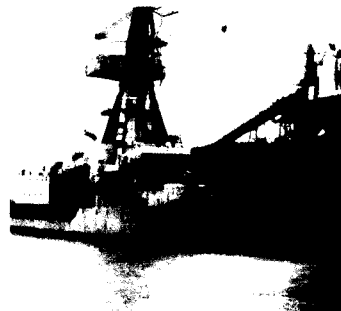
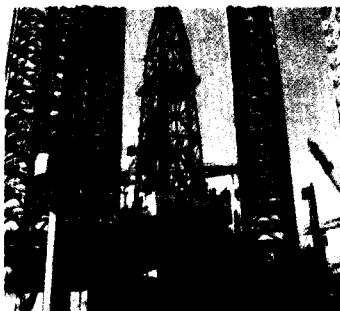
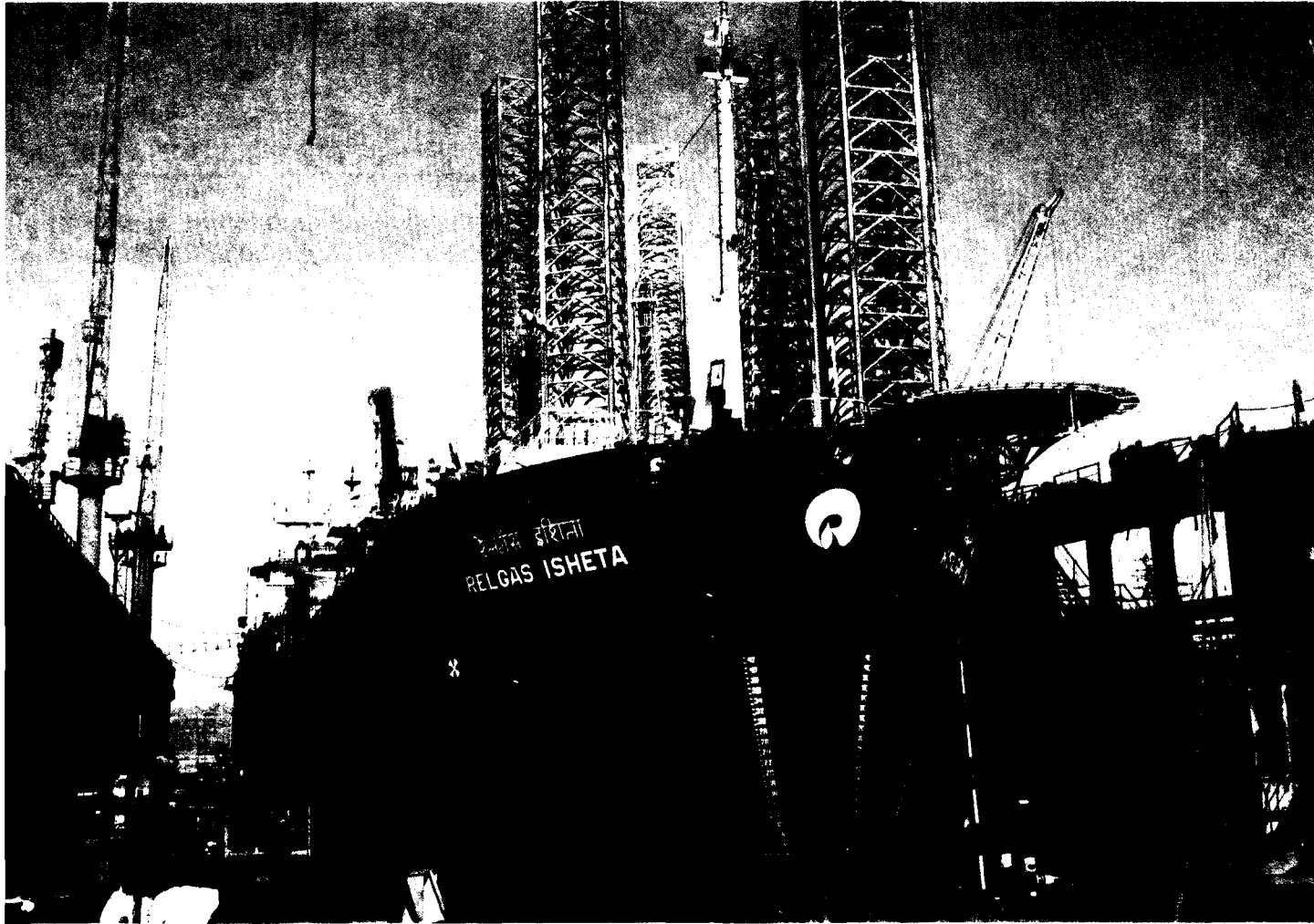


Western India Shipyard Ltd.

