



— 29th September, 2023 —



India's Best Performing and Most Customer Centric PMS

Garden Reach Shipbuilders & Engineers Ltd (GRSE) stands as a cornerstone of India's maritime prowess and defense infrastructure. Operating under the administrative aegis of the Ministry of Defence, GRSE has firmly established itself as a premier shipbuilding company within the nation. With an unwavering commitment to excellence and innovation, GRSE has been pivotal in addressing the intricate shipbuilding needs of both the Indian Navy and the Indian Coast Guard.

GRSE's remarkable journey is underscored by its distinction as the first shipyard in India to export warships and a proud track record of delivering 100 warships to the Indian Navy and Coast Guard. This formidable feat has solidified its reputation as a stalwart in the defense shipbuilding sector.

Key Divisions and Expertise

GRSE's operations primarily revolve around three key segments:

1. Shipbuilding Segment (89% of revenues): This segment forms the core of GRSE's operations, where it constructs a diverse array of vessels, including Frigates, missile corvettes, anti-submarine warfare corvettes, survey vessels, offshore patrol vessels, and more. The majority of these products are supplied to government entities, such as the Indian Navy and Coast Guard.

2. Engineering Division (less than 1% of revenues): GRSE's engineering division is instrumental in producing portable bridges, deck machinery items, and marine pumps. This division plays a crucial role in indigenizing sophisticated deck machinery items.

3. Diesel Engine Segment (3% of revenues): The Diesel Engine Plant in Ranchi focuses on the testing, overhauling, and assembly of marine propulsion engines, including a licensing agreement with MTU Germany for certain engine assemblies.

Manufacturing Capabilities and Infrastructure

GRSE possesses impressive manufacturing capabilities, with the ability to concurrently build up to 20 warships, comprising both large and small to medium-sized vessels. Their spectrum of ship production spans from 5-ton boats to massive 24,600-ton fleet tankers, highlighting their versatility and adaptability.

The company's commitment to modernization is evident through substantial investments, including the commissioning of a cutting-edge 250-ton capacity Goliath Crane in 2021. This modernization drive positions GRSE at the forefront of modular and integrated construction techniques, aligning its capabilities with the best in the world.

In essence, GRSE's remarkable journey is a testament to its unwavering dedication to national defense, innovation, and infrastructure modernization, making it an indispensable pillar of India's maritime legacy.

Stock Data	
CMP	841.1
52 Week High/Low	974.8/328.2
Face Value	10
Market Cap (In Crs)	9660
Enterprise Value (In Crs)	5,131
NSE	GRSE
BSE	542011
Bloomberg	GRSE IN
Sector	Defence

Shareholding Pattern (in %)		
	JUN 23	MAR 23
Promoter	74.50	74.50
FII	3.11	2.68
DII	7.46	7
Public	14.93	14.91

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	1.72%	15.85%	16.49%
GRSE	4.72%	110.01%	159%

Key Ratios	
P/E	38
P/S	3.53
P/B	3.69
Debt To Equity	0.22
ROE	16.4%
ROCE	20.3%
Dividend Yield	0.74

Q1 FY 24 Result Update

Q1 FY24 Result Comparison (In Rs Cr)					
	Q1 FY24	Q4 FY23	Q1 FY23	QOQ	YOY
Sales	826.54	671.08	620.62	23.16%	33.18%
Expenses	724.59	594.79	556.37	21.82%	6.83%
EBT	101.94	76.29	64.24	33.62%	58.68%
Net Profit	76.81	52.49	50.45	46.33%	52.24%
EPS	6.69	4.83	4.38	38.5%	52.7%

Result Highlights

Q1 FY 24 Result Highlights for GRSE: Record-Breaking Performance

Garden Reach Shipbuilders & Engineers Ltd (GRSE) has unveiled its astounding financial results for the first quarter of fiscal year 2024, marking a historic milestone in the company's journey. The highlights of this remarkable performance are as follows:

Total Income Soars: In Q1'FY24, GRSE reported a total income of Rs 826.54 Crore, surpassing all previous records. To provide context, this represents a substantial increase compared to the Rs 620.62 Crore in Q1'FY23 and the Rs 67.08 Crore in the preceding quarter, Q4'FY23.

