Mazagon Dock Shipbuilders Ltd. Conference Call Transcript - October 28th 2025

Operator: Ladies and gentlemen, good day and welcome to Mazagon Dock Shipbuilders Limited Q2 FY26 earnings conference call, hosted by Nirmal Bang Equities. As a reminder, all participant lines will be in 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 the conference over to Ms. Jyoti. Thank you and over to you, ma'am.

Operator: Thank you, Disha. Good evening, everyone. On behalf of Nirmal Bang Institutional Equities, I welcome you all to the quarter two FY26 earnings conference call hosted by management of Mazagon Dock Shipbuilders Limited. We have with us Captain Jagmohan, Chairman and Managing Director, Shri B.J. Ghosh, Director Shipbuilding, Commander Vasudev Purani, Director Corporate Planning and Personnel, Shri Ruchir Agarwal, Director Finance and CFO, and Commodore S.B. Jamgaonkar, Director Submarine and Heavy Engineering. Without further delay, I would now request Captain Jagmohan, Sir, to start with his opening comments, after which we can open the floor for question answers. Thank you and over to you, sir.

Management: Good afternoon, everyone, and welcome to Mazagon Dock Shipbuilders' Quarter Two and Half Yearly earnings call for the period ended September 30, 2025. My name is Captain Jagmohan, Chairman and Managing Director, and I am joined today by Shri Ruchir Agarwal, Director Finance and CFO, Shri Biju George, Director Shipbuilding, Commander Vasudev Puranik, Director Corporate Planning and Personnel, and Commodore Shailesh Jamgaonkar, Director Submarine and Heavy Engineering. Before we begin, I would like to remind everyone that today's discussion may include forward-looking statements as defined under applicable securities law. 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 obligation 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 higher standards of corporate governance and transparency as mandated by the SEBI regulations 2015. This call is being conducted in compliance with these regulations, ensuring timely and equitable dissemination of information to all our stakeholders.

We are pleased to share our financial and operational performance for Quarter Two and the half year ended September 30, 2025. 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 our presentation, 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 everyone gets an opportunity. Now I would like to hand over to Mr. Ruchir Agarwal, Director Finance and CFO, who will walk you through the detailed financial performance.

Management: Good afternoon, and I will be presenting the quarterly financial performance for Q2 FY26. As far as stand-alone is concerned, we recorded a revenue from operations of 2,929 crores, which is 6% above the last year's performance, the last year's corresponding period performance. The total income recorded is 3,205 crores, which is also 6% higher than the corresponding previous year's figures.

As far as the PBT is concerned, it is 939 crores, and we posted a PAT of 715 crores, which is also 27% above the corresponding period of the corresponding quarter. Our net worth stood at 8,083 crores, and our earning per share for stand-alone is 17.73 rupees per share. If we look at our consolidated performance, our PBT is 934 crores, which is up by 26%. For our consolidation, we are merging the results of Goa Shipyard, for which we hold 46% to 47% shares as investment.

On a consolidated basis, the PAT is 749 crores, and the net worth stood at 8,910 crores, which is 22% in comparison to last year's quarter. The earning per share is 18.58 rupees per share. If I talk about the half year's performance, the revenue from operations stood at 5,555 crores, which is 9% above the corresponding last year's half year. The total income is around 6,155 crores. PBT stands at 1,506 crores, and PAT is at 1,135 crores. Both PBT and PAT are 8% less than the previous half year's amount. The reason for that is in Q4 FY25 and Q1 of FY26, we had booked 1,000 crores of provisions for onerous contracts, the two contracts—one was for Coast Guard and the other was for NPV. That is why this is the reason for the reduction in our PBT and PAT if you consider on a half year comparison basis. If you take the consolidated figure for half year performance, our PBT stands at 1,501 crores and PAT at 1,202 crores, with an earning per share of 29.79 crores. That is all from our side.

Operator: Sir, shall we open the floor for questions?

Management: Yes, you may go ahead.

Operator: Okay. Thank you very much. We will now begin the question and answer session. Anyone who wishes to ask a question may press star and one on their touchtone telephone. If you wish to remove yourself from the question queue, you may press star and two. Participants are requested to use handsets while asking your questions. Ladies and gentlemen, we will wait for a moment while the question queue assembles. The first question is from the line of Atul Tiwari from JP Morgan. Please go ahead, Mr. Tiwari.

Atul Tiwari - JP Morgan: Thank you, sir. So my first question is on the status of P75, the three Scorpion submarine orders, because earlier, I think in the earlier conference calls, you had indicated that the order should be signed, you know, very soon, possibly in the first half of this financial year.

Management: For the additional submarines of P75, the commercial negotiations with the Ministry of Defense were completed a few months ago, and the project was just at the sanction stage. But beyond that, we have not been kept informed. We are still hopeful that in the coming months, we should be able to sign the contract for the three additional Scorpion submarines.

Atul Tiwari - JP Morgan: Okay, fine. And for the P75(I), is there any indication of the timeline by when the negotiations would be completed and the order could be placed on the company?

