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हिन्दुस्तान शिपयार्ड लिमिटेड
HINDUSTAN SHIPYARD LIMITED
A Govt of India Undertaking, Ministry of Defence



63 ANNUAL REPORT 2014-15
Transforming and growing stronger



HINDUSTAN SHIPYARD LIMITED

PAPERS TO BE LAID ON THE TABLE OF LOK SABHA/RAJYA SABHA

AUTHENTICATED

RAKSHA RAJYA MANTRI

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OUR VISION

To be a National Leader in
Ship & Submarine building and Repairs

OUR MISSION

To imbibe the latest in
Ship / Submarine building and
repair technology and serve
the defence, maritime and
oil sectors through all round
excellence in quality, delivery
and durability



BOARD OF DIRECTORS

(As on date of AGM)



VAdm A V Subhedar
AVSM, VSM
Government Director



RAdm N K Mishra
NM, IN (Retd.)
Chairman & Managing Director



Shri Bharat Khera
IAS
Government Director



Shri Skand R Tayal
IFS (Retd.)
Independent Director

PERMANENT SPECIAL INVITEES

VAdm HCS Bisht
AVSM

DG, Indian Coast Guard

Shri Rajnish Kumar
Addl. FA & JS (RK), MOD

RAdm Anil Kumar Saxena
NM
DGND, Indian Navy

Dr V Bhujanga Rao
DS & DG (NS&M), DRDO, MOD



Shri Samirendra Chatterjee
IAS (Retd.)
Independent Director



Cmde Ashok Bhal
VSM, IN (Retd.)
Director (Strategic Project)

STATUTORY AUDITORS

M/s Basha & Narasimhan
Chartered Accountants, Visakhapatnam



Cmde AS Mitra
IN (Retd)
Director (Shipbuilding)

COST AUDITORS

CMA U Prakash
Cost Accountant, Visakhapatnam

INTERNAL AUDITORS

M/s Ambika & Isha
Chartered Accountants, Visakhapatnam



Shri M Nagaraj
Director
(Finance & Commercial) & CFO



Cmde PHM Salih
IN (Retd)
Director (Corporate Planning & Personnel)

BANKERS

- Indian Bank
- State Bank of India
- Andhra Bank
- UCO Bank
- Syndicate Bank
- Canara Bank
- Central Bank of India

Corporate Identity Number (CIN)
U74899AP1952GOI076711

Shri Inaitula Baig
Company Secretary

Registered & Corporate Office :
**Gandhigram Post Office,
Gandhigram, Visakhapatnam - 530005**



CHAIRMAN'S STATEMENT 63rd ANNUAL GENERAL MEETING

Dear Members,

It gives me immense pleasure to welcome you all to this 63rd Annual General Meeting of your company and share some of the significant achievements during the financial year 2014-15. The Boards' Report & Audited Financial Statements have already been circulated and with your permission, I take them as read.

Before I touch upon the performance and other issues of your company, I would like to present an overview of the shipbuilding industrial environment as this has a significant effect on the performance of your company.



Shipbuilding Scenario

Global Shipbuilding Industry continued to be dominated by South Korea with 40% share followed by China and Japan. The Industry that was hit by the great recession in 2009 has been recovering, albeit at a slow pace. During 2014-15, India's contribution towards Global Shipbuilding has not been notable. This is due to sluggish market sentiments, stiff competition and financial challenges. The Government of India is concerned of these as is evident from the speech of Hon'ble Finance Minister during his budget speech on 10 Jul 2014. The announcement of new shipbuilding policy would boost the domestic market with infusion of new technologies availability of and low cost finance. I am quite confident that in the coming days, the government would take initiatives to make shipbuilding in India globally competitive and this in turn would help "Make in India" a success.

Since 2010, your shipyard is under Ministry of Defence and has stepped into Defence Shipbuilding. This in itself is a major challenge as warships with weapons pose new challenges. In addition, several new Shipyards have emerged on the east coast, and these Shipyards throw new challenges. With DPP 2013, the era of nomination is almost over and future orders have to be won through competitive tenders. All of these make HSL vulnerable and we need to adapt to the market changes to remain in competition.

I will now present our performance during the Financial Year 2014-15.

