Mazagon Dock Shipbuilders Ltd.

BSE: 543237

NSE: MAZDOCK

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MAZAGON DOCK

Aerospace & Defense sector
August 2025

CMP	Nifty 50	BSE
2722	2721.80	543237

Company's Data

Mcap	₹ 1,11,313 Cr.
Sales	₹ 11,700 Cr.
EPS	53.8.
Return On Equity	34%

PROS

- Company is almost debt free.
- Company has delivered good profit growth of 38.3% CAGR over last 5 years
- Company has a good return on equity (ROE) track record: 3 Years ROE 32.4%
- Company has been maintaining a healthy dividend payout of 33.5%
- Debtor days have improved from 50.7 to 34.1 days.

CONS

- Stock is trading at 14.1 times its book value
- Contingent liabilities of Rs.37,139 Cr.
- Earnings include an other income of Rs.1,140 Cr.

Mazagon Dock Shipbuilders Limited (MDL) is a leading public sector shipyard owned by the Ministry of Defence, Government of India, and is headquartered in Mumbai. The company's origins trace back to the 18th century, reflecting centuries of shipbuilding expertise. MDL transitioned to a government-controlled enterprise in 1960, and since then, it has significantly contributed to India's maritime and defense capabilities. Notably, MDL is distinguished as the only shipyard in India equipped to build both sophisticated warships and conventional submarines, reaffirming its strategic importance to the country's naval infrastructure.

In June 2024, MDL achieved a major milestone by being conferred with "Navratna" status. This prestigious designation grants the company greater financial and managerial independence, allowing it wider leeway in making investments, forming global collaborations, and enhancing its focus on research and development. The increased autonomy supports MDL in accelerating its growth, facilitating international joint ventures, and embracing new technologies and innovation to stay competitive on a global scale.

Mazagon Dock Shipbuilders Limited: A Legacy of Naval Excellence

1

Late 1700s

Small dry dock established in Mazagon, Mumbai, primarily for British East India Company ship repairs

2

1934

Officially became Mazagon Dock Private Limited, focusing on repairs and smaller boat construction.

3

1960

India government took over, shifting focus to warship construction for the Indian Navy.

4

1972

Delivered first major warship, INS Nilgiri with British design collaboration

5

1984

Began building submarines, becoming India's sole shipyard for both warships and submarines.

6

1992

Launched India's first indigenous submarines, INS Shalki

7

1997

Delivered first destroyer, INS Delhi, completing top-tier defence shipbuilder status

8

2015

Renamed Mazagon Dock Shipbuilders Limited.

9

2018

Went public, enabling ambitious expansions

10

2024

Awarded "Navratna" status recognising strategic importance and granting autonomy.

Products by Mazagon Dock

Naval Ships

Destroyer

Frigates

Missile Boat

Corvette

Products by Mazagon Dock

Submarines

Salient Features

- ✓ Diesel – Electric Conventional Attack Submarine
- ✓ Equipped with Integrated Combat Management System (CMS)
- ✓ Equipped with Powerful DC motor and Unique Safety features
- ✓ Equipped with Torpedoes, Mine saddle & Torpedo Decoy system

Main-Particulars

Length	Breadth	Displacement	Speed
67 m	6.2 m	1600 T(Surfaced)	20 knots

Salient Features

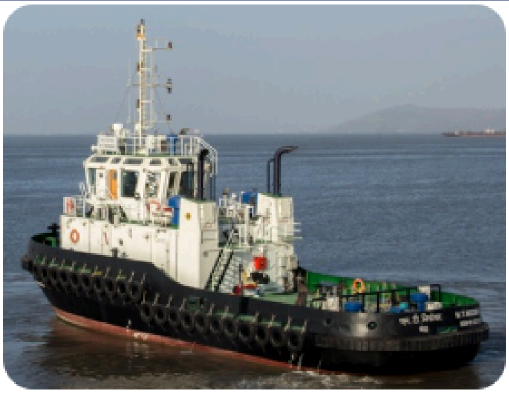
- ✓ Diesel – Electric Conventional Attack Submarine
- ✓ Equipped with Sophisticated Integrated Platform Management System (IPMS) & Combat Management System (CMS) with Surveillance Radar & Periscopes
- ✓ State-of-art Stealth features including advanced acoustic silencing techniques & Reduced acoustic signature giving Submarine high invulnerability
- ✓ Equipped with Torpedoes, Anti-ship missiles & Torpedo Decoy system

