



# गार्डेन रीच शिपबिल्डर्स एंड इंजीनियर्स लिमिटेड Garden Reach Shipbuilders & Engineers Ltd.

(भारत सरकार का उपक्रम, रक्षा मंत्रालय)  
(A Government of India Undertaking, Ministry of Defence)  
CIN NO.: L35111WB1934GOI007891

SECY/GRSE/BD-69/AM/04/25-26

19 May 2026

**National Stock Exchange of India Limited,**  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E),  
Mumbai – 400 051  
Symbol: GRSE

**BSE Limited,**  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai – 400 001  
Scrip Code: 542011

Dear Sir / Madam,

**Sub: Transcript of Investors/Analyst Conference Call for Q4 & FY 26 of GRSE – Reg 30**

1. Further to our Intimation Letter No. SECY/GRSE/BD-69/AM/04(R)/25-26 dated 07 May 2026, we wish to inform that Conference Call was held on Tuesday, 12th May 2026 at 03:30 P.M. to discuss the Audited Financial Results of the Company for the Quarter and Year Ended 31<sup>st</sup> March, 2026.
2. In this regard and pursuant to Regulation 30 read with para A of Part A of Schedule III of the SEBI (LODR) Regulations, 2015, the Transcript of the Investors/Analyst Conference Call for Q4 & FY 26 of the Company is enclosed herewith.
3. This is for your information and records.

Thanking You,

Yours faithfully,

**For Garden Reach Shipbuilders & Engineers Limited**

Sandeep Mahapatra  
Company Secretary and Compliance Officer  
ICSI Membership No. ACS 10992



**Garden Reach Shipbuilders & Engineers Limited  
Q4 & FY26 Earnings Conference Call  
May 12<sup>th</sup>, 2026**

**Management:**

1. Cmde P. R. Hari, Indian Navy Retired – Chairman and Managing Director
2. Shri Niranjan Bhalerao – Director (Finance) & CFO
3. Smt. Aparajita Ghosh – Chief General Manager (Finance)
4. Shri Sandeep Mahapatra – Company Secretary & Compliance Officer



**Garden Reach Shipbuilders & Engineers Limited**  
**Q4 & FY26 Earnings Conference Call**  
**May 12<sup>th</sup>, 2026**

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**Moderator:** Ladies and gentlemen, good afternoon and welcome to the conference call of Garden Reach Shipbuilders & Engineers Limited arranged by Concept Investor Relations to discuss its Q4 and FY26 Results.

We have with us today, Cmde P. R. Hari, IN (Retd) – Chairman and Managing Director; and Shri Niranjana Bhalerao – Director (Finance) and CFO; Smt. Aparajita Ghosh – Chief General Manager (Finance) and Shri Sandeep Mahapatra – Company Secretary and Compliance Officer. Please note, this conference will be recorded.

I would now like to hand over the floor to Commodore P. R. Hari – Chairman and Managing Director. Thank you, and over to you, sir.

**P. R. Hari:** Thank you. Good afternoon, ladies and gentlemen. And a warm welcome to each one of you and I welcome each one of you to the conference call of Garden Reach Shipbuilders to discuss the results for Q4 and Financial Year Ending 31<sup>st</sup> March, 2026.

With me here are Shri Niranjana Bhalerao – Director (Finance) and Chief Financial Officer; Smt. Aparajita Ghosh – Chief General Manager (Finance); Shri Sandeep Mahapatra, Company Secretary and Compliance Officer.

And over the next few minutes, I shall give you a glimpse of our financial performance and thereafter highlight the physical performance that has resulted in the company recording strong numbers during the last financial year. I shall also touch upon the current order book, execution plan for the ongoing projects, orders on the anvil, and the future outlook of the Company, including a glimpse of our expansion plan.



As I have stated, our financial performance during the quarter four and Financial Year Ending 2026, March 31st, has been strong. And this has been the result of equally robust physical performance. During the quarter as well as the year, we have recorded our best-ever financial performance.

The revenue from operations recorded during the quarter was INR 2,119 crore, registering a growth of 29% over the last year and the profit after tax has moved up by 24%, from INR 244 crores to INR 303 crores. Similarly, the margins have also shown a substantial increase.

When we take the full financial year, I am happy to inform you that we have recorded a revenue from operations of INR 7,002 crore, registering a growth of 38% over the last financial year. Similarly, our profit after tax has moved up from INR 527 crore to INR 748 crore, registering a growth of 42%. All in all, the financial year has been excellent for us and so has been Quarter 4.

Coming to the physical performance:

Our core business continues to be shipbuilding; and from the shipbuilding perspective, this again has been the best ever year in the history of the Company. We delivered eight warships to the Indian Navy, and interestingly, three of these vessels were delivered on the same day, and this perhaps is the first time in the history of our country. We also launched one warship with a keel laying of 19 platforms. These 19 of course include 13 hybrid ferries that we are building for the Government of West Bengal. So, 13 ferries plus 6 more platforms. We have done the keel laying during the last year.