Shipbuilding, Ship Repair and Retrofit projects

Despite low order-book, non-availability of working capital and many legacy issues the Yard has been able to post following noteworthy achievements:

- (a) Keel for the prestigious project of VC 11184 was laid on 30 Jun 2014. In just over one year, the vessel is almost ready for launch. Compared to the time taken from keel laying to launch by other yards, I can proudly state that this is the fastest in India thus far. The Project is progressing satisfactorily with launching targeted in Oct 2015.
- (b) Keel for two nos 25 Ton Bollard Pull Tugs for Indian Navy (Yard No VC 11175-76) have been laid on 07 Mar 2015. The constructions of these vessels are in their advanced stage of construction

with delivery scheduled in Dec 2015. Your yard is committed to meet the delivery of these vessels to meet the requirements of the forthcoming International Fleet Review in Feb 2016.

- (c) The last of the 05 nos 53,000 DWT Diamond series Bulk Carrier (Yard VC 11140), was floated on 14 Jun 2014. Regrettably, the owner, due to financial constrains, has not been able to honour the associated stage payment and accordingly further construction has been adversely affected. Both, the yard and the owner are exploring possible ways to complete the project to minimise losses.
- (d) The Modernisation Refit of INS Sindhukirti, an EKM class submarine, was a major challenge. Despite numerous constraints, the vessel was undocked on 04 Nov 2014. The refit has been completed and mandatory sea trials and check dive have been successful. This has brought laurels to your company.
- (e) 22 vessels of various kinds have been repaired during the year 2014-15. Refit of nominated vessels i.e. INS Magar and INS Gharial are progressing satisfactorily.

Performance

We have achieved a total income of Rs 323.01 Cr as against Rs 519.06 Cr recorded last year. Your company has made a loss of Rs 202.84 Cr against Rs 46.21 Cr in the previous year. Accordingly, the accumulated losses and negative net worth of the company have increased to Rs 1,325.27 Cr and Rs. 1,117.32 Cr respectively. The primary reasons for the increased losses during 2014-15 are due to following, the details of which have elaborated in the Boards' Report :

- (a) Loss of production post cyclone HUDHUD.
- (b) Lean order book
- (c) The nominated ships of IN could not be spared for refit as per schedule. The delayed refits of IN ships precluded any VoP from these assured orders.
- (d) Based on the opinion of ICAI, Accounting Standard No 9, hitherto being followed by the yard to recognise revenue for refits of submarine, was changed to accounting standard No7. This change resulted in decrease of income.
- (e) Sanction of funds towards the growth of work against refit of INS Sindhukirti is yet to be received from MoD. Accordingly, while the expenditure towards the growth of work has been accounted and corresponding income has not been taken care of. Therefore, the submarine refit segment of your company recorded loss for the Financial Year 2014-15.
- (f) Certain extra-ordinary items such as outstanding settlement claim in the case of arbitration with M/s GIL, UK and unfavourable Supreme Court Order in the case of dispute with M/s Essar Oil Ltd contributed to the losses.

Grading vide Memorandum of Understanding

The Performance of the company for the year, based on self-appraisal is "Good" in terms of the MoU signed with the Ministry of Defence.

Present State of the Yard

The financial position of the yard continues to be grim. The MoD has intervened and orders are on the way. However, with a low order book of only Rs 1,400 Cr (to be liquidated over 3-4 years), the yard can at best



achieve a VOP of Rs 200-300 Cr in each financial year. This is grossly inadequate to meet the fixed expenses (Rs 200 Cr approx. per annum). Therefore, the yard continues to post losses every year. Our efforts did reduce the losses year on year in previous financial years but due to the unforeseen events brought out above, the losses in the Financial Year 2014-15 could not be contained. With VC 11184, the VoP in the next year is likely to improve the situation.

To bail out the yard from the extant financial crisis, a fresh financial restructuring has been proposed to Ministry of Defence and the Ministry is considering the said proposal positively. Further, the orders for SoV and LPD are likely to materialise in the coming year and this also help to alleviate the poor financial situation. In addition, the Ministry is vigorously pursuing to place orders for construction of 05 Fleet Support Ships on nomination.

The Hon'ble Raksha Mantri has been apprised of the problems of the yard and his intervention has been sought. The Ministry is of the opinion that HSL though sick, need to be revived as the yard is engaged in construction/ repairs of strategic assets of the Navy and Coast Guard.

Strategic initiatives

Your yard has been nominated for construction of advanced vessels like SOV & LPD and also likely to bid for P 75(I) submarines. In order to undertake construction and submission of bid for such complex platforms in a cost effective & time bound manner an MoU has been signed with Hyundai Heavy Industries Ltd, Korea. For the P 75-I submarines the yard has formed a consortium with BHEL and MIDHANI. The consortium would jointly bid for the lucrative project.

