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Board of Directors

Cmde K Subramaniam	:	Chairman & Managing Director
Shri Ravikumar Roddam	:	Director (Finance)
Shri P Vinayakumar	:	Director (Technical)
Capt R S Sundar	:	Director (Operations)
Shri M C Jauhari, IAS	:	Official Part Time Director, Joint Secretary (Shipping) Ministry of Shipping
Shri L N Vijayaraghavan, IAS (Retd.)	:	Non Official Part Time Director
Vice Admiral (Retd.) S K K Krishnan	:	Non Official Part Time Director
Shri M Raman, IAS (Retd.)	:	Non Official Part Time Director

Company Secretary

Smt V Kala

Registered Office

Cochin Shipyard Limited

XXXIX/ 6080, Administrative Building
Perumanoor
Kochi – 682015, 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 Jose Mathew	:	Executive Director (Design)
Shri Baby Thomas	:	Executive Director (Materials)
Shri Joe Joe Peter	:	Chief General Manager (Planning & IQC)
Shri Sunny Thomas	:	General Manager (Technical)
Shri Paul Ranjan	:	General Manager (Finance – I)
Shri N V Suresh Babu	:	General Manager (Ship Repair)
Shri Madhu S Nair	:	General Manager (Marketing)
Shri Bejoy Bhasker	:	General Manager (Defence Projects)
Shri K J Ramesh	:	General Manager (Human Resource)
Shri T N Sudhakar	:	General Manager (Finance – II)
Shri Murugaiah M	:	General Manager (Hull and HE)
Shri M D Varghese	:	General Manager (Industrial Relations & Administration)
Shri K I Koshy	:	General Manager (Materials)

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 & Managing Director on 31 December 2010. 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 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, 43rd rank in CA Inter, 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 34 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. P Vinayakumar
Director (Technical)

Shri P Vinayakumar has assumed charge of Director (Technical) with effect from 1 September 2011. A graduate in B.Sc Engg (Mechanical) and B.Tech (Naval Architecture), he joined Cochin Shipyard in 1978 as Naval Architect Trainee and has close to 33 years of experience in managing many portfolios like Business Development, Design, Shiprepair, Shipbuilding, Training etc.



Capt R S Sundar
Director (Operations)

Capt R S Sundar, Indian Navy (Retd) has assumed the duties of Director (Operations) of Cochin Shipyard Limited., Kochi on 21 November 2011. In his professional career spanning over three decades, Capt R S Sundar has held various important appointments in the Indian Navy. Prior to joining Cochin Shipyard Ltd, Capt R S Sundar was associated with Mazagon Dock Ltd, Mumbai.



Shri M.C. Jauhari IAS

Official Part Time Director
Joint Secretary (Shipping)

Shri M.C. Jauhari, IAS (AM:87) entered in Govt. Service on 24.8.1987. He joined Ministry of Shipping as Joint Secretary(Shipping) on 19th January, 2012. He was born on 2nd August, 1962 at Shahjahanpur in UP. He completed his studies from Uttar Pradesh and has done his Post Graduation in Physics from Allahabad University. He has worked in the State Govt. of Assam in various capacities and also as Joint DG/Director in DGFT in Commerce & Industry Ministry, Govt. of India, New Delhi. In addition to this, he has worked as Adviser in the Indian Mission to European Union. He has got vast knowledge in different subjects including land revenue administration, Labour & employment, Town and country planning, Science & Technology, foreign trade, Agriculture & Cooperation, Personnel & General Administration, Planning & Programme implementation etc. He is presently Govt. Director on the Boards of Shipping Corporation of India Ltd., Cochin Shipyard Ltd. and Dredging Corporation of India Ltd.



**Shri L N Vijayaraghavan
IAS (Retd.)**

Non Official Part Time Director

Shri L N Vijayaraghavan is a Non Official Part Time Director in our Board w.e.f 16 September 2011. He is a post graduate in commerce and a former member of the Indian Administrative Service. He retired in the rank of Chief Secretary to Government of Tamil Nadu after working for over 35 years in key sectors of government such as Power, Infrastructure, Industry, Rural Development, Education, Housing and Urban Development, Finance, Municipal Administration & Water supply, Women and Child Development. He is credited with turning around the only State owned shipping company in India, the Poompuhar Shipping Corporation from a loss making company to a profit making company during 1989-91. He had been instrumental in the implementation of various housing and urban infrastructure projects in Tamil Nadu, the notable contribution being the execution of the 220 km of water supply pipeline from Veeranam to Chennai city during his tenure as Principal Secretary, Municipal administration and Water supply. Shri Vijayaraghavan has also headed various organizations and has held directorships in various government and semi government organizations. He is a Director in the Neyveli Lignite Corporation and also a member of the audit committee.



