current quarter.
- Nirvana Laha:** So, for 4 crores of depreciation, you expect to continue or will it increase to like 5-6 in the coming quarter?
- Rohan Shah:** It would be more or less in that range. If we'll add further some addition to that asset, then it can increase. Otherwise, it would be in the same line here.
- Nirvana Laha:** All right, sir. Congratulations on great execution. Wish you all the best. Thank you.
- Rohan Shah:** Thank you.
- Moderator:** Thank you. The next question is from the line of Ankur Savariya, an individual investor. Please go ahead.
- Ankur Savariya:** Good morning, sir. I congratulate you on a very good set of numbers that you have given again and again. My first question is regarding the court case with ONGC. What is the status of that case?
- Rohan Shah:** The arbitration one you are referring to?
- Ankur Savariya:** Yes, you were expecting that to end in 2-3 months, but I think for last 6 months, there is no update regarding the same.

- Rohan Shah:** So that is going on. And so, we cannot comment on timeline when particularly it is a court matter. But we are quite hopeful it should complete it soon.
- Ankur Savariya:** And regarding the receivables of Kandla, is there any positive update on that?
- Rohan Shah:** So, currently, we are still under an evaluation stage. So, as of now, there is no recovery from last quarter till now. But yes, we are hopeful and we have started following up with them. So, we believe some good news should come in coming quarters.
- Ankur Savariya:** And production enhancement contract, since it has been about two quarters. So, do you think that it is going on well and we can get more such contracts from ONGC?
- Paras Savla:** Yes, we expect it. So, there will be various bidding rounds coming up. And if that happens, definitely, we will be bidding for it. And hopefully, we should win some of those projects.
- Ankur Savariya:** That's it from my side. Congratulations once again, sir. Thanks for answering my questions.
- Rohan Shah:** Thank you.
- Moderator:** Thank you. The next question is from the line of Rahil from Sapphire Capital. Please go ahead.
- Rahil S:** Good morning. So, firstly, you have given this consolidated basis guidance for next year. For FY26, what can we pencil in terms of growth? The 35% run rate should continue?
- Rohan Shah:** Yes, it should be. I believe it should be higher than 35%.
- Rahil S:** For FY26, you are saying, right?
- Rohan Shah:** Correct.
- Rahil S:** But then, given the PEC to kick in more revenue from next year and the new assets to contribute, then next year should also be (+40%), correct, on a consolidated level?
- Rohan Shah:** Yes, so, we are expecting next year also more than 35%. How much over and above 35% we will be able to achieve, I think that time will definitely give us the idea. But for sure, minimum 35%.
- Rahil S:** And we have seen the last two quarters with a positive bottom line. Will this continue for the rest of the year and ahead?
- Rohan Shah:** Yes. Of course.
- Rahil S:** So, expecting this year to be profitable. Thank you so much and all the best.

- Rohan Shah:** So, in fact, last year also, it was just a non-cash entry which has resulted into loss. Otherwise, it was in profit only.
- Rahil S:** Got it. Thank you.
- Rohan Shah:** Thank You.
- Moderator:** Thank you. The next question is from the line of Gaurav Sachdeva from Sajag Securities. Please go ahead.
- Gaurav Sachdeva:** Sir, we were looking to add some more assets in the Dolphin offshore like vessels and other assets. So, when will we add that, vessels and all that?
- Rohan Shah:** Yes, we have identified and shortlisted few assets and we are working on it once we will be able to tie up those assets for contracts. We will go for acquisition. So, we are on quite advanced stage of that part.
- Gaurav Sachdeva:** And for how many years we can look such 30% to 40% growth on a consol level?
- Rohan Shah:** See, based on existing order book, we believe for next 2 years, this kind of growth is clearly visible. Depending on further addition to this order book, we can continue the momentum beyond 2 years as well.
- Gaurav Sachdeva:** And regarding production enhancement, these contracts, when do you think that ONGC will, give such more contracts?
- Rohan Shah:** So, their internal back-office work is going on. So, we cannot comment on the exact timeline when they will come up with such more tenders. But it is very much expected in coming quarters.
- Gaurav Sachdeva:** Thank you, sir.
- Rohan Shah:** Thank you.
- Moderator:** Thank you. The next question is from the line of Deepak Kumar from IG Family Office. Please go ahead.
- Deepak Kumar:** Thank you for the opportunity. So, my question is to the tune of production enhancement contract. Have they started the execution?
- Rohan Shah:** Yes. It has started execution. I think we have taken over that block in the month of April only. And we have started our work operations from April onwards and it is now up in producing as per our expectation.

