

February 12, 2026

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, 2025 held on 06th February, 2026

Respected Sir/ Ma'am,

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 31st December, 2025 held on 06th February, 2026.

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
Company Secretary & Compliance Officer
M.No.: A34516

Encl: a/a



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“Deep Industries Limited
Q3 & 9 Months FY '26 Earnings Conference Call”
February 06, 2026



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

MODERATOR: **MR. SUDEEP ANAND – SYSTEMATIX INSTITUTIONAL EQUITIES**

Moderator:

Ladies and gentlemen, good day, and welcome to Deep Industries Limited Q3 and 9M FY '26 Conference Call hosted by Systematix Institutional Equities. 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 a touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sudeep Anand. Thank you, and over to you.

Sudeep Anand:

Thank you, Heena, and good morning, everyone. Thanks for joining us today for the Q3 and 9 months FY '26 Earnings Call of Deep Industries. On behalf of Systematix, I would like to thank the management for giving us the opportunity to host the call, and also many congratulations for the great set of numbers.

Today, we have with us Mr. Paras Savla, Chairman and Managing Director; and Mr. Rohan Shah, Director of Finance and CFO. Now I would like to hand over the call to the management for the opening remarks, and then we can open the call for a Q&A. Thank you, and over to you, Paras bhai.

Paras Savla:

Thank you. Good morning, everyone, and thank you all for joining us today to discuss our performance for the third quarter and 9 months ended 31st December 2025. We sincerely appreciate your continued interest and confidence in Deep Industries. I trust you have had the chance and the opportunity to review our financial results, press release and investor presentation, which have been made available on the company's website and stock exchanges.

I'm joined today by our Director Finance and CFO, Mr. Rohan Shah, who will take you through the financial performance for the quarter and 9 months in detail after my remarks.

Let me briefly take you through India's macroeconomic environment and the evolving dynamics of the energy sector. India's energy sector is currently witnessing one of its strongest multiyear investment cycles.

The policy focus has decisively shifted from energy security to energy independence with a clear road map to mobilize over USD100 billion of investments in oil and gas by 2030 and a broader opportunity of over USD500 billion across the energy value chain. This includes accelerated domestic exploration, expansion of gas and LNG infrastructure, high refining capacity and deeper integration across upstream and downstream segments.

India's natural gas consumption is projected to grow by nearly 60% by 2030, rising from 188 MMSCMD in FY '24 to around 297 MMSCMD under the good-to-go scenario. In this constructive and fast-moving industry environment, our focus is not on chasing activity, but on disciplined execution, asset reliability and capital efficiency at the project level areas where our operating experience and integrated capabilities provide a clear advantage.

Now I'll speak about the operational performance highlights. During quarter 3 FY '26, Deep Industries continued to deliver consistent operational performance with a sharp focus on

safety, execution discipline and asset reliability across all operating sites. Our production enhancement operations at Rajahmundry field progressed as planned during the quarter.

During operations, there was a gas leakage incident, which was encountered at the site. This was an unexpected geological surprise encountered during operations through a swift response, strong safety systems and close coordination with ONGC and the regulatory authorities. The situation was successfully contained within 5 days, which is a rare outcome in such cases. And notably, we didn't have any casualty.

About the business momentum and order book. Across our core service offerings, onshore drilling, workover services, gas processing and production enhancement asset utilization remained healthy during the quarter. Continued policy thrust on expanding exploration acreage, strengthening gas infrastructure and enhancing domestic production capabilities is supporting sustained demand for integrated oilfield services. Our order book remains robust, providing multiyear revenue visibility and reinforcing confidence in our long-term growth outlook.

On the strategic priorities, as we move through the remainder of FY '26, our strategic priorities remain centered on maintaining the highest standards of safety and operational excellence, optimizing asset utilization and execution efficiency, thereby strengthening cash flow discipline and balance sheet quality and participating selectively in value-accretive domestic and international opportunities that are aligned with India's expanding energy ecosystem.

We believe this balanced approach positions us well to navigate operating complexities while continuing to create long-term value. In closing, I would like to thank our employees for their dedication and professionalism, our clients for their continued trust and our partners for their collaboration. We also thank our investors for their ongoing support and confidence in Deep Industries.

With that, I now invite Rohan, to take you through the financial highlights for quarter 3 and 9 months FY '26. Thank you.

