



SEAMEC LIMITED

A member of **MMG**
METAL GROUP

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SEAMEC/BSE&NSE/SMO/TRANSCRIPT/1702/2025

February 17, 2025

Corporate Relations Department BSE Limited Phirojee Jeejeebhoy Towers, Dalal Street, Mumbai - 400001	The Manager Listing Department National Stock Exchange of India Limited Exchange Plaza, Plot No. C/1, G Block, Bandra-Kurla Complex, Bandra (East) Mumbai - 400051
Scrip Code: 526807	Trading Symbol: SEAMECLTD

Sub: Transcript of Investors/Analyst Earnings concall held on February 12, 2025

Ref:

- Regulation 30 (read Para A (15) of Schedule III -Part A) of Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations')
- ISIN: INE497B01018

Dear Sir / Madam,

In accordance with Regulation 30 read with Schedule III of the Listing Regulations, this is to inform you that the transcript of the concall organized and held on Wednesday, February 12, 2025, in relation to the Unaudited Financial Results of the Company for the quarter and nine months ended December 31, 2024 (Q3 FY25) is hereby enclosed

The above is made available on the Company's website i.e. <https://www.seamec.in/>

This is for your information and record.

Yours Faithfully,

For **SEAMEC LIMITED**

S.N. Mohanty

President - Corporate Affairs, Legal and Company Secretary

Please visit us at : www.seamec.in





**“Seamec Limited
Q3 & 9 Months FY '25 Earnings Conference Call”
February 12, 2025**



**MANAGEMENT: MR. NAVEEN MOHTA – WHOLE TIME DIRECTOR –
SEAMEC LIMITED
MR. VINAY AGARWAL – CHIEF FINANCIAL OFFICER –
SEAMEC LIMITED
MR. SUNIL GUPTA – VICE PRESIDENT-STRATEGY AND
HEAD INVESTORS RELATIONS – SEAMEC LIMITED**

MODERATOR: MR. BALASUBRAMANIAN A – ARIHANT CAPITAL

Moderator: Ladies and gentlemen, good day, and welcome to the Q3 9 Months FY '25 Earnings Conference Call of Seamec Limited, hosted by Arihant Capital Markets Limited. As a reminder, all participant lines will remain in a listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone telephone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Balasubramanian A from Arihant Capital Markets. Thank you, and over to you, sir.

Balasubramanian: Thank you, Rutuja. Good evening, everyone. On behalf of Arihant Capital, I welcome you to the earnings call of Seamec Limited for Q3 FY'25. From the management side, we have Mr. Naveen Mohta, the Whole Time Director; Mr. Vinay Kumar Agarwal, CFO; and Mr. Sunil Gupta, Vice President, Strategy and Investor Relations. We welcome the management of Seamec on this call. Now I invite Mr. Naveen Mohta, the Whole time director to give opening remarks. Following which we will open the floor for Q&A.

Over to you Mr. Naveen Mohta sir.

Naveen Mohta: Thank you. Good evening, everyone, and welcome to Seamec Quarter 3 financial year '25 earning call. Thank you for joining us today. I am Naveen Mohta and I'm here with Mr. Vinay Agarwal, our CFO; and Mr. Sunil Gupta, Vice President, Strategy and Investor Relations. As we review the offshore services landscape for the quarter 3, the demand for offshore oil and gas services remain substantial, especially in India.

Despite some challenges in this quarter, India continued to see considerable growth in its energy sector. As the country advances towards becoming a \$4 trillion economy, energy demand is expected to rise significantly. India's reliance on fossil fuels, particularly natural gas, it remains high, and it provides opportunities for offshore operators like Seamec.

Additionally, the projected 22% growth in India's refinery capacity over the next few years, further strengthen the long-term outlook for the offshore sector. In this context, we continue to see substantial opportunities ahead, particularly following India's recent launch of its largest oil and gas bid round. The government is now offering 25 offshore blocks, spending 1.91 lakh square kilometres, a move, which is aimed at boosting domestic production and improving energy security.

