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/01/26-27 11 Aug 2026

To,

**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 Q1 of FY27 of GRSE – Reg 30**

1. Further to our Intimation Letter No. SECY/GRSE/BD-69/AM/01/26-27 dated 03 Aug 2026, we wish to inform that Conference Call was held on Thursday, 06 August, 2026 at 03.30 P.M. to discuss the Unaudited Financial Results of the Company for the Quarter ended 30th June, 2026 and road ahead.

2. In this regard and pursuant to Regulation 30 read with Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Transcript of the Investors/Analyst Conference Call for Q1 & FY 27 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 Digitally signed by SANDEEP MAHAPATRA Date: 2026.08.11 14:57:48 +05'30'

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

# Garden Reach Shipbuilders & Engineers Limited
# Q4 & FY26 Earnings Conference Call
# August 6th, 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

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**Moderator:** Ladies and gentlemen, good afternoon and welcome to the conference call of Garden Reach Shipbuilders and Engineers Limited, arranged by Concept Investor Relations to discuss its Q1 FY27 Results.

We have with us today, Management Representatives, Commodore P. R. Hari – Indian Navy, retired, Chairman and Managing Director, Shri Niranjan Mukund Bhalerao – Director (Finance) and CFO, Smt. Aparajita Ghosh – CGM (Finance), Shri Sandeep Mahapatra – Company Secretary and Compliance Officer. Please note that 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, to the conference call of Garden Reach Shipbuilders and Engineers Ltd. to discuss the results for the quarter ended 30th June 2026.

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

During the next 15 to 20 minutes, I shall brief you on our financial and physical performance and also touch upon our current order book, the status of the ongoing project and the execution plan, a glimpse of our future outlook and the expansion plans of the Company.

Quarter 1 Financial Year 2027 has again been an interesting quarter, and we have recorded a strong set of numbers. Our total income stood at ₹1,914 crore, recording a year-on-year growth of 38% when compared to Q1 FY26 results and the revenue from operations has increased from ₹1,310 crore to ₹1,815 crore recording a growth of 39%.

The profit after tax has moved up by 44% from ₹ 120 crore to ₹173 crore during this period and the earnings per share has increased by 44% from ₹10.49 to ₹15.09. Now coming to the operational highlights, one of the defining milestones for GRSE during the year was being accorded the Navratna status by the Government of India, Department of Public Enterprises. This was accorded to us on 19 June 2026, and this prestigious recognition marks a significant milestone in the Company's journey and reflects its constant and consistent financial and operational excellence over the years.

Confirmation of Navratna status comes at a pivotal time as the shipyard is actively pursuing an ambitious expansion plan. The Company is undertaking both brownfield and greenfield capacity expansion initiatives to strengthen our shipbuilding capabilities, support future growth and enhance our ability to execute larger and more complex projects. GRSE built three ships INS Dunagiri that is the second P17A Alpha stealth frigate, INS Sanshodhak, the last of the four-Survey Vessel Large and INS Agrai, the fourth ship of the eight-ship Anti-Submarine Shallow Water Craft project, were commissioned into the Indian Navy by the Honorable Prime Minister of India Sri Narendra Modi at Kolkata on 21 June 2026.

GRSE has also received a notification award for two projects, one from the Oil and Natural Gas Corporation (ONGC) for construction of four Platform Support Vessels (PSV) and from the Syama Prasad Mookerjee Port, Kolkata for a fully electric tug. Achieving L1 status in two projects of varying nature such as a Platform Support Vessel and an Electric Tug reflects our competitive positioning and reinforces our capabilities in these specialized fields.

Our current order book stands at ₹13,596 crore and this comprises mostly of shipbuilding orders with shipbuilding divisions contributing to ₹13,296 crore and the other two divisions, the engineering and the engine divisions, contribute to the balance of the order book.

I am happy to inform you that it is for the first time in the last 10 years that our order book has dropped below ₹15,000 crore and I consider it the reflection of an excellent execution rate. The current order book comprises 11 projects consisting of 44 marine platforms. These include nine warships for the Indian Navy, one P-17 Alpha advanced frigate, four Next-Generation Offshore Patrol Vessels, four Anti-Submarine Shallow Water Craft, two Coastal Research Vessels, one Acoustic Research ship.

These orders for research ships, again, I am happy to inform you that we are the only Indian shipyard currently executing projects for construction of specialized research vessels. In addition, we are also constructing a 1,000-meter-cubed trailing suction hopper Dredger for the Government of Bangladesh, 13 electric ferries for the Government of West Bengal, 12 multipurpose vessels for a German client, one green tug, and four platform support vessels for which we have recently received orders. In total, 11 projects, 44 marine platforms.