Corporate Governance

Your Company constantly endeavours to adopt and maintain highest standards of ethics in all spheres of its business activities. The company firmly believes that its business role is based on adherence to fundamental principles of Corporate Governance like transparency, honesty, integrity, accountability, adequate disclosures, legal & statutory compliances, and to protect, promote and safeguard interests of all stakeholders. The company also accords due importance to adherence of adopted corporate values and objectives and discharging of social responsibilities. A detailed report on Corporate Governance forms part of the Boards' Report and enclosed to the Directors' Report.

Yard Modernization

On 12 Oct 2014, the yard was hit by the super cyclone Hudhud. With wind speeds in excess of 260 km/hr, the cyclone caused extensive damage. Roofs of workshops were blown away, electricity was disrupted and most of the trees in the colony and the yard were uprooted damaging building and blocking roads. Without roofs, water ingress damaged costly yard machinery and also new equipment for ships under construction. General ship production activities were disrupted due to unsafe working conditions.

In the aftermath of this devastating cyclone, the yard personnel rose to the occasion and the in-house relief work was swift. With a robust contingency plan drawn up prior Cyclone, the yard could continue work on the refit of Sindhukirti and meet the scheduled undocking.

To recommence production and also to arrest further damage to equipment, immediate replacement of roof and essential repairs were undertaken by using RRMI funds. Insurance claims for the damages have been lodged and also MoD was approached for relief assistance. A team from MoD has visited the yard and proposed that financial assistance should be provided. The case is being progressed at MoD.

Although, the cyclone had a devastating effect, we saw positives and have started to rebuild the yard. The yard, with new roads, roofs and infrastructure has an impressive look at par with any modern yards in the world.

In addition to above, the first phase of the modernisation i.e. the Refurbishment and Replacement of Machineries & Infrastructure (RRMI) continues to be in progress. During the year under review, procurement/ work of Rs 36.96 Cr have been completed and tenders valued Rs 153 Cr is under process. A new facility has been created to take up special assembly works of naval projects at a cost of Rs 4.5 Cr. This facility includes an air conditioned hangar of 50 x 25 x 12 M size along with 21 x 13 x 6 M size ware house and 50 x 25 M size hard-stand area.

Miscellaneous Issues

In July 2015, Supreme Court has allowed the appeals of Essar Oil Limited in its favour in respect of its claim against HSL towards Ravva & Panna OPF well-platforms (ONGC). Supreme Court while giving their judgment has set aside the order of High Court which was in favour of HSL. A review petition has been filed with Supreme Court in this case. Essar Oil Limited has filed an execution petition to realize their claim against HSL. Your yard is taking all necessary steps to counter the case.

Human Resource Development

Attrition of Permanent workforce is an emerging concern of the yard. In order to tide over the issue and considering the financial position of the yard, inductions in critical areas are being done through direct recruitment. Towards this, 33 nos Management Trainees and 02 officers in the rank of Sr. Manager and General Manager were recruited besides other recruitments in staff & workmen cadre in order to meet the critical requirements of the yard. Your company continues to impart training to the new entrants and existing employees as well to increase the productivity. Your company believes that Human Resource of the company is a valuable asset and put its best efforts to nurture it through proper training & motivation.

Acknowledgements

I would like to conclude by thanking Central and State Government Authorities, the Ministry of Defence, the Naval and Coast Guard authorities, Dredging Corporation of India Limited, Shipping Corporation of India Limited, Oil & Natural Gas Corporation Limited, Kandla Port Trust, Good Earth Maritime Limited and the Shareholders for the trust they have reposed on us. I would like to place on record our thanks to the Comptroller & Auditor General of India, the Principal Director of Commercial Audit and Ex-Officio Member, the Statutory Auditors, Internal Auditors for the valuable suggestions and co-operation. I also acknowledge with gratitude the continual assistance and guidance received from Indian Navy and Coast Guard. Last but not the least I appreciate the vital role and hard work put in by all employees of the company to achieve its Goal and Board of Directors who have supported the company to sustain in the tough times.

Jai Hind.