Robust Revenue Growth: GRSE's revenue from operations for Q1'FY24 reached Rs 756 Crore, reflecting an impressive growth of 30 percent compared to Rs 580 Crore in Q1'FY23. This surge in revenue underscores the company's robust performance in its core operations.

Stellar EBITDA Performance: Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) surged to Rs 117 Crore in Q1'FY24, marking a remarkable 58 percent growth from Rs 74 Crore in Q1'FY23. The EBITDA margin stood strong at 14 percent.

PBT Surges: Profit Before Tax (PBT) witnessed a substantial increase, reaching Rs 101.94 Crore in Q1'FY24, as compared to Rs 64.24 Crore in Q1'FY23, demonstrating an impressive growth of 59 percent.

Outstanding Quarter-on-Quarter Growth: When comparing Q1'FY24 with the preceding quarter, Q4'FY23, GRSE's financial performance continues to shine. Total income grew by Rs 156 Crore, marking a 23 percent increase. Revenue from operations also surged by Rs 155 Crore, representing a remarkable 26 percent growth.

Strong EBITDA and PBT Growth: EBITDA for Q1'FY24 reached Rs 117 Crore, a 30 percent increase from the Rs 90 Crore reported in Q4'FY23. Meanwhile, PBT soared to Rs 102 Crore, demonstrating a 34 percent growth compared to Rs 76 Crore in Q4'FY23.

Impressive PAT Growth: GRSE's Profit After Tax (PAT) for Q1'FY24 reached Rs 76.81 Crore, showcasing a robust 46.33 percent growth compared to Rs 52.49 Crore in Q4'FY23.

These remarkable financial results underscore GRSE's commitment to excellence and its pivotal role in India's defense and maritime sectors, setting a strong foundation for the fiscal year ahead. GRSE's remarkable growth trajectory is a testament to its dedication to innovation and quality in the shipbuilding industry.

Concall Highlights

In an exciting quarter, Garden Reach Shipbuilders & Engineers Ltd. (GRSE) has achieved its best-ever quarterly results in Q1 FY 23-24, reflecting the company's impressive performance and positive growth trajectory. Here are the key highlights from the concall:

Deliveries and Launches:

- GRSE made significant strides in its delivery and launch operations during the quarter. Notably, the company delivered a passenger-cum-cargo ferry to Guyana, showcasing its commitment to fulfilling international contracts and expanding its global footprint.
- The quarter also saw the launch of three warships, a testament to GRSE's expertise in naval shipbuilding and its pivotal role in strengthening India's maritime capabilities.

New Contracts and Order Book:

- GRSE secured a notable contract with the Indian Navy for the supply of 10 naval surface guns, underscoring its continued partnership with the defense forces.
- The company's order book remains robust at ₹24,546 crore, comprising projects for both the Indian Navy and Coast Guard. This substantial order book provides stability and growth prospects for the company.

Ship Repair Segment:

- GRSE's ship repair segment reported positive growth, with the successful completion of two refits of Coast Guard ships in Q1 FY 23-24.
- The company has ambitious plans to quadruple its revenue from ship repair in the next three to four years, capitalizing on the growing demand for maintenance and refurbishment services.

Project Deliveries:

- Anticipated project deliveries include the P17 Alpha ships, expected to be completed between mid-2025 to mid-2026, reinforcing GRSE's commitment to timely project execution.
- The Survey Vessel Large project is on track for delivery by the end of the year, with the second ship scheduled for early 2024.
- The ASW Shallow Watercraft Project is progressing well and expected to be completed by FY '27, with the first ship set to be delivered between February and March 2024.

