



16th October, 2025



India's Best Performing and Most Customer Centric PMS

Garden Reach Shipbuilders & Engineers Ltd (GRSE), a premier shipbuilding company under the administrative control of the Ministry of Defence, plays a crucial role in strengthening India's maritime defence capabilities. Headquartered in Kolkata, the company primarily caters to the shipbuilding requirements of the Indian Navy and the Indian Coast Guard, and holds the distinction of being the first Indian shipyard to export warships as well as the first to deliver over 100 warships to the nation's defence forces. Over the decades, GRSE has evolved into a diversified and consistently profit-making enterprise with three core divisions – shipbuilding, engineering, and diesel engines. The shipbuilding segment, which contributes around 89% of revenues, remains the company's primary growth driver, encompassing the construction of advanced naval platforms such as frigates, missile corvettes, survey vessels, and offshore patrol vessels. The company also manufactures smaller crafts, including tugs, pontoons, dredgers, and ferries, catering to both defence and government clients. Complementing this are its engineering and diesel engine divisions, which focus on the indigenization and production of deck machinery, marine pumps, and propulsion engines through a licensing arrangement with MTU Germany.

GRSE operates three modern shipbuilding facilities in Kolkata with a proven capability to construct 20 warships concurrently, including eight large and twelve medium or small vessels, supported by ongoing infrastructure modernization. As of Q3 FY2024, the company reported an order book of ₹23,592 crore, largely dominated by naval projects such as the P17A Frigates, Survey Vessel (Large) series, Anti-Submarine Shallow Water Crafts, and Next-Generation Ocean-Going Patrol Vessels. GRSE has also been declared the lowest bidder (L1) for a ₹840 crore Oceanographic Research Vessel for the Ministry of Earth Sciences, further expanding its project pipeline. The company's export presence spans Mauritius, Seychelles, Guyana, and Bangladesh, with growing engagement from clients in Germany and Scandinavia, reinforcing its global positioning in the defence shipbuilding domain.

Strategic Leadership in Defence Shipbuilding: Garden Reach Shipbuilders & Engineers Ltd (GRSE) stands as one of India's foremost shipyards under the Ministry of Defence, with a legacy of over six decades in naval construction. The company has built a formidable reputation as a trusted partner to the Indian Navy and Coast Guard, having delivered more than 100 warships – the highest by any Indian shipyard. Its leadership position is anchored in execution excellence, technological proficiency, and a consistent record of on-time deliveries for some of India's most complex maritime defence projects. GRSE's pioneering achievement as the first Indian shipyard to export warships further underscores its global credibility and strategic importance to India's defence ecosystem.

Robust Order Book and Execution Visibility: With an order book of approximately ₹23,592 crore as of Q3 FY2024, GRSE enjoys strong multi-year revenue visibility. The company's portfolio includes marquee naval projects such as the P17A Frigates, Survey Vessel (Large) series, Anti-Submarine Shallow Water Crafts, and Next-Generation Ocean-Going Patrol Vessels. Its proven project execution capabilities, backed by advanced infrastructure and skilled manpower, ensure a healthy pipeline of deliveries extending through FY2026 and beyond. The addition of the ₹840 crore Oceanographic Research Vessel for the Ministry of Earth Sciences further strengthens its growth trajectory and diversifies its client base.

Stock Data	
CMP (14-10-2025)	2684
52 Week High/Low	3538/1180
Face Value (in Rs.)	10
Market Cap (In Crs)	29,348
Enterprise Value (In Crs)	25,626
NSE	GRSE
BSE	542011
Bloomberg	GRSE:IN
Sector	Industrials

Shareholding Pattern (in %)		
	June 25	March 25
Promoters	74.5%	74.5%
FII	5.33%	3.85%
DII	1.81%	1.9%
Public	18.36%	19.76%

Price Performance (in%)			
(%)	1M	6M	1Yr
Nifty 50	0.3	7.79	0.07
GRSE	2.84	50.85	50.9

Key Ratios	
P/E	52.4
P/S	5.46
P/B	14.1
Debt To Equity	0
ROE	27.6%
ROCE	36.6%
Dividend Yield	0.54%

Q1 FY26 Result Update

Q1 FY26 Result Comparison (In Rs Cr)					
	Q1 FY26	Q4 FY25	Q1 FY25	QOQ	YOY
Revenue	1310	1642	1010	-20.21%	29.7%
Expenses	1198	1421	953	-15.69%	25.7%
Operating Profit	112	221	56	-49.32%	100%
Net Profit	120	244	87	-50.81%	37.93%
EPS	10.49	21.32	7.61	-50.79%	37.84%