Coming to the other business vertical:

Seven naval surface guns were delivered during the last year, and four of these have successfully completed the Sea Acceptance Trial. We also delivered 110 portable steel bridges. As you are aware, we have a daily bridges business vertical and during the last year, we delivered 110 bridges, including 30 for export.



I am also happy to inform you that the revenue from this particular vertical has touched INR 200 crore plus for the first time in the history of that vertical. Also, we have recorded a revenue of over INR 270 crore from exports.

**Our current order book stands at INR 15,324.13 crore.** Actually, I am happy that the order book has dropped below INR 20,000 crore in the last five years, it's the first time that the order book is dropping below INR 20,000 crore. And in my appreciation, this is an indication that our execution rate has improved.

This order book comprises of nine projects, consisting of 39 platforms. The P-70 NALSA project, one more ship is yet to be delivered. The Anti-Submarine Shallow Water Craft Project, we have four ships pending for delivery. Four Next-Generation Offshore Patrol Vessels, one Ocean Research Vessel, one Acoustic Research Ship, two Coastal Research Vessels, 13 Hybrid Ferries, 12 Multipurpose Vessels, and 1,000-meter-cubed Dredger.

Now, coming to the execution plan of these ongoing projects:

As I have mentioned, one P-17 Alpha ship has yet to be delivered. This ship has already recorded about 74% physical progress of construction, and we intend delivering this ship during the current calendar year. The project is on schedule.

Coming to the Anti-Submarine Shallow Water Craft Project:

This is an eight-ship project, and of these eight ships, four have already been delivered, and the remaining four ships, two of them have touched about 80% physical progress of construction, and their basin trials have been completed, and we are preparing them for the Contractor Sea Trials, and we intend delivering these ships by the mid of the calendar year.

The last two ships, Ships 7 and 8, have touched around 60% physical progress of construction, and we will be delivering these ships during the current financial year, thereby completing this project also.

Coming to the Next-Generation Offshore Patrol Vessel project:



This is a four-ship project, and the first of these ships have reached the stage of launch, and the launch of this vessel is planned on 20th of this month. The progress of production, construction of the remaining three ships is also satisfactory, and we intend completing this project during Financial Year '29.

Coming to the other project, the non-defense project:

The Ocean Research Vessel, this we are constructing for the Ministry of Earth Sciences, one of their organizations, called the NCPOR-Goa. This vessel has already undergone about 50% of construction, and the ship is planned for launch during the current calendar year.

The Acoustic Research Ship that we are constructing for the DRDO, the ship has touched almost 20% physical progress of construction, and the 13 ferries, 6 - 200-PAX and 7 - 100-PAX ferries, they are on track, and the first two ferries of the 100-PAX are expected to be launched during May, that is this month, and the next one is planned for launch in the next month. This project shall be completed by the end of the current financial year.

Now coming to the two export projects:

As you are aware, we are executing a project for a German client, the 12-ship Multipurpose Vessel project. The keel laying, that is one of the project milestones, of three of the ships have already been completed, and the project is on track as of now.

And the last project that we are executing for the Government of Bangladesh, a dredger project on track, and we intend launching this vessel during the current financial year.

This in a nutshell gives you the execution plan for the orders in hand.

Now coming to what is on the anvil:

The orders on the anvil, as you are aware, that we are the L1 for the Next Generation Corvette project. The price negotiations have already been completed, and we are awaiting the formal signing of the contract. The date



is not fixed. It could happen any of these days. The order value is to the tune of around INR 33,000 crore.

Currently, three tenders are live, one for the Indian Navy and two for the Indian Coast Guard.

The Multipurpose Vessel project, two of these ships, the tender is already out. We expect the order value to be to the tune of around INR 1,500 crore, and the Next Generation Offshore Petrol Vessels for the Indian Coast Guard, five of these vessels, again, the order value is to the tune of around INR 2,000 crore, and 22 Interceptor Boats for the Indian Coast Guard again. The order value is likely to the tune of around INR 1,000 crore.

In addition, three projects where we expect the RFPs to come out in the next three months, 120 Fast interceptor craft projects for the Indian Navy. The order value is to the tune of around INR 3,500 crore.

The 31 Follow-On Water Jet FAC project, again, for the Indian Navy, about INR 3,500 crore, and seven P-17 Bravo ships. The AoN, as you are aware, has already been recorded. We expect the RFP to come out in the next three months, and the order value is likely to the tune of around INR 70,000 crore.

This is in addition to the 12 Mine Countermeasure Vessels as I said. CMV project, again, for the Indian Navy. The AoN value is around INR 32,000 crore, and four landing platform dock LPDs, the order value is likely to the tune of around INR 35,000 crore. I have not included the Next Generation Destroyers or any other projects which are yet to get to the AoN status. These are the projects that I have listed out, are only the projects where AoN has been accorded, and as we appreciate the first three projects, that is the 120 FAC, 31 Follow-On Water Jet FAC, and the seven P-17 Bravo, we expect the RFP to come out in the next three months, and the other two projects, the Mine Countermeasure as well, and the Landing Platform Dock, most likely during the current financial year. And this, so the total estimated order value is to the tune of about 1,50,000 crore, excluding, of course, the NGC project.



