SECY/GRSE/BD-69/AM/02/26-27 24 Nov 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 Q2 & H1 - FY 27 of GRSE – Reg 30

1. Further to our Intimation Letter No. SECY/GRSE/BD-69/AM/02/26-27 dated 14 Nov 2026, we wish to inform that Conference Call was held on Thursday, 19 Nov, 2026 at 03.30 P.M. to discuss the Company's Q2 & H1 – FY 27 results and the 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 Q2 & H1 - 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: 2026.11.24 13:51:50 +05'30'

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

Garden Reach Shipbuilders & Engineers Limited
Q2 & H1-FY27 Earnings Conference Call
November 19, 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

Errors & Omissions Expected: This transcript is edited for factual and grammatical errors. In case of discrepancies, the audio recordings uploaded on the stock exchange and company website on 19th November 2026 will prevail.

Garden Reach Shipbuilders and Engineers Limited
Q2 & H1 - FY 27 Conference Call
November 19, 2026

Moderator: Good afternoon, ladies and gentlemen. Welcome to the conference call of Garden Reach Shipbuilders and Engineers Limited arranged by Concept Investor Relation to discuss its Q2 and H1 FY27 results.

Before we begin, let me mention a quick cautionary statement. Some of the statements made in today's earnings call may be forward-looking in nature. Such forward-looking statements are subject to risks and uncertainties which could use actual results to differ from those anticipated. Such statements are made on management's belief as well as assumptions made by the information currently available to the management. Audiences are cautioned not to place any undue reliance on these forward-looking statements in making any investment decision. The purpose of today's earnings call is purely to educate and bring awareness about the company's fundamental business and the financial quarter under review. Please note that this conference is being 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.

Commodore P. R. Hari: Thank you, Swapnali. Good afternoon, ladies and gentlemen and a very warm welcome to each one of you to the conference call of Garden Reach Shipbuilders and Engineers to discuss the results for the quarter and half year ended 30th September 2026. With me here are Shri Niranjan Bhalerao, Director Finance and Chief Financial Officer; Srimati Aparajita Ghosh, Chief General Manager (Finance) and Shri Sandeep Mahapatra, the Company Secretary and Compliance Officer.

Over the next 15 to 20 minutes, I shall provide you an overview of the financial performance of the company for the quarter and half year ending 30th September 2026 and thereafter touch upon the operational highlights. I shall also provide details of our current order book position status and execution plan of the ongoing projects and a snapshot of our future outlook focusing on the expansion plan.

Now coming to the financial highlights, the Q2 as well as half year ending 30th September 2026 has been good for us in terms of financial performance. When compared year-on-year, our revenue from operations for the quarter have moved up from ₹1,677 crores to ₹1,827 crores, registering a growth of about 9% and the profit after tax going up by 12% from ₹154 crores to ₹172 crores. Similarly, for the half year ended 30th September, our revenue from operations have moved up from ₹2,987 crores to ₹3,641 crores and the profit after tax has moved up from ₹274 crores to ₹345 crores, registering a growth of 26%.

Now to touch upon the operational highlights, during the intervening period since we had the last investors call, we have secured four shipbuilding orders. One from the Oil and Natural Gas Commission (ONGC) for the construction of four platform supply vessels (PSVs) and we also received a letter of intent from the Syama Prasad Mookerjee Port for the construction of one 15-tonne bollard pull battery propulsion tug. We also won an order from the West Bengal tourism department for 200 passenger electric ferries. In addition, the much-awaited order for the Next Generation Corvettes (NGC) was received and the contract was signed on 2nd of November and the order value of this particular contract is to the tune of plus ₹32,000 crores.

Now coming to the order book, as on 30th September, our order book stood at ₹12,977.93 crores and with the Next Generation Corvette contract, the current order book value is about ₹44,846 crores. When I am taking the order book position as of 30th September, Shipbuilding continues to provide about 96% of our orders with the defence segment contributing 70% and the non-defence segment contributing about 29%. This order book comprises of 13

projects consisting of 50 platforms. Four naval projects, the P-17 Alpha, Anti-Submarine Shallow Water Craft, the Next Generation Offshore Patrol Vessel and of course the Next Generation Corvette. Two export projects, one for a German client, 12 Multipurpose vessels and one 1000 cubic meter Trailing hopper suction dredger for the Government of Bangladesh. Three research vessel projects, one Ocean Research Vessel, two Coastal Research Vessels and an Acoustic Research ship. Two Hybrid Ferry projects, 13 Ferries, both the projects are for the Government of West Bengal, one for their transport department for 13 hybrid ferries and the second order that we recently received for two ferries for their tourism department. One fully electric Tug for the Syama Prasad Mookerjee Port and four Platform Supply Vessels for ONGC.