Main-Particulars

Length	Breadth	Displacement	Speed
67.5 m	6.2 m	1600 T(Surfaced)	20 knots

Product Segments by Mazagon Dock

Naval Auxiliary Vessels



Tugs

Barges

Dredgers

Supply or Support Vessels

Ferries

Cargo Vessels

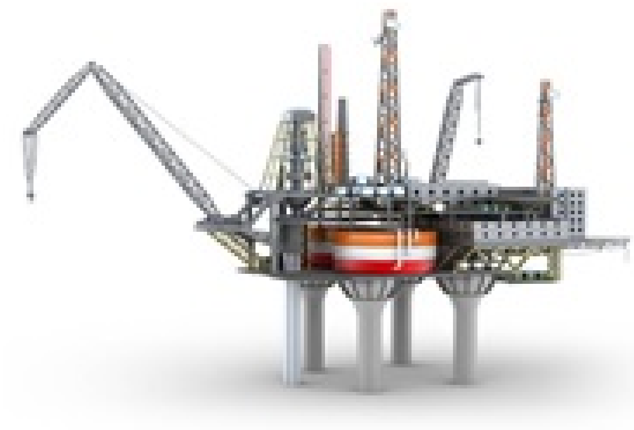
Special Products

AI Products

Upcoming Projects

MDL is committed to meet the demand of the hour and one such initiative adopted by MDL is updating marine vessels with Dual Navigation capabilities i.e. Manned & Unmanned navigation. In Unmanned navigation, vessel will navigate based on command obtained from the Ground control station. The vessel will be programmed to follow a fixed path & will be equipped with artificial intelligence capabilities to take smart decisions based on scenarios

Electric vehicle is the buzzword in today's automobile industry and MDL is joining this league by developing EV charging stations with modern technology



Major establishments in Indian offshore industry were earlier constructed by MDL. Company is again set to regain its leadership position in this field.

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Strategic & Operational Highlights

INS Mahendragiri Launched

The fourth frigate under Project 17A, was launched in September

INS Imphal Delivered Ahead of Schedule

A guided missile destroyer, was delivered five months ahead of schedule—a major feat in defence manufacturing.

Submarine Program Advanced

Completed mid-life upgrades and handovers

'SaurShakti' Developed

Through a joint effort with NavAlt, it developed India's fastest solar-electric ferry, emphasizing sustainable innovation

Governance & Sustainability (ESG)

From a governance standpoint, MDL maintains compliance with SEBI and DPE guidelines. The company actively monitors risk and has structured oversight through multiple board committees. However, it currently lacks the requisite number of Independent Directors—a limitation due to pending government appointments.

Governance Measures:

- Comprehensive Code of Conduct
- Whistleblower mechanisms in place for all employees and directors

Environmental Initiatives:

- Commissioned a 1.85 MWp rooftop solar plant
- Adopted a Zero Liquid Discharge policy
- Designed green vessels such as the solar-powered 'SaurShakti'

Social Contributions

- CSR spending of ₹22.3 crore in FY24
- Over 3.3 lakh lives impacted through healthcare, education, and training
- Strong focus on employee well-being and safety

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Leadership Team

1. **Capt. Jagmohan (IN Retd.)**
   Chairman & Managing Director
   - Naval Architect with 25 years in Indian Navy
   - Former Director at Goa Shipyard Ltd
   - Leading MDL until September 2029

2. **Shri Sanjeev Singhal**
   Director (Finance) & CFO
   - Oversees financial strategy and operations

3. **Shri Biju George**
   Director (Shipbuilding)
   - Postgraduate in Ocean Engineering & Naval Architecture, IIT Kharagpur

4. **Cdr Vasudev Puranik (IN Retd.)**
   Director (Submarine & Heavy Engineering) & Director (Corporate Planning & Personnel)

Capt. Jagmohan, IN (Retd.) Chairman & Managing Director

Shri Sanjeev Singhal Director & CFO

Independent & Government Nominee Directors

1. **Shri Chandu Sambasiva Rao**
   Independent Director
   - Award-winning space scientist
   - Experience at ISRO, NASA, and Booz Allen Hamilton

2. **Shri Mallikarjunarao Bhyrisetty**
   Independent Director

3. **Smt Neeru Singh Jagjeet Kaur**
   Independent Director

4. **Shri Dattaprasad P Kholkar**
   Independent Director

5. **Shri Amit Satija**
   Government Nominee Director

Mazagon Dock Shipbuilders Ltd is India's premier warship and submarine builder, with a leadership team combining naval expertise, engineering excellence, and strategic vision to drive defence manufacturing innovation.

