

## Knowledge Marine Buys Prime Waterfront Land for Shipyard Expansion

Knowledge Marine & Engineering Works Ltd (KMEW) has acquired roughly 15 acres of prime waterfront land in Saphale, Palghar, Maharashtra, securing an option for an additional 5 acres. This strategic purchase is set to fuel the company's growth in shipbuilding and repair infrastructure.

### Acquisition Details

KMEW announced the acquisition of approximately 15 acres of prime waterfront land in Saphale, Palghar, Maharashtra, including an option for an additional 5 acres. The site includes about 188 meters of waterfront access and a slipway draft of around 6 meters at high tide. Its proximity to Vadhvan Port offers logistical advantages.

This acquisition is a key step for KMEW's vision to build a smart, sustainable, and technologically advanced shipbuilding enterprise, creating a platform for future maritime infrastructure.

### Strategic Importance

The land acquisition gives KMEW a dedicated, scalable platform for modern shipbuilding and repair operations. This move aligns with India's growing maritime ambitions and government efforts to strengthen domestic maritime capabilities.

This expansion is crucial for KMEW's growth as a technology-driven shipbuilding company, boosting its competitiveness and growth in the sector.

### Company Background

KMEW has been expanding operations through strategic acquisitions, including full ownership of Indian Ports Dredging Private Limited and Knowledge Infra Ports Private Limited, and a majority stake in Kamal Marine & Engineering Works Private Limited.

The company secured a significant ₹127.12 crore order for Cutter Suction Dredgers from the Inland Waterways Authority of India, showing its role in national infrastructure development. KMEW also aims to operate 40 vessels by 2030 and successfully completed a stock split in late 2025.

A substantial fundraise of USD 27.4 million from Convergent Finance in September 2025 is funding fleet expansion and overall business growth.

### Impact of the Acquisition

- **Enhanced Infrastructure:** The acquired land provides space for developing a state-of-the-art shipyard.
- **Scalable Operations:** The ~15-acre site, with an option for more, allows for future expansion and increased capacity.
- **Strategic Location:** Proximity to Vadhvan Port and substantial waterfront access will improve logistics and operational reach.
- **Technology Focus:** The move supports KMEW's strategy for technology-driven, sustainable shipbuilding.
- **Future-Ready Platform:** The acquisition builds a foundation for advanced maritime infrastructure.



## **Potential Risks**

- The company's trailing suction hopper dredger (TSHD) fleet is over 50 years old, which could lead to significant maintenance or replacement costs.
- Debtor days have increased from 106 to 131 days, suggesting potential strain on working capital management.
- Forward-looking statements about future operations or financial results are affected by risks and uncertainties, including industry downtrends, economic changes, and potential litigation.

## **Competitive Landscape**

KMEW's strategic land acquisition for shipyard expansion puts it alongside major Indian players like Cochin Shipyard, Garden Reach Shipbuilders & Engineers (GRSE), and Swan Defence & Heavy Industries (formerly Reliance Naval). All these companies are expanding capacity and focusing on defense and commercial shipbuilding. While peers like CSL and GRSE have substantial order books and established defense contracts, KMEW's focus on technology and sustainability in its new facility aims to create a unique niche.

## **What to Watch Next**

- The timeline and specific development plans for the shipyard expansion on the acquired land.
- KMEW's ability to integrate this new infrastructure into its strategy for technologically advanced shipbuilding.
- Further order wins and contract execution that leverage the expanded capabilities.
- Management's progress in addressing the age of its existing dredger fleet and improving working capital cycles.
- Synergies derived from its recent acquisitions and overall fleet expansion goals.