KNOWLEDGE MARINE & ENGINEERING WORKS LIMITED
Ship Builders, Repairers, Charterers and Marine Contractors
CIN: L74120MH2015PLC269596

Ref: KMEW/SE/Reg-30/2026-27/48 **Date:** November 16, 2026

To,

Listing Department	Listing & Compliance Department
BSE Limited	**The National Stock Exchange of India Limited**
P. J. Towers,	Exchange Plaza, C-1 Block G,
Dalal Street, Fort	Bandra Kurla Complex,
Mumbai- 400001	Bandra (E), Mumbai – 400051

Scrip Code	Symbol	ISIN
543273	**KMEW**	**INEOCJDO1037**

Sub: Transcript of Earnings Call held on November 06, 2026 on Unaudited Standalone and Consolidated Financial Results of the Company for the Quarter and half year ended September 30, 2026

In terms of Regulation 30 read with Schedule III of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulation, 2015, as amended, please find attached herewith the Transcript of the Earnings Call held on November 06, 2026 for the Un-audited Standalone and Consolidated Financial Results of Knowledge Marine & Engineering Works Limited (the "Company") for Quarter and half year ended September 30, 2026 and the same is available on the Company's website at https://www.kmew.in/investor-information.html

Kindly take the above on record and oblige.

Thanking You,

Yours Faithfully,
For **Knowledge Marine & Engineering Works Limited**

AVDHOOT AJAY KOTWAL
Digitally signed by AVDHOOT AJAY KOTWAL
Date: 2026.11.16 18:08:23 +05'30'

Avdhoot Kotwal
Company Secretary & Compliance Officer

Encl.: a/a

“Knowledge Marine & Engineering Works Limited Q2 FY27 Earnings Conference Call”

November 06, 2026

MANAGEMENT: MRS. KANAK KEWALRAMANI – WHOLE TIME DIRECTOR AND CHIEF FINANCIAL OFFICER – MR. SUJAY KEWALRAMANI – CHIEF EXECUTIVE OFFICER
KNOWLEDGE MARINE & ENGINEERING WORKS LIMITED

Moderator: Ladies and gentlemen, good day and welcome to Knowledge Marine & Engineering Works Limited Q2 FY27 Earnings Call. 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 star then zero on your touchtone phone. Please note that this conference is being recorded. I now hand over, the conference over to Ms. Kanak Kewalramani, Whole-Time Director and CFO. Thank you, and over to you, ma'am.

Kanak Kewalramani: Thank you. Good afternoon, everyone. I extend a warm welcome to all our shareholders, investors, analysts and other participants joining us today for the H1 FY27 Earnings Conference Call of Knowledge Marine & Engineering Works Limited. Thank you for taking out the time to join us and for your continued interest and confidence in our company.

The first half of FY27, together with the significant developments that have followed, highlight a new chapter in KMEW's journey of sustained growth and value creation.

Over the past several years, we have steadily built our presence across dredging, charter and hire and shipbuilding segments. What began as a relatively small marine service enterprise has today evolved into an integrated maritime solution company with a growing fleet, expanding technical capabilities and a strong portfolio of long-term contracts.

Today, we are witnessing a decisive shift in the scale of opportunities we are pursuing and the responsibilities we are capable of undertaking.

Our focus remains on building a larger, stronger and more diversified maritime business, supported by disciplined capital allocation, operational excellence and sustainable long-term growth.

Before discussing the key developments across our business segments, I would like to briefly touch upon on our financial performance.

Financial Performance

During H1 FY 27, our revenue from operations stood at ₹ 186.21 crores, registering a growth of 89% compared to the corresponding period of the last year.

Our EBITDA stood at ₹101.71 crores, translating into an EBITDA margin of 55% as compared to an EBITDA of ₹ 39.91 crores, which shows the growth of

155%. Coming to the profit after tax. Our profit after tax stood at ₹ 84.27 crores with a PAT margin of 45% as compared to ₹ 22.97 crores last year, which shows the growth of 267%.

