February 04, 2025

To,
Corporate Relations Department
BSE Limited
2nd Floor, P.J. Towers,
Dalal Street,
Mumbai – 400 001
SCRIP CODE : 543288

To,
Corporate Relations Department
National Stock Exchange of India Ltd.
Exchange Plaza,Plot No. C/1, G-Block,
Bandra Kurla Complex, Bandra (E),
Mumbai – 400 051.
SYMBOL : DEEPINDS

Sub: Transcript of Earnings Call pertaining to Un-Audited Financial Results for the Quarter and nine months ended on December 31, 2024 held on January 30, 2025

Respected Sir/ Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith the transcript of audio call recording of the Company's Earning Call to discuss the Un-audited Financial Results (standalone and consolidated) for the quarter and nine months ended on December 31, 2024 held on Thursday, January 30, 2025.

The Transcript will also be made available on the Company's website at https://www.deepindustries.com/call-transcript.html.

Thanking you,

For, Deep Industries Limited

SHILPA SHARMA Digitally signed by SHILPA SHARMA Date: 2025.02.04 19:10:56 +05'30'

Shilpa Sharma
Company Secretary & Compliance Officer
M.No.: A34516

Encl: a/a

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"Deep Industries Limited

Q3 & 9 Months FY '25 Earnings Conference Call"

January 30, 2025

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

Moderator: Ladies and gentlemen, good day and welcome to the Deep Industries Limited Q3 and 9 Months FY '25 Earnings Conference Call hosted by Adfactors PR. From the management, we have Mr. Paras Savla, Chairman and Managing Director; and Mr. Rohan Shah, Director, Finance and CFO to take the discussion forward.

I now hand the conference over to Mr. Paras Savla from Deep Industries. Thank you, and over to you, sir.

Paras Savla: Good evening, everyone. It gives me immense pleasure to speak to you all today as we present our third quarter and nine-month performance for the financial year 2025. Thank you very much for joining this call. I hope you all would have reviewed our Q3 and 9M FY '25 results and investor presentation, which are available on our website and on the exchanges.

I am also joined by Mr. Rohan Shah, Director - Finance and CFO, who will assist me in answering your queries. After my brief, he will share the financial performance of the company in detail, and we will then take your questions.

Globally, the energy landscape is witnessing a shift with the election of Mr. Donald Trump as President of United States. His administration is pro oil and gas drilling policies are expected to accelerate exploration activities worldwide. Additionally, the imposition of new sanctions on Russia has impacted crude imports for India, further emphasizing the need for in-house oil drilling and production capabilities. These developments reinforce the importance of bolstering domestic energy resource and infrastructure.

Mirroring the fortunes of the sector in U.S., India too is witnessing slew of reforms intended to draw in private and foreign companies to the upstream sector. The third quarter of this financial year saw pivotal reforms in the oil and gas sector, most notably the introduction of Oilfields Regulation and Development Act, amendment bill passed in Rajya Sabha in December 2024. Originally enacted in 1948, the updated legislation seeks to modernize India's energy framework, aligning it with global standards. By establishing a streamlined regulatory structure, the bill aims to boost investor confidence, minimize bureaucratic hurdles and promote initiatives such as hydrogen production and carbon capture.
Key measures include stable petroleum leases, a formalized dispute resolution process and incentives for enhanced oil recovery techniques. These reforms are expected to lower costs, stimulate domestic exploration and production and improve the viability of marginal oil fields. By fostering innovation and attracting global investment, the bill could unlock untapped hydrocarbon reserves, strengthen domestic capabilities and fortify India's energy security.

As we look ahead, our focus remains on enhancing operational efficiency, leveraging technology and pursuing opportunities that align with India's evolving energy needs. We continue to explore opportunities in production enhancement contracts, charter hiring of entire gas processing facilities and integrated project management services, the 3 segments that are expected to drive our growth over the next few years. We believe the ongoing policy support, coupled with favorable market dynamics, provides a strong foundation for sustained growth in the sector.

With this, I now invite Mr. Rohan Shah to provide a detailed overview of the financial performance for Q3. Following his remarks, we will be happy to address any questions you may have. Thank you.

Rohan Shah: Thank you, Paras bhai. Investor friends, thank you for joining the call today. Happy to share with you another stellar quarterly and nine-month performance of Deep Industries Limited. All the comparisons are on a year-on-year basis, which would provide fair evaluation.