So, coming to each of these projects, I shall briefly touch upon the status of each of these projects. The P-17 Alpha project, we are at the verge of completing this project. There is a three-ship project and we have delivered two of these vessels ahead of schedule and the third ship has undergone all the trials and is getting ready for delivery. We intend delivering this vessel, this month. The Anti-Submarine shallow water craft project, this is the eight ship project. Five of these vessels have been delivered. The fifth vessel that we delivered was on 5th of November, just about 15 days back. The balance three vessels are in various stages of construction. The sixth vessel has touched about 99% physical progress. We intend delivering this vessel next week. The seventh vessel about 75% construction. And the eighth vessel has achieved about 63% of physical progress. We intend completing this project during the first half of the calendar year 2027.

The third naval project is the Next Generation Offshore Patrol Vessel project. There are four ships in this project. This is actually an 11-ship project of which as the L2 shipyard, we have been mandated to construct four vessels. The construction is progressing smoothly. Three of these vessels have already been launched and the fourth vessel is planned to be launched during early 2027. That is Q4 of the current financial year.

As I mentioned earlier, the next-generation Corvette project has just commenced. As of now, the pre-production activities, that is the design activities as well as the procurement activities have already commenced. And this is a very long project. It's about nine years project. So, we'll be proceeding with this project in a systematic manner and ensure that the project is completed on schedule. The next project as I mentioned is the Ocean Research Vessel project for the Ministry of Earth Sciences. We have touched about 55% of the physical progress and the ship is planned to be delivered during end 2027. The Acoustic Research ship project is moving smoothly. The vessel delivery is planned during the first half of calendar year 2028. And here we are almost at 40% physical progress of construction.

The Coastal Research Vessel project is proceeding smoothly. The keel laying of both the platforms has already been completed and the delivery of this vessel is planned by; this project is expected to be completed by financial year '29. Technical launch of the first vessel has been completed and we intend launching this vessel during mid-2027 calendar year. And keel of five of these vessels have already been laid.

Coming to the ferry project, right now I'm speaking about the ferry project that we are executing for the transport department of the Government of West Bengal. 13 ferries, seven 100-passenger ferries and six 200-passenger ferries. The 100-passenger ferries, two of these vessels have crossed 90% physical progress of construction and we intend delivering these vessels within a month or so, the first two vessels. And the project is expected to be completed during the first half of calendar year 2027.

Coming to the new project that was awarded by the Tourism Department, the pre-production activities are in progress. Similarly, for the platform supply vessels also, the pre-production activities have already commenced by way of design preparation and equipment procurement. Similarly, the fully electric tug that has been ordered by the Syama Prasad Mookerjee Port Authority, the pre-production activities have commenced. This order has also been received since we had the last interaction during the Investor's con-call. The

Bangladesh dredger has already been launched and the final outfitting leading towards trials and acceptance has already commenced and we intend delivering this vessel by April 2027. So, this gives you a glimpse of the projects which are in hand and their status of production and completion, the planned execution timelines.

Now I'll just give you a glimpse of the orders on the anvil. From the Indian Navy and the Coast Guard, there are four RFPs where the bids have already been submitted, 22 interceptor boat projects for the Indian Coast Guard. We expect the order value to be to the tune of about ₹1,000 to ₹1,100 crores. 31 water jet FACs for the Follow-on Water Jet FACs for the Indian Navy. As per the RFP conditions, the order will be split between two shipyards with the L1 shipyard getting 19 vessels and the L2 shipyard getting 12 vessels and we expect the order value to be to the tune of about ₹15,000 crores. There is another project of 120 Fast Interceptor Crafts for the Indian Navy. The order value is likely to be to the tune of about between ₹4,500 to ₹5,000 crores and six for the Next Generation Offshore Patrol Vessels for the Indian Coast Guard where the order value is expected to be to the tune of about ₹3,500 crores and all put together, the four projects that I mentioned, the order value is tantamount to about ₹25,000 crores. In addition, there are three RFPs which are live now. The bid submission is due for one of the projects next week and so on. The P-17 Bravo project where the AoN value by the Defence Acquisition Council is to the tune of about ₹70,000 crores. This project consists of seven platforms. The distribution is similar to the P-17 Alpha project where the L1 shipyard would get four ships and the L2 shipyard three vessels. We would definitely be bidding for this project in a manner where we should be minimum replicating the P-17 Alpha condition.

The Landing Platform Dock project is again a high-value project to the tune of AON value of about ₹33,000 crores. And of course, the mine countermeasure vessel project, the long-awaited project where the AON value is to the tune of about ₹44,000 crores. These three projects alone are valued to an approximate ₹1,47,000 crores. This is the kind of order values that are on the anvil.

