



माझगाव डॉक शिपबिल्डर्स लिमिटेड
MAZAGON DOCK SHIPBUILDERS LIMITED
(Formerly known as **MAZAGON DOCK LIMITED**)
CIN: L35100MH1934GOI002079
(A Govt. of India Undertaking)
डॉकयार्डरोड, मुंबई-400010
Dockyard Road, Mumbai 400 010
Certified: ISO 9001-2015

संदर्भ क्रमांक :
Ref : SEC/BSENSEDISCL/23/2025-26
दिनांक:
Date: 06 June 2025

To
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001
Scrip Code: 543237

To
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra Kurla Complex
Bandra (E), Mumbai - 400 051
NSE Symbol: MAZDOCK

Sub: Disclosure in terms of Regulation 46(2)(oa) of SEBI (LODR) Regulations, 2015 pertaining to the uploading of the Audio or video recordings and transcripts of investors update calls on the website of the Company.

Dear Sir/Madam,

With respect to the captioned subject the Investor Update Call Transcript which was transpired during Q4FY25 Investor Earnings Call organized by Nirmal Bang Institutional Equities on Friday, the 30 May 2025 at 1630 hours to discuss the Financial Results for the quarter and year ended 31 March 2025, has been uploaded on the website of the Company namely <https://mazagondock.in>. The said transcript is also enclosed herewith.

The link for accessing the said transcript is:
<https://mazagondock.in/Transcript.aspx>

Thanking You,
Yours Faithfully,
For MAZAGON DOCK SHIPBUILDERS LIMITED

(Lalatendu Acharya)
Company Secretary & Compliance Officer

Encl: as above



“Mazagon Dock Shipbuilders Limited Earnings Conference Call”

May 30, 2025



**MANAGEMENT: CAPT. JAGMOHAN (RETD.), CHAIRMAN & MANAGING
DIRECTOR**

SHRI BIJU GEORGE – DIRECTOR (SHIP BUILDING)

**CDR. VASUDEV PURANIK – IN, (RETD.), DIRECTOR
(CORPORATE PLANNING & PERSONNEL)**

SHRI RUCHIR AGRAWAL - DIRECTOR (FINANCE)

**CMDE S B JAMGAONKAR (RETD.), DIRECTOR
(SUBMARINE & HEAVY ENGINEERING)**

**MODERATOR: MS. JYOTI GUPTA - NIRMAL BANG INSTITUTIONAL
EQUITIES PRIVATE LIMITED**

Moderator: Ladies and gentlemen, good day and welcome to the Mazagon Dock Shipbuilders Limited Earnings Conference Call hosted by Nirmal Bang Institutional Equities Private Limited.

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 '*' and '0' on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Ms. Jyoti Gupta from Nirmal Bang Institutional Equities Private Limited. Thank you and over to you, ma'am.

Jyoti Gupta: Thank you, Rutuja. Good evening, everyone. On behalf of Nirmal Bang Institutional Equities, I welcome you to the Quarter 4 FY'25 Earnings Conference Call with the Management of Mazagon Dock Shipbuilders Limited.

We have with us Capt. Jagmohan (Retd.) – Chairman & Managing Director; Shri Biju George – Director (Ship Building); Cdr. Vasudev Puranik, IN (Retd.) – Director (Corporate Planning & Personnel); Shri Ruchir Agrawal – Director (Finance) and Cmde S B Jamgaonkar, (Retd.) – Director (Submarine & Heavy Engineering).

Without further delay, I would now request Capt. Jagmohan Sir to start with his opening comments after which we can open the floor for questions-and-answers. Thank you and over to you, sir.

Capt. Jagmohan: Good evening, everyone and welcome to Mazagon Dock Shipbuilders Quarter 4 and Annual Earnings Call for the period ended 31st March 2025.

My name is Capt. Jagmohan - Chairman & Managing Director and I am joined today by Director (Finance) and CFO - Mr. Ruchir Agrawal; Director (Shipbuilding) - Mr. Biju George; Director (Corporate Planning & Personnel) - Cdr. Vasudev Puranik; Director (Submarine & Heavy Engineering) – Cmde. Shailesh Jamgaonkar.

Before we begin, I would like to remind everyone that today's discussion may include forward-looking statements as defined under applicable securities laws. These statements are based on our current expectations and projections about future events and financial trends and are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. We undertake no obligations to update these forward-looking statements except as required by law.

For a detailed discussion of these risks and uncertainties, please refer to our latest financial results, press release and regulatory filings available on the stock exchange websites and our Company website. As a listed entity in India, we are committed to adhering to the highest standards of corporate governance and transparency as mandated by SEBI LODR regulations

2015. This call is being conducted in compliance with these regulations, ensuring timely and equitable dissemination of information to all stakeholders. We are pleased to share our financial and operational performance for the Quarter 4 and the fiscal year ended 31st March 2025.

Despite a challenging macroeconomic environment, we maintained our market position and managed to deliver a strong performance with robust revenue growth and improved profitability on year-on-year basis. During this call, we will provide an overview of our financial results, discuss key operational highlights, and share our outlook for the upcoming period.