Rohan Shah:

Thank you, Paras bhai. Investor friends, thank you for joining the call today. I am pleased to share with you another strong quarterly and 9 months performance of Deep Industries Limited. All comparisons are on a year-on-year basis, which would provide a fair evaluation.

I'll start with quarter first. For third quarter ended 31st December '25, revenue stood at INR 221.5 crores, up by 43.1% year-on-year. Tight control over operating costs helped us post EBITDA of Rs.110.1 crores in Q3 FY '26, reflecting 46.3% Y-o-Y growth with an EBITDA margin of 47.6%. We continue to maintain healthy EBITDA margins in the range of 46% to 48%, ensuring strong operating cash generation to support our future growth trajectory.

Net profit for the quarter was Rs. 71.3 crores, up by 49.8% year-on-year. For 9 months ended on 31st December, revenue from operations stood at Rs. 642 crores, registering 57% year-on-year growth. EBITDA for 9 months FY '26 was Rs. 318 crores, up by 58% year-on-year with an average EBITDA margin of 46.3%.

Profit after tax for 9 months FY '26 was Rs. 204.3 crores, showing 59.7% year-on-year growth. As on date, our order book stood at Rs. 2,967 crores, providing strong revenue visibility for the coming quarters.

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

Moderator: The first question comes from the line of Parth Agrawal from Bastion Research. Please go ahead.

Parth Agrawal: Hi Thank you for the opportunity. So I have two questions. One is around order book. So for the last few quarters, our order book has plateaued around INR3,000 crores. And our major client, ONGC has announced major capex for FY '27. So when can we expect a new series of order coming from those clients?

Rohan Shah: So regular tenders are being floated by various oil and gas producers, including ONGC. And we are regularly bidding those tenders related to our part of services. And I think for us, bidding tenders and getting orders on a regular basis is consistent over quarters. So, yes, it would be a continuous flow for us.

Parth Agrawal: Okay. So currently, what is the amount of orders that we bid for so far right now, with the future outstanding and allotment expanding?

Rohan Shah: So our current bidding pipeline is somewhere around INR800 crores tentatively. But since those are bids, amount may vary.

Parth Agrawal: Got it. And generally, a success rate is around 20%, 30%?

Rohan Shah: Yes, it is in some of verticals, it is more than 50% as well.

Parth Agrawal: Got it. Second is on the PEC project that you're doing for the ONGC. So are we producing above the baseline right now?

Rohan Shah: Yes. So in PEC, it is progressing well as per our expectation.

Parth Agrawal: Got it. And so in this quarter, how much percentage of revenue is coming from PEC, if you can say that?

Rohan Shah: So PEC, we have started recently. So it would not be measured in percentage, yes, though it is not much contribution from PEC this quarter. But in coming quarters, it will come up well.

Parth Agrawal: So if you are producing above baseline, then my expectation is that we are getting a good revenue share, right? So in that case, it should be contributing decently from my understanding...

Rohan Shah: Yes. But see, what additional you are generating over and above baseline is also material while calculating the revenue contribution. So we are seeing this in this quarter, contribution from PEC was somewhere around INR20 crores, which eventually would be ramping up over a period of time.

Parth Agrawal: Got it. So at some point, it would reach around INR100 crores per quarter kind of number or difficult to achieve that?

Rohan Shah: No, no. So our expectation from this particular project is around INR 150 crores on a year basis.

Parth Agarwal Okay Thank you so much

Rohan Shah Thank You

Moderator: The next question comes from the line of Rohit Priyadarshi from Mittal Analytics Private Limited. Please go ahead.

Rohit Priyadarshi: Hi thanks for the opportunity, Sir and Congratulations on the good set of numbers. Sir, I wanted to understand more on the macro environment front on the offshore drilling market. So is there any slowdown in offshore activity? Or do you still see strong demand?

Paras Savla: I think overall oil and gas industry is witnessing a good growth. Particularly, our interests are more into onshore activities. And therefore, we have an understanding that the demand is increasing in onshore activities. With regards to offshore, there is a traction, but we won't be able to comment exactly on how offshore [inaudible 0:13:01].

Rohit Priyadarshi: Okay. Okay. And sir, can you please also comment on the drilling and related services like demand related to vessels that we use in offshore activities?

Paras Savla: Sorry, I didn't get your question. Can you please repeat that?

Rohit Priyadarshi: Yes. So I was asking about the vessels that are required. So what kind of demand you are seeing related to the vessels?