This initiative is expected to generate considerable interest and opportunities for offshore service providers like Seamec. Despite these positive changes, we experienced some delays in contract orders during quarter 3, which has impacted our performance. While the delays in project commencement were a challenge, we remain confident that these contract will be executed in the upcoming quarters, helping to drive growth in future.

A key highlight this quarter is the successful commencement of a new charter for our vessels, Seamec Swordfish. The vessel began a 50-day charter with Maritime Mermaid Subsea Services

in Saudi Arabia with a firm order value of \$3.46 million. This contract not only reinforces our position in the Middle East, but also reflects the increasing demand for the offshore services in the region.

We are also pleased to report that Seamec Diamond after completing necessary repairs successfully resumed operations with ONGC on November 22nd, 2024. This marks the vessels return to service, which strengthens our ongoing partnership with ONGC and ensures continued contribution to their offshore projects.

Additionally, we have secured a new contract for Seamec III in the agreement with the M/s. Asian Energy Services Limited for offshore work on the East Coast of India. This project already underway as we speak, involves SAT-diving for SPSO installation and field start-up activities. With a total value of \$2.47 million, this contract reflects Seamec's ability to secure high value opportunities in our rapidly growing Indian offshore market.

While the quarter's results have been impacted by delays, these developments are a testament to Seamec's ability to navigate the challenges and secure valuable contracts, both domestically and internationally. We firmly believe that the worst is behind us. And from here onwards, we shall be on a growth trajectory. We remain committed to leveraging our advanced fleet and specialized capability to meet the growing needs of our clients in the offshore oil and gas sector.

I will now hand over the floor to Mr. Vinay Agarwal, our CFO, who will provide detailed overview of our financial performance for the third quarter. Over to you, Vinayji.

Vinay Agarwal:

Thank you, Naveenji, and good evening, everyone. I warmly welcome everyone participating in today's Q3 and 9 months FY '25 earnings call. Allow me to walk you through the consolidated financial performance for the third quarter and 9 months FY '25. Our top line for the quarter stood at INR139 crores compared to INR219 crores in Q3 FY '24, reflecting a 36% decline year-on-year. At the stand-alone level, revenue declined by 35%. EBITDA for the quarter decreased by 64% from INR96 crores in Q3 FY '24 to INR 34 crores in Q3 FY '25.

On a stand-alone basis, EBITDA decreased by 61% on a year-on-year basis from INR94 crores in Q3 FY '24 to INR36 crores in Q3 FY '25. Profit after tax on consolidated basis resulted in a loss of INR3 crores against a profit of INR56.4 crores for the same quarter in the previous year.

At the stand-alone level, profit after tax decreased from INR63 crores in Q3 FY '24 to INR2 crores in Q3 FY '25. The ROCE stood at 9% and ROE at 10% on a consolidated basis. During the quarter, company has performed below expectation because of lower deployment of Seamec III and Seamec Swordfish and unexpected breakdown in Seamec II.

However, we have secured a 2-year contract for Seamec Swordfish and seeking Board approval for transfer of Seamec Anant from the parent entity, HAL Offshore Limited at \$70 million. It's a 2023 constructed vessel with a remaining useful life of 23 years. The acquisition is expected to be completed by Q2 FY '26. With this, as a company, we believe to be back on track in the coming year. Thank you.

I will now hand it back to the moderator to facilitate the question-answer session.