(ABG GROUP COMPANY)

20TH ANNUAL REPORT 2011-2012



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 (upto 10.11.2011)
Nominee, ICICI Bank Limited

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
16A/20, W.E.A., Main Azmal Khan Road,
Karol Bagh, New Delhi 110 005.

Financial Institutions & Banks

ICICI Bank Limited
IFCI Limited

Regd. Office & Shipyard

P. B. No. 21,
Mormugao Harbour,
Mormugao, Goa 403 803
Phone: 91 832 2520252-57.
Fax: 91 832 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

Notice is hereby given that the 20th Annual General Meeting (AGM) of the members of Western India Shipyard Limited will be held at the Registered Office & Ship repair Yard at P.B. No. 21, Mormugao Harbour, Mormugao, Goa - 403 803, on **Saturday, the 15th day of September, 2012** at 11.00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited Balance Sheet as at 31st March, 2012 and the Profit and Loss Account for the year ended on that date together with the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri. Ashok Chitnis, 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, 2013."

By the Order of the Board
For Western India Shipyard Limited
Sd/-
J. C. F. Sequeira
V. P. (Corp. Affairs)
& Company Secretary

Date: 25th May, 2012
Place: Mumbai

Notes:

1. 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.
2. The Register of Members and Share Transfer Books of the Company will remain closed from **04.09.2012** to **15.09.2012** (both days inclusive) to enable the Company to ascertain the members eligible to attend and vote at the ensuing AGM.
3. The details of directors proposed to be re-appointed at the AGM in terms of clause 49 of the Listing Agreement with the Stock Exchanges, is annexed hereto.
4. The members holding demat accounts are requested to inform their email addresses to their Depository Participants (DPs) as 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, permitting the electronic delivery of notices/ annual reports and documents to shareholders. In case of physical holding, e-mail addresses may be sent to the Company quoting folio number.
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. 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.
8. Members are requested to avail of the nomination facility u/ sec. 109A of the Companies Act, 1956.
9. 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.

ANNEXURE

Details of Directors seeking appointment/re-appointment in the 20th Annual General Meeting pursuant to Clause 49 (G) (I) of the Listing Agreement with Stock Exchanges:

Name of Director	Ashok R. Chitnis
Date of Birth	15.02.1943
Date of Appt./Re-appt.as Director	28.05.2010
Qualification	B.E, Marine Engg. First Class Competency Cert. from Ministry of Transport, GOI. Qualified Lead Auditor for QMS Audits & ISO 9000 standards.
Experience & Expertise in Specific functional area	11 years with Scindia Steam Navigation Co. Ltd and retired as Chief Engineer. 27 years with Indian Register of Shipping and retired as Chief Surveyor. Vast experience in ISO 9000 and QMS Certification.
Directorships held in other Companies	2
Committee positions held in other Companies	1
No. of Shares held in WISL	NIL

DIRECTORS' REPORT

Dear Members,

Your Directors have great pleasure in presenting their 20th Annual Report on the business and operations of your Company together with the Audited Accounts for the year ended March 31, 2012.

1. Financial highlights

Particulars	31.03.2012 (₹ In Lacs)	31.03.2011 (₹ In Lacs)
Revenue from operations (*)	8968.66	9471.73
Profit before Finance Cost, Depreciation & Tax	3133.39	3908.76
Less: Finance cost	1113.20	1183.97
Profit before Depreciation & Tax	2020.19	2724.78
Less: Depreciation	1046.76	1078.45
Profit before Tax	973.43	1646.34
Less: Provision for Taxation		
Current Tax - MAT Liability	258.66	19.58
MAT Credit entitlement	(252.00)	(19.58)
Net Profit after tax	966.77	1646.34
Prior period expenses	(255.65)	111.86
Extraordinary items (income)	-	-
Net Profit for the year	1222.42	1534.48

* These figures have been regrouped/rearranged/reclassified as per the revised Schedule VI of the Companies Act, 1956 issued by the Ministry of Corporate Affairs, Government of India.

