



SEAMEC LIMITED

A member of **MMG**
MM AGRAWAL GROUP

Regd. Office: A-901-905, 9th Floor, 215 Atrium, Andheri Kurla Road, Andheri (East), Mumbai 400 093, India
Tel.: +91-22-6694 1800 • Fax : +91-22-6694 1818 • E-mail : contact@seamec.in • CIN : L63032MH1986PLC154910

SEAMEC/BSE&NSE/SMO/TRANSCRIPT/2108/2025

August 21, 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 August 14, 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 Thursday, August 14, 2025, in relation to the Unaudited Financial Results of the Company for the quarter and three months ended June 30, 2025 (Q1 FY26) 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

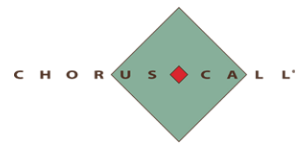
President – Corporate Affairs, Legal and Company Secretary

Please visit us at : www.seamec.in





“Seamec Limited
Q1 FY '26 Earnings Conference Call”
August 14, 2025



MANAGEMENT: **MR. RAJEEV GOEL – NON-EXECUTIVE DIRECTOR – SEAMEC LIMITED**
MR. VINAY KUMAR AGARWAL – CHIEF FINANCIAL OFFICER – SEAMEC LIMITED
MR. SUNIL GUPTA – VICE PRESIDENT, STRATEGY AND HEAD INVESTORS RELATIONS – SEAMEC LIMITED

MODERATOR: **MR. BALASUBRAMANIAN – ARIHANT CAPITAL MARKETS LIMITED**

Moderator:

Ladies and gentlemen, good day, and welcome to the Seamec Limited Q1 FY '26 Earnings Conference Call, hosted by Arihant Capital Markets Limited. As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this 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 from Arihant Capital Markets Limited. Thank you, and over to you, sir.

Balasubramanian:

Thank you, Palak. Good morning, everyone. On behalf of Arihant Capital, I welcome you to the earnings call of Seamec Limited for Q1 FY '26. From the management side, we have Mr. Rajeev Goel, Non-Executive 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. Rajeev Goel, the Non-Executive Director, to give his opening remarks, following which we will open the floor for Q&A. Over to you, sir.

Rajeev Goel:

Hello. Good morning to all. I'm Rajeev Goel, Non-Executive Director of Seamec Limited, and I welcome all of you to this investor conference for Seamec Limited for presenting our results for Quarter 1 FY '26.

The global shipping industry remains the foundation of international trade with the oil and gas sector continuing to be one of the largest value generators worldwide. I also have with me my Chief Financial Officer, Mr. Vinay Agarwal; and our Vice President, Strategy and Investor Relations, Mr. Sunil Gupta.

Entering 2025, the offshore oil and gas industry is on clear growth trajectory, supported by rising global energy demand, technological advancements and an active investment climate despite challenges from the supply chain inflation and the geopolitical uncertainty.

As of now, the global oil demand is projected to reach 103.9 million barrels per day in 2025, while the offshore drilling market is expected to expand from US\$36 billion in '23 to over US\$80 billion by 2033, a compounded annual growth exceeding 8%. Investment in deepwater and ultra-deepwater exploration enabled by advanced technologies such as AUV, ROV and AI-driven analytics are gathering pace across the globe.

India, with its 7,500-kilometer coastline and growing economic need is positioned to benefit significant from this up cycle. Policy initiatives taken by the government like Maritime Vision 2030 and the Sagar Mala program, along with the 100% FDI allowance in critical energy subsectors and the allocation of over 1 million square kilometers for offshore exploration underscore the government's intent to expand the oil and gas sector.

So in this booming environment, Seamec is advancing its leadership in the diving support vessel segment while executing a deliberate diversification into offshore support vessels and accommodation barges. This strategic fleet expansion increases our operational flexibility and

strengthens our ability to participate in a wider range of offshore projects, including EPC-linked assignments.

Operationally, the quarter saw solid execution across our fleet with 93% efficiency factor. Seamec Princess successfully completed the Pipeline Replacement Project VII and transitioned directly into the Pipeline Replacement Project VIII and the Daman Upside Development Project. This vessel completed its season on 17th June 2025 against the projections of 30th May 2025, thereby generating revenues for additional 18 days in the quarter.