The Recent AGM Story

- **Mazagon Dock Shipbuilders (MDL) conducted *its 91st Annual General Meeting on September 26, 2024, at 11:00 AM through video conferencing.* This virtual meeting followed all regulatory protocols and saw significant shareholder participation.**
- **During this meeting, the company made some key announcements. *They approved a final dividend of ₹12.11 per share for the financial year 2023-24*, which was in addition to an interim dividend of ₹15.34 per share paid earlier in November 2023. This generous dividend payout reflects the company's strong financial performance and commitment to rewarding shareholders**

Mazagon Dock Shipbuilders: Future Plans

Major Infrastructure Push

MDL is embarking on an ambitious expansion journey with a ₹5,000 crore investment plan spread over the next 4-5 years. This isn't just about adding more capacity - it's about transforming into a world-class shipbuilding powerhouse.

The centerpiece of this expansion is a massive new dry dock facility - **600 meters long and 60 meters wide** - which will be India's largest shipbuilding dry dock. This facility will enable MDL to build the next generation of aircraft carriers and handle the largest naval vessels imaginable.

Two new shipyard facilities are also in the works:

- **Nhava Yard**: A sprawling 40-acre greenfield facility with 30 buildings, expected to create jobs for 1,500 additional people
- **South Yard Annexe**: Located next to the existing facility, this will employ around 500 more people

Game-Changing Submarine Contracts

The really exciting part of MDL's future lies in submarines. The company is positioned to secure submarine **contracts worth over ₹1 lakh crore before March 2026**. This represents one of the largest defense procurement deals in Indian history.

Project 75I is the crown jewel - a ₹70,000 crore partnership with Germany's ThyssenKrupp Marine Systems to build six advanced submarines. These aren't just any submarines; they'll feature Air Independent Propulsion (AIP) systems that allow them to stay underwater for up to two weeks without surfacing.

The **additional Scorpene submarine project worth ₹36,000 crore** will add three more submarines to India's underwater fleet. MDL is well-prepared for this, having just completed the delivery of six Kalvari-class submarines in January 2025

Technology and Innovation Focus

MDL's recent **Navratna status** (granted in June 2024) has given the company greater operational freedom. They can now invest up to ₹1,000 crore or 15% of their net worth in single projects without government approval, enabling faster decision-making and strategic partnerships.
The company is also pioneering eco-friendly maritime solutions, including solar-electric boats and hydrogen fuel cell vessels - showing their commitment to sustainable shipbuilding.

Strong Financial Foundation

The numbers tell an impressive story. For FY 2024-25, MDL achieved:

- Revenue of ₹11,431.88 crore (highest ever, up 20.7% year-on-year)
- Net profit of ₹2,324.88 crore (up 24.6% year-on-year)
- Zero debt status maintained

With a robust order book of ₹32,260 crore as of March 2025, the company has strong revenue visibility for the next 4-5 years

Export Ambitions

MDL isn't just focusing on domestic markets. The company has secured export orders worth $85 million for six Multi-Purpose Hybrid Powered Vessels for European clients. This represents their growing ambition to compete globally and reduce dependence on domestic orders.

Operational and Strategic Highlights

Major Achievements in FY 2023-24

Launch of INS Mahendragiri

The fourth Stealth Frigate of Project 17A was launched in September 2023

Delivery of INS Imphal

The third Guided Missile Destroyer of Project 15B was delivered to the Indian Navy in October 2023, five months ahead of schedule

Submarine Milestones

The company completed the final reading of INS Karanj (third Scorpene submarine) and handed over INS Shishumar after a successful Medium Refit cum Life Certification (MRLC)

Innovation

Launched 'SaurShakti,' India's fastest solar-electric boat, in collaboration with NavAlt, showcasing a commitment to eco-friendly maritime solutions

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Order Book and Future Outlook:

As of March 31, 2024, MDL reported a strong order book valued at ₹38,561 crore.