Consolidated revenue from quarterly and nine months operations rose by 47% to INR 154.8 crores and 33% to INR 408.9 crores. The strong growth momentum in top line comes from execution of our orders as well as consistent new order flows. Tight control over costing and operational efficiencies have helped us post 53.1% growth in EBITDA to INR 75.3 crores in Q3 , with EBITDA margin of 46.1%.

For nine month EBITDA has shown growth of 37.9% to INR 201.3 crores. We have been maintaining margin in this range of 46%, providing us a decent cash flow to strategize our future growth trajectory.

Net profit for the third quarter and nine months stood at INR47.6 crores, up by 70.4%, and INR 127.9 crores, up by 44.6%.

Our order book has grown to INR 2,701 crores, 125% on year-on-year.basis.

The financial year 2025 is shaping up to be a pivotal year with the company on track to achieve its highest-ever revenue, EBITDA and net profit. Supported by favorable government initiatives in energy sector, we are well positioned to sustain our growth momentum. Our third quarter performance has further reinforced our financial strength driven by robust revenue growth and improved profitability. By maintaining a disciplined focus on cost optimization and operational efficiency, we remain committed to delivering consistent value to our stakeholders.

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

Moderator: Our first question comes from the line of Mukesh Panjwani from WC Securities.

Mukesh Panjwani: Congratulations, sir, for a great set of numbers. My first question is on the status of barge. Like what is the status right now? And have we secured a long-term contract or still we are exploring opportunities in it?

Paras Savla: SoAs we had updated the status on barge, we have completed almost, I believe, more than 95% of the work. Unfortunately, we are waiting for only one of the equipment, which is a little critical equipment, that has to come from U.S. and that has taken a reasonably a little long time. But however, we maintain our status that we should be able to get certain portion of revenue for this quarter, barring that it has got a little delayed, but now it's completely now on track.

Mukesh Panjwani: Okay. So by when can we see the deployment?

Paras Savla: As I mentioned, this should be happening only in this running quarter. So we'll definitely be having the glimpse of the revenues coming in for this quarter.

Mukesh Panjwani: Okay. And what kind of revenues now we should expect now the market scenario has changed? So still we can expect the last quotation you have given us? Or we should expect something higher?

Paras Savla: We purposely kept this area open, keeping because the markets are very dynamic. We had an opportunity to close the deal, but we thought that it is more feasible for us to wait by the time we have our barge ready. So just to comment on what kind of numbers would be, very difficult because we are also trying to explore if we are able to get a little higher rates to what we had anticipated. But having said that, we do not have any confirmative answer to that, that whether it would be in the same range or would be a little higher.

Mukesh Panjwani: OkayAnd my next question is, sir, about our new vertical, that is production enhancement contract. So how this vertical can become?

Paras Savla: This vertical basically is an operation, we are given around 8 oil and gas fields in the area of Rajamundry, and there is a certain amount of gas production, which is happening today in the block currently what ONGC is operating. And the nature of the block is the production has declined for various or several reasons.

Our job is largely to undertake that field, enhance the production. And then we have a sharing model of whatever the production that is enhanced from the levels that we have taken. So we are very very optimistic about this block, about the production and the potential that we have reviewed. And we think it is going to become one of the largest growth drivers as we go forward.

Mukesh Panjwani: Great. sir. And any bidding pipeline for this kind of contract that you can share?

Paras Savla: We have not bidded any PECs as of now, but there are a few PECs that have already come in, and there are many more to come in. So our focus definitely would remain on bidding this kind of opportunity, which gives the clarity over a period of 10 - 15 years or plus. And with the kind of experience and the expertise that we have in operating the fields, with the kind of equipments that we are running currently in the market, we have an upper hand to optimize the best out of these fields.

Mukesh Panjwani: Okay. And sir, what kind of revenue can we expect from this ONGC PEC contract in FY '26?

Rohan Shah: See, we are taking handover of this particular field by end of this quarter, and we'll start operating on this and we’ll start applying our expertise to increase the production. So primarily, for FY '26, we are anticipating revenue of around 6 months or so out of this PEC.

So, initial revenue would not be that great. But from FY '27 onwards, we can expect more than INR 100 crores out of it.

Mukesh Panjwani: More than INR 100 crores. Okay, sir. Iand in upcoming years, what kind of growth rate we can expect?

Rohan Shah: So we are all set for growth trajectory based on our existing order book and the new orders, which we are expecting to be awarded. We are expecting growth of more than 30% year-on-year for next 3 years.

Moderator: The next question comes from Siddhant Shah from Optimum Securities.

Siddhant Shah: Yes. So I just wanted to understand a little bit more on the growth trajectory. Apart from the acquisition, like apart from the barge and the production-sharing contract, how much organic growth are we expecting from our business?