The other vessel, Seamec 3, continued to generate consistent returns through extended charter hire period signed by way of addendum on its original BIMCO Charter Party agreement. Seamec 2 completed its dry dock well before the planned timeline of 30th September. So we are expecting the vessel to go back to the field by 10th of September, which is a saving of almost 20 days in the scheduled time.

Going forward, the acquisition of Nusantara by the company is well on track and the sale transaction is expected to be completed in August itself. And as of now, we plan to put the vessel in the field starting December '25 onwards.

We have received the shareholder approval for purchase of Seamec Anant and now the transaction has started for acquisition of the vessel by Seamec, and we expect to complete this by October '25. So overall, we remain committed to operational excellence and timely execution of all our ongoing present contracts.

With strong sector fundamentals and a clear strategic direction, we are confident that the financial year '25-'26 will be a year of execution, consolidation and growth for Seamec with the addition of these two high-value vessels, Nusantara and Seamec Anant. Our focus will remain on optimizing our fleet, securing value-accretive contracts and maintaining financial discipline to deliver sustained value to our stakeholders.

I will now hand over to Vice President, Mr. Sunil Gupta, who will take forward from here. Thank you very much.

Sunil Gupta:

Thank you, Rajeevji, and good morning to all. I extend a warm welcome to everyone joining us for today's Q1 FY26 earnings call. Let me take you through our financial performance for the quarter. Our consolidated revenue for Q1 FY '26 stood at INR 231 Crores compared to INR 223 crores in Q1 FY 2025, reflecting a Y-o-Y growth of 4%. On a stand-alone basis, revenue registered an increase of 2% over the same period last year. However, due to better operational mix and the charter hire, the consolidated EBITDA for quarter 1 stood at INR 117 crores compared to INR81 crores in Q1 FY '26 with Y-o-Y increase of 45%.

On a stand-alone basis, EBITDA rose by 34% to INR116 crores from INR 86 crores in the corresponding quarter of the previous year. On the profitability front, consolidated profit after tax stood at INR76 crores as against INR50 crores in Q1 FY '25. On stand-alone level, profit after tax moved from INR52 crores in Q1 FY '25 to INR80 crores in Q1 FY '26. Our ROC for the quarter stood at 11%, while ROE stood at 10% on consolidated basis.

We believe these results reflect our steady progress and resilience, positioning us well for the year ahead. Thank you. I will now hand it back to moderator to initiate Q&A session.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Harshit Jain from Trinetra Asset Manager.

Harshit Jain: My first question is, so the management fees has been around 3% to 4% of the sales and it is a significant increase over the years. So can you throw some light on that and when it would come down?

Sunil Gupta: Sumit, can you repeat the question?

Harshit Jain: The question is that the management fees is around 3% to 4% of the sales and it's a significant increase over the years. So when can we expect it to come down?

Rajeev Goel: See, the management fees that we are paying at present, it is well within the market benchmark. And the company has appointed Grant Thornton to undertake a comprehensive related party transaction, and we are expecting that report any time in the coming week. And once that report is received by us, basis the report, if there's any recommendation that this management fees needs to be curtailed down, the management will be more than happy to take such appropriate steps.

But if the report says that it is well within the market benchmark, I don't think we really require to bring that down. So we'll share the related party detailed comprehensive study from Grant Thornton with our stakeholders as and when we receive it.

Harshit Jain: Okay. My second question is, how much have we invested in our U.K. business? Earlier, it was mentioned that we are planning to invest less and bring back the money from the U.K. business. So can you throw some light on this?

Rajeev Goel: Yes. So in respect to the U.K. business, so as we –have always maintained that part of the asset will be used for our global operations because with our expanding fleet, we see the North Sea market as a great offshore operation opportunity. And the other part of the investment shall be brought back once the entire project is complete.

So when we initially envisaged and planned this project, so this project was selected to be completed by March '25. As of now, our plans are to complete this in another 12 to 15 months period. And we are on track. We have got the approvals. And once that is done, we will definitely bring half of the investment.

Harshit Jain: Thank you, sir. My next question is that the U.K. subsidiary is expected to turn cash flow positive only by financial year '27. So what is the cumulative loss projection until then? And how much it is expected to impact the consolidated ROCE?

Rajeev Goel: So actually, till the global operations commence till that time, whatever is the cost that we are incurring in the U.K. operations, that is all part of the capex. So as such, there is not a very

significant operational loss that we are foreseeing. And even to stop the interest burden on the loans that were granted to the subsidiary.

