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## Board of Directors

Cmde K Subramaniam, NM(Retd)	: Chairman & Managing Director
Shri V Radhakrishnan	: Director(Technical)
Shri Ravikumar Roddam	: Director(Finance)
Shri Rajeev Gupta	: Joint Secretary (Shipping), Ministry of Shipping, Government of India
Shri M A Pathan	: Non Official Part Time Director
Shri B Sridhar	: Non Official Part Time Director
Shri N Kumar	: Non Official Part Time Director
Dr S Narasimha Rao	: Non Official Part Time Director

## Company Secretary

Smt V Kala

## Registered Office

**Cochin Shipyard Limited**  
XXXIX/6080, Administrative Building  
Perumanoor  
Kochi – 682 015, Kerala, India.

## Bankers

State Bank of Travancore  
State Bank of India  
Syndicate Bank  
Union Bank of India

## Auditors

**M/s Menon & Ayyar**  
Chartered Accountants, Ernakulam.

## Management Team

Shri Cherian George	: Executive Director (Planning & Quality Control)
Shri Jose Mathew	: Executive Director (Design)
Shri Baby Thomas	: Chief General Manager (Materials)
Shri P Vinayakumar	: General Manager (Small Ship Division, Future Projects & Training Institute)
Shri Joe Joe Peter	: General Manager (Ship Repair)
Shri George Thomas Roy	: General Manager (Technical)
Shri Sunny Thomas	: General Manager (Shipbuilding & Shipbuilding Out Sourcing Cell)
Shri D Paul Ranjan	: General Manager (Finance)
Shri N V Suresh Babu	: General Manager (Outfit)



## BOARD OF DIRECTORS



**Cmde K Subramaniam**  
Chairman and Managing Director

Cmde Kartik Subramaniam joined Cochin Shipyard Limited (CSL) as Director (Operations) on 02 August 2007. He was appointed as the Chairman and Managing Director on 31 December 2010. He has also been assigned the additional charge of Director (Operations). A Marine Engineer by training, he served the Indian Navy for three decades before joining CSL. He has served on various ships viz missile vessels, destroyers and tankers. He has also served in various afloat billets at Naval Headquarters, Command Headquarters and at Naval Dockyards at Visakhapatnam and Mumbai. He has been trained in shiprepair techniques at St.Petersburg, Russia. He also holds a Masters degree in Defence studies and brings with him vast experience in Defence projects.



**Shri V Radhakrishnan**  
Director (Technical)

Shri V Radhakrishnan assumed the charge of Director (Technical) of CSL w.e.f 31 December 2009. He joined CSL as a Naval Architecture Trainee in 1976. He occupied the position of Executive Director (HRD & Technical) before his appointment as Director (Technical) of the Company. A graduate in BSc (Engg) (Mechanical) and B Tech (Naval Architecture), Shri Radhakrishnan has served Cochin Shipyard for 35 years. He has headed various crucial departments of the company and also handled various core sectors including Shipbuilding, Designs, Shiprepair, Technical etc.





**Shri Ravikumar Roddam**  
Director (Finance)

Shri Ravikumar Roddam joined CSL as Director (Finance) on 03 May 2010. A qualified Chartered Accountant and Associate Member of the Institute of Chartered Accountants of India, Shri Roddam has to his credit a number of academic awards including a First rank & gold medal in B Com, 9th rank in CA Final etc. With a wide range of exposure in the Financial Management in a cross section of industries, Shri Roddam has three decades of experience of 31 years in various fields like project finance, working capital finance, rehabilitation through BIFR, implementation of IT Softwares, MIS, taxation, debt restructuring etc. He was the Vice President of ISMT, Pune before joining Cochin Shipyard.



**Shri Rajeev Gupta**  
Joint Secretary (Shipping)  
Ministry of Shipping, Govt. of India

Shri Rajeev Gupta is presently Joint Secretary (Shipping), Ministry of Shipping, New Delhi and was appointed as Official part time director on the Board of CSL representing the Government of India on 05 June 2007. He joined Indian Railways in 1980 as a graduate in both Mechanical and Electrical Engineering. He serves on the Board of Shipping Corporation of India Ltd and its Joint Venture Companies as also in the Board of Inland Waterways Authority of India and Indian Maritime University. In his present assignment, he also deals with Maritime Legislation and Administration, Treaties and Agreements like IMO & ILO and International Maritime Agreements.



