DEEP INDUSTRIES LTD

INITIATING COVERAGE

Offshore Potential with Onshore Expertise: A One-Stop Support Partner for O&G Operations

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DEEP INDUSTRIES LTD

Offshore Potential with Onshore Expertise: A One-Stop Support Partner for O&G Operations – Initiate with BUY

CMP	Target
Rs. 542	Rs. 746 (Sep 26)
Rating	**Upside**
BUY	38% ▲

- Ahmedabad-based Deep Industries Ltd. (DIL) began in the 1990s as a pioneer in gas compression services on a charter hire basis and has since expanded its offerings across the oil and gas sector. With over 30 years of experience, the company specializes in a wide range of support services, including natural gas compression, dehydration, processing, drilling and workover rigs, and integrated project management. DIL covers over 70% of post-exploration services in the oil and gas value chain, positioning itself as a One-Stop Solution provider for field operations. The company offers equipment, services, and skilled manpower on a rental basis, serving upstream & midstream segment.
- Deep Industries is well-positioned for growth, driven by a strong revenue outlook from an expanding order book, PEC contract, new rig investments, and a promising bidding pipeline; the Dolphin Offshore acquisition unlocking offshore potential with higher revenue and margins; plans to expand their fleets; capitalizing on industry tailwinds boosting E&P and gas sector demand and competitive advantages like domain expertise, market leadership, and high barriers to entry ensuring sustained growth.
- We expect DIL's Revenue/EBITDA/PAT to grow at a 28.9%/35.3%/28.8% CAGR over FY25-FY28E.
- We Initiate coverage on the stock with BUY rating and Sep'26 TP of Rs. 746 set at 15x H1FY28E EPS.

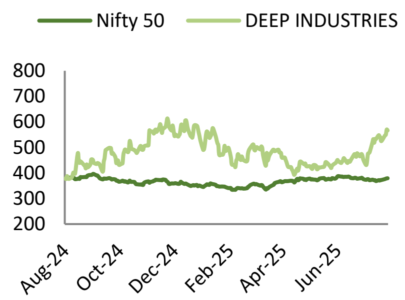
Stock Information	
Market Cap (Rs Mn)	34,694.4
52 Wk H/L (Rs)	624/346
Avg Daily Volume (1yr)	3,18,179
Avg Daily Value (Rs Mn)	155.2
Equity Cap (Rs Mn)	18,196
Face Value (Rs)	5
Share Outstanding (Mn)	64.00
Bloomberg Code	DEEPIND IN

Robust Revenue Growth Outlook fueled by expanding Order Book , PEC Contract, New Rig Investments, and Promising Bidding Pipeline : Deep, with an order book of 3,051 crore as of August 2025 marked its 17th consecutive quarter of record growth continues to strengthen its position across segments. The recent foray into a new segment through a 1,402 crore PEC contract from ONGC is expected to drive incremental production from H2FY26, delivering margins above 40%. In the rigs segment, three rigs were deployed in Q4FY25, with three additional workover rigs on order to accelerate execution of the existing backlog. Steady growth from its gas processing and compression segment, combined with a 700+ crore active bidding pipeline, is set to further expand the order book. Backed by a targeted 30% annual revenue growth over the next 2–3 years and a planned capex of 300–350 crore primarily for new rigs and gas processing plants; the company expects standalone EBITDA margins to remain above 40%.

Ownership (%)	Recent	3M	12M
Promoters	63.5	0.0	0.0
FII	1.5	(0.7)	(0.6)
DII	1.2	(0.0)	1.2
Others	33.9	0.7	(0.5)

Acquisition of Dolphin Offshore Opens Offshore Growth Avenues; Barge Prabha and Fleet expansion plans to Drive Incremental Growth Beyond Standalone: Deep acquired Dolphin Offshore Enterprises in January 2023 for 27 crore via the IBC route, marking its entry into offshore oil & gas support services through barge Prabha and a JV tug. Post-refurbishment, Prabha secured a three-year lease from May 2025, delivering ~90 crore annual revenue at 90–95% margins, while a 37% JV anchor handling tug began operations in FY26 with daily revenue of USD 17,000–20,000 at ~50% margins. Supported by this solid base, Deep plans 400–500 crore capex in PSVs, DSVs, and additional tugs to scale its offshore footprint and boost long-term profitability.

Relative price chart



Source: NSE India

Set to Capitalize on Industry Tailwinds from Government Policies Boosting exploration & production and Gas Sector Demand: India, the world's third-largest oil and gas importer, aims to reduce oil imports to 50% by 2030 through enhanced domestic production. Initiatives like the Open Acreage Licensing Program (OALP) have opened over 1 million sq. km for E&P activities, benefiting Deep's Drilling and Workover Services. The government plans $100 billion in E&P sector investments by 2030, providing expansion opportunities for Deep. Additionally, India's push for a gas-based economy will drive demand for natural gas processing services, a core focus for Deep Industries.

Competitive edges, including extensive domain knowledge, market leadership, and high barriers to entry, to ensure sustained growth: Deep is uniquely positioned for sustained growth due to its over 30 years of domain expertise and leadership in the Gas Compression segment. The company offers a broad range of high-margin services, covering over 70% of post-exploration activities in the Oil & Gas value chain. Strong relationships with industry leaders like ONGC and Vedanta further solidify its position. Additionally, the capital-intensive nature of the industry and the need for specialized expertise create significant barriers to entry, reinforcing DIL's market dominance and limiting competition.