**Coming to the status of these projects:**

The large ship of P-17 Alpha, again happy to inform you that the first two ships have been delivered ahead of schedule. The large ship has clocked nearly 85% physical progress of construction, and we intend to deliver the ship during this calendar year. By November, we should be able to deliver this ship. Four of the eight anti-submarine shallow water crafts have already been delivered, and the balance of four ships shall be delivered during the current financial year. The fifth ship has achieved almost 91% physical progress of construction. The sixth ship very closely following with 88%. The seventh and eighth, around 65 to 70%. As I said, all four ships will be delivered during the current financial year.

**Coming to the third naval project:**

The next generation offshore petrol vessel, the first ship has already been launched, and the second ship is being launched on the 11th of this month, i.e. next week. The third and fourth ship would be launched during the third and 4th Quarter of the current financial year. These ships shall be delivered commencing Q2 FY28, the first ship and the last ship to be delivered during Q2 FY29.

**Coming to the research vessel:**

All the three projects physical construction have been started and the Ocean Research Vessel has touched a physical progress of about 20%. The Acoustic Research ship about 12% and the Coastal Research Vessel about 5%. The Coastal Research Vessel, the keel of this vessel shall be laid during September, which is an important project milestone.

The ferry project for the Government of West Bengal is progressing smoothly, and we intend delivering two of these platforms in September and October and balance ships of the project shall be delivered by April 2027. The Dredger project for the Government of Bangladesh is progressing smoothly and we are currently at about 70% physical progress of construction. The Multipurpose Vessel Project for the German client is progressing smoothly.

This is a 12-ship project. We have already commenced construction of five of these ships and the balance shall follow as per the contractual schedule. This is in a nutshell gives you the current order book position, the composition, the status and the execution plan.

**Now coming to the orders on the anvil:**

As you are aware, we are the L1 shipyard for the Next Generation Corvette project. It's a high value project and we expect the contract to be signed anytime now.

We are waiting for the contract conclusion, and this will give a much required boost to our order book. As I also mentioned, two contracts, we have received a letter of intent very recently, that is a platform support vessel for the ONGC and the green tug for the Syama Prasad Mookerjee Port. Five tenders are currently live from the Indian Navy and the Indian Coast Guard.

Indian Navy has a requirement of 120 fast interceptor crafts. The order value could be to the tune of around 3,500 cores. The bid submission is due next month.

Similarly, 31 follow-on water jet FAC project: This is the Indian Navy project. Again, here the order value could be to the tune of around ₹3,500 crore. 22 interceptor boats for which the bids have already been submitted. The order value could be to the tune of around ₹1,200 crore to ₹ 1,300 crore. Six Next Generation Offshore Patrol Vessels for the Indian Coast Guard, about ₹2,500 core. And the much awaited P-17 Bravo, it's a high value project again. The AON value, the DAC AON value of this project is ₹70,000 crore. So, all these five projects of Navy and Coast Guard that are currently live, the total value could be to the tune of plus ₹80,000 crore.

Two more projects, Indian Navy's projects, the RFP is expected to come out during the current calendar year. The 12-mine sounder measure vessel project, as per the RFP conditions, it is expected that this will be split between two shipyards, eight and four. And the AON value as accorded by the DAC is ₹36,000 crore. Similarly, another big ticket item that is the Landing Platform Dock four LPDs. This RFP is expected to come out during the calendar year.

The order value is to the tune of around ₹35,000 crore. So, in a nutshell, about ₹80,000 crore worth RFPs are currently live. Nearly ₹70,000 crore RFPs are expected from two of these projects, the NCMB and the LPD in the current calendar year.

And in addition, what I had just mentioned is only about the defense orders that is both from the Navy and the Coast Guard. In addition, based on the demand aggregation of the non-defense PSUs, that is GAIL, ONGC, BPCL, and so on, a few tenders are already out. The four MR tanker tender has also already been published.

Six Very Large Gas Carriers, VLGC, six Aframax Vessels, and another tender, high-value tender for container ships is expected to come soon. So, in a nutshell, if you are taking the defense sector alone, about ₹1,50,000 crores worth orders are expected in the near future. Nearly 80,000 coming from the RFPs which are live and about Rs. 70,000 expected from the RFPs which are expected to be or likely to be published during the calendar year.

This is excluding the NGSP for which we are expecting the contract signing soon. Coming to our expansion plan, as I have reiterated during the earlier conversations with the analysts and investors, our current shipbuilding capacity is for concurrent construction of 28 platforms. With ongoing modernization within our geographical premises, we expect this to be increased to concurrent construction of 32 platforms by the end of the calendar year, and we feel this capacity would be inadequate to meet the huge demand that exists both in the defense and non-defense segments.