**Shri M A Pathan**  
Former Chairman, Indian Oil Corporation

Shri M A Pathan, former Chairman, Indian Oil Corporation and former Group Resident Director of Tata Group, is a Non Official Part Time Director in CSL Board since July 2008. He is also the Chairman of Remuneration Committee of Board of CSL. He is presently the Non Executive Chairman of Tata Petrodyne Limited & IOT Engineering & Projects Ltd and is a Strategic Advisor for IOT Infrastructure & Energy Services Limited. Shri Pathan is a highly recognized Management expert. He is also associated with a number of other Associations/Companies in various capacities of Advisor, Member and Director. Shri Pathan has been an important driving force of the Indian Petroleum Policy. He is presently a Chief Mentor of Tata Teleservices Limited, Non Official Part Time Director in Bharat Heavy Electricals Limited (BHEL), Member of Governing Council of Petroleum Federation of India (PetroFed) & Energy Think Tank. He is also the President of an NGO 'Society for Preservation of Healthy Environment & Ecology and the Heritage of Agra' (SPHEEHA).





**Shri B Sridhar**

Director, Bengal Tiger Line (India) Pvt Ltd.

Shri B Sridhar is a Non Official Part Time Director in the Board of Cochin Shipyard Limited since July 2008. He is also the Chairman of Contracts Committee of the Board of CSL. He is the Director of Bengal Tiger Line (India) Private Limited. Shri Sridhar is a very prominent driving force in the Indian Maritime Industry. He was the chairman of the working group on Ports of Confederation of Indian Industry (Southern Region) and is an active member of the Confederation of Indian Industry (CII), Institute of Logistics. His areas of specialization include logistics and shipping.



**Shri N Kumar**

Vice Chairman, The Sanmar Group

Shri N Kumar is a Non Official Part Time Director since July 2008. He is also the Chairman of CSL Audit Committee. Shri N Kumar is the Vice-Chairman of The Sanmar Group, a well-known industrial group in India that has interests in Chemicals, Engineering and Shipping. He is a Graduate in Electronics and Communication Engineering. He is the Honorary Consul General of Greece in Chennai.

Shri N Kumar is an active spokesperson of industry and trade and was the President of Confederation of Indian Industry (CII), a leading industrial body. He also participates in various other apex bodies. He is also on the Board of various public companies. He carries with him vast experience in the sphere of Technology, Management and Finance.



**Dr S Narasimha Rao**

Ex-Professor, IIT, Chennai.

Dr S Narasimha Rao is a Non Official Part Time Director in CSL Board, since July 2008. He is a retired professor from Indian Institute of Technology (IIT), Chennai and is a Director in Dredging Corporation of India, Advisor, Government of Andhra Pradesh (HGCL) and Advisor, Karaikal Port. He has served various renowned scientific organizations like IIT and Indian Institute of Science for over four decades in various capacities. His field of interest and research is Marine Geotechnical engineering, Seabed soil characteristics under static and dynamic loads, foundations for coastal and offshore structures. He is widely travelled and has a number of publications to his credit in the field of Marine Geotechnical Engineering and ocean mining and dredging.





## FINANCIAL HIGHLIGHTS

(₹ in Crore)

Particulars	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02	2000-01
Turnover	1461.72	1248.50	1256.21	833.79	719.74	373.53	276.48	228.44	235.16	210.25	325.67
Total Income	1602.80	1326.49	1383.26	857.17	845.64	452.89	323.31	267.94	282.07	253.84	363.91
EBDIT	390.18	364.68	276.42	162.66	104.17	43.79	28.03	37.18	35.72	36.62	52.11
Depreciation & Write offs	17.61	15.24	9.80	9.69	7.89	10.62	7.24	6.47	6.80	5.40	4.75
Profit After Tax (PAT)	227.53	223.04	160.07	93.85	58.11	18.23	12.10	17.78	16.49	16.41	38.49
Equity Share Capital	113.28	113.28	113.28	113.28	113.28	113.28	113.28	113.28	113.28	111.28	108.00
Reserves and Surplus	775.38	490.54	336.70	199.64	93.67	55.06	36.83	34.19	25.86	15.68	0.00
Net Worth	965.16	680.32	566.49	429.43	323.45	284.85	266.62	264.03	255.66	245.43	227.03
Gross Fixed Assets	362.10	349.68	270.39	233.46	217.18	206.92	204.65	195.86	205.00	198.86	184.09
Net Fixed Assets	190.67	189.75	121.64	92.16	81.91	76.33	78.30	74.09	86.30	84.92	74.98
Number of Employees	1818	1907	1962	2059	2084	2075	2109	2175	2189	2232	2366
<b>Key Indicators</b>											
EPS (₹ per Share)	20.09	19.69	14.13	828.51	513.00	160.97	106.81	156.96	145.57	147.47	356.41
Face Value Per Share (₹)	10	10	10	1000	1000	1000	1000	1000	1000	1000	1000
EBDIT/ Gross Turnover(%)	26.7	29.2	22.0	19.5	14.5	11.7	10.1	16.3	15.2	17.4	16.0
Net Profit Margin %	15.57	17.86	12.74	11.26	8.07	4.88	4.38	7.78	7.01	7.80	11.82
Return on Net Worth %	23.57	32.78	28.26	21.85	17.97	6.40	4.54	6.73	6.45	6.74	16.95
Return on Capital Employed %	25.17	38.57	29.09	23.38	11.70	3.65	2.45	4.33	4.28	4.22	10.53
Capital Employed	903.93	578.32	550.31	401.33	496.60	499.64	493.63	410.98	385.65	389.25	365.40