Our financial performance reflects the execution of our ongoing projects and the contribution from our diversified business segments.

More importantly, the developments during and subsequent to the period have significantly strengthened our growth outlook.

We have secured landmark contracts, expanded our asset base and strengthened our capital position, creating a foundation for the next phase of our growth.

Now coming to the business development. I would like to begin with the dredging segment, where we have achieved two significant milestones.

Post successful execution of the technically challenging rock dredging project at Jawaharlal Nehru Port Authority and Pondicherry dredging work, the significant milestones in KMEW's history has been securing the ₹ 256.92 crores maintenance dredging contract from New Mangalore Port Authority.

This is the largest dredging contract secured by KMEW to date and represents a defining moment in our journey towards becoming a full spectrum dredging and marine infrastructure company.

I would like to highlight 2 aspects that make this contract particularly significant.

The first is the substantial increase in our scale of operations. Historically, KMEW has undertaken relatively smaller volume dredging assignments, often involving specialized work within designated areas of a port. The New Mangalore contract represents a significant progression towards sustained large volume maintenance dredging operations. With a total dredging volume of 15.9 million cubic meters across 3 annual maintenance cycles, this contract meaningfully expands our scale of execution and revenue opportunity.

The second is our transition towards a full spectrum dredging business model. To support this expansion, we acquired River Pearl 48, a Trailing Suction Hopper Dredger, the largest dredging vessel in our fleet.

This acquisition represents a nearly fourfold increase in our hopper capacity and significantly enhances our ability to undertake large volume maintenance dredging projects.

Our existing fleet of smaller and specialized dredgers will continue to serve shallow water and inland waterways and technically challenging dredging

requirements. At the same time, the addition of larger hopper dredgers will allow us to compete for significantly larger port maintenance and capital dredging opportunities. The dual market approach enables us to address opportunities across the entire dredging spectrum.

The large volume maintenance dredging market in India has historically been dominated by established international dredging companies. Our entry into this segment through the New Mangalore contract is, therefore, a significant strategic breakthrough.

For us, this contract is not merely about securing higher revenue But it is about expanding the size of the market we can address and strengthening our position as a credible competitor for large-scale dredging projects.

This expansion is expected to strengthen our eligibility for larger tenders and enhance our ability to execute increasingly complex projects.

Moving to our Charter and Hire segment. We continue to make meaningful progress in expanding our portfolio of long-term marine service contracts.

A key achievement has been securing our third Green Tug contract from Mumbai Port Authority with a contract value of ₹236 crores over a tenure of 15 years.

This follows our earlier Green Tug contract from VOC Port and Visakhapatnam Port.

Together, these 3 contracts have an aggregate value of approximately ₹928 crores and represents an important addition to our long-term revenue portfolio.

The Government of India's Green Tug Transition Programme represents a substantial opportunity for the maritime sector with an identified requirement of approximately 98 green tugs across major Indian ports.

We aim to establish KMEW as India's leading green tug contractor by consistently participating in upcoming tenders and steadily expanding our portfolio.

From a financial perspective, this Segment is particularly important because of the long-term nature of its contracts.

With charter tenures extending up to 15 years, these projects provide strong revenue visibility and help create a stable foundation for the company's future cash flows, subject to timely vessel delivery and contract execution. We also intend to continue bidding for conventional port ancillary craft tenders to strengthen our presence across multiple categories of marine services. Another

important aspect of our strategy is the integration between our charter and hire and shipbuilding businesses.

By constructing our green tugs at our own shipyards, we expect to achieve greater control over construction cost, quality and delivery schedule.

As our green tug portfolio expands, standardization in vessel design and construction processes should also enable improved procurement efficiency and capital expenditure management.

We believe this integration will be an important competitive advantage as we scale our operations.

Coming to shipbuilding, we continue to make progress towards establishing Knowledge Shipyard Limited as a significant contributor to our future growth.

One of the important achievement has been securing a contract from the Inland Waterways Authority of India for the construction of 10 electric hybrid passenger ferries with an order value of ₹ 62 crores.