- Participant:** I think our share has to come when we produce more than 1.5 PPM a day. So, how has been the experience till now?
- Rohan Shah:** Yes, we have crossed the baseline. And this production is increasing above baseline, which is progressing as per our expectation. And we believe from next financial year on full year basis; we would be earning as per our expectation.
- Participant:** And how is the price realization now?
- Rohan Shah:** So, price realization, currently it is in line with what ONGC used to sell. And with higher quantity coming up, we may take a call to sell at spot as well with higher price. But these decisions are dynamic and depending on the volume and availability of clients. So, but we are quite bullish on that part as well.
- Participant:** Thank you.
- Rohan Shah:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Nishi, an individual investor. Please go ahead.
- Nishi Bobe:** Hello, sir. My question was regarding acquisition of TrustEdge Capital Limited. So, what are the plans for TrustEdge Capital for next 2 years? And how does this acquisition align with your company, Deep Industries?
- Rohan Shah:** No, we are not acquiring TrustEdge Capital.
- Nishi Bobe:** No?
- Rohan Shah:** I think you misunderstood.
- Nishi Bobe:** No problem, sir. Thank you.
- Moderator:** Thank you. The next question comes from the line of Srikar Sai, an individual investor. Please go ahead.
- Srikar Sai:** Thank you for the opportunity and congratulations on a great set of numbers, sir. So, it is regarding our offshore vessel acquisition. So, in this last 2 to 3 months, we have this Chinese ICBC, I mean, the Commercial Bank, which was auctioning Bourbon class of vessels. So, 17 have been auctioned, and most of them were laid up. So, they were tending to bring them back onto service, once these buyers buy them, they are going to bring them back into service. So, did this put any downward pressure on the anchor handling tugs or platform supply vessels, sir? Because there were 17 which were auctioned off, and there are another 8 or 9 which are in

service, which are about to come to auction again. So, did it put any pressure on the offshore vessels, so that we can actually buy them at a cheaper rate, the ones which we have shortlisted?

**Rohan Shah:** No. So, see, in offshore, the entire globe is the market and largely our assets are deployed overseas only. So, that market is quite a huge, and I don't think by coming these assets into the market will be creating any pressure. Secondly, our contracts are long-term, and so we believe we would not have any point for taking this as a pressure.

**Srikar Sai:** No. I meant like the pressure and the selling rate. If the selling rate comes down, we can actually buy the vessels at a cheaper price because we have not bought them, we are about to buy them. So, this auction, this entire saga, which will actually put that hangover effect and then push the prices downward, because there are another 7 or 8 in-class anchor handling tugs, which are about to come into the auction.

**Rohan Shah:** Yes, we have kept all options open. And since we would be applying a strategy of buying old assets only and getting them ready, so we would definitely look for similar kind of opportunities as well.

**Srikar Sai:** And some one clarification regarding production enhancement contract, the 35 crores, is it the quarterly run rate or is it the half-yearly run rate, which we were expecting?

**Rohan Shah:** No, in second half, we are expecting, in fact, more than 35 crores. So, ideally, it should be more than 40-45 crores in H2 on half-year business I am seeing. So, in this financial year FY26, we are expecting total revenue of around 60 crores from this production enhancement contract. And from next year onwards, it should be more than 140 crores on full-year business.

**Srikar Sai:** Great. And one small clarification, it's regarding ONGC Sick Well program. It looks a little bit like the production enhancement contract. So, is it a production enhancement contract, a little bit similar? ONGC Sick Well revival program, which is about to end in December.

**Rohan Shah:** So, yes, ONGC Sick Well program is a little different than production enhancement.

**Paras Savla:** So, sick well is basically that they are not producing anything out of it. So, the challenges within sick well are different to the ones of the enhancement. So, there are few tenders that for sick well, they have already been published. We are evaluating that probabilities, and how potential are those. So, I think it will take some amount of time to evaluate and then perhaps we will take some decision on that.