## CHAIRMAN'S ADDRESS

I am happy to welcome you to the Thirty Ninth Annual General Meeting of Cochin Shipyard Limited.

2. In the four decades of its existence, your yard has emerged as the most versatile in the Indian Industry, with diversified streams of income. We have Commercial Shipbuilding, Defence Shipbuilding, Shiprepair, Offshore Upgradation and Marine Engineering Training Institute. These diversified operations have stood the company in good stead and helped in maintaining its performance levels and reduce risk exposures during adverse business conditions. This was probably the most significant factor which helped the yard to maintain its consistently high performance in the last five years. This achievement, despite the withdrawal of the Government subsidy policy in 2007 and the Global meltdown in late 2008 is indeed, extremely gratifying.

3. Your company has achieved a turnover of ₹1461.72 crores with a Profit After Tax of ₹227.53 crores. The company contributed ₹107.36 crores to the National Exchequer by way of Value Added Tax, Income Tax, Fringe Benefit Tax, Excise duty, Customs Duty and Service Tax. The yard is proposing to declare a dividend of ₹1 per share on the 11,32,80,000 fully paid Equity Shares of ₹10 each and ₹70 per 7,91,420 Preference Shares of ₹1,000 each for the year 2010-11. The total outgo on the dividend and dividend tax is approximately ₹20 crores. Based on the decision taken at the Preference Shareholders Meeting and the Extraordinary General Meeting of the Shareholders held on 17 March 2009, the company had redeemed two instalments of preference share capital amounting to ₹40 crores in September 2009. It has been decided to redeem two more instalments of preference share capital amounting to another ₹40 crores in 2011-12. With this the preference share capital of the company to be redeemed before 2015 will be ₹39.14 crores.



4. Presently, the yard has 35 ships on order. Twenty one are for the defence sector of which 20 are for Coast Guard and 1 for the Indian Navy. We also have 14 commercial orders for international owners. The yard delivered six Platform Supply Vessels (PSVs) during the year and the Indigenous Aircraft Carrier (IAC) construction is proceeding satisfactorily. The yard's Shiprepair turnover had dipped slightly last year due to increasing use of the shiprepair dock for commercial shipbuilding activities. However, by improving the turnaround time, the yard has increased the number of ships repaired, thus achieving a repair turnover of ₹142 crores. The foray into shiprepair at Tuticorin is a very good initiative which would yield benefits in the coming years.

5. The performance of your company has been rated "Outstanding" consistently since 2006-07. I am happy to state that, for the year 2008-09, your company was awarded the MoU excellence award by the Hon'ble Prime Minister of India.

6. The yard continues to be compliant with the Integrated Management System (IMS) consisting of ISO 9001 Quality Management System, ISO 14001 Environmental Standards and OHSAS 18001 Occupational Health and Safety Standard.

7. The Marine Engineering Training Institute of Cochin Shipyard continued to be rated outstanding by CARE for the 08<sup>th</sup> consecutive year and booked an income of ₹4.08 crores during the year.





## CHAIRMAN'S ADDRESS

8. The Industrial climate in the yard during 2010-11 was harmonious. The company continued to comply with good corporate governance practices as stipulated by the various statutes and the guidelines issued by the Department of Public Enterprises (DPE). The total strength of the Board of Directors as on date is eight out of which four are Independent directors. The yard has constituted an Audit Committee consisting of three independent directors to review financial results, internal control measures, audit recommendations etc. A Remuneration Committee chaired by an independent director makes recommendations on the Performance related pay policy of the company. A Corporate Social Responsibility (CSR) Committee has been constituted to provide fillip to the CSR initiatives of the company.

9. CSL is committed to fulfill its obligations as a good corporate citizen. Towards this, the company has adopted a number of environmental initiatives. This includes large scale sapling planting and partnering with Kerala Enviro Infrastructure Ltd for safe disposal of hazardous industrial waste. The company has also helped in commissioning a solid waste management facility at General Hospital, Ernakulam. The yard has sponsored a programme for improvement of Palliative Care Department at Government Hospital, Ernakulam. It has also taken up various other schemes for community development, with emphasis on providing assistance to the underprivileged, development of arts and culture and also capacity building and training. The total amount sanctioned during the year for the above CSR initiatives amounted to ₹ 2.32 crores.

