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The Manager Compliance Department BSE Limited Phiroze Jeejeebhoy Tower Dalal Street Mumbai – 400 001	The Manager Compliance Department The National Stock Exchange of India Ltd. Exchange Plaza Bandra – Kurla Complex, Bandra (East) Mumbai – 400 051
Scrip Code/Symbol: 540678/COCHINSHIP	

Dear Sir / Madam,

Subject: Transcript of Investor/ Analyst Conference Call to discuss the Financial Results of the Company for the quarter ended June 30, 2025

1. Further to our communication with respect to the investor/ analyst conference call to discuss the Company's financial results for the quarter ended June 30, 2025, please find attached herewith the transcript of the said conference call conducted on Tuesday, August 19, 2025 at 03:30 P.M.
2. The above is for your information and record please.

Thanking You,

For Cochin Shipyard Limited



“Cochin Shipyard Limited Q1 FY'26 Earnings Conference Call”

August 19, 2025

MANAGEMENT: **SHRI MADHU S NAIR – CHAIRMAN & MANAGING DIRECTOR**
SHRI JOSE V J. – DIRECTOR, (FINANCE) COCHIN SHIPYARD LIMITED
SHRI RAJESH GOPALAKRISHNAN – EXECUTIVE DIRECTOR, SHIP REPAIR
SHRI HARIKRISHNAN S. – EXECUTIVE DIRECTOR, SHIP BUILDING
SHRI SHIRAZ V P – CHIEF GENERAL MANAGER (PLANNING & PROJECT MANAGEMENT)
SHRI SHIBU JOHN – GENERAL MANAGER, (FINANCE) COCHIN SHIPYARD LIMITED
SHRI VULLI HARANATH – DEPUTY GENERAL MANAGER & EA TO CHAIRMAN & MANAGING DIRECTOR
SHRI SYAMKAMAL N. – COMPANY SECRETARY

MODERATOR: **MS. CHANDNI CHANDE – KIRIN ADVISORS PRIVATE LIMITED**

Cochin Shipyard Limited
August 19, 2025

Moderator: Ladies and Gentlemen, Good Day and Welcome to the Q1 FY26 Results Conference Call of Cochin Shipyard Limited, hosted by Kirin Advisors Private Limited.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touchtone phone. Please note that this conference is being recorded and scheduled for one hour.

I would now like to hand the conference over to Ms. Chandni. Thank you and over to you, ma'am.

Chandni Chande: Thank you. On behalf of Kirin Advisors, I welcome you all to the conference call of Cochin Shipyard Limited.

From Management Team, we have Shri Madhu S Nair – Chairman and Managing Director; Shri Jose V J. – Director, (Finance); Shri Rajesh Gopalakrishnan – Executive Director, Ship Repair; Shri Harikrishnan S. --Executive Director, Ship Building; Shri Shiraz V P – Chief General Manager, Planning and Project Management; Shri Shibu John – General Manager, (Finance); Shri Vulli Haranath – Deputy General Manager and EA to CMD; and Shri Syamkamal N – Company Secretary.

Now, I hand over the call to Shri Madhu Nair. Over to you, sir.

Shri Madhu S Nair: Good Evening, Everyone and Welcome to the 1st Quarter Results Conference Call of Cochin Shipyard Limited for the Financial Year 2025-26. The people present in this call from the Cochin Shipyard Limited side has already been mentioned.

Let me “Briefly Share the Highlights of the First Quarter.” During this quarter, CSL secured new orders for building two 70-ton bollard pull tugs from M/s. Polestar Maritime Limited. CSL also secured an order to build a Luxury River Cruise Vessel from Heritage River Cruise Journeys through Hooghly Cochin Shipyard Limited.

On the delivery side, we handed over 19th Electric Hybrid Water Metro Boat to Kochi Metro and Udupi-CSL delivered its first dry cargo vessel to the European client.

We also signed two important MoUs that will strengthen our global collaboration. With Drydocks World UAE, MoU was signed to explore the development of ship repair clusters at Kochi and Vadinar.

With HD KSOE of South Korea, we intend to jointly explore new shipbuilding opportunities, share technical expertise, and work together to scale up productivity, capacity utilization, and workforce skills. These partnerships will help us position India more strongly in the global market and will

Cochin Shipyard Limited
August 19, 2025

help to achieve the targets envisioned in the Maritime India Vision 2030 and the Maritime Amrit Kaal Vision 2047 Documents.