Visakhapatnam
26 Sep 2015



(NK Mishra)
Rear Admiral, IN
Chairman & Managing Director



NOTICE OF 63rd ANNUAL GENERAL MEETING

NOTICE is hereby given that the 63rd Annual General meeting of the Shareholders of the Hindustan Shipyard Ltd., will be held on Saturday, the 26 Sep 2015 at 1130 hours at Board Room, HSL Corporate Office, Hindustan Shipyard Limited, Gandhigram PO, Gandhigram, Visakhapatnam – 530005 (A.P.) to transact the following business:

1. **Ordinary Business:**

- (a) To receive, consider and adopt the Audited Financial Statements for the year ended 31 March, 2015 and the Reports of the Board of Directors and Auditors thereon.
- (b) To fix the remuneration of the Auditors to be appointed by the Comptroller & Auditor General of India for the financial year 2015-16.

2. **SPECIAL BUSINESS**

- (c) To approve the remuneration of the Cost Auditors for the financial year ending 31 Mar 16 and in this regard to consider and if thought fit, to pass with or without modification(s) the following resolution as an **Ordinary Resolution**.

“RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of CMA U Prakash, Cost Auditor by the Board of Directors with the remuneration of Rs 50000/- exclusive of service tax to conduct the audit of the cost records of the Company for the financial year ending 31 Mar 2016, be and is hereby ratified.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

By Order of the Board
Hindustan Shipyard Limited

(Inaitula Baig)
Company Secretary

Place : Visakhapatnam

Date : 27 Jul 2015

**Notes :**

1. A member entitled to attend and vote at the Annual General Meeting (the “Meeting”) is entitled to appoint a Proxy to attend and vote instead of himself and a proxy need not be a member of the Company. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
2. A Statement pursuant to Section 102 (1) of the Companies Act 2013, relating to the special Business to be transacted at the Meeting is annexed hereto.
3. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the Members at the Registered Office of the Company on all working days, during business hours up to the date of the meeting.

To

All the Shareholders
Directors & Chairman of the Audit Committee
Permanent Special Invitees
Statutory Auditors

**STATEMENT PURSUANT TO SECTION 102 (1) OF
THE COMPANIES ACT, 2013**

Item No. (c)

The Board has approved the appointment of CMA Prakash Uppalapati, Practicing Cost & Management Accountant as Cost Auditor to conduct the audit of the cost records of the Company for the financial year ending 31 Mar 16 at an audit fee of Rs.50,000/- plus taxes in its 387th Board Meeting held on 08 Jul 2015.

In accordance with the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out at item No. (c) of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31 Mar 2016.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way concerned or interested, financially or otherwise, in the resolution set out at Item No.(c) of the Notice.

The Board recommends the Ordinary Resolution set out at Item No. (c) of the Notice for approval by the shareholders.

By Order of the Board
Hindustan Shipyard Limited

(InaitulaBaig)
Company Secretary

Place : Visakhapatnam

Date : 27 Jul 2015



BOARD'S REPORT

To the members,

Your Directors are pleased to present the 63rd Annual Report on the working of the Company for the financial year 2014-15. The audited Profit & Loss account for the financial year 2014-15, Balance Sheet, as on 31 Mar 15, together with the report of the auditors of the Company and comments of Comptroller & Auditor General of India on the Auditors' report under Section 143 (6)(b) of the Companies Act, 2013 are appended to this report.

Capital Structure

2. As on 31 Mar 15, the Authorised share capital and paid up equity share capital of the Company are at Rs 304.00 Cr and Rs 301.99 Cr respectively.

Performance Highlights

3. **Financial Results.** During the year 2014-15, your Company has recorded a loss of Rs 202.84 Cr. The stated loss is mainly due to reduction in ship repairs & shipbuilding turnover due to low value order book, repercussion of HUDHUD cyclone and provision towards the case lost against M/s Essar Oil Limited. With this, the accumulated losses as on 31 Mar 15 has increased to Rs 1325.37 Cr as compared to Rs 1117.47 Cr reported last year.

4. **Value of Production.** During the financial Year 2014-15, your Company achieved a value of production of Rs 294.16 Cr.

5. **MOU Rating.** The performance of the Company during the year 2014-15 is expected to be rated as "Good" in accordance with the MOU parameters signed with the Government.

Division-Wise Performance

Shipbuilding

6. The Shipbuilding Division of your Company achieved a Value of Production of Rs. 128.67 Cr for 2014-15 as against Rs.239.13 Cr in the previous year.