Financial Summary

YE Mar Rs mn	Sales	EBITDA	Recurring PAT	EPS (Rs)	P/E (x)	P/B (x)	EV/EBITDA (X)	ROE (%)	ROIC (%)	EBITDA Margin (%)
FY25A	5,761	2,315	1,610	25.1	21.7	1.9	15.4	9.9	8.7	40.2
FY26E	8,051	3,559	2,431	38.0	14.4	1.7	10.4	12.6	11.3	44.2
FY27E	10,553	4,863	3,073	48.0	11.4	1.5	8.1	14.2	12.5	46.1
FY28E	12,343	5,732	3,440	53.8	10.1	1.3	6.8	14.0	12.2	46.4

Source: Company, Equirus

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INVESTMENT RATIONAL

Robust Revenue Growth Outlook fueled by expanding Order Book , PEC Contract, New Rig Investments, and Promising Bidding Pipeline

Deep Industries has achieved significant milestones in its growth journey, with its order book reaching 3,051 crore in August 2025, marking the 17th consecutive quarter of record growth. Deep Standalone's segment comprises of:

This ONGC PEC's Revenue is split into a fixed component for existing production and a variable component, equivalent to 64% of the revenue from incremental gas production.

Production Enhancement Contract (PEC): The company has ventured into a new segment with a 1,402 crore PEC from ONGC, targeting mature oil fields in Rajahmundry. This 15-year contract, awarded in Q2FY25, commenced in early April 2025, with Deep taking charge of production enhancement operations. The revenue pattern will be front-loaded, with the majority being realized in the first 10 years before tapering off. Incremental production is expected to begin in H2FY26, with strong margins exceeding 40% anticipated for this project. We believe Deep can generate 70 crore in revenue in FY26 from this contract, which could increase to 140 crore in FY27.

An overall capex of around 160 crore is required for PEC contract. It should start later in FY26 and be completed by FY27

The PEC order value is based on a gas price of $7.5/mmbtu. Having been familiar with the Rajahmundry oil field since 2006, Deep strategically selected it, confident in delivering incremental production. This contract is a first-of-its-kind from ONGC, paving the way for future opportunities as other public and private sector players adopt similar PEC models.

Rigs: DIL has 6 drilling rigs (1000 Hp) and 11 workover rigs (30T-150T). To support execution of its remaining order book, Deep invested in three rigs in Q4FY25; a 1,000 HP drilling rig and two workover rigs (annual revenue potential of ~50 crore) with contributions started in Q4FY25–Q1FY26, & the full-year impact to accrue in FY26. An additional three workover rigs, recently ordered for newly awarded contracts, are scheduled for deployment by the end of FY26E.

Deep is also an approved drilling vendor for Kuwait Oil Company, opening opportunities to expand rig services internationally with favorable margins; though it has not yet secured any business till now

Gas Processing: The company operates three gas processing plants — with Cairn India at Bharuch, and with ONGC at Bokaro and Kakinada. Facilities at ONGC Bokaro and ONGC Kakinada commenced operations in FY25, generating monthly billings of approximately 2 crore and 3–3.5 crore, respectively, with its full year revenue impact will be visible in FY26.

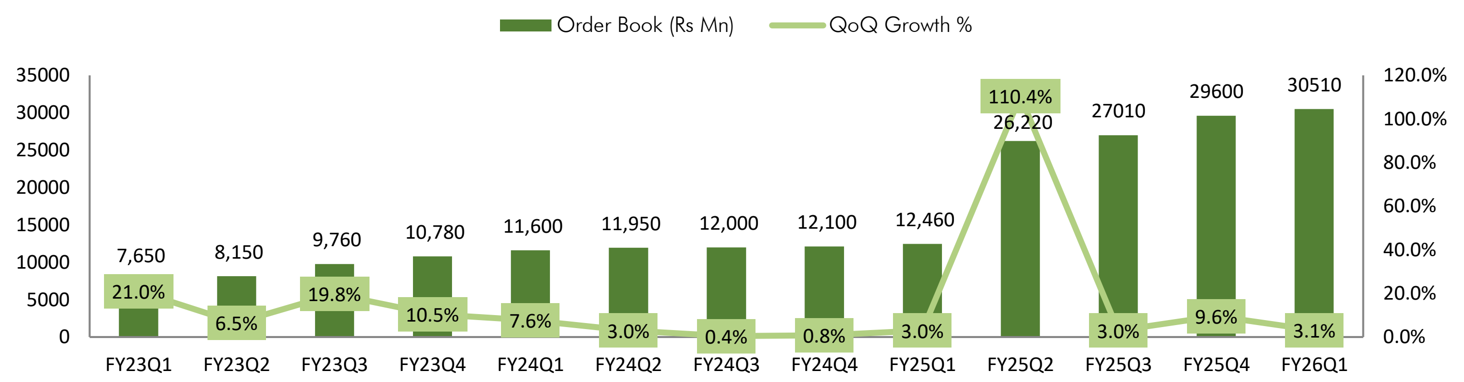
Gas Compression: DIL operates India's largest fleet of 70+ natural gas compression units (200–1,680 HP; total 100,000 HP) providing high-pressure compression services on a charter-hire basis. With ONGC and Oil India meeting ~70% of their needs in-house but aging equipment driving a shift toward outsourcing, DIL is well positioned to capture growing demand.

The company is optimistic about its 700+ crore bidding pipeline, which will further grow its order book, supported by favorable macroeconomic conditions.

On December 28, 2024, the Board approved raising up to 350 crores through the issuance of equity shares via a QIP.