I am also pleased to report that both our major capital projects, namely the new Drydock and the International Ship Repair Facility, (ISRF), have been completed and are now operational. This marks an important step in expanding our capabilities and strengthening our long-term growth prospects.

Turning to the “Financial Performance,” we reported a turnover of Rs.1,068.59 crores in Q1, up from Rs.771.47 crores in the same quarter last year. Profit before tax was Rs.249.54 crores compared with Rs.235.82 crores last year and profit after tax rose to Rs.187.82 crores from Rs.174.23 crores. Our EBITDA margin for the quarter stood at 28% and PAT margin at 18%. These results reflect steady growth and operational strength.

Our order book remains good at about Rs.21,100 crores. This includes ship repair order book also of approximately Rs.1,500 crores. The balance out of the Rs.21,100 crores is the shipbuilding order book which is about Rs.19,600 crores across 75 vessels in the Kochi facility, the Udupi CSL and the Hooghly CSL. Out of the 75 vessels on order, 25 vessels are in design and construction stage, that is in the early stages, 37 are under fabrication and assembly stages, which is in the mid stages of the shipbuilding cycle and 13 vessels have been launched and are in advanced stages of completion.

This concludes my brief overview of the first quarter. We value your trust and continued support and with that we are happy to have questions from our investors and from all of you. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question comes from the line of Sucrit Patil from Eyesight Fintrade. Please go ahead.

Sucrit Patil: Good afternoon to the Cochin Shipyard team. I have two questions. My first question is to Mr. Madhu Nair and second is to Mr. Jose. Good afternoon, Mr. Nair.

Shri Madhu S Nair: Good afternoon.

Sucrit Patil: Just touching base on your previous calls, I have a forward-looking question. In the last few calls, you spoke about defense exports, green vessels and using modular construction for faster shipbuilding. Now that the revenue has grown considerably on the positive side this quarter, are you planning to build a full digital shipyard model where AI and smart sensors and modular systems will work together to reduce the build time and improve global competitiveness? Is there a roadmap to make Cochin Shipyard a global center for smart naval manufacturing? Thank you, sir.

- Shri Madhu S Nair:** See, we will invest into modern systems, especially on the engineering side. On the production side also, there would be digital tools and gadgets being adopted. But, as you pointed out, we are not currently talking about moving entirely into a smart shipyard kind of a configuration. We will take facets out of what is smart, but we will not be a fully fly-by-wire kind of smart shipyard. That is not on the anvil. But, yes, we will adopt technology wherever it is required.
- Sucrit Patil:** Okay, great. Thank you. And my follow-up question is to Mr. Jose. I believe he is on the call today.
- Shri Jose V J.:** Yes, I am there. Go ahead.
- Sucrit Patil:** Yes, sir. So, I just want to understand from a financial point of view. As Cochin Shipyard is trying to invest in new tech, build modular yards and export plans, how do you decide where to spend first, like, is there a system that helps you balance short-term profits with long-term growth? I just want to understand how you approach the whole thing. Thank you.
- Shri Jose V J.:** We have a long-term plan. This is 2030 and 2047, based on which we have set certain priorities based on the sectors in which we have to invest. So, based on that, we have a long-term investment plan. Accordingly, we will do that based on the merits of each case.
- Sucrit Patil:** Okay, fine. Thank you very much and I wish the entire team best of luck for the next project ahead.
- Shri Madhu S Nair:** Thank you.
- Shri Jose V J.:** Thank you.
- Moderator:** The next question comes from the line of Deepak Krishnan from Kotak Institutional Equities. Please go ahead.
- Deepak Krishnan:** Yes. Sir, I just wanted to understand the HD KSOE announcements, the dry docks announcements, as well as sort of other sort of announcements with Maersk. Each of these three, at what stage are we in terms of getting anything on the ground – are we looking at building a separate shipyard with HD or in terms of medium term, what could potentially be the revenue potential that could kind of come through from all of these ventures? What are we planning to do? By when and what is the sort of revenue that we are looking at?
- Shri Madhu S Nair:** With HD KSOE, we are talking largely ship building and that too merchant ship building. If you are asking for a timeline for such things, we will start with engagement from our Cochin facility. You are aware that in the Cochin facility, we have completed a new large dry dock, which is a 310 meter large dry dock. So, the initial approach would be to make sure that, that dry dock is leveraged to its optimal or its best capacities for which what we are thinking at this stage would be to create additional fabrication capacities aligning with HD KSOE's thought process and using that fresh