- Moderator:** The first question is from the line of Aditya Sen from RoboCapital.
- Aditya Sen:** Sir, can you please share the charter rate at which Seamec Swordfish were deployed?
- Naveen Mohta:** See the charter rate for the Seamec Swordfish has been already shared on the stock exchanges for both our contract, for the new contract for the 2-year terms, which we have been signed, and for the other contracts with the Mermaid. So both the contract and the contract value is already in the public domain.
- Sunil Gupta:** Naveenji, what would be the rate if we deduce from that document for the need of our investors, \$76,000?
- Naveen Mohta:** Yes, it is upward of \$76 it is \$78,000 actually.
- Sunil Gupta:** \$78,000, okay.
- Naveen Mohta:** \$78,000 per day for 2 years.
- Aditya Sen:** Okay. All right. And do you have an update on this NPP Nusantara and PEARL. These were the upcoming vessels as per the Q1 results, right?
- Naveen Mohta:** Yes. So as has been already intimated to stock exchanges, regarding the NPP Nusantara, that agreement has been signed for buying the vessel. So the tentative delivery, the delivery is going to be taken sometime around July or August, so we are also hopeful of completing that process of Nusantara acquisition sometime in Q2.
- Aditya Sen:** And what about PEARL?
- Naveen Mohta:** PEARL, there is a rethinking by the management. So there are some issues going on. So as of now, the management is rethinking on that acquisition of PEARL because there are issues going on with the seller. So right now, it is on pause.
- Aditya Sen:** Okay. And this Nusantara would be of a similar make as of Swordfish or any of the existing vessels that we have?
- Naveen Mohta:** Nusantara is similar to the fleet of the vessel already owned by the company, it is a diving support vessel and it will be EPS accretive from the day 1 because it will also come with the contract in hand. So it is going to add to the top line as well as bottom line from the day 1.
- Aditya Sen:** So, you already have the contract. All right.
- Naveen Mohta:** Yes, it already has a contract in hand.
- Aditya Sen:** Allright. Those were my questions as of now. I will fall back in the queue. Thank You
- Moderator:** The next question is from the line of Nakul Joshi from NJ Associates.

Nakul Joshi: So I just have a short question. If you could just elaborate on the specific reasons for the delays in the commencement of contracts during Q3 FY '25, and like how confident are you that these delays will not affect any future performance?

Naveen Mohta: Okay. So as told by Mr. Vinay also that this result were impacted due to the delay in commencement of the charter for the vessel of Swordfish. So right now, we have already announced that vessel is now contracted for 2-year charter. And presently, also, this is working. So there is no reason now that, okay, there will be any kind of delay or that work will be impacted.

Sunil Gupta: Also, if I may add, Sunil, this side. Nakul we had already advised this delay in our previous call of Q2 because that was evident, and we had forewarned our investors about that. Secondly, see, whenever our vessel goes from 1 contract to other, there are possibilities of certain delays. Our job is to minimize such delays so that there is a minimal loss to the P&L. Right now, after this vessel, most of our vessels will be running on minimum 2-year contracts.

And only thing that can impact today is any unforeseen breakdown. Otherwise, we are confident that the company will run its P&L to the best of the ability.

Nakul Joshi: Absolutely. Thank you for the detailed answer. Just a small follow-up, like any measures which we have taken to mitigate such delays in the future?

Sunil Gupta: Nakul, these are business saying when we start discussion with our channel partners, there are delays on their side from deployment. So it's not that we were not working actively on this. We had been pushing this for the past 6 months, knowing that this time can come, we had, in fact, and we said that the vessel will go in Q2 only -- sorry, Q3 beginning only. But since the charterer, the scope of work was delayed at charterer's end so we had to delay this contract.

And now there is a 2-year contact. So we are hopeful that such delay will not come in at least in most of our vessels. Only Glorious Barge will be renewing its contract next year. Otherwise, most of our contracts are full for the coming year.

Moderator: The next question is from the line of Anirudh from Veer Capital.

Anirudh: I have multiple questions. Can you talk a little more about Anant deal and how it's going to impact our financials? When the deal is likely to be commenced? Second question Yes, I have few more so you can finish first then.

Naveen Mohta: I think, we can take one question at a time, so that will give you a better sense also.

Vinay Agarwal: So in case of Anant, we have the approval of our boards, which we have received. And this is being transferred from our parent company, HAL Offshore at a consideration of \$70 million. And with the remaining useful life of 23 years, this vessel is 2023 build and we are getting, we are projected to get a 17% odd of ROCE in years to come. So it's a very good acquisition for us, and this is likely to be completed by Q3 this year, '26, sorry Q2 '26.