Management: See, the commercial negotiations are on at the moment. We have already commenced; I think two or three rounds are over. We anticipate that the commercial negotiations will be completed by this calendar year, and we are hopeful that we will be able to sign the contract by this financial year.

Atul Tiwari - JP Morgan: Okay, sir. Okay, sir, I will come back and thanks.

Operator: The next question is from the line of Krishna Doshi from Ashika Institutional Equities. Please go ahead, Krishna Doshi.

Krishna Doshi - Ashika Institutional Equities: Yeah, hi. Can you hear me?

Management: Yes.

Krishna Doshi - Ashika Institutional Equities: So, actually, I just wanted some guidance on the revenue front as we are seeing that, you know, a lot of major projects have come to an end. So right

now, the order book stands at around 27,415 crores. I just wanted to understand what the revenue growth is going to look like going ahead until we receive these major orders of submarines.

Management: We anticipate that this year we will have revenue of approximately 12,500 crores or so, and the coming year also we should have maybe another 5% growth over that. Beyond that, once the submarine projects kick in, we should have a considerable improvement both in our revenue as well as our profits.

Krishna Doshi - Ashika Institutional Equities: Okay, sir. And the second question would be, so recently we saw this Defense Council approval of around 79,000 crores, where Landing Platform Dock is also supposed to be a major chunk of it. So what kind of opportunities are we seeing there?

Management: Actually, today as we speak, we have signed an exclusive MOU with Swan Shipyard SDHI, which has a very large infrastructure because these ships are quite large, around 200 meters or so in length. So we will be bidding for this project jointly with Swan Shipyard, and we anticipate that we will bring in the synergies of, you know, public-private partnership, where all our capabilities in design, weapon integration, and project management will tie up with the flexibility of the private player, both in his infrastructure as well as his procurement. We anticipate that we will be very well placed to win this order.

Krishna Doshi - Ashika Institutional Equities: Okay. Thank you, sir. That is it from my side.

Operator: Thank you. The next question is from the line of Nehal Mehta from Shukham Ventures. Please go ahead.

Nehal Mehta - Shukham Ventures: Hello, am I audible? Yeah, thank you for taking my question. My first question is that given that substantial execution of the P17A order will happen in the current financial year, how do you see your margin and revenue growth for the next two years? And my second question would be that once your P75(I) order comes in, when will the execution of the order commence?

Management: For the 17 Alpha, we will deliver the third ship this calendar year, but we will have the fourth ship going into the next financial year as well. So, and after that, we will have the guarantee period as well. So the 17 Alpha project will continue for the next financial year as well.

Management: So the revenue and profit margins which come from that project will be visible for this financial year as well as the next. Thereafter, we will have maybe a few months where we will have only the Coast Guard and the MPV project as well as the Offshore project where the margins are slightly less. However, we anticipate that if we are able to sign the submarine contracts quickly, where we once again anticipate the margins are higher because these are projects which we are very familiar with. We anticipate our productivity and operational efficiencies to be higher, and therefore the margins also will be higher.

Nehal Mehta - Shukham Ventures: Okay. And my second question would be for P75(I), when would you expect the commencement of the order once you receive it?

Management: See, if it is the additional submarine, we should be able to commence immediately because it is a follow-on of the submarines which we have already executed, six of which we have delivered to the Navy. The 75(I) has a year's preparatory period, but we have already started to work on it, so maybe 75(I) we will start earning revenue maybe six months after signing the contract, and for 75, maybe immediately after signing the contract, we should be able to register revenue.

Nehal Mehta - Shukham Ventures: Okay. Thank you. Thank you for taking my questions.

Operator: Thank you. The next question is from the line of Roopam Jaiswal from Investwell. Please go ahead.

Roopam Jaiswal - Investwell: Hello.

Management: Yes.

Roopam Jaiswal - Investwell: Yeah, am I audible?

Management: Yes.

Roopam Jaiswal - Investwell: Yeah, hi sir. Actually, I wanted to know about this new partnership, like this term sheet or anything which you have signed with Swan Defense. So could you elaborate on how you are going to leverage their capacity and what kind of partnership for the future are you going to leverage their different capacity for different ships and all? Could you just elaborate on that?

Management: The present agreement or the Memorandum of Understanding that we have signed with them is primarily for LPD only. However, going forward, we may collaborate with them for other large commercial ships as well. What we intend to do, although the teaming agreement has not yet come into place, we anticipate that we will bid—we will be the bidder for the project with the Navy, and MDL or the Swan Defense Shipyard will work at the back end. In fact, we will use their very large infrastructure because the LPD, the Landing Platform Dock, is a large vessel and can be more productively or more efficiently manufactured or constructed at their site.

We will bring in our experience in project management, weapon integration, and design. So we will be bringing the synergies of both public sector shipyard and the private shipyard's flexibility in procurement, etc. We expect that we will offer a very good functional ship at a very attractive price, and therefore, we think we are very well positioned to win this nearly 40,000 crore order.