COCHIN SHIPYARD LIMITED

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Cochin Shipyard Limited
August 19, 2025

fabrication capacities to build more vessels in a much more competitive timeframe from this new dry dock. So, the dry dock is already completed, it is already operational, but to use that dry dock to build more vessels in more competitive framework. So, this is HD KSOE's core engagement. Along with it, naturally there will be skill sets improvement, there will be training improvement and there will be engineering cooperation. So, it is actually a comprehensive, I am using the word comprehensive and long term. So, it is a comprehensive long term association with HD KSOE on the ship building side. With the Drydocks World Dubai, it is actually ship repair, which is the core focus. It could also encompass other areas, but then it is ship repair to start off with. And the intent is again long term. As you are aware, Drydocks World is one of the most respected ship repair and specialist ship building organizations in the Middle East. So, with them, the intent is to leverage the newly completed international ship repair facility at Cochin to again to start off with, so that the working relations and the methodologies are strengthened. And once we get into that, we have also discussed further expansion of that cooperation. But again, that would be ship repair at the initial stages. Overall, we are talking about anything between three to five years for these things to actually mature and come. Certain things, the ship repair part could happen in the next one and a half to two years onwards. The ship building part, as you are fully aware, will take a little bit more time. But largely, we are talking about a horizon of around three to five years for these things to fructify. The important part to note here is both these organizations, HD KSOE, as we are speaking, the number one ship building group in the world from Korea, and Drydocks World, Dubai is potentially one of the most reputed groups in the world from Middle East. So, these relationships, again, I use the word long-term, these relationships are strategic in nature, pure business-driven, and the teaming up is working very well. That is all I can say at this stage. I am not in a position to paint any financial figures out of both these associations at this stage. But these are very critical, very important, and with a long-term view for our organization and from HD KSOE and Drydocks World point of view. You also touched upon the Maersk MoU. This is again multiple fronts, start of ship repair and people skilling. At a later stage, there could also be ship building. But initially, we would be happy to target to get the ball rolling. This financial year, trying to get one vessel of Maersk to be repaired in our ship repair facility at Cochin. Again, I will not want to paint financial figures onto this. But again, Maersk being one of the most leading shipping companies in the world, we take pride in this association.

Deepak Krishnan:

Sure, sir. Maybe I just wanted to understand on the order pipeline given on the slide 2.2 trillion, out of that 1.29 trillion is at RFI stage for the defense side and the Rs.65,000 crores on the commercial front. In this context, also wanted to understand where are we in terms of IAC-2, any developments since the last earnings call that we have had? So, the pipeline for both defense commercial and IAC, if you could give any updates on all of those?

Shri Madhu S Nair:

See, the pipeline on the defense, what we wanted to convey is that there is enough and there is a strong order pipeline. There are a few projects which has already crossed the bidding stage and we have bid against that. There are others in the interim stage at the RFI stage and there will be more

to come. All we wanted to paint is that there is enough from the defense side that is coming in. On the commercial side, what we have projected is we are not talking whatever is there in the world, that kind of assessment we feel does not have a meaning for us. But what Cochin Shipyard is looking at where there have been some form of interactions and some thought process, that is what we are painting here. Both look good. So, we will run our defense establishment also strongly, we will run our commercial establishment also strongly, and we feel the pipeline is good for that. There was a third point which was asked. IAC-2, again, we are not in a position to convey anything. I can say that there are no fresh developments to report. That is all I can say. I think we are hopeful, but we are not in a position to hazard a guess on the timelines.

Deepak Krishnan: Ship repair, we have seen very strong margins. I think it is a function of both the two IACs, Vikrant, and Vikramaditya under repairs getting executed. Now that those orders are out, how are we looking at overall margins for the year? And specifically, any comments on the two segments between ship building and ship repair, how are we looking at the margin profile for FY26?

Shri Jose V J.: Ship repair last year, as you rightly said, there were two aircraft carriers. So, we may not have that much margin coming from ship repair this year. Still, ship repair will do a decent performance this year maybe around Rs.1,500 crores levels. But the margin may not be at the level of what you have seen last year.

Deepak Krishnan: And sir, on ship building?

Shri Jose V J.: Ship building also, as you rightly said, that the ship building margin is not at the level of ship repair. It is around 10% to 12% normally. So, that kind of margin we can expect from ship building also.

Shri Madhu S Nair: So, on an overall PAT level, we would guide -

Shri Jose V J.: Around 15% on a PAT margin level.