Rohan Shah: See, primarily, we are looking towards the vessels which are more or less support kind of -- which are involving support services like our barge or anchor handling tugs or diving support vessel kind of. So, on those areas, we are witnessing a good amount of demand. And that demand is prevailing, I think, around the globe. So there is a good opportunity going forward.

Rohit Priyadarshi: Okay. And sir, in our Q3 revenues, we grew up to INR222 crores, which is a growth of 40% year-on-year. So I wanted to understand which segment contributed most to this growth, like onshore rigs, PEC or gas compression, if you can quantify the segments?

Rohan Shah: So, growth is almost in each segment. So as I said, production enhancement is something which is new, which has started contributing. And with regards to offshore services, they have also started contributing in full during the quarter. And of course, by deploying new rigs and assets in other verticals also, we are seeing good amount of growth. So I would say we are exactly going on as per our expectation, and this growth is very much visible.

Rohit Priyadarshi: And sir, is this growth more of volume driven or there is some pricing or day rate improvement also happened?

Rohan Shah: More of volume.

Rohit Priyadarshi: And, sir, last question would be on the offshore business, which is our Dolphin and...

Moderator: Mr. Rohit, you may rejoin the queue for the follow-up the question.

Rohit Priyadarshi: Sure, sure.

Moderator: The next question comes from the line of Manan Shah from Moneybee Investment Advisor. Please go ahead.

Manan Shah: Hi Thanks for the opportunity. First of all, I would like to congratulate the entire team and the management for consistently delivering since past 3 years. So very rare to find this sort of execution over this sort of time frame. So congratulations for that

My first question was on this production enhancement scheme. You mentioned that you expect to ramp up to, say, INR150 crores sort of output. So you are expecting this ramp-up to happen in the next year itself or it should be a gradual ramp-up over the next 2, 3 years? And also the incident which occurred, I believe, was at this particular site only. So will that lead to any sort of delay in the ramp-up?

Rohan Shah: Thank you, Manan bhai. Yes. So this INR150 crores revenue we are expecting from next financial year onwards. So maybe not full next financial year, but on a full year basis, probably '27-'28, we can reach over and above INR150 crores. To answer to your second question about that incident, yes, that was an unfortunate incident happened in production enhancement contract itself.

But as said by Paras bhai, we have contained that in just record time of 5 days and have avoided any losses pertaining to that. So I would say there would be a little delay in the revenue ramp-up because of this, maybe around 2, 3 months delay in ramp-up of revenue. Other than that, we are not foreseeing any negative out of this.

Manan Shah: Understood. My second question was on the Dolphin side. In the current quarter, we have booked some expenses or there is some increase in the raw material consumption. Our understanding was that the price that we have negotiated is post all expenses. So if you can just tell us what this increase in expenses in Dolphin has been?

Rohan Shah: Right. So there were certain amount of repairing were required as per client additional requirement in the barge. And since that asset is up and running, the expenses which we had incurred had posted into the operating expense. That is how in this quarter, it is appearing a little high.

Manan Shah: So this is a one-off. It is not expected to continue in the subsequent quarters?

Rohan Shah: Mostly, no. Yes. Repairing, you cannot comment upon or expect. But yes, you can say like that.

Manan Shah: Okay. Understood. Thirdly, on the order book side, generally, every quarter, since the past few quarters, we have been winning orders close to INR200 crores to INR300 crores. While this quarter, overall order wins have been close to this INR140 crores. So has there been a rollover to the subsequent quarter? And should we expect subsequent order wins or conclusion of these tenders that we have bid for in the Q4?

Rohan Shah: Yes. So we are expecting good amount of conversion in Q4 based on tenders bidden and in 1 or 2 we are L1 as well. So yes, I can see the order win for this particular quarter was not as high as it was in earlier quarters, but that can spill over in Q4.

Moderator: The next question comes from the line of Sanjay Shah from KSA Securities. Please go ahead.

Sanjay Shah: Good Morning Gentleman thanks for opportunity, my question was regarding given our PSU exposure, how comfortable are you with the receivable cycle? And are there any structural improvement in the payment time lines? And continuing to that ONGC and GAIL are key clients. How are you thinking about diversifying client exposure without compromising on margins?