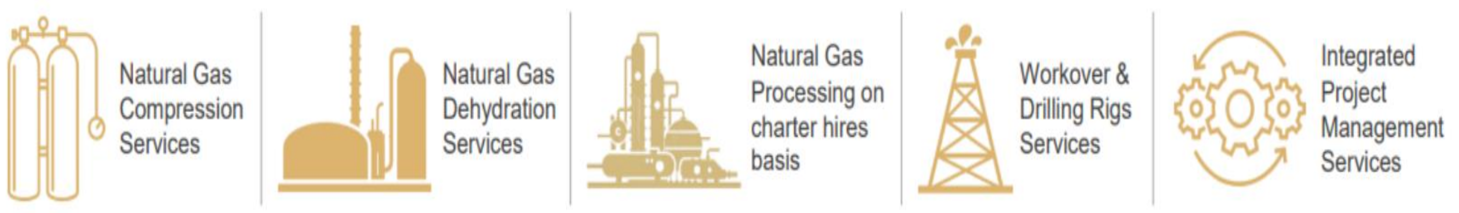
Deep targets 30% year-on-year revenue growth over the next 2–3 years and, on a standalone basis, projects capex of 300–350 crore, primarily for new rigs and gas processing plants. We believe DIL is well-positioned for robust growth, supported by its foray into the PEC contract and recent investments in rigs. Standalone EBITDA margins are expected to remain above 40%, with further improvement at the consolidated level likely as Dolphin's operations scale.

Exhibit 1: Consistent order book growth, marking 17th consecutive quarter of record expansion, with a 2.5-3 year execution timeline (ex new PEC contract), ensuring strong revenue visibility



Source: Company Data, Equirus

Exhibit 2: Diversified services portfolio, which covers more than 70% of Post Exploration Services in the value chain of O&G Services Industry



Source: Company Data, Equirus

Acquisition of Dolphin Offshore Opens Offshore Growth Avenues; Barge Prabha and Fleet expansion plans to Drive Incremental Growth Beyond Standalone

Deep acquired Dolphin Offshore Enterprises (India) Limited on January 2, 2023, through the IBC route for 27 crore (Currently 75% stake) and initiated a revival strategy. Dolphin, a leading offshore services provider for over 40 years, had previously achieved peak revenues of 400 crore and peak EBITDA margins exceeding 35%.

Key benefits include:

- **Quick Market Entry:** The acquisition gives Deep immediate access to the offshore oil & gas services market, bypassing the 2–3 years typically needed to attain required qualifications.
- **Business Diversification:** Dolphin's offshore services complement Deep's onshore operations, broadening its service portfolio and leveraging synergies with existing client relationships.

The acquisition underscores Deep's strategic intent to build a strong presence in the offshore oil & gas sector, starting with support services as a foundation, notably through the deployment of its barge Prabha and one tug in a JV, with plans to expand its fleet

Prabha-DP2 (formerly *Vikrant Dolphin*):

- Following extensive refurbishment costing approximately 170 crore, Prabha's asset value now exceeds 220 crore (including its existing book value of 45 crore).
- On April 8, 2025, Dolphin Offshore entered into a three-year lease agreement with Ballast Shipping S.A. de C.V. for Prabha
- The contract has an estimated value of USD 32.85 million (~Rs 280 crores), with a daily charter rate of USD 30,000. Operating for more than 320 days annually, the arrangement is expected to generate approximately 281 crore over three years (net of OpEx), translating to about 90 crore annual revenue.
- Revenue commenced in May 2025, and given the low operating cost profile, EBITDA margins are expected to be in the 90–95% range.

Anchor tugs:

- At the close of FY25, Beluga International DMCC, a wholly owned subsidiary of Dolphin Offshore — invested USD 2.5 million for a 37% stake in a joint venture with HF Hunter to acquire an Anchor Handling Tug (AHT).
- The tug commenced operations in early FY26, operating outside India, near Mexico, and is expected to generate daily revenues of USD 17,000–20,000, with EBITDA margins of around 50%.

Expanding fleet:

- Deep Industries is actively pursuing opportunities to expand its offshore fleet, with a focus on Anchor Handling Tugs, Platform Supply Vessels (PSVs) and Diving Support Vessels (DSVs) with plan to add at least two Anchor Handling Tugs, one Diving Support Vessel, and one Platform Supply Vessel over the next two years.
- The strategy is to acquire 10–15-year-old assets and refurbish them, as new builds have a lead time of nearly two years.
- Acquisition costs for older marine assets are estimated at around USD 10 million for a tug and USD 20–22 million for a vessel, translating to a total capex requirement of 500 crore.
- This expansion along with standalone Capex will be funded through a mix of internal accruals, debt and equity, leveraging Deep' strong liquidity position and low debt-equity ratio, which provide flexibility in timing capital raises.

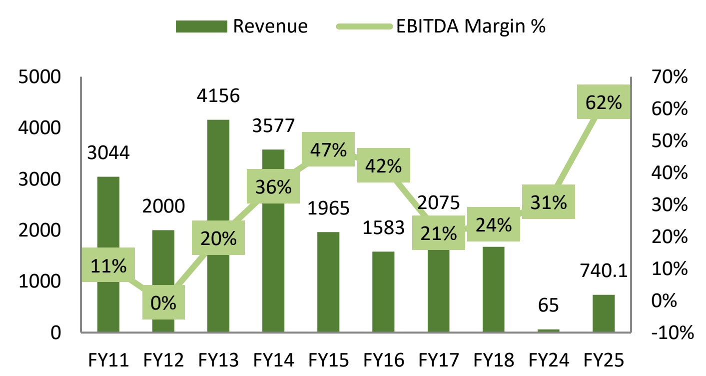
The estimated useful life of the Prabha barge is 15 years

Deep' offshore entry via the high-margin, fixed-revenue contracts of the Prabha barge and anchor-handling tug provides strong earnings visibility for FY26. This solid revenue base, combined with a planned 400–500 crore fleet expansion into PSVs, DSVs, and additional tugs, positions the company to rapidly scale its offshore services footprint while enhancing long-term profitability.

Exhibit 3: Prabha - DP2 barge - currently in Mexico on a 3-year contract

Source: Company Data, Equirus

Exhibit 4: Dolphin previously achieved peak revenues of over 4400 crore and peak EBITDA margins of over 35%



Source: Company Data, Equirus

Set to Capitalize on Industry Tailwinds from Government Policies Boosting exploration & production and Gas Sector Demand

India, the world's third-largest oil and gas importer, relies on imports for ~85%+ of its energy needs. To reduce this dependency, the government aims to cut oil imports to 50% by 2030 by enhancing domestic production. In FY25, crude oil imports reached 242 million metric tons, emphasizing the urgency for increased exploration and production (E&P).