Following this, we will open the floor for your questions. We request you to limit your questions to two per participant in the initial round to ensure that everyone gets an opportunity. I would now like to hand over to Mr. Ruchir Agrawal – Director (Finance) & CFO, who will walk you through the detailed financial performance.

Ruchir Agrawal:

Good afternoon. I am Ruchir Agrawal, Director (Finance) of Mazagon Dock.

This year we have recorded the highest revenue from operations which is Rs. 11,432 crores and the profit before tax is Rs. 3,109 crores. Profit after tax is Rs. 2,324.88 crores with an earning per share of 57.63%. The operating profit is Rs. 1,940.43 crores giving an operating percentage of 16.97% and PBT to revenue is 27.2% against 26% which we reported last year and the EBITDA margin of 28.24% against 26.93% reported in last year. There is an increase of almost 2% on year-to-year basis in revenue. As far as this Quarter 4 is concerned, revenue is on the upper side. It is 3,174 crores and profit of Rs. 406 crores for Q4. It is on standalone basis and earning per share of 8.11 for the Quarter.

If we compare quarter-to-quarter, our EBITDA margin is 13.74 against 35.1 which we reported in December quarter. The primary reason for difference is the provision we made in our books for the two contracts, one is for the supply for Fast Patrol Vessel (FPV) to Coast Guard and the other is the Denmark contract where management is of the view that there is likelihood of incurring losses in those contracts. So in line with the accounting policy, we have made the provision in our books. And this is in line with the Accounting Standard-37. And in the next year on every quarter basis, we will be reviewing this liability. And based on our assessment, we will be charging it to profit and loss and reducing the provision what we have created in our books.

Capt. Jagmohan:

You may start now.

Moderator:

Thank you very much. We will now begin the question-and-answer session. Anyone who wishes to ask a question may press ‘*’ and ‘1’ on their touchtone telephone. If you wish to withdraw yourself from the question queue, you may press ‘*’ and ‘2’. Participants are requested to use handset while asking a question. Ladies and gentlemen, we'll wait for a moment while the question queue assembles. First question is from the line of Atul Tiwari from J. P. Morgan. go ahead.

- Atul Tiwari:** Yes, thanks a lot. My first question is on medium term margin profile. Over the next 2-3 years, what kind of EBITDA margin we should look at? Will the current level of EBITDA margins be maintained or perhaps be even increased from this level?
- Capt. Jagmohan:** MDL expects margins and profitability to significantly improve over the next years as major orders materialize. We are expecting the P-75 additional submarines and the P-75(I) submarines contract to be signed in this financial year. And that is expected to increase our order book from the present Rs. 32,000 crore to more than Rs. 1.25 lakh crores. And these big ticket projects are the forte of MDL and with these projects coming in, our margins and profitability are expected to significantly increase. The economies of scale of these large submarine projects and the efficiency initiatives under Shipyard 4.0 and digital transformation efforts is expected to enhance the overall profitability of the yard.
- Atul Tiwari:** Sir, in past, the company has guided to PBT margin of 12% to 15% over medium term versus 25%-26% that we have been reporting. So now we should not work with the older guidance and assume the current level of 26%-27% PBT margin to go up from here. Is that right in understanding?
- Capt. Jagmohan:** See, if you look worldwide, the shipbuilding margins are approximately 15%. So the guidance of 15% is accurate. But what we must understand that in shipbuilding, revenues and profits are directly correlated to the order book and the life cycle stages of current projects. Each project stage, whether at an initial design or a mid-stage construction or final delivery, influences both the revenue recognition and the profitability significantly. So we cannot assume that since we have achieved 26% in one quarter in one year, we will be able to achieve the same across the board. So it is safe to have a guidance of approximately 15%. And there are other shipyards who are listed and you can look at their profit margins and you can gauge what is the general range. We have exceeded the general profit margin significantly. It is because the certain projects were at a late stage where greater revenue recognition and profitability were accrued and these projects were actually also obtained at significantly good margins. So, but it is, I would consider that it is prudent to have a margin of approximately 15%.
- Atul Tiwari:** So, just trying to understand it clearly because earlier you said that obviously your margins this year were quite high and it should keep on improving because of these large orders. So that means that we should be looking at perhaps 30% or 31% PBT margin. But now your guidance is 15%. So what is the right number to work with?
- Capt. Jagmohan:** With respect to Quarter 4, you'll see our Quarter 4 PBT is 12.8, if you see. Of course it is primarily because of the large provisions that we have made but these high margins which you are seeing over the last 2-3 quarters is because the large Project 15 Bravo have been delivered and we have been able to accrue significant revenues and profits due to these. However, we cannot keep this as a standard profit margin that a shipyard can get. So I would still consider that considering this 12%, yes we will have an increase but not considering the 26% what we have done over the year.