As I mentioned, four of them, the tender is already closed and three more which are in progress. So, by the end of this financial year, we would be clear as to which shipyard is getting the chunk of these orders. This time, I am talking excluding the next generation destroyer, the P-15 Charlie projects, the Indian Navy or even the submarines which GRSE would not be taking part. I am specifically mentioning about the submarines.

Now, coming to our shipbuilding capacity and the expansion plan, as I have stated multiple times during the previous interactions, our current shipbuilding capacity facilitates the concurrent construction of 28 platforms and within a month, that is next month, with some of the ongoing expansion revitalization plans getting completed, this capacity will move up to concurrent construction of 32 platforms. But to meet the future opportunities available, especially in terms of large-size platforms, both defence and of course, the large chunk of orders in the commercial shipbuilding segment, we have started our expansion plan beyond the geographical limits of our current location and the two sites, both in Kolkata, we have commenced the rejuvenation process. We have taken over these facilities from Syama Prasad Mookerjee port on a strategic lease, long-term lease plan. And the first project, one in Timber Pond, that is what we call the place, the expansion would cost approximately ₹100 crores. This facility has got a 130-metre dry dock and 120-metre slipway. The second area in Howrah, the investment is about ₹70 crores; this is a small facility which would cater for medium and small-size vessels, mostly tugs, ferries, and so on. The third is the major expansion plan that we have at Raichak. This location is closer to the sea from where we are today, and this will mitigate some of the sharp bends in the Hooghly River, as well as providing a better draft condition, that is the depth condition. The project cost is about ₹2,900 crores. This facility would cater for a 200-meter dry dock with associated slipways and ship launch pads, and would be able to cater for commercial ships to the tune of about 60,000 DWT. In addition, we are also planning expansion on the west coast; the DPR and associated partnership-related activities are in progress. Both the major projects that is the Raichak project and the plant what we have in the west coast are expected to take about 3.5 to 4 years for completion.

So, this in a nutshell gives our expansion plan. And these expansion plans are also based on the various schemes initiated and promulgated by the Government of India by way of the Shipbuilding Revitalization Plan, which as you are aware is to the tune of about ₹69,000 crores. This comprises of the Shipbuilding Development Scheme, the Shipbuilding Financial Assistance, the Interest Incentivization Policy, and the Shipbreaking Credit Note.

So I have touched upon the financial performance of the company during the last quarter as well as the H1 current financial year, given you a glimpse of operational performance of the company during this period, touched upon the current order book position and also the status of the ongoing projects and their execution plan, given you a glimpse of what we appreciate are the opportunities available in the warship building segment because I have not touched upon anything on the commercial ship building front, on the warship building segment, which itself the orders, the RFPs currently closed and live put together alone comes to about ₹1,72,000 crores approximately. Also given you a glimpse of our current shipbuilding capacity as well as the expansion plan.

With this, I have finished. I am open for questions, if any, the moderator may please take on. Thank you.

Moderator: Thank you, sir. We will now begin with the question-and-answer session. We have the first question from the line of Amit Dixit from Goldman Sachs. Please go ahead.

Amit Dixit: Yeah. Hi. Good evening, everyone, and thanks for the opportunity. First of all, congratulations for a good set of numbers and securing a Next-Generation Corvette order. It is indeed a very prestigious order for the company. So, two questions from my side. The first one is on NGC itself. While you have indicated that the pre-production activity will commence, just wanted to get a sense that in this nine-year period, when we are going to deliver the first vessel, and also when the revenue recognition will start for this particular project.

Commodore P. R. Hari: Thank you. If you could ask your second question also, I will answer both together.

Amit Dixit: Yeah, of course. The second question is essentially, if I look at the delivery schedule that you have highlighted in an elaborate manner, what I see that FY28 would be the time when the current order book, barring NGC, would be nearly exhausted. Are we going to see a phase, let us say, FY29, maybe 2030 or half of 2030, which could be a little bit lean on revenue, but rich on order book, as you are expecting several orders to be awarded, I mean, in the course of, let us say, 12, 15 months?

Commodore P. R. Hari: Thank you, Mr. Amit. Interesting questions. One, yes, we were waiting for the NGC order. As per the contractual, for a long time, and we are happy that finally it is fructified. As per the contractual timelines, the first vessel is expected to be delivered during mid, rather, the latter half of calendar year 2032. That is when the first vessel is expected to be delivered, and then on till 2035, 2036, where the fifth vessel will be delivered. Now, you had asked about when will the revenue start flowing in from this project. In shipbuilding, as you are aware, the shipbuilding cycle forms a very peculiar revenue recognition pattern, unlike several other industries, where the first phase of a project is mostly dedicated to the preparatory activities by way of design as well as procurement. Then comes the hull fabrication with certain limited outfitting, and thereafter comes the phase where maximum equipment and systems are lowered, and then the phase of the outfitting and integration of this equipment and systems leading to trials and activities. So, typically, in a warship production cycle, the maximum revenue recognition occurs when the physical progress of construction hovers between 40%-65%. Now, this I have given a broader perspective.