Paras Savla: See, having said that PSUs do definitely have the largest market share in India and therefore it's not possible to completely get out of that PSU culture or to an extent, of course, we are trying to get to the private clients and which we have other than ONGC and GAIL. So we have our clients with Oil India, we have clients with GSPC LNG, Vedanta, Selan. So likewise, we are working almost with all the leading oil and gas producers.

But having said that, the kind of market share and the demand that has been generated from these 1 or 2 companies cannot be avoided. We have our exposures also with other clients and there we are constantly working on expanding our client base, which I'm very sure maybe in some short span of time could be witnessed. But it won't be very immediate.

And regard to comfort, we have been working with these clients now over 30 years. So we have a reasonable experience working with these clients and understanding the culture. And with that, we don't find any difficulty working with this client.

Sanjay Shah: Right. Sir, my second question was regarding new opportunities. What are the new opportunities what we see for our company? And what are the steps taken by the management to go ahead with that?

Paras Savla: With regards to the new opportunity, we are constantly thriving as we had said that we are working in 4 different verticals of our business. And each of the verticals have proved a fabulous outcome on each of this. So our idea is to expand our services into each of these verticals, each of the capacities because with the process plant, we are running a few process plants.

Our idea is to work on more of these such opportunities, which can help us expand not only the revenues, but also expand our profits. Likewise, we are also looking to get into a higher capacity rigs, which are the need of India today. So, we are actively working on those opportunities to get in that segment. So we believe for at least a few years from now, we have

got our hands full and with the new requirements that are generated in the market or from the clients would definitely take care of what all that you mentioned. And what was the other thing that you mentioned? Sorry, I...

Sanjay Shah: Yes, it was regarding the same new opportunities and how you see that scaling from management bandwidth and required fund for that?

Paras Savla: And there are all possibilities that new PEC should also come up. I think our clients would be firming up the requirements because this probably should have worked very good for the companies as well. So we see a good amount of growth if it has to come also from PEC.

Moderator: The next question comes from the line of Karn Bhargava, an Individual Investor. Please go ahead.

Karn Bhargava: So I just have one question regarding your Kandla Energy acquisition. Sorry if you have addressed this before, but I need a little bit more clarification on this. So, you've had a INR250-odd crores write-off last year in the fourth quarter. And in the Kandla annual report balance sheet, you still have about INR208-odd crores of doubtful receivables. So can we expect another write-off coming from this?

Rohan Shah: So we are giving our attempts for recovery of those old receivables. And once we would be having a clear and fair idea about what amount will be recovered and what we will not be able to recover, we may go for some provisioning, but we are not expecting any such provisioning in this financial year.

Paras Savla: And also having said that, we'd like to reiterate that the -- we have not paid any amount towards this outstanding. So this was a part and parcel of the company that we got in. So, this is an additional effort that we are trying to see the maximize or to maximize whatever recoveries that we can make.

Karn Bhargava: Right. So if I'm not mistaken, you acquired it from the IBC for about INR1 lakh, right?

Rohan Shah: No, no, for INR2 crores, around INR2 crores.

Karn Bhargava: Sorry, my bad. My understanding was wrong. So you have acquired it for INR2 crores, and you've already done a write-off of about INR250 crores and potentially another INR200 crores by write-off is expected. So what was the reasoning behind acquiring a company which is potentially causing you to write-off close to INR450-odd crores, which is more than 2 years of your earnings, if I take the last 2 years?

Rohan Shah: Yes. So our interest in acquiring this particular company was largely the hydrocarbon fluids, which they use to manufacture in their good times. So those hydrocarbon fluids, we are using in our drilling processes, and that can be our, I would say, one of the major inputs while drilling wells.

And with this, we can achieve some amount of backward integration. So that was our prime intention to acquire this company. Also, it was available at a very reasonable price along with some real estate properties. So that was our primary intention to acquire.

Moderator: The next question comes from the line of Deepak from IGE India. Please go ahead.

Deepak: Yes, sir. So we have a muted growth on Q-o-Q despite we have a PEC contract revenue this quarter. So which segment or which product of ours has given the lesser growth this quarter, Q-o-Q basis? And also, if you can provide us the guidance on the revenue for next year? And what's the status on the QIP?

Rohan Shah: So Q-on-Q, there can be some projects maybe spilling over to next contract, and there can be 1 or 2 contracts or assets which may be in transit from one contract to another. So there can be reasons during this quarter. So generally, we advise our investors to review our performance on a yearly basis rather than quarterly basis because these are all long-term contracts. And in second quarter, contribution from PEC is also not that significant. So more or less results are in line.