2. Operations

Your Directors are pleased to report that your Company achieved a repair revenue of Rs. 8968.66 lacs as against Rs. 9471.73 lacs in the previous year, a decrease of 5.31%. The net profit after tax for the year decreased from Rs. 1534.48 lacs in the previous year to Rs. 1222.42 lacs for the current year (22.33 %). Your Company has repaired 19 vessels including 4 deep water Jack Up Oil Rigs.

Your Company's composite facilities were wholly dedicated during the year to shiprepairs and Rig repairs in view of the large jobs received. Your Board places on record its sincere thanks to ABG Shipyard Limited for the continuous technical, marketing and financial support extended during the year, which has resulted in improved performance.

3. Dividend

Your Board is unable to recommend any dividend to the shareholders in view of the accumulated losses and expansion and modernisation plans.

4. Outlook for developments of Port Sector, Shipping, Ship Building and Shiprepairs

Global Shipping: There was a global slowdown in the Shipping Industry from 2008 to 2012 which is evident from the sliding Baltic Dry Index (BDI), a leading indicator of global economic shipping activity showing the daily



weighted average of prices for shipping bulk dry cargo such as iron ore, coal, and grains. The BDI moved downward from USD 1320 in mid-May, 2011 to USD 934 on 30.03.2012.

Global Ship Repair: Currently, shiprepair is primarily undertaken in Dubai dry docks, Singapore, Bahrain and Colombo dockyards. The Global Shiprepair market is estimated to be worth US \$ 10 billion to US \$ 12 billion, with Singapore's share of 20%. India has only a share of about US \$100 million

The Global Shipbuilding and Ship repair Industry is growing at a compounded annual growth rate (CAGR) of about 24 per cent and is likely to reach Rs. 14 lakh crore by 2015 owing to rising global sea borne trade. Against this, the Indian Shipbuilding and Ship repair Industry is growing at a CAGR of about 8 per cent and is likely to reach Rs. 9,200 crore from the current level of just over Rs. 7,310 crore. The overall cargo traffic at major ports in India is growing at a compounded annual growth rate (CAGR) of about 20 per cent. The cargo traffic is about 600 mn tonnes in April-March 2012 and is likely to reach 1,230 mn tonnes by 2015 and 3,000 mn tonnes by 2020 (ASSOCHAM Study Report).

The Maritime Agenda 2010-20, was released by the Ministry of Shipping, in January, 2011 which will have a significant long term impact on the Indian Maritime Industry. The Agenda proposes an investment of Rs. 1,65,000 crore in the Shipping Sector by the year 2020 to increase the share of Indian shipping in the EXIM trade in terms of tonnage under the Indian flag to enable India to increase its share in global Ship building from 1% at present to 5%.

Port sector: The Maritime Agenda inter-alia proposes a total investments in major and non-major ports of about Rs. 2,87,000 crores by 2020 with the objectives of bringing Indian ports on par with the best international ports in terms of performance and capacity; creation of Port capacity of around 3200 mn tonnes to handle the expected traffic of about 2500 mn tonnes by 2020. The agenda also seeks to promote a new Coastal Shipping policy for coastal shipping as an alternate to the road transport. The Agenda also seeks to improve the facilities for the 12 major ports and 187 minor ports in India, especially through massive investment through the PPP route to ensure higher growth in sea bourn traffic at ports. The agenda seeks to increase the drafts in major ports to not less than 14 metres to cater to the larger vessels; introduction of a new shipbuilding subsidy scheme & grant them the Infrastructure Industry status.

The Indian Shipping Industry continues to be the world's most efficient and cheapest means of transportation along 7517 km of coastline spread over the east and west coast. About 95% of India's trade by volume and 70% by value is transported through by sea routes. Iron ore traffic through Indian ports were severely affected during the year under review, with 28.6% drop in cargo following the Supreme Court ban on iron ore mining in Karnataka on the detection of a number of cases of illegal mining. Traffic through Mormugao Port fell by about 20%. However, this did not affect your Company.

The Indian Shiprepair Industry gets business mainly from the Indian Shipping Industry, which owns about 50% of ships older than 17 years. There are 35 SRUs registered with the Director General of Shipping, Government of India offering shiprepair and maintenance services to vessels and oil rigs along the east and west coast. In view of the huge potential of the Shiprepair Industry, the Central Government continues to grant incentives and concessions like exemptions from customs duty, central excise and service tax to the Shiprepair Industry. (Source: Exim Bank Report on Indian Shipping Industry: A catalyst for growth).

