

WEALTH WEEKLY

Weekly Alerts You Can Use!

Weekly View: Nifty, Bank Nifty:

Indices	CMP	Support	Resistance	50 DMA	200 DMA	Range	Preferred Trade
NIFTY	25910	25500	26277	25324	24440	25677-26300	Buy on dips 25822-25835 zone. Targets at 26150/26277. Stop at 25500.
BANK NIFTY	58518	57200	59650	56358	54240	57500-59500	Buy at CMP. Targets at 59650/61000 Stop at 57000.

Medium Term Pick:

Stocks	CMP	Support	Resistance	50 DMA	200 DMA	Bias	Preferred Trade
GRSE	2897	2483	3100	2600	2296	Positive	Garden Reach Shipbuilders & Engineers Ltd. (GRSE) is an Indian defence-shipbuilding and engineering firm under the administrative control of the Ministry of Defence. GRSE designs, builds, repairs and overhauls warships, offshore platforms, and specialised marine vessels, as well as diversified engineering-products (portable steel bridges, deck-machinery, pumps). GRSE claims the distinction of being the first Indian shipyard to export warships and to deliver 100+ warships to the Indian Navy & Indian Coast Guard. With multiple ship-contracts, export potential, and repair/refit capabilities, GRSE enjoys visibility of future revenue streams. Order Book: GRSE's order book stands at INR 21,700 crores as of June 30, 2025, covering 10 projects and 40 marine platforms. The stock has been consolidating for last 4-months with immediate support seen at 2550-2675 area. Confirmation of strength above 3100. Above 3100, GRSE will aim its all-time-high at 3535 mark. The stock is currently trading well above its 200-DMA at 3296 levels. Buy GRSE (CMP 2897) at CMP, targeting 3033/3100 and then aggressive targets at psychological 3550 mark. Stop at 2483. Holding Period: 12-15 Months.

BUY GRSE 2897, Target 3100

CMP	2897
Target Price	3033/3100
52 Week H/L	3535/1180.10
P/E	53.84
EPS (TTM)	53.81
Promoter Holding/DIIs/FIIs (%)	74.5/2.0/3.3
Book Value	200.42
Market Cap (INR)	33184 crores

Company Overview:

Garden Reach Shipbuilders & Engineers Ltd. (GRSE) is an Indian defence-shipbuilding and engineering firm under the administrative control of the Ministry of Defence.

Headquartered in Kolkata, West Bengal, the company designs, builds, repairs and overhauls warships, offshore platforms, and specialised marine vessels, as well as diversified engineering-products (portable steel bridges, deck-machinery, pumps). GRSE claims the distinction of being the first Indian shipyard to export warships and to deliver 100+ warships to the Indian Navy & Indian Coast Guard.

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Key Strengths & Competitive Advantages

- Defence domain + strategic importance** – GRSE operates in the defence shipbuilding segment, which is often state-supported, high entry barrier, and aligned with "Make in India" themes. This gives GRSE leverage in securing orders and preferential access.
- Strong order book / backlog & long-term contracts** – With multiple ship-contracts, export potential, and repair/refit capabilities, GRSE enjoys visibility of future revenue streams. Order Book: GRSE's order book stands at INR 21,700 crores as of June 30, 2025, covering 10 projects and 40 marine platforms.
- Indigenisation & cost control** – The push towards higher indigenous content for its vessels and engineering items reduces reliance on global suppliers, supports margins, and enhances strategic value for Indian defence procurement.
- Diversified engineering portfolio** – Beyond ship-building, GRSE's engineering division (bridges, pumps, machinery) provides additional revenue streams and helps mitigate pure ship-building cycle risk.
- Track record & reputation** – Delivering a large number of warships, export contracts and government visibility boosts credibility and may ease financing, approvals and partnerships.

Risks & Challenges

- Long project lead-times & execution risk** – Ship-building is capital-intensive, with long gestation, risk of delays, cost overruns, and currency/material inflation exposure.
- Working capital and margin pressure** – Large contract volumes can tie up working capital; higher subcontracting or material cost escalation could squeeze margins. For example, in Q2 FY26 subcontracting charges saw steep YoY growth.
- Dependence on government/PSU orders & policy risk** – A large portion of business comes from defence/government clients; any change in policy, budget cuts, or delays in order awards could impact GRSE.

Key Financial Results (Q2 FY26)

GRSE delivered strong top-line and bottom-line growth in Q2 FY26, reflecting healthy execution, order conversion, and favourable macro tailwinds in defence/ship-building.

- ✓ Revenue from operations: ~ ₹1,677.38 crore, up ~45.48 % YoY.
- ✓ Profit after tax (PAT): ~ ₹153.78 crore, up ~57.28 % YoY versus ~ ₹97.77 crore in Q2 FY25.
- ✓ EBITDA: ~ ₹225 crore in Q2 FY26 vs ~ ₹144 crore in Q2 FY25, ~56 % growth.
- ✓ Total income (including other income): ~ ₹1,746 crore, up ~42 % YoY.
- ✓ Profit before tax (PBT): ~ ₹209.36 crore vs ~ ₹130.53 crore previous year, ~60.39 % growth.
- ✓ Margin: Operating margin improved; e.g., an analysis reported OPM of ~9.31% in Q2 FY26.

Technical Outlook: The stock has been consolidating for last 4-months with immediate support seen at 2550-2675 area. Confirmation of strength above 3100. Above 3100, GRSE will aim its all-time-high at 3535 mark. The stock is currently trading well above its 200-DMA at 3296 levels.

Preferred trade: Buy GRSE (CMP 2897) at CMP, targeting 3033/3100 and then aggressive targets at psychological 3550 mark. Stop at 2483. Holding Period: 12-15 Months.

Daily Chart of GRSE :