Rohan Shah: So, organically, we are growing almost 18% to 19% year-on-year. So, my traditional services, both in natural gas and integrated project segment, they are growing with around 19% to 20% year-on-year.

Siddhant Shah: Just wanted to check on the production sharing contract that we won recently, and we are expecting this segment to grow going ahead. So the order that we win in this segment, the nature of the order, will it be as large as the order that we won recently? Or are there going to be smaller orders in this segment also?

Paras Savla: There could be a mix of the orders, depending on the kind of field. So it could be even smaller and it could be even much larger to the one that we have got. So that is basically dynamic. It cannot be static. It cannot be the same numbers because the fields are different, and the activities involved could also be different.

Siddhant Shah: Okay. And just on a ballpark time line, by when can we expect these new kind of orders to start coming in? I mean maybe FY '26 onwards, can we expect more of these orders? Or it will be more further on ahead?

Paras Savla: As I mentioned, there is a huge thrust on government to enhance the oil and gas activities. Having said that bringing out these PECs has already been now the process has already started. So it's about the timing. I believe, and it's my expectation that within a year, we can see some of such PECs coming out and getting awarded. But to time out exactly when that is going to happen, it would be a little difficult.

Siddhant Shah: Got it. So just approximately in a year's time, maybe there should be some movement is what you're expecting, right?

Paras Savla: It can be a good guesstimate.

Moderator: The next question comes from Raghu from Travest Capital.

Raghu: Congrats on a great quarter. Most of my questions are answered, but I just want to ask a kind of a long-term question for the next 2, 3 and above years. Are we going to enter into fields like shale and coal bed methane now because it is coming under a common license? So with the present rigs what we have, can we do the shale exploration? What is your view on this particular topic?

Paras Savla: See those areas are something that India definitely is going to discover in a certain period of time. And I don't see that opportunities to be very far because India is poised to increase the energy sector by ramping up more and more of these activities. So definitely, CBM or shale being an unconventional products or unconventional ways of drilling would become more popular. And I think if you talk about CBM today, I think it's already in the play. I mean there are big companies already producing a huge amount of quantities including ONGC in Northeast Belt. So I think shale is not very far. We are just there.

Raghu: And how far can we maybe 2, 3 years? And I'm talking about specifically the capability being developed for Deep.

Paras Savla: So the methodology of drilling either the natural gas wells or oil and wells and the CBM or maybe shale, the theory remains the same. So there is nothing in terms of having an extra ability or capability to drill these kind of wells or do these kind of activities. That is absolutely doable, and we can easily do this.

Raghu: Okay. Right now, we have the capability to even go for shale gas drilling?

Paras Savla: Yes, absolutely.

Raghu: That's great. That's great. I hope we get some orders there. Have a great quarter ahead.

Moderator: The next question comes from Nirvana Laha from Badrinath Holdings.

Nirvana Laha: Congratulations on yet another very good quarter. Sir, all my questions are regarding your subsidiary, Dolphin. So in the last con call, we had spoken about Dolphin's revenue potential for H2. And Rohan Sir, you had said by USD 2 million to USD 3 million revenue should be possible in H2. But this quarter itself, we seem to have booked about USD 3.5 million. So if you can give some outlook for Q4 for Dolphin's revenues without Prabha, what kind of revenues can be booked? And without Prabha, next whole year for Dolphin, what kind of numbers are you looking at? Do we already have an order book? Some clarity on this, please?

Rohan Shah: Yes. So in Q4 also, we can look for a revenue of around $2 million, $3 million in Dolphin [erroneously said Prabha] without the Barge revenue. And with regards to next financial year, the revenue would majorly from Barge. This particular opportunity, which we are working as of now, is not recurring opportunity. And so as of now, we cannot comment that in next financial year what other revenues we can book other than this Barge.

Nirvana Laha: Sure, sir. So apart from this quarter, will this current asset in class contract, will it get exhausted after this quarter? Or do we have another couple of quarters visibility after this?

Rohan Shah: Yes. So the current opportunity, which we are working would be exhausted by end of this financial year. And if we'll get another such opportunities, we can definitely book revenue. But as of now, it can exhausted by this financial year end.

Nirvana Laha: Got it, sir. Can you give me the receivable figure for Dolphin as of Q3 end? As of H1 end, it was INR164 crores. So can you give me the figure after Q3?

Rohan Shah: So the old receivables, which we were expecting to receive, has not yet been received. So those receivables would be -- which we expect to be received in current quarter. So receivables would be almost in same line. Maybe the recent revenue has been received.

