



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/04/24-25

27 May 2025

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 25 of GRSE – Reg 30

1. Further to our Intimation Letter No. SECY/GRSE/BD-69/AM/04/24-25 dated 15 May 2025, we wish to inform that Conference Call was held on Tuesday, 20th May, 2025 at 03.30 p.m. to discuss the Audited Financial Results of the Company for the Quarter and Year Ended 31st March, 2025.
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 25 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 & FY25 Earnings Conference Call
Tuesday, 20th May 2025 @ 03:30 PM

Management:

1. **Cmde P.R. Hari, IN (Retd)** - Chairman & Managing Director
2. **Shri R.K. Dash** - Director (Finance) & CFO
3. **Smt. Aparajita Ghosh** – General Manager (Finance)
4. **Shri Sandeep Mahapatra** - Company Secretary & Compliance Officer

Garden Reach Shipbuilders & Engineers Limited

Q4 & FY25 Earnings Conference Call

May 20th, 2025

Moderator: Good afternoon, ladies and gentlemen, I am Navya, the moderator for this conference. Welcome to the Conference Call of Garden Reach Shipbuilders & Engineers Limited arranged by Concept Investor Relations to discuss its Q4 and FY'25 results ended March 31st, 2025.

We have with us today, Cmde P. R. Hari, IN (Retd.), Chairman & Managing Director; Shri RK Dash, Director (Finance) & Chief Financial Officer 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 Cmde P. R. Hari, IN (Retd.) Chairman and Managing Director. Thank you and over to you, sir.

Cmde P. R. Hari: Thank you, Navya. Ladies and gentlemen, a very good afternoon to each one of you. I am P. R. Hari, Chairman and Managing Director of the company, and with me here, Shri Ramesh Kumar Dash, Director (Finance) and Chief Finance Officer, Smt. Aparajita Ghosh, General Manager (Finance), and Shri Sandeep Mahapatra the Company Secretary and Compliance Officer.

At the outset, my warm regards to each one of you who have taken time out of your busy schedule to attend this call. I look forward to this analyst and investors meet, and it is always a pleasure to interact with you, and that gives me an opportunity to provide the highlights of our performance and also address your queries.

Touching upon the financial performance, yet another very strong set of numbers. And here I have to state my stock dialog, the performance during the quarter ending and financial year ending, 31st March 2025 has been the best ever in the history of the company. If you are comparing quarter-to-quarter, our revenue from operations have moved up from ₹1,015 crores to ₹1,642 crores, registering a growth of 62%. EBITDA has moved up from ₹166 crores to ₹335 crores registering a growth of 101% and the profit after tax, has moved up from ₹114 crores to ₹244 crores, registering a 118% growth. And so, has the operating profit moved up from ₹77 crores to ₹209 crores.

If we are comparing financial year to financial year, our revenues from operations have moved up to ₹5,075 crores. We have broken the ₹5,000 crore barrier registering a growth of 41% and the profit after tax has moved up by 46% from ₹360 crores to ₹527 crores and the operating profit has moved up from ₹181.30 crores to ₹368 crores, registering a 103% growth. This has been backed by a very strong physical performance, supported by efficient and effective treasury management system. Our order book as on 31st March, 2024 was ₹22,652 crores. And despite strong revenue accrual to the tune of nearly ₹5,000 crores, we have managed to maintain the order book at ₹22,680 crores as on 31st March, 2025. This comprises of nine projects, consisting of 40 platforms, including 16 warships for the Indian Navy from 4 projects, three P-17 Alpha Frigates, 7 Anti-Submarine Shallow Watercraft, 2 Survey Vessels Large and 4 Next Generation Offshore Patrol Vessels. In addition, we are also executing an eight ship, Multipurpose Vessel project for our German client, plus one Acoustic Research Vessel for one of the DRDO organizations, the NPOL in Kochi and Oceanographic Research Vessel for the Ministry of Earth Sciences, one of the units the NCPOR Goa, and 13 Hybrid Ferries for the Government of West Bengal.

During the period intervening the last financial year, and now we have delivered one Survey Vessel Large that is the second in a series of Four ships that we are building for the Navy. And also, happy to inform you that we have delivered the first Anti-Submarine Shallow Watercraft to the Navy very recently as early as the second week of this month. This particular event is very prestigious and a matter of pride for Team GRSE, because this is the first ship in a series of 16 ships being built for the Navy by two shipyards, another PSU shipyard, and we are happy that we have been able to deliver the first of these 16 ships. In addition, we delivered an Unmanned Surface Vessel to a DRDO organization, the NSDL, Vishakhapatnam, and also completed the patrol vessel, patrol boat project for the Government of Bangladesh.

I now give you a glimpse of the progress of the ongoing project. As I have mentioned, we are constructing 3 P-17 Alpha ships, I am happy to inform you that the first ship is well on track for delivery, and we have completed the final machinery trial. When I say final machinery trials, these are the trials conducted with the presence of customer representatives, the Navy representative at sea. And we are now getting the ship ready for delivery, and the ship has already completed nearly 95% of physical progress of construction. We intend delivering the ship two months from now, ahead of the contractual delivery period. The second ship is moving along smoothly. The ship has attained 73% physical construction. And this ship we intend delivery early next year. And the third ship has attained 54 % of physical progress and this ship is planned for delivery during August 2026.