Result Highlights

Garden Reach Shipbuilders & Engineers Ltd. (GRSE) delivered an exceptional financial performance in Q1 FY26, achieving a total sales of ₹1,310 crore, reflecting a robust 29.7% year-on-year increase compared to ₹1,010 crore in Q1 FY25. Revenue from operations grew significantly, driven by accelerated project execution, timely milestone achievements, and sustained progress in major naval shipbuilding programs such as frigates, anti-submarine warfare shallow water crafts, and patrol vessels. The company's consistent adherence to timelines and superior execution capabilities enabled it to surpass previous benchmarks, translating strong order inflows into higher revenue realization.

Net profit for the quarter stood at ₹120 crore, marking a solid 38% increase from ₹87 crore reported in Q1 FY25. The growth was supported by efficient cost control, enhanced productivity, and favorable operating leverage. Profitability improvement was also aided by expansion in operating margins, underscoring GRSE's focus on efficiency optimization, improved material procurement management, and a higher share of value-accretive contracts.

Earnings per share (EPS) rose sharply from ₹7.61 in Q1 FY25 to ₹10.49 in Q1 FY26, highlighting GRSE's growing earnings strength and consistent shareholder value creation. The company continued to maintain a debt-free balance sheet with strong liquidity, reinforcing its financial prudence and operational resilience.

GRSE carried this strong momentum into FY2025-26, beginning the fiscal year on a solid footing. In Q1 FY26, total Sales reached ₹1,310 crore, representing an impressive 29.7% year-on-year growth. The increase was primarily driven by steady progress in ongoing defence shipbuilding projects and higher billing from advanced stages of vessel construction. Profit before tax (PBT) improved to ₹167 crore from ₹115.12 crore in the same quarter last year, indicating healthy 45% growth.

Profit after tax (PAT) came in at ₹120.18 crore, up 37.8% from ₹87.19 crore in Q1 FY25, reflecting GRSE's ability to sustain profitability amidst rising input costs. Operating profit (EBITDA) increased 42% year-on-year to ₹184 crore, with margins improving to approximately 14%, supported by operational efficiencies and a favorable execution mix.

On a sequential basis, revenue and profit moderated compared to Q4 FY25, when the company had achieved record billing and project closures, with quarterly revenue of ₹1,642 crore and PAT of ₹244 crore. This quarter-on-quarter moderation aligns with GRSE's project-linked revenue recognition cycle, where earnings are typically concentrated in the latter half of the fiscal year.

Earnings per share for Q1 FY26 stood at ₹10.49, compared to ₹7.61 in Q1 FY25, showcasing consistent growth in per-share profitability and reaffirming GRSE's position as one of the most efficient and financially sound defence shipyards in India.

Investment Rationale

Dominant Position in Defence Shipbuilding: GRSE stands as one of India's leading defence public sector shipyards under the administrative control of the Ministry of Defence. With a legacy spanning over six decades, the company has delivered more than 100 warships to the Indian Navy and Coast Guard — the highest by any Indian shipyard. GRSE's proven expertise in designing, constructing, and delivering complex naval vessels such as frigates, corvettes, patrol vessels, and survey ships places it in a dominant position within India's defence manufacturing ecosystem. Its track record of timely delivery, coupled with high standards of quality, continues to strengthen its competitive advantage in securing repeat orders from defence clients.

Robust and Visible Order Book: As of FY2025, GRSE's order book stands at approximately ₹24,000 crore, offering strong revenue visibility over the next four to five years. The bulk of these orders are from the Indian Navy, covering major projects such as the P17A stealth frigates, Survey Vessel (Large) ships, and the Anti-Submarine Shallow Water Craft series. These long-duration contracts provide predictable cash flows and operational stability. The company's selection as L1 bidder for an ₹840 crore Oceanographic Research Vessel for the Ministry of Earth Sciences further highlights its growing diversification within specialized maritime segments. The strong pipeline of government-led modernization and coastal security initiatives ensures sustained order inflow momentum.

Strategic Beneficiary of Defence Indigenization: GRSE is one of the key beneficiaries of the Government of India's "Atmanirbhar Bharat" and "Make in India" policies, which prioritize indigenous defence manufacturing. The government's increasing emphasis on domestic sourcing for naval vessels, engines, and defence platforms provides a structural growth tailwind for GRSE. Moreover, the Defence Acquisition Council's focus on limiting imports and boosting domestic shipyards' participation in future projects (including next-generation destroyers, corvettes, and auxiliary vessels) places GRSE in a strategic position to capture incremental demand.