Nirvana Laha: Okay, sir. You had said that you have one arbitration awards of around INR 33 crores to INR 35 crores. So that cash has not yet been received, is it?

Rohan Shah: Yes. It is under process for recovery from client. Order is already in our favor. So we are working on it to get the actual money.

Nirvana Laha: Okay. And sir, H1 revenues of INR 25 crores in Dolphin, those were also outstanding as of H1. So have they been collected?

Rohan Shah: Yes. Majority of that have been collected.

Nirvana Laha: Okay. All right, sir. Amazing consistency, sir. Wish you all the best for the next quarter and the coming years as well.

Rohan Shah: Thank you.

Moderator: The next question comes from Vimox Shah from Goyam labdhi Fintech .

Vimox Shah: Congratulations for the great set of numbers. So I think most of the questions are answered, but still, I have 2 questions. First one is like the company has entered into the JV with the Euro Gas Systems, right? How will this JV contribute to the company's growth and new capabilities will it bring to the Deep?

Rohan Shah: So with JV with Euro Gas, we had bidded a few projects for supplying gas processing equipments, but we didn't get award of it. So as of now, we are just awaiting for a few such tenders to be bidded under JV. So not sure how it will shape up in the coming future.

Vimox Shah: Okay. And sir, is it safe to assume that at least 30% to 35% growth for the upcoming financial year as well?

Rohan Shah: Yes. So we are quite optimistic based on our existing order book and the expected orders to be received. We believe on a consolidated basis, we should grow more than 30%.

Vimox Shah: Okay. And one last point is like, recently, you filed for the QIP, right, for the INR 350 crores. So what is the specific intent for this QIP? And what is the time line for this fund raise?

Rohan Shah: For next financial year, we have a capex plan of more than INR 500 crores, which is for the projects which we have already awarded and few of projects we are expecting to get awarded. In addition to the capex, we are also evaluating to such opportunities of acquisition of other businesses in our industry itself. So We would need some funds for acquisition as well. So all put together, our requirements shaping up more than INR 500 crores, of which we are planning to raise around INR 350 crores through equity and balance we'll be utilizing our internal accruals and maybe we'll take some debt as well.

Moderator: The next question comes from Pankaj Motwani from **Equirus** Wealth.

Pankaj Motwani: My question was on like in the earlier con calls, you mentioned that around INR 108 crores of arbitration award from ONGC was expected to be received. And like after reading annual reports, I found around INR 85 crores has been disclosed under the other current liabilities. So like my question was why this amount has not yet been recognized in the P&L statement?

Rohan Shah: Correct. So we had received an arbitration award in our favor for INR 108 crores, of which 75% amount has already been received, which has been parked under other current liabilities, as you rightly mentioned. We have not yet accounted that as income because ONGC had challenged that arbitration award in higher court. So we were just waiting for the award of higher court to be coming in our favor. And once it is crystallized that it has been awarded finally to us, we'll book that particular amount as our income.

Interestingly, we have received order from court also now in our favor. So we are just waiting for the final order to be served to us, and we hope if our client will not approach even higher authorities, then we have to book that in our revenue.

Pankaj Motwani: Got it. And one more question, like what is our current bidding pipeline as of this quarter?

Rohan Shah: So our current bidding pipeline is in range of around INR 700 crores to INR 750 crores, which we expect to get converted in next 3 to 6 months based on success ratio..

Moderator: The next question comes from Manan Shah from Moneybee.

Manan Shah: **Ya hi** Congratulations for a wonderful set of numbers. Most of the questions are answered, but I still have a few questions. So first question was relating to Dolphin. In Dolphin in stand-alone, you've booked some INR 11 crores of revenue. Is that also pertaining to the same to bring one asset in class or it is a different revenue that you do? Because in the stand-alone, the margins are relatively lower than what you had guided for this type of contract that we're executing.

Rohan Shah: Yes. So in stand-alone, it is different than the one which we were discussing. So in stand-alone, we have booked revenue out of one small contract of fabrication work. And we have booked almost 50% revenue in Q3, and we are expecting another 50% to book in Q4 out of that small opportunity in stand-alone Dolphin.

Manan Shah: Okay. Understood. My next question was relating to this production enhancement scheme. What my understanding is that for the current level of production, we will receive some sort of service revenue. Is that understanding correct?

Rohan Shah: Correct. So for current level production, we'll get fixed amount to maintain those levels and we'll get share in incremental revenue.