Roopam Jaiswal - Investwell: Sir, one more thing. Like, I got that point. Also, just one more thing, like in this, the kind of capacity that Swan is holding, so you are saying that you will be leveraging their capacity for commercial ships also and for this Landing Platform Dock. So what would be the revenue? Like, how will the revenue scenario be? What kind of revenue would you be booking? Or is this kind of a rental agreement that you would take up with them, and you will just be giving them rental for using that shipyard or anything like that? I want to know what kind of revenue scenario will be in this kind of agreement.

Management: No, it is too early to say. We are waiting for the Request for Proposal to come out, and then when we make our bid, then we will have a proper agreement between us, MDL, and Swan. It will be a win-win scenario for both shipyards, both in terms of revenue and profits. So, it is too early to say at this stage.

Roopam Jaiswal - Investwell: Okay. Okay, sir. Thank you.

Operator: Thank you. The next question is from the line of Raj Mandavkar from NVS Brokerage. Please go ahead.

Kritik Tripathi - NVS Brokerage: Hello.

Management: Yes, please.

Kritik Tripathi - NVS Brokerage: Yeah, actually, I am Kritik Tripathi from NVS Brokerage. My question was regarding the revenue guidance and margin guidance, but it is more or less covered. So thank you.

Management: Okay.

Kritik Tripathi - NVS Brokerage: Yeah.

Operator: Thank you. The next question is from the line of Anupam Goswami from SUD Life. Please go ahead.

Analyst2: Sir, on the first half, operating cash flow turned negative and lower from last year. How do we read that basically?

Management: Come again.

Analyst2: Our operating cash flow turned negative this time, and quite a steep sharp decline. How do we read that?

Management: It is primarily because we got some amount in flexi from the Navy in the flex account in March 25, which has been used this year. So you are seeing a negative cash flow on that account. Otherwise, our margins are intact, and we expect to perform better in what is to come.

Analyst2: Okay. So my next question on the execution is that now that most of our projects are over, and we are mostly left with Coast Guard and OGC platforms, so how do we see the margins for FY26 and FY27?

Management: See, as far as Coast Guard orders are concerned, we already provided provisions for the last two quarters. For the OGC contract, that is a cost-plus contract, and we will be getting the margin as per the contract. The PRP contract is a fixed-price contract, and we expect that we will be completing it within the cost what we have bid to the OGC.

Analyst2: Okay. Thank you, sir. Just last, if you can mention the potential order pipeline. What is there?

Management: See, the Navy itself is coming out with multiple projects. For example, like what we just discussed, the LPD, the Landing Platform Dock, which will be around 35,000 to 40,000 crores. We have the NCMD, which is around 40,000 crores; the 17 Bravo ships, which will be again another 50,000 to 60,000 crores. I think the Navy is going to come out with the destroyer class project as well, either the 15 Charlie or the next generation destroyer, which should be costing maybe around 70,000 to 80,000 crores. So overall, the expansion of the Navy is considerable, and we anticipate that we are ideally placed to win a sizable part of that order.

Analyst2: Okay, thank you.

Operator: Thank you. The next question is from the line of Atul Tiwari from JP Morgan. Please go ahead.

Atul Tiwari - JP Morgan: Yeah, thank you, sir, for the repeat opportunity. So my question is on your Colombo Dockyard acquisition. Could you shed some light on, you know, what are your plans for that asset, and is the acquisition complete? And if yes, how much of its revenue and EBITDA and PBT has been booked in this quarter?

Management: So the acquisition is still not complete. We are still not the shareholders of that company, and we expect that the approvals are online, and the final approval for the rights issue will be coming in by this weekend. The EGM for calling the rights issue is expected by this month-end. Looking by those timelines, we expect that we will be the shareholders by the start of the next month, and after that, we will be picking in their management for control and execution.

Atul Tiwari - JP Morgan: And so what are your plans? I mean, what kind of ships will you be manufacturing there once you take charge?

Management: We are looking into commercial shipbuilding, and half the revenue comes from ship repair. We are intending to ramp up their capacity. Presently, they have a revenue of approximately 1,000 crores. We anticipate that in the next year or so, we will be able to ramp it up to 1,500. They have excellent production processes because they have a long-term association with their past owners from Japan, and they have good clientele from Europe and Scandinavia. The large amount of repairs that are going from India will further increase. So we anticipate that in the next two years, we will be able to increase the revenue by around 50%.

Atul Tiwari - JP Morgan: And so, in terms of margin and profit, what kind of margin and profit are they making, and how much can it increase?

Management: The information we have as per the balance sheet is around 15% margin, but there are some losses. The primary vessel categories which they are building are bulk carriers and cable-laying vessels. For cable-laying vessels, they are anticipating new orders also this financial year.

Atul Tiwari - JP Morgan: Okay, sir. Great. Thank you.

Operator: Thank you. The next question comes from the line of Harshit Kapadia from Elara Securities. Please go ahead.