So, it is with this intent that we have decided to go in for both Brownfield and Greenfield expansion, both on the western and eastern seaboards. In West Bengal, we already have four shipyards, three dedicated for shipbuilding and one for ship repair. In addition to this, we have taken two more premises on a long-term lease basis from Syama Prasad Mookerjee Port, and the expansion and revitalization project for these two facilities have already commenced.

In addition, we are setting up a shipyard in West Bengal, Raichak, which is closer to the sea, and we expect the necessary approvals to be accorded during the current calendar year, and we will commence the infrastructure build up from 2027. This project is likely to take, as with any shipbuilding facility creation, this will take about three to five years for fully operationalization. Similarly, on the western seaboard, we are setting up a full-fledged total ship solution facility.

That means a facility that would encompass shipbuilding, green ship recycling, and ship repairs. We intend to proceed on a PPP model, and we again expect the necessary approvals to be obtained during the calendar year, and the project will commence next year. Again, it is expected to take three years for the operationalization and operations to commence in that facility.

In addition, we are focusing on new technology adoption and maximizing the use of robotics in our production processes, both in core shipbuilding as well as in bailey bridge fabrication. This, in a nutshell, gives you both our financial and physical performance, our order book status, current project execution plan, and the orders on the anvil, and also a glimpse on our expansion plan.

With this, I conclude my opening remarks, and the floor is open for questions, if any.

Thank You.

**Moderator:** Thank you very much. We will now begin with the question-and-answer session. Ladies and gentlemen, we will wait for a moment while the question queue assembles. Your first question comes from the line of Amit Dixit with Goldman Sachs. Please go ahead.

**Amit Dixit:** Hi. Good evening, everyone, and thanks for the opportunity. Congratulations for a good set of numbers again. Two questions. The first one is on Next-Generation Corvettes. Now, the order has been on anvil for quite some time.

Just wanted to understand where is it stuck. Are there certain concerns around the orders that have been raised by the relevant authorities? I just wanted to get a brief construct of this, because this order has been struck for quite some time.

Part B of the question is assuming the order is given to us, let us say, today, then how much time will it take for us to actually start recording revenue?

**P. R. Hari:** Thank you. Thank you for your compliments on the results. Yes, I would like to state that this is the 17th quarter on a trot that our financials have been on an upward trend and hopefully we will be able to maintain this tempo in the coming quarters too. Coming to the much-awaited Next-Generation Corvette project, yes, the project contract has got delayed a bit. We were expecting the contract to be signed either during the end of the last financial year or during the first quarter, but we are confident that the contract will be signed this quarter. We do not see any red flags with respect to the contract conclusion.

That is our appreciation. To answer your question as to when the revenue recognition would commence, now this project has got, as per the RFP conditions and naturally the contractual conditions, this has got a pre-production period where the design studies would take place. And the material ordering, the equipment ordering will take place.

The first revenue recognition will commence next year, that is the Financial Year 2028. Revenue recognition will commence in Financial Year 2028 when we will be utilizing the activities involved in design, then the binding data information which we need to progress with the preparation of compartment design and equipment layout. So, this revenue recognition will start from the next financial year, assuming the contract is signed during this quarter.

Now, in shipbuilding, we have a very peculiar kind of revenue recognition pattern where the initial phase, that is, for example, if a project is a five-year project, the first year the revenue recognition will come through design related inputs which will contribute maybe to five to ten percentage of the project cost. Then the physical construction, that comes the second phase, which should be between, let us say, the first year to the two and a half, that is 50% of the project duration, where the revenue recognition will move up to about 20 to 25 percent. And then comes the very steep upward revenue recognition curve, where the equipment and systems which have been brought are lowered onto the ship and the integrations happen.

That is the phase where the maximum revenue recognition happens. And then, of course, the outfitting and the project completion. This is the broad revenue recognition pattern.

To answer your specific question, yes, the revenue recognition will come in from the next financial year.

**Amit Dixit:** Thank you. And how much time will it take for this order to be completed, NGC order?

**P. R. Hari:** NGC is an eight-ship project where two shipyards will build the ships concurrently, and the first ship delivery is after five years. And the project completion is eight years. Eight years is the project completion time which is given. That means if the order is placed now, the eighth ship of the project, which both shipyards put together, would get completed by 2034-35. That's what I think.