Manan Shah: Okay. So what will that amount come to because the current level of production, you must have an idea. So this is something which will be more or less predictable that we will get for the next year or whenever we commence this contract. So what sort of number will this be? And what will be the cost to service this revenue?

Rohan Shah: So the revenue or fixed price, which we will be getting to maintain the existing level of production, would not be that lucrative, it can take care of the cost which we would be incurring to maintain that. So our bullseye is on incremental production.

Manan Shah: Okay. Understood. And my last question was on in this presentation, we've highlighted on the offshore services that we are looking to get into. If you can elaborate a bit more on that, where are we focusing and what sort of opportunities exist over here that will be really helpful.

Rohan Shah: Yes. So with an acquisition of Dolphin, we have started entering into offshore segment with our first services under category of marine services, where we are planning to add a fleet of some tugs and vessels, like diving support vessel and platform supply vessels and anchor handling tugs. So our plan is to add these equipments in our fleet 1 by 1 and to put them on charter. So with marine services, we would be entering into offshore segment.

Manan Shah: Okay. So these assets, do we already own these assets and would we need to refurbish them? Or we have to acquire these assets?

Rohan Shah: So one anchor-handling tugs, we have already acquired and we have acquired under Dolphin's subsidiary with JV with some international partner. And that tug will start operation by end of this quarter itself. And eventually, we would be adding a few more equipments in coming time.

Manan Shah: Okay. So here, the contracts are, again, long term in nature or these are more shorter term? And what sort of margins can we expect to make in these type of services?

Rohan Shah: So contracts are available for both long term and short term, depending on the time and opportunity, we may choose entering into for long term or short term. Margins are quite lucrative. They are more than 50% EBITDA margin business.

Manan Shah: Okay. Understood. And any ballpark number that you would like to put that this asset can generate?

Rohan Shah: Little difficult as of now. I don't have those numbers in hand, but we can definitely share eventually.

Moderator: The next question comes from Sahil Jain from Seven Islands PMS.

Sahil Jain: I just wanted to ask a question related to the QIP. So by any chance, do you have a breakup for the funds which the company will utilize from the proceeds came from the QIP, and the time line for the same?

Rohan Shah: I already explained the requirement. So largely, it would be required for capex and 1 acquisition opportunity, which we are on advanced stage

Moderator: As there is a lot of disturbance from the line of current participant, we will move on to the next question. The next question comes from Shaurya Punyani from Arjav Partners.

Shaurya Punyani: Just 2 small questions. Sir, you mentioned you had a bid pipeline of INR 700 crores. So what is the success rate usually we have?

Rohan Shah: See, generally, it is almost 50% is what we believe our success rate is, depending on different verticals. In some verticals, we have even higher success rate. So on an average, you can take as 50%.

Shaurya Punyani: Okay. And sir, what are the margins we are looking forward? Like currently, we have 46%. So till what we can expect improvement?

Rohan Shah: So ya, we are quite hopeful to maintain this type of margins. So it should be in the range of 45% to 47%.

Moderator: The next question comes from Vileh Rai, an Individual Investor.

Vileh Rai: Congratulations on the great set of numbers. I have a couple of questions. Can you please share the broad range for charter rate of Barges similar in size to Prabha?

Rohan Shah: So there are 2 active options which we are evaluating for Barge. Like if you go for all-inclusive rate where you'll have to handle Opex as well, so they are in the range of $50,000 to $60,000 a day. And if you opt for a net of Opex kind of rate, they are in range of $30,000 type per day.

Vileh Rai: How have the rates been historically? Are we seeing higher rate these days compared to the previous year?

Paras Savla: Yes, yes, of course. I mean the rates have definitely gone up. And particularly, I think we had mentioned in the earlier call that the kind of Barge that we have is it's called a DP Barge, which is called dynamically positioned barge. So these kind of Barges are very rare in the globe. So they definitely command a higher rates as we go forward. So historically, if you have seen the rates have been always on the increasing trend.

Vileh Rai: Okay. And sir, can you also please share what is the amount of capex we'll need to incur for our production enhancement contract?

Rohan Shah: For production enhancement contract, we are estimating capex of around INR160-odd crores, and this we would be doing in 2 years' time.

Vileh Rai: Okay, sir. And sir, are there any difficulties that we might face for getting our incremental production? And will there be any penalties if we do not achieve the level?

Rohan Shah: So difficulties, we are not foreseeing because this field we know for more than 15 - 20 years now. And the way we have evaluated the field and production we believe will not have difficulties in increasing the production. There are no such penalties for not increasing production.

