



PIPAVAV DEFENCE AND OFFSHORE ENGINEERING COMPANY LIMITED
ANNUAL REPORT 2012 - 2013



ASPIRE
ACHIEVE
ADVANCE

Pipavav Defence and Offshore Engineering Company Limited ("PDOC") journey is unique, unlike any other, originating from humble beginnings, reinforced with ambitious dreams.

A dream to ASPIRE

- » Become India's first integrated Defence Company with focus on Warship building.
- » Contribute towards Indian Government's policy of self-reliance in manufacture of strategic defence assets and emerge as an exporter of Warships.
- » Become a global maritime player in fabrication, repair and refurbishment of Offshore Oil & Gas Exploration and Production assets ("Offshore Assets") and Commercial Ship building.

While some may have doubted our aspirations, we diligently continued building firm foundations, with belief, faith and hard work.

The journey progressed and soon we started establishing milestones.

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Each milestone is
a testimony to our
determination to

ACHIEVE

- » The largest maritime infrastructure in India and one of the largest dry docks in the world.
- » Panamax vessels and Offshore Support Vessels delivered in the last 2 years.
- » Strategic alliances with leading defence solutions providers of the world.
- » 1st private sector company to receive the industrial license to build defence vessels and subsequently,
- » 1st private sector company post-independence to receive contract for construction of warships from the Indian Navy.

As we speed ahead powered by our achievements, we have the future clearly defined.

A future, as India's first
integrated defence
company, to further

ADVANCE

- » Manufacture of strategic assets like Aircraft carriers, destroyers, frigates and Landing Platform Docks (LPDs).
- » Largest dry docking capacity at a single location in the world, post completion of new dry dock.
- » Venture into producing military hardware for the Indian Army and the Indian Air Force.
- » Creation of a Warship Design House to put India on the global map of integrated warship building.



At PDOC, we continue to
ASPIRE ACHIEVE ADVANCE

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Highlights of 2012-13



**Delivered GOLDEN
BRILLIANT & GOLDEN
PEARL in 2013**

GOLDEN BRILLIANT
& GOLDEN PEARL,
Panamax bulk
carriers, delivered
to our international
customer.

**Delivered Offshore
Supply Vessels (OSVs)
to ONGC in 2013**

These are part of the
order of OSVs that the
Company has received
from ONGC.



Order from ONGC for “Sagar Laxmi” Modification Project

The Company received prestigious contract from ONGC for modification of its Mobile Offshore Production Unit (MOPU) “Sagar Laxmi”.

Key strategic alliance with SAAB AB, Sweden

SAAB AB, Sweden (“SAAB”) invested approx. ₹ 201 Crore in the Company. This is the first strategic investment made by a global defence major in an Indian company focusing on defence market. SAAB is a global leader in military hardware, meant for Army, Navy and Air force and will bring in advanced technology into India through the Company, which will immensely benefit India’s armed forces.

Alliance with Alion Science and Technology Corporation, USA (“Alion”)

The Company has entered into a contract with Alion, one of the premier naval ship design companies in the world, for Naval Offshore Patrol Vessels (“NOPVs”) project.

Joint Venture Company “Mazagon Dock Pipavav Defence Private Limited” formed in December 2012 - the first public-private partnership in the defence sector in India to build surface warships for the Indian Navy

Mazagon Dock Ltd. is India’s premier defence public sector undertaking accounting for more than 85% of naval vessels built in India and having an existing order book of more than ₹ 95,000 Crore.

Alliance with DCNS, France

The Company has a strategic partnership with DCNS, France, a world-renowned warship and submarine manufacturer for building assets for the Indian Navy such as the LPD project.

Construction of new Dry Dock

To execute anticipated Naval and Offshore Assets projects, construction of new dry dock is in progress. Upon completion of new dry dock, the Company will have one of the largest dry-docking capacities at a single location in the world.

PDOC firsts...