Now, to answer your specific question, as part of the design activities and certain information that we obtained from the major OEMs, there are imperatives to finalize the design of the ship. So, this quantum could be to the tune of about 7.5%-8% of the project cost. So, revenue recognition, of course, in a moderate way, would commence from financial year '28.

Now, coming to your second question, I had given you a very detailed input on the execution plan of the ongoing projects. Yes, two projects, that is the P-17 Alpha project would get completed this financial year, actually this particular for the ongoing quarter. The Anti-Submarine Shallow Water Craft will spill over to the first quarter of the next financial year, that is FY'28. The NGOPV project will get completed only by financial year '29. The other miscellaneous project, the research vessel project will get completed by FY28 and '29. Definitely, the multipurpose vessels export project will, and the platform supply vessels will move on to FY29. We expect by FY29, the revenue contribution from the NGC would pick up substantially. Yes, this is a very natural process. There will be a trough, and our peak years, as I have been reiterating in multiple interactive sessions that we had before, are FY26 and '27. This is where we stand as of date.

Amit Dixit: No, no, great, sir. Thank you so much and all the best.

Moderator: Thank you. We have the next question from the line of Dipen Vakil from Phillip Capital. Please go ahead.

Dipen Vakil: Hi, sir. Thank you so much for this opportunity, and congratulations on winning the prestigious NGC contract. My first question is that I want to understand about the revenue recognition which can occur during the pre-production phase and designing phase, if any. Also, when we look at the execution, what kind of order book is still pending post all the deliveries of a particular project are complete? Is it any ballpark number in terms of percentage as to how do we look into it? That would be my first question, sir.

Commodore P. R. Hari: Okay. Now, coming to the revenue contribution from the revenue recognition from the NGC project during the pre-production phase that mostly comprises of design activities and the procurement-related activities. Here, on a conservative basis, we expect about 7.5% of the order value. If you want more details of the outstanding order, I didn't get your second question. Outstanding orders, order value of each of the projects? Is that what you want to?

Dipen Vakil: That was my second question, but right now I was asking that once we deliver all the vessels, is there any order book which is still pending on your side, maybe for spares or any warranties or anything, that sort of, and what is the timeline for finishing up on those orders? That was my question.

Commodore P. R. Hari: Okay. That's a good question. Yes. Whenever any project is awarded to us, one, the basic value of the project is there, and certain spares, these are called base and depot spares, which works out to about 15% of the project cost maximum, are earmarked for the base and depot spares, which are expected to sustain the ship thereafter once the ship is delivered. As I mentioned, this is about 15% of the project cost. For example, we will be completing the P-17 Alpha project this year. But the base and depot spare outstanding in this project as on date is to the tune of about ₹1,700 crores. Similarly, the Anti-Submarine Shallow Water Craft, when we complete the project, we will still have about ₹465 crore, NGOPV ₹427 crores, and so on. This works out to about 15% of the base order value. And within a year of completion of the project, we are expected to deliver these base and depot spares. I think we both are thinking about the same thing, that even after project delivery is completed, there would still be a year where this 10%-15%, because some of these spares, about 5% we may have delivered before the project is completed. The balance 10% would be remaining even after the project gets completed. So, on an average, about 10%-12% of the project cost will still remain for execution for about a period of one year. Does that answer your question?

Dipen Vakil: Yes, sir. Sir, second question was on the pending order book for each of the contracts. If you can help us with that.

Commodore P. R. Hari: Yes. So, in P-17 Alpha, as on date, as on 30th of September, we have about ₹3,395 crores remaining in the survey with the large project. This is an indirect answer to the question which you asked earlier. We had completed the project about a year back, about seven months back. So here, about ₹160 crores are remaining. In the Anti-Submarine Shallow Water Craft Project, we are left with about ₹1,565 crores. The NGOPV project ₹2,900 crores. The

Ocean Research Vessel, ₹710 crores. The Acoustic Research Ship, ₹441 crores. The ferries, this is the old order, about ₹170 crores. The Coastal Research Vessel is about ₹455 crores. The Platform Supply Vessel is ₹984 crores. The ferries and the tug for the local authorities, that is the SMPK and the West Bengal Tourism Department, about ₹80 crores. The Multi-purpose vessel project, ₹1,253 crores. And the Dredger, we are left with about ₹60 crores. And of course, the NGC, ₹32,308 crores. This is the balance order book distribution.