7. The following are the major events during the year 2014-15:

Sl	Events	Date	Description	Owner
(a)	Keel Laying	30 Jun 2014	VC 11184	Indian Navy
		07 Mar 2015	VC 11175, First of 03 Nos. 25 T Bollard Pull Tug	Indian Navy
		07 Mar 2015	VC 11176, Second of 03 Nos. 25 T Bollard Pull Tug	Indian Navy
(b)	Floating / Launching	14 Jun 2014	MV Good Light, VC 11140, 53,000 DWT Bulk Carriers,	M/s GML, Chennai
(c)	Un-docking	04 Nov 2014	INS Sindhukirti, EKM Submarine	Indian Navy



Undocking of INS Sindhukeerthi on 04 Nov 2014



Keel Laying of VC 11175, 25T BP Tugs for Indian Navy on 07 Mar 2015



Keel Laying of VC 11176, 25T BP Tugs for Indian Navy on 07 Mar 2015



IPV Rani Durgavathi sailing from HSL Jetty on 05 Jun 2015
Flagged out by Cmde AS Mitra, Director (Shipbuilding)

8. **Order Book Position.** The present order book of the yard comprises 24 Vessels, which are under various stages of construction. As on 31 Mar 15, the balance contract value of Shipbuilding orders is worth Rs 1442.34 Cr as under:

Sl	Yard Nos	Type of the Vessel	Owner	No of Vessels	Balance Contract Value (In ₹ Cr)
(a)	11140	53,000 DWT Diamond series Bulk Carriers	GML, Chennai	1	28.52
(b)	11156 – 58	Inshore Patrol Vessels	Indian Coast Guard	3	13.40
(c)	11165 – 72	Inshore Patrol Vessels	Indian Coast Guard	8	551.12
(d)	11173 – 74	50 T Bollard pull Tugs	Kandla Port Trust	2	52.95
(e)	11175 – 77	25 T Bollard Pull Tugs	Indian Navy	3	76.31
(f)	11178 – 83	10T Bollard Pull Tugs	Indian Navy	6	122.10
(g)	11184	VC 11184	Indian Navy	1	597.94
		Total		24	1442.34



Visit of Govt of India Representatives for Review of Project 11184



Visit of CDCMMS, VC 11184 on 14 Jul 2015



Visit of VAdm P Murugesan, AVSM, VSM,
Vice Chief of Naval Staff on 01 Aug 2015

9. **Production/ Physical Performance.** Shipbuilding production in DWT and capacity utilisation achieved during the year 2014-15 as compared to previous year are as under:

- (a) The Installed capacity of the yard is 3.5 Pioneer class vessels, each of 21500 DWT. This translates to annual capacity of 75,250 DWT.
- (b) The yard has achieved a capacity utilisation of 35,556 DWT which is 47.25 % of installed capacity as against 38694 DWT (51.4%) achieved last year. However, it is to be noted that the yard is no longer in the business of making pioneer class or similar vessels. Majority of orders on hand are small vessels of around 250-300 Tons Capacity and even if all vessels are completed in one year the company could achieve around 2000 DWT. This is the main reason for the low capacity utilisation.
- (c) As regards man-hours consumed for DWT, the recorded manhour for the year 2014 -15 is 47.25 M hrs/DWT and the same for the previous year was 44.68 M hrs/DWT.
- (d) The low capacity utilisation and consequent figure for M hrs/DWT are directly attributable to lean order book, lack of working capital and loss of production due to cyclone Hudhud.

Ship Repairs

10. During the year, Ship Repair (SR) Division has undertaken repairs of 22 vessels of different types for Indian Navy, DCI, SCI, ONGC & VPT etc. During the year SR Division has undertaken the refits of INS Darshak, INS Shakti, M V Hallin Ulswater, INS Kamorta and RV Sagar Nidhi.

11. The Value of Production of Ship Repair Division during the year is Rs 62.84 Cr as against Rs 68.70 Cr recorded last year. Indian Navy has nominated 03 vessels and these were delayed due to operational requirements. But the yard had to keep the dock free for these vessels and hence the yard has recorded a low turnover in Ship repair business.

Submarine Repairs

12. Value of Production during the Year 2014-15 was Rs.102.65 Cr against a target of Rs 125.00 Cr. The initial value of the Contract was Rs.629.01 Cr. To cater for the requirements of additional materials, documentation infrastructure, Growth of work, Taxes, exchange rate variation and renewal of main line cables, the cost has been revised to Rs.990.52 Cr. The DP of the submarine has been extended to 31 May 2015 to complete the ongoing HATs and subsequent sea sortie and delivery of the submarine.



INS Sindhukeerthi sailing out from HSL Jetty on 26 Jun 2015



13. Despite unforeseen constraints and adverse effects of a super-cyclone in Oct 2014, INS Sindhukirti was undocked on schedule. This achievement has received accolades from Navy at Eastern Naval Command and Naval Headquarters.