This contract aligns with the Government of India's Harit Nauka initiative aimed at promoting environmentally sustainable inland water transport. With increasing policy support for electric, hybrid and alternative fuel vessels, we see a meaningful opportunity emerging for domestic shipbuilders.

Our new shipyard at Saphale will play a central role in capturing these opportunities.

We are targeting completion of Phase 1 development by February '27, which is expected to unlock construction capacity. This capacity will support our captive requirement for green tugs and other marine vessels while also enabling us to pursue external commercial shipbuilding contracts.

Our strategy is to initially build upon the demand generated by our own chartering business while progressively expanding our commercial order book.

We are also exploring export opportunities that can help diversify our customer base and establish our presence in the international market. We believe the integration of shipbuilding with our existing marine operations will create long-term operational and financial synergies while opening an additional avenue for revenue growth.

Coming to the capital base, another significant development has been the successful equity fundraising of ₹ 150 crores through a preferential issue supported by institutional investors such as 360 ONE PIPE Fund, Bank of India Mutual Fund and Four Lion Capital.

Subsequently, we also engaged in a secondary market sale of ₹ 100 crores with SBI Funds Management. This has been an important step in strengthening our financial foundation and supporting our long-term expansion plan. Our business operates in a capital-intensive industry where growth requires careful alignment between contract opportunities, asset acquisition and financing.

At KMEW, our approach is built around the 3 interconnected pillars that are the 3 Cs: **Contracts, Capital, and Crafts.**

Securing contracts provides the visibility and commercial justification for investments.

Capital enables us to acquire and develop the assets required to execute those contracts.

And the addition of larger and more capable crafts or vessels allow us to qualify for increasingly valuable opportunities.

Our recent developments are a clear demonstration of this approach.

We believe this approach will allow us to scale responsibly while creating long-term value for our shareholders.

Coming to our order book. Our balance order book stands at approximately ₹1,732.55 crores, comprising of dredging order book of **₹ 467.75 crores,** Charter and Hire order of **₹ 1,100 crores** and shipbuilding order book of ₹164 crores, excluding the captive business of **₹ 275 crores** in the shipbuilding.

This provides meaningful revenue visibility across our 3 business segments.

Our order book is supported by a combination of dredging projects, long-term chartering contracts and shipbuilding orders.

In addition, we have a substantial pipeline of prospective opportunities exceeding ₹3,500 crores across our business segments.

While conversion of these opportunities will depend on tender outcomes and other factors, the size of pipeline reflects the growing market opportunity available to KMEW. India's maritime sector is entering an important phase of expansion, supported by government initiatives aimed at modernizing ports, increasing cargo handling capacity, developing inland waterways, promoting indigenous shipbuilding and transitioning towards cleaner marine operations.

KMEW is strategically positioned to participate in these developments through its diversified capabilities. In dredging, our focus will be on expanding our fleet and pursuing larger maintenance and capital dredging contracts. In Charter and Hire, we will continue building our portfolio of long-term contracts, particularly in the growing green tug segment.

And in shipbuilding, our immediate priority will be to operationalize the Saphale facility, execute our existing orders and expand our commercial shipbuilding capabilities. Together, these initiatives are intended to create a larger, more diversified and financially resilient business.

Before concluding, I would like to emphasize that the development of the past few months represents much more than individual contract wins or asset additions.

They reflect the transformation that KMEW has been working towards over the years. The successful execution of the JNPA rock dredging project demonstrates our technical capabilities.

The New Mangalore maintenance dredging contract represents a significant leap in our scale and responsibility.

Our green tug portfolio is strengthening our presence in long-term marine services, and the development of our Saphale shipyard is creating a foundation for our expansion into commercial and sustainable shipbuilding.

Together, these achievements position KMEW for a new phase of growth with larger opportunities, greater responsibilities and a substantially expanded addressable market.

At the same time, we remain conscious that growth must be accompanied by financial discipline, operational efficiency and responsible capital allocation.

Our objective is not simply to grow larger, but to build a stronger and more sustainable organization capable of delivering consistent long-term value. We are immensely proud of what the KMEW team has achieved and even more excited about the opportunities that lie ahead.

