

Western India Shipyard Ltd.

(An ABG GROUP COMPANY)

19th ANNUAL REPORT 2010-2011



ABAN - III

INDIA'S LARGEST COMPOSITE SHIPREPAIR FACILITY

AN ISO 9001:2008 COMPANY



Board of Directors	:	Shri. R. S. Nakra Shri. Ashwani Kumar Shri. Ashok R. Chitnis Shri. T. Asokraj (Nominee of ICICI Bank Ltd) Cdr. S. K. Mutreja (Retd) Whole Time Director & Chief Executive Officer
Company Secretary	:	Shri. J. C. F. Sequeira
Statutory Auditors	:	M/s. V. V. Kale & Co, Chartered Accountants
Financial Institutions & Banks	:	ICICI Bank Limited IFCI Limited HDFC Bank Limited Oriental Bank of Commerce Federal Bank Limited Syndicate Bank
Regd. Office & Shipyard	:	P. B. No. 21, Mormugao Harbour, Mormugao, Goa – 403 803 Phone: 0091 832 2520252–57 Fax: 0091 832 2520258. E-mail: investors@wisl.co.in Website: www.wisl.co.in
Registrars	:	Link Intime India Pvt. Ltd. C – 13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400 072. Tel: 91 22 25946970 Fax: 91 22 25946969 Email: mt.helpdesk@linkintime.co.in

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NOTICE

The 19th Annual General Meeting of the members of Western India Shipyard Limited will be held at the Registered Office & Shiprepair Yard at P.B. No. 21, Mormugao Harbour, Mormugao, Goa - 403 803, on the **Friday, 23rd day of September, 2011 at 11.00 a.m.** to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Profit and Loss Account for the financial year ended 31st March 2011 and the Balance Sheet as at that date together with the Reports of the Directors and Auditors.
2. To appoint a Director in place of Shri Ashwani Kumar, who retires by rotation and being eligible, offers himself for re-appointment.
3. To consider and if thought fit to pass, with or without modification(s), the following resolutions as an Ordinary Resolution:

“RESOLVED that pursuant to Sections 224 and other applicable provisions of the Companies Act 1956, M/s. V. V. Kale & Co, Chartered Accountants from whom the necessary consent letter has been received u/s. 224(1-B) of the said Act, be and is hereby re-appointed as the Statutory Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General meeting of the Company with statutory audit fees of Rs. 6,00,000/- plus service tax and out of pocket expenses on actual basis in connection with the audit of the Company for the year ended March 31, 2012.”

SPECIAL BUSINESS :

4. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED that Shri Ram Swaroop Nakra, who was appointed as an Additional Director of the Company by the Board of Directors of the Company and who holds office upto the date of the ensuing Annual General meeting and who is eligible for appointment as a director, and in respect of whom the Company has received a notice in writing under section 257 of the Companies Act, 1956 proposing his candidature for the office of director, be and is hereby appointed as a Director of the Company liable to retire by rotation.”

5. To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

“RESOLVED that pursuant to Sections 267, 268, 269, 309, 311, Schedule XIII and other applicable provisions of the Companies Act, 1956, and subject to the approval of Central Government, as may be required, the consent of the members in general meeting be and is hereby granted for the increase in the remuneration of Cdr. Subhash Kumar Mutreja (Retd), Whole Time Director & Chief Executive Officer of the Company to an Annual Remuneration of Rs. 63,00,600/- (Cost to Company) or Rs. 5,25,050/- per month, w.e.f. 17.07.2010, payable as under:



1. Salary: Rs. 1,80,000/- per month.
2. House Rent Allowance: The Whole Time Director & CEO shall be entitled to perquisites including rent-free furnished accommodation or house rent allowance of 60% of basic salary. He shall also be entitled to Additional HRA/House Upkeep Re-imbursement of Rs. 22,000/- per month (on actuals upto a limit of Rs. 25,000/- p.m.)
3. Ex-gratia: Rs. 22,500/- per month.
4. Cafeteria reimbursement upto a limit of Rs. 1,44,200/- per month (at actuals).
5. Perquisites:
 - (i) Gas, electricity, water, furnishings, medical reimbursements and leave travel concessions for self and family, club fees, medical and personal accident insurance, etc. in accordance with the rules of the Company. The perquisites shall be computed as per the Income Tax Rules as applicable.
 - (ii) The Whole Time Director & CEO shall be entitled to Company's contribution to Provident Fund upto tax exempt limit, benefits of Gratuity, earned leave and encashment of earned leave at the end of the tenure and long service awards, as per the rules of the Company and these shall not be included in the computation of perquisites.
 - (iii) Car for use on Company's business, telephone and other communication facilities at residence will not be considered as perquisites.
 - (iv) The total value of the perquisites shall not exceed Rs. 45,650/- per month.
6. The Company shall reimburse to the Whole Time Director & CEO the traveling and entertainment expenses, and other expenses incurred by him for the business of the Company.
7. The Whole Time Director & CEO, so long as he functions as such, shall not be paid any sitting fees for attending meetings of the Board of Directors or committee thereof.
8. The Company shall have right to terminate the agreement with one (1) month's notice or pay in lieu thereof.
9. In the event of loss or inadequacy of profits in any financial year, the remuneration by way of salary and perquisites payable to the Whole Time Director & CEO shall not exceed the limits fixed under the provisions of the Companies Act, 1956.