Key initiatives such as the Open Acreage Licensing Program (OALP) have opened over 1 million sq. km, previously classified as No-Go zones, for E&P activities, directly benefiting Deep's Drilling and Workover Services segment. The 10th OALP bidding round presents opportunities for Deep Industries to scale operations by supporting new entrants—especially those lacking in-house oil and gas field development expertise. Complemented by the Hydrocarbon Exploration and Licensing Policy (HELP), which is focused on uniform licensing for all hydrocarbons. The government has also planned significant investments in the E&P sector, targeting opportunities worth $100 billion by 2030.

India's push towards a gas-based economy, aiming to increase natural gas's share in the energy mix from 6.5% to 15%, will attract significant investments. This transition will boost demand for services in natural gas processing, a core area for Deep Industries.

Supported by government initiatives, growing E&P activity, and rising investments, Deep Industries is well-positioned to capitalize on these developments. These factors present substantial growth opportunities for the company's offerings in field development and natural gas processing.

Competitive edges, including extensive domain knowledge, market leadership, and high barriers to entry, to ensure sustained growth

Deep has established itself as a prominent player in the Oil & Gas support services industry, leveraging decades of experience, a diversified portfolio, and strong client relationships. The following factors highlight why DIL is uniquely positioned for sustained growth and value creation:

- **Domain Expertise:** With over 30 years of experience, DIL has developed an in-depth understanding of the industry, enabling it to anticipate and address the dynamic needs of the Oil & Gas sector effectively.
- **Leadership in the Domestic Market:** DIL is a leader in providing support services on a charter-hire basis, commanding a dominant share in the Gas Compression (GC) segment.
- **Comprehensive Service Offering:** The company offers a broad range of solutions with high margins, covering more than 70% of post-exploration services in the Oil & Gas value chain. Its entry into offshore services through Dolphin further diversifies its portfolio and enhances its value proposition.
- **Strong Customer Relationships and Supply Chain:** DIL has established deep connections with industry leaders like ONGC, Oil India Limited, and Vedanta, supported by a robust supply chain and a history of repeat business from reputed clients.
- **High Barriers to Entry:** The capital-intensive nature of the industry, coupled with the need for specialized expertise and advanced technology, creates significant entry barriers, reinforcing DIL's strong market position and limiting competition.

Deep has pioneered charter-hire of complete gas processing facilities in India, marking a strategic shift towards asset ownership and long-term service models

Exhibit 5: Offering comprehensive services with high margins

Service	FY25 Consolidated Revenue Mix	Margins %
Gas Compression	42%	55-60%
Rigs	30%	40%
Project Management		27-28%
Gas Processing	8%	50%
Dolphin	13%	62%*
Gas Dehydration	3%	60%

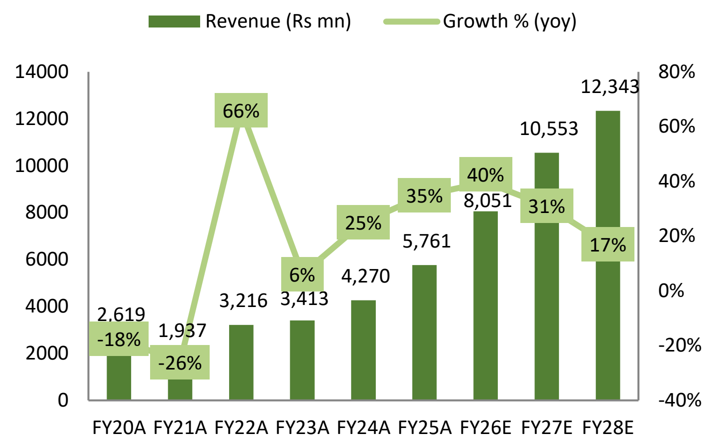
Source: Company Data, Equirus

*Prabha margin for the FY26 would be over 90%

Exhibit 6: … to its long-standing loyal customer-base

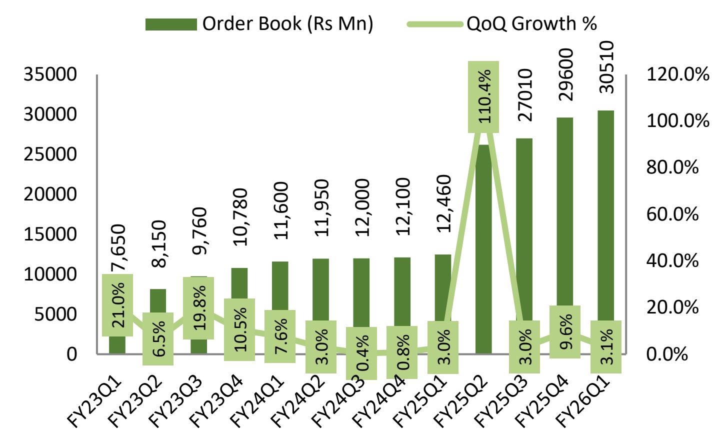
FINANCIAL PROFILE

Exhibit 7: We anticipate a 28.9% revenue CAGR over FY25–28E, driven by a growing order book and new revenue streams such as PEC contracts, Barge Prabha, and planned fleet expansion