Dipen Vakil: Sir, a last small question. Since NGC was more like a competitive bidding contract, so are the margins similar to what you have been doing or slightly better, or how are the margin profiles for NGC contracts?

Commodore P. R. Hari: We started getting into the competition mode almost six years back, starting with the survey vessels and the Anti-Submarine Shallow Water Craft and the NGOPV project, which we won. And now the NGC. Yes, NGC has not been a nomination project, but all I can say is that the margins are adequate and akin to the Anti-Submarine Shallow Water Craft project, which is a profitable project.

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

Moderator: Thank you. We have the next question from the line of Milind Samit from Break Thoughts. Please go ahead.

Milind Samit: Sir, thank you so much for taking my question. The current order book as of last quarter was to the tune of ₹13,000 crores, if I recall rightly. Now, would that be enough to take us to FY28 with the same momentum as the company has shown in the last few years? You have already guided us for FY29, where you were saying that 7% of the NGC order would slow in that year. So, do you just want to do a guidance on FY28 about the comfort we can get for this continuation of the growth?

Commodore P. R. Hari: Thank you. The last few years, you have seen the revenue going almost exponentially at CAGR of about 20% to 25%. During this period, the projects

that we had, the P-17 Alpha, any of the projects, the P-17 Alpha, the ASW Shallow Water Craft, they were in and are in their peak execution phase. Now, the P-17 Alpha project is closing this year. The Anti-Submarine Shallow Water Craft project will close during the first half of the next current year, perhaps during the first quarter of the next financial year. But we will still have the NGOPV project, which will peak as far as its revenue recognition is concerned during the next financial year. Again, I would like to repeat that we have just started the Next-Generation Corvette high-value project, the first phase, which will be to the tune of about a year and a half from now, which means in the next financial year, we should be able to recognize about 7.5%. That is next financial year, not next financial year. Next financial year, we should be able to recognize about 7.5% of project costs. And we also have projects which are maturing, which are picking up now, but will get fully blown with respect to their growth during the next financial year, that is the Ocean Research Vessel, the Acoustic Research Ship, and the Multi-Purpose Vessel project for the German client. So, we expect the tempo with respect to project execution to continue in the next financial year also.

Milind Samit: Sir, my second question is that after the recent NGC order, the next order, which would be of the same magnitude, would be P-17 Bravo orders. Now, how long do you think would that order take to fructify in terms of firmness of the orders from the points?

Commodore P. R. Hari: Okay, I understood your question. I would like to answer it in a slightly different fashion. I had mentioned that while the high-value order, what we are looking forward would be definitely the P-17 Bravo. So, I will first cover P-17 Bravo and then touch upon the other projects which are where the RFPs are in progress on outsourcing level. You can look at it from an overall perspective. The P-17 Bravo order, the best-case scenario is GRSE being the L1 shipyard where the order value would be definitely plus 40,000 crores, and the worst-case scenario, okay, it could be the L2 shipyard, but as a strategy, we will be bidding to win this project, considering experience of currently executing and completing the P-17 Alpha project successfully. Now, the bid is closing in a week. So, we expect the L1 declaration in another four months,

that is, during the current financial year, definitely in line with the past precedents and the current focus which Navy and the Government is providing for the shipbuilding project conversion from RFP to order. So, we expect during the current financial year, the L1 declaration and keeping a very conservative timeline of one year. Worst case, we expect the contract to be concluded during the next financial year, towards the fourth quarter of the next financial year. This is the high-value project which is currently immediately on as far as we are concern. Second, I'd also mention that about ₹ 25,000 crores worth orders, the RFP, the bids are already closed, and we expect the bid results to be announced in the next few months, starting with the interceptor boats, the water jet FACs and the OPVs. So, in this, on a very, very conservative basis, we expect about one-fourth of the chunk. That is a very, very conservative basis. Now, we also have two more projects in addition to P-17 Bravo, two very high-value projects, one LPD of ₹33,000 crores and the MCMV worth ₹44,000 crores. So, this is the kind of orders that are clearly visible in defence segment alone. Now, to answer your, going back to your specific question, P-17 Bravo, the L1 declaration expected during the current financial year and the contract conclusion by the end of next financial year, most likely during Q4 FY28. Thank you.

Milind Samit: Thank you so much, sir.

Moderator: Thank you. We have the next question from the line of Saksham Tyagi from Desvelado Advisory Private Limited. Please go ahead.