Bidding for New Projects:

- GRSE continues to actively bid for new projects, highlighting its proactive approach to expanding its project portfolio. Notable projects include the 14 Hospital Vessel project and the 6 Ocean-Going Patrol Vessel project for the Indian Coast Guard, reflecting the company's commitment to contributing to India's defense capabilities.

Technology Adoption:

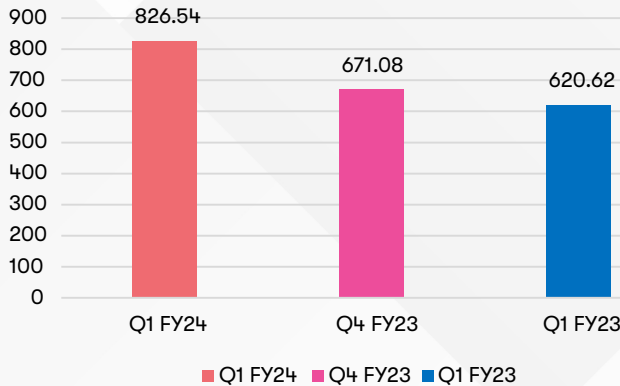
- In a significant move towards innovation, GRSE launched an underwater autonomous vessel, signaling its focus on embracing cutting-edge technology to enhance its offerings and competitiveness.

Market Outlook:

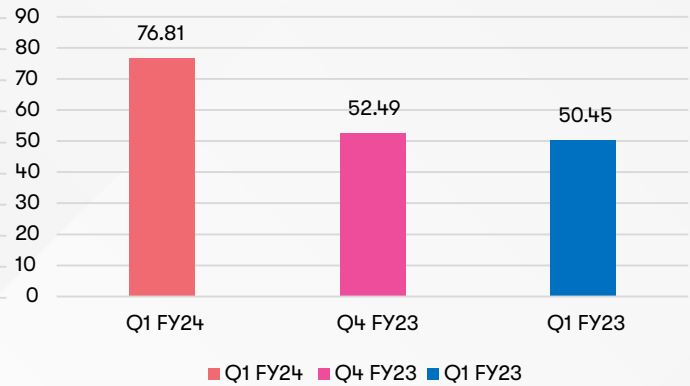
- GRSE is confident in maintaining similar margins in the future, underlining its financial stability and resilience.
- The company envisions a strong market opportunity in the coming years, driven by a growing demand for naval and maritime solutions, both domestically and internationally.

Geographical Presence

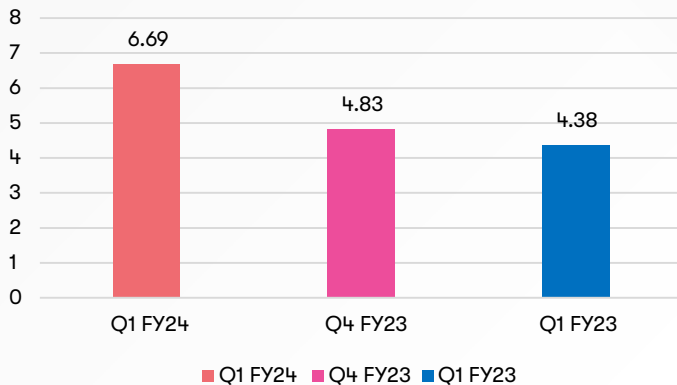
Revenue (In Cr)



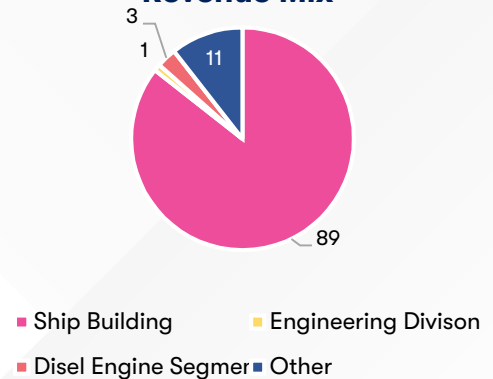
PAT (In Cr)



EPS (In Cr)