5. Directors

Shri. Ashok R. Chitnis retires by rotation at the ensuing AGM and being eligible, offers himself for re-appointment. The Board recommends his re-appointment. During the year, ICICI Bank withdrew its nominee director Shri. T. Asokraj, from the Board. The Board places on record its appreciation for the services rendered by Shri. Asokraj during his tenure on the Board and Committees of the Board.

6. Directors' Responsibility Statement

As required by sub-sec. 217 (2AA) of the Companies Act, 1956 your Directors state:

- (a) that in the preparation of the annual accounts for the year ended 31st March 2012, the applicable accounting standards have been followed alongwith proper explanation relating to material departures;

- (b) that the directors have selected such accounting policies in consultation with the statutory auditors, applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) that the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding assets of the company, and for preventing and detecting fraud and other irregularities;
- (d) that the annual accounts have been prepared on a going concern basis.

7. Auditors

M/s. V. V. Kale & Co., Chartered Accountants, the Statutory Auditors of the Company hold office upto the conclusion of the ensuing Annual General Meeting. The auditors consent u/s. 224 (1B) of the Companies Act, 1956 has been received for their re-appointment. The Board recommends the re-appointment and remuneration as set out in the notice.

8. Deposits

The Company has not accepted deposits from the public and therefore the provisions of Section 58A of the Companies Act, 1956 are not applicable to the Company.

9. Statutory Disclosures

- (a) The information relating to the conservation of energy, technology absorption and foreign exchange earnings and outgo, as required under Section 217 (1) (e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 is given in Annexure 'A' to this report.
- (b) The Corporate Governance Report, in terms of Clause 49 of the Listing Agreement with the Stock Exchange, is given in Annexure 'B'
- (c) The Management Discussion and Analysis Report in terms of Clause 49 of the Listing Agreement with the Stock Exchange, is given in Annexure 'C'.
- (d) The information relating to employees of the Company who are in receipt of remuneration of more than ₹ 60 lacs per annum or more than ₹ 5 lacs for part of the year, as required under sub-sec. (2A) of Sec. 217 of the Companies Act, 1956 & the Companies (Particulars of Employees) Rules, 1975 as amended, is furnished at Annexure 'D'.

10. Industrial relations

The Company has signed a wage settlement with the workers' union covering the period from 01.10.2009 to 30.09.2013. The Company introduced a Voluntary Retirement Scheme for its employees for rationalization of its workforce and cost control. The Company enjoyed cordial industrial relations at its shipyard during the year.

11. Corporate Social Responsibility ('CSR')

(a) Environmental Protection, Health and Safety

Your Company has concern for the environment and ensures compliance with all the environment protection and pollution control laws applicable. Your Company also views the health and safety of employees at its shipyard as very important and has issued safety booklets, conducted safety training programs and ensures supervision at all levels as per the Factories Act, 1948 and rules made thereunder. First-aid training is also regularly conducted by experienced personnel for its staff. Your Company places importance on maintaining hygiene at the work place with regular medical examinations of employees. Your Company has covered its employees under the Company's mediclaim insurance scheme for cashless treatment at local hospitals.

Your Management has prepared a calendar of actions towards its commitment to Corporate Social



Responsibility to encourage its employees at all levels to participate in schemes directed at health and welfare of small local communities. The following CSR Programs were implemented during the year:

- (a) World Population day was held on 14.07.2011.
- (b) World Cancer day was held on 04.02.2012.
- (c) Pest Control & Eradication program held on 15.03.2012, 18.03.2012 and 13.04.2012.
- (d) Safety Audit conducted on Occupational Health, Welfare & Safety.
- (e) National Fire Week was held from 14.04.2012 to 20.04.2012 with display of live fire drill & fire-fighting equipment.
- (f) Legal Literacy camp for workers was held on 11.05.2012 on labour laws and Consumer Protection Act.
- (g) Women's Health day was held on 28.05.2012.
- (h) No Tobacco day was observed on 31.05.2012.