Harshit Kapadia - Elara Securities: Thanks for the opportunity, sir. I think the margins were very healthy. A couple of questions from my side, sir. First, starting on the LPD, who is the technology partner for the Landing Platform Dock for you, sir?

Management: We have not yet decided. So, we are waiting for the RFP. Let the RFP be out; after that, we will look at the various possibilities and decide.

Harshit Kapadia - Elara Securities: Fine enough, sir. Sir, there are media rumors that the three submarine order for P75 may get converted into nine numbers of P75(I). Do you think there is a possibility that this is the reason why the government is holding that particular order of three submarines?

Management: We have not received any communication from the Ministry of Defence or the Navy, so we would not like to speculate on that.

Harshit Kapadia - Elara Securities: Okay, sir. Sir, just one question on the submarine execution part. Is the submarine execution similar to having a bell-shaped curve to how the ship is being built? That is, in the first few years, you have very low revenue booking, and then in the next couple of years, the revenue booking increases and then again falls. Is that how it works?

Management: By and large, yes, but however, since we already have a lot of experience in the P75 project, we should be able to shorten that curve.

Harshit Kapadia - Elara Securities: Since it generally takes around nine years, how much can it be shortened? Will it be seven years?

Management: No, we will try and, you know, instead of that steep curve or what you call that bell curve, we will try and curve the slope a little more manageable so that the revenues are spread through the entire build period.

Harshit Kapadia - Elara Securities: Fine enough, sir. Any update on the repair orders from the US Navy or any other navy globally that we were earlier looking at?

Management: We are registered with the MSRA, and depending upon the tenders, we are participating. So, wherever our infrastructure can take, we are participating. Otherwise, we are not

participating. Of late, nothing which suits our infrastructure has been queried by the US side.

Harshit Kapadia - Elara Securities: Understood, sir. Lastly, on the commercial ship, we have tied up with Swan as you mentioned, but who would be the technology partner here with us as well for commercial ships, and what category of commercial ship are you looking to, you know, build?

Management: The current teaming agreement is exclusively for Landing Platform Dock; that is not a commercial vessel.

Harshit Kapadia - Elara Securities: Oh, sorry, sir.

Management: I was mentioning that this synergy can pave the way for further collaboration depending upon the market scenario for commercial vessels. So, right now, nothing is crystallized specifically for commercial vessels with Swan.

Harshit Kapadia - Elara Securities: Okay. And the order pipeline which you mentioned, which is of a very huge value, these will get executed over, let us say, a seven-year timeframe. But what is the pipeline that we have on a very short-term basis? Can you highlight some short-cycle orders or small-size orders which you expect to receive this year or next year?

Management: Right now, we are executing around 27 ships from Coast Guard, as well as the export models. For the small segment, right now we are not aggressively bidding because we have the other ships also to complete. As the work progresses, we will look at smaller ships also, what can be accommodated. Right now, therefore, we are unable to, at this juncture, we have not quoted for any small segment ships.

Management: In addition to that, the government has aggregated the demand for commercial ships. Almost 112 vessels are likely to come out from medium-range tankers, platform support vessels, VLCCs, and all that. While we are in the process of setting up a mega shipyard somewhere down south, whatever opportunity comes in the meanwhile, we will pitch in, either from the tenders that are coming from the Shipping Corporation of India or ONGC or IOCL, from one of the petroleum and natural gas PSUs. So those are short-cycle projects. So we anticipate that we will get some orders from that part as well.

Harshit Kapadia - Elara Securities: Any tentative size that you can highlight—like 1,000 odd crores approximately?

Management: For the immediate future, we anticipate something like that. It will all depend on how tenders come out and how quickly they are able to place orders and all that.

Harshit Kapadia - Elara Securities: Okay. And sir, a final question on margin. I probably missed your guidance on margin. What would be a stable margin that we should expect for FY26 and FY27, that visibility?

Management: See, broadly for any shipbuilding sector, the margins that are expected for an operationally efficient shipyard is around 15%. However, the revenue and the profit of a shipyard depend on first, the order book, the type of projects, and what stage of execution of these projects the shipyard is undertaking. So there are several factors.

Now, for example, MDL has very high efficiency in construction, design, and construction of frigates, destroyers, and submarines. So if those are the projects, then our operational efficiencies are high, productivity is high, and accordingly, the margins also will be higher. If it is some newer vessels, it may not necessarily be that high. But on an average, we can anticipate around 15% plus margins.

Harshit Kapadia - Elara Securities: Great, great to know, sir. Thank you very much for patiently answering all the questions and wishing you all the best.

Operator: Thank you. The next question comes from the line of Sagar from Invesco Mutual Fund. Please go ahead.

Sagar - Invesco Mutual Fund: Thank you so much for taking my question. My first question is on the order inflow. While I understand that there are three follow-on submarines on the P75 site, followed by P75(I), and then the Landing Platform Dock, can you guide us on the sequence in which they can come to Mazagon Dock Limited?