In addition, what we had been discussing earlier, the aggregated demand of the domestic requirement of commercial vessels aggregated by the Ministry of Shipping, now it has gained traction, and four tenders are live. Four Platform Support Vessels, the cost could be to the tune of INR 1,200 to INR 1,500 crore. Four MR tankers, six very large gas carriers, VLGC, and six Aframax vessels. So, these tenders are live, and definitely we will be taking part in these tenders.

All this in a nutshell gives you the visibility on the opportunities that are currently available.

Coming to our expansion plan:

As I had stated before, our expansion plans are on the right track. And just to give you the perspective, our current shipbuilding capacity is for construction of 28 platforms. And with the ongoing expansion projects, that is the modernization projects within our premises, this capacity will get increased to 32 ships by the end of the calendar year. And the projects that we have taken on for expansion is for creation of two Brownfield shipbuilding facilities in West Bengal, and two Greenfield shipbuilding facilities, one in West Bengal and one in Gujarat.

What we envisage is with the revitalization package for shipbuilding that has been promulgated by the government, which is to the tune of around INR 69,725 crore, and the demand for platforms that has already been aggregated by the Ministry of Shipping, we expect the commercial shipbuilding segment to gather momentum. And it is with this intent that we are expanding to increase our shipbuilding capacity.

So, I have broadly given you a glimpse of our financial performance and how the strong fiscal performance during the last year has resulted in these financial results. Given you a glimpse of the order book, the execution plan, the orders on the anvil, and also touched upon the expansion plans.

I have finished, ladies and gentlemen, and you may like to ask any questions as appropriate. The moderator may take on, please.



**Moderator:**

Thank you very much, sir. We will now begin the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. First question is from the line of Amit Dixit from GS Investments. Please go ahead.

**Amit Dixit:**

Good afternoon, everyone, and thanks for the opportunity. First of all, congratulations for a very robust quarter and year, sir. Couple of questions from my side. The first one is on, if I go through the Statutory Committee of Defense reports, then something very striking that if you look at the summary of contracts that are expected to be signed over the next two years, these have gone down substantially. In the last report, it was around INR 42,000 crores. In the report released in March, it is only INR 18,900 crore approximately for warships and survey vessels, that particular category. So, in that light, just wanted to understand that how do we look at the focus of the government in the near term on these warships and survey vessels that is our core area?

**P. R. Hari:**

Thank you, Amit. Now, when the figure of INR 18,900 crore has been allotted for defense shipbuilding, in my position, there is a fund outflow during the particular year. But as you are aware that government, including during the last year, perhaps even during the last two last Defense Acquisition Council, have given a green signal for multiple projects, what I had listed out earlier. So, the government focus on warship building is there and it is evident from the fact that the AON is being accorded and the RFPs are being promulgated online by both the major end users, that is the Navy and the Coast Guard. And also, the fact that these RFPs are getting translated into contracts. That's why my first statement was that the NGC project is live and we are the L1. The other value is to the tune of INR 33,000 crore only for us. So, this figure what you have mentioned is perhaps the fund outflow that is anticipated from these projects during a particular financial year. And that depends upon the project maturity. Now, another aspect is that both the services, the Maritime Services, both the Navy and the Coast Guard have absolutely clear roadmap and stated perspective plans, which have been approved by the Government. So, to answer your question, the figures that you have stated does not reflect



the intent of the Government or the progress made in this direction. Thank you.

**Amit Dixit:**

Great, sir. Very comforting. The second question that I have is, again taking a step back, it's a very macro kind of question. Considering the current warfare that is there and the TCPR of the Government, where there is a lot of focus on autonomous vessels, on drones, on new age electronics. So, where do you think the traditional platforms like corvettes and destroyers stand or stack? Isn't the relevance of these traditional platforms declining? That is part one. Part two is that how GRSE is gearing itself for maybe this autonomous kind of vehicles or vessels or some kind of modern ships or the small ships that are being increasingly used in modern warfare. So, are there some investments that we are kind of making in that front or what is your strategy on that? I mean, it's a five-year question, not something that can be done in next year or something. So, just wanted your thoughts on this.

**P. R. Hari:**

Thank you. You are absolutely right that there has been an increased focus on autonomous vessels. What is visible outside is the fact that the current situation has brought the focus of the Government to the fore. But otherwise, again, the Indian Navy has got and promulgated autonomous roadmap almost, which was promulgated almost three years back, even before the current situation escalated to the state where it is now. So, it is just that for us outside the realm of direct warfare, this is coming to focus. Now, even while autonomous platforms, be it subsurface, surface, or aerial, have been, are being, and will be utilized in a larger manner, larger focus, the conventional platforms would continue to remain because these conventional platforms, 1) they provide heavy-duty muscle in terms of armament. 2) they have huge endurance, sometimes endurance to stay more than three months at sea. So, these conventional platforms would continue to, in my association, and as an experienced individual in this field, conventional platforms of all ranges, be it a fast patrol vessel, or be it an aircraft carrier, or be it a conventional or strategic submarine, this trust and their existence will continue to remain. So, coming to GRSE, GRSE had ventured into the autonomous field as late as three and a half years back, and we started off in all three dimensions that I mentioned, both the subsurface,