Moderator: The next question comes from Santanu Saikia from Indianpetroplus.com.

Santanu Saikia: I was just wondering, Oil India Limited has come out with a rig for 3,000 horsepower, and there's a new set of rigs which are coming out, and you're in a rig business very much, which are from ONGC with a 6-year contract. So asking for new rigs. So for new rigs at 6 years, you can probably amortize your entire investment. So are you looking at these kind of investments, 3,000 horsepower is a huge investment and then if it's a long-term contract, there also you would possibly gain. So are you looking at these kind of contracts?

Paras Savla: So we are evaluating various opportunities because what we are seeing these days, there is a lot of demand coming in not only in 3,000 horsepower, but 2,000 horsepower, 1,400-horsepower, 1,000 horsepower and in various areas. So we are trying to evaluate that how we would be able to participate and whether in what area and what capacity of rigs is something that we would be able to comment only after a reasonable passage of time.

But for now, we are poised with this kind of demand. And as we see, I think all the operators across India are experiencing a complete deployment of the existing equipment. So there is definitely a lot of opportunity in the market. Having said that, we are analyzing in which area and which segment or in which capacity of rigs we should be bidding as we go ahead.

Santanu Saikia: So if you were to look at a 2,000 horsepower rig, the new set of rigs that are being advertised for, a new rig is going to be considerably expensive. So then would you be able to have the capex to be able to buy a rig like this for a back-to-back deployment because then it will be way above your INR 500 crores capex that you are looking at?

Paras Savla: As you would have heard, we have kept that cushion already with us. Our Debt to Equity I are well under control. Currently, as we speak, our debt is -- almost we can say that we are net debt free. So we have a good opportunity and good possibility of raising debt as needed going forward.

Santanu Saikia: All right. So have you deployed your Barge already? I'm sorry, I came late in the conference.

Paras Savla: No, it's not deployed yet. We are evaluating the opportunity of getting thebetter rates.

Santanu Saikia: Okay. In Indian waters or all over the world?

Paras Savla: Currently, we are trying to deploy this Barge into international waters.

Santanu Saikia: Okay. Because in India, demand has to come up for that kind of Barge, right?

Paras Savla: Yes, absolutely.

Santanu Saikia: The demand mismatch perhaps with India. You'll be probably more comfortable in India, right?

Paras Savla: So the kind of vessel that we have is a very unique vessel. And this kind of vessel can command higher rates in international waters than in Indian waters. Moreover, in international waters, the workings are almost 10 to 11 months, whereas in Indian waters, the season is close to around 8 to 9 months. So we are trying to evaluate what best options we can get and the kind of revenue that we can get for the company. And basis that, we will decide in which area we should deploy. But for now, our intention is to get into only international waters for now, for the DP Barge that we're talking about.

Santanu Saikia: That's right. So are you understanding the market properly, because it seems like a pretty complex market with demand-supply going up and down and depending upon crude prices, depending upon E&P opportunities, etc.? So do you have a full understanding of the market? Or are you still understanding the market?

Paras Savla: We have a reasonable understanding of the market.

Santanu Saikia: Okay. Now these platforms supply vessels, etc., will you go with your Barge? Or are you looking at the Indian marine spread market here?

Paras Savla: Today, as I mentioned, this barge, the one that we are talking, we are not trying to get it into India for now. So getting aligned with the platforms that are available in India is currently out of question. But going forward, if we think that there are opportunities where we can deploy more Barges which are aligning to the requirement of the current platforms, we'll definitely evaluate that and go forward.

Santanu Saikia: No, I'm talking about your acquisition of tugs and platform supply vessels, will it be part of this Barge deployment? Or will it be a separate deployment in Indian waters against ONGC tenders or something?

Paras Savla: We have secured both separately. We have not combined it.

Santanu Saikia: Okay. So have we deployed the Barge already -- sorry, the tug that you have got as a joint venture, I think you talked about...

Paras Savla: It's almost finalized. And as mentioned, we'll be getting some revenues in this quarter, in the current quarter.

Santanu Saikia: Is there a private deployment or a public sector deployment?

Paras Savla: It is not in India. It is around Mexico.

Santanu Saikia: All right. So you are essentially looking at an entirely different market segment from the market segment that you are comfortable with, which is the Indian market segment, right?

Paras Savla: The reason being because we had this Barge working in Mexico, our first choice was very clear that we try and evaluate the markets in Mexico. But since we have already entered in this market, we will definitely try and work out opportunities that we get in India. So basis that, we'll keep buying the Barges and the vessels, whatever is needed, and deploy it here.