Management: It is difficult to say if P75 additional submarines should come immediately. We anticipate P75(I), where the negotiations are ongoing, that before the financial year ending, we should have signed the contract for the P75(I). LPD will probably take time. The Defence Council approval has just been given. The RFP itself to issue will take maybe four to five months, and thereafter the L1 determination and order placement will take another six months. So maybe a year from now.

Sagar - Invesco Mutual Fund: Okay, so on the defense side, these are the only three last projects that are on the horizon.

Management: Actually, the 17 Bravo frigate RFP is likely to come out much earlier. It will probably come out anytime next month or definitely in this calendar year. That is what the Navy has broadly indicated. So, that order is likely to come out much faster—maybe by the third quarter of the next calendar year.

Sagar - Invesco Mutual Fund: Sure. And sir, on the Colombo acquisition, what will be our total cash outflow from the balance sheet in terms of cash?

Management: That will depend on the rights issue and mandatory offer by the existing shareholders. We anticipate anywhere between 51% and maybe around 75% total shareholding. If full 100% shareholding is to be taken by MDL, we anticipate 450 crores outflow.

Sagar - Invesco Mutual Fund: Okay, thank you so much, sir. That is it from my side.

Operator: Thank thank you. The next question comes from the line of Amit Dixit from Goldman Sachs. Please go ahead.

Amit Dixit - Goldman Sachs: Yeah, good evening, everyone, and thanks for the opportunity. Just a couple of questions from my side. The first one is on the provisions. So, if I see the provisions are negative in this quarter, is it due to the LDs that were written back in this quarter? If so, can you highlight the quantum of LDs that were written back?

Management: Yes, we have written back an LD of 102 crores.

Amit Dixit - Goldman Sachs: And this pertains to which submarine, sir?

Management: This is pertaining to the 17 Alpha second ship.

Amit Dixit - Goldman Sachs: Okay, okay. Are there some more LDs that we can expect, you know, that we had claimed and they are in dispute and they can be rolled back going ahead?

Management: Yes, we actually anticipate that we will be getting a waiver of LD for the submarine project. There is one submarine that is still pending. The case is still pending with the MoD, and we expect a favorable response from MoD on that.

Amit Dixit - Goldman Sachs: And that would be around 120 odd crores?

Management: Pardon?

Amit Dixit - Goldman Sachs: That would be around 120 odd crores?

Management: Yes, around 100 crores.

Amit Dixit - Goldman Sachs: Okay. So, the second question is just drawing on Harshit's question earlier. You mentioned that the stable margins could be 15%. Now, what are these margins? Are we talking about EBITDA margin, operating margin, and does it include other income also? So, I just wanted to get a little bit more clarity around this margin.

Management: It will depend upon the completion of the project, as in the shipbuilding industry. At the end of the project, when there are not many liabilities left on account of warranties, the margins are high. You can see in our balance sheet also, we are showing a margin of about 25% or 30%, but that will not be the case for the new projects coming in, where we are booking the actual value of production. In that case, we expect that the margins will be around 12% to 15%. This is only when we are at the completion of the project, and we book all the unclaimed liabilities our margins are high.

Amit Dixit - Goldman Sachs: And these are EBITDA margins, just for clarity?

Management: They are. If it is EBITDA that goes to PAT and PBT, they are all the same. It is coming from the top line. I don't think it will be having any impact, because we are not having much borrowings, so it is almost the same.

Amit Dixit - Goldman Sachs: Okay, just to stretch it further, sir, and this will be my last question. I mean, eight, 10 years back, Mazgaon used to have an EBITDA margin of 5%. Now, from there, we have reached a point where the margins are much healthier. So, how much of the increase would you attribute to your internal efficiency essentially, and that would stay with the company regardless of the orders that we get?

Management: The efficiency and the quality of workmanship both contribute to our higher margins at the completion of the project, when there are no guaranteed defects in the product constructed that result into a margin at the completion of the project. So that is why initially when the project starts and we start booking on a conservative basis, the margins are less. But as we progress and we complete the project, the margin tends to be higher.

Amit Dixit - Goldman Sachs: Okay, got it, sir. Thank you. Thank you so much, and all the best.

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

Sanjeev Zarbade - Antique Stock Broking: Yeah, thanks for picking my question. Sir, my question was regarding the conclusion timeline for the ONGC order, which is around 4,800 crores. Also, we have seen that the AIP order has not moved since we booked. So, I also wanted the status on that.

Management: See, the ONGC contracts can be done only during the periods where the monsoon is not there, that is from mid-October to mid-May. We anticipate that a large extent of the 4,800 crores, the DSF2 project, we should be able to complete this season, that is up to May. However, we will not complete the execution of that. We will probably have spillover onto the next season, which will be from mid-October for FY27. What was the second question?

Sanjeev Zarbade - Antique Stock Broking: Sir, the second question was regarding our MOU with the Naval Group for making submarines for third-party friendly countries. I just wanted to know when we

can, you know, expect some concrete maybe order, or also do we have the capacity to take further submarine orders if the three additional submarines order also gets finalized?