Expanding Export Footprint: In recent years, GRSE has strengthened its international presence, successfully exporting ships and defence platforms to Mauritius, Seychelles, and Guyana, and is currently executing contracts for Bangladesh under a defence line of credit. The company has also developed partnerships across Germany and Scandinavian nations, broadening its global footprint. Export orders typically carry higher margins compared to domestic defence projects, enhancing GRSE's profitability mix. The company's success in securing repeat overseas clients underscores its design and technical capabilities that meet international standards of shipbuilding and engineering.

Proven Execution and Modern Infrastructure: GRSE's modern shipbuilding infrastructure enables it to build up to 20 warships concurrently, including eight large and twelve medium-to-small vessels. Its facilities in Kolkata — Main Works Unit, Rajabagan Dockyard, and Fitting-Out Jetty — are equipped with advanced modular construction technology, ensuring faster turnaround and improved efficiency. The company has been consistently upgrading its yards with automation and digital integration for concurrent construction and better production control. Its Ranchi Diesel Engine Plant and Taratala Engineering Unit add value by manufacturing critical components like deck machinery, marine pumps, and portable bridges, supporting self-reliance and supply-chain efficiency.

Diversified Business Model Beyond Shipbuilding: While shipbuilding contributes nearly 89% of GRSE's total revenue, the company's engineering and engine divisions act as important diversification pillars. These segments manufacture portable bridges, deck equipment, and propulsion systems, which not only serve defence needs but also offer commercial potential across civil infrastructure and maritime logistics. The government's increasing investments in border infrastructure and inland waterways create additional opportunities for GRSE to scale its non-shipbuilding businesses in a capital-efficient manner.

Strong Financial Performance and Debt-Free Balance Sheet: GRSE's financials reflect consistent growth, operational prudence, and superior capital efficiency. In FY2024-25, the company achieved a record total income of ₹5076 crore, a 41% year-on-year increase, and a net profit of ₹527 crore, up 48% from the previous fiscal year. The company maintains a debt-free balance sheet and robust cash reserves, which provide flexibility for future capex and dividend payouts. Healthy EBITDA margins & ROE exceeding 20% highlight its strong profitability metrics compared to peers. The consistent dividend history further enhances shareholder value, supported by solid cash flow generation.

Potential for Strategic Partnerships and Technology Transfers: With its strong track record, GRSE is well-placed to engage in joint ventures, technology transfer agreements, and collaborative projects with international shipbuilders and defence equipment manufacturers. Such partnerships can accelerate capability enhancement, open new export markets, and provide access to advanced shipbuilding technologies, further diversifying revenue sources and strengthening the company's global competitiveness.

Visible Growth Outlook and Margin Expansion Potential: The company targets ~25% CAGR growth over the next two years, driven by higher order execution, exports, and incremental efficiency gains. As multiple large projects enter advanced billing stages, revenue recognition is expected to accelerate in FY2026 and FY2027. Additionally, improved indigenization levels in procurement and cost optimization initiatives are likely to expand margins further. With capacity utilization expected to improve and modernization projects nearing completion, GRSE is well-positioned to achieve operating leverage benefits and sustain earnings growth momentum.

Alignment with India's Naval Expansion Plans: India's growing maritime focus, reflected in strategic initiatives like the Sagarmala Project, Maritime India Vision 2030, and Navy's 170-vessel roadmap, provides long-term demand visibility for shipbuilding and marine infrastructure. As one of the key shipyards under the Ministry of Defence, GRSE is expected to play a central role in this national maritime expansion plan. The increasing budget allocation for naval procurement and coastal surveillance programs ensures steady opportunities for GRSE's participation in upcoming high-value contracts.

Attractive Valuation and Long-Term Value Creation: Despite its strong fundamentals, GRSE trades at reasonable valuation multiples compared to other defence and PSU peers, offering attractive long-term entry potential. The company's consistent earnings trajectory, high return ratios, and predictable cash flows make it a compelling defensive play within India's growing defence manufacturing space. Backed by a ₹24,000 crore order book, zero debt, rising export traction, and robust policy support, GRSE presents a unique blend of stability, growth, and dividend yield — making it one of the most promising long-term wealth compounders in India's defence sector.