Santanu Saikia: So by when do you think your barge is going to be deployed, roughly?

Paras Savla: As I mentioned, it will be deployed in this current quarter itself.

Santanu Saikia: The current quarter itself, you'll be deploying it. Okay. So we're in active negotiation for deployment basically?

Paras Savla: Correct. Correct.

Santanu Saikia: Have you got a contract in hand? Or are you in negotiations with the contract?

Paras Savla: We are almost on last stages of negotiation.

Santanu Saikia: Okay. Okay. All right. So that's all I wanted to know. Do you think the gas compression business has become a little commoditized in the sense of there are many players in the business. There is a lot of undercutting of prices? Sometimes we see that your quotations are higher than most of the other joining some lately kind of players in the market. So what's really happening in this gas compression and, what is it called, when you take out the water vapor from it, I don't know what it is called. So that business where you started, in fact, along with the rig business. So how is that business doing?

Paras Savla: It's doing very well. And we have been strategizing it, looking to the demand supply and as I mentioned, we are still holding a reasonable amount of market share in that segment. I think we'll continue to do that.

Moderator: The next question comes from Gaurav Sachdeva from Sajag Fund House.

Gaurav Sachdeva: Sir, as you said, you will be requiring INR 500 crores for the expansion, and INR 300 crores to INR 350 crores through QIP and rest of through internal accrual. So what will be the source of the internal accrual? Will it be cash flows or will we be liquidating our investments, which is already around INR 170 crores?

Rohan Shah: Yes. So it can be both cash generation out of business, and we may utilize some investment as well. In fact, we have kept open option of taking debt as well.

Gaurav Sachdeva: Okay. So can you tell me how much investment will be liquidated?

Rohan Shah: See, that depends on the timing of the capex or the requirement, which will be shaped up in next financial year. So it cannot be said upfront how much investment we would be liquidating. But as and when opportunities kicks in and the liquidity available on that particular date, we can take decision.

Gaurav Sachdeva: Okay. And sir, are we still targeting INR 800 crores revenue by FY '26, as you said in the last con call?

Rohan Shah: Yes.

Gaurav Sachdeva: Okay. And any opportunity in the offshore wind segment we are getting since the government is pushing in the offshore wind through our Dolphin offshore. Are we getting any opportunity in this sector?

Paras Savla: So there are a lot of opportunities already running in the market, and we are trying to evaluate it. But for now, our intention is to get only into the charter hire business of these Barges and tugs and all those stuff.

Moderator: The next question comes from Raghu from **Travest** Capital.

Raghu: Yes. I just have a follow-up question regarding the QIP and the debt. Just forgive me if my calculations are off. I think we something around INR 150 crores to INR 200 crores of cash flow in the next 12 months. And we have a QIP for INR 350 crores. So why are we liquidating so much about 10% of equity when we can easily raise about INR 100 crores, INR 200 crores of debt, and you have anyway INR 200 crores of cash flow coming in? Please, can you explain me your understanding of why it is so high, the QIP?

Paras Savla: As I mentioned, the markets are very dynamic these days and the kind of demand and the demand of the services, the way it has evolved, we feel that in a period of next year or 2, there would be immense flow of orders to come in. We feel utilizing whatever the current cash flows are, along with the equity that we are trying to raise, will definitely need a huge amount of debt also going forward. So we feel that it's always better to have an amount of liquidity on hand because it could be also used to acquire.

As I think we had already mentioned in the call earlier, that we are looking in some opportunities to acquire some ongoing businesses. Of course, it has not finalized it yet, but the market is very, very dynamic these days. So it's always better to have the liquidity on hand. So as the opportunity gets finalized, you can always use that funds to acquire the businesses.

Raghu: Okay. Fine. It's because the demand is just too huge for executing the orders. I get it.

Moderator: The next follow-up question comes from Vimox Shah from Goyam Labdhi Fintech.

Vimox Shah: Yes. Thank you for allowing me a further follow-up question. So companies like expanding the onshore drilling business as well, right? So can you please provide an update like on the company's current onshore drilling assets? And what is the expected capital allocation for these segments over the next 1 or 2 years?

Rohan Shah: So onshore rigs, we are into this business for more than 15 years now. And currently, we are doing capex for acquiring 3 rigs, which is already under progress. And with the recent award, we are adding one more rig in the coming financial year. So depending on the awards, we would be adding a few more rigs in coming financial year. But since in our business, capex is generally backed by awards, so exact number we cannot quantify as of now.

Moderator: The next question comes from M.N. Kumar, an Individual Investor.