**Srikar Sai:** Great sir. That's it from me. Thank you.

**Moderator:** Thank you. The next question is from the line of Vinay from IGE India. Please go ahead.

**Vinay:** Your revenues from 200 crores from last quarter to this quarter has been increased to 220 crores. Can you elaborate on that increase?

- Rohan Shah:** So that increase is primarily because of addition of new assets into operation. And this year we are adding so many assets into our fleet with running contract and so as and when these assets will be added into the operation, it will give you an incremental revenue.
- Vinay:** So, this will be sustainable next quarter with the current level of CAPEX [inaudible-00:38:18]-
- Rohan Shah:** But yes, the momentum of growth would continue.
- Vinay:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Rakesh Kumar, an individual investor. Please go ahead.
- Rakesh Kumar:** First of all, congratulations on a great set of numbers. I have only one question. So, I was thinking about what kind of risks you see in the business, which could potentially hamper the growth going forward. We have been running on a great trajectory of late. But do you foresee more competition potentially coming in the area or something happens from like government direction perspective that could potentially hamper? So, what are one or two risks that's top of your mind, which can potentially hamper the growth?
- Paras Savla:** So, as the sector definitely gets more and more of business, potential business competition definitely is bound to come. So, that fact cannot be ignored. But having said that, we have been into this industry for more than three decades. And I believe that the edge that we have over the technical things and providing solutions to the client is something that matters the most. So, even after having a competition, I think we have already sustained for last three decades with a decent amount of growth. And I'm very sure that as we go forward, we'll continue with that trajectory.
- Rakesh Kumar:** That sounds great. And if I may add, it sounds like there is a large dependency on ONGC, from gearing business. So, what is the current breakdown looks like in terms of revenue coming from ONGC versus other players?
- Rohan Shah:** Yes, ONGC is always been our largest client. And since you are into oil and gas support services, I believe ONGC has to be your largest client. And in terms of percentage dependency, yes, they are almost 60% kind of contributor to our revenue.
- Rakesh Kumar:** Got it, sir. Is there a push from your end as to diversify maybe or like bring in more private players or other players, so that the risk kind of subsides a little bit?
- Rohan Shah:** Yes, we have over a period of time diversified with all other companies as well. So, in earlier years, ONGC used to be contributing more than 75%-80%. So, which we eventually by adding a few more private clients and started focusing on overseas, this dependence is reduced a bit. But having said so, when you are operating in India, and that too in oil and gas, ONGC would definitely be there.

- Rakesh Kumar:** Got it. Thank you, sir. That's all from my end.
- Rohan Shah:** Thank You.
- Moderator:** Thank you. The next question comes on the line of Rahil from Sapphire Capital. Please go ahead.
- Rahil:** Thank you for the opportunity again. Sir, you quickly you mentioned something about the fundraiser. I am just not aware about the nature of this. If you can just add a few more lines and what is the root of this fundraiser?
- Rohan Shah:** Yes, so we are working towards raising funds through QIP. And that exercise we have started on. So, we are expecting to raise around (+300) crores by the way of QIP.
- Rahil:** But and this is to be used for just like expansion?
- Rohan Shah:** Yes, for expansion and for acquisition of new assets, as well as for CAPEX in production enhancement contract.
- Rahil:** And you gave a breakdown of the order book. (+1,300) crores is PEC and the rest is other projects. So, in the rest part of 1,700 crores or so, can you tell me how much proportion is like high margin projects?
- Rohan Shah:** More or less margins are of similar nature for us. Of course, gas business is having little higher margin than our other business verticals. But they are more or less in similar kind of proportion in the order book.
- Rahil:** So, you mean the gas business, in terms of value is same as the other projects in part of that 1,700 crores or so?
- Rohan Shah:** Yes, more or less in same line. Correct.
- Rahil:** So, can we expect in the coming two quarters the margins to inch up?
- Rohan Shah:** Yes, we are expecting margins to improve further.
- Rahil:** Any sort of bracket you can give what we can expect to end the year with?
- Rohan Shah:** That is little difficult to quantify in terms of number. But, yes continuously it is improving and we believe it should improve further as well.
- Rahil:** And these margins you are guiding, in the beginning of the call, you said 45% to 46% to maintain. This is with other income you are guiding?