Coming to the Survey Vessel Large project, I had mentioned that two of these ships have been delivered with the last ship being delivered last year, the third and fourth ships are well on track for delivery. The third ship has attained 88% physical progress. The ship has already completed her contractor fleet trials, and now she is being prepared for final machinery trials and delivery. We intend delivering this ship by July this year. The last ship of the project, the Survey Vessel Large i.e. fourth, has attained 77% physical progress, and by end of this calendar year, we will be delivering this vessel.

Coming to the Anti-Submarine Shallow Watercraft project, I had mentioned that the first ship has already been delivered. The second ship has completed the final machinery trials, and this ship was planned to be delivered during July this year. The third ship has attained 82% progress, the fourth 68% and so on. And as per our current estimate, all the ships of these projects will be delivered during calendar year 2026 with four of these vessels, that is three more vessels planned to be delivered during 2025-26.

Coming to the next generation Offshore Patrol Vessel project, the first two ships have crossed 50% of physical progress, and the last two ships of the project have also moved along fast, and they have attained 43% physical progress. What I would like to state with respect to the Next Generation Offshore Patrol Vessel project is that the keel of all the four ships have already been laid, and we intend launching two of these vessels during the current financial year. In addition, the non-defence platforms, the Oceanographic Research Vessel - the production has already commenced, and the keel of the vessel has already been laid in March 2025, and the delivery of the ship is planned during October 2027, as well as the Acoustic Research Ship for the DRDO, the design and pre-production activities are in progress, and the project is well on track. We are also executing one project for the Government of Bangladesh, dredger project, the design and pre-production activities are in progress, and the same is the case with the 13 Hybrid Ferries. The keel of all the 13 ferries is planned to be launched during end of this month. This has provided you a brief on the status of the ongoing projects.

Now coming to the projects on the anvil, I had mentioned during an earlier interaction that we were declared L1 for two vessels for the Geological Survey of India, Coastal Research Vessel. We already received the letter of

intent, and the contract for this vessel is expected to be signed during June this year. We also expect the formal bid declaration of the Next Generation Corvette project in a couple of days. In addition, Navy has already come out with an RFP for five Next Generation Survey Vessels Large and GRSE will definitely be bidding for this project, and having the experience of building the Survey Vessels Large and earlier platforms of similar kind. In our appreciation, we stand a good chance by providing an aggressive bid for this project. Another bid that is live, is a bid for 18 Next Generation Fast Patrol Vessels for the Indian Coast Guard. GRSE, will be bidding for this project, this is an interesting project, this is not a conventional Fast Patrol Vessel, this is an advanced vessel with helicopter staging facility. So GRSE would be interested in taking part for this project. These are the two live RFPs which are there as of now. In addition to these two, we expect RFPs for six Next Generation Ocean Going Patrol Vessels for the Indian coast guard, two Multi-Purpose Vessels for the Indian Navy, 120 Fast Interceptor Crafts for the Indian Coast Guard, and 31 Follow on Water Jet FAC for the Indian Navy to come out in the near future. These are all small to medium sized projects. What we are eagerly looking forward, as I had repeatedly mentioned, regarding the next generation Corvette project over the last two years, another project that we are expecting the RFP to come out, is for the P-17 Bravo, follow on of the P-17 Class of ships. As you are aware, we are building three of these vessels now, and with this experience again, we are confident of providing a good bid, a competitive bid for this project. In our appreciation, the RFP is likely to come out during the calendar year. In addition, Navy has already obtained the AON of the Defence Acquisition Council for 12 Mine Counter Measure Vessels. At this moment, there is no clarity as to when the RFP will come out. But as per Navy's perspective plan, the LPD project and the Next Generation Destroyer project are also definitely on the anvil.

To give you, this has provided you what I have tried to provide you, is a glimpse of our financial performance and how this financial performance has been derived through our physical performance, the status of the ongoing projects and the orders on the anvil. As far as the yard capacity is concerned, we were having a ship building capacity to construct 20 ships concurrently. But during 2024 we have enhanced this capacity from 20 to 24 through rejuvenation of our existing facilities. And we feel this capacity itself is inadequate to meet the ongoing and the future requirements, so we have put in capital to revive some of the defunct facilities earlier held with us, and also through certain long-term lease of dry docks from one of the other agencies in Kolkata. So, we intend increasing the shipbuilding capacity from 24 to 28 ships by 2025-year end.

In addition, we are also looking for opportunities outside Kolkata with respect to creation of shipbuilding facilities. This is in line with the growing demand for defence and non-defence platforms, and we feel there is adequate opportunity and to meet this opportunity and the potential that is available in the defence as well as non-defence market, we will be looking for facilities outside Kolkata, and perhaps look for creation of a greenfield facility. I would also like to state that to mitigate the existing limitations with respect to capacity and also to meet the leads that we are getting towards construction of commercial ships, we also got into Memorandum of Understanding with capable shipbuilders, both on the East and West coast. This, in a nutshell gives you what we are looking for in the near future, and one of our core focus areas would be for capacity enhancement. Two, technology adaption to improve production efficiency. Three, development of autonomous platforms, where we see opportunities, both in the Navy and the Coast Guard, and four, towards development of green energy products. Thank you, ladies and gentlemen, this brings me to the end of my comments, and now I would like to leave the floor open for questions, and we shall try and answer these questions to the best of our abilities. Thank you.

Moderator:

Thank you very much. We will now begin the question-and-answer session. The first question is from the line of Vaibhav Dalal from Niveshaay. Please go ahead.

