Management Discussion

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Thank you, Stephanie. Good afternoon, ladies and gentlemen, and a very warm welcome to each one of you to the conference call of Garden Reach Shipbuilders & 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; Shrimati 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 plans.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 INR 1,677 crores to INR 1,827 crores, registering a growth of about 9%, and the profit after tax going up by 12% from INR 154 crores to INR 172 crores. Similarly, for the half-year ended 30th September, our revenue from operations have moved up from INR 2,987 crores to INR 3,641 crores, and the profit after tax has moved up from INR 274 crores to INR 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 Corporation, 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 ballast hull 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 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 INR 32,000 crores.So coming to the order book. As on September 30, our order book stood at INR 12,977.93 crores, and with the Next Generation Corvette contract, the current order book value is about INR 44,846 crores. When I'm taking the order book position as of September 30, shipbuilding continues to provide about 96% of our orders, with the defense segment contributing 70% and the non-defense segment contributing about 29%.This order book comprises of 13 projects consisting of 50 platforms: four naval projects -- the P-17 Alpha, Anti-Submarine Warfare 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 Multi-Purpose Vessels, and 1,000-meter-cubed Trailing Suction Hopper 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 should briefly touch upon the status of each of these projects. The P-17 Alpha project, we are on the verge of completing this project. This 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 Warfare Shallow Water Craft project -- this is an eight-ship project. Five of these vessels have been delivered. The fifth vessel that we delivered was on November 5, 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 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. This is about a nine-year 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. Acoustic Research Ship project is moving smoothly. The vessel delivery is planned during the first half of calendar year 2028, and here we have almost touched 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 FY '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 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 project for the Indian Coast Guard, we expect the order value to be to the tune of about INR 1,000 to INR 1,100 crores; 31 water jet FACs, 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 INR 15,000 crores; there is another project of 120 fast interceptor crafts for the Indian Navy, the order value is likely to the tune of between INR 4,500 crores to INR 5,000 crores; and six Next Generation Offshore Patrol Vessels for the Indian Coast Guard, where the order value we expect to be to the tune of about INR 3,500 crores. And all put together, the four projects that I mentioned, the order value is tantamount to about INR 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 INR 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. GRSE 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 INR 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 INR 44,000 crores. These three projects alone are valued at an approximate INR 1,47,000 crores. This is the 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'm talking excluding the Next Generation Destroyer, the P-15 Charlie projects of the Indian Navy, or even the submarines, which GRSE would not be taking part in. 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 the next month -- with some of the ongoing expansion or 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 defense 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 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's what we call the place -- the expansion would cost approximately INR 100 crores. This facility has got a 130-meter dry dock and a 120-meter slipway. The second area in Howrah, the investment is about INR 70 crores. This is a small facility which would cater for medium and small-sized 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 conditions. The project cost is about INR 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.For this project -- the DPR and the associated partnership-related activities -- are in progress, and both the major projects, that is the Raichak project and the plan what we have in the West Coast, are expected to take about 3.5 to four 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 INR 70,000 -- INR 69,000 crores. This comprises of the Shipbuilding Development Scheme, the Shipbuilding Financial Assistance, the Interest Incentivization Policy, and, of course, 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 the 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 shipbuilding front.On the warship building segment, the orders, the RFPs currently closed and live put together alone comes to about INR 1,72,000 crores approximately. Also giving you a glimpse of our current shipbuilding capacity as well as the expansion plans. With this, I have finished. I am open for questions, if any. The moderator may please take over. Thank you.

Questions & Answers

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

Amit Dixit - Analyst, Goldman Sachs
Yeah, hi, good evening, everyone, and thanks for the opportunity. First of all, congratulations for a good set of numbers and securing the Next-Gen Corvette order. It's indeed a very prestigious order for the company. So two questions from my side. The first one is on NGC itself. While we have indicated that the pre-production activities 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.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Thank you. If you could ask your second question also, I'll answer both together.

Amit Dixit - Analyst, Goldman Sachs
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 is that FY '28 would be the time when the current order book, barring NGC, would be nearly exhausted. So are we going to see a phase, let us say, FY '29, maybe '30 or half of '30, 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?