- Sunil Gupta:** I would like to add something. See, today, a second hand vessel market is very tight. And even a second hand vessel is available in the range of \$50 million to \$55 million, if I'm correct, Naveenji. So this is a new brand vessel and we have considered the best market rate while transferring this asset. Secondly, as you would have seen, I don't know whether it has gone in the public or not, even the promoter has agreed to take part equity against this consideration till the final limit of his shareholding.
- Anirudh:** Okay. That's a very good thing.
- Sunil Gupta:** It would be funded through promote issuance of equity to the extent we can, there is good internal accruals and the balance will be funded through debt.
- Anirudh:** Okay. Sir, I have a few other questions because I want to know is there any ship going for dry dock. any time line for that. any large ship going for dry dock next year?
- Naveen Mohta:** See, the dry docking is a regular activity for shipping industry. And since we have such a big fleet of vessels. So there will definitely 1 or 2 dry dock always coming in the year. So definitely, there are dry dock in this year also, and which has been planned and which has been factored into the working of the contract. We try to minimize that disruption so that if it is possible to do the work when a vessel is idle. So it will be done. And if it is not possible, then we will be taking the vessel for dry docking. So there are 2 dry dock, which will be falling due during this year.
- Anirudh:** Any of the key vessels going for dry dock this year?
- Naveen Mohta:** All the vessels are key vessel only.
- Anirudh:** In the last season seeing the impact in the revenue in a bigger way.
- Naveen Mohta:** So the Seamec Paladin and Seamec II will be likely going for the dry dock.
- Anirudh:** Okay. And what is happening at...
- Naveen Mohta:** Anirudh, your voice was not audible. Can you come again?
- Anirudh:** [Inaudible 17:11].
- Moderator:** I am sorry to interrupt. Anirudh, your voice is breaking, we are unable to hear you.
- Anirudh:** What is happening at London , if you can talk about that investments which we are trying to exit.
- Naveen Mohta:** So in case of UK venture, we are in the process of setting up our global office in UK, which will take care of Europe and African market, but due to certain procedure delay, this process is getting delayed, and we are hopeful to start our operations in years to come.
- Anirudh:** Okay. Any more assets which you are trying to acquire going forward apart from Anant? And how?

- Naveen Mohta:** See, that is a, that is Anirudh that is a continuous process. Our balance sheet is quite healthy, and we can afford to buy assets. So we continue to look for the suitable opportunities. So there may be some new acquisition during the year or new bid of contract will also might be possible. So as I told you and during my address also told, we remain bullish for the upcoming period. And we continue to look for the suitable opportunities.
- Anirudh:** And anything else apart from what are the other assets owned by parent company?
- Vinay Agarwal:** Can you please repeat?
- Anirudh:** What are the other assets owned by parent company, which
- Naveen Mohta:** No, no. Right now, only Seamec Anant is being brought to Seamec hold only. And this is, again, this shows our conviction and commitment of the promoter to consolidate all the operation at 1 entity so that we can focus and we can show the growth to the market.
- Sunil Gupta:** Secondly, as you said, there are 2 old work boats, which may retire next year. So there is no point acquiring those workboats. There will be only the contracts which remain and when the contracts come up for renewal, we'll prefer to bid them in Seamec directly like we did in Swordfish.
- Anirudh:** And last question, if you can talk about when, are you discussing, can you talk a little more about your international operations, we have got one contract right now. Do you want to like what is the what you are planning to expand?
- Sunil Gupta:** Yes. So see, this is a testimony that after a very long time, we have won a 2-year contract in foreign land, okay. We are definitely excited about it, and we will keep exploring opportunities in the Southern Arabian market, Gulf and if there is a profitable opportunity, then as Naveenji said, we, our balance sheet is healthy enough to take care of that opportunity.
- Anirudh:** And what is your discussion with the ONGC in terms of their capex for the Eastern Coast, any other further projects they are looking out to expand, any capex they are doing it?
- Sunil Gupta:** So we'll see whenever the new scope of work comes, definitely we'll try to bid for that scope and will inform the market accordingly.
- Moderator:** The next question is from the line of Rohan Baranwal from ASJK.
- Rohan Baranwal:** I have a few questions. So first question is, sir, what is the progress on the Nusantara and other vessel consolidation?
- Sunil Gupta:** We have just informed you that Nusantara is expected to come in Q2 next year. And HAL Offshore vessel, which is Seamec HAL Anant is also expected next year, Q2.
- Rohan Baranwal:** Okay. Thank you. And sir, you've mentioned about the \$70 million vessel from HAL. Can you please share some light on the revenue potential?
- Sunil Gupta:** The revenue potential, Vinayji, you have the number?