1

New Orders

- 14 Fast Patrol Vessels for the Indian Coast Guard (approx. ₹1,070 crore)
- 6 Next Generation Offshore Patrol Vessels for the Indian Coast Guard (approx. ₹1,600 crore)
- An export order for six 7,500 DWT Multi-Purpose Vessels from a European client (approx. $85 million)

2

Bidding Pipeline

MDL is actively pursuing major future projects, including Next Generation Destroyers, follow-on frigates under Project 17 Bravo, and is a strategic partner for the high-value Project 75 (I) for six advanced submarines

3

Diversification

The company is reviving its offshore platform vertical, securing an order worth ₹4,676.32 crore from ONGC. It has also diversified into Maintenance, Repair & Overhaul (MRO) of MI-17 helicopters for the Nepalese Army and signed a Master Ship Repair Agreement (MSRA) with the US Navy

4

Infrastructure Expansion

MDL has acquired 15 acres of adjacent land from the Mumbai Port Authority and is planning a greenfield shipyard at its Nhava Yard to accommodate larger vessels and enhance repair capabilities

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SWOT Analysis

STRENGTH

- Strong government backing and monopoly in submarine/destroyer manufacturing
- Navratna status brings greater autonomy
- Largest order book in the defence shipbuilding space
- High level of indigenization (up to 75%)

WEAKNESS

- Project timelines are long and capital-intensive
- High dependency on Indian defence contracts
- Dredging costs due to tidal issues at the shipyard
- Reliance on foreign OEMs for critical components

OPPORTUNITY

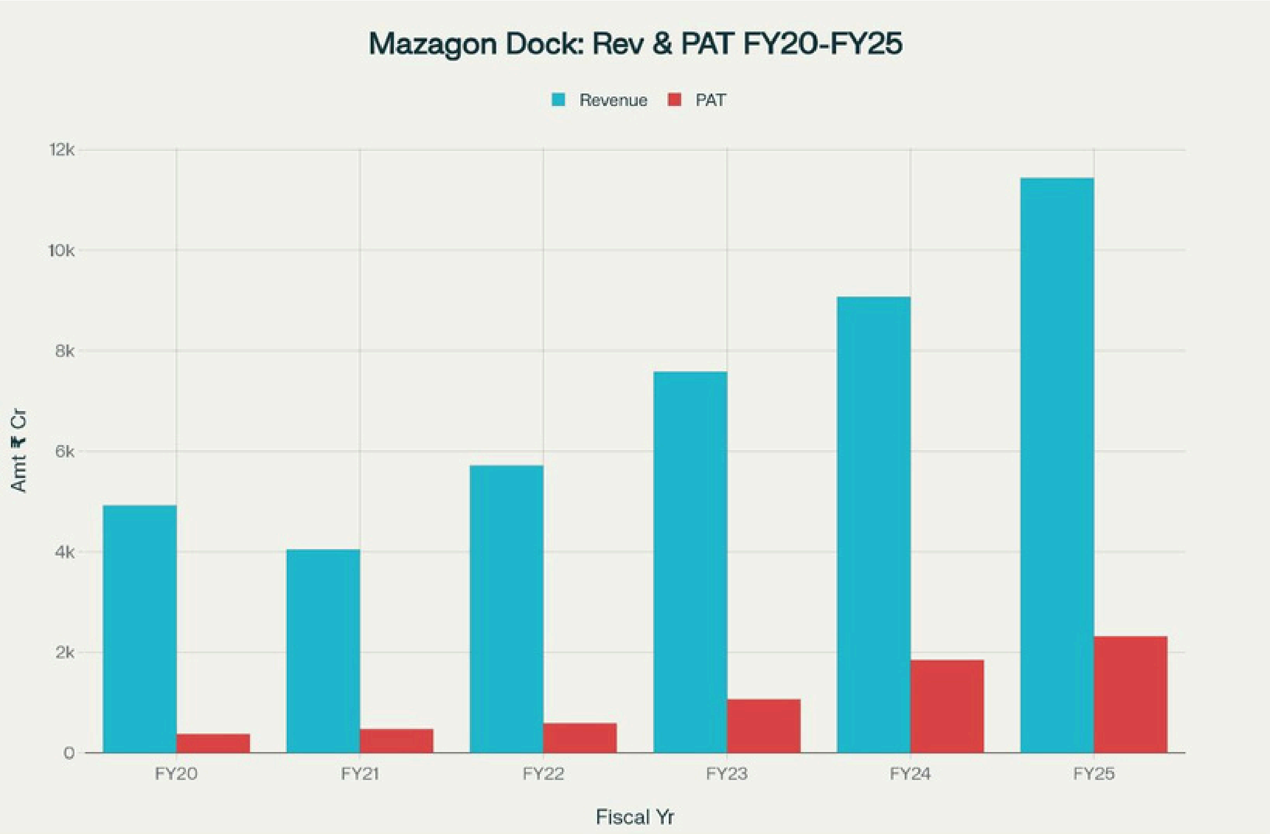
- Huge tailwinds from India's defence modernization and 'Atmanirbhar Bharat'
- Rise in naval exports and global tie-ups (e.g., US Navy MSRA)
- Entry into new sectors: offshore rigs, MRO, ship repair
- Bidding for large-scale defence projects in India