Saksham Tyagi: So, my first question is that, sir, in the previous concall, you mentioned that orders worth ₹70,000 crores were expected to be published during this calendar year. So, what's the progress on that? And also, when can we expect the execution of these orders to start?

Commodore P. R. Hari: Yes, I mentioned, now I realized I must have been perhaps too conservative. So, during the calendar year, if I had mentioned 70,000, Navy has already closed the bids for about ₹25,000 crores and about ₹1,47,000 crores worth RFPs are out. Now, before coming to execution, I would rather talk about when they are going to fructify. But all these contracts are expected to get

concluded during the next financial year. And then comes the execution stage, which, depending upon the size of the project, in case of a small project like Interceptor Boat or the water jet FAC, there is no pre-production time, the clock starts straight. Whereas in case of a large project like P-17 Bravo, LPD or MCMV, there's a pre-production time of one and a half years, two years. Thereafter, the actual execution would come in. And so, both put together, what I've just mentioned, the seven or eight projects, the value is to the tune of about ₹1,72,000 crores, give or take ₹ 5,000 crores, up or down, depending upon the bidding pattern. And that is a substantial amount that is available for the Indian shipyards. And in this, our focus definitely would be on the Water Jet FACs, the interceptor boats and the P-17 Bravo ships.

Saksham Tyagi: And sir, earlier you mentioned that you are focusing on maximizing the use of Robotics in your production process. So, what's the progress in that? And also, what kind of transformation can we expect in our production process due to this technology adoption?

Commodore P. R. Hari: Yes, very interesting question. And we have commenced the usage of Robotics in our manufacturing processes. And we started in a reasonably modest fashion, where our Robotics was used for one of the business verticals, that is the portable steel bridges, where we have series production and effectively being utilized. And I've seen the production throughput. We have procured more machines for bailey bridges as well as for shipbuilding. And we see the production throughput to increase substantially. Here, one point to note is that in case of shipbuilding, unlike other manufacturing processes, even one of our business verticals like bailey bridge, the surface of a ship often does not permit steady use of Robotics, except when we are fabricating panels or straight panels where state building is involved. So, what we have done is we have gone ahead and adopted in line with some of the global shipyards where they use Cobots, the collaborative robots for shipbuilding purposes, where they can operate even during curved surfaces. So, to put it in a nutshell, yes, we are pleased of the necessity to adopt Robotics. We are using it and we have already enhanced the usage of Robotics

in shipbuilding and of course the bailey bridge fabrication within Optimus. Thank you.

Moderator: Thank you. We have the next question from the line of Sunil Shah, the Catalyst Asset Manager. Please go ahead.

Sunil Shah: Yes, sir. Thanks. Thanks for the opportunity. Congratulations for the great service to the nation in terms of P-17 Alpha project. Thanks so much, sir. Sir, just to get some better understanding, when we say it is 32 platforms that we have, does it mean that we can construct 32 ships simultaneously or it means that the hull is constructed and the ship is launched and the work happens there and then at the same time we can still construct more ships? That is my first point to understand from you, sir.

Commodore P. R. Hari: Yes. Very, very interesting question. Okay, shipbuilding capacity is defined based on the assets required for infrastructure, required for ship production. These include dry docks. These include the building berths. These include the ship base or ship launch pads and also the jetties where the ships are berthed post their launch from the dry docks. So, when we say 32 ships concurrent construction means, there could be a situation where a ship is in dry dock, a ship could be in dry berth, it could be on a launch pad or it could be alongside in a jetty. So, you are right. The capacity of 32, today 28 but by next month end 32 would comprise of ships which are in pre-launch phase and post-launch phase. All put together it is 32. And again, since you mentioned this topic, today I am happy to inform you that we have in India the largest number of dry docks, slipways, building berths and ship launch pads in among all the Indian shipyards. So, we have about 16 of them currently with us, a large size and small size. So, all put together and the associated jetties, the capacity is for concurrent construction including that is pre-launch and post-launch put together 32 ships, 28 today and by end of this year 32. Does that answer your question?

Sunil Shah: Yes, sir. And just to follow up for a better understanding, so now finally we have got this Next-Generation Corvette order 5 in number and we are poised for the P-17 Bravo as well. So, maybe 3 years down the line, we will have

perhaps a stage of concurrent construction of 5 of these and probably 4 of P-17 Bravo as well in our books, let us say 3 years down the line, something like that. Would it be a possibility or we will have to make some Next-Generation Corvettes and deliver them and then start with the new ones, how would that work? Meaning a peak revenue kind of a number or a possibility on that, how would that work out?