So the company in the past through proper expert opinion, and Board approval has already converted the loans into redeemable preference shares, thereby saving on the interest outflow. So as such, going forward, the major factor of interest has now stopped. And I don't see any significant opex cost coming into operations.

Sunil Gupta: Adding to what Rajeevji just said, I would like to highlight, in March '24 numbers, the operating total loss of overseas company was INR66 crores, which was last year curtailed to INR28 crores. And this year also, we expect that it will be substantially brought down. And as he said, gradually, we would like that our total operations become profitable.

Harshit Jain: Okay. So one final question from my side. What's the status on the Anant and Nusantara, acquisition? And when can we expect the deployment? And what is the revenue potential for the upcoming two years?

Sunil Gupta: See, as Rajivji mentioned in his opening remarks, we are about to complete the acquisition of Nusantara in the month of August, post which the vessel will be sent for dry dock, which is a mandatory requirement. Generally, the dry dock period is a three month period, and we would like to expedite that as much as we can.

With regard to Anant, the shareholder approval has already come. Now the other regulatory approvals are in the process. While the exact time lines may not be clear, but we believe that by October, we should be able to complete that and bring the vessel to water.

Harshit Jain: Okay. So sir, what is the revenue potential for financial year '26 and '27? And how much margin can we expect on these? How much margins can we expect in these vessels?

Sunil Gupta: See, generally, in our support vessel, we expect a margin of 30%, 35%.

Harshit Jain: Okay. So that's it from my side.

Moderator: Thank you, sir. The next question is from the line of Hitesh Agarwal from PL Capital. Please go ahead.

Hitesh Agarwal: Thanks for the opportunity. Sir, I have a couple of questions. So with the global offshore drilling expected to grow at 8% CAGR till 2023, how is Seamec positioning itself to capture a large share of deepwater and ultra-deepwater projects, especially in regions like West Africa and Brazil?

Rajeev Goel: As of now, we are not exploring Africa as a market for our operations. The entire fleet as of now is totally engaged on long-term charters for the next two to three years, except Seamec 3, which we are keeping aside for short-term charters. We have got ample opportunities on the East Coast side because that is a development which is taking place very smooth great pace and aggression. And Seamec 3 was deployed in last season also in the East Coast. Again, in this season, it is going to the East Coast. So we do not have any plans to actually explore the market as of now.

Hitesh Agarwal: Okay, sir. And sir, just a follow-up question. Do you currently have the technical capability for ultra-deepwater assignment? And are you evaluating any partnership with the international offshore contractors?

Rajeev Goel: So we are primarily an air diving and surface diving operation company. What we are doing is, we are coming forward and expanding our scope from a diving operating company to a subsea operator. And we are also exploring the market of Middle East, especially the oilfields of Saudi Arabia and the United Arab Emirates because that is where the company in the last two years has gained presence, has earned credibility.

And in fact, the vessel SWORDFISH has now been deployed for a period of two years with the Saudi ARAMCO. And that's a very big achievement because that is one of the toughest markets in terms of compliance and vessel maintenance and the rates are very good. So we are more focused on the existing fleet or adding similar fleets to enhance operations in the Middle East.

Deepwater diving is a totally different ball game. It requires a different capex planning, strategy planning. And as such, the field in which we are operating, we see a lot of opportunities. So that is not on the table right now.

Hitesh Agarwal: Okay, sir. Got it. Sir, just want to like squeeze one last question. So how does your bid success rate compare between domestic and overseas tenders? Can you just give a little bit idea on that?

Rajeev Goel: So in India, we all are aware that the entire Bombay high oilfield is owned and operated by ONGC. And as far as ONGC and Bombay high oilfield is concerned, so we are totally secured for the next four years with our ongoing tenders. On the East Coast, which is a fast, we are already working there in India right now at number one position in terms of preference credibility from the customers.

And as far as the Middle East is concerned, now that we have had our entry into the field...

Moderator: Sorry to interrupt you sir. Your voice is breaking, sir.

Rajeev Goel: So I said that now our plans for the next 5-year vision is to add more DSV vessels in the fleet to expand our presence in the Middle East.

Hitesh Agarwal: Okay. Okay, sir. Got it. Thank you. Thank you, sir.

Moderator: Thank you, sir. The next question is from the line of Jayshree Bajaj from Trinetra Asset Managers. Please go ahead.