- Rohan Shah:** So, in that, we are adding other income. Yes.
- Rahil:** All right, sir. Thank you and all the best.
- Rohan Shah:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Pankaj Motwani from Equirus Capital. Please go ahead.
- Pankaj Motwani:** Thank you for the opportunity. Congratulations on your total number. So, my only question is on the part of margins. So, if I see there are the standalone margins, excluding other income, that has been modulated to around 37% over the last three quarters versus the earlier guidance of around 40%. So, do we expect the margins to reach going ahead or should we assume this to be a normalized margin for the future?
- Rohan Shah:** On standalone basis, it should improve to 40% without considering other income. So, in coming quarters, we are expecting to improve from current level.
- Pankaj Motwani:** So, is there any reason behind the margin fall from 40% to 37% in the last three quarters?
- Rohan Shah:** So, with an addition of production enhancement, the volume in overall revenue, once it will start increasing from that particular project, overall margin will improve to that extent.
- Pankaj Motwani:** Got it. And just want an update on the anchor tugs. We have taken 37% stake for the anchor tugs in one of the companies. So, the revenue from that anchor tugs has started contributing for this quarter?
- Rohan Shah:** So, since it is a less than 50% share, it would not be consolidated by line to line. So, that would be contributing in bottom line.
- Pankaj Motwani:** But I am not able to see the share of JV line item in the P&L portion. If we have a JV, so, there should be some share of JV line item.
- Rohan Shah:** So, that would be coming up in coming quarters because the share would be distributed on yearly basis.
- Pankaj Motwani:** Got it. That's all my questions. All the best.
- Rohan Shah:** Thank you.
- Moderator:** Thank you. The next question comes from the line of Saumil Shah from Paras Investments. Please go ahead.

- Saumil Shah:** Hi, management. Good morning and congrats on a very good set of number. So, I joined a bit late. So, I am sorry if this question was answered before. So, wanted to know more on Dolphin Offshore. So, what kind of revenues are we targeting in next one or two years? How can we see this business in next couple of years? So, just wanted your thoughts.
- Rohan Shah:** This year, we are expecting to close Dolphin Offshore at around 100 crores of top line in FY26. And from next year onwards, we are expecting good amount of growth with addition of few more assets into the fleet.
- Saumil Shah:** So, have we already added those assets or we are...
- Rohan Shah:** No, we have shortlisted them. We have not yet added. But we are on advance stage of negotiations.
- Saumil Shah:** And so, what kind of growth can we expect in next 1 or 2 years because 100 crores seem too less. So, next couple of years can be quantify?
- Rohan Shah:** So, the growth we are expecting in Dolphin would be more than 40% year-on-year. And since it is a high margin business. So, currently, we are operating on EBITDA of as high as (+80%) kind. And I think with that high margin, this kind of growth would be exceptional.
- Saumil Shah:** Correct. My final question for the first half of this year for deep industries. So, we have, we can see about 65% YOY growth if we compare first half to this first half. So, can we expect similar growth in the remaining half of this year?
- Rohan Shah:** Yes. So, growth would continue definitely, on percentage I cannot give the exact guidance on 65% kind. But H2 would definitely be higher than H1. So, growth would definitely be there.
- Saumil Shah:** And have you guided in terms of revenue for Deep Industries for this year?
- Rohan Shah:** This year we are expecting to close with growth of more than 35% YOY. And I think we are right there on that trajectory. So, even if we are not factoring growth in H2, it would be more than 38%-39% kind of growth over previous years. So, I think we are right there on those trajectory.
- Saumil Shah:** That's it from me, sir. Thank you and all the best.
- Rohan Shah:** Thank you.
- Moderator:** Thank you. The next question is from the line of Yash Bishriya from Mavira AMC. Please go ahead.
- Yash Bishriya:** Congratulations on a strong set of numbers. Sir, my question is more on the macros. So, you said that India has always been a net importer and now we are moving on the part of energy

self-reliance, correct? So, any government push or any major policy changes that we see in the coming times since you are working closely with the PSUs and the government agencies? So, any commentary on those lines?