**Amit Dixit:** Very clear, sir. The second question is essentially on the latest AON trend that we have seen, particularly for Navy. There is a lot of emphasis on the unmanned vessels and autonomous platforms. So, just wanted to understand our preparedness for that. Does our expansion plan also is focused on building certain capabilities on that front or we already have those capabilities, and we will be bidding for such RFPs as and when they come?

**P. R. Hari:** Yes, very interesting question. To answer your second part first, whether we have the capability, yes, we have the capability. And it is with good intent because we were clear that the Navy having a very clear autonomous roadmap. So, we were clear almost three, four years before that the Navy would go for it, and of course, followed by Coast Guard, both would go in for an autonomous environment where a large number of unmanned vessels would come in. So, we started with the prototype development of an unmanned surface vessel successfully approved. And just for information that we have also executed a project for the NSDL, Naval Scientific and Technological Laboratory, Vishakhapatnam, a DRDO organization for an unmanned surface vessel. In addition, an autonomous underwater platform, which was developed by us. Again, the prototype successfully proved in the Tengangsu Lake about a year back. So, we are technologically competent and technically ready for execution of this project.

So, we have been actively participating in the NAIC projects of the government steered by the Navy. For example, for the ASV, that is the ASV NCM, there is a project which the Navy, an autonomous project which Navy is steering. We are one of the other companies taking part in that.

We are again being shortlisted for another project of the Navy, which is again for an underwater unmanned platform. So, we are very much competent and interested and also actively taking part in these schemes and the projects which Navy has come up for autonomous unmanned platforms.

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

**P. R. Hari:** Thank you.

**Moderator:** Thank you. Next question comes from the line of Dipen Vakil from Phillips Capital. Please go ahead.

**Dipen Vakil:** Thank you for this opportunity and congratulations on a great execution. My first question is on the line of your CAPEX announcement that you did. Can you help us with the quantum of CAPEX that you are envisaging for Greenfield as well as Brownfield side of it?

And what kind of capabilities will it add to your current existing ecosystem in terms of whether the dry dock size will be the bigger one, especially in Gujarat? And how will it help you address the bigger and more bigger and sizable opportunities either in defense or commercial side of it? That's my first question.

**P. R. Hari:** Thank you. We have a very clear expansion plan and in turn a clear CAPEX infusion plan. Now, if I divide this into two buckets, one is the minor projects that we are undertaking again with a very, very clear, let us say, capability enhancement pattern. For example, two facilities that we have taken over from the Kolkata Port Trust that Syama Prasad Mookerjee Port where the capital infusion is limited, where we already commenced the revitalization. And there the capital infusion is expected to be just about ₹200 crore and this will be completed within a year and half (18 months).

Coming to the larger projects, we are just undertaking two projects, one in West Bengal, I mentioned it, towards the sea. The land is already with us again on a very long-term basis, a long-term lease from Kolkata Port Trust. Here we are creating a full-fledged shipyard. We expect the capital infusion to the tune ₹2,200 crore of which DPR is in its final stages. So, this is an approximate figure. The setting up of the facility would take three to five years because it is a completely greenfield setup. Coming to the West, what we are intending, here the DPR is complete. The environmental clearance has already been obtained, which means this project is moving at a much faster pace. The capital infusion would be to the tune of again around ₹2,000 crore. This will be a total ship solution facility, as I mentioned during my opening remarks, comprised of shipbuilding, green ship recycling, and ship repair capability under a single roof. Now coming to the specific question which you asked as to what does it add to our current capability. One, our current capability, as I mentioned, is to undertake shipbuilding, concurrent construction of 28 platforms. When I say 28 platforms, that includes platforms up to about 10,000-ton displacement and 200 meters length. This would cater for most of the defense platform, but when we come to commercial ships, they're much, much larger in size. So, there we have difficulty at this moment, and that is the intent of creating these facilities. One, to circumvent the riverine constraints, and second, to obviate the length and displacement restrictions. So, we intend, with the creation of these two facilities, the capacity constraint will be completely obliterated, and we will have the capability to build 43 platforms, and the 11 platforms, 11 types of platforms, that means from 32 to 43 platforms, there will be large vessels of Aframax and VLGC type. So, this is the benefit of this particular expansion project that will accrue to the shipyard. Second is here in Kolkata, where our core shipbuilding facilities exist, we will be focusing, utilizing them, focused towards defense shipbuilding, and the facility in Gujarat, while we will use spare capacity there for warship building, the primary focus will be for green ship recycling and building of large size ships. I hope I answered your question. Thank You.