- Atul Tiwari:** Okay sir. very clear. And sir my second question is on revenue growth. Your revenue has been growing at 20% plus over past couple of years. Can we expect the similar kind of revenue growth over next 2-3 years or will the revenue growth temporarily slow down as the execution of large contracts that you will win this year, will it take some time to pick up?
- Ruchir Agrawal:** You have seen a growth of 20% on a year-to-year basis, but that was a time when we had a steady order book. Since the order book for new P-75 and P-75(I) is little bit delayed, so some time will be going towards the design and finalization of the basic parameters for their execution. So it may not be correct to say that this 20% will be maintained. But by and large we will see that the growth of the company is almost around 8% to 10% every year.
- Atul Tiwari:** Okay sir. Thank you, thanks a lot. I will come back in the queue.
- Moderator:** Thank you. The next question is from the line of Anirudh Murarka from Continental. Please go ahead.
- Anirudh Murarka:** Good evening, sir. Sir, my question was regarding Goa Shipyard Limited, one of the entities in which our company is holding substantial stake. So any plans to list it in future?
- Ruchir Agrawal/ Capt. Jagmohan:** Actually, this is the decision of DIPAM because we are just a shareholder based on the government guidelines, and we are not making a decision for their listing or not. That will be decided by DIPAM and MOD as per their intention and we will continue to be their shareholder, as per the decision of the MOD. The government is a shareholder there. It's more than 51%. While we hold 47%, the government holds 51%. And that's a decision that the government will take.
- Anirudh Murarka:** And sir my second question is how much cash we are having on our books right now?
- Ruchir Agrawal:** It will be to the tune of around Rs. 11,000 crores to Rs. 12,000 crores. But out of which 6,000 is our margin and balance is on account of advances.
- Anirudh Murarka:** Thank you, sir.
- Moderator:** Thank you. The next question is from the line of Raj Rishi from Dcpl. Please go ahead.
- Raj Rishi:** What's the capacity increase expected over the next 3 to 4 years?
- Capt. Jagmohan:** We have already augmented our capacity from construction of 6 submarines to 11 submarines because we are preparing to take both the additional submarines of 75 and the six P-75(I) for which we have already set up the SSA facility or the submarine section assembly workshop. So that is one area and we have also taken up land from the port for taking up small ships and we are also doing having major CAPEX plans in that land as well as in the Nhava yard which we have which we have a CAPEX of approximately Rs. 4,000 crores. So we can at the moment I think consider construct 10 major warships simultaneously and 11 submarines.

- Raj Rishi:** Okay. So is it correct to say that in 3 to 4 years your capacity will be 3x of what it is today?
- Biju George:** Once the two CAPEX programs comes to fruition and they become fully operational, definitely the capacities will go up. So now it is at a consultancy DPR stage. The exact contours of what would be the capacity and how it will increase, we will be able to gauge only after those DPR comes because there are various technical considerations to finalize these. But definitely the capacity will increase at least by 2x.
- Raj Rishi:** This is a follow on. Do you plan to take any debt for this CAPEX?
- Ruchir Agrawal:** As of now, we are having quite healthy Balance Sheet and we do not expect, but it will be based on the economic performance, we will see.
- Raj Rishi:** Okay. And any plans for ship repair, sir?
- Capt. Jagmohan/ Biju George:** Yes, we have a vertical in ship repairs. That we are currently using our wet basin as well as a dry dock. So we will be able to take ship repairs of larger ships only once our current docks are free. And in the long term, once the CAPEX, which is there, once it gets operational, we will be able to undertake repairs of larger ships. And in addition, we are also taking submarine repairs and that has contributed I think approximately Rs. 4,000 crores of revenue for us, both in the MRLC as well as AIP plugs for the submarines which are already in service with the Navy.
- Raj Rishi:** And sir, this supposed ship building super cycle which is going on globally and this move away from China etc., that should auger very well for companies like Mazagon Dock, right?
- Capt. Jagmohan:** Yes, certainly. I think there is significant tailwinds that is going to further propel our growth, both the commercial shipbuilding as well as in the defence shipbuilding because of the geopolitical situation. And as you've seen, both the Navy is likely to come out with the RFP for the 17 Bravo frigates shortly, which is a 70,000 crore project. And we are poised best to take on that although it is going to come on a competitive bidding but MDL with its proven capability and infrastructure and having demonstrated to have constructed and delivered these ships profitably we are best placed to actually win these contracts. In addition, the Navy is also coming with a Rs. 44,000 crore MCMV project it's set at AON stage that's also likely the RFP is also likely in a few months from now. So there are a lot of orders in the pipeline both for the defense as well as for the commercial ship building sector.
- Raj Rishi:** Sir, some reports suggested that in the next 18 months to 24 months there is a possibility that Mazagon Dock will get orders worth 2 lakh crores-2.5 lakh crore. Any comments? Or is poised to get?
- Capt. Jagmohan:** See, it's like this. It depends upon whether we are able to sign the 75 (AS) and the 75 (I) submarine contracts quickly. That adds up at least to 1 lakh crore. And if we win one of the shipbuilding contracts of, let's say, 17 Bravo and the MCMV contracts, we could at least

theoretically reach those order book levels. We will see. But I am confident that the submarine orders, we are likely to sign quickly, particularly the 75 additional submarines.