Deepak Krishnan: Sure, sir. Thanks for all the answers.

Moderator: The next question comes from the line of Dhiraj Dave from Samvad Financial Services, LLP. Please go ahead.

Dhiraj Dave: Thanks a lot for providing me an opportunity and congratulations on great set of numbers. My first question is basically on both these JVs. Do we expect further CAPEX to be incurred or the new JVs should be CAPEXed?

Shri Madhu S Nair: You are not coming fully clear. Can you get it better?

- Shri Jose V J.:** Two JVs, whether it will have more CAPEX from CSL side?
- Shri Madhu S Nair:** See, on the HD KSOE side, as we are moving forward, there will be CAPEX in, as I said, new workstation facilities. We are discussing this. We are not in a position to comment at this stage, but there will be more CAPEX. On the Drydocks World side, we are already having the ship repair facility with a ship lift and six workstations already completed. So, for that, there would not be further CAPEX. But teaming up with Drydocks World, when we expand further the business, we will look at CAPEX. And whether it is CSL or whether it would be together, these are early days, we may not be able to comment on it, but it will call for further investments given the opportunity.
- Dhiraj Dave:** Yes. And my suggestion from my side is when you give us a presentation, please try to include an order movement also over a period, because basically, we get all the sales figures and everything. But since it is a material, at least whatever order in hand or order pipeline, please show that also over a quarter or over a year whatever is convenient and what you want to convey. That will help us. It gives us context. Orders in hand.
- Shri Madhu S Nair:** Order book has been given in the slide -
- Dhiraj Dave:** Yes, yes. I know. But it is basically that order book of like say Rs.2 lakh crores. Now, last year it was Rs.1,50,000 crores or Rs.2,50,000 crores. So, what my suggestion would be that at least over a year if you can compare, it helps us to understand.
- Shri Madhu S Nair:** Okay. Okay. Noted.
- Dhiraj Dave:** Thanks a lot and thanks for giving the opportunity. Thanks.
- Moderator:** The next question comes from the line of Naman Jain with Kotak Institutional Equities. Please go ahead.
- Naman Jain:** So, a couple of questions. One is you gave the PAT guidance of 15%. If possible, can you also give top line growth guidance for the year?
- Shri Madhu S Nair:** Top line, for the current year from where we were last year, we consider 14% to 15% top line growth.
- Naman Jain:** Okay. Thank you. And secondly, on the two new facilities which you have created, obviously, the ISRF will be used at a faster pace from our new MoU as far as what I have understood. What sort of asset turn or maximum, because obviously, this is the first facility which you will use, right, so, what is the top line that you can potentially generate from here before we move on to the additional CAPEX as we scale up our ship repairing business?

- Shri Madhu S Nair:** So, for ISRF, we hope in about the initial 18 to 24 months we should go to about Rs.250 crores of extra revenue. And then, full blown condition, we go to about a Rs.600-plus crores.
- Naman Jain:** Okay. And similarly, sir, if you can share something on the new drydock also if possible, that will be very helpful?
- Shri Madhu S Nair:** That is a little bit difficult to decipher it that way, because that gets reflected in the overall top line, because shipbuilding you cannot exactly put it into one facility because a drydock does not produce ships, the overall ecosystem produces ships. Ship repair, again is much more with clarity.
- Naman Jain:** Correct. And lastly, sir, if you can share something as an basis the current facility we have and the current revenue we are generating from shipbuilding, how much more CAPEX we will need, let us say, if we want to double our revenue size for shipbuilding eventually in four, five years given we are already anyways growing at 14%-15%, so, we will double likely in five years. So, what more CAPEX will we need, if you have some estimate?
- Shri Madhu S Nair:** See, in various discussions earlier, we have said by about 2030-31, somewhere around that period, we should, as you said, double our turnover kind of a level for which we may not need too much CAPEX as we are, because we have already completed almost a Rs.3,250 crores of CAPEX cycle across the two facilities and some of our subsidiaries. So, that has been done over the last, say, about seven years, that is completed. Going beyond double that figure, which is something like Rs.10,000, 11,000, Rs.12,000 crores in about 2030-31, crossing that threshold and moving forward is where we will invest the CAPEX now, because any CAPEX we are investing now will take some time to turn around and shipbuilding facilities are not very easy to build up, it takes time. So, we are talking about that CAPEX, which we will invest over the next, let us say, five years or so, and you will see the outcomes of that coming beyond 2030 kind of a requirement.
- Naman Jain:** So, from now on, we will be generating free cash primarily from our existing facility? Got it.
- Shri Madhu S Nair:** This is the intent.
- Naman Jain:** Okay. Thank you.
- Moderator:** The next question comes from the line of Akhilesh Gupta, an individual investor. Please go ahead.
- Akhilesh Gupta:** Hi! First of all, congratulations on a good set of numbers. So, I just wanted to know on the increased Maritime Development Fund that the government has announced around 70,000 crores, how much of it are we going to tap onto?
- Shri Madhu S Nair:** So, the Maritime Development Fund, the contours have not come in fully in public domain. But the Maritime Development Fund is essentially a fund for multiple uses. It will help fund ship owners to