Every milestone brings with its greater responsibility, and we remain committed to delivering on the trust placed in us by our stakeholders.

I would like to thank our shareholders, lenders, clients, business partners, management team and employees for their continued support and confidence.

We believe we have laid a solid foundation and the next phase of KMEW's journey will be about converting that foundation into greater scale, stronger execution capabilities and sustainable growth.

Thank you once again for joining us today.

Moderator: The first question is from Shubham from 3A Financial Services.

Shubham: First of all, congratulations on a good set of numbers. I had a couple of questions. First one would be regarding the tax rate. This quarter, we saw a tax rate of around ~24-25%. This was mainly because of the realization of shipbuilding contracts, I can see. So what would be your full year tax rate guidance for FY '27?

Kanak Kewalramani: So we have taken the effective rate calculation this quarter, which is coming to 23% because of the interest income that we have reported in quarter 2 and the shipbuilding profits that we have booked this quarter. The tax rate depends on the shipbuilding revenue and the interest income that we are achieving quarter-on-quarter. The guidance on effective tax rate will come to between 15% approximately during the entire year.

Shubham: Okay, 15%. And in the results, in the segmental result part, we are seeing a loss in the unallocable income, a loss of around negative ₹ 10 crores. What exactly is this? And why are we seeing this?

Kanak Kewalramani: No, this is not a loss. These are the expenses that cannot be allocated either of the segment that is dredging or shipbuilding. So that is why that needs to be booked under an unallocable expenses. And we segment the dredging expense in a dredging segment and shipbuilding expense in the shipbuilding expense and whatever we are not able to allocate between these 2 segments are booked under unallocable segment.

Shubham: Okay. Got it. And one last question would be what sort of market size do we expect with our entry in the large-scale dredging segment? What sort of incremental market size do we cater to?

Sujay Kewalramani: So presently, with the 1 vessel that we have purchased, we can look to dredge between 8 million to 10 million cubic meters per annum in the maintenance dredging segment. The maintenance dredging segment volume-wise for major ports in minor ports put together is close to 150 million cubic meters per annum.

Shubham: Okay. And if you can quantify it, if possible?

Sujay Kewalramani: I'm sorry?

Shubham: If you can quantify it in terms of rupees?

Sujay Kewalramani: So the rate per cubic meter varies from port to port. But the revenue generation with this particular vessel should be north of ₹ 150 crores per annum.

Moderator: Thank you. Next question is from Noor from MN Ventures.

Noor: Congratulations, sir, first of all, on a great set of numbers. My first question is about is the management comfortable with the current equity structure? And does the management look to raise further debt for the expansion? And the other question is around the shipbuilding part. Sir, when will the revenue from that project that is going on under construction of the shipbuilding. So when the revenue will contribute and how much will the revenue contribute to as compared to the total revenue?

Sujay Kewalramani: So thank you. So for the first part, the equity structure right now in the near future, we don't see any change in the same. As far as debt is concerned, we are on a continual basis, making bids and shall be acquiring further larger assets. And as and when required, we will be raising debt for the same and along with the internal cash flow that we have, internal accruals that we have.

With regard to the shipbuilding business, we in this present quarter have generated revenue close to ₹40-odd crores from shipbuilding. And the asset / the shipyard that we have purchased and which we are constructing right now, the numbers from the yard have already started flowing in. And we are looking to have a substantial increase in revenue from the shipbuilding segment as compared to the last year with a multiple of between 3x to 4x in the current year.

Moderator: Next question is from Sarang from Vimana Capital.

Sarang: Congratulations on a wonderful first half. I had a couple of questions. First was on the working capital. I think there's an outflow of ₹55 crores on account of other current assets. So what is that in this half?

Kanak Kewalramani: So these are the advances that have been given to the vendors in the shipbuilding segment and because the expenses to that are booked once the bill of entries are passed and the materials are received properly.