Vaibhav Dalal: Congratulations on good set of number. My question is very generic. I just want to ask you on the opportunity of shipbuilding here in India. So currently, how many naval ships do we have in the Indian Coast Guard and the Indian Navy, and how much is the Ministry of Defence (MoD) planning to add to the respective fields. And my second part of this question will be, out of the new shifts which the MoD is planning to add. The tendering has been done for, how many of the ships, you have any idea that will be great?

Cmde P. R. Hari: Thank you, Mr. Dalal. I would like to answer this question in two parts. One, as far as the current fleet, strength of Navy and Coast Guard are concerned. Navy has got around 150 platforms and Coast Guard about nearly 100 platforms, when I say platforms, they include small vessels like Fast Interceptor Crafts to larger platforms. Right now, currently 61 platforms are being built for both the forces put together and of these 61, 60 are being built by Indian Shipyard. Now coming to their capacity augmentation plans, both the forces have got their perspective plan, and as per what is available in the open domain, both these forces, Navy and the Coast Guard, want to expand their numbers. The Navy perhaps to a figure of +200 and Coast Guard perhaps to a figure of around 150, why I am adding the term perhaps, is because I do not have absolute clarity on the exact numbers that they are looking at.

Now coming to the RFPs, which are live, as I had mentioned during my initial statement. Two, in addition to the Next Generation Corvette project, where the bids have already been opened and the formal results are awaited. We expect it to come in a couple of days now. There are two bids from the services which are active now. One is an 18 Fast Patrol Vessel, Next Generation Fast Patrol Vessel for the Indian Coast Guard, and 5 ship Next Generation Survey Vessel Project for the Indian Navy. In addition to that, again as I mentioned, multiple projects are on the anvil, where in few cases, they have already obtained the DFC approval. For example, the 12 Mine Countermeasure Vessels project for the Indian Navy, the P-17 Bravo project it's a 7 ship project for the Indian Navy, 2 Multipurpose Vessels for the Indian Navy, 6 Next Generation Offshore Patrol Vessels for the Indian Coast Guard and so on. So, I am trying to convey is that, what is available right now the order book of the Indian shipyards and what is likely to come up in the near future. The opportunities are phenomenal, does it answer your question or you want something more, any further clarification you need?

Vaibhav Dalal: That's it. Thank you, sir.

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

Harshit Kapadia: Hi Sir, Good Evening and thank you for giving me this opportunity and Congratulations for very good set of numbers. Just wanted to get a sense on the order book breakup project wise and secondly, on the order inflow, which you have pipeline, which you have mentioned, can you also give the size, what is a tentative order size which one can expect and on the NGC you had said in few days, we will get to announce the order as in, the bids will be out in few days or what is the likely, is there any LOI which is expected, anything clarity on that and lastly, on the other expenses side sir, if you can explain there was one provision right back which you did of ₹433 crores. So, what was that related to and by when this complete amount will be dispensed out, as in would be added back to the profit?

Cmde P. R. Hari: Thank you, I will start with the order book break up. As I mentioned, our order book stands at ₹22,680 crores and P-17 Alpha still continues to be the biggest bread earner. We are left with around ₹11,435 crores from P-17 Alpha project. The Anti-Submarine Shallow Watercraft project ₹3,946 crores. The Survey Vessel Large project, it is

actually on the anvil of closing so, ₹530 crores, the Offshore Patrol Vessel i.e. NGOPV project, ₹3,327 crores. The non-defence platforms, the NCPOR Ocean Research Vessel, ₹785 crores, the Acoustic Research Ship, ₹466 crores, the Ferry project, ₹226 crores. And the export projects, the Multipurpose Vessel, Dredger and so on, around ₹1,200 crores. And the 30 mm Gun project, ₹201 crores. So, this is the order break up. Now coming to you had asked a question about, what is the likely the value of the projects that are on the anvil. As I had mentioned, the Next Generation Corvette project is a high value project, and here we expect, our anticipation is that the total order value could be to the tune of ₹40,000 plus crores. But this ₹40,000 crore will be split between two shipyards, with the L1 shipyard getting 5 ships, that is 5/8, which means the L1 shipyard, the order of value could be to the tune of ₹25,000 plus crores, which is a very big order. Coming to the Next Generation Survey Vessel, our appreciation is that the order value could be to the tune of around ₹3,500 crores. And the 18 NGFPV project could be to the tune of ₹3,000 crores. The OPV project could be to the tune of around ₹2,500 crores. And the Multipurpose Vessel to the tune of around ₹1,200 crores. The Water Jet FAC project, the 31 Water Jet FAC project, could be this tune of around ₹3,000 crores, it could be plus or minus ₹200 crores, depending upon how the bidding goes and the Fast Intercepted Craft Vessel to the tune of around ₹1,500 to ₹1,800 crores. The big-ticket items, the Mine Counter measure Vessels project, the AON itself has been taken for ₹32,000 crores. And that's a 12 ship project, single shipyard getting all the 12 ships as per the AON conditions and the P-17 Bravo project, this again is a high value project. There are two shipyards being, there is a seven ship project. Two shipyards would be involved in this project, with the total AON value to the tune of around ₹70,000 crores. And at this juncture, I would not like to give any assumptions on the LPD and NGT, because they are still in liquid form. You had asked something about this ₹433 crore.

Harshit Kapadia: Yes, ₹433 crores of provision write back is something which you have mentioned in the press release. So, what is that related to which and when it would be?