Vinay Agarwal: Yes. So this vessel will be deployed with ONGC through HAL Offshore again at a day rate of around INR45,000 odd per day. So it's a good revenue potential and it will definitely give us an IRR of around close to 14%, and it will be a payback period of around 6 years.

Sunil Gupta: So we expect that around INR135 crores of revenue will be added on a full year basis after the acquisition.

Rohan Baranwal: Okay, sir. And sir, what is the capex and debt profile for the next 2 to 3 years?

Sunil Gupta: So capex, as we already informed, there are 2 vessels. One is roughly INR600 crores and other is INR200 crores. So INR800 crores plus some dry dock expenses will be done. Debt profile, I would say that we are very much under control. Our debt, peak debt should not go more than INR500 crores next year, and that subsequent year will be repaid because we are confident to generate sufficient cash flows for FY '26 and FY '27.

Rohan Baranwal: Thank You Sir. And sir, sorry, if I missed it. So can you share the revenue potential from the Nusantara projects?

Sunil Gupta: Nusantara should give us around INR135 crore revenue on a full year basis.

Rohan Baranwal: Okay, sir. And sir, one last more question is we got the contract from Swordfish, I think the realization is around \$78,000 per day. So which is highest like in the history of the company. So how do we see the escalation on other vessels as well, sir.

Sunil Gupta: So definitely, once the other vessel come for renewal, we are hopeful that they would also try to be in the similar range, but that all depends on the market conditions when they come up for renewal.

Rohan Baranwal: Thank you very much Sir. Sorry, one last question is there is around INR10 crore loss in the other income. So can you please explain the forex effect and the strategies in place for risk mitigation.

Sunil Gupta: Vinayji, please go ahead.

Vinay Agarwal: So in this case, this was exceptional movement of dollar and GBP, which has created an MTM loss, which is not going to be impacted going forward. This was only a book entry. In fact, what happened, we have dollar loan in our books, term loan in our books, in which case, the dollar moved from INR85.05 to INR87.1. So there is a difference of INR2.05, which give us an impact of INR4.5 crores.

And similar to that, we have whatever loan we have extended to our subsidiary in UK. In that case, GBP had moved again from INR110.17 to INR104.44. There is a adverse movement of INR5.73 per GBP, so that again give us a hit of INR9.4 odd crores in Q3. So that was a major reason of MTM of around INR13.5 odd crores, which gives us a negative impact.

But we are confident this GBP impact will be reversed in coming quarters. So there won't be any real impact in our balance sheet.

Sunil Gupta: Also, let me tell you that most, since all our contracts are dollar denominated. So any appreciation there should typically benefit the company in the longer term. We can take the next question.

Moderator: The next question is from the line of Ankita Agarwal from MNV Advisor.

Ankita Agarwal: So given the recent decline in revenue this quarter, what steps are being taken to improve fleet utilization and ensuring better performance in the coming quarters?

Sunil Gupta: Just like we've mentioned in the previous question also, we are very vouchful of situations when contracts are coming up for renewal. But it is a demand and supply situation. And when the customer demands the vessel only then we can place the vessel, okay? We had been trying to do this for 3 months with the same vendor and 2 other vendors.

Finally, this vendor has agreed to take the vessels and such situation can come up in future also. But we want to assure people that we are very vigilant and we try to start discussions much ahead of the time, okay? Now that all our vessels are more than 2 years contracted except for our Barge, we believe that there is a reasonable certainty for

Moderator: Sorry to interrupt, the line was since placed on hold by Sunil Gupta.

Sunil Gupta: Yes. Ankita, You can go ahead. I hope I am clear.

Ankita Agarwal: Yes, sir And what are the key drivers behind this volatility? And also like how sustainable is the growth in Q4 FY '25 or beyond that?