10. The company has commenced the process of drawing up a long term vision statement and business plan. The yard has engaged the services of an independent and professional agency to assist it in this endeavour. The vision of the yard is to enlarge its global presence and emerge as a leading player in the Maritime map of the world. I would like to acknowledge the proactive contributions of all members of the Board of Directors in articulating the Terms of Reference for this very crucial initiative.

11. The yard's efforts have been amply supported and encouraged by the Ministry of Shipping, Government of India, Government of Kerala and the Board of Directors. Their invaluable advice and guidance has helped the company to face the various challenges and move ahead in all its endeavors and to reach the present levels of performance. Last but not the least my heartfelt gratitude to each and every employee of the company for their faith, dedication and commitment to Cochin Shipyard.

Jai Hind

Cmde K Subramaniam





## NOTICE

Notice is hereby given that the Thirty-ninth Annual General Meeting of the Members of Cochin Shipyard Limited will be held on Thursday, 14 July 2011 at 1500 hrs at the Registered Office of the Company viz. the Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi - 682015, to transact the following businesses:

### Ordinary Business

1. To consider and adopt the audited Balance Sheet as at 31 March 2011, the Profit and Loss Account for the year ended on that date and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on equity shares for the Financial Year ended 31 March 2011.
3. To declare a dividend on 7% Non Cumulative Preference Shares for the Financial Year ended 31 March 2011.

By order of the Board of Directors

Place: Kochi  
Date: 22 June 2011

Sd/-  
V Kala  
Company Secretary

**Note:** A member entitled to attend and vote at the Annual General Meeting (the Meeting) is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the Registered Office of the Company not less than forty-eight hours before the commencement of the Meeting.





## DIRECTORS' REPORT

Dear Shareholders,

1. Your Directors have pleasure in presenting the 39<sup>th</sup> Annual Report of your company along with the audited accounts for the year ended 31 March 2011.

### Financial Performance

2. Cochin Shipyard continued its stellar performance for the fifth year in a row. The turnover for the year was ₹ 1,461.72 crores as compared to ₹ 1,416.92 crores in the last year. The net profit was ₹ 227.53 crores as compared to ₹ 223.04 crores for the last year. This performance is creditable especially in the light of withdrawal of government subsidy to shipbuilding since August 2007. Although, the shipbuilding subsidy was withdrawn from August 2007, in accordance with the subsidy policy, CSL was entitled to subsidy for orders signed prior to August 2007 but delivered after August 2007. Accordingly, ₹ 116 Crores of subsidy accrued in 2009-10 and an amount of ₹ 17 crores alone was recognised in turnover in 2010-11. If the element of subsidy is disregarded, the profit of the company has shown an increase of 83% over 2009-10.
3. Considering the remarkable performance of the company in the last few years, the company had represented to the Government for upgrading CSL from Schedule 'B' to Schedule 'A' PSU status.
4. The networth of the company at the end of the year stood at ₹ 965 crores as compared to ₹ 680 crores in the previous year.

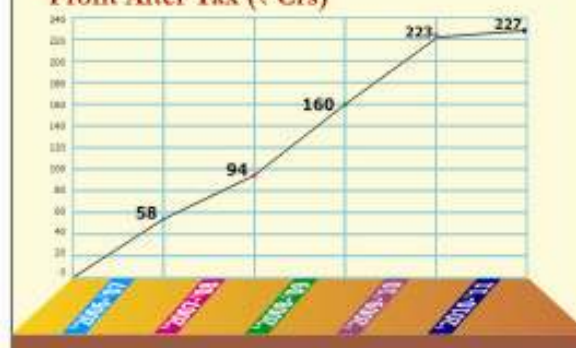
### Dividend

5. Your directors are pleased to recommend a dividend of ₹ 1 per share on the 11,32,80,000 fully paid Equity Shares of ₹ 10 each and ₹ 70 per 7,91,420 Preference Shares of ₹ 1000 each for the year 2010-11. The total outgo for dividend and dividend tax would be approximately ₹ 20 Crores.

### Financial Highlights (₹ Crs)

Sl. No	Particulars	2010-11	2009-10
(i)	Gross Income	1,602.80	1,494.91
(ii)	Profit Before Interest, Depreciation & Tax	390.18	364.68
(iii)	Interest	26.69	18.19
(iv)	Depreciation & Write off	17.61	15.24
(v)	Profit Before Tax (PBT)	345.90	331.25
(vi)	Provision for Tax (Net)	118.36	108.21
(vii)	Net Profit	227.53	223.04

### Profit After Tax (₹ Crs)



### Increasing Network (₹ Crs)