Cmde P. R. Hari: This is linked to the P-17 Alpha project. The first ship is actually at the verge of delivery, I had mentioned that the first ship has completed her final machinery trials, and she is actually getting ready for delivery, so we have reasonable clarity on the cost to completion. Accordingly, the provision is reversed, and we will be this profit will be accounted over the next one to two years, when the entire project gets completed. Which means this a three ship project, so the first ship now ready for delivery, and the next two ships, as I had mentioned, will be one of them will be definitely spilling over to the next financial year. So, this will get recognized within one to two years.

Harshit Kapadia: Okay. And is there a possibility this amount can even increase since now more ships will be in the, as in will be closer to the completion mode. So probably, is there a possibility this increase would be there of ₹433 crores, any number could be higher?

Cmde P. R. Hari: It will be more or less same. Since we know the cost to completion of the first ship, the condition is going to be more or less same, which is the positive side.

Harshit Kapadia: Understood. And finally, on NGC you mentioned, when is the order likely to be awarded, just final one.

Cmde P. R. Hari: In the normal course of events, after the L1 is declared, then the contract negotiation starts. The contract negotiation is the long-drawn process for major projects like this. We expect very, very optimistic timeline of contract conclusion by December this year, and a conservative timeline of March next year. But, I personally feel if together over the L1 shipyard and the Navy pushes, the contract can be signed by end of this calendar year.

Moderator: Thank you. Next question is from the line of Rohit from Aditya Birla Sun Life. Please go ahead.

Rohit: Thank you for this opportunity, sir. So, my first question is, as I understand we have close to ₹230 billion order backlog, and typically we work with our five year execution cycle. Would it be fair to say the current revenue is somewhere the peak revenue, and maybe we will be flat lined, given that we already have some 20 yards we work with and even if the new order, let's assume hypothetically gets Next Generation Corvette, it may not start at least before one, one and a half year. So, is it fair to assume that are we in a weakish kind of execution phase?

Cmde P. R. Hari: Thank you. Mr. Rohit. See, the shipbuilding of course, the revenue accrual, revenue recognition is depending upon the project execution phase. We are now at an execution phase where maximum revenue accrual takes place with our major breadwinner that is a P-17 Alpha project at a mature stage where the maximum number of equipment get lowered and integrated to the ship system. To answer your question, whether we have peaked, I would not like to say so, because from our appreciation okay, I will put it this way, when we started the last financial year our order book was ₹22,651 crores and as on 31st March, 2025 it is almost same quantum. That means ₹22,680 crores, which means in the last one year, while we have generated revenue of over ₹5,000 crores, we have also got orders worth ₹5,000 crores. So, in our appreciation, the peak year perhaps could be the next year. That is financial year, the current year. What I mean is, Financial Year '25-26 could be the peak year. Thereafter, it could flat out and hypothetically, if a big project comes to us, as you rightly said, the revenue recognition from that project will start only two years down the line. The gap which could happen is already being filled up with a plethora of orders ranging from coming from the non-defence platforms and the commercial ships. So, to answer your question in a simple sentence, this perhaps is not the peak year, the peak year is yet to come.

Rohit: Got it, I really appreciate that part. My second question is more to do with the competitive positioning as in we see Mazagon Dock is going for a greenfield expansion. Cochin Shipyard is also planning for a greenfield expansion, they are looking at a port nearby Cochin port, and they are planning something over there. What is our plan, as in we have been doing some leasing around as such? But is there any concrete greenfield roadmap for us that can take us to another trajectory?

Cmde P. R. Hari: Today, with the Ministry of Shipping having started out a clear roadmap for enhancing the share of India in the global shipbuilding market from less than 1% to 10% in a finite period of time. There is a need for all the Indian shipyards to augment their shipbuilding capacity. What we had started was I had mentioned during my initial briefing, our capacity just about two years back, was to construct 20 ships, large and medium put together concurrently. We started off by rejuvenating our existing facilities and enhance the capacity to 24 ships. Along with that, we are also gone ahead with acquiring dry docks within Kolkata, long term lease tradeoffs which are ours today. So, with this, we intend increasing this capacity to 28 ships by end of this year, but we fully acknowledge the fact that this will just not be adequate to meet demand, the shipbuilding demand that is going to be there in the next 5 to 10 years. So yes, to answer your question, we are, as with MDL, or as with Cochin Shipyard, or any other shipyard in India, we are in the process of creating a greenfield shipbuilding facility. At this juncture, since negotiations are in progress with multiple agencies, both on the West and East coast, all I can say is that yes, we too are in the process, and we expect clarity on this in the next six months to nine months.

Rohit:

Got it, sir. Sir, my final question is more on the industry perspective part, this naval perspective plan of 200 vessels that we had in the past, it seems that there is some sort of a delay, both in terms of awarding and subsequently commissioning of the vessels. Is there a strategic realignment that is happening at a country level, some sort of a priority is going backwards on naval front, and probably are we putting more on electronic warfare front because we have been bidding lot of these defence analyst reports who has been saying that even the Chinese threat that we face is more towards the territorial part and not on the naval part. And we have had a military exercise in the past, just few weeks back, where we saw it's more of electronic warfare. So, I am just trying to understand, what happens to this naval perspective plan of 200 vessels. And we have also seen Next Generation Corvette getting delayed for a long time, AON has happened a long way back, and yet the awarding hasn't taken up, the last big order I could recollect was that NGOPV. So, are there any thoughts on those aspects?