12. Acknowledgements

Your Directors place on record their sincere appreciation for the assistance and co-operation received from the Central Government, especially the Ministry of Shipping; Mormugao Port Trust, Government of Goa, bankers, vendors, classification societies & other stakeholders whose continued support has enabled the Company to achieve higher goals. Your Directors appreciate and value the contributions made by the employees of the Company & also thank the investors for reposing faith in the Company.

Place: Mumbai
Date: 25th May, 2012

For & on behalf of the Board of Directors
Sd/-
Cdr. S. K. Mutreja (Retd.)
Whole Time Director
& Chief Executive Officer

ANNEXURE 'A' TO THE DIRECTORS' REPORT:

Information pursuant to Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A) Conservation of Energy:

- (a) Energy conservation measures continued during the year :
- Constant monitoring energy efficiency at Power Load Factor of 0.90.
 - Electronic ballasts for lighting systems.
 - Generating air pressures only when needed by installation of constant pressure systems on compressors, mainly in blasting and painting facilities.
 - Minimized idle running of equipment like gensets, pumps, lights and machinery.
 - Using MIG welding machines/process and energy savers /inverters in place of rectifiers to reduce power consumption and improve welding quality.
 - Conduct of regular awareness programs among employees.
 - Replacement of central AC plant with Room AC's reducing power consumption.
- (b) Additional investments and proposals for reduction of consumption of energy:
- Replacing power factor control panels with automatic power factor control panels
 - Replacement of street lights by energy efficient street lights
 - Installation of energy efficient Variable Frequency drive (VFD) on air compressors, and pumps to reduce energy consumption.
 - Proposal to install solar lighting in the shipyard to reduce power consumption.
- (c) Impact of above measures for reduction of energy consumption & consequent impact on the cost of production of goods.
- The energy conservation measures have resulted in about 30% savings in power consumption.

B) Technology Absorption

1. Research and Development (R & D) :

Specific areas in which R & D carried out by the Company

- Building of 'Jack up barge' for PMC Projects P. Ltd and development of critical processes and technology for the hull fabrication, piping, engineering, electrical, crew accommodation, fitting of jack up legs, etc.
- Fabrication of tools, typical jigs and fixtures during shiprepairs to ensure faster redelivery and improved quality.
- Development of indigenous Cofferdam technology for repair of FDD/ship side shell without dry docking.
- Use of High lift facilities introduced for safe working during Oil Rig Repairs.

2. Benefits derived as a result of above R & D:

- Cost reductions / better utilization of material and energy.
- Import substitutions.
- Improvement in Quality and Customer Service, including Customer satisfaction.
- Faster delivery and turnaround time for vessels.



- Minimizing environment pollution.
 - Improvement in productivity, system standardization and process upgradation.
3. Future Plan of Action
- Improvement of systems and shiprepair /Rig repair methodology.
 - Introduction of new products and processes for better results.
 - Improving interaction with Research Agencies involved with Shiprepair and Rig repair technology.
4. Expenditure on R & D

The Company proposes to incur capital expenditure on SAP integrated software covering areas of production and manpower planning, co-ordination, commercial costing, personnel, inventory and Accounts Management using customized software, as a strategic part of its business.

Technology Absorption, Adaptation and Innovation :

1. Efforts in brief made towards Technology Absorption, adaptation & innovation :
- Use of trained and experienced personnel from technical institutions/ shipbuilding institutions, for keeping them abreast with the changing technologies and methodology of Ship repair and ship building.
 - Imparting Training to Direct / Indirect / Contractor Staff employed for ship repairs.
 - Technology absorption through interaction with classification societies, experts.
 - Feedback Analysis from customers.
2. **Benefits derived as a result of the above efforts**
- Eg. Product improvements, Cost reduction, etc.
- Cost reduction in production.
 - Quality Assurance, Customer satisfaction and Safety.

3. **Information regarding Technology imported during the last five years.**

<u>Technology imported</u>	<u>Year of Import</u>	<u>Status</u>
Nil	N.A	N.A

C) Foreign Exchange Earnings and Outgo:

Your Company had no foreign exchange earnings during the year ended 31.03.2012 (Previous year Rs. 2071.80 lacs). There was no foreign exchange expenditure during the year (Previous year: Nil).

Place: Mumbai
Date: 25th May, 2012

For & on behalf of the Board of Directors
Sd/-
Cdr. S. K. Mutreja (Retd.)
Whole Time Director
& Chief Executive Officer