place orders for ship building in India, it will support in case an organization like Cochin Shipyard Limited wants to, there could be an equity part in it, there could be a debt part in it. So, funding could be available from the Maritime Development Fund. But it is essentially a pool. It is a specialist maritime financial pool. We should take it at that point. It is not a grant from the government. It is not just money it is not just available as a freebie kind of thing. That is not what we are talking. But it will take into account the specific nature of requirements in the ship building and the shipping industry. It is not just for ship building; it is also for shipping. So, as I said, for example, if we need investments which are long-term in nature, and we need a part of that as equity, potentially the MDF could come in as an equity partner, the MDF could come in as a loan at an affordable rate. So, we are not in a position to say exact figures on this, but we are factoring in the MDF into our discussion.

Akhilesh Gupta:

Okay. Thank you so much.

Moderator:

The next question comes from the line of Dhanraj Tolani, an individual investor. Please go ahead.

Dhanraj Tolani:

I just wanted to know like what is the current utilization rate of your, I would say, new drydock or ISRF facilities?

Shri Madhu S Nair:

The new ISRF, as we are speaking, we have... Rajesh, how many vessels?

Rajesh Gopalakrishnan:

14 vessels.

Shri Madhu S Nair:

14 vessels are under various stages of repair in the ISRF. When we say this, we say that the total strength of ISRF is 82 ships per year. That is what we are talking. We currently have 14 vessels at ISRF. And on the new drydock, we are not in a position to talk about a utilization factor kind of a thing. It is not normally talked about in dock days. But right now, there are three vessels being built in the dock and there will be one dredger which will come in for ship repair. So, it is actually being utilized to the full right now. But we are not probably in a position to give you a percentage kind of a thing as we speak.

Dhanraj Tolani:

Do we have any plans to expand to offshore renewables or allied?

Shri Madhu S Nair:

Plans to expand?

Dhanraj Tolani:

Sorry?

Shri Madhu S Nair:

I did not get that question.

Dhanraj Tolani:

Do we have any plans to expand to offshore renewables or allied segments?

- Shri Madhu S Nair:** No, not right away.
- Dhanraj Tolani:** Okay. And currently, given the current order book, so what about revenue growth we expect in FY26?
- Shri Madhu S Nair:** Revenue growth FY26, as I said, 14 to 15 percentage.
- Dhanraj Tolani:** Okay. And also, like, how do you balance between domestic projects and higher margin international commercial projects?
- Shri Madhu S Nair:** This depends on. We have given our order book in the presentation. So, we have projects on hand, both from the defense, we have domestic, commercial, we have export. So, it is a balance between this and it is from a business point of view and it is from an infrastructure point of view. So, I think if we can just have a look at the order book portion, which we have presented, you will get a fair feel of what we are trying to do.
- Dhanraj Tolani:** So, are we taking any steps to upscale our workforce for that or -?
- Shri Madhu S Nair:** Yes, Very much. We have continuously the multiple levels of skilling for the workmen. There are capability and capacity development for the officers and supervisors. So, that is an ongoing process and we are putting in quite some effort in that direction.
- Dhanraj Tolani:** Okay. Thank you. That is all from my side.
- Moderator:** The next question comes from the line of Priyal Jain from Green Capital. Please go ahead.
- Priyal Jain:** Hello, how are you, sir? So, I am new to the company and just wanted to understand a few things. Can you give me a breakdown of the profitability profile across your domestic commercial and export orders?
- Shri Madhu S Nair:** We have put in a few more details in the presentation that is already uploaded. Would it be good? Because that is too general and too large a question to be answered pointedly. But if you have a few pointed questions, maybe we will be able to answer it. Otherwise, it is going to be difficult because it is very general what we have been asked for.
- Priyal Jain:** Fair enough, sir. Okay. A few more questions like, if you can give me about working capital requirement for such large order pipeline?
- Shri Madhu S Nair:** Can we request you to send in your most important question by e-mail to company secretary? We will respond to it.