Technological Edge and Indigenous R&D Capabilities: GRSE has invested significantly in research and development, enabling it to design and produce cutting-edge naval vessels tailored to modern warfare and surveillance requirements. Its in-house design capabilities, supported by collaborations with DRDO and other defence research agencies, allow it to innovate in stealth technology, modular construction, and advanced marine propulsion systems. This technological edge not only ensures compliance with stringent defence standards but also positions GRSE as a preferred partner for future indigenous projects, reducing reliance on foreign technology imports and enhancing strategic autonomy.

Strong Government Backing and Policy Support: As a public sector enterprise under the Ministry of Defence, GRSE benefits from consistent government patronage, policy support, and priority in strategic defence contracts. This backing provides a competitive moat against private competitors and enhances project sanctioning speed. Moreover, initiatives like the Defence Production Policy and strategic partnerships with private suppliers create additional opportunities for collaboration, cost-sharing, and faster project execution, reinforcing GRSE's leadership in the defence shipbuilding ecosystem.

Skilled Workforce and Human Capital Advantage: GRSE's highly experienced workforce, comprising engineers, naval architects, and skilled tradesmen, represents a core competitive advantage. The company invests in continuous training programs, apprenticeships, and knowledge transfer initiatives to maintain a talent pipeline capable of handling increasingly sophisticated shipbuilding projects. This human capital strength ensures quality, reduces rework, and supports timely delivery — critical factors in winning repeat contracts from the Indian Navy and export clients alike.

Strategic Location and Infrastructure Synergy: Situated in Kolkata with access to the Hooghly River and proximity to deep-water ports, GRSE enjoys logistical and geographical advantages. Its location facilitates efficient raw material supply, easy dispatch of vessels, and seamless coordination with suppliers, government agencies, and naval installations. Additionally, the proximity to steel, engine, and component manufacturers in eastern India enhances operational efficiency and reduces costs, contributing to improved project economics.

Resilience Against Cyclical Downturns: The company's strong government order book, diversified revenue streams (domestic naval projects, exports, and engineering units), and cash-rich, debt-free balance sheet make it resilient to cyclical downturns in the broader defence or manufacturing sectors. Even during periods of reduced private defence procurement, GRSE's strategic government contracts and long-term naval modernization plans provide predictable revenue streams and safeguard profitability.

Environmental and Sustainability Initiatives: GRSE has been actively implementing eco-friendly and sustainable shipbuilding practices, including energy-efficient yards, waste management systems, and adoption of green technologies in vessel construction. Compliance with environmental standards not only reduces regulatory risks but also positions the company favorably for international collaborations, where sustainability criteria are increasingly critical for contract eligibility.

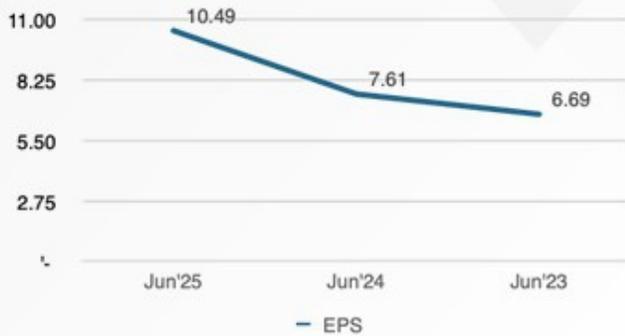
Revenue (In Cr)



Operating Cashflow



EPS



PBT (In Cr)



Compounded Growth(In %)



PAT (In Cr)



Technical Outlook



The weekly chart for Colgate-Palmolive Ltd. shows a strong uptrend within a well-defined ascending channel. The stock has consistently made higher highs and higher lows, indicating sustained bullish momentum.

It broke above the upper trendline, suggesting a potential breakout and continuation of the upward trend. This movement could indicate increased buying interest and positive sentiment among investors.

The price has reached around ₹3,520, highlighting significant growth. However, a pullback towards the channel's midline or lower trendline could offer support levels. Overall, the stock exhibits a positive outlook.

Moving Averages Days	Simple Moving Average	Exponential Moving Average
5	3662.04	3640.23
10	3720.82	3677.16
20	3695.99	3679.50
50	3613.00	3563.43
100	3279.34	3340.61
200	2946.96	3006.48

Pivot Levels : FIBONACCI			Daily	Weekly	
R1 3696.22	Pivot 3672.63	S1 3649.04	Relative Strength Index (RSI)	38.25	64.34
R2 3710.79		S2 3634.47			
R3 3734.38		S3 3610.88			

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