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Thank you, Mr. Amit. Interesting questions. One, yes, we were waiting for the NGC order for a long time, and we are happy that finally it is ratified. 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-'36, the fifth vessel will be delivered.And now to ask about -- 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 triathlon [Phonetic]. So, typically, in a warship production cycle, the maximum revenue recognition occurs when the physical progress of construction hovers between 40% to 65%. Now this is 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% to 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. Now, yes, two projects -- that is the P-17 Alpha project, would get completed this financial year, actually this particular quarter, ongoing quarter. The Anti-Submarine Warfare Shallow Water Craft will spill over to the first quarter of the next financial year, that is FY '28. The OPV project, NGOPV project, will get completed only by financial year '29. And the other miscellaneous projects, the research vessel projects, will get completed by FY '28 and '29. Definitely, the Multi-Purpose Vessel project, export project, and the Platform Supply Vessels will move on to FY '29. So we expect by FY '29 the revenue contribution from the NGC would pick up substantially. So yes, it is a very natural process. There will be a thaw, and our peak is, as I have been reiterating in multiple interactive sessions that we had before, FY '26 and '27. So this is where we stand as of date.

Amit Dixit - Analyst, Goldman Sachs
No, no, great, sir. Thank you so much and all the best.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Thank you.

Operator
Thank you. We have the next question from the line of Dipen Vakil from PhillipCapital. Please go ahead.

Dipen Vakil - Analyst, PhillipCapital
Hi, sir. Thank you so much for this opportunity, and congratulations on winning the prestigious NGC contract. So 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. And also, when we look at the execution, what order book is still pending post all the deliveries of a particular project are complete? So is it any ballpark number in terms of percentage as to how do we look into it? And that would be my first question, sir.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Okay. Now coming to the revenue recognition from the NGC project during the pre-production phase that mostly comprises of design activities and procurement-related activities. So here, on a conservative basis, we expect about 7.5 percentage of the order value. And if you want more details of the outstanding order -- I didn't get your second question. Outstanding order value of each of the projects, is that what you want to--

Dipen Vakil - Analyst, PhillipCapital
So 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 of that sort? And what is the timeline for finishing up on those orders? So that was my question.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
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.Now 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 spares outstanding in this project as on date is to the tune of about INR 1,700 crores. Similarly, the Anti-Submarine Warfare Shallow Water Craft, when we complete the project, we'll still have about INR 465 crores; NGOPV about INR 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% to 15% -- because some of these spares, about 5%, we may have delivered before the project gets completed, the balance 10% would be remaining even after the project gets completed. So on an average, about 10% to 12% of the project cost will still remain for execution for about a period of one year. Does that answer your question?

Dipen Vakil - Analyst, PhillipCapital
Yes, sir. Absolutely.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
You want to go to the next question?

Dipen Vakil - Analyst, PhillipCapital
Yeah. Sir, second question was on the pending order book for each of the contracts. So if you can help us with that.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Yes. So in P-17 Alpha, as on date -- as on 30th of September -- we have about INR 3,395 crores remaining. In the Survey Vessel (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 INR 160 crores are remaining. In the Anti-Submarine Warfare Shallow Water Craft project, we are left with about INR 1,565 crores; the NGOPV project, INR 2,900 crores; the Ocean Research Vessel, INR 710 crores; the Acoustic Research Ship, INR 441 crores; the ferries -- this is the old order -- about INR 170 crores; the Coastal Research Vessels, about INR 455 crores; the Platform Supply Vessels, INR 984 crores; the ferries and the tug for the local authorities, that is the SMPK and the West Bengal Tourism Department, about INR 80 crores; the Multi-Purpose Vessel project, INR 1,253 crores; and the dredger we are left with is about INR 60 crores; and, of course, the NGC, INR 32,308 crores. This is the balance order book distribution.

Dipen Vakil - Analyst, PhillipCapital
Got it, sir. Sir, a last small question. Sir, 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 is the margin profile for NGC contract?

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
We started getting into the competition mode almost six years back, starting with the survey vessel, then the Anti-Submarine Warfare 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 Warfare Shallow Water Craft project. This is a profitable project.

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

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Thank you.

Operator
Thank you. [Operator Instructions] We have the next question from the line of Milind Samit [Phonetic] from Break Thoughts [Phonetic]. Please go ahead.

Milind Samit - Analyst, Break Thoughts
Sir, thank you so much for taking my question. The current order book as of last quarter was to the tune of INR 13,000 crores, if I recall rightly. Now, would that be enough to take us through FY '28 with the same momentum as the company has shown in last few years? You have already guided us for FY '29 where you are saying that 7% of the NGC order would flow in that year. So we just wanted your guidance on FY '28 about the comfort we can get for the continuation of the growth.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Thank you. The last few years you've seen the revenue growing almost exponentially at a CAGR of about 20% to 25%. During this period, the projects that we had -- the P-17 Alpha, the Anti-Submarine Warfare Shallow Water Craft, or the Survey Vessel (Large) -- they were in there and are in their peak execution phase. Now the P-17 Alpha project is closing this year. The Anti-Submarine Warfare Shallow Water Craft project will close during the first half of the next calendar year. That means 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 would be to the tune of about a 1.5 year from now, which means in the next financial year, we should be able to recognize about 7.5% -- not next financial year, we should be able to recognize about 7.5% of project cost. 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 years also.