Resolved further that pursuant to Section 269 (2) read with Part III of Schedule XIII of the Act, the necessary return be filed with the Registrar of the Companies."

By the Order of the Board
For Western India Shipyard Limited

Sd/-

J. C. F. Sequeira
V. P. (Corp. Affairs)
& Company Secretary

Date: 10.08.2011
Place: Mormugao, Goa

EXPLANATORY STATEMENT

The Explanatory Statement u/s. 173 (2) of the Companies Act, 1956 for item Nos. 4 & 5 of the Notice are as under:

Item No. 4: Appointment of Shri R. S. Nakra as Director

Shri. Ram S. Nakra is the Managing Director of ABG Shipyard Limited, the Holding Company. He was appointed as Additional Director of the Company w.e.f. 10th February, 2011. He will retire at the ensuing Annual General Meeting of the Company. Your Company has received a notice from a member under Sec. 257 of the Companies Act, 1956 signifying his intention to propose the appointment of Shri. R. S. Nakra as Director of the Company. Considering his skills as a naval architect & vast experience in the Maritime Industry, your Directors recommend his appointment.

Item No. 5: Increase in the managerial remuneration of Cdr. S. K. Mutreja, Whole Time Director & CEO

The Shareholders of the Company had approved the managerial remuneration of Rs. 3,55,850/- per month plus other perquisites to Cdr. Subhash Kumar Mutreja, Whole Time Director and Chief Executive Officer of the Company for a term of three (3) years. The Ministry of Corporate Affairs, Government of India has approved the payment of remuneration to Cdr. S. K. Mutreja, upto Rs. 42,70,200/- per annum plus usual perks w.e.f. 17.07.2010 vide letter dated 28.03.2011.

On the recommendation of the Remuneration & Compensation Committee, the Board has approved the increase in his annual remuneration (CTC) to Rs. 63,00,600/- per annum, w.e.f. 17.07.2010, at the Board meeting on 09.08.2011, subject to the approval of the shareholders and the Central Government, if necessary, as per the provisions of the Companies Act, 1956.

Cdr. Mutreja is entrusted with the day to day operations and management of the Company under the superintendence & control of the Board. He has over 43 years of experience in the Indian Navy and in the Shipbuilding, Rig repair and Shiprepair Industry in the public and private sectors in India. The General information on the Company is as under:

1. **Nature of the Ship Repair Industry:** The Ship Repair Industry caters to the Shipping Industry consisting of Indian and foreign vessels such as passenger vessels, cargo and product carriers and tankers, and vessels from the Indian Navy, Coast Guard, Port craft, Dredgers, Offshore Support vessels and Oil Rigs which require periodical dry docking and wet repairs at its dry docking and wet repair facilities at Mormugao Harbour, Goa.
2. **Financial Performance:** The Company is engaged in the business of shiprepairs since 01.01.1996 at Mormugao Port, Goa, on the west coast of India. Your Company has repaired over 500 vessels of all types and 10 deep water Oil Rigs at its facilities. Your Company earns and saves valuable foreign exchange for the Country details of which appear in the Notes to the Accounts. The financial performances of your Company over last 3 years, is as under:

<u>FY Year</u>	<u>Turnover</u> <u>(Rs. In crore)</u>	<u>Net Profit/ (loss)</u> <u>(Rs. In crore)</u>
2008-09	75	(21)
2009-10	77	1
2010-11	114	16

3. Cdr. S. K. Mutreja (I.N Retd.) was born on 24.09.46 at Muzafargarh (Punjab). He served in the Indian Navy and at the time of leaving service held the post of Commander (I. N.). Cdr. Mutreja joined WISL as Whole Time Director and CEO on 17.07.2007. He is a B.E (Mech) and has undergone extensive courses in ISO 9000 quality systems, Shipyard Management, Production Planning and Control. He is 63 years with more than 42 years of experience in the Indian Navy and 22 years in the public and private sector with Goa Shipyard Limited. His last employment was in ABG Shipyard Limited. His focus is on new business development of the Company. His previous remuneration for FY 2010-11 was Rs. 40.26 lacs for FY.
4. The remuneration of Cdr. Mutreja is comparable to other shipyards in the private and public sector considering the nature, size and business of the Company, his expertise and position in the Company. He has no pecuniary relationship directly or indirectly other than his remuneration. He is not entitled to sitting fees for attending meetings of the Board /Committees.
5. The Company has achieved its highest sales turnover of Rs. 113.66 crore for FY 2010-11 (growth of 48%) and net profit after tax of Rs. 15.34 crore (growth of 1500%) as compared to FY 2009-10.