Raj Rishi: Do you expect it by September, sir?

Capt. Jagmohan: No, I expect that earlier because we have completed all the commercial negotiations with the Ministry of Defence and we are at virtually the contract signing stage. So maybe it should happen as early as next month hopefully.

Raj Rishi: Okay, sir. Thank you.

Moderator: Thank you. The next question is from the line of Amit Kumar, an Individual Investor. Please go ahead.

Amit Kumar: Thank you for the opportunity and congrats for decent set of numbers. Sir, in the previous participant was asking that about submarine contracts that you replied that there's a possibility we can get in the next 1 or 2 months. So what is the expected value of this contract, sir?

Capt. Jagmohan: Yes, it's expected to be in the range of anywhere between 30,000 crores to 40,000 crores.

Amit Kumar: Okay. And the first participant asked that question about order book and you replied that by the end of FY'26 our order book could be 1.25 lakh crore. Have I heard right?

Capt. Jagmohan: Yes. That's provided we are able to sign the contracts for both the 75 additional submarines as well as the 75 India submarines project. Signing of the contracts for these two projects are crucial for us to achieve those order book figures.

Amit Kumar: So are these nuclear submarines or normal submarines?

Capt. Jagmohan: No, conventional. Not nuclear.

Amit Kumar: Okay, this 75 conventional submarines which we are expecting in next 1 or 2 months is 40,000 crores.

Capt. Jagmohan: Yes, approximately.

Amit Kumar: And there is another you are saying 75 conventional submarines and what is the value for that conventional submarines? Will that be same amount?

Capt. Jagmohan: We are at actually a negotiation stages with the Ministry of Defence. So it would not be appropriate for me to give any...

Amit Kumar: No issues, no issues. And given our huge order book, so could you please provide the revenue and EBITDA guidance for next may be 3 or 4 financial years?

- Capt. Jagmohan:** As the Director of Finance has brought out, we expect the revenue growth of anywhere between 8% to 10% and our PBT margins we expect around 15%.
- Amit Kumar:** But assuming a huge mammoth order book of around 1 lakh crores by end of FY, I think this kind of appears to be very conservative 8%-10% topline growth it appears to be?
- Ruchir Agrawal:** Actually it takes time, if you see it will be increasing by the time finalization of design, placement of order comes into picture. But it will depend upon how fast we are getting the orders from the Ministry. And how fast we are on the drawing board. So it will depend and it is our estimation that it will be around 10% to 15% and will increase as we progress in the project.
- Amit Kumar:** Okay, and I think, I can see some provisions of 746 crores in the financial year. So could you please provide some more detailed insight and is it one time or whether it is going to come next year also or whether there is a probability of reversal of these provisions because this has impacted our EBITDA margin substantially?
- Ruchir Agrawal:** Actually in my opening remark I mentioned that other than 532 crores which is we have made a provision this year, others are normal business provisions. This 532 crores we are making as an estimate for a loss which we may incur in our two of the contracts. One is for coast guard fast patrol ships and six ships of Denmark. This is based on our estimate as on date and we will be reviewing this estimate every quarter. And based on our further judgement, we will be either writing back these provisions or there may be chances of increasing the provisions if we find that the losses are increasing. But major part of our provision we have already brought in the books and we will see the how to mitigate this in time to come. And as we will progress, this will be transferred from provision to profit and loss account and provision will come down accordingly.
- Amit Kumar:** And could you provide some insight what kind of this provisions like includes liquidated damages or some other losses?
- Ruchir Agrawal/Biju George:** We bid for this contract in 2022-23 and the prices of the parts and components have increased significantly after those bid. May be because of the global shipbuilding boom, pricing of a number of equipment has shot up from what was originally envisaged and factored into our costing. But we have not yet ordered the entire package, entire equipment., so as of now for the equipment that has been ordered, there is a potential loss that has been provisioned as DF has already mentioned. But the real picture will emerge as we complete the procurement and the net impact can be computed at that stage that we will be doing in a quarterly manner and reporting.
- Amit Kumar:** So, of now we have order book of 33,000?
- Capt. Jagmohan:** Come again?
- Amit Kumar:** We are able to maintain our base margin, so then...