- Priyal Jain:** Yes, sure, sir. If you can give me a few pointers like what opportunities we see in India's defense push and how is company placed to benefit?
- Shri Madhu S Nair:** Overall, the company is today more confident, and it is a robust company from an operational point of view and from a financial point of view. We are cautious and optimistic both at the same time because that has been our DNA. We are aggressive, at the same time conservative. So, we take that path, which we think keeps us going strong into the future. From a country's point of view, the country is very strongly promoting shipbuilding as a mainstay of the Indian industry. The government policies have never been this supportive. So, we are also very clear in this whole ecosystem, using the opportunities, the global major players are looking at India as a potential collaborator, Cochin Shipyard is one of the most sought-after companies by the global partners, and for us also, we are sensing that the opportunity in India is good to do this global partnerships. So, overall, the company today where it is, it looks good, and give it a five-year horizon, give it a 10-year horizon, both look good. So, this is what I can say. And we have generally guided, as I said, this particular financial year, we can guide a top line growth of 14% to 15%. But generally, we say a guidance of 10% to 12%, which is what we have seen in this industry. This industry has got a cyclical nature. Factoring all of those, we are confident to guide a 10 to 12-year growth prospects over the next five to 10 years or more. So, would that answer your question in general?
- Priyal Jain:** Hi, yes, fair enough, sir. Just one more question like how should investors interpret the shift in revenue mix between shipbuilding and repair?
- Shri Madhu S Nair:** I would desist from answer that. That is that is something which people like you should advise them. Our job is to run the company transparently, trustfully and with credibility, how the investors have to look into investing, we leave to the market.
- Priyal Jain:** I told you earlier that I am new to the company like seeing the current momentum where I can see you and like Cochin Shipyard in the next five years?
- Shri Madhu S Nair:** Somewhere around double this turnover, strong company and very strongly alive and kicking.
- Priyal Jain:** Fair enough, sir. Good to hear. All the best. Thank you. That is it from my side.
- Moderator:** The next question comes from the line of Aditi Roy, an individual investor. Please go ahead.
- Aditi Roy:** Good afternoon, sir. What is your strategy to build recurring revenue streams beyond the ship building?
- Shri Madhu S Nair:** Can you repeat that question once again?

Aditi Roy: Yes, sir. What is your strategy to build recurring revenue streams beyond the project of ship building?

Shri Madhu S Nair: Essentially, the company is in ship building and ship repair. Ship building and ship repair, the current method and the market is ship building, we do not build the stock, it is an EPC business. So, we scout for orders, we look at the segment that is available and we pick up what is available and from amongst what is available, what is the best suited for us. This is in ship building. Ship repair is a continually flowing market. There are always ship repair requirements and it is a business where the company is continuously in connect and touch with the major ship owners. So, it is a continual business where we look at requirements over the next anywhere within three months to the next year, year, and a half kind of future business. So, the business has got its own nuances and we follow those nuances because essentially, this is all stemming from shipping which is the mother industry for this.

Aditi Roy: My next question is, how significant our exports as a part of your long-term growth strategy?

Shri Madhu S Nair: Exports are very important as part of our long-term strategy because we are focused on a specialist vessel export into Europe and we are also now along with potential partners like HD KSOE from Korea we are looking at the merchant vessel export segment also. So, exports is very important in our scheme of things. On the commercial ship building side, if you have looked at our figures, you will see that we are having a defense ship building part and we are having a commercial ship building part. The defense ship building, as we are speaking, it is only for the Indian Navy. So, it is 100% Indian. But the commercial ship building, we will very strongly focus on the export business also.

Aditi Roy: What cost pressure are you facing in steel equipment or manpower and how are they being managed?

Shri Madhu S Nair: Again, as I said, we are not building to stock. It is actually we bid for projects and once the projects come in we tap our supply chain. So, we are exposed only between the bidding stage and till the construction phase. Over the years, we have developed a fair bit of experience to tide over such situations, and largely at the bidding stage, we consider the current market pricing to be passed on to the clients and that is how the market also takes it normally.

Aditi Roy: Okay, sir. That is from my side. Thank you, sir and all the best.

Moderator: The next question comes from the line of Harsh Shah from Shree PMS. Please go ahead.