Deepak: Okay. And sir, revenue guidance and any status on QIP?

Rohan Shah: So based on our existing order book, we are pretty confident that for next year also we would be having growth of more than 30%, 35%. And the similar growth we can expect next to next year as well, depending on the new orders which we are getting on a regular basis. With regards to QIP, we have just paused that process as of now, and we are not going ahead with it.

Deepak Okay Thank you

Moderator: The next question comes from the line of Gaurav Sachdeva from Sajag Securities. Please go ahead.

Gaurav Sachdev: Sir, first on -- that the PEC fire incident, the well has been permanently capped. What is the status as of now? Has it been permanently capped?

Paras Savla: No, no, no. It is not permanently capped. It is capped temporarily. And once we have our rig that is expected to come within 3 months, so once we have that rig going, we will try to recover that well and try to produce from that.

Gaurav Sachdev: But you will only -- I mean, it's not mandatory, you will only try to recover it?

Paras Savla: Of course, we'll try to recover it.

Gaurav Sachdev: Okay. And can you tell the total financial loss in this incident because I think as per the sources, one rig has been destroyed in this?

Paras Savla: Rig has been destroyed. Certain portions of rigs have been destroyed. And we have the necessary insurance for ensuring that our losses are recovered. But we don't find major losses towards any other thing. There would be a few amounts that we are not still aware about because that assessment is still going on. But we don't feel that it should be significant.

Gaurav Sachdev: But who will be funding these losses...

Paras Savla: We have covered very well, not only on the rig side, but also on the well side.

Gaurav Sachdev: But sir, as per the news, ONGC has declared 10,000 ex gratia to the nearly 5,000 families and a 100-bed hospital, who will be funding these things?

Paras Savla: See, ex gratia has nothing to do. When you are itself telling ex gratia, it is out of something responsibilities or whatever that ONGC is already operating in that area for years together. And they have definitely a larger infrastructure and ONGC being the largest PSU, they have been doing the CSR activities for years together.

So this incident of giving an amount on ex gratia, I don't think it is contractually there is any liability towards us. So that is something that ONGC would have done it, but it does not have any implication as we speak on us.

Gaurav Sachdev Thank you Sir

Paras Savla Thank you

Moderator: The next question comes from the line of Ankur Sawaria, an Individual Investor. Please go ahead.

Ankur Sawaria: Thanks a lot for giving me opportunity. I really congratulate the management for giving a stellar performance quarter after quarter. And I also think that I also agree with you, sir, that you have postponed the QIP because the last 1.5 years, we have given -- you have given excellent results and the share price hasn't shown in the prices that it should have shown. My question regarding is, sir, as of now, what is the status of the court case that we are ongoing with ONGC in the Supreme Court, sir?

Paras Savla: Sorry, can you please speak a little loud? And can you please talk -- which case are you referring to?

Ankur Sawaria: The court case that you have, sir, in the Supreme Court regarding the INR180 crores that you feel that you will get?

Paras Savla: We have already got a good amount already from the same. And the matter has been contested by our client, and it is currently not in Supreme Court. It is lying with high court. So as we mentioned that we have already won this case at the arbitration level, then we have already won it at a commercial court level and now the matter is with the high court. We don't know, we cannot time exactly when the court orders are going to come or what. But best we anticipate that it should be in the next 3 to 6 months.

Ankur Sawaria: Okay. And sir, this year, I think you will do some revenue of about INR850 crores. Are you confident that a 30% jump that is somewhere about INR1,150 crores is possible for next year?

Rohan Shah: Sorry, sir, your voice is not getting clear. If you can speak little louder or can take the hand phone.

Ankur Sawaria: Sir, Is it clear now?

Paras Savla: Yes, now it's better.

Ankur Sawaria: Okay. Sir, are you confident that the revenue this year, I think we are somewhere close around INR850 crores. The revenue will grow to INR1,150 crores next year. Are you confident about that, sir?

Rohan Shah: Yes. Based on our existing order book, we are quite confident on that.

Moderator: The next question comes from the line of Rohit Priyadarshi from Mittal Analytics Private Limited.

Rohit Priyadarshi: Thanks for the opportunity, Sir, my question is related to the Dolphin or Prabha DP2 Barge. Sir, what was the approximate revenue and EBITDA contribution in quarter 3 from these?