- Moderator:** I am sorry to interrupt you. Mr. Kumar, your voice is breaking. Can you please check? Mr. Kumar, you may please go ahead now.
- Amit Kumar:** Yes, I'll repeat my question. So, sir, we have an order book of 32,000 crores. So how much of these orders are cost plus contracts or fixed price contracts? Because so that our, you know, EBITDA margins and bottom line remains profitable?
- Capt. Jagmohan:** See, there in our investor presentation actually the Rs. 32,260 crore order book, 15 Bravo, 17 Alpha, the P-75 Kalvari class submarines, that put together comes to almost Rs. 20,000 crores. So approximately Rs. 20,000 crores projects on fixed cost and the rest are also fixed cost but they are with the lesser margins. Where as these, so out of the Rs. 32,000 crores approximately two thirds are projects with reasonably high margins.
- Amit Kumar:** Okay, and sir, like during the recent conflict with Pakistan, so I think India should focus on more nuclear submarines. So is there a possibility that the defence ministry can think of preparation and ordering nuclear submarines to Mazagon or any other ship builder? Because defence is the number one priority for India now.
- Capt. Jagmohan:** Yes, you see that's a call that the Indian Navy and the Ministry of Defence will take. And in fact, you may have read that the nuclear submarines fall under the strategic submarine category. And I think the government has already placed an order, but that is getting done through the Navy, through the shipbuilding center in Vizag and not with MDL.
- Amit Kumar:** So nuclear submarines are built by our company or it's a highly secretive operations or only by the Navy or?
- Capt. Jagmohan:** No, it's not with us at the moment. And we don't want to comment on something which is not with us.
- Amit Kumar:** Okay, thank you sir. All the best.
- Moderator:** Thank you. The next question is from the line of the Dipen Vakil from Phillip Capital. Please go ahead.
- Dipen Vakil:** Thank you for the opportunity. I wanted one clarification regarding your subcontracting charges, which have increased exponentially as a percentage to sales in this quarter. So can you tell us as to what these subcontracting charges are and what can be the kind of trend that we could be looking at going ahead?
- Biju George:** So this is in contrast to what we call as, actually the subcontracting is what we normally define as when within our premises a work is executed by another party. What we mean by outsourcing is when the work is executed in a remote location, not in our premises. So because we have around 27 ships to be built simultaneously, some of this work will have to be executed outside. Now at the same time we are unable to give the entire ship outside. So these blocks have to be

transported. Transportation cost is also involved. So therefore there is an increase compared to executing the work within our premises. Executing it outside turns out to be costlier than executing it inside. So the simultaneous demand of what we call as the asking rate of all this put together is demanding outsourcing and that is why the cost is on the higher side.

Dipen Vakil: Got it, sir. So if my understanding is correct, so subcontracting includes subcontracting as well as outsourcing.

Capt. Jagmohan: Yes. That's correct. See one more thing you need to keep in mind is that for the larger ships let's say 15 Bravo and 17 Alpha which are very very high value projects then it makes sense for us to use our manpower which is a little more expensive than subcontract manpower. So whereas the smaller projects like the export project and the 21 ships that we're doing for Coast Guard ships, it is better to do a subcontract model. And that is why, since of course, like what Director Shipbuilding just said, that since we have 27 ships and another 3 large ships that are presently on order, we have resorted to extensive subcontracting and that's why the subcontracting costs are higher.

Dipen Vakil: Got it. Thank you so much for answering my questions and all the best for FY'26.

Moderator: Thank you. Next question is from the line of Deepak Krishnan from Kotak Institutional Equities. Please go ahead.

Deepak Krishnan: I just wanted to check one thing on the next generation corvette order. Are we sort of, are we active on the order? Are we L2 or is that an order that we have sort of given a pass?

Capt. Jagmohan: The bids were opened and I think it's gone to GRSE and GSL and not to MDL.

Dipen Vakil: Sure, sir. That was my question and thank you for the clarification.

Moderator: Thank you. The next question is from the line of Anirudh Murarka from Continental. Please go ahead.

Anirudh Murarka: Sir, I just wanted to ask regarding that subcontracting, which I think the earlier participant has already, the management has already answered. But my only thing is that in this subcontract which we have made a very high expenditure, is that in future it is getting reversed or it is a fixed expenditure.

Capt. Jagmohan: It's a fixed expenditure.

Anirudh Murarka: Okay. Thank you.

Moderator: Thank you. The next question is from the line of Sanjeev Zarbade from Antique Stock Broking. Please go ahead.

- Sanjeev Zarbade:** My question was regarding revenue booking. So if we are able to win the two large orders for submarines, FY'27 may not have much of revenue booking but could FY'28 we might see up to 10% of revenue booking from these two orders?
- Capt. Jagmohan:** FY'28 may be a little too distant away but definitely for FY'26 we can confidently say yes we will be 10% more.
- Sanjeev Zarbade:** No, sir I am asking about the revenue contribution from the two large submarine orders?
- Capt. Jagmohan:** Okay, so what is the question?
- Ruchir Agarwal/ Biju George:** It will depend upon cost of production and this will depend upon how fast we are getting orders and where execution taking place. Because first of all, after getting the orders, everything is only on the drawing board. That is a preparatory period for freezing the design as well as for procurement. So the revenue recognition will come only after the start of production and as equipment goes on board.
- Capt. Jagmohan:** But you're right. If that is the question, FY'28 definitely at least the P-75 additional submarine revenue will start to kick in.
- Sanjeev Zarbade:** So could be around 10% of the order value or lesser than that?
- Capt. Jagmohan:** Yes, you could say that because this P-75 AS project is a repeat of the Scorpene P-75 project which have already delivered to the Navy and we have already commenced some kind of a preparatory work. So I think confidently we can say yes, it will contribute at least 10% of the order book of 75 AS, contract value of 75 AS will come in as a revenue for FY'28.
- Sanjeev Zarbade:** And sir, my next question was regarding the P17A in which we have pending order book of 13,493 crores. In what time frame is it executable sir and in what in terms of...?
- Capt. Jagmohan:** Yes, we're delivering the second ship next month and there are 4 ships, one is already been delivered. The second ship will be delivered next month. The third ship will be delivered may be in the month of November. And the 4th ship will be the only one pending in the next financial year, that also we expect to deliver by April '26.
- Biju George:** And the guarantee liabilities associated with this project will extend up to 2027. So what is balance shown will progressively get liquidated in that timeframe.
- Sanjeev Zarbade:** So bulk of this 13,493 crores will get booked in terms of revenue in FY'26 and '27?
- Ruchir Agrawal:** Correct.
- Capt. Jagmohan:** Yes, in the next two years, that's right.