Management: We have the capacity to undertake the construction of 11 submarines simultaneously. So even with three additional Scorpion submarines and six 75(I), we will have spare capacity. Now with regard to the question of handling export orders, we already have an MOU with Naval Group for exploring export opportunities for Asian countries. We have once again signed an exclusive MOU with one, I don't want to take the name of the country, one particular country where we will bid together for the anticipated projects in that country.

Sanjeev Zarbade - Antique Stock Broking: Okay, sir, if I can take one or two more questions, I wanted to know about the status of the Mine Countermeasure Vessel because that order received approval sometime back. So what could be the status of this order?

Management: We expect the RFP in the next three to four months. I think the first RFP from the Navy will be for 17 Bravo frigates; we anticipate maybe somewhere in February or March.

Sanjeev Zarbade - Antique Stock Broking: Yes, and lastly, if I can, for our 17 Alpha frigate, the pending order book is 11,490 crores. How much of that would be, you know, guaranteed repair services?

Management: The Navy normally keeps 5% of the ship cost.

Sanjeev Zarbade - Antique Stock Broking: So what will be the value?

Management: That value is yet to be worked out.

Sanjeev Zarbade - Antique Stock Broking: Okay. Okay, no problem, sir. That is it. Thank you.

Operator: Thank you. The next question comes from the line of Dipin Vakil from Philip Capital. Please go ahead.

Dipin Vakil - Philip Capital: Thank you for the opportunity, sir. So my first question is on the lines of CapEx. Sir, can you tell us what kind of CapEx you have incurred so far in the first half and what you are expecting to do in the second half? And also, an update on the Navasheva CapEx that you are planning on incurring.

Management: This full financial year, we are anticipating CapEx; in fact, we will do a CapEx of 500 crores. That is primarily for the floating dock, which is almost halfway through. We anticipate that by the end of this financial year, we will complete that. Now, going forward, we will be doing some CapEx on both the Navayad as well as the South Yard Annex, which we have leased from Bombay Port Trust. But these will be primarily to remove the bottlenecks that we have in our present production activities. We are looking at a total CapEx of around 1,000 crores for Nava and South Yard Annex, and another 1,000 crores for the infrastructure for the 75(I) submarine.

But our main CapEx going forward for the next five years will be approximately 5,000 crores for a greenfield shipyard which we intend to set up in Tuticorin in Tamil Nadu for commercial shipbuilding. The government has come out with a slew of measures, incentives, and policy measures which makes commercial shipbuilding attractive and profitable. So we intend to tie up with maybe a Korean or a Japanese shipyard and probably a private player in India to set up this large shipyard which we intend to complete the first phase with an approximate investment of around 5,000 crores in the next four to five years.

Dipin Vakil - Philip Capital: Sorry, so this year we are expecting a CapEx of 500 crores, and 5,000 crores over the next three to four years. And sir, this Navayad you mentioned 1,000 crores. So that will

also be done in, say, this year or next year, or what would be the timeline for that?

Management: It is not 1,000 crores for Navayad; it will be 1,000 crores put together for Nava and the South Yard Annex. We have already done some work, close to around 75 crores; we have already done a CapEx there. We will probably do it, it will be ongoing because we have already started to construct two Coast Guard projects there as well as the Offshore projects. So it will be simultaneous investments there while we are undertaking the projects. So it will probably take another two to three years.

Dipin Vakil - Philip Capital: Got it, sir. Sir, my last question is on provision, sir. How do you see provisions going up for, say, the second half of this year? Do you see any, so the provisions that you mentioned that you may be receiving, do you expect that to come in this year or you think that it will flow to next year?

Management: We anticipate this year, maybe in the last quarter.

Dipin Vakil - Philip Capital: Got it, sir. Sir, that is all from my side. Thank you so much for answering my questions and all the best.

Operator: Thank you. The next question comes from the line of Harshit Kapadia from Elara Securities. Please go ahead.

Harshit Kapadia - Elara Securities: Yeah, sir. Thanks for giving me the opportunity again. I just wanted to, you know, since you have mentioned the 5,000 crore investment in Tuticorin for commercial ships, could you highlight sir what types of ships you are looking at? Is it bulk? Is it crude? Is it LNG? Any color on that would be helpful.

Management: See, it is going to be dual use. In fact, we are looking at both commercial as well as naval applications there. Now, let us say, for example, the, I am just giving you an example, let us say the Navy comes with the requirement for the third aircraft carrier. So we could, if the timeline suits, we could make the aircraft carrier there. However, for commercial vessels, we will first look at the domestic market. For the domestic market, the Ministry of Shipping has already aggregated the demand from all the oil and natural gas companies. Approximately 112 vessels. They are primarily, they will start off with platform support ships and MR tankers. Going forward, we will be looking at very large gas carriers and very large crude carriers.

Harshit Kapadia - Elara Securities: Understood, sir. Okay, this clarifies a lot. Thank you. Thank you very much.