Sarang: Understood. Got it. And you said that ₹150 crores is the revenue potential from the new RP 48. But the current contract that you'll be deploying for New Mangalore, I think that's 150 days, so about ₹90 crores a year. So the rest of it, do you already have a contract or you're bidding for it? And so how does that work?

Sujay Kewalramani: We've already placed a bid for several contracts in other major ports and for the defense, naval establishments along the West Coast of India. We are expecting the outcome of the same in the current month itself. Once the vessel completes the New Mangalore job, it will move towards one of these other projects. We are very confident that we shall be able to meet the targeted revenue of ₹150 crores per annum to the current vessel.

Sarang: Understood. So there will be no problem in moving the vessel after every contract and because you'll have to move it twice or twice a year. So there will be operational issues with that?

Sujay Kewalramani: No. These are over a period of 365 days, these movements contribute to less than 15 days. It's very short duration between project to project. And it's a large vessel self-propelled with 13 knot speed. It can move around the coast at any point of time. It is not dependent on a particular condition during the monsoons to move around. So the movements are not as challenging as compared to smaller vessels.

Sarang: Understood. And what is about the second dredger? I think you had planned 2 dredger acquisition. So what is the progress on the second one?

Sujay Kewalramani: We follow our fundamentals. We have the vessel tied up in the sense it is waiting for a potential contract. Once the contract is finalized, then we would do the capex and bring it in.

Moderator: Next question is from Nipun Sharma from VLS Finance.

Nipun Sharma: So my first question is regarding the effective tax rate. As we have answered the previous participant, the effective tax rate is expected to be 15% for financial year '27. So is it sustainable for the upcoming 2 years as well, considering the shipbuilding business is going to scale up after the Saphale shipyard?

Sujay Kewalramani: So yes, I would say you should look at the corporate tax on the shipbuilding revenue, and there would be almost negligible tax on the revenue coming from the chartering and the dredging business. Going towards the future, we would project the shipbuilding revenue to contribute towards 40% of the overall revenue and the balance 60% would come from dredging and the chartering revenue. So a tax structure on the 40% revenue generated from the shipbuilding segment, the profit generated from that would attract a corporate tax structure of 25%.

Nipun Sharma: Okay, sir. Understood. But overall, the effective tax rate will be around 15% to 20%. Is that the assumption for the upcoming year?

Sujay Kewalramani: 20% on the higher side, I believe. I mean, it would be closer to 15% and less than 15%.

Nipun Sharma: Okay. and sir, could you provide any guidance on the FY '27 and FY '28 revenue and profitability? Because if I can recall correctly, it was been assumed that the revenue growth will be around 60% for FY '27, which was earlier 30%. So is there any change in guidance or any update?

Sujay Kewalramani: The initial guidance given was between 30% to 40%. It was revised upward to 60%. And with the current order inflow and the expected inflow, we can look to revise it upwards to 80%.

Nipun Sharma: 80% for FY '27?

Sujay Kewalramani: Correct.

Nipun Sharma: And regarding the profitability and EBITDA and PBT?

Sujay Kewalramani: You have seen expansion in all the 3 reportable numbers in terms of revenue, EBITDA and PAT. With the volume business, we had projected that all 3 would expand, and we are steadily expanding in all 3. So initially, we used to project EBITDA margins between 35% to 40%. And for the first half, we have seen a substantial rise in EBITDA margins, which is close to 50%, 55% right now. We will see over the course of the next 2 to 3 years, but we can safely assume that it will be higher than the past projections of 40% because of the scalable volumes that we are going through right now.

Nipun Sharma: Okay, sir. Okay. That's good to hear, sir. And sir, for 40%, as you said, the shipbuilding revenue, the contribution will be 40%. So that will be for which financial year as per you?

Sujay Kewalramani: It will be for the year FY '28 and FY'29.

Nipun Sharma: Okay. '28 and '29. Okay. Okay. And sir, one last question is, so today as well as for the future, should it be assume that the revenue from Myanmar and Bahrain would be not that significant as it would be from India?