- Sanjeev Zarbade:** Okay. And sir, although we have delivered P-15B and P-75, there is Rs. 3,700 crores order backlog and Rs. 2700 crores order backlog in these projects which we have already delivered. So what is the...
- Biju George:** So if you see 15 Bravo, we have 3,716 has been shown, so there also the liabilities are not yet over. So we keep that for future contingencies if any because depending on the operational needs of the ship we need to, some expenditure has to be incurred. So 2 to 3 ships are still under guarantee.
- Capt. Jagmohan:** And in addition, we have to deliver the base and depot spares to the Navy. That's also a significant amount. But those also we expect considerable amount to get this year and may be the beginning of the first half of the next financial year.
- Sanjeev Zarbade:** This Rs. 3,700 crore it will get booked in 1 or 2 years or?
- Capt. Jagmohan:** Which one? Can you please repeat?
- Sanjeev Zarbade:** This Rs. 3,700 crore...
- Moderator:** I am sorry to interrupt you. Mr. Sanjeev. You're are sounding very low sir. Can you speak a bit louder?
- Sanjeev Zarbade:** Yes. Sir, I wanted to know about the order pending in the two orders of Coast Guard and the Denmark order. How much is the outstanding value over there sir?
- Capt. Jagmohan:** I think see that delivery I think is in 2029 if I am not wrong, the last ship gets delivered. So the revenue will be split up to FY2029. Actually FY'30.
- Sanjeev Zarbade:** For the order value for the two orders that you mentioned for which we have booked provisions, Coast Guard and the Denmark. What is the output?
- Capt. Jagmohan:** That will be put together around Rs. 3,500 crores.
- Sanjeev Zarbade:** Okay. And to be delivered over next 4 years.
- Capt. Jagmohan:** FY'30.
- Biju George:** '29-'30, yes.
- Sanjeev Zarbade:** Okay, sir. If I have more questions, I will come back.
- Moderator:** Thank you. The next question is from the line of Chinmay Gandre from Canara HSBC Life Insurance. Please go ahead.

- Chinmay Gandre:** Thank you for taking my question. So most of the questions have been answered. Just on the P-75(I), so what is the stage right now like we are discussing commercials is what you mentioned. I just wanted to get a sense on that?
- Capt. Jagmohan:** Our technical offer has been accepted by the Navy and MOD and the commercial negotiations were just supposed to start when after that we have not heard yet. So we are in the early phases of the commercial negotiations for the project. Once the commercial negotiations conclude, then the contract will be signed.
- Chinmay Gandre:** And regarding the Scorpene class submarine, more or less we thought that we should get it by last year itself. I mean, is this operational related delays or anything else, how should we be reading that?
- Capt. Jagmohan:** I mean, it is finally the contract is signed with the Ministry of Defence and the Government of India. There are some procedural delays perhaps. So, it's not entirely in MDL's hands. But we expect that it will conclude shortly.
- Chinmay Gandre:** And lastly, I mean, in terms of the deliveries you mentioned about the P17A frigates, and these are pretty good margin orders, which you also kind of mentioned. So I mean, broadly, because we are going to deliver three of them or rather two of them in the coming fiscal year, rather, FY'26 per se. I mean then ideally the PBT margin should be much better than the 15% guidance which you are alluding to.
- Capt. Jagmohan:** Yes, we hope so. We would like to under promise and over deliver. But we would like to keep the guidance at 15%, which is considered to be good for a shipyard. But we are hopeful that we will do better.
- Chinmay Gandre:** Okay, thank you. That's it from my side.
- Moderator:** Thank you. The next question is from the line of Atul Tiwari from J. P. Morgan. Please go ahead.
- Atul Tiwari:** Yes, sir. Just one question on the contract structure. So for a fixed-price contract, do you get some kind of raw material escalation over the life of the execution of contract?
- Capt. Jagmohan:** We have to procure all the raw material. So the raw material costing is a part of the overall project cost and the shipyard does the procurement.
- Atul Tiwari:** Yes, but I mean obviously these contracts can go on for 4-5 years, right? So do you procure everything at the beginning itself or do you keep on procuring over 4-5 years?
- Capt. Jagmohan:** We do the procurement and the negotiations with the supplier at the early stages. However, we ensure that the delivery is staggered so that the inventory is controlled and the costs are minimal to the shipyard.