THREAT

- Emergence of private players via Strategic Partnership model
- Cost overruns risk under fixed-price contracts
- Global geopolitical risks affecting component imports or partners
- Need for constant R&D to keep up with fast-paced defence tech

Financial Overview

Fiscal Year	Revenue (Rs Crore)	Profit After Tax (Rs Crore)
FY20	4917.92	377.67
FY21	4041.58	479.57
FY22	5717.61	586.47
FY23	7584.03	1072.72
FY24	9068.01	1845.43
FY25	11431.88	2324.88



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Mazagon Dock Shipbuilders Limited - FY26 Financial Results

Key Financial Highlights

- **Revenue Growth**

Current Quarter Revenue: ₹2,915 crores (April-June 2025)
Same Quarter Last Year: ₹2,628 crores (April-June 2024)
Growth: +10.9% increase in revenue

- **Profit Performance**

Current Quarter Profit: ₹452 crores (after tax)
Same Quarter Last Year: ₹696 crores (after tax)
Change: -35% decrease in profits

- **Earnings Per Share**

Current Quarter: ₹11.21 per share
Same Quarter Last Year: ₹17.26 per share
Change: -35% decrease

What This Means in Simple Terms

- **Good News:**

1. The company earned more money from its business operations (10.9% more revenue)
2. Revenue growth shows the company is selling more ships and submarines

- **Concerning News:**

1. Despite higher revenue, the company's profits dropped significantly (35% less)
2. This means the company's costs increased more than its revenue
3. Shareholders are earning less money per share compared to last year