surface, and aerial. We have successfully developed both the subsurface and the surface versions, and just to inform you that one of our products has been supplied to, provided to one of the DRDO organizations. We see opportunities here, and we are an integral part, make, that is, Make-I and Make-II schemes which the Government has promulgated, and a few cases where the Autonomous Underwater Vessels, we are very much in the fray. And in the next year, since you asked me what can be the short term and what can be envisaged in the next five years in the short term, what we have developed, we see them gaining, let us say, more standing in the domestic market. And in the long term, that is three to five years, we see the MAKE projects for the XL, that is Extra-Large Autonomous Underwater Vessel project to take shape, and perhaps in the next three to five years we should be able to develop and deliver this project to the customers. So, it is moving in the right direction, and as with many of the defense manufacturers of India, we have a separate business vertical on the new technology. So, we are focusing on the autonomous platforms, and in the next three to five years, we see the gathering for the momentum.

**Amit Dixit:** Thank you. Great, sir. Thank you so much, and all the best.

**Moderator:** Thank you. Thank you. Next question is from the line of Harshit Kapadia from Elara Capital. Please go ahead.

**Harshit Kapadia:** Yes, hi, sir. Thanks for the opportunity, and congrats for a very good set of results. A few questions from my side. So, first, could you please give us the order book breakup which you generally give across the ship?

**P. R. Hari:** Sure. Thank you, Mr. Harshit. The order book breakup, as I mentioned, our total order book value is INR 15,324 crores, and about 95% continues to come from shipbuilding. So, the shipbuilding orders are to the tune of around INR 14,730 crores, and within shipbuilding, the P-17 Alpha project has about INR 5,868 crores remaining, and the Anti-Submarine Shallow Water Craft worth INR 2,035 crores, and the Next Generation Offshore Patrol Vessel INR 5,168 crores. So, the warship building orders are to the tune of around INR 11,361 crores. Coming to the non-defense segment, the Ocean Research Vessel



worth INR 749 crores, the Coastal Research Vessels, two of them we are doing, INR 260 crores, the Acoustic Research Ship, INR 456 crores, the arctic ferries, hybrid ferries, INR 207 crores, the Multipurpose Vessels, INR 1,345 crores, and the dredger, about INR 66 crores remaining. So, what is interesting is that in the non-defense segment, now we have about 22.5% of our total order book.

**Harshit Kapadia:**

Thank you. Understood, sir. So, my second question is, sir, on the 31st of March when you reported your provisional revenue figures, and on the result day when you gave out the numbers of revenue, there was a huge delta. It was very positive, of course, but what would be the reason for this difference, sir, if you can explain? Because generally, historically, we haven't seen such a huge difference between the provisional number and the actual revenue figures.

**P. R. Hari:**

Okay, very interesting. But are you happy or not happy?

**Harshit Kapadia:**

Of course, sir, very happy, sir.

**P. R. Hari:**

Okay, since you are happy, I am sure you are keeping track of our progress at the physical milestone. Three ships were delivered on the last day. So, the revenue recognition, the liaison with the Navy, all these aspects are going on. That is the reason why we went for a conservative figure. So, when all this happened and when we formalized the deliveries and handed over the sales revenue, appropriately it was realized from these ships, and the total revenue now comes to our best figures of 7,200. Thank you.

**Harshit Kapadia:**

Understood, sir. Sir, a follow-up question is, sir, on the NGC order, if you remember, sir, the last time when we met, you were very confident that probably we will be getting this order in, but today also you mentioned that price negotiations are going on. You are expecting the order to come soon. So, where is the hiccup, sir? Where is the delay? And by when do you think the NGC order would come? In addition to this, you also highlighted certain smaller projects like 22 water jets and other smaller-sized projects. Now, are there two winners or it will be a single winner, if you can highlight, sir?



**P. R. Hari:**

Okay. Thank you. First thing, I would like to clarify that the price negotiations are completed. Actually, when we directed at that stage itself, the price negotiations were completed. They have been completed. We were expecting the contract to be signed by 31st March because at that point of time, the contract negotiations, the terms and conditions, those aspects were in progress. We very optimistically appreciated that it would get completed by 31st March. Our current assessment is that the contract will be signed during the current quarter that is June. It is almost the right direction. No red flags so far. Coming to the smaller projects which you mentioned, the first project of Multipurpose Vessels is a single shipyard. There are only two ships out there. The OPV project for Coast Guard, five ships, again, a single shipyard. And the Interceptor Boats, again, is a single shipyard. But the other project, the 120 Fast Interceptor Craft and the P-17 Bravo, the Fast Interceptor Craft 120, it will be split between two shipyards, 80 and 40. That is the likely RFP conditions. And the second project, the P-17 Bravo, again, would be split between two shipyards, four and three, like the current P-17 Alpha project. The Mine Countermeasure Vessel, the 12-ship project, would be split between two shipyards, eight and four, and the landing platform dock, two and two. But these two, the last two projects which I mentioned are some time-off because I expect the RFPs to come out sometime during the latter half of the current financial year. I think that gives you a broad perspective of the orders in hand, including the breakup plan.

