



माझगांव डॉक शिपबिल्डर्स लिमिटेड

(भारत सरकार का उपक्रम)

Mazagon Dock Shipbuilders Ltd.

(Formerly Mazagon Dock Limited)

(A Govt. of India Undertaking)

CIN : U35100MH1934GOI002079

डॉकयार्ड रोड, माझगांव, मुंबई - 400 010

Dockyard Road, Mazagon, Mumbai - 400 010

Certified - ISO 9001-2015

संदर्भ क्रमांक

Ref. No.

दिनांक

Date

23 Feb 2022

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: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 –Publication.

Dear Sir,

1. We are enclosing herewith a copy of the questionnaire as an interview with CMD MDL as a publication in a magazine, Shilpa Bichitra, March edition.
2. The above information is submitted in terms of Regulation 30 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015.

This is for your kind information.

Thanking You,

Yours Faithfully,

For MAZAGON DOCK SHIPBUILDERS LIMITED

(Vijayalakshmi Kumar)
Company Secretary
Encl: as above



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Q & A

MAZAGON DOCK SHIPBUILDERS LIMITED.

Q1. With what objective was MDL set up?

Ans: In 1774, a small dry dock was constructed in Mazagaon village, Mumbai, to service the ships of the British East India Company which was subsequently developed into a ship repair yard and later a ship building yard over a period of two centuries. We were incorporated as Mazagon Dock Private Limited company in 1934 and in the year 1960, the GoI took over our Company to expand its warship development programme designating it as a DPSU under the MoD.

Q2. What is the exact role of MDL in Defence sector?

Ans: MDL is one of the premier Defence PSU shipyards engaged in construction of technologically complex and most advanced state of art Warships and Submarines. The company has built and delivered to the Indian Navy six Leander Class Frigates, three Godavari Class Frigates, one Cadet Training Ship, three Missile Corvettes, four Missile Boats, seven Destroyers, six Submarines and three Shivalik Class Stealth Frigates. MDL is currently contributing to achieve self-reliance in Warship production by aligning ourselves to the Maritime Perspective Plan of Indian Navy by building complex and potent platforms like the Missile Destroyers, Stealth Frigates and Scorpene Submarines for the Indian Navy.

Q3. How do you view the MDL's significant progress since inception?

Ans: Since inception, MDL have built 798 war platforms out of which 26 were frontline warships and six submarines. MDL have recently built and delivered to the Indian Navy three in no. highly acclaimed Kolkata class Destroyers, First of Class Visakhapatnam class Destroyers, the Shivalik class stealth frigates as well as six submarines which are highly potent platforms with capability, functionality and quality that match global standards. The first warship by MDL was commissioned into the Indian Navy in 1972 and the first submarine way back in 1992, which demonstrates our resolve towards Atmanirbhar Bharat and Make in India initiative since that time. Having looked at the performance of Mazagon Dock Shipbuilders Limited, it is worthy to mention here that the conventional submarines and Destroyers for the country has only been built by Mazagon Dock Shipbuilders Limited.

In the commercial sector, MDL has built about 631 vessels, comprising cargo ships, supply vessels, water tankers, tugs, dredgers, fishing trawlers, barges, etc. Besides all these, we have also built 63 offshore platforms, three process platforms, and two jack-up rigs. Out of the 631 vessels mentioned here, 243 vessels were exported to Mexico, France, UK, Iran, Yemen, Mozambique, Bahamas etc.

MDL has completed modernization and up gradation of its facility that matches global standards with modular shop for integrated construction, wet basin, submarine sub

assembly shop, virtual reality lab, product data management, product life cycle management which enables MDL the capability and capacity to construct at any point of time 10 warships and 11 conventional submarines simultaneously.

Q4. How is the overall scenario of “Defence Production” sector in India?

Ans: Self-reliance in defence has been the cornerstone of India's defence production policy. The Department of Defence Production (DDP), over the years, through concerted efforts, have provided impetus to realize the goal for self-reliance in Defence Production. Thorough Streamlining, Transparent Production Policies and 'Make in India' initiatives have resulted in providing significant stimulus to demand for indigenous products.

DDP has set a target to achieve turnover of Rs. 1,75,000 Crore (US\$ 25 Billion) including export of Rs. 35,000 crore (US\$ 5 Billion) by 2024-25. The current quantum of annual defence production in the country is to the tune of Rs. 88,000 Crore, 70% of which is contributed by the Defence PSUs (DPSUs). Hence, it has become incumbent upon all the DPSUs to significantly step up their efforts and more than double their current production by 2024-25.

Q5. What are the challenges MDL is facing today?

Ans: With the changes in the policy framework in the defence sector, there is a gradual shift towards competitive bidding and to remain competitive, we must consistently provide superior performance, advanced technology solutions, and service at an affordable cost.