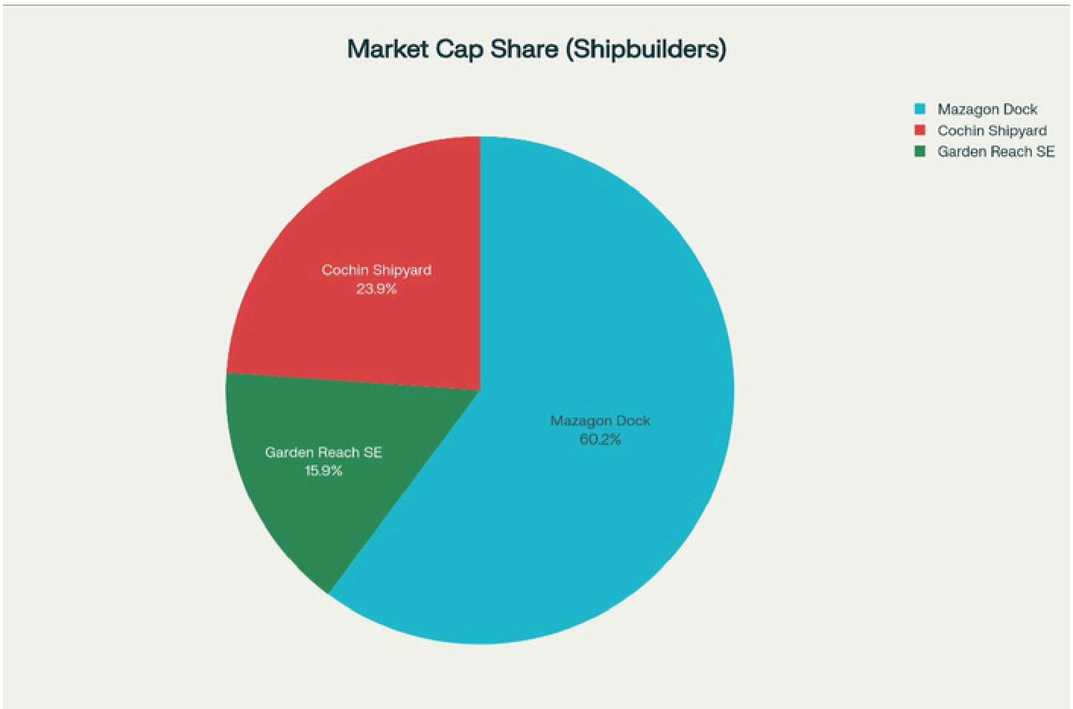
Ratios

Market Cap	110962 Cr.	Current Price	2751	High/Low	3778/1918
Stock P/E	51.1	Book Value	197	Dividend Yield	0.53
ROCE	43.20%	ROE	34	Face Value	5
Sales	11700 Cr.	Sales Qtr	2626 Cr.	Qtr Profit Var	-35
EPS	53.8	Promoter Holding	81.2	Profit After Tax	2170 Cr.
PAT Qtr	452 Cr.	Price To Earning	51.1	Return on Assets	8.3
Return on Equity	34	Change in Prom Hold	-3.61	Mar Cap	110962 Cr.
Qtr Sales Var	11.4	Price to Bpook Value	14	Debt to Equity	0
Debt	20.3	Pledged Percentage	0	ROCE	43.2

Peer Comparision

Market Cap Share Pie Chart

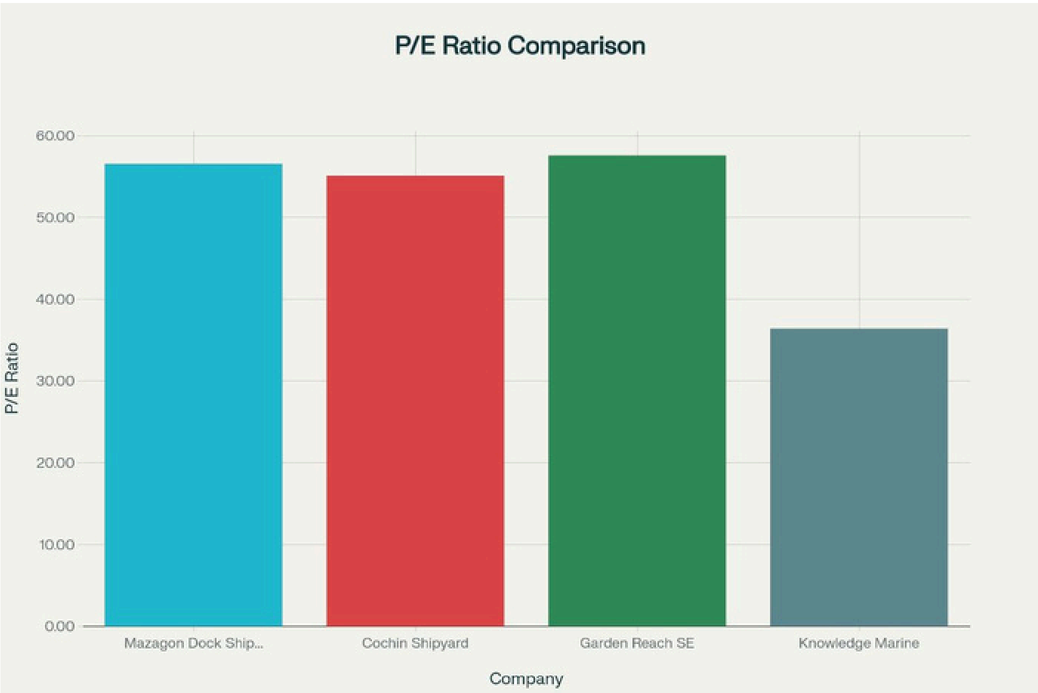
Company	Market Cap (Rs Crore)
Mazagon Dock Shipbuilders Ltd	114920.6
Cochin S Shipyard Ltd	45594.5
Garden Reach Shipbuilders & Engineers Ltd	30385.5