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

Anirudh Murarka - Continental: Sir, am I audible?

Management: Yes.

Anirudh Murarka - Continental: Sir, congratulations on the very stable set of numbers. My question was regarding how do you in the near future look to enhance shareholder value for a retail investor? Thank you.

Management: We anticipate performing well, adding more orders, and executing them efficiently.

Operator: Sorry to interrupt, sir, but there is some disturbance in your line.

Anirudh Murarka - Continental: Should I repeat my question?

Management: I heard you. So, we reward the shareholders by performing well, adding more orders, and executing them efficiently.

Operator: Sorry to interrupt, sir, but Mr. Anirudh, can you please mute your line? There is some disturbance in your line.

Anirudh Murarka - Continental: It is muted, ma'am.

Operator: It is muted. Okay, sir.

Management: I hope you heard the answer.

Operator: Anirudh, sir, do you have a follow-up question?

Anirudh Murarka - Continental: No, that will be all. Okay. I will look at the transcript. No issues.

Operator: Thank you. The next question comes from the line of Santosh, who is an individual investor. Please go ahead.

Analyst2: Thank you for taking my question. The question is on sub-contract expense that we see in the P&L.; Can you give some details on this, whether it will be reducing in the upcoming quarters, or will it be the same percentage of the total expenses?

Management: You see, the sub-contract costs are high this quarter primarily because of the offshore projects. Our execution for the offshore projects is virtually turnkey outsourcing. So, therefore, the sub-contract prices are high. It will depend on the nature of the project. For example, if you have the 17 Bravo project, the sub-contracting will be much lower compared to the order value. So, it will depend on the project, on how we bid and whatever our project management view is for those.

Analyst2: Yeah, thank you, sir. That is all from my side.

Operator: Thank you. The next question is from the line of Naveen Shetty from MLT. Please go ahead.

Analyst3: Sorry if this question was already asked, but I just wanted to get a sense on the current order book, which is around 27,000 crores. Any outlook that you can give for maybe the next FY26 for the whole year and maybe FY27?

Management: You mean the order book?

Analyst3: Yeah.

Management: In excess of 1 lakh crore.

Analyst3: By which year, sir?

Management: By the next financial year, FY27.

Analyst3: FY27. Okay. Okay. By FY27. Thank you.

Operator: Thank you. The next question is from the line of Rakesh Roy from Boring AMC. Please go ahead.

Rakesh Roy - Boring AMC: Hi, sir. My first question regarding that the government is pursuing commercial shipping, sir. So, what is your view because you are a player in this side and very few companies in India make the ships? So, what is your view on this side, sir?

Management: See, while we are known as a shipbuilder making destroyers, frigates, and submarines, we have a rich legacy in commercial shipbuilding. We have built over 800 ships, probably the shipyard which has built the largest number of commercial ships in the country. So, we are not new to this. However, in the last few years, we have once again re-entered this. We started with the multi-purpose vessel which we are building for our Denmark client. We have also done the acquisition of the Colombo Dockyard with a view of moving into commercial shipbuilding.

Thereafter, the government has come out with a lot of incentives and initiatives for commercial shipbuilding, and we, as the largest shipyard and as an extended arm of the government, feel that it is both strategically as well as makes a lot of business sense to venture into commercial shipbuilding. We are setting up a large commercial, or a large shipyard, in Tuticorin, primarily to look at commercial shipbuilding. Depending upon the types of projects, we could even look at defense projects there.

Rakesh Roy - Boring AMC: Okay. Related to the same question, sir. If we look from now to FY32, what is the revenue mix like, defense or commercial, after seven years?

Management: Yeah, that is a good question. You see, we would like to de-risk. We do not want to depend on a single large customer like the Indian Navy. Presently, probably 80% to 90% of our order book comes from the Indian Navy. We have actually started to diversify by moving into offshore. We have almost 7,000 crores worth of orders from ONGC. We intend to have a healthy mix of offshore projects, commercial projects, and defense projects. So the exact percentage will be difficult to say, but we would like to diversify and de-risk from depending on a very limited number of customers.

Rakesh Roy - Boring AMC: Okay. And sir, last question, sir, up to what deadweight can we make a ship, sir? Any idea, guidance?

Management: Tuticorin, the plan is to develop it into a greenfield shipyard, where vessels like Very Large Crude Carriers (VLCCs) can be constructed.

Rakesh Roy - Boring AMC: Okay. In terms of tonnage, sir?

Management: Around 300,000. Yeah, 3 lakh deadweight tonnage.

Rakesh Roy - Boring AMC: Oh, 3 lakhs.

Management: Yes, yes.

Rakesh Roy - Boring AMC: Okay.

Management: 300 plus would be the length of the ship.

Rakesh Roy - Boring AMC: Okay, 300 is the length of the ship and dead weight tonnage is 3 lakhs. 3 lakhs, yeah. So that is a typical VLCC volume.

Rakesh Roy - Boring AMC: Yeah, 3 lakhs is very good. Thank you, sir.