Financial Results

14. The summarised financial results of the Company for the year 2014-15 are as under: -

Description	In ₹ Cr				
	Ship Building	Ship Repairs	Retrofit	Unallocated	Total
VoP	128.67	62.84	102.65	0.00	294.16
Other Income	7.71	14.94	0.10	6.10	28.85
Total Income	136.38	77.78	102.75	6.10	323.01
Expenditure	201.43	41.92	173.86	51.34	468.55
Profit/(Loss) before Depreciation, Interest, Income Tax and Extraordinary Item (PBDIT)	(65.05)	35.86	(71.11)	(45.24)	(145.54)
Depreciation	4.91	0.32	1.57	0.00	6.80
Interest & Finance Charges	5.18	6.99	0.08	0.00	12.25
Extraordinary Item	0.00	0.00	0.00	38.25	38.25
Net Profit / (Loss)	(75.14)	28.55	(72.76)	(83.49)	(202.84)

Reasons for the Losses in the FY 2014-15

15. The main reasons for the losses during the Financial Year 2014-15 are as under:

(a) The Cyclone of Oct 2014 disrupted work for almost 2-3 months and also had an adverse effect on progress of work as large number of equipment that were to be installed onboard ships were rendered defective due to ingress of rain water.

(b) Plant Infrastructure and equipment were rendered unusable/ defective for long.

(c) The yard has lean Order Book comprising orders for 24 vessels worth Rs 1442.34 Cr as on 31 Mar 2015. Out of them, 22 vessels are small vessels i.e. tugs, IPVs etc worth Rs 815 Cr (approx) which is grossly inadequate to absorb the fixed annual expenses of around Rs 225 Cr. In addition to this, most of the orders in hand have low margins and some even negative margin and therefore contribution achieved from these orders is very low.

(d) The VoP from Ship Repair Division was reduced due to lack of Commercial Ship repair orders and delay in placement nomination orders by Indian Navy. The yard was nominated for repairs of INS Darshak, INS Magar and INS Gharial in early 2014, whereas the contracts of these vessels were signed only on 12 Sep 2014, 15 Jan 2015 and 01 May 2015 respectively. The repair of INS Darshak started in Sep 2014 and the repair of INS Magar started in Jan 2015. Due to delayed start of repair of these vessels, the turnover achieved from Ship Repair business has reduced. Further even though a considerable portion of the work related to INS Magar had been executed during the current financial year the same could not be accounted in VoP since work completion certificates without 100% work completion are not permitted.

- (e) A loss of Rs 72.76 Cr has been recorded in the Retrofit Division mainly due to the following:
- (i) Even though expenditure towards growth of work has been considered, the corresponding income for growth of work has not been considered in the Accounts since necessary sanction from Indian Navy is yet to be received.
 - (ii) Change in Accounting Policy No. 4 being followed by the yard in respect of recognition of revenue by adoption of Accounting Standard No. 7 against Accounting Standard No. 9 in Financial Year 2014-15 based on opinion of the Institute of Chartered Accountants of India. The said change in accounting policy has resulted in decrease in income from said activity by Rs 29.76 Cr and increase in expenditure on accounts of provision for future losses for Rs 4.76 Cr.
- (f) Exceptional items like Settlement of the Claim of M/s Graig Investment Limited for Rs 13.89 Cr and Provision of balance amount of Arbitration Award of Rs 24.36 Cr due to M/s Essar Oil Ltd consequent to Hon'ble Supreme Court order against HSL has also contributed to the losses during the Financial Year 2014-15.

Contribution to National Exchequer

16. The contribution of your Company by way of Income tax, service tax, customs duty, excise duty and VAT to the National Exchequer is Rs 33.81 Cr during the year 2014-15.

Material changes between the end of the Financial Year and date of this report

17. The following material changes have occurred between the end of the Financial Year and date of this report:

(a) Physical Achievements.

- (i) Keel laying of VC 11177, 25 Ton Bollard Pull Tug for Indian Navy was done on 11 Apr 2015.
- (ii) The third of the series of 05 nos Inshore Patrol Vessel, 'Rani Durgavathi' was handed over to the Coast Guard on 01 Jun 2015 and the vessel sailed off from HSL Jetty on 05 Jun 2015. This is the 174th vessel built and delivered by HSL since inception.
- (iii) HSL Scope of work for Medium Refit-cum-Up-gradation of EKM class Submarine INS Sindhukirti has been completed. After completion of successful Harbour Acceptance Trials and FPT, the submarine



Handing over of VC 11156, "Rani Durgavathi" to Indian Coast Guard on 01 Jun 2015



Keel Laying of VC 11177, 25T BP Tugs for Indian Navy on 11 Apr 2015



Floatout of VC 11175-77, 03 Nos 25T BP Tugs for Indian Navy on 24-25 Jul 2015

has been handed over to Indian Navy. HSL is the first shipyard in the country to undertake such major repairs & modernization of an EKM class submarine and providing a potent weapon platform to Navy.