Peer Comparision

Valuation Multiples Pie Chart

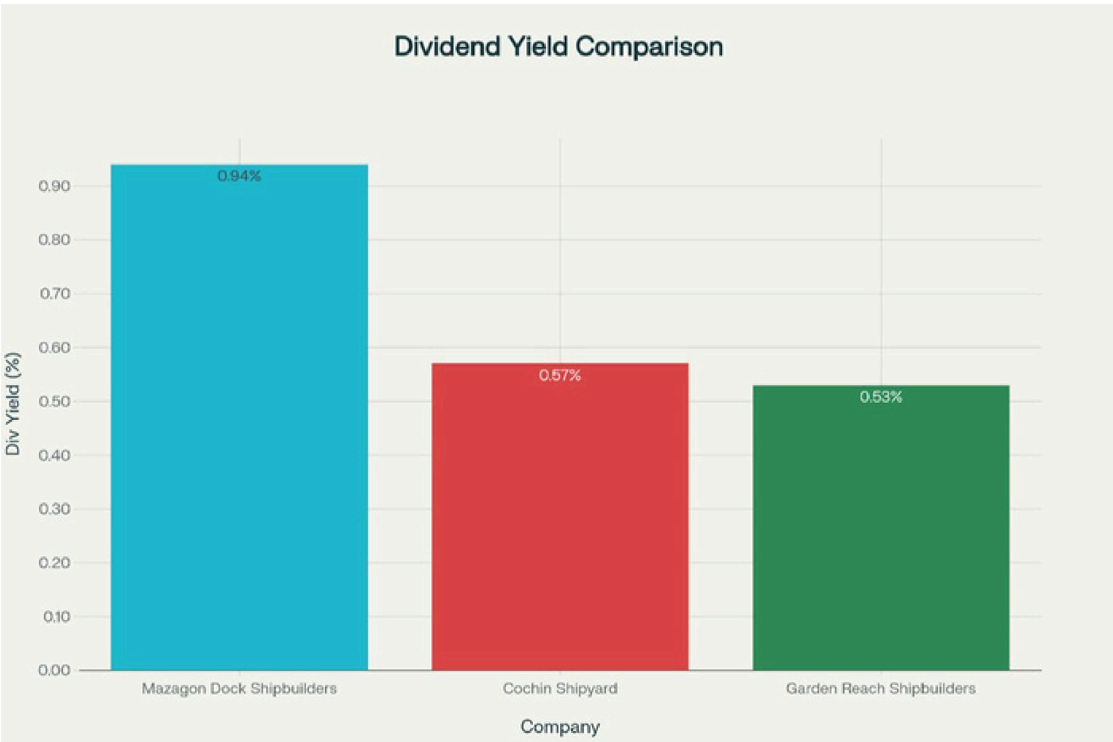
Company	P/E Ratio
Mazagon Dock Shipbuilders Ltd	56.59
Cochin S Shipyard Ltd	55.11
Garden Reach Shipbuilders & Engineers Ltd	57.61



Peer Comparision

Dividend Yield Pie Chart

Company	Dividend Yield (%)
Mazagon Dock Shipbuilders Ltd	0.94
Cochin S Shipyard Ltd	0.57
Garden Reach Shipbuilders & Engineers Ltd	0.53



Profit And Loss

Narration	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Sales	**4,904.84**	**4,047.82**	**5,733.28**	**7,827.18**	**9,466.58**	**11,431.88**
Expenses	4,642.08	3,821.53	5,292.08	7,026.57	8,050.76	9,371.86
Operating Profit	**262.76**	**226.29**	**441.20**	**800.61**	**1,415.82**	**2,060.02**
Other Income	545.84	447.96	396.30	686.83	1,101.47	1,121.23
Depreciation	68.75	59.65	74.51	75.58	83.13	115.19
Interest	13.07	10.78	13.66	9.18	9.33	4.40
Profit before tax	726.78	603.82	749.33	1,402.68	2,424.83	3,061.66
Tax	349.63	150.35	186.22	356.61	615.95	784.32
Net profit	**470.52**	**513.86**	**610.84**	**1,119.03**	**1,936.97**	**2,413.51**
EPS	11.66	12.74	15.14	27.74	48.02	59.83
Price to earning		8.33	7.91	11.95	19.41	44.19
Price	-	**106.15**	**119.85**	**331.53**	**932.05**	**2,643.80**
RATIOS:						
Dividend Payout	46.17%	28.42%	28.83%	28.77%	28.53%	43.29%
OPM	5.36%	5.59%	7.70%	10.23%	14.96%	18.02%