Cmde P. R. Hari:

Okay. I will put it this way, actually wouldn't like to agree with you, nor would like to disagree with you. But I will put a completely different perspective. For any nation to be a global power, she has to, she means the nation has to have a blue water navy. And India's coastline from around 7600 kilometers have gone up, as per the latest survey to 11,000+ kilometers. So, there is no way that the naval progress that means the plans for Navy to augment, or Coast Guard to augment their capability is diminishing. Even in the current situation, the deployment of naval platforms is available in the open media. So, coming to the ships under construction, when I say 61 ships under construction, 61 warships under construction, this is no mean number, 61 is the number of platforms many nations put together own. 61 platforms are under construction and of this 61, 60 are being built by Indian Shipyard. The numbers, if you are looking at 18 Next Generation Fast Patrol Vessels, 5 Survey Vessel Large, 18 plus 5 i.e. 23, 31 Water Jet FACs, you add this number plus 120 FACs plus 8 NGFPV, these numbers are no mean numbers. Yes, the processes take time, but when we fructify the construction phase starts, even the NGP, as per our own procurement timeline, from the time an AON is accrued by DSP, the acquisition, rather the Ministry of Defence has a 30-month period, which is a defined 30-month period for issuance of RFP. They have done it well within the time. So, I don't see there is a shift in focus in developing the maritime capabilities. And I have just stated the numbers, the numbers are here for you to see. And in our own perspective, from GRSEs perspective of the 16 platforms which we are currently building, four of them, one we have already delivered in the current calendar year, and three more of them we are confident delivering in this calendar year, plus one more on the financial year. So, I do not see any dilution, be it from the government or from the shipyard perspective, with respect to focus and delivery, delivery in terms of placement of order, delivery in terms of publishing the RFP, delivery in terms of active delivery of the ships. Thank you.

Moderator:

Thank you. We take the next question from the line of Dhawan Shah from Alfa Accurate Advisors. Please go ahead.

Dhawan Shah:

So, my question is on the agreement that you have signed with the Western player SWAN Defence. So, what is your strategy and plans over there, if you can share thoughts on this?

Cmde P. R. Hari:

Okay, SWAN Shipyard with respect to infrastructure, they are one of the biggest shipyards in the country, with dry dock, which is perhaps the largest in the country, and the infrastructure is one of the best in the country. As what is available in the open media and as you are fully aware, the facility has not been utilized for some time, for reasons known and as a shipyard, which is located in Kolkata, with the current order book that we are executing and few assured orders, which are on the anvil, we felt it necessary to open a front in the Western front, where we can partner and build a commercial business. It is within this intent that we signed an MOU with SWAN, where

we will be jointly building commercial ships of the large size. It's an MOU at this juncture, we are negotiating with few clients for orders, and once this materializes, the MOU will get translated into an actual co-production. Thank you.

Dhawan Shah: Understood, sir and normally, in a year time frame, how many ships do you foresee that can be manufactured, commercial ones over there?

Cmde P. R. Hari: You meant the commercial ships?

Dhawan Shah: Yes, in the SWAN Defence?

Cmde P. R. Hari: It purely depends upon the order. I will put it in a different perspective, right now I am executing an order for a German client for 8 Multipurpose Vessel. These are medium sized ships, advanced platforms but medium size ships, there the contractual delivery timeline for 8 ships put together is four years. So, depending upon the size and complexity of the ship, this duration varies. It could be, the first ship could be delivered in a period of three years, because the first ship always takes time the follow-on ships that the second, third, fourth in a series of four, if it is a series of four, could be six months thereafter.

Moderator: Thank you. Next question is from the line of Divyesh Shah from Uchit Capital. Please go ahead.

Divyesh Shah: Sir, Congratulations for excellent result. And first of all, our best compliment to all Defence Departments of India for Operation Sindoor, where we realised the importance of Defence. So, I convey my heartfelt congratulations through you to three Defence Services, Army, Navy, and Air Force. Kindly convey to respective department. We Indians are proud of you. Sir, regarding the carry forwarding the last question about SWAN Defence. I want to know, whether we have taken the full SWAN Defence facility or the part, what is the understanding between the two companies and what will be the financial implications, whether it is a revenue sharing or a lease agreement, or how it will be carry forward?

Cmde P. R. Hari: Okay, any more questions, then I will answer together any more questions?

Divyesh Shah: Yes, and second question is same regarding, we have entered lease agreement with Syama Prasad Mookerjee Port, Kolkata. So, what will be the financial implications of this agreement, whether and what will be the payout per year for this facility, and how many ships we will be building there. These are my two basic questions.

Cmde P. R. Hari: Okay, at that outset, let me thank you for congratulating the Indian armed forces. And since we deal very closely with the services, we shall convey your appreciation to the services. Coming to SWAN Defence, the agreement is the project specific agreement, which means whenever a project is executed, it will be based on a revenue sharing model. Again, project specific as the project comes we will conclude the terms and conditions of the project. Coming to Syama Prasad Mookerjee Port, we have taken over three dry docks fully from this port, and we have taken on a long-term lease. We are paying them a nominal rent, and we have a profit-sharing methodology with them. In addition, we have also taken over one more dry dock very recently it's the 125 meters by 25 meter dry dock, again on a similar model. Now, what we intend doing in these facilities for dry dock, and just to put you in the right perspective, dry docks are very vital assets towards shipbuilding and ship repair. Since, our primary facilities within the physical confines of the company, my pre-shipbuilding units are focused on

shipbuilding, and since we wanted to venture into ship repairs, not today, it is almost three years back, we decided that we must have a facility which is completely separate from the ship building facility, so there is no dilution of attention. And that is the reason why we took over these facilities from Syama Prasad Mookerjee Port. And so far, we have completed nearly 41 refits in this facility, including multiple coast guard ships and naval ships. And we will also be executing the refit of an export platform there, this one a profit-sharing methodology with them. So far, the project relationship has been successful. Thank you.