Sujay Kewalramani: Revenue from Myanmar and Bahrain in the current year is almost nil. Bahrain we are not looking to resume unless we are confident of the safety and security of our manpower and materials at Bahrain. Once the insurance covers the same and we find a stable situation, then we look to resume the operations there. For Myanmar, presently, all our assets are very well engaged in India, and there is a huge potential in all the 3 businesses that we are doing. So we are not looking to immediately move any vessel to Myanmar given the contracts that we have in hand.

Nipun Sharma: Okay. Good to hear. And regarding the Saphale shipyard, as per the estimation that they will be commissioning post Q4 FY '27. So is it going as per plan?

Sujay Kewalramani: So yes, complete commissioning will happen post Q4. But at the current stage, the construction and the infrastructure development of the yard is ongoing, along with the construction of vessel in a parallel manner.

Moderator: Thank you. Next question is from the line of Subramanya, an Individual Investor.

Subramanya: Sir, congratulations on a great set of numbers. I had one small question. What's the progress on,rather what are the opportunities relating to exports? And have you initiated any conversations with potential clients?

Sujay Kewalramani: I understand you're talking about the shipbuilding business. Is that correct?

Subramanya: Yes, sir.

Sujay Kewalramani: So currently, we are in discussion with 3 different clients on export orders. And we find that the clients have been assessing the yard and finding the suitability of the yard. Once the commercial negotiations close in the near future, we will be able to understand the size and scale for the export orders.

Moderator: Next question is from Noor from MN Ventures.

Noor: Sir, the first question that I want to ask is, sir, what is the current capacity utilization right now, which is going on? And does the management see any type of competition in this industry?

Sujay Kewalramani: We have 3 different segments. You're talking about the capital utilization of all the assets in different segments? Or is this question to a particular?

Noor Muhammad: Sir, in all the segments, what is the capacity utilization?

Sujay Kewalramani: For the chartering business, all the vessels deployed with the ports are on a long-term basis. They are at 100% utilization. The dredging vessels during the second quarter, usually are waiting for the monsoons to complete. And right after or post monsoons in the month of October till the month of May, they are fully utilized in various parts of India. And the shipbuilding segment will see an increase in capacity utilization once the yard is fully ready post Q4. So all our vessels deployed all around the ports and in 2 different rivers, NW-1 and NW-16 are currently utilized in the month of October at 100% utilization.

Noor: Okay, sir. And sir, is there any competition that the company faces in the sector?

Sujay Kewalramani: All 3 segments have a variety of players that exist. And we go through this competition in each and every bid that we place. We have our special USPs that place us better than the competition. That's how we've been able to secure these orders, and we have an edge in execution, and that's how we've been maintaining our margins.

Moderator: Next question is from the line of Jenish Karia from Union AMC.

Jenish Karia: First, just to clarify on the guidance, we have been guiding for a top line growth of 80% in FY '27 and 40% for '28 and '29. That is correct?

Sujay Kewalramani: For the year after 40%, which you are considering, we had brought it up to 60% in the last guidance.

Jenish Karia: Understood. So you see any potential risk maybe in terms of delays for the shipyard business or delay in the dredging segment, which can possibly defer our revenue guidance for '28 or '29, any risk that you see?

Sujay Kewalramani: All our projects are time-based and time sensitive. These are all maintenance dredging and recurring contracts. Dredging have to be executed on time in order to achieve the desired draft for the port to carry on safe navigation. When it comes to dredging business, there is no substantial risk in terms of delay in commencement because we already usually have our vessel lined up as we are going through the process of award of work.

And once the award of work is placed, the vessel is immediately mobilized to commence the work. The same can be seen from the New Mangalore work that we recently got awarded and we have acquired the vessel, and we would be commencing the work before 15th of November as required by Government of India, New Mangalore Port. So I don't see any substantial risk in terms of delay in dredging contracts.

In terms of shipbuilding, presently, all the contracts that are ongoing are as per schedule, and none of them are facing any delay penalties or any complications in any of the contracts. Because of the strength in execution team, I believe going forward, we plan well and shipbuilding business also should not have any substantial risk in terms of any delay in any of the projects.