Jayshree Bajaj: Thank you for the opportunity. As with all the vessels, like Seamec 2nd, 3rd and the Princess are still in operation. So how are you balancing maintenance with the replacement capex? And what is the preferred ROCE below which you would retire a vessel?

Rajeev Goel: So as of now, if you see the past 3 years, so this is a very good question, and I thank you for that. So we have been actively monitoring the aging aspect of our vessels. We have brought in Seamec Paladin. We have brought in SWORDFISH. We have now brought in Nusantara. We have now brought in Seamec Anant, which is brand-new vessel.

So with the addition of these four vessels, what we have scrapped is Seamec 1, an old vessel. The plans are now there for Seamec 2, Seamec 3 and Seamec Princess. They might run out of operation in the next 5 years as far as our vision is concerned. And that will be done by adding more vessels, newer vessels, younger vessels to the fleet.

As far as their ROI is concerned, so these vessels, the book value is almost nil because they have been almost, almost fully depreciated. And it is only a matter of adjusting my revenue against the opex cost of maintaining these vessels. And if I say you a very plain breakeven of even \$30,000 per day gives me almost 25% return on the operations of these vessels.

Jayshree Bajaj: Thank you, sir. That's a detailed answer. Next question is performance of this quarter is very good. And so how you are planning to sustain this profitability for FY '26 and next financial year after divestment of loss-making Dubai assets?

Sunil Gupta: See, the idea is that we, our diving support vessels are put to use in more consistent and continuous manner. Since Swordfish is on a 2-year contract, Seamec 2 after the dry dock will work continuously. Paladin is on a continuous contract. with the addition of Nusantara and Anant, they will also be on a long-term contract basis. So we believe that our vessels will work on longer contracts in higher velocity than previously. This will help both in terms of consistent performance as well as growth for the company.

Jayshree Bajaj: Okay, sir. Thank you.

Sunil Gupta: Thank you.

Moderator: Thank you, ma'am. The next question is from the line of Rahul Chaturvedi from Nexa Group. Please go ahead.

Rahul Chaturvedi: Hi. Am I audible?

Moderator: Yes, sir.

Rahul Chaturvedi: So, just wanted to understand beyond India, which overseas geographies are your primary growth targets in this year?

Rajeev Goel: So as I explained earlier in the call also, so we are now targeting Middle East, the oil fields of Saudi Arabia, United Arab Emirates, Qatar, Kuwait, Bahrain, Oman. And in the last 2 years, so one of our vessels, Swordfish has already successfully completed a charter of almost 15 months in Aramco. And now it has been redeployed for another 2 years in the same oil field. And now we are actively looking at expanding the fleet to have more vessels which can operate in these oil fields, and that is both expansion for the company in terms of top line and profitability.

Rahul Chaturvedi: Understood. And what competitive advantage do you believe we have compared to regional players in those markets?

Rajeev Goel: So as we all know that when it comes to Indian products versus the global products, so our cost of production/cost of services are way cheaper, whereas we maintain the same quality, same standards, same credibility in terms of delivering performance, in terms of delivering

efficiencies. And that is what is to our advantage in these two oil fields where we have all the global majors operating.

Our experience of almost 25 years in the diving charter vessels, that is another added benefit to us. Our core team, which has remained intact for the last 20 years, the experience, the knowledge that they have, that is another benefit to us. So on a consolidated basis, Seamec is well poised to explore this market and offer a very affordable and competitive rates to all the global majors.

Rahul Chaturvedi: Understood, sir. And I just wanted to check, are we planning on exploring some new technologies, maybe ROV, EUV in this year?

Rajeev Goel: So one of our vessels, Seamec 2 is already having an ROV on board. So we are actually using this ROV for almost like 10 years now. So we are not new to the ROV technology. But then these technical adjustments are far because of the customer demand rather than my wish list. So if my customer really wants me to use an ROV, wants me to use some AI-based technical equipment, I will be more than happy to do that, and we have the enough expertise and experience to operate such technical business.

Rahul Chaturvedi: Just wanted to understand does that help in improving operational efficiency if we use those technologies? Even if our...

Rajeev Goel: It is not a question of my operational efficiency. It is more a question of the cost of production that the customer is bearing. So we –all know if we use more and more advanced equipment, the cost of production will definitely go up. And it is for the customer to decide at what cost of production he really wants to engage in crude oil extraction. So if he is ready to spend more money, I am ready to provide the service.

Sunil Gupta: Secondly, also, this is dependent upon the kind of fields that we operate in. As we go deeper, definitely, the requirements will be met as and when needed.