The Board recommends the special resolution for increase in the managerial remuneration payable to Cdr. S. K. Mutreja, Whole time Director & CEO of the Company as set out in the notice.

Except Cdr. S. K. Mutreja, no other Director of the Company is in any way concerned or interested in the said resolution. A copy of the resolutions passed by the Remuneration & Compensation Committee and the Board and other material documents, are open for inspection of the members at the Registered Office of the Company on all working days during working hours upto the date of the meeting.

By the Order of the Board
For Western India Shipyard Limited

Sd/-

J. C. F. Sequeira
V. P. (Corp. Affairs)
& Company Secretary

Date:10.08.2011
Place: Mormugao, Goa

Notes:

1. The Explanatory Statement pursuant to section 173(2) of the Companies Act, 1956 in respect of Item 4 & 5 set out in the notice and details of directors proposed to be appointed/re-appointed at the AGM in terms of clause 49 of the Listing Agreement with the Stock Exchanges, is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF. SUCH A PROXY NEED NOT BE A MEMBER OF THE COMPANY. PROXIES, IN ORDER TO BE VALID AND EFFECTIVE, MUST BE DELIVERED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE MEETING COMMENCES.
3. Corporate members who intend to attend the meeting, are requested to send a certified true copy of the Board resolution authorizing their representative to attend and vote at the meeting on their behalf.
4. The Register of Members and Share Transfer Books of the Company will remain closed from **15.09.2011 to 23.09.2011** (both days inclusive) to enable the Company's records to be updated for sending the notices of the AGM to their registered addresses.
5. Members holding shares in physical form are requested to send their change of address, to the Company.
6. Members are requested to note that the Company's equity shares are under compulsory demat trading subject to the provisions of SEBI Circular No. 21/99 dated 08.07.1999. The members are requested to dematerialize their shares to avoid inconvenience.

7. Members are requested to avail of the nomination facility under sec. 109A of the Companies Act, 1956.
8. The Company's Annual Report circulated to the members of the Company will be made available on the Company's website at www.wisl.co.in.
9. Members holding shares in dematerialized form, are requested to inform their change of address, nomination, bank mandate, PAN number and email details to their respective Depository Participant (DP) and not to the Company.
10. Pursuant to clause 49 of the Listing Agreement with BSE, the information about the directors proposed to be re-appointed at the AGM is given in the annexure to the notice.
11. The Company has implemented the "Green Initiative in Corporate Governance" as per Circular No. 18/2011 dated: 29.4.2011 issued by the Ministry of Corporate Affairs, to permit electronic delivery of notices /documents and annual reports to shareholders. Hence, members holding demat accounts are requested to inform their email addresses to their Depository Participants (DPs). In case of physical holding, e-mail addresses may be sent to the Company.
12. All documents referred to in the Notice and the Explanatory Statement will be available for inspection at the Registered Office of the Company on all working days between 10.00 am to 12.00 pm upto the date of the meeting.

ANNEXURE

Details of Directors seeking appointment/re-appointment in the 19th Annual General Meeting pursuant to Clause 49 (G) (I) of the BSE Listing Agreement:

Name of Director	Ashwani Kumar	Ram Swaroop Nakra
Date of Birth	15.08.1948	07.06.1938
Date of Appt./Re-appt.as Director	28.05.2010	10.02.2011
Qualification	Post Graduate in Political Science from Allahabad University.	B. Tech (Hons.) I.I.T(Kharagpur)
Experience & Expertise in Specific functional area	35 years of experience with Indian Revenue Service. Retired as Chief Commissioner of Income Tax.	Shri. R. S. Nakra is a naval architect with over 45 years of experience in designing & building large ships and floating craft. He is closely associated with the development of Shipbuilding Industry in India. He is the Managing Director of ABG Shipyard Ltd.
Directorships held in other Companies	2	1
Committee positions held in other Companies	1	-
No. of Shares held in WISL	NIL	10,000