Milind Samit - Analyst, Break Thoughts
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 defense?

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Okay, I understood your question. I'd like to answer it in a slightly different fashion. I had mentioned that while the high-value order what we are looking forward to would be definitely the P-17 Bravo. So I'll first cover P-17 Bravo and then touch upon the other projects where the RFPs are in progress or also on the anvil. 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 INR 40,000 crores. And the worst-case scenario, okay, we could be the L2 shipyard. But as a strategy, we will be bidding to win this project, considering our 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 precedence 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 the -- as far as we are concerned. Second, I had also mentioned that about INR 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 Waterjet FACs, and the OPVs. So, in this, on a very conservative basis, we expect about one-fourth of the chunk. That is on a very conservative basis.Now we also have two more projects in addition to P-17 Bravo -- two very high-value projects, one LPD of INR 33,000 crores and the MCMV worth INR 44,000 crores. So these are the orders that are clearly visible in defense segment alone. To answer your -- going back to your specific question, P-17 Bravo, the L1 declaration is expected during the current financial year and the contract conclusion by the end of next financial year, most likely during Q4 FY '28. Thank you.

Milind Samit - Analyst, Break Thoughts
Thank you so much, sir.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Thank you.

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

Saksham Tyagi - Analyst, Desvelado Advisory Private Limited
Hello, am I audible?

Operator
Yes, you're audible.

Saksham Tyagi - Analyst, Desvelado Advisory Private Limited
So my first question is that, sir, in the previous phone call you mentioned that orders worth INR 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 execution of these orders to start?

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Yes, I had mentioned -- now I realize I must have been perhaps too conservative. So during the calendar year, if I had mentioned INR 70,000 crores, Navy has already closed the bids for about INR 25,000 crores and about INR 1,47,000 crores worth of RFPs are out. Now before coming to execution, I would rather talk about when they are going to fructify. 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 Waterjet FACs, 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 1.5 years, two years. Thereafter, the actual execution would commence. And so, both put together, what I have just mentioned, the seven or eight projects, the value is to the tune of about INR 1,72,000 crores, give or take INR 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 - Analyst, Desvelado Advisory Private Limited
Okay, sir. All right. 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 transformation can we expect in our production process due to this technology adoption?

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
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 it's effectively being utilized. And having 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 straight welding 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 on curved surfaces. So to put it in a nutshell, yes, we are seized 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 our premises. Thank you.

Operator
Sorry to interrupt. Saksham, I would request you to please rejoin the queue again for more questions.

Saksham Tyagi - Analyst, Desvelado Advisory Private Limited
No, no, that was all from my end. Thank you very much and all the best for the coming quarter.

Operator
Thank you. [Operator Instructions] We have the next question from the line of Sunil Shah from Catalyst Asset Managers. Please go ahead.

Sunil Shah - Analyst, Catalyst Asset Managers
Yeah, yes sir. Thanks for the opportunity. Congratulations for the great service to the nation in terms of the 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.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Yes. Very, very interesting question. When we define -- 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 slipways or ship launch pads, and also the jetties where the ships are berthed post they are launched from the dry docks. So when we say 32 ships concurrent construction, it means there could be a situation where a ship is in dry dock, a ship could be in a dry berth, it could be on a launch pad, or it could be alongside the jetty. So, you're right, the

capacity of 32 -- today -- 28, but by next month 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'm happy to inform you that we have, in India, the largest number of dry docks, slipways, building berths, and ship launch pads among all the Indian shipyards. So we have about 16 of them currently with us -- large size and small size, 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 - Analyst, Catalyst Asset Managers
Yes, sir. And just to follow-up for a better understanding. Sir, now finally we've got this Next Generation Corvette order, five in number, and we are poised for the P-17 Bravo as well. So maybe three years down the line, we will have perhaps a stage of concurrent construction of five of these and probably four of P-17 Bravo as well in our books, let's say three years down the line, something like that? Would it be a possibility, or we'll 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 number, or a possibility on that? How would that work out?