VAdm (Retd.) S K K Krishnan

Non Official Part Time Director

VAdm S K K Krishnan is a Non Official Part Time Director in our Board w.e.f 25th January 2012. A Mechanical Engineer by profession with a post graduation in Marine Engineering from Naval Academy, St Petersburg, Russia, Shri Krishnan has served the Indian Navy for 36 years after which he took over charge as CMD of M/s Mazagon Docks Limited (MDL). Shri Krishnan is a highly respected naval officer whose commitment and engineering skills are widely acknowledged. Shri Krishnan is also recognized for the system & procedural improvements that he brought about in Mazagon Docks Limited (MDL), especially with reference to the new ERP environment that was implemented during his tenure.



Shri M Raman, IAS (Retd.)

Non Official Part Time Director

Shri M Raman is a Non Official Part Time Director in our Board w.e.f 25th January 2012. He has more than three decades of experience in various government departments notably in the Chemicals, Petrochemicals, Port and Shipping sector. He was the CMD of Ennore Port Limited from 2001 to 2006 and was fully involved in conceptualization, policy formulation, financial restructuring and funding pattern for the port. He also has extensive experience in handling various portfolios, especially, in the areas of infrastructure, Industrial Development, social development issues etc. He retired as Secretary to the Government of India.

FINANCIAL HIGHLIGHTS

(₹ in crores)

Particulars	2011-12	2010-11	2009-10	2008-09	2007-08	2006-07	2005-06	2004-05	2003-04	2002-03	2001-02
Turnover	1404.85	1461.72	1248.50	1256.21	833.79	719.74	373.53	276.48	228.44	235.16	210.25
Total income	1481.54	1589.17	1326.49	1383.26	857.17	845.64	452.89	323.31	267.94	282.07	253.84
EBDIT	284.16	390.27	364.68	276.42	162.66	104.17	43.79	28.03	37.18	35.72	36.62
Depreciation & write offs	18.07	17.06	15.24	9.80	9.69	7.89	10.62	7.24	6.47	6.80	5.40
Profit After Tax (PAT)	172.33	227.53	223.04	160.07	93.85	58.11	18.23	12.10	17.78	16.49	16.41
Equity Share Capital	113.28	113.28	113.28	113.28	113.28	113.28	113.28	113.28	113.28	113.28	111.28
Reserves & Surplus	898.41	775.38	490.54	336.70	199.64	93.67	55.06	36.83	34.19	25.86	15.68
Net Worth	1050.83	967.8	680.32	566.49	429.43	323.45	284.85	266.62	264.03	255.66	245.43
Gross Fixed Assets	376.73	362.10	349.68	270.39	233.46	217.18	206.92	204.65	195.86	205.00	198.86
Net Fixed Assets	192.61	190.67	189.75	121.64	92.16	81.91	76.33	78.30	74.09	86.30	84.92
Number of Employees	1900	1818	1907	1962	2059	2084	2075	2109	2175	2189	2232
Key Indicators											
EPS (₹ per share)	15.21	20.09	19.69	14.13	828.51	513.00	160.97	106.81	156.96	145.57	147.47
Face Value Per Share (₹)	10	10	10	10	1000	1000	1000	1000	1000	1000	1000
EBDIT/ Gross Turnover (%)	20.21	26.7	29.2	22.0	19.5	14.5	11.7	10.1	16.3	15.2	17.4
Net Profit Margin (%)	12.27	15.57	17.86	12.74	11.26	8.07	4.88	4.38	7.78	7.01	7.80
Return on Net Worth (%)	16.40	23.51	32.78	28.26	21.85	17.97	6.40	4.54	6.73	6.45	6.74
Return on Capital Employed (%)	18.76	27.44	38.57	29.09	23.28	11.70	3.65	2045	4.33	4.28	4.22
Capital Employed	918.68	829.27	578.32	550.31	401.33	496.60	499.64	493.63	410.98	392.75	389.25



CHAIRMAN'S ADDRESS

I am very happy to welcome you to the 40th Annual General Meeting of Cochin Shipyard Limited.

2. The company completed four decades of its existence on 29th March 2012. The yard has passed through difficult phases during these four decades to emerge as a strong and resilient company.

3. The shipping and shipbuilding scenario globally continues to be depressed. Freight rates though marginally better than 2010-11 continue to be low. There is an oversupply of vessels in the market and commercial shipbuilding orders are hard to come by it. In addition to this, withdrawal of the shipbuilding subsidy scheme in August 2007 has also had an adverse effect on the ability of Indian shipyards to garner new orders. Viewed against this, the performance of your company is creditable.

4. The company achieved a turnover of ₹ 1405 crores with a PAT of ₹ 172 crores. The company contributed ₹ 111 crores to the National Exchequer by way of VAT, Income Tax, FBT, Excise Duty, Customs Duty and Service Tax. The yard is proposing to declare a dividend of ₹ 1.5 per share on the 11, 32, 80,000 fully paid equity shares of ₹ 10 each and ₹ 70 per share on the 3, 91,420, 7% Preference shares of ₹ 1000 each for the year 2011-12. The total outgo on the dividend and the dividend tax is approximately ₹ 23 crores. The company has also redeemed 4,00,000, 7% preference shares amounting to ₹ 40 crores during the year 2011-12. With this the preference share capital of the company to be redeemed before 2015 would be ₹ 39.14 crores.