- Atul Tiwari:** So you lock in all the raw material cost at the beginning itself in most of it?
- Capt. Jagmohan:** Yes.
- Moderator:** Thank you. We will take our next question from the line of Rahul Arvind Padalkar, an Individual Investor. Please go ahead.
- Rahul Arvind Padalkar:** Thanks for the opportunity. I just wanted to ask about this delay in contract that we're considering. Are we also considered to add additional cost that we may incur so that we don't have to do any provisioning? And the second question is that I see that most of these orders are coming from either from MOD or Indian Navy. Are we also considering to go outside commercial and bid for those shipbuilding efforts? Thank you.
- Capt. Jagmohan:** Yes, first is we are making efforts to diversify and towards that you will see that we have already got a significant amount of contracts from the offshore segment from ONGC. Our order book from ONGC is approximately Rs. 6,500 crores and from commercial shipbuilding is the multipurpose vessel which we have got from a European client which is approximately Rs. 715 crores. So that is our attempts to diversify away from the single client of MOD. With regard to, what was the first part of the question? It fully covers all known risks.
- Biju George:** If the signing of the contract get delayed, we don't get any additional compensation for it.
- Rahul Arvind Padalkar:** Okay. Thank you.
- Moderator:** Thank you. We will take our next question from the line of Gagan Tareja from ASK Investment Managers. Please go ahead.
- Gagan Tareja:** Good evening. The first question pertains to your other expenses and project related expenses which are also fairly elevated on a year-on-year basis. Can you elaborate on why that is the case?
- Capt. Jagmohan:** Probably it is not depending upon the project life cycle, since around 27 ships are at the early stages of construction. The entire procurement of material would have happened. So although I don't have the exact figures with me, but it is quite likely because it is at some odd. You know, it's also possible that some of the large orders of 17 alpha, we must have procured the B&D spares or the base and depot spares, which comes to approximately 15% of the project cost. So that could be the reason for the increase in cost.
- Gagan Tareja:** Okay. And is it possible for you to, I am referring to the order book details mentioned in your presentation. Is it possible for you to give us broad delivery timelines of at least large sized orders within the order book which are outstanding and also give an idea of broadly over what time can you fully invoice the current order book that you have?
- Capt. Jagmohan:** See, 15 Bravo as we just discussed, we intend to finish this balance Rs. 3,700 by FY'27-'28. And the stealth frigates may be FY'29, because that will be a small portion, but majority we will

intent, we will complete by '27 and may be a little portion of the base and depot spares and the guarantee liabilities will be there. The Coast Guard projects and the multipurpose vessel we will complete by FY'29-'30 we will complete. The P-75 Kalvari is Rs. 2,400 crore we should be able to complete may be by, majority by FY'26 and may be first half of FY'27. The MRLC we should be able to complete may be FY'27, mid-FY'27. The ONGC projects also we expect to complete majority of it by end of FY'27. The AIP project will take some time because some of the deliverables from DRDO is expected to be little delayed, anyhow it is 42-month contract. So that is it.

Gagan Tareja: I understand deliveries, the timelines might extend into 28 and 29, but would it be a reasonable surmise that a large portion of the outstanding order book can be invoiced over the next two years? Some parts may extend beyond the next two years, but largely we book them.

Capt. Jagmohan: Out of the 32,000 crores, may be almost 24,000 across the next two years.

Gagan Tareja: Okay, you generally have a sort of arrangement on turnover targets with the MOD. Have they been finalized for FY'26 and can you therefore convey to us?

Capt. Jagmohan: Yes, we have finalized it, but I am not sure whether it can be given to public. So there are figures both on topline and bottomline and other parameters, including R&D expenditure. I am not sure whether we can make it public.

Biju George: That is currently under discussion. We will be able to tell only after it is finalized.

Gagan Tareja: Because you disclosed it in your annual reports, at least the turnover bit if I...

Capt. Jagmohan: It is under discussion for the current financial year.

Gagan Tareja: Alright sir. And in the past, you have indicated that on the Kalvari class submarine, there were some cost escalations for which you got compensation from the Navy for at least three of the submarines 1 or 2 were pending. I think 140 crores of, perhaps, provisions needed to be written back. Is it still the case or do you expect to book it in the coming two quarters?

Capt. Jagmohan: We have made provisions for liquidated damages for submarines, and I think we have got, it has come back to us for I think four submarines. We expect that there's only the first boat that the LD has not been reversed which we expect that this financial year we should be able to reverse it. But that of course is a decision that MOD will take. But we anticipate that we will be getting the liquidated damages reversed for at least one submarine this financial year.

Gagan Tareja: Was anything booked in Q4 from this or no?

Capt. Jagmohan: No. Not for this. That were already provisioned in the last financial year or the year before that.