Rahul Chaturvedi: Understood. Understood, sir. Thanks. That would be all from my side. All the very best, sir.

Sunil Gupta: Thank you.

Moderator: Thank you, sir. The next question is from the line of Deepak from Alpha Fund. Please go ahead.

Deepak: Thank you, sir, for the opportunity. My first question is the insurance claim for Seamec Diamond boosted revenue. So what was the nature of the claim? And how much we have received? And are there any recurring risk to the vessel operations?

Rajeev Goel: So when we brought this vessel Seamec Diamond, at that time, there were certain maintenance issues for which we incurred a significant amount. And those breakdowns were covered under the insurance policy, comprehensive insurance policy for the vessel. And subsequently, once the work was carried out and the vessel was sent to the field, we launched our insurance claim.

So the expenses were booked in the previous quarter. And after thorough verification as the process is, we have received our insurance claim. So this insurance claim is therefore treated as

other income in our quarter. And this is a full and final claim against the expenses incurred. And as such, no further claims are expected from the insurance company for Seamec Diamond.

Deepak: Okay, sir. Sir, and secondly, the next question is regarding the exit from the tunnel construction. The JV was withdrawn after 80% completion due to unavoidable circumstances. So does this signal a strategic refocus away from the diversification?

Rajeev Goel: So that tunnel project is already over for us as far as we are concerned. That was another significant experiment undertaken by the company to venture into the field of EPC construction in infrastructure projects. And because we were doing it for the L&T, which is one of the major Indian company into the infrastructure. So we undertook this project.

But as far as we now understand it that we should focus primarily on our MSV operation, the subsea operations. And as such, we have closed the project and we have accounted it, whatever the losses were they have all been provided in the books and we have no intention to enter into the infrastructure as of now in the within 5 years for us.

Deepak: Okay, sir. And sir, lastly, the JV in the GIFT City is nascent. So what revenue contribution is expected from the new cargo vessel and how will the 50% equity partnership with heritage shipping affect margins?

Rajeev Goel: So it is if you see this particular project was brought by Arete Shipping. It was again a very good opportunity to work in India and GIFT City is an initiative taken by the government of India to enable Indian companies to save the taxes. So we have our Dubai subsidiary, which is already operating bulk carriers outside India.

We got an opportunity to work within India and we're saving our taxes. And that is why we have formed this JV with Arete. So Arete is not only a financial partner, it is also a partner who is bringing in work through its experience, through its contracts in the bulk carrier, where our presence is not very significant.

We are primarily DSV operators. This is a business model in which we are getting risk-free returns in terms that we are into a bareboat charter where the risk of operations is not on us. So they will not contribute very significant returns, but a vessel operating company instead of investing in treasury at 7% or 8%, if it gets a better return of 15% to 16% in the bulk carrier business and also start making a name, I think that's a better financial planning for the company.

Moderator: Thank you, sir. The next question is from the line of Raj Patel from RK Securities.

Raj Patel: So a few questions from my side. I just wanted to know that can you throw some light on the current pipeline of the conformed contract for the rest of the financial year and what is the percentage of the revenue that we have already secured versus the still progressing?

Sunil Gupta: As I mentioned earlier, Seamec Paladin is on a long-term contract, where about 3 years are still ahead of us. In terms of Swordfish, it has a 2-year contract, which has started recently. Nusantara and Anant are on long-term charter. Once they are acquired and put to use, they will have about 3 to 4 years of remaining contract period. Seamec 2 contract is about, I would say, till March

'26. And Seamec 3 and Seamec Princess are currently deployed on spot market requirements. Our barge Glorious works in 7 months, which is non-monsoon period every year. I hope I have clarified about the contract players.

Raj Patel: Okay. Understood. And how does our order book look like as if we compare it towards the last year and what is the weighted average duration of the current backlog?

Sunil Gupta: See, our order book is strong. As I just mentioned, we are acquiring two more vessels. So definitely, the order book has expanded with those contracts of 3 to 4 years life remaining contract life. And as Rajeevji mentioned, all the vessels are currently in deployable state and are deployed. So technically, we are fully occupied.

Raj Patel: Okay. And my next question was that you mentioned that Seamec 3 lease rate was \$2,800 per day under the BIMCO charter party. So how does this not been compared to the prevailing market rate and are there any rate of improvement in near future for the upcoming contracts?