Sunil Gupta: Ankita, the business is volatile, we have always been maintaining that we should not look Seamec as a quarter-on-quarter numbers. But yes, our endeavour is that on a year-on-year basis, we should definitely grow the business. As Naveenji mentioned, we are quite confident that next 3 years, there should be a sustainable growth journey that we can make visible for our investors.

Moderator: The next question is from the line of Sahil Vora from MNS Associates.

Sahil Vora: Good Evening Sir. I had a question Yes. Sir, can you. Seamec Diamond resumed operations after repairs in Q3 FY '25. How was the fleet's overall utilization rate and performance compared to the same period last year? And what specific impact did the downtime of Seamec Diamond have on the overall financial performance?

Vinay Agarwal: So when we talk about Diamond, Diamond is the OSV, which gives us a minimal revenue in terms of, as compared to our other vessels, which are MSV, DSV category. So though it has impacted us in terms of the number of days deployed. It has deployed less number of days as compared to, actually this was new acquisition for us. So it was first time in Q3, it was deployed as compared to last year, it was not available with us. And in this quarter, it has deployed for around 42 odd days.

But around 50 days for which it could not be deployed, it has given us hardly any impact in terms of revenue generation. Reason being, it's day rate is very minimal as compared to DSV, which we are running as a main fleet business for us.

- Sunil Gupta:** And we now expect this to run on a regular basis.
- Vinay Agarwal:** Right. And it has impacted only in terms of repair and maintenance cost. That's it.
- Moderator:** The next question is from the line of Hitanshi Agarwal from EBS Investment.
- Hitanshi Agarwal:** Sir, I have a question regarding, you mentioned about the recent launch of India's largest oil and gas bid round. So how do you see Seamec positioning itself to capitalize on this opportunity from this new offshore block.
- Naveen Mohta:** See, the more country will start giving this area for development, the more will be opportunities available for the operator like Seamec, because the more where we start developing and looking for oil extraction, the more facility will be made over there. And then definitely, there will be more scope for the Seamec. So it is definitely a growth potential which for the company. And it also is a confirmation. That company will remain relevant, and it will remain on a growth path for the coming years also.
- Moderator:** The next question is from the line of Abu Rafique an Individual Investor.
- Abu Rafique:** Sir, you have said in your previous con call that you are expected to be profitable on a consolidated basis by the end of this quarter, right? So my question is, so how are you confident on that part? And if it is yes, then can we expect quarter 4 to be a very strong quarter for you as seasonally, quarter 4 is your best quarter among all the quarters?
- Sunil Gupta:** Abu, we are confident that next quarter is a much better quarter since all our vessels shall be deployed during that quarter. Okay? And next year also, we are quite hopeful that most of the vessels are running as per their contracts, barring just 1 vessel, which is our Barge. So for next quarter and next year, we have good visibility.
- Abu Rafique:** And what about the consolidated part that...
- Sunil Gupta:** Even on consolidated. Let me tell you that last year, we had a INR43 crore loss in 9 months in the overseas which has reduced to INR10 crores in this year 9 months. So our endeavour is that going forward, this should go minimal and go profitable.
- Abu Rafique:** Okay. Right. So my next question is the 2-year contract that you have got for Swordfish, I assume it will be a full year contract as it is deployed in Middle East. And for the other 2 vessels that you are, that you aim to acquire, that is Nusantara and Anant the contracts that you'll have for both those vessels? Will it be a full year contracts or it will have the volatility of the monsoon season...
- Sunil Gupta:** They are full year contracts.
- Abu Rafique:** All are full year. So all the 3 vessels are on a full year contract, right?
- Sunil Gupta:** Yes. Yes. So while Swordfish should run full year next year. However, Nusantara and Anant will be inducted in the fleet for the part of the year. So FY '27 shall see full year of them also and going forward, yes, full year.