**Harshit Kapadia:**

This is really helpful and thank you for this insight. Wishing you all the best.

**Moderator:**

Thank you. Next question is from the line of Bhavya Gandhi from Bajaj Alternative Investment Management Limited. Please proceed.

**Bhavya Gandhi:**

Yes. My first question is regarding when can we see the revenue booking for NGC starting? And in the intermittent period, you were supposed to have smaller ships where you could contribute to the revenue. So, if you can throw some light, how will the revenue numbers look like for the next two years?

**P. R. Hari:**

Thank you. The revenue booking from NGC, if the contract is signed during the current quarter, we expect the booking to happen during the latter half



of the next financial year, that is FY28. The second half of FY28, we expect the revenue generation from NGC to commence.

**Bhavya Gandhi:** Percentage-wise, if you can just elaborate, how much would be the percentage booking, percentage booking-wise, for the first two years at least?

**P. R. Hari:** See, you are specifically asking about NGC?

**Bhavya Gandhi:** NGC, yes, NGC in particular.

**P. R. Hari:** Okay. Let's see. Since we have been interacting over multiple Investor and Analysts Meet, shipbuilding follows an S-curve, which means the initial phase, when the preparatory activities for construction are in progress, the revenue recognition is minimal. Then it picks up as the physical construction starts, in terms of block fabrication, the hull fabrication, where the steel and certain outfit items get into the platform. Then comes the next phase, where the steeper phase, where the equipment gets lowered. And as you are aware, around 65% of a ship's cost itself is equipment. Then the outfit flattens, and the ship is moving towards the delivery, and once delivered, the balance revenue is made. So, considering this aspect, in the first year, assuming, again, we are signing the contract in the 1st Quarter, we don't plan any revenue recognition during the current year, or even during the next half. The next part, what I mentioned to commence revenue recognition, that will be a very mediocre amount, which is coming from the design inputs, which lead to getting the ship ready for construction. The major chunk of the revenue recognition will start from FY29, when the hull construction would have matured, and at least some part of the equipment comes in. So, this is what I can say at this moment. Now, currently, as I mentioned, we have about 39 platforms under construction, and again, as what I stated during this very interaction, that a few of these vessels are in a mature state, where the production progress is very good, as per the contractual timeline. So, we expect that the revenue accrual during the current financial year is going to be very healthy, and in line with what we have been seeing during the last three or four years. And for the next year, that is FY28, we will pad up with the balance projects what are in hand, the NPOPV project, the first vessels,



and the commercial vessels, what we have in hand. And of course, we also expect a reasonable number of orders, which are on the anvil coming our way. So, naturally, the order book deficit currently is there, will be stemmed up by NGC1, and at least 20%-25% of the balance, what is in the kitty.

**Bhavya Gandhi:** Thank you. Sir, can we reasonably assume that FY28 will not see dip in terms of revenue, because that's the fair understanding?

**P. R. Hari:** No, I did not state that. All I am telling is that by FY27, the current financial year, a couple of more projects would get completed, and the remaining projects would give us revenue during the next year FY28.

**Bhavya Gandhi:** Okay. And, sir, during these two years, how should one look at, because you've been guiding for high-digit EBITDA margin, while NGC will be in the design phase. So, there will be some sort of de-operating leverage also, because your fixed cost will continue to remain elevated. So, if you can guide for at least '28-29, how the EBITDA margins will look like beyond '27?

**P. R. Hari:** In case of FY28 and '29, we will try and maintain similar margins. I can only say we will try and maintain similar margins, because at that point of time, the balance projects which are currently in hand, I am talking about the OPV project or the commercial research vessel projects, they will be getting completed. So, we will try and maintain similar margins during that year also. Okay. Also, in FY28 and '29, the NGC would start giving us revenue, perhaps maybe to the tune of around 3%-4%-5% of the overall project cost, which is substantial. And the next year, when the construction starts again, the project will start giving revenue. And I also mentioned that what is coming from NGC in the next financial year, second half, from the balance of the projects which are on the anvil, let us take the P-17 Bravo, where there are only as of now, again, like the NGC, there are only four shipyards. And with our kind of experience and expertise in building these vessels, we stand a very good chance of winning. And this is a very big order. So, even if we go by a conservative figure of GRSE forget L1, even if we become L2, and if the contract follows a similar pattern exactly one year from the time NGC is getting completed. The revenue recognition from 17 Bravo will commence in



FY29. So, the deficit or the gap at this moment is not a grave concern. This is my observation.

**Bhavya Gandhi:** Fair enough, sir. Very elaborate. Thank you so much for a detailed answer, sir. Really appreciate it. That's it from my end.