**Dipen Vakil:** Absolutely, sir. Second question is, you mentioned about the tenders which are already out on the commercial side, namely MR Tank, VLGC, Aframax, and even the container ship tender which is expected soon. So, sir, how does our technological capability stand for these large size carriers, and at the same time, how do we participate in this tender with the current capacity? Are we looking to partner with some company or take some tech from a foreign company? How are we participating in such commercial vessels?

**P. R. Hari:** Okay, to start with, during the initial discussions, I had mentioned that we have already won an order for a set of four Platform Support Vessels, and what I given to understand that before order to be awarded, first, the letter of intent to be awarded among the lot that has been aggregated by the MOPSW from all the PSUs. So, we are happy about that. Now coming to the next few projects, that is the MR Tank, the VLGC, and of course, the container ship. MR Tanker, we are collaborating with one of our sister shipyards, and so are we doing so for the VLGC. In the VLGC tender itself, there is a condition that of the number of vessels they have promulgated, I think it's eight ships they have promulgated, but two of them have been built at a shipyard which has already got proven capacity in building of VLGCs. So, we, along with our partnership here in India, we already tied up with one of the foreign shipyards with proven capability, and we will be bidding to the two Indian shipyards will be bidding to the vessels.

Coming to the container ships, yes, currently we do not have the physical capacity because the size of the ships are large, but we are going in for a partnership with one of the other Indian shipyards who have got the dock and berth infrastructures to handle this project. So, we have a very clear strategy for addressing the limitations that we currently have so that we don't miss out on any of the high value orders which are coming from this non-defense segment.

Thank You.

**Dipen Vakil:** That is very encouraging to hear, sir. Thank you so much.

Sir, if I can squeeze in one last question. Sir, can you help us to understand the execution momentum in FY27? Will we maintain the similar execution momentum, or do you expect some softness in growth numbers from, say, for 38%, 35% to 40% might get slightly slower in FY27?

**P. R. Hari:** See, currently we are in an execution phase. Actually, if you see last year, we have delivered eight ships, so naturally when the ships are delivered, the revenue and in turn the profits would increase. We are still in that phase, but we all must be clear that the current order book is 13,596 crores, and of this, the two projects which are major, which means the P-17 Alpha and the anti-submarine shallow water craft. For example, the P-17 Alpha, we are left with about 4,500 crores and the anti-submarine shallow water craft of about 1,816 crores. These are the major projects which are on the anvil of completion. So, the current quarter's performance will be able to replicate in the coming quarters too.

**Dipen Vakil:** Got it, sir. Thank you so much for answering my questions and all the best for FY27.

**P. R. Hari:** Thank you.

**Moderator:** Thank you. The next question comes from the line of Kavish Pare with 361 Capital. Please go ahead.

**Kavish Pare:** Hi, sir. Thanks for the opportunity. My question is on GRSE's indigenization levels. Sir, could you elaborate on the current level of indigenization across our portfolio and also identify the key systems, subsystems, or components where we continue to remain dependent on imports?

**P. R. Hari:** Okay, thank you. A very interesting question, and this has been the focus of our government also, indigenization. See, one thing we all must clearly understand that we are platform integrators. Naturally, GRSE being shipbuilders and engineers. The other part, the engineer's part, I will answer separately to come into the shipbuilding part. We are platform integrators. When we are platform integrators, most of the equipment and weapons or, let us say, the propulsion engine, they are all nominated by the customers, be it defense shipbuilding or be it commercial shipbuilding. Then the nomination comes from the customers. For example, if a commercial ship customer wants an engine of, let us say, German made, we have to procure the German engine, which is a contractual obligation. Therefore, expecting indigenization there would be an infrastructure exercise. However, with respect to war shipbuilding, I will segregate this into four components, float, fight, move, survive. If you are taking the float component, float component mostly comprises of the ship's hull, where the stability aspects are involved.

India has achieved, and so has GRSE, 100% indigenization. But the float component comprises only about 10% of ship cost. Then comes the fight component.

Fight components comprise of the weapons and systems. Here, I am happy to inform you that from a very, very modest indigenization percentage, we have gone up to almost 60% indigenization today. But many of the Indian defense manufacturers are producing weapons and systems, including my sister company that is well for the sensors.

Now, coming to the float component, this is where currently there's a catch because float comprises, sorry, move, move comprises of the propulsion engines and the power generation and associated equipment. Here, while power generation, that is the diesel alternators, they are 100% indigenous, in case of propulsion engines, we have still not achieved indigenization, where the government has already initiated both for the marine gas turbines, as well as for marine diesel engines, but this will take a finite amount of time. Coming to survival, survival is the firefighting equipment, the safety equipment, and so on.