Commodore P. R. Hari: Even as on date, before we come to 17 Bravo or any other project that would come along the way, even as on date, we are executing 13 projects comprising of 50 platforms. Of course, it is also a fact that within this 50, there are about 13 plus to 15, very, very small business. What we have adopted and adopted successfully as a strategy is a partnership model where we do the design and in some projects we do the procurement, we do the project management including the quality assurance where we partner capable shipyards with the competency and proven capability in building similar vessels and this model has been successfully executed for a couple of projects of ours, be it the survey vessel large project where we have partly outsourced construction of ships, the anti-submarine water crafts or the foreign order from Guyana where we built an ocean going ferry. So, this concept and this practice have already been successfully implemented by GRSE over the last five to six years. This is a strategy that we intend to continue because we would not like to miss any order for want of capacity. So, this is a strategy. To meet this strategy, we will be resorting to PPP model or even a partnership with another capable public sector shipyard. These options are available. So, again, to just get back to your question, concurrent construction of P-17 Bravo, when it comes, I would not even use the term if it comes, when it comes and the NGC project would be handled by us in a manner which will not impact the customer expectations or rather will ensure concurrent construction. I will just give you an example. There is a project, it is a 16-ship project for eight anti-submarine shallow water crafts to be built by two Indian shipyards. We were actually the L2 shipyard when this bid was opened and eight ships by us and eight ships by another shipyard. So, in this project, we adopted a PPP model and I am happy to inform you that five of the eight ships we have already delivered and the six ships will be delivered within a week from today.

And in this project, we are almost one year ahead of the contractual delivery schedule. So, these advantages which we have learned over a period of time and this strategy will be crystallized and implemented to ensure that we have capacity to take on big orders that come along the way from our major customers, that is the Navy or the Coast Guard. Thank you.

Sunil Shah: Sir, if I can just take one question in. Sir, it is about the cluster development, which is what the government's big ambition program is. And I believe you mentioned during the opening remarks something like Rs. 2,900 crores of investment. Was it referring to the developments in the western region? If you could make some more understanding about how would that pan out in terms of time, you mentioned three years, but in terms of capacities, etc., that would be really helpful.

Commodore P. R. Hari: Okay. I touched upon during my introductory talks that government has come out with a clear shipbuilding revitalization policy and one of them is shipbuilding clusters. And as of now, there are shipbuilding clusters which are planned in Gujarat, one or two locations, Maharashtra, Odissa, and Andhra Pradesh and Tamil Nadu. The projects what I have mentioned, one on the west coast and one on the east coast, where already board approval has been given, both these projects are not a part of the shipbuilding clusters. They are independent projects and we expect these two, you could also ask by when they are expected to get completed, we expect them to be completed in about three and a half to four years. Thank you.

Sunil Shah: Thank you, sir. Thank you so much and really appreciate everything that you are doing for the country. Thanks so much.

Moderator: Thank you. We have the next question from the line of Shivam Parekh from Value Wise Wealth Management. Please go ahead.

Shivam Parekh: Yeah. Hi, sir. Thanks for the opportunity. So, my first question is like orders are getting passed for the shipbuilding ancillaries with respect to bull bars, HVAC systems, composite doors, etc., as far as the comments from these managements are concerned. So, as you said in your recent remarks, we have

P-17 Bravo, LPD, NextGen Destroyers, etc., coming up. So, now with the Indian shipbuilding industry quite at a mature stage, how we are shaping up to fast-track our deliveries and what are we doing so that the MSME industries that cater to us feel safe in terms of potential revenue to build new facilities and do new investments? This was the first question. And second question was a follow-up to the first, like these MSME companies that cater to us are getting orders on piecemeal basis rather than one large chunk order based on demand basis from new shipyards. So, with the working capital already stretched for these smaller companies, doesn't this order on demand basis bring uncertainty both to the production lines and new investments required from the smaller players? These were the two questions.

Commodore P. R. Hari: Thank you. You know, interestingly, nearly 70% of our procurement is from MSMEs, one of the highest in the segment. Now, you're absolutely right that there will be a huge demand because we rely on MSMEs for products or for services. Most of our services vendors, be it for block fabrication, be it for erection, be it for outfitting, they're all MSMEs. Here, very, very clear order visibility is there for them. I'll come back to the production MSMEs, but first I'll just touch upon the services MSMEs. There's clear order book visibility for them. We have concluded the right contracts for long-term, three to five-year contracts have been concluded. So, there is visibility. Now, coming back to what you mentioned, you touched upon opportunities where firms who manufacture bull bars, composite materials, door hatches, and so on. We are platform integrators. As shipyards, we are platform integrators. The customer has defined the equipment. They have given the specifications of the systems, the material, like for example, bull bars or composite doors or hatches. The specifications are given by the customer. Now, what we have done is we have realized this bottleneck or the problem which the MSMEs are facing. In line with the directions of my ministry, what we have done is to aggregate the demands and to provide long-term visibility to the MSMEs instead of giving piecemeal orders, we established rate contracts. So, this is one initiative that we have taken to ensure that the MSMEs have clear order visibility. To the extent that my ministry is steering a process where demand aggregation of the shipyards, four of us, is also being undertaken, the results will be seen in