**Moderator:** Thank you. Next question is from the line of Sanjeev Zarbade from Antique Stock Broking. Please go ahead.

**Sanjeev Zarbade:** Yes, sir. This is Sanjeev here. Sir, my question was regarding the margins. So, we have done very good margins in FY25 and FY26, aided by the writeback of excess provisions that we would have taken on the various major platforms that we are building. So, for the future, should we kind of adjust for this writeback that we did, to really look at the sustainable margins for the future, which could be around 9% to 10%?

**P. R. Hari:** Sorry, Mr. Ashish, could you repeat the question, please? Somehow your voice was sounding a bit distorted. Could you please repeat the question?

**Sanjeev Zarbade:** Yes, sir. What I was saying was that we did 8.3% EBITDA margin in FY25 and then 11.6% in FY26. Now, if we look to maintain margins, then should we adjust for the benefit that we received from the writeback that we took in the 4th Quarter of FY25 and FY26? Is that the right way to look at how the margins will plan out for the next three - four years?

**P. R. Hari:** Yes, all I can say, frankly, the question was not clear purely, not because of the thing that I couldn't decipher properly. The voice is a bit distorted, but what I understand is you are asking about the EBITDA margin trend, what will continue in the current financial year. I can assure you that the current financial year, the margins are going to be similar. That's what I understand you asked, because it's not clear.

**Sanjeev Zarbade:** I was asking that if we adjust for the benefit that we took on account of the provision write-back in the 4th Quarter of FY25 and FY26, sustainable margins are around maybe 9.5% to 10%. So, that is the way margins should work out



for the future, or we should go by the current level of around 11.5% margin that we did in FY26?

**P. R. Hari:** We will be able to maintain similar margins, what you said last. We will be able to maintain similar margins in the coming year, that is the current year.

**Sanjeev Zarbade:** That is 11.5%?

**P.R. Hari:** I really can't say the exact, but all I can say at this stage, we are only in the 1st Quarter. All I can say is that we will be able to maintain similar margins.

**Moderator:** Okay, that's it. Thank you. Thank you. Next question is from the line of Raj Shah from Enam. Please go ahead.

**Raj Shah:** So, my first question is regarding the possibility of revenues in FY28 from the aftermarket space, basically the spares for the platforms that we have delivered in the last two, three years, say survey vessels and the earlier frigates that we have delivered. Do you see that spare revenue starts throwing up, say, in the next two years, which could be a way to increase margins?

**P. R. Hari:** No, you are mentioning that ships delivered during the last two years. Yes. What is the question?

**Raj Shah:** Yes, so for the ships that have been delivered in the last two to three years, will the spare sales for those ships start reflecting in our numbers in the next two, three years, which could be a reason for margin of upward trajectory?

**P. R. Hari:** I will tell you this way. In the last two years, the ships which were delivered, one, of course, is the P7 Alpha project. We have delivered two of the ships and survey vessels we have delivered four of them in the last year and the previous last two years, and four of the Anti-Submarine Water Craft projects. All of these projects are high-value projects and all the orders for this equipment, there is spares and equipment, were placed much earlier and these prices were fixed. So, we did not find any escalation coming or any impact. So, the margins are intact. They have not been affected by any of the



market fluctuations. I am not sure that that is the question which you asked because the question was not clear, but we have been able to maintain good margins on these ships, these three projects.

**Raj Shah:** No issues. Sir, regarding this export market, do you see any new orders that you are eyeing up or any possibility of orders that will be coming in the next year or two?

**P. R. Hari:** Yes, definitely yes. Definitely yes because most of the European ship owners are now looking at India because of two reasons. One, their standard destination, that is China, Korea, they are jam-packed with orders. So, that is one reason. And the second reason is that they have found that the Indian pricing is affordable for them and competitive for them and so is the quality of the business. So, a few of the European clients are in dialogue with us and I am very confident that in the next year or so we should be able to conclude more contracts for commercial vessels, especially from the European market. So, we see opportunities in this.

**Raj Shah:** Okay, got it, got it. That's it. Thank you.

**Moderator:** Thank you. Thank you. Next question is from the line of Kavish Parekh from 360 One Capital. Please go ahead.

**Kavish Parekh:** Hi, sir. Thanks for the opportunity. While you did highlight that the order for NGC could be signed sometime in this quarter, could you also share more details on the likely vendor ecosystem for the project, including the potential key suppliers and their respective workshares?

**P. R. Hari:** See, yes, we are expecting the order for the contract for the NGC to be signed in the current quarter. And for the next projects, that is the 120 FAC, 31 Waterjet FAC and the 17 Bravo projects, we expect the RFPs to come out in the next three months. Also, I had mentioned that three of the bids are currently live. So, the MPV, the bid submission has already taken place. And for the OPV for the Coast Guard and the interceptor boats, as I appreciate the bid submission is towards the end of this month or early next month. So, conservative time if we take for the smaller projects, from the time the bid is



open, the contract would get signed within six months. And for the large project like 17 Bravo, based on our experience with NGC could take up to a year, nine months to a year.