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Okay, thank you. Even as on date, before we come to P-17 Bravo or any other project that would come along the way, even as on date, we are executing 13 platforms -- comprising of 13 projects comprising of 50 platforms. Of course, it's also a fact that within those 50, there are about 13 to 15 very small vessels. 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 partially outsourced construction of ships, the Anti-Submarine Warfare Shallow Water Craft, or the foreign order from Guyana where we built an ocean-going ferry. So this concept and this practice has already been successfully implemented by GRSE over the last five to six years. This is the 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 handleable by us in a manner which will not impact the customer expectations, or rather will ensure concurrent construction. I'll just give you an example. There is a project -- it's a 16-ship project for eight each Anti-Submarine Warfare Shallow Water Craft 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 the other shipyard. So in this project, we adopted a PPP model, and I'm happy to inform you that five of the eight ships we have already delivered, and the sixth ship 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's the Navy or the Coast Guard. Thank you.

Sunil Shah - Analyst, Catalyst Asset Managers
Yeah. 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 INR 2,900 crores of investment. Was it referring to the developments in the western region? If you could give some more understanding about how would that pan out in terms of time -- you mentioned three years, but in terms of capacities, etc., that could be really helpful, sir.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Okay. Now the government, I touched upon during the introductory talk -- 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, Odisha, 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 -- because you had also asked by when they are expected to get completed -- we expect them to be completed in about 3.5 to 4 years. Thank you.

Sunil Shah - Analyst, Catalyst Asset Managers
Fine. Thank you, sir. Thank you so much, and really appreciate everything that GRSE is doing for the country. Thanks so much.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Thank you.

Operator
Thank you. We have the next question from the line of Shivam Parekh [Phonetic] from ValueWise Wealth Management. Please go ahead.

Shivam Parekh - Analyst, ValueWise Wealth Management
Yeah. Hi, sir. Thanks for the opportunity. So my first question is like orders are getting fast-tracked for the shipbuilding ancillaries with respect to bulb 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 next-gen 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. These MSME companies that cater to us are getting orders on piecemeal basis rather than one large chunk order based on demand basis from you 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, sir.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Thank you. 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, be it for products or for services. Most of our services vendors -- be it for block fabrication, be it for erection, be it for outfitting -- they are 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 rate contracts for long term, three to five years rate contracts have been concluded. So there is visibility. Now coming back to what you mentioned. You touched upon opportunities where firms who manufacture bulb bars, composite materials, doors, hatches, and so on. See, 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, bulb 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. And in line with the directions of my ministry, what we have done is to aggregate the demand and to provide long-term visibility to the MSMEs. Instead of giving piecemeal orders, we establish 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 seized 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. So thank you. In a nutshell, we are seized of this initiative. 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 - Analyst, ValueWise Wealth Management
Okay. Thank you so much, sir. As far as what I have understood, like 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.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
That's in a nutshell, that's correct.

Shivam Parekh - Analyst, ValueWise Wealth Management
Okay, sir. Okay. Thank you so much, sir.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Thank you.

Operator
Thank you. We have the next follow-up question from the line of Dipen Vakil from PhillipCapital. Please go ahead.

Dipen Vakil - Analyst, PhillipCapital
Thank you for the follow-up opportunity, sir. Sir, I wanted to understand a little bit about the indigenous -- since you mentioned that 70% is procured from MSMEs, I wanted to understand the indigenization levels that we have been able to achieve. And one is into warships, and second is into the commercial orders that we have -- mainly the export orders and even some domestic orders too. How would the [Indecipherable] content on it?

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Okay. Indigenization, as you are fully aware, that is the focus area of our government. In the last three projects that we have completed, and 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%, because here, 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 make. 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're all procured from local market and most of them from our MSMEs. 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, for 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 research ships where a few sensitive electronic equipment still come from abroad. Does it answer your question?

Dipen Vakil - Analyst, PhillipCapital
Yeah. Sir, 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 new 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?

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Yeah. Thank you. Here, I would like to mention that we are extremely happy and deeply proud that we have won the first order among this through this aggregation initiative of our 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 the results announced. One of the private shipyards has 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 bulk tanker to the private player. The other projects which the RFP is out, one is for container ships through SCI, 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 aggregated -- the Ministry of Ports, Shipping and Waterways has 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. Thank you.

Dipen Vakil - Analyst, PhillipCapital
Got it, sir. That's all. Thank you so much, sir.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
Thanks.

Operator
Thank you very much. Ladies and gentlemen, we will take that as the 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.

P. R. Hari - Chairman and Managing Director, Garden Reach Shipbuilders & Engineers Limited
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.

Operator
[Operator Closing Remarks]