(b) Changes in Board of Directors. Cmde PHM Salih, IN (Retd.) has been appointed as Director (Corporate Planning & Personnel) by President of India on the Board vide Ministry of Defence letter No 2(19)/2014/HSL/D(NS-II) dated 07 Jan 2015. Cmde PHM Salih, IN (Retd.) holds a degree in B.Tech (Naval Architecture) from Cochin University of Science and Technology, Kochi, DIIT from IIT Delhi, MSc in Submarine Design from Russia and MMS from Osmania University. During his 33 years long career, some important posts held by him includes Dy. Director (Naval Design) at Naval HQ, Delhi, Addl GM (Plg), at SBC, Vizag, Director (Ship Construction) at MoD (R&D). The Director assumed Charge as on 02 Apr 2015.

(c) Supreme Court Verdict in the civil appeal no 3353 & 3355 of 2005 between HSL and M/s Essar Oil Limited. In July 2015, the Hon'ble Supreme Court has allowed the appeals of Essar Oil Limited (EOL) in its favour in respect of its claims against HSL towards Ravva & Panna OPF well-platforms (ONGC). The differential financial impact in this regard after considering the provision existing in accounts works out to Rs 24.36 Cr and the said amount has been now provided in the Accounts of financial year 2014-15 as an 'Exceptional Item'.

Future Outlook

18. HSL is a major shipyard on the East Coast. There is a vast potential to secure high value construction and repair orders. However, the yard is facing stiff competition from shipyards that have emerged on the east coast, not too far away from Visakhapatnam. The Yard was brought under the control of Ministry of Defence to meet the future requirement of Indian Navy & Coast Guard. Both Indian Navy and Coast Guard have embarked on massive expansion plan to strengthen their fleets. HSL is geared to seize the opportunity and undertake construction of sophisticated Defence vessels. Towards this, the yard has been nominated for construction of two SOVs and two



Visit of High Level delegation from Hyundai Heavy Industries, South Korea on 27-28 Jul 2015

LPDs. Besides this, your yard is also putting best efforts to secure Ship/ Submarine Construction and Ship/ Submarine repair orders through competitive bidding. During the year 2014-15, your yard has taken following strategic initiatives towards construction of sophisticated warships and submarines in future:

(a) MoU with Hyundai Heavy Industries Ltd, Korea. An MoU for transfer of technology, design and manufacture of the submarines including its systems/sub-systems has been signed with HHI, Korea on 13 Jan 2015. HSL has been nominated for the construction of 02 nos. SOVs for Indian Navy. The purpose of the MOU is to infuse best practices of shipbuilding & submarine construction at HSL. The synergy achieved through collaboration and cooperation with HHI shall enable HSL to take on the design and construction of vessels with advanced technology in India, particularly submarines for the Indian Navy.

(b) During the recent visit of Hon'ble Prime Minister Shri Narendra Modi to South Korea, M/s Hyundai Heavy Industries (HHI) expressed their interest to team up with HSL for construction of ships/ Submarines. HHI, which is adept at modular construction in ship-building, would help reduce construction timelines besides bringing high-end technology to the Yard. This would make operations at HSL profitable.

(c) MoU - BHEL and MIDHANI. On 26 Dec 2014, the Yard signed an MoU with two premier Public Sector Undertakings i.e. Bharat Heavy Electrical Limited (BHEL) and Mishra Dhatu Nigam Limited (MIDHANI). Through this, a consortium is being formed to jointly bid for Project 75(I). A pre qualification cum capability document has been submitted to MoD bringing out the individual strengths of the partners to fulfill requirements for construction of submarines.