the coming years. So, we are pleased of the issue. Now, having said that, what the MSMEs in turn would need to do is to ensure that if long-term visibility and large-size orders are given, they should accordingly enhance their capacity and ensure that the products are delivered on time with the quality expected by us or in turn our end customers. Thank you. In a nutshell, we are pleased of this. Initiatives have already been taken in terms of long-term rate contracts and further consolidation will happen and the results will be seen in the coming months and years. Thank you.

Shivam Parekh: Okay. Thank you so much, sir. So, as far as what I have understood, the MSME industry down the line has a clear revenue visibility from your end and you are trying to improve their working capital cycles as well.

Commodore P. R. Hari: In a nutshell, that's correct.

Moderator: Thank you. We have the next follow-up question from the line of Dipen Vakil from Phillip Capital. Please go ahead.

Dipen Vakil: Thank you for the follow-up opportunity, sir. So, I wanted to understand a little bit about the indigenization. Since you mentioned that 70% is appropriate for MSMEs, I wanted to understand the kind of indigenization levels that we have been able to achieve. One is into warships and second is into the commercial orders that we have mainly the export orders and even some domestic orders as well. How would the indigenization have been able to improve the export content on it?

Commodore P. R. Hari: Okay. Indigenization, as you are fully aware, that is the focus area of our Government. In the last three projects that we have completed, I am speaking about the warship building project. Last three projects that we have completed, we have touched about 85% indigenous content. Coming to the commercial ships, here the situation is slightly different. Here, the indigenization content is about 40% to 45%. Let us take the order that we are executing. We are doing it for one of the European clients and the client very clearly states that I want this equipment from this particular country, from this particular vendor. So, we are bound by those contractual stipulations.

What is left to us to make this 40% or 45% indigenous content is the yard material. Be it steel, be it the outfit items, they are all procured from the local market and most of them from our industry. Of course, steel comes from major players. So, again, to answer your questions, about 85% indigenous content on warships and about 40% to 45% indigenous content on commercial ships for export. For commercial ships or non-defense platforms that are getting constructed by us, the indigenization percentage could go up to about 60% to 65%. Why 60% to 65% only is because some of the projects that we are executing are the first ships where a few sensitive electronic equipment will come from abroad. Does that answer your question?

Dipen Vakil: So, second question is on the commercial side of things. So, like you mentioned, the entire pipeline of commercial orders expected. There were some orders which have already seen RFP and even the L1 announcement that have happened. So, some of them we have also won in respect to ONGC as well. So, what are the more orders which are expected in second half because government is aiming for close to around 40 to 50 tenders annually and right now, we would have just reached around say 20-25 vessels per se. So, any more orders which we can expect finalization say in the next half?

Commodore P. R. Hari: Yeah, thank you. Here I'd like to mention that we are extremely happy and deeply proud that we have won the first order through the segregation initiative of Government. That was the platform supply vessel where we won an order from ONGC for four PSVs. Now, there is a tender for MR tanker which is already closed and also announced one of the private shipyards have won it. So, these are the two cases where the L1 has been determined. In our case, we got the order. I understand the second one is under processing for the MR tanker to the private player. The other projects which the RFP is out, one is for container ship through SCA and we expect another RFP to come out for more platform supply vessels. These are what we see in the immediate future. But from a bigger, larger perspective, the Government has segregated. The Ministry of Port, Shipping and Waterways have aggregated these demands and they come to a staggering figure of about 437 as of now. So, opportunities

here are adequate. So, container ships and PSVs is what we expect in the second half.

Dipen Vakil: Thank you. Got it, sir. That's all. Thank you so much, sir.

Moderator: Thank you very much. Ladies and gentlemen, we will take that as a last question. And with that, we conclude the question-and-answer session. I now hand the conference back to the management for the closing comments.

Commodore P. R. Hari: Thank you. It has been an interesting session and I thank all the participants for taking your time off and attending today's conference. And I also wish you all the very best. And also, once again, thank you for showing continued interest in the company and for engaging in this insightful Q&A session. And I thank the entire concept team for facilitating this session. I conclude today's conference with this and thank you. Jai Hind.

Moderator: Thank you, members of the management. On behalf of Garden Reach Shipbuilders and Engineers Limited, we conclude this conference. Thank you everyone for joining with us today and you may now disconnect your lines. Thank you.