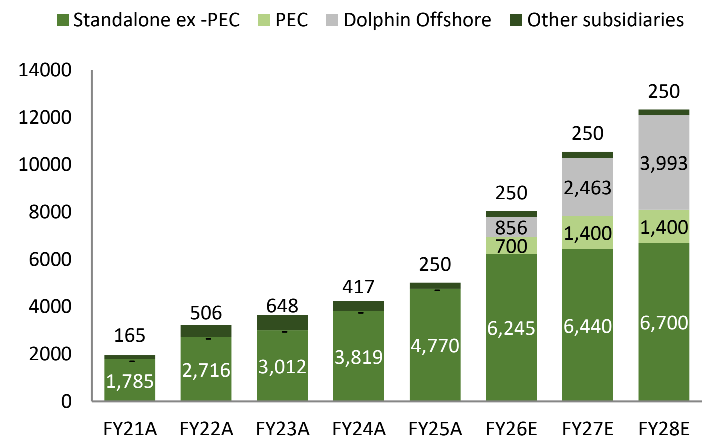
Source: Company Data, Equirus

Exhibit 8: Consistent order book growth, marking 17th consecutive quarter of record expansion, ensuring strong revenue visibility



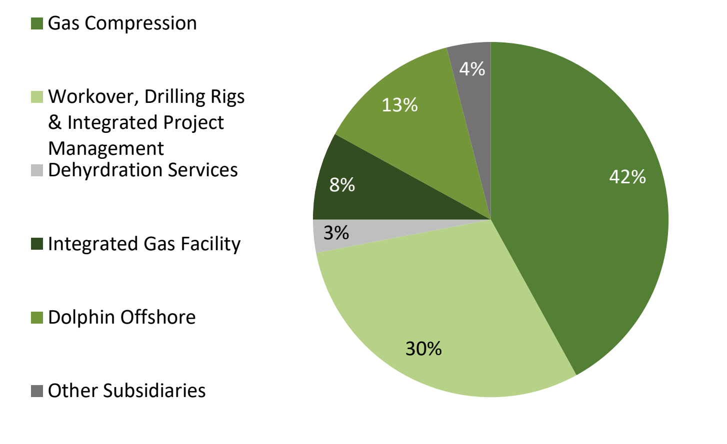
Source: Company Data, Equirus

Exhibit 9: Revenue Mix: PEC and Dolphin to drive the next phase of growth



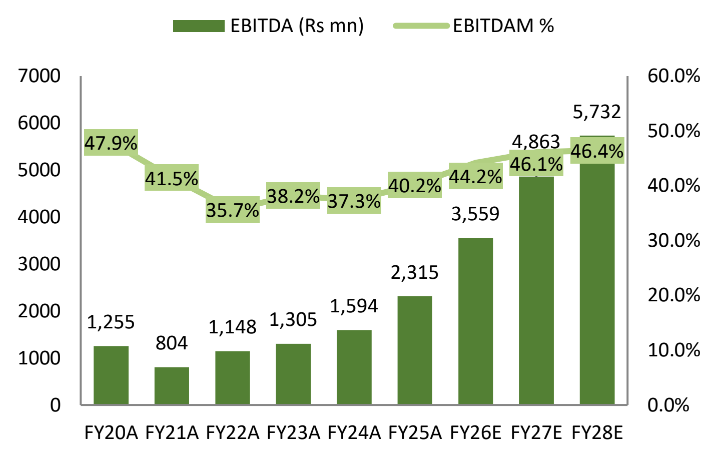
Source: Company Data, Equirus

Exhibit 10: FY25 Consolidated revenue mix



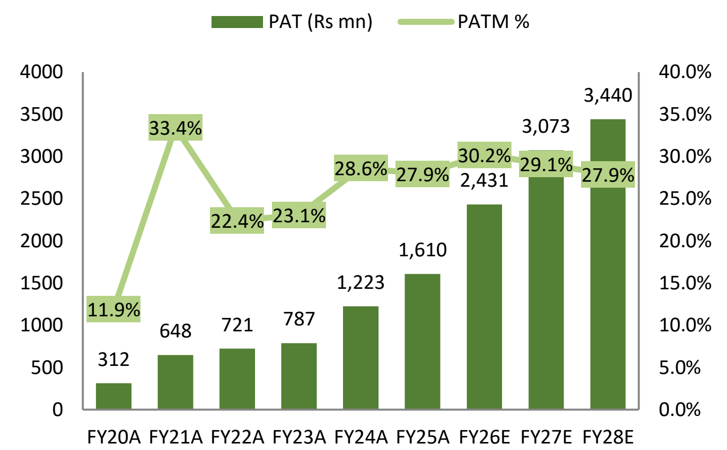
Source: Company Data, Equirus

Exhibit 11: EBITDA is expected to grow at a 35.3% CAGR over FY25-FY28E, driven by the scaling of higher-margin offshore operations



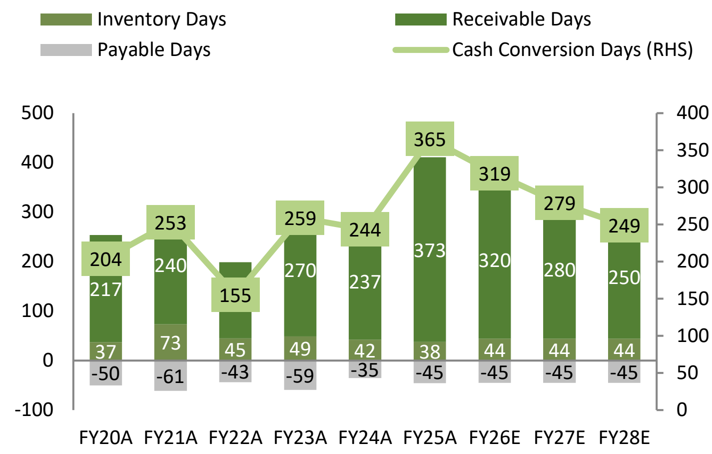
Source: Company Data, Equirus

Exhibit 12: ...while PAT is expected to grow at a 28.8% CAGR over FY25-FY28E, driven by rising revenue and improved margins