- Abu Rafique:** Okay. Okay. All right. And any update on the repair that you have provided last update on Swordfish that it had a breakdown. So any further update on it, whether it is prepared or not yet?
- Naveen Mohta:** Yes. So vessel has been partly repaid and it is back on the contract. And we are, right now, vessel is working with the charter. So we have taken some discussion with the charter for some reduction in the rate, but vessel is back on charter now.
- Sunil Gupta:** Naveenji, when is the next charter of the \$78,000 expected to start?
- Naveen Mohta:** \$78,000 is it is likely to start between 15th of March to 31st of March.
- Sunil Gupta:** And do you see any gap from losing the first vendor customer to the second? Any gap of revenue?
- Naveen Mohta:** There is already a plan this thing is there because this gap was supposed to be there. So but it is likely to be less because the vessel when their vessel is going to come back in Dubai only. And after that, it will be again deployed from the Dubai only.
- Abu Rafique:** Just 2 more questions, sir. On the contract renewal part for Seamec III and Seamec Princess, are they already recontracted or they are yet to be contracted?
- Naveen Mohta:** So Seamec III, as I already mentioned in my address, it is already working, so which is already announced in the exchanges. So it is already there and Seamec Princess also is likely to get the contract award. We are in advanced stage. So as and when it gets finalized, it will be intimated to the exchanges during the as per the practice. And then whether will start working and doing the work.
- Abu Rafique:** Yes sir. I have gone through the Seamec III update that you had provided, but it is very short-term contract, I was asking of long-term contract.
- Sunil Gupta:** So they don't run on full year contracts, Abu, they work on EPC contracts.
- Abu Rafique:** Okay. Okay. One last question from my side. So I truly understand the nature of your business and given the size of vessels that you operate with breakdowns and technical glitches in your vessels are bound to happen. But are there some extra efforts taken by the company to minimize them quickly address these breakdowns such as regular monitoring and preventive maintenance, etc.?
- Naveen Mohta:** Yes. All these things are done. See, our industry is quite highly regulated. So it is similar to like aviation. It is more regulated than even aviation also. There are government authorities. There are classification societies. The client itself monitor all these vessels matters very scrupulously. So all the vessels undergo this rigorous maintenance schedule.
- Abu Rafique:** Okay. Sir, if I may ask one last question. Any specific reason behind the resignation of non-executive director?
- Naveen Mohta:** You are talking about?

Sunil Gupta: There is no specific reason. We had, in fact, replaced Mr. Rajeev Goel with Mr. Subrat Das. And we have taken this step consciously to strengthen our management and operational excellence. He was a representative of the parent company, and we have just replaced them.

Moderator: The next question is from the line of Harsh Thanvi from Valentis Advisors.

Harsh Thanvi: So I have 1 question. If you look at the quarterly results, in the overseas segment, we have made a loss of INR14 crores. So can you comment on that?

Vinay Agarwal: Will you please repeat.

Harsh Thanvi: So if you look at the quarterly statement, the results in the overseas segment, we have made a loss of INR14 crores. So can you comment on that?

Vinay Agarwal: So our losses are due to interest and depreciation, which we have in Seamec UK. And whatever interest we are incurring over there this is getting eliminated in consolidation. So apart from that, there are very less less loss in Seamec and SIFZE. And we are also in the process of whatever loss we have. We are in the process of eliminating that also, and we are hopeful to get our consolidated numbers in the green in quarters to come.

Moderator: The next question is from the line of Aditya Sen from RoboCapital.

Aditya Sen: Sir, given that our Swordfish got a higher charter rate, so for FY '26, should we. is it fair to assume that we'll get an EBITDA north of 32% on a consol basis?

Naveen Mohta: See what you have mentioned that, okay, it has got a very high rate. So that is a fact. It is a very good and very lucrative contract. And we are hopeful that we will be able to get very good return on the due to this contract.

Moderator: The next question is from the line of Udit Sehgal. This will be the last question for today. Udit Sehgal from Tradewalk Research.

Udit Sehgal: I'm a bit new to the company. So I would request you for a few brief. So basically, how many vessels do we have? And since you are talking that they are all on a 2-year charter, what are the current charter rates?