Rajeev Goel: No, I am sorry, but Seamec 3 rates in the entire last season was on an average of \$50,000 per day. This \$2,000 from wherever you're getting, I am very sorry if it didn't mention, it's a totally typo error on part of any presentation that the company has made. And in the coming season also, we are expecting similar rates. So we are not at \$2,000. \$2,000 per day it's nothing, it's the maintenance cost of the vessel actually. I am very sorry for such typographical errors on our part.

Raj Patel: Okay. And have we been able to secure the escalation clause linked to the inflation or fuel price and what would be the percentage of our current fleet operates under the fixed versus the spot rate?

Rajeev Goel: So as of now, there's only one vessel which we have kept aside for spot rates. Almost three, four vessels are on 4-year contract. One vessel is on 2-year contract and during the contract duration, we are not allowed to increase the charter hire that is fixed. And we take that into account when we are calculating our prices for the entire 5-year period.

So when we work out an average price spread over 5 years, where our margins will be higher. But by the time the fifth year comes because of inflation the cost increases, but the charter remains the same. So all those adjustments, price adjustments, we are all well taken care of when we are bidding for a particular tender. In terms of operational efficiency, in quarter 1, our efficiency was almost 90%. In quarter 3 and 4 for the coming season, we have already secured contracts for almost all the vessels. So that is why we are very confident on FY '25, '26 in terms of fleet deployment.

Moderator: The next question is from the line of Darshan Shah, an Individual Investor. Please go ahead.

Darshan Shah: Congratulations on a good set of numbers. I had a couple of questions. Based on what you told in the previous participant that you have one vessel kept aside for the spot market and the rest of are tied in the long-term contract. Now that Seamec Princess has been demobilized for the upcoming monsoon season, how does this affect utilization rate in Q2 as well as margins?

Because I think in the presentation, you also guided to the fact that EBITDA margins was due to higher utilization of Seamec Princess. So just can you throw some color on that front?

Rajeev Goel:

So in the Indian market, the monsoon season starts somewhere in the last week of May and it ends in September. And this is something which is constant. So if you see all through our last 10-year results, this quarter 2 is the monsoon season where the fleet deployment is very minimal.

And this particular period is utilized by the company for the maintenance of the vessels. And this is not confined to me, it is confined to the entire offshore fleet market in India. So quarter 3, quarter 4 and quarter 1, that is where almost 95%, 90% of the revenue happens. That is where the focus should be in ensuring complete fleet deployment. So Seamec Princess has completed PRP 7 in June 2025.

And now we have been awarded contract work for PRP 8 and this vessel is expected to go back to the field in the month of October to start work on PRP 8. In fact, just to add, we were also part of PRP 6 and PRP 5. So this vessel has been continuously operating in this PRP series of work for L&T and next season and then '26 and '27 is also booked for PRP vessel.

Darshan Shah:

Got it, sir. So as investors, I think your guidance to us would be to not look at it from a quarterly perspective, but more from a year-on-year perspective because then Q2 would be monsoon affected last year also. So then that gives us better idea?

Rajeev Goel:

If you see quarter 2 numbers in any of the past five years, so the revenue is very minimal. The cost is almost there. And that is a quarter where the company's maximum focus is to remain breakeven, not to incur any losses in the quarter.

Darshan Shah:

Got it, sir. And sir, any specifics on cost control measures that you're going to take for the whole year FY '26 to kind of maintain margins above FY '25 for the full year. So any changes, any cost control measures, any currency hedges that you're going to undertake?

Rajeev Goel:

See, running a fleet of old vessels vs running a fleet of a young vessel is always cost effective. The maintenance cost on old vessels is quite high. And that is what the company in the last three years has undertaken. So it is coming out of running the fleet of old vessels by deploying new vessels. And you can very well see that our maintenance cost is continuously on a downward trend.

Then in the terms of crew deployment, whereas our earlier fleet was confined to, say, six or seven vessels, now it has gone above 10 vessels. So we have more command on the crew wages. And in fact, the company is actively working on creating a pool of the crew that is required for the entire fleet so that going forward, we are not hit by abnormal increase in the crew wages.

Sunil Gupta:

Also, as Rajeevji mentioned earlier, reducing the dry dock period, doing the dry dock effectively add to the overall profitability and efficiency of the business.

Darshan Shah:

Got it, sir. Sir, next would be, is it the company's policy to give some revenue guidance and margin guidance for the next couple of years or at least for FY '26 so that we get a sense on what is the direction that you see internally where the company would be moving?