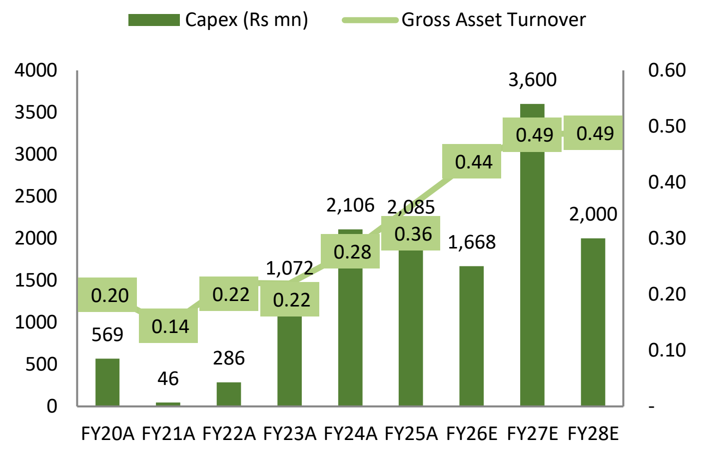
Source: Company Data, Equirus

Exhibit 13: The rise in debtor days is attributable to legacy receivables from acquired entities, with improvement anticipated as recoveries materialize



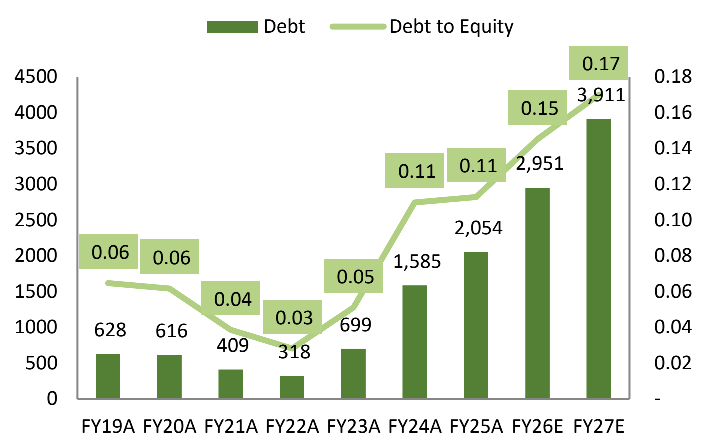
Source: Company Data, Equirus

Exhibit 14: Regular capex drives revenue growth in this capital-intensive business, with asset turnover set to improve as Dolphin scales operations



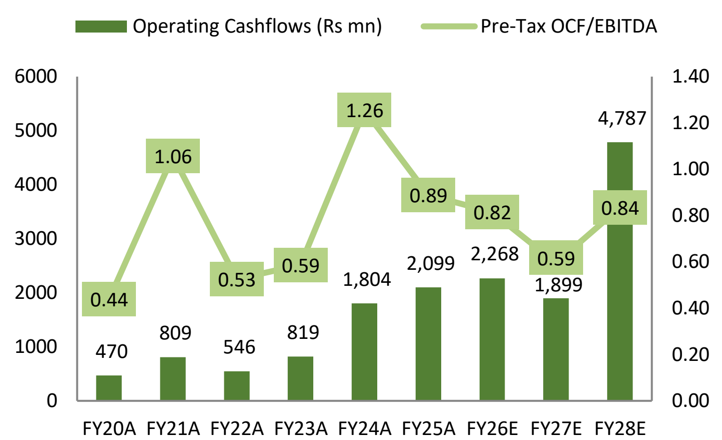
Source: Company Data, Equirus

Exhibit 15: While maintaining a net debt-free status, the company consistently keeps debt-to-equity at minimal levels



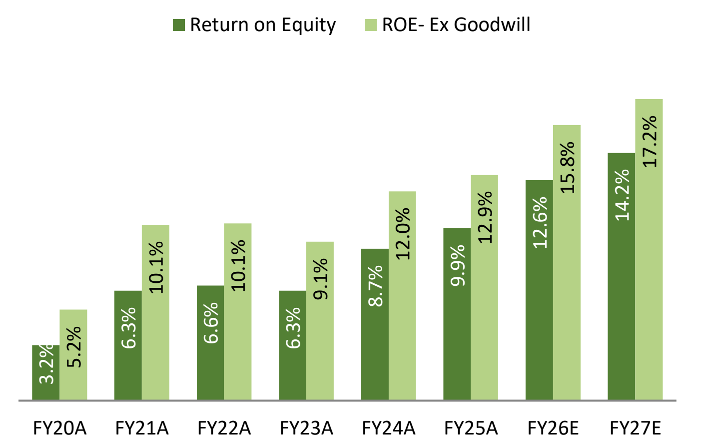
Source: Company Data, Equirus

Exhibit 16: Operating cash flows remained positive and are set to improve with stronger bottom lines and a healthy conversion ratio



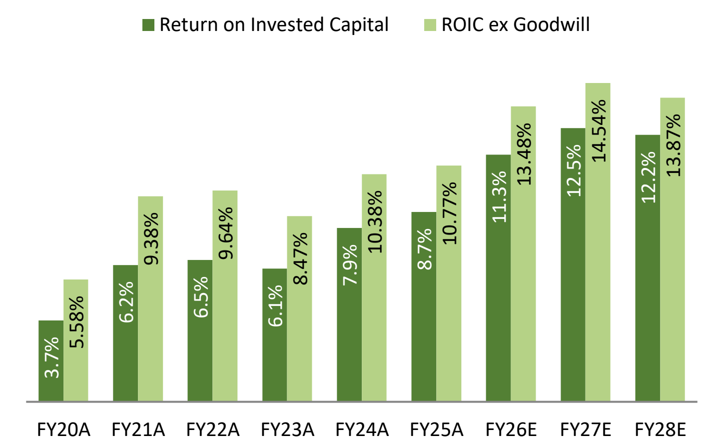
Source: Company Data, Equirus

Exhibit 17: Return ratios is projected to strengthen as returns from the Dolphin investment start flowing through earnings