Divyesh Shah: And sir, regarding what will be our total capacity, suppose everything goes well with the Syama Prasad Mookerjee Port and other which we have talked just now. So, from 28 where we will reach in next three years, billing capacity?

Cmde P. R. Hari: Yes, as on today, it is 24-25, it is our intent to increase to 28 by end of this year, which we are well on track, and we are confident of meeting this target. And since you asked this question two to three years down line, including and keeping the greenfield facility what we have in our plans away from the current discussions, because that is still in liquid form and under discussion. So, with the facility in Syama Prasad Mookerjee Port, and our existing facility, including rejuvenation and modernization, we intend taking it up to 30 ships within the next two years.

Divyesh Shah: How much sir, please, I missed.

Cmde P. R. Hari: 30 ships.

Divyesh Shah: And one more last question, sir. This year, we had excellent EBITDA margin of about 13% sir, same margin is sustainable, or it is one of, will you please guide us for the future?

Cmde P. R. Hari: Very interesting question. Since you mentioned one off, it has not been one off it has been similar margins over the last few times. Yes, this time we have touched a new high. It is certainly not, it's not one off. But in ship building, ideally, we shouldn't be doing a quarter-to-quarter comparison to take a year because of most of our projects are long drawn projects where the execution structures over a period, ranging from for a small platform to two years, to a big platform five to six years. So, to answer your question, we will be able to maintain more or less the same margin, it is not one off anyway.

Moderator: Thank you. Next question is from the line of Utkarsh Somaya from Icob Quantum Solutions Private Limited. Please go ahead.

Utkarsh Somaya: Just like you mentioned your delivery timeline in the beginning of the call. Can you quantify it year wise, how much can you execute in FY'26 and probably seven and eight, just a ballpark would help?

Cmde P. R. Hari: I will give you ballpark. Thank you for the question. I am sure you are asking ballpark numbers, correct in terms of number of ships?

Utkarsh Somaya: Number of ships or revenue either.

Cmde P. R. Hari: I will rather go by number of ships, just one second, so in 2025-26 we will be, I will also try and correlate with revenue. So, in generally though, I will not get into specifics, but I will try and correlate with the projects, you can

make an estimate. So, in 2025-26 we will be delivering 1 P-17 Alpha, 2 Survey Vessel Large and 4 Anti-Submarine Shallow Watercraft, that covers four plus two plus one, seven ships. In 2026-27 we will be delivering 2 P-17 Alpha, this is our major high value projects, 3 then the last three Anti-Submarine Shallow Watercraft, and 1 Next Generation Offshore Patrol Vessels and the Acoustic Vessel Ship. And the next year that is FY'27-28, we will be delivering 2 Next Generation Offshore Patrol Vessels, the Oceanographic Research Vessel and the Coastal Research Vessels for which we are going to sign the contract now. I have not mentioned about the hybrid ferries that we are building for the Government of West Bengal or the dredger, because of small value projects which will get covered during this period, maybe this year as well we will be able to deliver a couple of ferries. So does that give you an indication? because the major project there's a P-17 Alpha, first ship this year and the next two ships next year.

Utkarsh Somaya:

That helps. And the realization per ship would vary in each case, I am guessing right?

Cmde P. R. Hari:

Yes, because the P-17 Alpha as I had mentioned P-17 Alpha, the remaining revenue is around ₹11,000 crores.

Moderator:

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

Sanjeev Zarbade:

My question is regarding the outstanding order book in P-17A, we have ₹11,400 odd crores. So, what about be the rough ballpark, accounts books revenue in FY'26 and FY'27, will it be in the ratio of one in terms of how.

Cmde P. R. Hari:

Mr. Sanjeev your voice is cracking, can you repeat once again, I couldn't hear.

Sanjeev Zarbade:

Sir, my question was regarding the P-17A, in which we have ₹11,400 crore order, that order book that is pending. So how the distribution in the sense the revenue booking would be in FY'26 and FY'27, although you shared the delivery timelines, but would the revenue booking be also in the same kind of ratio, in the sense more would be booked in FY'27 because we would be delivering two vessels in FY'27 or would it be the other way around?

Cmde P. R. Hari:

Yes, we have around ₹11,400 crores remaining as on 31st March, 2025 and one of these ships we intent delivering in next three months, and in this ship, we have accrued most of the revenue, and the bigger chunk of this would be coming from the second and third ships. So, if you are asking me for a proportion of revenue from the project which is going to be accrued this year and next year, I would say 40:60.

Sanjeev Zarbade:

Okay, 40 in FY'26 and 60 in FY'27?

Cmde P. R. Hari:

40 in FY'26 and 60 FY'27

Sanjeev Zarbade:

Okay, then in that case sir FY'27 could be the peak year in terms of revenue?

Cmde P. R. Hari:

You have taken a guess, maybe this year because see the other projects are also maturing now, because we got around ₹4,000 crores remaining in the ASW Shallow Watercraft, ₹3,000 crore and so. To an earlier query, I had mentioned that's a very specific question asked, are you flattening out? I said no, so that should give you a good enough answer.