MDL product portfolio has been mostly naval vessels like Destroyers, Frigates and Submarines since last 10-15 years. Overseas clients mostly look up to shipyards having experience of building smaller naval vessels such as Fast Attack Craft, Fast Patrol Vessels and Offshore Patrol Vessels. This has been a major challenge in obtaining export orders. Moreover, in most of the target countries, there is stiff competition in terms of pricing and timelines. Furthermore, where funding proposals have to be furnished, our interest rates are above par with the consequence of losing the competitive edge.

Q6. What are the important steps taken by MDL to face the challenges?

Quality at MDL is always in line with the global requirements. However, for MDL to be at par with the global shipyards for both commercial and defence shipbuilding, MDL needs to be competitive in their pricing and strategic in meeting the project time lines. MDL is keeping ready in-house designs to suit the market scenario so that design time lines are minimal once MDL bags an order. MDL is also adapting outsourcing and sub-contracting model to squeeze the build period. Moreover, MDL is handholding Indian companies to develop various equipment indigenously so that the shipment time is considerably reduced. MDL had indigenized twenty (20) equipment through handholding various Indian companies. MDL has also identified firms for collaboration in

design, new builds and repair through Eol process. Penetrative pricing strategy, ramping up of outsourcing, adoption of technology like Integrated Construction, enhancement of local content are the multi-prolonged strategies that MDL is adopting to deliver products, platforms and services that match global pricelines and timelines.

Q7. What are the recent activities of MDL?

MDL has delivered the first of the class of P15B destroyer 'INS Visakhapatnam' to the Indian Navy in Oct 21 and the follow on vessel of the same class 'Mormugao' has undertaken her first maiden sea sortie in Dec 21 and in P17A frigate class, MDL is all geared up to launch the second vessel of the class in the next quarter. In the submarine side, the fourth submarine has been delivered to IN and fifth is currently undertaking trials.

MDL has been selected as the preferred production partner to undertake major ship construction activities for M/s SSK Zvezda Shipbuilding complex Russia. The modality for collaborating for this business opportunity is being worked out. MDL has revamped their ship repair business recently and carried out a no. of repairs of commercial vessels and refits of IN and ICG vessels. MDL is also carrying out export order for ship repair.

Q8. How do you see MDL in the year 2025?

MDL will continue to concentrate in meeting the demands of the Indian Navy and Indian coast guard in line with the Maritime Capabilities Perspective Plan and also the requirement of commercial shipbuilding sector for new builds and repairs. MDL is vigorously trying to tap the export market by participating in global tenders both in commercial and naval sector and it is envisaged that some of these efforts will be realizing by 2025.

MDL is also putting all efforts for continuing their commercial shipbuilding activities and in this regard MoUs has been signed with design firms and private shipbuilding firms through an Eol process for carrying out new builds in future.

MDL has already undertaken various steps to facilitate private shipyard participation in new construction that is being undertaken by MDL. Two private shipyards have already carried out part construction of on-going projects through out-sourcing model and the same will be leveraged for future constructions also.

MDL forecasts its capacity expansion considering the future needs of the Warships and submarine of the Indian Navy. MDL has already upgraded its infrastructure under MDL Modernization Plan (MMP) for Modular construction of Ships and Submarines. MDL expansion plan envisages acquisition of land, construction of new workshops and other launching/docking facilities.

Q9. What about Govt's policy-"Make in India" in "Defence Production" sector?

Ans: Indigenous warship building has been a distinct success story in our attempt to be self-reliant in Defence through Make in India policy. Today the country is capable of building Destroyers, Frigates, Corvettes as well as strategic submarines. Indigenous contents have steadily increased in these construction programs and presently it is pegged at 72-75%. More can be done in this direction by a collaborative approach amongst all stakeholders.

Defence sector is witnessing technological advancements of an unprecedented magnitude. In this context, it is imperative that all stake holders of warship building and submarine building put concerted efforts for technological self-reliance. Import substitution through indigenization is a key driver in this journey and MDL, as a shipbuilder, is playing a participating role in the process of indigenization. The indigenous content in warship building has increased from 40% to 75% in fourth series of vessels. MDL is playing a facilitator role in liaison with the private sector for import substitution or progressive enhancement of local content of systems hitherto were being imported. At the platform level, the front line warships being built by MDL is fully 'Made in India' and as a shipyard we have dovetailed into Indian Navy's transition from 'Buyers' Navy' to 'Makers' Navy'.

Q10. Have you got any other observation on any other issues?

Ans: In comparison to the Batch Processing industry, the platforms are customized and constructed as per the requirement of customers. These are not "off the shelf" items which are readily available for sale as it involves huge manufacturing cost. Owners like IN, ICG etc shall think about series production where the learning curve from previous projects can be utilized for reduction in the project time limes. Moreover, the ancillary industry will also get a momentum as the volume involved is higher and hence profitable. Complexity of the ships being systems within systems, participation of a large number of OEMs, engagement of multiple stake holders, keeping pace with the technology obsolesce, addressing technology denial all put together renders warship building a highly complex enterprise.