M.N Kumar: Sir, this is related to ONGC contract, where you are going to do the management of the current production. But as the fields are quite old, Godavari delta field. If there is a drop in the production from the current level, is there the penalties associated with that particular contract, sir?

Rohan Shah: So I think I have answered this question earlier. So we believe there are no such penalties on reduction of production.but our interest and opportunity is in increasing the production because we get revenue share in incremental production. And the study which we have done on this particular field, we are quite positive that this field we can easily start increasing production.

M.N Kumar: I got the second part, sir -- first part, I just wanted a double confirmation. So do we have the geologists which are needed for making all the decisions about what kind of technology to be deployed for increasing the production? My impression was that we are an asset company which we keep leading to the people for the usage and they make the decisions and we execute. Am I wrong in that one, sir?

Paras Savla: No. We have a group of geologists and reservoir engineers also as a part of our company. So while we are using our equipments diligently to enhance or increase the production, but that definitely requires a lot of understanding on subsurface or the geology. So we have a team of those experienced team who can help us identify what and all what we need to do to increase production.

M.N Kumar: That's great, sir. I didn't know the strength of this particular company. The second question is related to Selan's projects, sir. I think it is going to be executed maybe next 1 year or so. Where is this located? And how many rigs we have to deploy? What -- can you throw some light on this one, sir?

Paras Savla: So for now, we have dedicated one rig for Selan, and largely the wells that we are going to drill for them would be in around Gujarat region. Barring 1 or 2 wells that we are going to do in Northeast, but the rest of the entire wells are going to be done in the area of Gujarat.

M.N Kumar: Congratulations on a great set of numbers. It gives more confidence saying that the same tempo of growth is going to be seen more. Maybe we will even increase the rate of growth even further next year.

Moderator: The next question comes from Srikar, an Individual Investor.

Srikar: Sir, it's regarding our inorganic expansion, sir. So whom are we trying to like take into things, like rig owner or a seismic data provider or a maritime services provider? I mean, which company are we having, sir?

Paras Savla: It won't be possible for us to disclose to whom we are currently talking with because the deal is not yet finalized. But just to give an idea, it would be definitely with the equipment or the asset holders in various areas. Those are the target companies that we are looking at.

Srikar: Got it, sir. The next one is regarding our FY '26 guidance of around INR 800 crores. We just said that around 6 months of PEC is going to be executed in the FY '26, which is not going to cross INR 100 crores as per the management. So how are we going to reach that number, sir, around INR 800 crores?

Rohan Shah: Yes. So we are expecting full year revenue from Dolphin's Barge in FY '26, in addition to our growth in our existing business and as I said, around 6 months revenue from production enhancement. So all put together, we believe INR 800 crores is very much achievable.

Srikar: Okay. Will there be any guidance cut for this particular year, sir? Because earlier, we were guiding like INR 570 crores to INR 575 crores. So is it going to come down this year because the Barge is getting delayed?

Rohan Shah: Yes. So we are still holding the same number as in guidance for this financial year. We believe we could achieve that.

Srikar: The last question is regarding PEC rig from Oil India, sir. It was supposed to end today, the contract. Did we bid for it, sir?

Paras Savla: I think for some reason, I'm not very sure, but I just saw the e-mail today that the PEC, that one has been cancelled. I think there would be some additions and modifications probably coming up and that is probably the reason that they have cancelled this PEC. And in all probability, it seems that they may come out with the new one with some modifications.

Moderator: The next question comes from Vileh Rai, an Individual Investor.

Vileh Rai: Sir, can you tell the amount that has been spent on the renovation of the Barge?

Rohan Shah: So we have spent till now around INR 115 crores on the Barge refurbishment.

Vileh Rai: Okay. And sir, can you also give a broad range at what price level you might be able to sell our incremental production from our production enhancement contract?

Rohan Shah: So currently, natural gas is being sold at around $13 MMBtu. And we believe we'll be able to sell the gas in the same range or whatever market price would be prevailing at that particular time.

Moderator: Sir, the line for the current participant has been dropped from the queue. And as there are no further questions from the line of the participants, I now hand the conference over to Mr. Rohan Shah for closing comments.

Rohan Shah: Thank you, everyone, for joining this call. It was a pleasure to respond to your questions. And if you have any further queries, you can definitely approach us through Adfactors PR or you can directly connect us as wellfor any further queries. We would be happy to answer all your queries. Thank you.

Moderator: Thank you. On behalf of Deep Industries, that concludes this conference. Thank you for joining us. You may now disconnect your lines.