WISL Milestones

01.05.1992	Western India Shipyard Limited (WISL) was incorporated as a public limited Company for ship repair, ship building and ship breaking.
30.06.1992	WISL obtained the Certificate for Commencement of Business.
05.03.1993	License agreement for shiprepair and shipbuilding facility signed with Mormugao Port Trust for 25 years.
12.11.1993	WISL obtains Ship Repair Unit registration certificate from D. G. Shipping.
28.08.1995	Company has its IPO of Rs. 70.70 crore.
25.12.1995	WISL is formally inaugurated.
01.01.1996	WISL commences commercial operations with its first dry docking of vessel M. V. Maratha Convoy (3108 DWT).
07.01.1997	WISL is registered as a Factory under the Factories Act, 1948.
05.01.1999	The IRQS grants the Quality Certificate ISO 9002:1994 for Ship Repairs.
30.11.2000	WISL executes its first ONGC Jack Up Oil Rig JURSagarJyoti.
13.04.2002	IRQS upgrades the Quality Certificate ISO 9001:2000 for Ship Repairs.
18.04.2002	BVQI grants the Quality Certificate ISO 9001:2000 for Ship Repairs.
23.06.2006	The High Court of Bombay at Goa sanctions the Scheme of Arrangement with the holders of 846,100 -12% secured redeemable non-convertible debentures and the dues are settled.
29.06.2007	WISL received the order of the High Court of Bombay at Goa sanctioning the Reduction of Equity Share Capital from Rs. 108.54 crore to Rs. 21.71 crore by reduction of face value from Rs. 10/- each to Rs. Rs. 2/- each.
12.09.2007	The Company's Board approves a Scheme of arrangement and Compromise with the secured lenders with ABG Shipyard Limited as confirming Party.

01.04.2008	BVQI extends the Quality Certificate ISO 9001: 2000 to 'Repair, Maintenance, Refurbishment of Ships & Rigs'.
15.01.2010/ 22.01.2010	The High Court of Bombay at Goa sanctions by order the Scheme of Arrangement and Compromise with the secured lenders with ABG Shipyard Limited as confirming Party and same is filed with the ROC at Goa on 28.01.2010 and the dues are settled.
06.05.2010	BVQI upgrades the Quality Certificate ISO 9001:2008 for Repair, Maintenance, Refurbishment of Ships & Rigs.
09.10.2010	The Company receives its largest order from Indian Navy for repair of INS Sujata
31.03.2011	The Company crosses Rs. 100 crore with Sales Turnover of Rs. 111.41 crore and Net Profit after Tax of Rs. 16.46 crore.
29.04.2011	The Company receives its largest Oil Rig repair order (No. 10) namely, Aban III.
17.08.2011	The Company completes its 519 th vessel M. V. Maratha Deep.



DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting their 19th Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended March 31, 2011.

1. Financial highlights

Particulars	31.03.2011 (₹ In Lacs)	31.03.2010 (₹ In Lacs)
Sales and other Income	11366.07	7651.39
Profit before Interest, Depreciation & Tax	3908.75	1833.47
Less: Interest	1183.97	625.56
Profit before Depreciation & Tax	2724.78	1207.91
Less: Depreciation	1078.45	1069.83
Profit before Tax	1646.34	138.07
Less: Provision for Taxation	-	-
Net Profit after tax	1646.34	138.07
Prior period expenses	111.86	320.03
Extraordinary items (income)	-	5160.22
Net Profit for the year	1534.48	4978.26

2. Operations

Your Directors are pleased to report that your Company achieved a significant milestone with highest ever Shiprepair revenue of ₹11,366.07 lacs as against ₹ 7,651.39 lacs in the previous year, an increase of 48.55%. Your Company made cash profit of ₹ 3,908.75 lacs for the year an increase of 113.19% as against ₹1,833.47 lacs of the previous year. The net profit after tax for the year is ₹1,646.34 lacs, an increase of 1092.40% as compared to ₹138.07 lacs of the previous year. The net profit after prior period adjustments & extraordinary items is ₹1534.48 lacs.

During the year, your Company became a subsidiary of ABG Shipyard Limited, one of the biggest shipyards in the private sector in India, on acquisition of major shareholding in the Company. As an ABG group company, your Company is assured of continuous ship repair technology, flow of repair orders, marketing & financial support for achieving higher revenue and profitability. Your Company has repaired 39 vessels upto max. 34000 DWT. Your Company is executing two major repair order namely, repair of INS SUJATA of the Indian Navy and ABAN III, a deep water Oil Rig of Aban Lloyd Offshore Ltd. The Company has a healthy order book position of ₹4081.76 lacs as on 31.03.2011. Your Company has operated in the Shiprepair segment only until its ship building facility commences operations.

Your Company has taken a number of significant measures during the year to achieve higher growth and profitability such as preventive maintenance and repair of vital infrastructure like the Floating Dry dock, portal rail cranes and heavy workshop equipment to about 95% operating capacity; capital expenditure for modernization; planning and monitoring of operations; strategic alliances with specialist contractors for Shiprepairs and Rig Repairs. Your Company's Quality Certificate has been upgraded to ISO 9001:2008 which will enable your Company to attract more foreign Ship Owners. Your Company is the only dedicated shipyard in India for composite industrial shiprepair activities and is well placed geographically on the west coast close to the major shipping lanes and Bombay High which is seeing expansion in Oil Exploration.