TRENDS:	10 YEARS	7 YEARS	5 YEARS	3 YEARS
Sales Growth	12.08%	14.40%	18.44%	25.86%
OPM	9.95%	11.39%	12.84%	14.89%
Price to Earning	18.36	18.36	18.36	25.18

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Balance Sheet

Narration	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Equity Share Capital	224.10	201.69	201.69	201.69	201.69	201.69	201.69
Reserves	2,992.82	2,857.69	3,230.02	3,655.99	4,558.47	6,041.78	7,738.19
Borrowings	-	-	29.66	11.64	6.04	0.93	20.33
Other Liabilities	17,633.19	17,883.39	21,679.06	25,903.52	24,709.48	23,219.03	20,747.51
Total	**20,850.11**	**20,942.77**	**25,140.43**	**29,772.84**	**29,475.68**	**29,463.43**	**28,707.72**
Net Block	810.31	836.35	806.85	964.62	1,024.33	837.94	1,465.72
Capital Work in Progress	88.77	79.96	80.15	86.94	61.62	71.63	133.20
Investments	430.67	484.18	518.65	542.32	588.60	678.79	765.04
Other Assets	19,520.36	19,542.28	23,734.78	28,178.96	27,801.13	27,875.07	26,343.76
Total	20,850.11	20,942.77	25,140.43	29,772.84	29,475.68	29,463.43	28,707.72
Working Capital	1,887.17	1,658.89	2,055.72	2,275.44	3,091.65	4,656.04	5,596.25
Debtors	1,472.89	1,432.82	965.94	1,005.41	1,002.33	1,846.93	1,067.21
Inventory	3,792.48	4,624.60	5,890.53	7,702.78	7,369.37	5,727.99	4,537.08
Debtor Days	116.52	106.63	87.10	64.01	46.74	71.21	34.07
Inventory Turnover	1.22	1.06	0.69	0.74	1.06	1.65	2.52
Return on Equity	**17%**	**15%**	**15%**	**16%**	**24%**	**31%**	**30%**
Return on Capital Emp	**27%**	**24%**	**19%**	**21%**	**33%**	**44%**	**43%**

Cash Flow

Narration	Mar-19	Mar-20	Mar-21	Mar-22	Mar-23	Mar-24	Mar-25
Cash from Operating Activity	**65.24**	**-95.54**	**68.21**	**-162.63**	**1,515.60**	**683.75**	**2,078.05**
Cash from Investing Activity	416.60	453.72	348.25	326.40	-149.66	1,419.81	-1,299.10
Cash from Financing Activity	-125.74	-604.58	-159.83	-183.21	-217.99	-448.50	-712.04
Net Cash Flow	**356.10**	**-246.40**	**256.63**	**-19.44**	**1,147.95**	**1,655.06**	**66.91**

Conclusion

- **For Existing Investors :** A hold is advisable
- **For Potential New Investors :** It is strongly recommended to either to buy or avoid

Why Mazagon Dock Matters

- India's leading submarine builder.
- Poised for ₹1.06 lakh crore in new submarine orders (Project 75I & additional Scorpenes).
- Potential to triple current order book, ensuring long-term revenue growth.

Growth Drivers

- **Huge Submarine Contracts:** Project 75I (₹70,000 Cr) and 3 additional Scorpenes (₹36,000 Cr).
- **Government Push:** "Make in India" mandates 75% defense capital budget for domestic firms.
- **Export Potential:** Global defense spending up 6.8% (2023); Indian naval market CAGR 14.8% through 2033.

Financial Snapshot (Aug 7, 2025)

- Share Price: ₹2,785
- Market Cap: ₹1.12 lakh Cr
- PE Ratio: 51.8x | PB Ratio: 14.2x
- Debt: None | Cash: ₹16,149 Cr
- 5-Year Revenue Growth: 132% (₹4,918 Cr → ₹11,432 Cr)
- Net Margins: 7.7% → 20.3%
- Latest Quarter: Profit down 35% to ₹452 Cr (due to provisions)

Key Risks

- **High Valuation:** 51.8x earnings offers limited safety margin.
- **Execution Delays:** Historical slowdowns in contract awards.
- **Profit Volatility:** Elevated provisions can pressure margins.
- **Policy Dependence:** Heavy reliance on government spending cycles.

> Mazagon Dock is a **long-term play** on India's naval expansion. Its pristine balance sheet and unmatched order pipeline are attractive, but near-term hiccups and a steep valuation call for careful, patient investing.