**Paras Savla:** So, energy push is quite visible for the fact the kind of tenders, the kind of generation of enquiries are happening and the kind of orders that we are receiving. So, the kind of demand that has been generated clearly demonstrates the push that government has. And if you even see to the production enhancement contracts or Sick Wells or something. So, this is also something a push that government is trying to make these fields more effective whereby they can get more and more production of oil and gas. So, I think this is a big time signal from the government that their push has been more largely to get more oil and gas production.

**Yash Bishriya:** Understood, sir. Thank you so much.

**Moderator:** Thank you. The next question comes from the line Arun, an individual investor. Please go ahead.

**Arun:** Good morning, sir. Thank you for the opportunity. A couple of bookkeeping questions. First is regarding the Kandla Energy. I understand the receivable. We believe we are not writing off as we believe we will be able to collect something. But are we taking any provision on that?

**Rohan Shah:** So, we have not taken any provision on that as of now because we are in an evaluation stage of those receivables. So, as of now, we are not taking any provision.

**Arun:** So, other questions. I am seeing your cash flow statement. We have given a loan at this time, to which company you have given a loan given to? We have given 23.58 crores. You have given a loan. I am seeing the cash flow consolidated. It is given to which company?

**Rohan Shah:** 23 crores. I will need to check.

**Arun:** Actually, my question was that I think we have around 100 crores of loans now as of now given. And we are raising QIP of 300 crores. Maybe some rationale for that. We are already giving loans and then we are raising equity. So, just maybe some rationale is there which I am missing to understand.

**Rohan Shah:** So, largely the loans given to subsidiaries like Dolphin and other companies who are at the end of day getting...

**Arun:** Sir, not subsidiary. I am talking about consolidated. Consolidated loan will not come of subsidiaries.

**Rohan Shah:** On consolidated you are saying. Correct. So, there one loan is given to company called Prabha Energy and it is a 12% interest bearing loan. And that particular loan was originally given before de-merger. So, I think that is still continue there.

- Arun:** Perfect. Thank you, sir.
- Rohan Shah:** Thank you.
- Moderator:** The next question. The last question for today's conference call is from the line of Aaryan Doshi from Divitiae Investments. Please go ahead.
- Aaryan Doshi:** I was just asking that given the company is already generating strong cash flows and has a very low debt level, what is the rationale behind raising 300 crores through a QIP? Is it primarily to accelerate the 400 crores CAPEX or to strengthen the balance sheet for future opportunities?
- Rohan Shah:** So, I would say both because we believe that our balance sheet should have the lowest possible leverage. As in our industry, we have always seen that people have gone wrong because of high leverage. And so, we believe that we should have leverage which should be very much in control. And of course, the momentum and the growth we are foreseeing in coming years, it would definitely help us capturing that growth with such strong balance.
- Paras Savla:** Also, there are some possibilities we are looking around for acquisitions. So, when the acquisitions have to happen, we should be ready with our resources. So, there are multiple things related to the growth and acquisitions put together and therefore, we are trying to raise this fund.
- Aaryan Doshi:** I was just asking that out of that 400 crores CAPEX, how much has been done and how much has been in the future more? Like out of that 400 crores CAPEX, how much more would be put to the board?
- Rohan Shah:** So, total CAPEX we are expecting is of 600 crores of which 100 crores has already been done. And balance would be going further, including the CAPEX for production and contract.
- Aaryan Doshi:** Thank you so much, sir.
- Rohan Shah:** Thank you.
- Moderator:** Thank you, participants. This was the last question for today's conference call. I now hand the conference over to Mr. Rohan Shah for closing comments. Over to you, sir.
- Rohan Shah:** Thank you, everyone for joining this call. It was a pleasure interaction with you all. If you have any further queries, you can definitely approach us directly or through Adfactors PR. We would be happy to answer all your queries. Thank you.
- Moderator:** Thank you, sir. On behalf of Deep Industries, that concludes this conference. Thank you all for joining us and you may now disconnect your lines.