Harsh Shah: Good evening, sir. Thank you for the opportunity. Sir, if you could throw some light on the government's focus on the upcoming shipbuilding clusters across the country, how will that affect the industry in general and our company to be very specific, sir?

Shri Madhu S Nair: The government of India is putting an emphasis on developing shipbuilding as a large industry from multiple points of view, from strategic important point of view, from country's industrial infrastructure point of view, the requirement to build more ships for the domestic market also in India and from a large-scale employment generator point of view, and from a point that this is an industry which churns up a lot of ancillary industries and MSMEs. So, from that point of view, the government is very focused. The government is looking at this by development of multiple clusters across various Indian coastal states. The central government along with the states are trying to work on this. At this stage, the initial scouting of the locations, the initial policy and support systems between the central government and largely with the state government that is being presented, multiple interests are looking at this, but it is too early days to comment on how exactly these clusters will come up. But it is very gratifying to note that most of the coastal states, Odisha, Andhra Pradesh, Maharashtra, Gujarat and Tamil Nadu to mention specifically are very keenly looking at this. How it will impact the market? The expectation is that the Indian shipbuilding industry will have significant growth into the future. What opportunities and what challenges it opens up? Cannot say for sure, but for sure, one thing is clear that the shipbuilding industry is going to be much more stronger under the direction of the central government. That is all we can say and we will see potential foreign players, collaborations, especially countries like Korea and Japan, potentially investing into some of these clusters in India.

Harsh Shah: I understand, sir. Thank you so much for the explanation. All the very best.

Moderator: The next question comes from the line of Rupam Jaiswal from Investwell Agents. Please go ahead.

Rupam Jaiswal: I wanted to know about the repair number. You said in this financial year, how much are we going to do in terms of ship repairing? And last year you did two aircraft carriers. So, is this the repair finished?

Shri Madhu S Nair: Yes, last year we had the aircraft carrier. So, that is why that figure was pretty good. This year, still, we are expecting to do fairly good figures; so we are expecting to do about Rs.1,500 crores of ship repair revenue in FY26. So, if you have seen our figures, we have grown from about a Rs.1,000 crores to Rs.1,875 crores, which was a little bit of a one-off because of the aircraft carrier repair. But when compared with that, we hope to do good this year also at about Rs.1,500 crores.

Rupam Jaiswal: Okay, sir. And one more thing, sir. Cochin Shipyard has a master agreement with the US Navy. So, are we expecting ships from them in terms of repairs?

Shri Madhu S Nair: We have the master ship repair agreement with the US Navy. There are discussions ongoing, but we are probably not in a position to comment. We have not concluded any ship repair engagement with them as of today. That is all I can say.

Rupam Jaiswal: So, are we expecting that we will receive any ships for the repairs?

- Shri Madhu S Nair:** So, we are working towards it. Being the US Navy and being an MSRA, we will not be able to comment, but we are working towards it.
- Rupam Jaiswal:** Okay. And one more thing, sir. In terms of ship building, what is the capacity in terms of how many ships can be built in terms of commercial or in terms of defense, what is the capacity of number of ships that can be built consistently?
- Shri Madhu S Nair:** That is a slightly difficult question to answer, because it depends on the size and scale of the ship, the complexity of the vessel. So, we normally do not talk about a number. See, as we are speaking today within the group, that is within Cochin Shipyard, Cochin unit, Udipi-CSL and Hooghly-CSL, there are 75 vessels, but you will have to measure these vessels. They are of different sizes and scales, but there are 75 vessels under contract. And in our presentation, when we say under contract, what is physically being constructed is 37 plus 13, that is 50 numbers are under various stages of construction, 25 are under design and engineering stage. So, it is very difficult to say what is the number of vessels to be constructed. We would rather request you to look at the overall financial figure of Cochin Shipyard as an indicator of what we can actually build.
- Rupam Jaiswal:** Okay, sir. And one more thing, sir, in terms of commercial ship building, like you were very optimistic in the types of order you will be getting and you are bidding for it also. So, do we have the design and technology like for the Panamax or the FSRU, like those kind of ships which are more for LPG or crude oil, do we have the technology or the design to build those ships?
- Shri Madhu S Nair:** Typically, there are a fair bit of capabilities available in India, but it is also a measure of the market and what the client would need. Does he need it because an Indian designed ship or a Cochin Shipyard designed ship probably is being designed for the first time or the experience or the proof in the market is yet to come. So, there may be clients who may want to look at ships which are in the market, what I call proven designs or from proven design houses. So, we will look at both options, but largely we will look at teaming up with international players to build merchant vessels. There would be projects which we will handle in India within Cochin Shipyard or within the design establishments in India in the private sector space.
- Rupam Jaiswal:** Okay, sir. As far as I remember, we were building one dredger for the Dredging Corporation of India. So, have we completed that project and have we delivered it?
- Shri Madhu S Nair:** It is not yet completed. In fact, we are facing some challenges in the delivery timelines on that vessel. But in the next one month, we are launching that vessel. That vessel is at advanced stages of construction. So, we will launch the vessel, that means the vessel will be in water in the next about a month and thereafter it will take a few months for us to get it delivered to the client.
- Rupam Jaiswal:** Okay, sir. Thank you so much, sir.