Source: Company Data, Equirus

Exhibit 18: ROIC Trends



Source: Company Data, Equirus

VALUATION & VIEW

Initiate with BUY

Initiating coverage with BUY rating and Sep'26 TP of Rs. 746

- India's energy landscape highlights the critical need for enhancing domestic exploration and production (E&P), as the country imports 85% of its energy requirements. Indian sedimentary basins hold 651.8 million tonnes of crude oil and 1138.6 billion cubic meters of natural gas, but only 10% of the basins are under exploration. To address this, the Government of India is taking significant steps to reduce import dependency and boost domestic energy security.
- The government is also expanding exploration acreage by opening previously restricted zones, reducing "no-go" areas in the Exclusive Economic Zone (EEZ) by 99%. It aims to increase exploration acreage to 1 million sq. km. by 2030, directly benefit Deep Industries' Drilling and Workover Services segment while creating investment opportunities worth USD 100 billion in the E&P sector.
- Natural gas, currently contributing 6% to India's energy mix, is targeted to reach 15% by 2030. In February 2024, Prime Minister Modi announced a USD 67 billion investment plan for gas infrastructure, which will require services such as compression and dehydration. With consumption projected to grow at a CAGR of 12.2%, from 174 MCMPD in 2021 to 550 MCMPD by 2030, natural gas remains a key focus area.
- Deep Industries is well-positioned for growth, driven by a strong revenue outlook from an expanding order book, PEC contract, new rig investments, and a promising bidding pipeline; the Dolphin Offshore acquisition unlocking offshore potential with higher revenue and margins; plans to expand their fleets; capitalizing on industry tailwinds boosting E&P and gas sector demand and competitive advantages like domain expertise, market leadership, and high barriers to entry ensuring sustained growth.
- We expect DIL's Revenue/EBITDA/PAT to grow at a 28.9%/35.3%/28.8% CAGR over FY25-FY28E.
- Deep is currently trading at FY26E / FY27E P/E of 14.4x/11.4x. We Initiate coverage on the stock with BUY rating and Sep'26 TP of Rs. 746 set at 15x H1FY28 EPS.

DEEPIND's Valuation

Company	Reco.	CMP	Mkt Cap Rs. Mn.	Price Target	Target Date	P/E				P/B				EV / EBITDA				RoE %				Div Yield %
						FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E	FY28E	FY25A	FY26E	FY27E	FY28E	FY25A
Deep Industries	BUY	542	34,694	746	Sep'26	21.7	14.4	11.4	10.1	2.4	1.9	1.7	1.5	15.4	10.4	8.1	6.8	9.9	12.6	14.2	14.0	0.56
Jindal Drillings	NR	621	18,010	NR	NR	7.6	NA	NA	NA	1.1	NA	NA	NA	7.4	NA	NA	NA	14.6	NA	NA	NA	0.16
SEAMEC Ltd	NR	930	21,700	NR	NR	24.9	13.1	9.0	NA	2.3	2.0	1.6	NA	11.5	7.3	5.5	NA	9.2	16.5	19.8	NA	0.11
Asian Energy	NR	360	16,080	NR	NR	35.2	NA	NA	NA	4.0	NA	NA	NA	18.6	NA	NA	NA	12%	NA	NA	NA	0.00

Source: Company, Equirus

Risk in our view

- Customer concentration risk with 72% of revenue from three customers, including 49% from ONGC in FY24.
- Capital Intensive Nature of Business requiring significant investments in Machineries
- Exposed to re-award risk upon contract expiry, which is inherent in oil and gas service industry.
- Exposed to risks from volatile rig day rates during contract renewals, which are driven by crude oil price fluctuations.
- The company carries 363 cr worth of legacy receivables from acquired entities, posing a risk of non-recovery; however, the acquisition cost were relatively insignificant

Company Description

Ahmedabad-based Deep Industries Ltd. (DIL) was initially engaged in E&P of oil, gas, coal bed methane (CBM), and marginal oil fields, along with providing services like gas compression, oil rigs (work-over and drilling), and gas dehydration on a charter hire basis. In May 2018, DIL demerged its oil and gas services business, forming a separate entity, Deep Industries Ltd., while E&P operations continued under 'Deep Energy Resources Ltd', which later reverse merged to 'Prabha Energy Ltd'

Starting in the 1990s as a pioneer in gas compression services on a charter hire basis, Deep Industries Ltd. has since expanded its service offerings across O&G sector. With over 30 years of experience, the company specializes in oil and gas support services, including natural gas compression, dehydration, processing, drilling and workover rig services, and integrated project management. Deep Industries covers over 70% of post-exploration services in the oil and gas value chain, positioning itself as a One-Stop Solution provider for oil and gas field operations. The company offers equipment, services, and skilled manpower on rental and charter-hire basis, serving exploration, production, and mid-stream sectors (storage and transportation of oil and gas).