We are about 70% indigenous. So, net-net, if you take a 100% cost of a ship, we are talking by value. In the last few projects, two projects I will just take, which we have completed, the anti-submersible aircraft, then four ships already been delivered, we know exactly what is the kind of indigenization that they can achieve.

And the survey vessels large, which we have already completed the project. There, we have plus 80% indigenization overall. This is for the ship building sector.

Coming to the other sector, let us take Bailey Bridge, which is one of my business verticals, where it is 100% indigenous. Every component is fabricated, including subcomponents are fabricated from Indian sources, sourced from India and fabricated here. So, 100% indigenization.

Coming to the other products, let us say marine diesel engines, we have a collaboration with another foreign OEM, so co-production of marine diesel engines. When the project fructifies, the indigenization level would be about 55% to 60%. If you are talking about deck machinery, another business vertical of GRSE, we have about 90% indigenous.

So, this is where we stand as of today, but then again, I go back to my first statement with respect to indigenization, that while all of us, the entire ecosystem is striving towards indigenization, it has got its limitations and the time implication, because indigenization does not come like a switch getting on, it takes time. So, currently, we are, let us say about 80-85%, maybe it will take about 5-10 years of achieving 100% indigenization. Thank you.

**Kavish Pare:** Very decent, sir. Thanks a lot for that. Sir, as a follow-up on the defense side, which domestic suppliers, in your view, are best positioned to substitute these imported components as procurement within the company becomes increasingly indigenous?

Which private sector companies do you think could emerge as meaningful beneficiaries? And lastly, also within the defense electronics part, apart from Bharat Electronics, which suppliers currently have a meaningful wallet share with us?

**P. R. Hari:** Very interesting question. Now, almost all the major private companies are into defense manufacturing, be it L&T, be it Adani, be it Mahindra, be it these guys, Kalyani, all of them are in defense manufacturing and each one of them has contributed extensively towards indigenization. So, I think that gives you a broad answer about which are the major private companies.

I may have missed out somebody, but I have just hinted that this is the big companies. Now, there are a host of startups, host of startups. Today, in India, about 17,000 MSMEs, about 1,000 startups, and about 675 innovators are involved in defense manufacturing.

And most of them are focusing on new technology based, and I am talking about the innovators and startups, most of them are focusing on new technology based indigenous production. Here, the limitation is there is still a percentage which comes from abroad. So, to encourage the startups and innovators, we ourselves, GRSE company has taken an initiative and started an open challenge team for startups.

We kept an acronym called GRSE Accelerator Innovation Engineering Team. Believe me, the response has been overwhelming. About 101 startups took part last year.

So, the entire ecosystem is striving towards indigenization. Let us see how it moves or how fast it moves.

In addition to BEL, of course, HAL is a major contributor towards indigenization. We also have some links with HAL because the marine gas turbines that come from them, of course, it is rooted from abroad, but a certain amount of indigenization takes place there. ECIL is a part of indigenization, and there are other PSUs like Kelton, who also are contributing towards supplying indigenous products to shipbuilding. Thank you.

**Kavish Pare:** Thanks a lot for that, sir. Very, very detail explanation. Hope to see the long-anticipated contract getting signed soon. All the very best.

**Moderator:** Thank you. We will move on to our next question. Your next question comes from the line of Harshad Kapadia with Elara Capital. Please go ahead.

**Harshad Kapadia:** Thanks for the opportunity and congratulations again for a good set of numbers, sir. Would you be able to share the order book breakup for GRSE, sir? Sure.

**P. R. Hari:** Thank you, Mr. Harshad. The current total order book is ₹ 13,596.26 crore. Within that, the shipbuilding contributes nearly 95 percent, that is ₹12,980 crore. With the other verticals, that is ship repair, about ₹96 crore, the naval vessel gun ₹219 crore the bailey bridge is ₹158 crore, the deck machinery is ₹58 crore, and our diesel engine plant ₹ 82 crore. Now, I will just give you a breakup of the shipbuilding order book. P 17 Alpha, the last ship was ₹4,519 crore. The Anti-Submarine Swallow Water Craft, about ₹1,815 crore. Survey Vessel Large, we are left with about ₹. 225 crore. The NGOPV project, about ₹3,075 crore. The Ocean Research Vessel, ₹740 crore. The Acoustic Research ship, ₹450 crore. The Coastal Research Vessel, ₹258 crore. The ferry, ₹ 203 crore. Multi Purpose Vessels and the Dredger put together about ₹1,355 crore. So, about 74% of the shipbuilding pie is from the four naval projects and the balance, 25% is coming from the non-defence sector.