Jenish Karia: Understand, sir. And sir, just based on your guidance, we are aiming for ₹450 crores worth of revenue this year and around ₹650 crores, ₹700 crores next year. Any positive surprises you envisage in terms of shipyards or dredging contracts for the next year?

Sujay Kewalramani: So we always project with the orders that we have in hand. And these are dynamic situations. We are always exploring good opportunities, which meet

our fundamentals when we make our bids. And in the past as well, we have seen that the order book keeps on expanding. And as the order book keeps on expanding, we will get back to you with any future upward revisions as and when we see them.

Jenish Karia: Understood. Just I think you have addressed the margin question, but no possible risk to the margins that we are currently commanding, right?

Sujay Kewalramani: With the contracts that we have in hand, I don't think because we have planned for those, the execution is up to the mark. We don't see any challenge or any contraction in any of them.

Moderator: Next question is from Shubham from 3A Financial Services.

Shubham: Sir, just a suggestion from my side. If you could announce the results and release the PPT a few hours or at least 1 day prior to the con call, it would be great for us, investors so that we also get time to analyze and study the PPT properly.

Sujay Kewalramani: Point well taken, and we will look to it in the future.

Moderator: Next question is from Tanishka Agarwal from Niveshaay Investment.

Tanishka Agarwal: Hello, am I audible?

Sujay Kewalramani: Yes. If you can speak a little louder, it would be better.

Tanishka Agarwal: First question is regarding the ₹1,000 crores capex we are planning. What is the time line for the same? And what peak annual revenue can we expect from this capex?

Sujay Kewalramani: The time line we had projected was over a period of 2 years. As you would see that we have already started using up the funds towards purchase of a large TSHD. We are using the funds for construction of 3 green tugs, 1 conventional tug. And the various other plants that are ongoing. This ₹1,000 crores of capex will be executed over a period of 2 years, from which we have already gone through a phase of 6 to 7 months. The kind of revenue that the capex would generate in the past, we've had an asset turnover ratio of 1:1 or 1:1.5, it will remain in that range.

Tanishka Agarwal: And my second question is regarding if you could throw some light on the opportunity size in all the 3 segments, dredging, chartering and shipbuilding?

Sujay Kewalramani: So if you would like to know an opportunity size in all 3 segments, that is only along the coast of India or the opportunity size around the globe?

Tanishka Agarwal: Around the globe and India-wide.

Sujay Kewalramani: The chartering business for various vessels total almost 600-odd crafts operate in and around the Indian ports. Presently, they are going through the privatization of all these vessels. As and when these vessels get decommissioned, new vessels would take their place.

We have 21 dredgers. Besides the 21 dredgers, the other vessels in the fleet, close to 30 vessels are presently operating under the chartering business. These are all on long-term contracts. And we continue to expand in the chartering business as well. When it comes to dredging along the Indian coast, the major ports and the minor ports do a maintenance dredging of close to ₹2,000-odd crores on an annual basis and capital dredging. If averaged out, would fall within the range of ₹3,000-odd crores on an annual basis.

There are large-scale contracts such as Vadhavan Port, Tuticorin Port, which are of the size of more than $1.5 billion, $2.5 billion, but these are one-off capital dredging requirements. There are various other segments which fall under the inland waterway and the dam dredging business.

The size of these businesses is expanding over the years. Currently, NW-1, NW-16 and a few other rivers contribute to almost ₹2,000 crores of dredging revenue / dredging business on a year-on-year basis. As and when more and more national waterways are made operational, this business is going to grow and expand.

For the dam dredging business, it is yet to take off, and that has a large potential as compared to the port maintenance and capital dredging business or inland waterway capital and maintenance dredging business. In terms of the world or the global market, there are 4 or 5 large players.

All put together between them, they do about $20 billion worth of revenue year-on-year from the dredging segment. As compared to the shipbuilding segment, we are concentrating solely on the small craft and the vessels that operate near coastal and inland waterways. We are looking to understand the business in terms of the potential value.