Shri Madhu S Nair: Thank you.

Moderator: The next question comes from the Sachin Maniyar with 3P Investment Managers. Please go ahead.

Sachin Maniyar: Hi, sir. Good afternoon. Yes, my first question is on the order book of the defense for Rs.13,700 crores. Can you give a rough breakup for the larger platforms?

Shri Madhu S Nair: Rs.13,700 crores, 14 vessels spread across two projects; one project is in ASW Corvette, which is about Rs.3,700 crores unexecuted order, and the remaining part out of Rs.13,700 crores is a project called the Next Generation Missile Vessels, that is six ships.

Sachin Maniyar: And my second question is on the defense order pipeline, which you have shown in the PPT of almost Rs.2,20,000 crores. Can you give me a few of the larger platforms that have been included here in the bid stage, RFP stage and RFN stage?

Shri Madhu S Nair: There are two projects worth about Rs.10,000 crores for which bids have been submitted. There are a few small projects about Rs.1,000 crores, which are in the RFP stage. And getting into the RFI stage, the large projects are what is MCMV, the Mine Countermeasure Vessel, the P-17 Bravo Vessel, the LPD. Those are the vessels that are RFI or yet to be RFPed stage.

Sachin Maniyar: Okay. So, Rs.10,000 crores order, which are these two projects?

Shri Madhu S Nair: One is with the Coast Guard. This is the Next Generation Fast Patrol Vessels. How many vessels was that? That was 18 vessels for the Coast Guard. And then there is this Next Generation Survey Vessels for the Indian Navy.

Sachin Maniyar: Okay, sir. Sure, sir. Thanks.

Moderator: The next question comes from the line of Harsh from Toro Wealth Managers LLP. Please go ahead.

Harsh: Thank you for the opportunity. I wanted to understand that in FY24, we had higher EBITDA margins of almost 24% and right now, we are close to 19%, even in last year, we are expecting it to be lower because of changing product mix. So, is there a change in mix versus FY24 as well when we had clocked higher margins?

Shri Jose V J.: The EBITDA for the company for the Q1 is 28%.

Shri Madhu S Nair: Correct, it is 28% for Q1, but we are guiding that it would be lower, right, for the entire year.

Shri Jose V J.: Yes, Correct.

- Harsh:** So, I am just trying to compare, at a blended level, we would be lower, say around 20%-22% versus blended if I have to take a number from FY24 numbers, I was just trying to understand that, was there a difference in the product mix versus a couple of years before as well. Because last year you mentioned that there was this order which was there which will not be in this year. I just want to try to understand, is there product mix changing across the years which is splitting the margins?
- Shri Jose V J.:** Yes. See, the year before we had the aircraft carrier building. The last year we had the aircraft carrier repair also. So, both the margins were on slightly higher side. But this year, we do not have such large projects. So, the EBITDA will be around 20%, that is what we guide overall.
- Harsh:** Okay. And do we expect to get these aircraft orders again in future?
- Shri Madhu S Nair:** The ship repair ones will come. It is a cycle through which the ship repair ones will come. As we discussed the next aircraft carrier, we are not in a position to discuss at this stage because we hope it will come, but timeline we are not in a position to talk.
- Harsh:** Okay. Thank you.
- Moderator:** Ladies and gentlemen, that was the last question for today. I would now like to hand the conference over to Ms. Chandni for the closing remarks.
- Chandni Chande:** You may write to us at research@kirinadvisors.com. Once again thank you for joining this call. Thank you, everyone.
- Shri Madhu S Nair:** Thank you.
- Moderator:** Ladies and gentlemen, on behalf of Kirin Advisors Private Limited, that concludes this conference. Thank you for joining us. You may now disconnect your lines.