- Gagan Tareja:** Okay. And I think there was also an indication, at least in the past calls, that as the projects come closer towards final delivery, there is a reassessment of your D448 liabilities. And if you are able to deliver on time or before time, you could actually incur cost savings. Is that potentially the case with some of the deliveries due for next year and therefore do you stand to benefit from that?
- Capt. Jagmohan:** What I can tell you is what has happened in the recent past, all the four 15 Bravo destroyers were delivered ahead of schedule and the shipyard has benefited because of the early deliveries.
- Gagan Tareja:** Right sir. The final question from my side, the master ship repair agreement that you have with I think the US Navy, since signing, I mean, do you foresee any commercial contribution starting from that in the near future or is it still some distance away?
- Biju George:** So we are still one of the contenders. So the issue is, the vessels that are coming for repairs, some of them are large and it will not fit into our current infrastructure. So we will participate that signed agreement only for projects which can be accommodated within our premises. So a couple of offers which had come, we couldn't participate because of this.
- Gagan Tareja:** Okay, fine. Thank you. I will get back in the queue. Thanks for taking my questions.
- Moderator:** Thank you. The next question is from the line of Raj Rishi from Dcpl. Please go ahead.
- Raj Rishi:** Thanks for the follow on question. Any plans for a tie up with Korean shipyard or something because some news reports suggest that some tie ups are on the anvil with Indian shipyards?
- Capt. Jagmohan:** See, the Ministry of Shipping is trying to promote shipbuilding within the country and it's actually much needed. And they are planning to have four large clusters by 2030 and operational by 2035. And the Ministry of Shipping is looking at large shipyards like us to tie up with some major shipyards, global shipyards. We are in the very early stages of examining this, but we will keep our options open wherever we are presented with good business opportunity.
- Raj Rishi:** And the previous person was asking about this Master Ship Agreement you have with the US. The answer was that you could not accommodate the, because it was much larger than what you can accommodate. You expect any business on this front in the future?
- Biju George:** See, this is a large US fleet which is based out of Singapore servicing the Indian Ocean region. Most of these vessels are large. Small vessels can come in, there is a draft limitation in our facility. So that is why we are unable to accommodate. So it's only a very small subset of the entire fleet which can come here and when those things are repaired that is the time where we'll have the opportunity to participate. That is what I mentioned. So right now I don't see anything in the immediate future.
- Raj Rishi:** And sir, what's the export potential business for MDL in the next 1 or 2 years?

- Biju Goerge:** Right now we already have an order, as mentioned by CMD for 6 vessels, Rs. 715 crores. If everything goes on well, there is an optional clause in that where they will order 4 more ships. But that will depend on how we are able to deliver these ships in time and within the contractual clause. So that is a call which we will have to take later. Potential is there for export. These are the cargo ships which completely fit into our infrastructure and...
- Raj Rishi:** And sir, your collaborator for P-75, I ThyssenKrupp was talking about making India a hub for submarines. So you expect MDL also to benefit?
- Capt. Jagmohan:** Yes, of course. Our collaboration with them is for the P-75(I) project for which significant amount of transfer of technology and indigenization. There will be more than 60% of indigenous content in this submarine, much higher than what we have done for the Scorpene project. Yes, please go ahead.
- Moderator:** Mr. Raj Rishi, please go ahead with your question.
- Raj Rishi:** Yes, the question was ThyssenKrupp has talked about making India hub for submarines. And since they are your collaborator, how do you stand to benefit from this if it happens?
- Capt. Jagmohan:** First, this is a part of the P-75(I) project. And we will be constructing these six submarines for the Indian Navy in collaboration with ThyssenKrupp. And the contours of the contract is that ThyssenKrupp will significantly transfer technology in the design and construction of these conventional submarines. So the indigenous component will be high. So MDL will straight away have a benefit on these contracts. Notwithstanding that, once we gain the know-how in the design and construction of these submarines, we will also benefit in both maintenance of these submarines which are in service in the navies all over the world as well as ThyssenKrupp has said that when they get export orders particularly in Asia and South America they will look at constructing it in MDL for their global orders. So there will be a two-fold benefit for MDL from this collaboration with TKMS.
- Raj Rishi:** It sounds very significant sir, this whatever you have said right now.
- Capt. Jagmohan:** Yes, it is.
- Raj Rishi:** Okay. Thanks a lot.
- Moderator:** Thank you. Ladies and gentlemen, that was the last question for today. I would like to hand the conference over to Ms. Jyoti Gupta for closing comments.
- Jyoti Gupta:** Thank you. On behalf of Nirmal Bang Institutional Equities, I would like to thank the management of Mazagon Dock Shipbuilders Limited for the call. And I also extend my gratitude to the participants for joining the call. Rutuja, you may now close the call. Thank you, sirs.
- Capt. Jagmohan:** Thank you very much.



Mazagon Dock Shipbuilders Limited
May 30, 2025

Moderator: Thank you. On behalf of Nirmal Bang Institutional Equities, that concludes this conference.
Thank you for joining us, and you may now disconnect your lines.