But as we understand, this business is going to grow, wherein more than 1,000-odd crafts before 2047 have to be converted green. And with the operation of various other waterways, the number will increase from 1,000 vessels to more than 1,500-odd vessels. So as that market expands, the size of the business would grow. So that's where the shipbuilding segment for which we are in. For the global part of the size of vessels that we are building today, I don't have the exact number for you, but we can get back to you on the scale or size of that business around the globe.

Moderator: Next question is from Vinod Kumar, an Individual Investor.

Vinod Kumar: Congratulations for a good set of numbers in Q2. I just had a couple of questions. If you can just update the shareholders regarding your current order book size and the expected order book size by the end of the current financial year and financial '28 and financial year '29?

Sujay Kewalramani: The current order book that we have is ₹1,700 crores. We have bids in pipeline between ₹2,500 crores to ₹3,000 crores. It's a dynamic situation that keeps changing on a daily basis. We believe in the next year going forward, the order book on a continual basis should be in excess of ₹2,000 crores going forward.

Moderator: Next question is from Sarang from Vimana Capital.

Sarang: I just had a question on the working capital. As the shipbuilding revenue scales up, how does it impact the receivables? And how is the billing done in that segment?

Sujay Kewalramani: So presently, the shipbuilding segment has staged the payments. So with various stages of completion, various milestones that are certified by class or the flag authorities, the payments are tied. It's not a single short payment. So there may be anywhere between 5 to 10 stages while the vessel is getting constructed. Initially, we do have an option of drawing down 10% of the contract value by providing advanced bank guarantees or insurance surety bonds. So there is not a lot of working capital requirement in the shipbuilding segment at the current stage.

Sarang: Got it. So it will be similar to what it was, say, for FY '26?

Sujay Kewalramani: Correct.

Moderator: Next question is from the line of Jenish Karia from Union AMC.

Jenish Karia: I just had 2 more questions. Firstly is on the margins. If I recollect it correctly, 35% to 40% was our stated margin guidance. First half, we have done around 55% and second quarter around 40% margin. Even if I look at the segmental margin, shipbuilding and repairs was somewhere around 35%, 38% margins and on EBIT level and dredging was around 50%. So what would be the margin guidance for this year?

Sujay Kewalramani: I have said in the past, with the volume business coming in, the margins will expand. We are trying to find out where our confidence will lie. We have been very confident about 35% to 40% in the past. To give you a number range, it should be more than 45% going forward as and when it gets stable. But you will see a current expansion even up to 50%, 55% levels as we move towards stabilization.

Jenish Karia: Okay. Understood. And just on the shipbuilding segment, as we scale and the deliveries come closer, will we have any provisions which we might need to record and take a hit on P&L, which might come in?

Kanak Kewalramani: No, that will not be the case that we need to book the provisions for that because the revenue is generated on the stage milestone completion. Once that stage is completed, we generate the revenue and the stage is only completed when the expenses towards that stage is done. Provisions entry will not be required for that.

Sujay Kewalramani: So before we close the call, I would like to make some statements. The second quarter is usually a soft quarter for the dredging business. This is due to the monsoons. The clients wait for the monsoons to get over and then the maintenance dredging contracts come into play starting from October. So the execution is done in the third and the fourth quarter.

Thus, the third and the fourth quarter shall see a phenomenal jump in revenue from the dredging business. Shipbuilding has seen a steady growth. Current quarter saw a growth of 3x compared to Q2 last year. Revenue from shipbuilding shall also see and witnessed substantial rise in the third and the fourth quarter.

So I would like to state that the company is doing really well, and the contract executions are happening on a timely manner. The execution team has been committed on delivering the numbers, and we shall come forward with what guidance we have been giving in the past and present. Thank you. I wish a happy Diwali to all our shareholders and a prosperous new year.

Kanak Kewalramani: Thank you, everyone. Wishing all of you a very happy and prosperous Diwali and New Year. We can now conclude the call.

Moderator: Thank you very much. On behalf of Knowledge Marine & Engineering Works Limited, that concludes this conference. Thank you all for joining us today, and you may now disconnect your lines.