Sanjeev Zarbade:

Yes. And sir on the cost revision side, if I understand it correctly, as per the remaining two Frigates, there is potential that we can book another ₹200 crore cost provision in terms of profit, because for the first Frigate we may have, we have taken ₹100 crore as first division related profits. So, is that understanding, correct?

Cmde P. R. Hari:

Yes, your understanding is more or less correct.

Moderator:

Thank you. Next question is from the line of Sunil Shah from SRE PMS. Please go ahead.

Sunil Shah:

First of all, heartily congratulations. Sir, just my two questions here. In next couple of days, we will be hearing on the next generation Corvette project, which has been long pending. So, what should be announced in next couple of days, would it be that L1, L2 would be decided, and thereafter we get into a process of negotiating on the price, how does it work for agreement like me to understand this thing that is my first question. The second question is, since now we have got a tie up with SWAN Defence, so last time when we had met up, we were talking about clusters which Indian government is looking at for shipbuilding. Now that we have got into an MOU with SWAN. Does that take care of this cluster thing that we were intending to use eventually for our growth, those are my two questions on the SWAN and on the next generation. Thank you, sir.

Cmde P. R. Hari:

Thank you, Mr. Sunil Shah. And at the outset, thank you on behalf of because, since we are a Ministry of Defence entity on behalf of the Indian Armed Forces, thank you for your good wishes and appreciation. Coming first to SWAN and Clusters, I would like to clarify and clear that an answer to an earlier query. We have MOUs or agreements, not only with SWAN, we also have with competent private players, private and public players for collaboration towards the construction of vessels. I will give you an example, I have a running collaboration with one of the South based shipyards for construction, part construction of few of the vessels. So, these are project specific, and this has got nothing to do about the clusters that I mentioned, a cluster, what the ministry of shipping had talked about, and what we expect to be implemented is creation of a greenfield facility. When I say greenfield facility, which would mean a shipyard surrounded by its ancillary industries, this is still in liquid form, multiple state governments, these are all open domain information, multiple state governments, like Gujarat, Maharashtra, Karnataka, Odisha, Andhra and Tamil Nadu, have enhanced the interest and approached the various shipyards and also floated the expression of interest for creation of greenfield shipyards there and we have also responded, responding to few of this. The SWAN relationship for shipbuilding collaboration is project specific, restricted to large size commercial ships. And I would like to again reiterate that we have a similar relationship with multiple shipyards, and a few of them you already exercised and expressed successfully. Coming to your first question on the next generation Corvette, what is likely to happen in the next couple of days is the L1 declaration and L2 declaration by the ministry and navy, and this will be followed by a natural process of contract negotiation, depending upon the complexity of a project. This project definitely is a complex and high value project. This could take, in my appreciation a very optimistic timeline of around six months from now that means, let us say December this year, conclusion, or a conservative timeline of another year, another three months. March 31st, 2026. I hope this clarifies.

Moderator:

Thank you. Next question is from the line of Hardik Gandhi from HPMG Shares and Securities Private Limited. Please go ahead.

Hardik Gandhi:

Sir just two questions from my end. First, on execution side, are you seeing any headwinds, and second, being that I know we usually this question comes up, but given that Mazagon and Cochin are in a similar industry, their

operating margins are quite high as compared to us. Of course, we have bettered our margins over the quarters. But again, is there a scope for further improvement, or are we seeing margins staying at these?

Cmde P. R. Hari:

Okay, thank you for the question, Mr. Hardik, I will answer second question first regarding margins. Conventionally, one of the shipyards that you mentioned has been operating on projects which were awarded on nomination basis. The second shipyard, what you mentioned has been operating on ship repair projects primarily, and another nominated high, very high value project. And we have been more or less operating on projects, one on competitive bidding. As of now, all the projects that are coming out from the services are on competitive bidding. So, while we have improved, there could be a situation where all the Indian Shipyards, in addition to the shipyards that you named, will be at an even platform with respect to margins. And coming to the headway, I am sure you would have, your question would have been specific to the project progress. Yes, we are happy with the project progress, despite the challenges faced and the cascading effects of the COVID, which many the impact is even after five years, there is impact, but we have surmounted these challenges effectively, and that's how the ships are getting delivered. I just made a specific mention in my introductory talk regarding one particular project, which is the map of great pride for us and every for all I would like to state this that there is a 16-ship project being constructed for the Indian armed forces, Indian Navy, the Anti-Submarine Shallow Watercraft project. The first of this is being built by two shipyards, eight by us, and eight by another shipyard. And we are proud to state that our first ship has already been delivered and will be inducted into the naval fleet a month from now. And the second ship also has undergone the contractor feed trials. The first P-17 Alpha is ready for delivery two months from now, the ship will be delivered. So, yes, there is definite headway and with the figures, the numbers that I mentioned regarding delivery of ships to an earlier query, we are confident of meeting the timelines that they we have committed to our customer for the ongoing projects.

Hardik Gandhi:

Understood sir, just a follow up. Is there any supply chain issue at present, given the geopolitical tension, as well as like if and how much are we importing from outside, and is there a bottleneck there?

Cmde P. R. Hari:

See as of now, no direct impact. Yes, there is import content especially for the export platforms that we are building, but the sources from where we are procuring, they have not been impacted by the current situation and considering that the situation overall, including conflicts at various parts of the globe, are still going on, still we have not faced any impact, and we do not see any impact in our supply chain with respect to the ongoing projects that we are executing.

Moderator:

Thank you. Next question is from the line of Parimal Mithani from Credential Investments. Please go ahead.

Parimal Mithani :

Thank you for the opportunity, all my questions are answered, congratulations for wonderful set of numbers.