PDOC has been the first to challenge the status quo and dared to lead the change.

World class large commercial vessels could not be made in India.
It was PDOC that first aspired to make world-class large commercial vessels in India.

India did not possess large docks, in public or private sectors.
It was PDOC that first aspired to build the largest docks in India.

India had to rely on imports for its defence requirements.
It was PDOC that first aspired to make India self-reliant in its naval defence requirements.

India can not manufacture defence equipment for the global market.
It was PDOC that first aspired to envision India as a net exporter of warships and earn valuable foreign exchange.



Vision

To make the Company one of the best in the world in every aspect with focus on Defence, Offshore and Heavy Engineering in the coming decade and to humbly contribute towards India becoming net exporter of warships, oil and gas assets.

Mission

To create value and visibility for all stakeholders on a sustainable basis by leveraging PDOC's advanced capabilities to exploit global opportunities.

Business Strategy

The key elements of our strategy to achieve this vision are:

- » Create new capacities which will ensure that construction schedules have faster turn-around times and faster cash inflows into the Company;
- » Transform defence manufacturing into the core focus of our business;
- » Partner with well-known foreign defence companies;
- » Increase and deepen our capabilities for offshore engineering business activities; and
- » Enhance product quality and ensure customer satisfaction in order to gain additional market share.

Infrastructure Highlights

Two goliath
cranes
**1,200
MT**
Lifting Capacity

Facility
**Pipavav,
Rajula**

Project Land
**491.62
Acres**

Steel
fabrication
unit
**1,44,000
MTPA**

New Dry
Dock being
constructed

Existing Dry
Dock
**662m x
65m**



India's largest dry dock capable of building vessels upto 4,00,000 DWT.

World class, modular shipbuilding and very large fabrication facility having closed working sheds of 2.1 million square feet.

1,44,000 Metric Tonnes per annum steel fabrication facility.

Two Goliath cranes capable of lifting mega ship blocks weighing upto 1,200 Metric Tonnes.

New dry dock under construction, capable of building several large strategic naval assets and large Offshore Assets simultaneously.

Achieve world class ship building

Achieve commercial success

Major contracts and orders won...

- » Contract for 5 NOPVs worth ₹ 2,974.58 Crore from the Indian Navy in 2011.
- » Selected by Mazagon Dock Limited as the Joint Venture partner in 2012 to build surface warships.
- » Prestigious contract worth approx. ₹ 400 Crore from ONGC inter alia for modification of MOPU Sagar Laxmi.

...and delivered

- » Panamax vessels
- » Offshore Support Vessels (OSVs)
- » Refurbished Oil Rigs

Mr. Bhavesh Gandhi, Executive Vice-Chairman, Pipavav Defence and Offshore Engineering Company Ltd. and Rear Admiral (Retd.) R. K. Shrawat, AVSM, Chairman & Managing Director, Mazagon Dock Ltd., exchanging documents on signing the landmark agreement to build surface warships for the Indian Navy.



ADVANCE to the fore...

PDOC is advancing to the fore as a leading integrated defence player strengthening India's defence capabilities.

Advance - Defence

Between 2012 and 2022, an estimated US\$ 90 billion will be spent by the Indian Navy for warships and strategic acquisitions.

Between 2012 and 2017, the Indian defence offset opportunity is estimated to be worth US\$ 22 billion.

Defence Procurement Procedure 2013 aimed at giving boost to indigenisation of defence equipment through preference for 'Buy (Indian)', 'Buy and Make (Indian)' category.

Advance - Offshore Assets

Oil exploration activities increasing rapidly with demand going up to between US\$ 20-25 billion for facilities like rigs, platforms, drill ships and floating production storage platforms over the next 5-7 years.

Advance - Ship Repairs

India's strategic location on the international trade route makes it an ideal ship-repair destination.

Advance - 10 years Advantage

The infrastructure that PDOC has built in a short span of time has placed it at least 10 years ahead of any new player venturing in this space.