Vinay Agarwal: So we have got 7 vessels. 1 OSV, 1 Barge, and 5 MSV/DSV, all are not on the contract of 5 years. There are on 2 years or 5 years. All vessels are on different different duration of the contract. Normally, we have 3 to 5 years of long-term contracts, but there are contracts for Seamec III and Princess which are on the spot market, and they are running into yearlong contracts and that too only on non-monsoon season.

Apart from that, Seamec II, Paladin and Diamond, they are on long-term contracts. And their rate range from \$9,000 to \$66,000 per day.

Udit Sehgal: And what about the new contracts, sir, that we have got for Swordfish, when does that start?

Vinay Agarwal: New contracts we have received for Swordfish, this is for a 2-year contract. And this in this contract, vessel will be deployed between 15th of March to 31st of March 2025. And it's a day rate is \$78,000 per day.

Udit Sehgal: Okay. So that is only a 15-day contract. So what happens..

Sunil Gupta: No, no, 2-year contract expected to start between a period of 15th March to 31st March.

Udit Sehgal: Okay. Right. Sir, just a suggestion from my side. Like next time certain improvements we could make in the presentation, that for each of the vessels, if you could get the charter rate and the time period. I know the ones which are in the short term, it may be not possible, but the ones at least on the long term, we can get what exactly are the charter rates, and we can understand it accordingly.

Sunil Gupta: Udit, While I appreciate your question, please understand that we putting these numbers on presentation is like giving everything to our competition. I would advise you that most of we are being covered by 3 analysts right now. And if you take their results report, you will find those data in that and in fact, you can approach to Bala who is hosting this call from Arihant, he can help you giving all those rates.

Udit Sehgal: Great, sir. And sir, regarding this new OALP-X, I think, which was launched today, I believe, at India Energy Week. So do we see any uptick in the exploration activities? And are we involved in that? Or are we involved only at the production stage?

Naveen Mohta: So as I mentioned earlier, now that government has come out with this thing. So it is going to be a huge growth potential for the company. Right now, we are looking at it from that development perspective only that as and when these exploration and all these activities start, there will be benefits, which will trickle down to us in the usual course of time.

So there are growth potential that are there. Right now, we are not looking on this opportunity as a developer ourselves because these are that require a very different kind of expertise and quite a high capex commitment. So right now, we are not looking to bid for those blocks and to go for the auction of these blocks. So right now, that is not the focus area for the company.

Udit Sehgal: But suppose an operator wins a block, and they are doing the exploration activity because I think right now, they are talking about exploring the Andaman area and a lot of offshore deep offshore basins, our ships suitable for that kind of exploration?

Naveen Mohta: No, no, no. So when you are when we are talking about those exploration, the exploration is always subsea or when we go into the deeper water below the seabed. So from there only this oil and gas comes out. Okay. So that is for the kind of drilling rigs and all those kind of equipment that can be done. We are having the vessel.

So once they have drilled oil from there when the structures are made, then only our work will start that, okay, we will help them in installation of those structure and then maintenance of those structure.

- Udit Sehgal:** Okay. So it will be a long-term story once the oil gas is discovered, then we come in for the support?
- Naveen Mohta:** Yes. It is a long-term story, but it is an exciting story that, okay, there are growth potential, continue for the company. It is not that company will stagnate somewhere or something like that, no. There are government is giving focus on the oil exploration. And as long as the government focuses on the oil exploration, the more the activity, the more the growth for the company.
- Udit Sehgal:** And do you think the area under the exploration under this policy, has that increased a lot from the earlier policies or do you see like you're saying...
- Naveen Mohta:** Yes. This time, they have added quite a lot of area in the offshore.
- Udit Sehgal:** Okay. Thank You Sir. And I'll connect with Bala regarding the other details. Thank you, sir.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Mr. Balasubramanian for the closing comments.
- Balasubramanian:** Thank you. Thank you all the participants and Seamec management team. Mr. Naveen Mohta, sir, and Sunil Gupta, sir, any final closing remarks from your side?
- Sunil Gupta:** Thank you, Bala, for hosting the call, and we assure our investors that the company is aggressively working for the growth and betterment and creating value to its stakeholders. Thank you very much, and see you in the next quarter.
- Moderator:** Thank you. On behalf of Arihant Capital Markets, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.