Cmde P. R. Hari:

Thank you, Mr. Nathani, and we acknowledge your appreciation, it means a lot to us.

Moderator:

Thank you. We take the next question from the line of Vikas Kasturi from Focus Capital. Please go ahead.

Vikas Kasturi:

I had just one question. So, with respect to the ships that we are going to deliver, is there any retention amount that the client will withhold as a warranty or a guarantee kind of a thing?

Cmde P. R. Hari:

Thank you for your appreciation. See in warship building orders which majority of the orders are warship building orders in all these contracts, as per the DAP, based on which these contracts are formulated, there are various

stage payments. One of the stage payments is the retention of, 10% of the project cost till completion of the guarantee refit, which in the conventional sense the guarantee refit will happen in one year. It means we are bound to provide one year of guarantee and once the guarantee period is completed, the ship will undergo guarantee refit and on completion of that, the retained amount will be paid.

Vikas Kasturi:

Got it sir, and this is more or less this 10% is withheld for all ships, all your platforms?

Cmde P. R. Hari:

Pardon me, yes. It is purely as for the DAP and for all the orders that are being executed and this is applicable in my appreciation to all the shipyards executing similar orders.

Moderator:

Thank you. We take the last question from the line of Vaibhav Dalal from Niveshaay Investments. Please go ahead.

Vaibhav Dalal:

I just have a question around a very specific product which is being used in your ship building. So, these are the bulbar which are used in the construction of the hull of a ship. So, I just want to understand, how much bulbar are required in the overall making of a ship, in terms of volume, as well as in terms of the value of the ship?

Cmde P. R. Hari:

Very interesting question and it's a very, very unique question that I am facing. I have been attending analyst and investors meet, now this is my 12th meet running, 12th or 13th meet running, very interesting question. Bulbar, since I know shipbuilding, I can answer this question. It is around 10% of the overall steel equipped.

Vaibhav Dalal:

So, in terms of the weight of the ship, or the displacement of the ship?

Cmde P. R. Hari:

I will put it this way. See, in a ship, let us say, when we talk about a 3000 ton ship, when you say, a 3000 ton ship, the steel weight would be around 2000 tons, 1800 to 2200 tons, depending upon the type of steel that is being used. If you take a warship, there is a particular type of steel which again is open domain information DMR249 Alpha steel which is used. So, this could range depending upon the size, type and the type of platform. Sometimes the steel, thin steel is used for the hull, sometimes thick steel is used, various types of thickness is used in a particular ship. So, this, if you take a ballpark figure, this comes to around 1800 to 2000 tons of steel in a 3000 to 3300 ton displacement ship. The balance be it comes from the equipment and systems that is the plumbing, the main propulsion system, etc. Now within this 2000 tons, around 10% comes the bulbar.

Vaibhav Dalal:

Got it, sir. And my last question will be, sir. So where do you source these bulbar, are you importing these, or are there any domestic players you are buying these bulbar from. My last part of the question will be, since there are 61 warships which are being made here in India, like, out of the 61 warships, 60 are being made in the Indian Shipyard. So, I just want to understand, has the procurement for these bulbar already been done by the shipyards, or the process is still going on, just want to understand that.

Cmde P. R. Hari:

Okay, I will answer this question in a broader perspective. Shipyards are platform integrators, big time platform integrators. We source equipment everything is sourced, starting from steel to since you mentioned bulbar, to the piping material, to something as minor as the cables to cable clamps, to cable trays, you name it, to major equipment. We have platform indicator as customers the Indian Navy or Indian Coast Guard, they do the capacity and capability assessment of suitable firms, make them eligible in certain category of equipment like main propulsion system, main propulsion engines, maybe for example for a project maybe shortlist based on the

capacity and capability for source. Similarly for steel, the Navy or the Coast Guard determine who are the qualified sources from whom steel is to be procured. They go through a capacity assessment by the customer coming to bulbar, your specific question on bulbar. Bulbar are also not indiscriminately procured they have to be procured from the sources, rather the manufacturer, who are qualified by the customer that's the Navy. The shipyards are provided with this list, and the shipyard go through a procurement process and source them from these firms. So since you ask this question, any firm who is considering themselves capable of manufacturing bulbar to answer your specific query, can get themselves registered with Navy, get a capacity assessment done, get that formally communicated to the shipyard through Navy and the shipyards would definitely buy from them.

Vaibhav Dalal: And just to add up a follow up here, so do you have any approved suppliers from the Navy on this part, are there Indian suppliers or like suppliers from?

Cmde P. R. Hari: To answer your question Indian supplier.

Vaibhav Dalal: So, we have Indian suppliers. So, do you have any name like on top of your head?

Cmde P. R. Hari: I will not be able to answer this question now, if you have any specific query, what I would suggest is that you ask Navy about this specific question, they will be able to provide you absolute clarity on who are the firms who are qualified to fabricate the bulbar that would provide you a clearer answer than what I would be able to provide in an investor's meet.

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

Cmde P. R. Hari: Thank you Navya and thank you Gaurav from Concept IR for organizing this conference call. I would like to pay my sincere gratitude to all my analysts and investor friends who have taken time out of their very busy schedule and listen to what I had to say and also ask very interesting queries ranging from profit margins to bulbar. Thank you and looking forward to the next time we meet. Thank you.

Moderator: On behalf of Garden Reach Shipbuilders & Engineers Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines. If you have any further query, please send an email to Gaurav.g@conceptpr.com