**Kavish Parekh:**

So, sir, what I was trying to understand is, specific to the NGC program, who would be the key vendors for you for the project? And it would also be helpful if you could share the electronics content within the overall program. So, what proportion of the program value could be attributable to electronics and which major systems would this include?

**P. R. Hari:**

You are specifically asking about the NGC project with respect to our downstream vendors. In the NGC project, about 65% of the overall project cost is for the equipment and systems. And of this 65%, approximately about 55% to 60% is accounted by the electronics, that is the weapons, sensors, and associated electronics. And the balance, that is around 40% to 45%, comes from the machinery and systems, that is like the propulsion engines, the air conditioning plants, and the associated machinery systems, and also the steel. So, a large chunk of electronics, of course, comes from our sister PSU, Bharat Electronics. And since the field is competitive, there are a few other Indian OEMs who are in the fray. Does that answer your question, or do you want more information? Just for your information we have already started discussions with several of the OEMs as part of the preparation for the project. And once the contract is signed, we will be placing the downstream orders. So, we expect the first of the downstream orders to be placed within three months of signing of the contract, and between three to six. You see here, the customer is also involved, because since it is a big project, a weapon-intensive project, the customer is also associated when the technical specifications are finalized. So, the majority of the orders will be placed between three to six months of signing of the contract.

**Kavish Parekh:**

This is super helpful, sir. So, given that, like you said, BEL will also have a role in this program, fair to assume that once you are able to sign the contract with the customer, the contract with BEL will be signed somewhere around three to five months, three to six months after your contract signing with the customer. Is that fair to assume, sir?



- P. R. Hari:** Absolutely correct.
- Kavish Parekh:** Perfect. Thank you so much, sir, and all the very best. Thank you.
- Moderator:** Thank you. Next question is from the line of Harsh Mulchandani from Toro Wealth Managers, LLP. Please go ahead.
- Harsh Mulchandani:** Thank you for the opportunity. Sir, we have discussed that right now we are seeing good momentum. Even we have inquiries from the European companies because of our pricing advantage. So, do we have enough capacities to take large orders from them, and is there a possibility to aim for even higher margins than what we have seen in the current year, which is obviously very good, but because we are globally competitive and we have good quality also, can we position ourselves as a higher margin player also going forward from the company perspective?
- P. R. Hari:** Yes, the opportunities are good, and the current projects we have taken because we wanted an entry into the commercial shipbuilding segment. So, when we follow this current order with more orders, definitely we will be going for projects with higher margin and perhaps with more order value. Just to give you a perspective, the project what we have taken on is a multi-purpose vessel, which is a medium-sized, state order value remaining is around INR 1,400 to INR 1,500 crore. If you just take any of the naval projects, be it additional Anti-Submarine Shallow Water Craft project, those ships are very small ships, but weapon-intensive ships, and the cost per ship is around INR 675 crore. So, it almost comes to around INR 5,000 to INR 5,500 crore. So, what I am trying to convey is that while the commercial ship building export market looks attractive, the money and the margins are very much within warship building.
- So, what I had stated in the beginning of this discussion that about INR 1,50,000 odd crore of RFPs which are on the anvil, so there is enough in that segment to meet the order book or profitability aspirations of the company. However, the commercial ship building projects which are on the anvil, what we will be looking for is something that is definitely with good margin and projects which are attractive, like let us say hybrid platforms of large-size



vessels with complex proportions which are challenging as well as attractive. To answer your question in a nutshell; yes, we will be going in for commercial ship building projects. You can see a few of them coming up in the next year or so with reasonably good margins. Otherwise, we would not go in for any projects with low margins, especially when we are concerned with commercial ship building export orders.

**Harsh Mulchandani:** Got it. Thank you. And just one more question. I had to understand now with the commodities, prices increasing, etc., so I am assuming we would have an arrangement with the clients for cost pass-through. But I just wanted to get a sense that is there any delays in general that we see with respect to these cost pass-ons or it is these negotiations happen simultaneously on a monthly basis? How does it work on ground?

**P. R. Hari:** Thank you. Yes, there is a deviation or the escalation with respect to the cost of commodities there has been an impact. And so has there been an impact with respect to time.

Now, coming to the cost factor, all the projects that we are currently executing, we have factored this and orders were placed much earlier. So, cost escalation with respect to the existing orders that we have for the ongoing projects. The time delays are marginal because what we have seen is that where minor delays with respect to steel or the industrial gas which contribute towards fabrication within the premises, yes, there is a very, very marginal insignificant impact which we are able to absorb in the overall scheme of things. For all the new contracts which we are yet to sign or where we are bidding, we will factor this aspect of uncertainty also. In the existing contracts, just to say, all the contracts are fixed price contracts and so are our orders with our subcontractors or vendors. So, there is no impact as such.

**Harsh Mulchandani:** Got it. Okay. Thank you.

**Moderator:** Thank you. Next question is from the line of Rahil Dasani from MAPL. Please go ahead.



**Rahil Dasani:**

Yes. Good afternoon and thank you for this opportunity. I have a specific question regarding the ASW Vessels. Are we still left with some equipment, fitment on our vessels, the ones that we have commercialized, especially as I believe without complete fitment post-delivery, we don't get the PBGS amount back, which I believe is some 10%. And from what I know, we were left with a Sonar installment.