Income Statement

Y/E Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Revenue	3,413	4,270	5,761	8,051	10,553	12,343
COGS	1,447	1,795	2,372	3,212	4,010	4,690
Gross Profit	1,967	2,475	3,390	4,839	6,543	7,653
Employee Cost	344	481	624	813	1,108	1,296
Other Expenses	317	400	451	467	572	625
EBITDA	1,305	1,594	2,315	3,559	4,863	5,732
Depreciation	296	344	412	522	630	718
EBIT	1,009	1,250	1,903	3,036	4,233	-
Interest Exp.	52	85	118	276	420	542
Other Income	113	356	323	399	462	540
Profit before Tax	1,070	1,522	2,108	3,159	4,275	5,012
Tax Expenses	264	286	385	634	995	-
Profit After Tax	806	1,236	1,723	2,525	3,280	3,751
Minority Interest	-19	-13	-113	-154	-284	-388
Profit/(Loss) from Associates	-	-	-	60	77	77
Recurring PAT	787	1,223	1,610	2,431	3,073	3,440
Exceptional Items	447	16	-2,511	-	-	-
Reported PAT	1,234	1,238	-901	2,431	3,073	3,440
Other comprehensive income.	-	-	-	-	-	-
PAT after comp. income.	1,234	1,238	-901	2,431	3,073	3,440
FDEPS	12.3	19.1	25.1	38.0	48.0	53.8
DPS	1.9	2.4	3.1	4.7	6.1	7.0
BVPS	214	226	284	318	359	406

YoY Growth (%)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Sales	6	25	35	40	31	17
EBITDA	14	22	45	54	37	18
EBIT	11	24	52	60	39	18
PAT	9	55	32	51	26	12

CAGR (%)	1 year	2 years	3 years	5 years
Revenue	34.9%	29.9%	21.4%	17.1%
EBITDA	45.2%	33.2%	26.3%	13.0%
PAT	31.7%	43.0%	30.7%	38.8%

Cash Flow

Y/E Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Profit Before Tax	1,070	1,522	2,108	3,159	4,275	5,012
Depreciation	296	344	412	522	630	718
Others	(22)	(175)	1,416	276	420	542
Tax paid	(53)	198	(42)	634	995	1,261
Change in WC	(578)	311	(1,879)	(1,056)	(2,431)	(1,485)
Operating Cashflow	819	1,804	2,099	2,268	1,899	3,525
Capex	(1,072)	(2,106)	(2,085)	(1,668)	(3,600)	(2,000)
Change in Invest.	16	(898)	(153)	(1,432)	-	-
Others	34	194	-238.67	0.00	-	-
Investing Cashflow	(1,022)	(2,809)	(2,476)	(3,100)	(3,600)	(2,000)
Change in Debt	405	887	556	897	960	960
Change in Equity	0	0	0	0.12	0.00	-0.00
Others	(120)	186	(276)	(491)	(497)	(675)
Financing Cashflow	285	1,072	279	406	463	285
Net Change in Cash	83	67	(97)	(426)	(1,238)	1,810

Source: Company Data, Equirus

Balance Sheet

Y/E Mar (Rs mn)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Equity Capital	320	320	320	320	320	320
Reserves	13,382	14,113	17,876	20,004	22,683	25,673
Net Worth	13,702	14,433	18,196	20,324	23,003	25,993
Total Debt	699	1,585	2,054	2,951	3,911	4,871
Other long-term liabilities	608	614	710	738	978	1,218
Minority Interest	93	840	953	1,108	1,392	1,780
Account Payables	555	410	718	993	1,301	1,522
Other Current Liabilities	215	1,178	1,296	947	1,242	1,452
Total Liabilities	15,871	19,061	23,927	27,060	31,826	36,835
Gross Fixed Assets	15,393	15,413	16,843	19,943	23,543	26,993
Acc. Depreciation	5,322	5,625	6,036	6,559	7,189	7,907
Net Fixed Assets	10,071	9,788	10,807	13,385	16,354	19,087
Capital WIP	198	2,199	2,582	1,000	1,000	200
long term investments	11	11	12	1,444	1,444	1,444
Others	470	336	1,432	1,582	1,582	932
Inventory	457	494	597	970	1,272	1,488
Receivables	2,523	2,767	5,887	7,058	8,096	8,454
Loans and advances	-	-	-	-	-	-
Other current assets	1,240	1,505	586	23	1,718	3,060
Cash & Cash Equivalents.	900	1,961	2,024	1,598	360	2,170
Total Assets	15,871	19,061	23,926	27,060	31,826	36,835
Non-Cash WC	3,450	3,177	5,056	6,112	8,543	10,028
Cash Conv. Cycle	259	244	365	319	279	249
WC Turnover	1.0	1.3	1.1	1.3	1.2	1.2
Net D/E	(0.0)	(0.0)	0.0	0.1	0.2	0.1
Gross Asset Turnover	0.22	0.28	0.36	0.44	0.49	0.49
Net Asset Turnover	0.4	0.4	0.6	0.7	0.7	0.7

Days (x)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Receivable Days	270	237	373	320	280	250
Inventory Days	49	42	38	44	44	44
Payable Days	59	35	45	45	45	45
Non-cash WC days	369	272	320	277	295	297

Key Ratios

Profitability (%)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Gross Margin	57.6	58.0	58.8	60.1	62.0	62.0
EBITDA Margin	38.2	37.3	40.2	44.2	46.1	46.4
PAT Margin	23.1	28.6	27.9	30.2	29.1	27.9
ROE	6.3	8.7	9.9	12.6	14.2	14.0
ROIC	6.1	7.9	8.7	11.3	12.5	12.6
Dividend Payout	15.0	12.8	12.1	12.5	12.8	13.1

Dupont Analysis	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
Net Profit Margin %	23.1	28.6	27.9	30.2	29.1	27.9
Asset Turnover (X)	0.2	0.2	0.2	0.3	0.3	0.3
Financial Leverage (X)	1.3	1.4	1.5	1.4	1.5	1.5
ROE %	6.3	8.7	9.9	12.6	14.2	14.0

Valuation (x)	FY23A	FY24A	FY25A	FY26E	FY27E	FY28E
P/E	44.3	28.5	21.7	14.4	11.4	10.1
P/B	2.5	2.4	1.9	1.7	1.5	1.3
P/FCFF	-100.8	-21.7	-83.0	-41.8	-19.3	14.3
EV/EBITDA	27.0	22.0	15.4	10.4	8.1	6.8
EV/Sales	10.3	8.2	6.2	4.6	3.7	3.1
Dividend Yield (%)	0.3	0.4	0.6	0.9	1.1	1.3

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