Sunil Gupta: See, there are various research reports which you can refer. However, you know the business is quite volatile. While you have seen this quarter number and we are very confident on growth in terms of revenue and profitability. I would restrain myself of giving any guidance. You can refer to research reports, they'll give you enough color on the subject.

Darshan Shah: And finally, last, I think there's a couple of good macro things that have happened for the oil and gas exploration in general. I think there was an article in May on ONGC finding new oil and gas reserves and then the Petroleum Minister's commentary on basically opening up the no-go zones and about 2.5 lakh of square kilometer area that they are going to kind of explore under OALP. So, all of that, are there any more potential revenue possibilities on that front? Any other news or companies evaluating in terms of some more business that can be generated from all of these government initiatives?

Rajeev Goel: So these are definitely very positive news for the company. But as a business, we are a company which is into the maintenance of the oil fields. So once the crude oil is actually started extracting from the bed of the seabed or the onshore bed and the oilfield has been set up, it is then that Seamec comes into operation. As far as exploring new oil opportunity or installing the oil field and the oil platform is concerned.

So if all these things are initiated by the government of India, we are quite hopeful that all these will transform into oilfield over the next five years to seven years, and that is where then Seamec will come into operations and provide the services. And keeping that in mind and the other thing is the Middle East market that we are quite focused on, we have actively plans for expanding our business.

Darshan Shah: So it's quite encouraging to know that you have a good visibility ahead of you. Thank you for all the detailed answers. Thank you.

Rajeev Goel: Thank you. Thank you.

Moderator: Thank you, sir. The next question is from the line of Deepak from Alpha Fund. Please go ahead.

Deepak: Sir, thank you for taking my question. Just a follow-up question on the question asked by my colleague. Just want to understand, is this an industrial practice to have that 3% piece of MMG, because this is something which I just want to understand what value addition MMG is building on for our company right now. So don't you think this will be much more investor friendly if you can remove those piece?

Rajeev Goel: So as far as industry practice is concerned, so as I said earlier during this call also. So this is related party transaction. We have engaged Grant Thornton to work out a comprehensive related party transaction review. They have completed their study. They are expected to submit their report in the coming weeks, which will be shared with the investors. This is a standard industry practice. The fees that we are paying to MMG is well within the market benchmark. In fact, it is lower than the mean of the market. The value addition of MMG is tremendous, because they bring with them lot of expertise, knowledge, contact and their advisory in deciding the value of the contract.

So while we are working on the charter hire aspect of that tender, that is where they bring their value addition. When we are deciding on our treasury operations, that is where they bring their value addition. When we are deciding on the dry dock cost, selection of dry docks, that is where they bring their value additions, because they have been actively engaged with the company for the last 15 years or so. So the value addition is definitely there. The fees benchmark in the eyes of the management is well below the industry benchmark. And I am very hopeful that Grand Thornton in its report will definitely vouch what we are trying to get here.

Deepak: Thank you, sir. Sir, just a question on the London part. If you can explain in detail what is the thought process there right now on that investment we have done?

Rajeev Goel: So, again, as I said in my call earlier, so the UK investment, there are two aspects to it. One is to set up a global office, because we really want to explore the North Sea markets, that is the North Europe comprising of the North Sea and the allied areas. And the other part is that part of this investment will come back to India once this particular development project is completed.

So our original time lines for completion of the project was March '25. But for approvals and reasons beyond our control and especially what is the geopolitical situation, so this has delayed by a period of almost 12 months to 15 months. But the impact on cost is very minimal here. We are not seeing a very significant increase in the project cost. So overall strategy remains the same, that part of the proceeds will come back to India, and we will have a global office to explore the North Sea market. Thank you.

Deepak: Thank you very much, sir. And I hope we are going to see these solutions as soon as possible.

Rajeev Goel: Definitely.

Deepak: Thanks.

Rajeev Goel: Yes. Thank you.

Moderator: Thank you, sir. Ladies and gentlemen, due to interest of time, that was the last question for today. I now hand the conference over to management for closing comments.

Sunil Gupta: We thank all our investors who have supported us so far. We are confident that we shall demonstrate sustainable growth and value for our stakeholders. Thank you and see you in the next quarter.

Moderator: Thank you, sir. On behalf of Arihant Capital Markets Limited, that concludes this conference call. Thank you for joining us and you may now disconnect your lines.