Operator: Thank you. The next question comes from the line of Shivam Pareek from Value Wise Wealth Management. Please go ahead.

Shivam Pareek - Value Wise Wealth Management: Hi, sir, thank you for addressing my question. So my question was, there was a an MOU done by Mazagon Dock with Mitsui Shipping Lines of Japan. So could you throw some light on that, and if any potential order flows do come in from Mitsui Shipping Line, so will it be done at Colombo Shipyard or at your Indian shipyards? Thanks.

Management: I do not recollect any MOU with Mitsui.

Shivam Pareek - Value Wise Wealth Management: Okay. Yes, sir, there was a recent news that the Indian Navy had done some discussions with Japan for ship repair, and in that news, it was shown that Mazagon Dock had done an MOU with Mitsui Shipping Lines of Japan.

Management: Yeah. There were very, very early stages of discussion where the Navy is looking at having a common destroyer design between India and Japan. But these are very, very early stages; we have not signed any MOU.

Shivam Pareek - Value Wise Wealth Management: Okay. Yeah, thank you so much, sir.

Operator: Thank you. The next question comes from the line of Rupam Jaiswal from Investwell. Please go ahead.

Rupam Jaiswal - Investwell: Yeah, hi, sir. Actually, thank you for the follow-up question. I wanted to ask about the new greenfield shipyard, the shipyard which you will be investing in the south of India. So what would be the total CapEx plan and what kind of capacity are you looking out for?

Management: The government is looking at setting up these mega shipbuilding clusters, and they want shipyards at scale with a throughput or a capacity of 1 million to 1.5 million per mega shipbuilding cluster. So we intend to set up one of them in Tuticorin. We will approximately require a land parcel of 1,000 to 1,100 acres, and the CapEx will be, going forward, to set up a large shipyard like this based on data that is available, will be anywhere between 15,000 to 18,000 crores. But this will be done in various phases. So the first phase which we intend to complete maybe in the next three to four years will be around 5,000 crores.

Rupam Jaiswal - Investwell: So the total plan is like this will go for 10 to 12 years, like the full capacity?

Management: That will all depend upon how we get government clearance, environment clearance, those issues, because the trunk infrastructure on land, waterfront, etc., has to be done by the State Government. So how quickly they do it, we will be able to finish accordingly.

Rupam Jaiswal - Investwell: Okay, sir. And sir, one more last thing, like in the LPD side, have we got the technical partner with us to bid on this project?

Management: What was answered earlier, we will have to see whether there is a requirement for having a design partner or not. The earlier RFP that the Navy had come out with several years ago required the Indian shipyards to partner with one of the European shipyards who have the LPD already. But I am not sure that this requirement will be there anymore because there is a likelihood that all our shipyards now have the design competence and capability of designing and constructing these ships. So there is probably no requirement for a partner except the agreement that we already have with Swan for constructing these vessels.

Rupam Jaiswal - Investwell: Yes, sir. Only last question around this only. So like for these orders, the main competitors like L&T; or Cochin Shipyard and Mazgaon, all three of you will be bidding for it, and the total deal value is, I think, around 35,000 to 40,000 crores for four ships. So will this order be given to only one shipyard, or will this be like L1/L2 kind of thing?

Management: That will become clear once the RFP comes out. Right now, we do not know whether it is going to be executed by one shipyard or whether it will be split into two.

Rupam Jaiswal - Investwell: Okay. Okay. Thank you. Thank you so much. All the best.

Operator: Thank you. The next question comes from the line of Praveen Desai, who is an individual investor. Please go ahead.

Praveen Desai - Individual Investor: Yes, good afternoon, sir. When will the first phase of Tuticorin shipyard start?

Management: We are in talks with the Government of Tamil Nadu.

Management: There are multiple agencies involved. So first, the land has to be allotted to MDL. There is a port, BOC port, involved. SIPCOT Tamil Nadu is involved. Tamil Nadu government is involved. Then we are involved.

Management: Then a foreign partner is involved. So all this needs to be stitched together before we start. So we are in the process. Initial discussions have been completed, and we are going ahead.

Management: We have also signed an MOU with the Tamil Nadu government body, Guidance, which is a single-window facilitating body for all clearances. So we have seen the administration is very proactive in Tamil Nadu. We anticipate that we should be able to probably work on the Detailed Project Report maybe in the next three to four months.

Operator: Praveen, do you have a follow-up question?

Praveen Desai - Individual Investor: No, ma'am, that was my only question that I have. Thank you very much.

Operator: Okay. Thank you. As there are no further questions, I would now like to hand the conference over to Ms. Jyoti Gupta for the closing comments.

Operator: Sorry to interrupt, we were not able to hear you.

Management: Yes. Thank you so much. On behalf of Nirmal Bang Institutional Equities, we would like to thank the management of Mazagon Dock Shipbuilders Limited for the call and also many thanks to the participants for joining us on the call. Thank you very much, sir. You may now conclude the call.

Management: Thank you.

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