Rohan Shah: So I think Dolphin's results are also in public. So it would be clearly evident from that. Currently, I'll just tell you what exact contribution is coming from Dolphin. It has contributed around INR30 crores on revenue and almost INR13.5 crores on profitability by Dolphin for the quarter.

Rohit Priyadarshi: Okay. And sir, from the Prabha DP2 Barge that we have, can you tell me the approximate revenue and EBITDA from that also?

Rohan Shah: Sorry, Prabha DP2 Barge?

Rohit Priyadarshi: The revenue that we are generating from Prabha DP2 Barge?

Rohan Shah: Yes. How much, sorry? We are expecting around INR100 crores from that particular asset in current financial year as revenue.

Rohit Priyadarshi: Okay. Okay. Understood. And sir, on the utilization level, are we fully utilized here?

Rohan Shah: Yes. So currently, we are operating that single asset, and it is 100% utilized.

Moderator: The next question comes from the line of Manan Shah from Moneybee Investment Advisor. Please go ahead.

Manan Shah: My question was on Kandla. So now it's been almost 9, 10 months since we acquired that asset. When are we looking to see that asset commercialize and start contributing because I believe it was supposed to lead to some sort of margin expansion for you as well?

Rohan Shah: Correct. So as per original plan, it should start contributing from FY '27. So we are working towards it. So in this particular financial year, we are not expecting anything out of that.

Manan Shah: Okay. But in the next financial year, is it in the first half or the second half that you are targeting?

Rohan Shah: We are targeting second half.

Manan Shah: And would it require any sort of capex?

Rohan Shah: Yes, it would, but not a major one.

Manan Shah: Okay. Secondly, on the bid that we have, bid pipeline of INR800 crores, does this also have any sort of bid that we have bid, which would require us to require -- acquire any asset on the offshore side? Like I believe we were looking to add more vessels in the offshore segment, either tugs or platform support vessels. So is the current bid pipeline inclusive of that?

Rohan Shah: No. The INR800 crores does not include the offshore bids.

Manan Shah: Is there any separate bid pipeline for that as of now?

Rohan Shah: For offshore, as of now we are on evaluation stage. So bidding is not yet done.

Moderator: The next question comes from the line of Diwakar Rana from Prudent Equity. Please go ahead.

Diwakar Rana: Sir, my question is a macro one. So can you explain how does the lower crude oil prices impact our business?

Rohan Shah: So in our business, entire revenue is coming from services, which are more of support services to oil and gas sector. And these services are more of inevitable in kind of nature. And so it has very negligible or, I would say, least impact on crude oil price because whatever crude oil price would be, these services would be required.

Diwakar Rana: Okay. Okay. Sir, just two more questions. Sir, after this Venezuela episode, US is going to increase the production of Venezuela oil. So do you think you can capitalize any opportunity there in terms of barge or any other products you have?

Rohan Shah: Yes, there can be an opportunity. So it is just a recent development. So it would be difficult to comment upon. But yes, since we have also entered into offshore support services, we can have opportunities in those regions as well.

Paras Savla: And as a matter of fact, even our government and our honourable Prime Minister is having a thrust to produce more oil and gas within the country. So, I think with that kind of things that are moving in the country, that will also give a big amount of boost to our segment within India. So we are equally excited to look at the opportunities in India as well as any other countries possible.

Diwakar Rana: Okay. And sir, one last question. Sir, you said you are not going ahead with the QIP. So does this impact our future growth and capex plan?

Rohan Shah: Not really because we are generating some handsome cash from business, and we are very much comfortable on our debt levels as well. So we have a huge opportunity to raise debt as well as and when required. So largely we'll be able to manage without QIP.

Moderator: The next question comes from the line of Abhi Shah from Siddhi Technologies. Please go ahead.

Abhi Shah: So I have one question regarding the onshore vessels that were going to be inbound from China. So what's the status? It was going to be deployed in December. And one of the vessels or rigs, I would say, were going to be deployed in Q4. So can you just elaborate the status, what is the status of both the rigs?

Rohan Shah: So the rigs, it was rigs, not the vessel. And rigs which we were intending to deploy in December have already been deployed. And the rig which we are expecting in Q4 would be deployed somewhere in first week of March.

Abhi Shah: Okay. And what the revenue can we expect from both of those rigs? Any status upon that, if we can?