**P. R. Hari:**

Can you repeat, please? I didn't get the question.

**Rahil Dasani:**

ASW Vessels, the Anti-Submarine Warfare Vessels, the few that we have commercialized and that are in the water as of date, I believe that without fitment of all the equipment on it, usually the Government doesn't give us the PBGS amount, which is usually 10% of the whole tender, if I am not wrong. And from what I know, we were left with the installment of the sonars on those vessels.

**P. R. Hari:**

Okay. Since you asked a specific question, I will try and give a very clear answer. The stage payment for the naval projects as per the DAP, the Defense Acquisition Procedure, are absolutely clear. These are covered in 15 stages of payment, with the 14th stage coming at the time of delivery and the 15th stage, that's the final stage, coming after one year of warranty. And to answer your question with respect to sonar, there are two types of sonar in the ship. One is the fixed sonar, hull-founded sonar, which has already been installed, and the variable depth sonar, it is a developmental item. It's a buyer-furnished item. So, we are not impacted by the non-availability or availability of that item. What I am trying to say, there is no financial impact with respect to the bank guarantee or PBGS, the firm's bank guarantee.

**Rahil Dasani:**

Got it. That's very clear. And from what I understand, it's in the development phase maybe, and we haven't installed it yet but there is still no financial liability on anything of the sort, right?

**P. R. Hari:**

Absolutely.

**Rahil Dasani:**

Got it. And with the upcoming NGC and the NGOPV, do they also have a similar sonar profile to the ASW, both surface as well as underwater sonar?



- P. R. Hari:** No, this is confidential information. You are asking me the weapon fit of a naval platform. You would like to--
- Rahil Dasani:** Got it. But maybe if you can share at what stage of development is this sonar that we have to still work on, or do we see that getting further delayed?
- P. R. Hari:** This particular question, I would suggest you get it in touch with my Company Secretary. Thank you. Thank you.
- Moderator:** Thank you. Next question is from the line of Sunil Shah from SRE PMS. Please go ahead.
- Sunil Shah:** Yes, sir. Thanks for the opportunity. Sir, I missed a few points early on. And what I understand is that the P-17 Bravo is broken up between four and seven. There are other two big ticket size orders which you mentioned, the INR 32,000 crores and the INR 35,000 crores. I believe those order announcements could be scheduled in FY28. Sir, the order and the breakup, could you kindly just repeat it for me, please I just missed that.
- P. R. Hari:** Thank you, Mr. Shah. The P-17 Bravo, the total number of ships is seven. And as per the AoN accorded by the Defense Acquisition Council, this is the open-source information. The project will be between two shipyards, that is four and three. The L1 will get four and the L2 will get three. Coming to the next two projects, that is the mine countermeasure vessel project. It's a 12-ship project. The AoN value is around INR 32,000 crore. And it will be split between two shipyards. L1 shipyard getting eight and the L2 shipyard getting four. Coming to the LPD project, the order, the AoN, as my memory goes, it's around INR 35,000 crore. And it will be two plus two. These are the big-ticket size order, what I mentioned.
- Sunil Shah:** Right. Sir, thanks. Thanks for sharing this. And this could be expected by FY28. So, sir, my context is with your tenure. So, would we all hear this great news whenever it certifies from your kind self in FY28 itself? How does it work I just want to know that, sir.



- P. R. Hari:** The first part to answer and second part you may have to ask again. The first part we expect the RFP for P-17 Bravo to come out in the current quarter. And the RFP for the other two projects could come by end of the financial year. So, if the RFP for the P-17 Bravo comes by 1st Quarter, then the contract could be completed as early as end of the current financial year, that is FY27, going by the NGC trend. And the other two projects in the next financial year.
- Sunil Shah:** Yes. Sir, about your tenure in the organization, sir, more than the orders. So, you are there in this financial year as well in the next financial year or the baton would be for someone else? That's my question.
- P. R. Hari:** I actually didn't get that.
- Sunil Shah:** Sir, your post in the organization, so you will be associated with Garden Reach even in FY27 and in FY28 as well?
- P. R. Hari:** Yes, definitely.
- Sunil Shah:** Thanks. Thank you so much, sir. Thanks for all this.
- Moderator:** Thank you. Ladies and gentlemen, we will take this as the last question for the day. I now hand the conference over to the management for the closing comments.
- P. R. Hari:** Thank you. And thank you Concept for arranging this conference. It was an interesting session. And we had a few interesting queries during the session. And as usual, I look forward to the Investors and Analysts Meet and looking forward to interacting with you all after we announce the Results for the next Q1 FY27. Thank you.
- Moderator:** Thank you, sir. On behalf of Garden Reach Shipbuilders & Engineers Limited, that concludes this conference. If you have any further questions, you may send an email to [gaurav.g@conceptpr.com](mailto:gaurav.g@conceptpr.com). Thank you all for joining us. And you may now disconnect your lines.