Revenue Mix



Compounded Sales Growth

10 Years:	5%
5 Years:	14%
3 Years:	21%
TTM:	35%

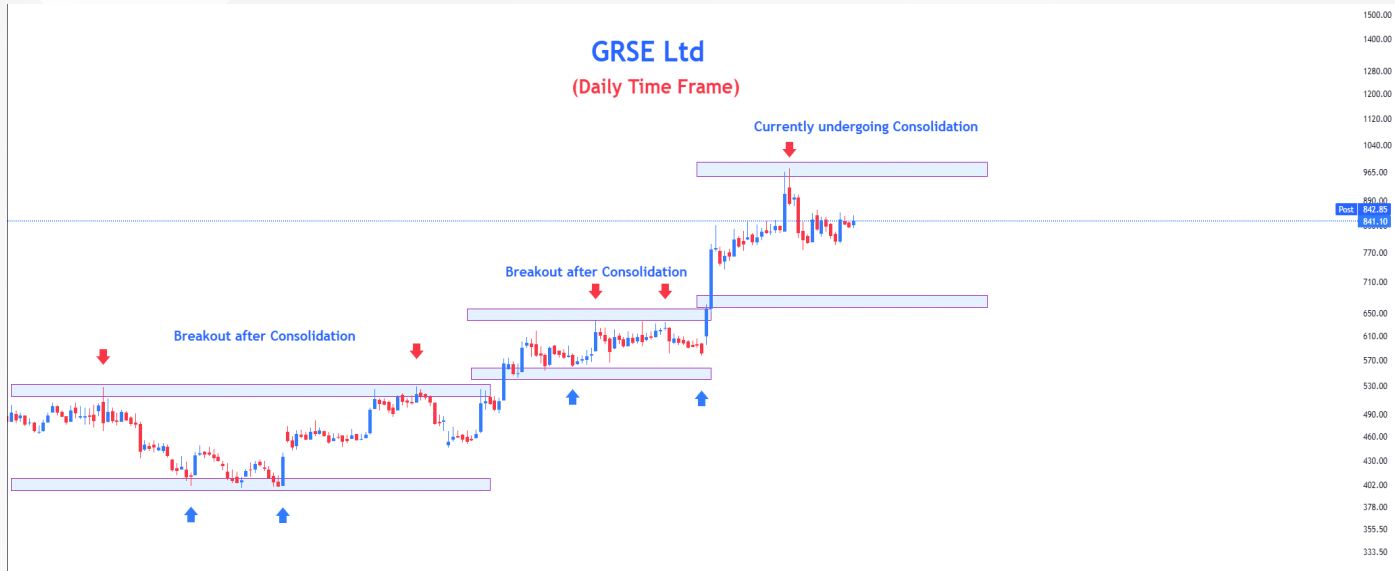
Compounded Profit Growth

10 Years:	5%
5 Years:	20%
3 Years:	10%
TTM:	16%

Return on Equity

10 Years:	12%
5 Years:	15%
3 Years:	15%
Last Year:	16%

Technical Outlook



GRSE Ltd has a discernible pattern of consolidation, typically followed by a breakout once the resistance zone is breached. Currently, it appears to be in a consolidation phase, and we anticipate it will continue to follow this pattern in the future.

Daily RSI is 57.20 and Weekly RSI is 70.99 indicating bullishness and strength in buying.

When the 5-day Exponential Moving Average (EMA) surpasses the 10-day EMA, which in turn is greater than the 20-day EMA, and so on, it signals a strong uptrend and bullish sentiment, suggesting that the trend is likely to persist.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	829.04	832.53
10	829.56	829.78
20	833.84	818.31
50	740.37	754.22
100	639.81	673.11
200	551.14	580.00

Pivot Levels : FIBONACCI			Relative Strength Index (RSI)	Daily	Weekly
R1 852.25	Pivot 826.08	S1 799.92		57.20	70.99
R2 868.42		S2 783.75			
R3 894.58		S3 757.58			

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