Rohan Shah: Those numbers I need to check, but definitely, it will contribute to incremental revenue for Q4.

Moderator: The next question comes from the line of Gaurav Sachdeva from Sajag Securities. Please go ahead.

Gaurav Sachdeva: Sir, just a follow-up question. Since you told that it will take around 3 months for the rig to come and there is no confirmation when the well will be capped off and services will be resumed in the PEC contract. So will it affect our Q4 revenue and further quarter revenue and margins also?

Paras Savla: So, as I mentioned, it will take us a quarter or so to bring the new rig. But having said that, there would be a definitely a certain impact on it. And today, with the PEC contract, we are working on 40 different wells. So, the one that the incident has taken place was one of them. Of course, that was a substantial of it.

But having said, we have other 39 wells with us, and we are flowing a lot of gas from many other wells. So there could be a little impact on the incremental gas that we were to produce from this well. But barring that, everything is under control.

Gaurav Sachdeva: Okay. And sir, the order we got from GAIL, is it a renewed contract or a totally new contract?

Paras Savla: It's a new contract. The one that we -- you're talking about the one that we had given out to the exchanges, right? Are you talking about the same?

Gaurav Sachdeva: Yes, yes, yes.

Paras Savla: New orders.

Moderator: The next question comes from the line of Shekhar, an Individual Investor. Please go ahead.

Shekhar: Thank you for the opportunity sir, It's a little bit macro side. So, we have this carbon capture utilization and storage scheme, which has got INR20,000 crores of funding. If we look at the mechanism over there, carbon capture is not in our expertise, but capture -- I mean, compressing the carbon atom or transporting it or injecting it into the mature wells for enhanced oil recovery or to storage it, we are actually having too much of technological overlap, sir.

So are we looking into this kind of a segment like the CCUS, which is right now in a pilot stage, but can we expect it to be a very major growth vertical, just like how SLB and Halliburton are currently doing for many people.

And the second one, I mean, one is this to reduce the terminal value for our oil and gas business. One is CCUS. And the other 2 are compressed biogas and hydrogen. For compressed biogas, we have the 5% mandate, which is actually voluntary -- I mean, mandatory from FY '28, '29. So how are we seeing this? Because even in compressed biogas, we have to like seeing this compression and dehydration as a service.

But the total addressable market size for compressed biogas doesn't seem that huge. But for this CCUS, it looks so huge, no, sir, because out of the total 100%, around 20% to 30% goes to the storage and processing there. So are we looking at this particular thing as a, something which can reduce our terminal value, sir?

Paras Savla:

I'll just try to answer both of your questions in one answer. See the markets with oil and gas, like any other markets are evolving. There are a lot of technological changes are happening, a lot of new products, new lines of businesses are evolving around the main line of business. So currently we are evaluating many opportunities, the one that you mentioned about the carbon capture, the one that you mentioned about biogas and all.

So we are actively looking into each of these segments, and we are trying to align with our main line of business. As we speak today, nothing of it is firm, but we are actively looking out at every of this opportunity. And upon an appropriate time, we will definitely try to get into such business where we feel that it could be a good equation and with the kind of philosophy -- business philosophy that we have at Deep Industries.

Moderator:

The next question comes from the line of Pankaj Motwani from Equirus Capital. Please go ahead.

Pankaj Motwani:

Thank you for the opportunity, So, I have one question on line of the capex plan. So earlier we have capex plans for the PEC of around INR160 crores and some capex in the -- for the rig and gas processing also and also some acquisition plan in the Dolphin. So now with the QIP now paused, so now how does the company plan to fund this capex and initiatives?

Rohan Shah:

So, the regular capex of gas processing plants and rigs, we are being funded through internal accruals and loans. So as I said earlier, we have a very low debt on our books, and we are pretty comfortable to increase it to a certain level. So largely routine capex would be funded from internal accruals and debt. With regards to PEC capex also, we would be funding it through accruals and debt funding. With regards...

Pankaj Motwani:

And what -- yes, sorry, yes, continue.

Rohan Shah:

Yes. With regards to acquisition of targets, it can differ a bit or maybe in next year.

Pankaj Motwani:

Okay. So we are waiting for the QIP or like we will take debt for those acquisitions?

Rohan Shah: As of now, we are not going ahead with it. But yes, in future, at opportune time, we may think. But as of now, no.