There was a period when 98% of the shipbuilding order book was comprised of defence orders, but now the split, the breakup has been different, mostly because we have been executing the research ship projects for various ministries, and of course the export orders. So, this in a nutshell is the breakup of our current order book.

**Harshad Kapadia:** Thank you. Thank you, sir. Just one more question, sir, on the P&L. Probably if you have answered this question, I am again sorry for reiterating. On the other expense side, the expenses have reduced significantly. Was there any one-off here, or what would you attribute here?

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| **P. R. Hari:** | One second, could you repeat the question again? |
| **Harshad Kapadia:** | So, sir, other operating costs have come down significantly in this quarter in Q1 FY27 results. So, what would be the reasons for that, sir? |
| **P. R. Hari:** | Other expenditures coming down? |
| **Harshad Kapadia:** | Yes, sir. |
| **P. R. Hari:** | In the last quarter, we had three of the ships which were commissioned. So, the last phase of commissioning, a certain amount of expenditure was incurred for these activities. So, in the current quarter, we did not have such occasions. So, that has resulted in a drop in the other expenses. Thank you. |
| **Harshad Kapadia:** | Okay, sir. I will come back in the question queue, sir. Thank you. |
| **Moderator:** | Thank you. Your next question comes from the line of Kashyap Ramesh, an individual investor. |
| **Kashyap Ramesh:** | Hello, sir. Congratulations on a great quarter. My question is on exports. After the German order, there is nothing significant coming, a bid pipeline or anywhere, you are not mentioning anything about exports. So, is the GRSE bid for export to Navratna, do you have the freedom or again, it should come from like an inter-government thing? |
| **P. R. Hari:** | Okay, thank you for the question. Firstly, for exports of non-defense platforms, we do not need any government approval if the item is getting, if the product is getting supplied to a friendly foreign nation. Now, defense exports mostly are through G2G types and so, we rely on our government for defense exports. Coming to the non-defense exports, you had mentioned that we have not gone in for any export orders after the multipurpose contract. It is a very conscious act. When we went in for multipurpose vessel, obtaining the multipurpose vessel export order, at that point of time, our government had not aggregated the demand of the Indian non-defense requirements.<br><br>So, now that demand has been aggregated and the opportunities are fantastic. About 200 plus platforms are required. So, when we have, yes, export is interesting and we want to export more, we will export more, but right now, we are not taking any export order considering that there are huge opportunities available within India.<br><br>Having said that, if an attractive, profitable and visible order opportunity comes from Europe or any of the other customers, we will take it up. So, this is the strategy which we have taken. Again, to reassure you that there are enough opportunities available within India and India looks to India for giving the product. |

Now, coming to the Navratna status, Navratna status definitely provides the autonomy for expansion, and we intend utilizing this privilege or the expansion autonomy to the hilt. Thank you.

**Kashyap Ramesh:** One more question is about the water metro projects of Mumbai and other cities. Is GRSE actively bidding? Because I saw some of your officials meeting Mumbai metro water project people. So, you didn't mention anything about that.

**P. R. Hari:** We are currently executing one project for the government of West Bengal. It is a World Bank funded project for 13 hybrid ferries. Actually, you are absolutely right.

We are pitching in with the various state governments for their respective water metros. And you will understand that even Goa, they are coming up with a water metro development. I think they have engaged KMRL, the Kerala water metro as a nodal agency for coordination.

Yes, we are engaging with these various state governments. And as and when the RFPs come out, we will definitely take part because this is an area where we have already established ourselves. Because our ferry that we have provided to the government of West Bengal is the largest and the fastest fully electric ferry in the country.

And we intend leveraging and capitalizing on this edge that we have. And we will take part in the RFPs which are coming out. I expect some of them to come out in the coming one year. We will take part.

**Moderator:** Thank you. Our next question comes from the line of Yash, an individual investor. Please go ahead.

**Yash:** Hi, sir. Good evening. Congratulations on the good set of numbers. And most of the questions I had planned to ask were asked by the other participants. So, I'd just like to reiterate the question which I asked in the prior call. Are you going for any bonus or a stock split? Yes. So, because other shipyards have done that, right? So, that was the only question.

**P. R. Hari:** Sorry. Could you repeat the last part, the question part once again?

**Yash:** So, I am talking about any corporate actions that are in the queue, sir, like a stock split or something like that.

**P. R. Hari:** I understood. I understood. We are fully aware that this is controlled by the government department. We are waiting for their instructions on this. And whatever instructions come from the Administrative Ministry and DIPAM, we will abide by that. Let us wait for their directives. Thank you.