5. Cochin Shipyard has delivered 5 ships in the financial year 2011-12. In the year 2012-13 the yard has so far delivered 3 ships to Shipping Corporation of India (SCI). The Platform Supply Vessel (SCI Nalanda) which was delivered to SCI on 14 August 2012 was first vessel of the CD 755 design of Rolls Royce Marine to be built worldwide. This is a very high technology, high quality vessel and complies with the highest level of comfort class requirement. This vessel is a proof of our technical expertise in constructing high quality high tech ships.

6. I am happy to inform you that our quality of construction has been recognized worldwide. It is with great pride that I share with you that one of our customers have compared the ship built at Cochin Shipyard, 'BY 82', with that of another foreign yard



and stated that our ship was more modern and the steel quality is better. We are taking all efforts to maintain the quality of construction and improve on the same in future too.

7. A major achievement of Cochin Shipyard during the year 2011-12 was the technical launch of the Indigenous Aircraft Carrier on 29th December 2011. This is an evolutionary project based on a telescopic design wherein design and construction are carried on concurrently. This project poses many challenges given the fact that India is only the sixth nation in the world to design and build a carrier of this size. Given this magnitude of the project, the launching of the ship in two years from keel laying has been a remarkable achievement and is a credit to our technical capability.

8. Presently, the yard has 28 ships on order consisting of 6 Off-shore support vessels for domestic and international owners, 20 fast patrol vessels for the Indian coast guard and the prestigious Aircraft Carrier for the Indian Navy. An order for Buoy Tender Vessel for the Director General of Light Houses and Light Ships was secured during the current year (2012-13). The performance of the company has been rated 'outstanding' since the year 2006-07. The yard was also awarded MoU excellence award by the honorable Prime Minister of India for the third Consecutive year (2009-10).

9. Constant modernization of existing facilities has been a significant factor which has strengthened the technical capacity of the yard. An amount of ₹ 194 crores in the capital budget has been provided for the Renewals and Replacement of the assets for the year

CHAIRMAN'S ADDRESS

2012-13. One of the most innovative work under the capital renewal scheme which was completed in 2011-12 was the Dock gate renewal. The thirty year old Dock gate was redesigned, fabricated inhouse and renewed. Significantly, the replacement was undertaken in an 'afloat' state without exceeding cofferdams thus drastically cutting down time. Further, this has added considerable number of years of life to the gate and has made the dock more safe for work.

10. The yard also has invested in Research and Development. ₹ 2.45 crores is earmarked for R&D in 2012-13. Our R&D efforts have borne fruit in the area of the development of welding procedures for achieving high quality welding in the fabrication of special steel for the Aircraft Carrier. Our efforts in this area has increased productivity, reduced defects and resulted in faster production.

11. The yard continues to be compliant with the Integrated Management System (IMS) consisting of ISO 9001 Quality Management System, ISO 14001 Environment Standards and OHSAS 18001 Occupational Health and safety standard.

12. I am happy to report that during the year 2011-12, Cochin Shipyard undertook an exercise of formulating a business plan for the company in the short, medium and long terms. The aim of the exercise was to draw up structured growth for the yard while ensuring that the company is able to tap all available opportunities to reduce and control risks in the long term. M/s E&Y were appointed as consultants for formulating the business plans and they submitted their reports in December 2011. Based on the business plan, the company has identified the following projects in the short and medium term to improve its growth prospects.

a) A new Dry Dock in the northern area of the estate to take up repairs to rigs and semi submersibles.

b) A new Shiprepair facility at the Cochin Port Trust area.

c) Fabrication of offshore structures.

13. The three projects have identified good prospects and present immense opportunities. The feasibility studies for implementation of these projects have been initiated.

14. The industrial climate in the yard during 2011-12 was harmonious barring a "strike" by the

subcontractors of the yard. 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 8, out of which three 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, Sustainable Development Committee and R&D Committee has been constituted to provide fillip to the CSR, sustainable development and R&D initiatives of the company.

15. CSL is committed to fulfill its obligation as a good corporate citizen. Towards this, the company has adopted number of environmental initiatives. This includes 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 ₹ 3.49 Crores.

16. Your Shipyard has weathered difficult times in the past with fortitude and emerged from it stronger. This wouldn't have been possible but for the support and encouragement from the Ministry of Shipping, Government of India and Government of Kerala and the Board of Directors. Their invaluable advice and guidance has helped the company face the various challenges and move ahead in all its endeavors and 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 Fortieth Annual General Meeting of the Members of Cochin Shipyard Limited will be held at 1430 hrs on Friday, 21 September 2012 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 2012, 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 2012.
3. To declare a dividend on 7% Non Cumulative Preference Shares for the Financial Year ended 31 March 2012.

By order of the Board of Directors

Place: Kochi
Date : 28 August 2012

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.