Pankaj Motwani: Got it. And just one more clarification. So, like, I just want to know like where is the Prabha Barge currently deployed? Because as per my sources, it got shifted from Mexico to Africa. So any reason for the change in deployment?

Rohan Shah: Yes. So, Prabha is currently deployed in African waters.

Pankaj Motwani: Any reason for change in deployment?

Rohan Shah: Sorry, I didn't get your question.

Pankaj Motwani: Just want to know like -- so earlier it was in Mexico, and now it has been shifted to Africa. So any reason for change?

Rohan Shah: Yes, it can be floated from region to region, right?

Pankaj Motwani Okay got it thank you

Moderator: The next question comes from the line of Kapil Kumar, an Individual Investor. Please go ahead.

Kapil Kumar: I joined the call a bit late, not sure if this is already discussed. Regarding the fire in the Andhra well a while back, just wanted to understand, is there a penalty clause in the contract with ONGC? If yes, why hasn't been any provision made in this quarterly result?

Second related question is with the loss of the product there, the gas, while we were expected to maintain some baseline production that might get affected. So how will ONGC be compensated for that loss of product in the well?

Paras Savla: So we do not have any such provisions in the contract for claiming any loss or penalty. But if you don't produce the gas in itself is a penalty to you because if you're not producing, you're not reaching the minimum threshold. And therefore, that is in itself a penalty. So there is nothing as an external penalty, but our thrust is to bring back the well and the production in place very soon. And once we are out, we'll again come resume where we were.

Kapil Kumar: Okay. How much of the PEC contract value got affected because of that fire, let's say, that accounted for 2%, 5%, 10% of overall expected volumes?

Rohan Shah: So it has been deferred, I would say, because we will not be able to produce from that particular well at least for 2, 3 months. So the incremental revenue is deferred now for 2, 3 months.

Kapil Kumar: Okay. And it doesn't bar us from any future ONGC contracts, the accident, that event that happened there?

Paras Savla: No no, nothing of that. That has got nothing to do. Accidents, I not say that it's very common, but this is part and parcel of oil and gas business. So even such kind of incidents happen with other contractors or with ONGC themselves. So it is not something that because of this you have any penal actions and all. This is something that is a part and parcel of an oil and gas industry.

Kapil Kumar: Okay thank you so much for answering my questions

Paras Savla Thank you

Moderator: The next question comes from the line of Shekhar, an Individual Investor. Please go ahead.

Shekhar: Sir, it's regarding HF Hunter and the other vessel under Dolphin Offshore, it has been relocated from Mexico to Argentina. So are we getting any premium day rates, sir, because it's harsh environment in Argentina?

Rohan Shah: Sorry, if you can repeat your question. I am not getting it clear.

Shekhar: It's regarding the other vessels, sir. In Dolphin Offshore, we have other vessel, which is HF Hunter under JV, right?

Rohan Shah: Correct.

Shekhar: So it has been moved from Mexico to Argentina.

Rohan Shah: Yes.

Shekhar: So Argentinian waters are very harsh. So are we getting any premium day rates?

Rohan Shah: So they are in line with what we were earlier used to get.

Shekhar: Okay. And the other one is regarding this India-US trade deal, they are saying that the customs duty on the industrial goods imported from America, we are going to waive it off. So we are actually importing a lot of compressors and stuff from America. So is it going to positively impact us because the cost is going to reduce because of this trade deal?

Rohan Shah: Yes, definitely. Though we can get the duty credit. But if duties would be reduced, it will definitely help us reducing our capex.

Shekhar: That's great. That's good. And the other one is regarding the acquisition of vessel. So how many more months are we expecting to finalize the contract and buy out a vessel under dolphin?

Rohan Shah: So we are actively evaluating, but we would follow the policy which we otherwise follow in Deep is we acquire assets or we do capex only on getting firm order. So once we have order in place, then only we can go ahead and buy the asset. So I think that policy we would follow in Dolphin as well.

Moderator: Thank you. Ladies and gentlemen, as there are no further questions, I would now like to hand the conference over to Mr. Rohan Shah for closing remarks.

Rohan Shah: Thank you, everyone, for joining this call. It was a pleasure interaction with you all. If you have any further queries, you can definitely approach us. We would happy to answer all your queries. And we thank you, Systematix, for organizing this call. Thank you.

Moderator: On behalf of Systematix Institutional Equities, that concludes this conference. Thank you for joining us, and you may now disconnect your lines.