**Yash:** Thank you.

**Moderator:** The next question comes from the line of Alok, an individual investor. Please go ahead. Alok, sir, your line is unmuted. Please proceed with your question. As there is no response from the line of current participants, we will move on to our next question. Our next question comes from Harshad Kapadia with the Elara Capital. Please go ahead.

**Harshad Kapadia:** Thanks for the opportunity. Sir, your employee cost has also come down despite such a strong increase in revenue. Is that because you are nearing ending the completion time? So, mainly the contractual workers are reduced? Is it because of that?

**P. R. Hari:** **Y**es, you are absolutely right that the contract expense is have come down. The deployment of contract workers varies from the project execution phase. In the final stages of outfitting, if you see the contract expenditure during Q4, FY26, it would have been high. Because that is when we delivered in that last quarter, we delivered three ships. So, maximum deployment of personnel would have been there and so that the contract value would have been high. In this, it's a sinusoidal thing. You will definitely see some increase in that in the coming quarter because that is when we expect to deliver a couple of ships. So, as you rightly said, it is purely on the project execution phase. No abnormality in that. It's very normal in the shipbuilding cycle.

**Harshad Kapadia:** Understood. And just in relation to that, next year is going to be the pay commission which will happen. So, how much increase in employee cost can we expect? Will it be in the range of 15-20% which we see earlier, or will it be lower? Sir, any number or any color on this would be helpful.

**P. R. Hari:** Okay, I understand the question. But our anticipation is that it could be of similar range 15-20% which is normal in every pay commission. We don't see any abnormality, and we have already factored those in our, let us say, future projections and calculations.

**Harshad Kapadia:** Okay. Okay. Fair enough, sir. Okay. Thank you, sir.

**Moderator:** Thank you. The next question comes from Pratap Maliwal with Mount Intrafinance. Please go ahead.

**Pratap Maliwal:** Yes. Hi. Thanks for taking my question. I just wanted two clarifications. So, I believe you've mentioned water metro project that you may be executing. Could you give us some idea of what could be the tentative order size of these kinds of projects?

And secondly, just regarding the next-gen destroyer program, I think that we have spoken of in the past. Is there any incremental update that we could get maybe on the timeline or the order value?

**P. R. Hari:** Thank you. The water metro project, as an earlier speaker, an analyst or an investor mentioned, many of the states are now looking at setting up a water metro. Kochi has already a facility and here we are doing one for the government of West Bengal.

So, these are not very high-value projects. The order value could be to the tune of around ₹200 to 300 crore per metro. They are small platforms, but that but is the attractiveness or the overall necessity of a green platform.

But here, again, the volumes are high. If for five states, let us say, going for this, the order value could be to the tune of around ₹1,500 crore. And in terms of numbers, it could range from 30 to 40 platforms.

So, this in a nutshell, I think, would give you a hint as to what are the numbers and the order value involved. Coming to the major project of the Navy, I think you asked about the next-generation destroyer. Is that what you asked?

Yes, sir. Okay. This is one of the projects which, as we are given to understand, this is in their prospective plan.

This is a high-value project where, as per my understanding, this has not yet gone for a DAC approval, which means that after a DAC approval is taken, it will still take about a year-and-a-half to two for the RFP to be issued. So, I do not expect, in my appreciation again, that I do not expect the RFP to come out for NGD till FY29, because currently we are in FY27. Considering, depending upon the priority that Navy has got, even if a DAC approval is taken in the current financial year, it could take about a year-and-a-half for the RFP to come out.

Now, keeping the NGD apart, as I mentioned during my introductory remarks, there are enough opportunities, as I stated, about 80,000 crores worth RFPs are currently out of life, and about 60,000 more is likely to come out during the current year. So, that itself, the volume is around 1,40,000, and the stakeholders, the contenders for these 1,40,000 to 150,000 crores are just about five to six shipyards. So, this is where we stand today.

The opportunities are adequate. This is excluding the NGC contract that we expect soon, and also excluding the commercial shipbuilding opportunities that are available in the domestic market. Thank you.

**Pratap Maliwal:** Thank you. Thank you for a detailed answer. Those were my questions. Thanks.

**Moderator:** Thank you. Thank you. Ladies and gentlemen, we will take this as the last question for today. I would now like to hand the conference over to the management for closing comments.

**P. R. Hari:** Thank you, and thank you, Chintan from Concept, and thank you all the investors and analysts for participating in this conference and showing interest in our Company as always, and I definitely look forward to future interactions waiting for the next quarter. Thank you. Thank you.

**Moderator:** On behalf of Garden Reach Shipbuilders and Engineers Limited, that concludes this conference. Thank you, everyone, for joining us, and you may now disconnect your lines.