Meeting with High Level delegation from Hyundai Heavy Industries, South Korea for future projects



Visit of Multi Disciplinary Core Committee on Project 75(I) on 17 Jan 2015



Seed for consortium for Project 75(I) - Visit of Shri M Narayana Rao, C&MD, Midhani to HSL on 25 Apr 2015

19. The above strategy aims to improve the order book and eventually address the cash flow issues plaguing the yard. Financial Restructuring and Improvement in Order Book position would enable the yard to turnaround during Financial Year 2015-16. Having regained the financial health, the shipyard would endeavor to meet all its commitments for delivery of vessels as per contract schedules and post reasonable profits in a sustained manner. Efforts would continue to secure additional orders through competitive tender basis including the construction of new class of submarines.



HUDHUD Cyclone shook HSL but not its spirit



Rebuilt the yard in less than a year



Modernisation

20. The Modernisation plans of the Company is as follows:

(a) **Phase-I.** The Govt. of India has sanctioned Rs 457.36 Cr under LPD Project on 23 Dec 2011 towards Refurbishment and Replacement of Machinery and Infrastructure. As on 31 Mar 2015, procurement/ work for an amount of Rs 36.96 Cr have been completed.

(b) **Phase-II.** The second phase of Modernisation involves augmentation of infrastructure to enable construction of sophisticated warships for Indian Navy and Coast Guard.

21. In addition, a new facility has been created to take up special assembly works of naval projects at a cost of Rs 4.5 Cr. This facility includes an air conditioned hangar of 50 x 25 x 12 M size along with 21 x 13 x 6 M size ware house and 50 x 25 M size hard-stand area

Damage to the yard & residential colony due to Cyclone HUDHUD

22. While the modernisation project was progressing at a fast pace, a super Cyclone named 'Hudhud' hit Visakhapatnam on 12 Oct 2014 with severe intensity. The cyclone with wind speed of around 260 km/hr caused extensive damage to the property in yard and residential colony. In the yard, roof tops of all workshops, storehouses and covered Building Dock were blown away thus exposing costly equipment to weather and electrical service network was severely damaged. The entire work in the yard had come to a grinding halt. A team from MoD has assessed the damage and recommended that funds be sanctioned for restoration works. Pending sanction of funds from MoD, the yard undertook essential repairs & restoration work with funds sanctioned for RRMI activities under intimation to Ministry of Defence.

Design

23. For design works, the yard has migrated from TRIBON environment to Aveva Marine. Accordingly, the design personnel have been provided with necessary training. Migration of data for ongoing projects to Aveva Marine environment has been completed. The design department has been renovated and presently the yard is proud of a Modern Design office.

Quality Assurance

24. Second surveillance audit for ISO 9001:2008 Quality Management System was undertaken by IRQS, Mumbai and the validity of the ISO has now been extended upto Oct 2015. In order to improve quality consciousness, a 5 days QMS lead auditor training course was conducted in-house by IRQS during 13-17 May 14. During 01-06 Sep 2014, 14 staff/officers have been trained in NDT in RT, UT, MPT and DPT.

25. During the period under review, the yard organized following quality workshops:

(a) NBCD & CITADEL aspects by Shri Amit Bhatnagar, Principal Surveyor, IRS, VSP on 26 Nov 2014

(b) Welding and weld qualification for warship production by Shri G Madhubabu, AGM, IRS, VSP on 19 Dec 2014.

Safety & Security

26. The management is committed to accident free and safe working environment. During the year, Plant Safety inspections were undertaken by safety personnel. Unsafe practices have been identified and remedial measures have been indicated. Central Safety Committee meetings involving members, co-opted members, other invitees, committee members and office bearers were conducted regularly. Safety banners, posters, caution boards have been displayed to create safety awareness.



27. Safety training programmes were organised for workmen and supervisors and employees of contract workers. 44th National Safety Day was observed on 04 Mar 15. The Chairman & Managing Director administered the safety pledge to all personnel of the yard. Safety competitions were conducted during the Safety Week and Prizes were distributed to winners. Further, employees of the yard were deputed to participate in safety competitions conducted by the Andhra Pradesh Chapter of National Safety Council, Hyderabad. Shri S K Durga Prasad did HSL proud by winning first prize in 'Telugu Essay' and 'Telugu Poem' Competitions.



28. Fire Safety week was observed during 14-20 Apr 14. An elaborate lecture cum demonstration was made by the Fire Service Department.

29. The Management has taken steps to revamp the existing security system in the yard through replacement of departmental security personnel with DGR Guards, (ex-Defence personnel).

30. In order to strengthen the security in the yard, high end security devices such as X Ray Baggage Scanners, Door frame metal detectors, Boom Barriers with long range reader, Hand held metal detectors and Automatic number plate recognition system etc are under procurement and likely to be in place by Nov 2015.

Information Technology

31. HSL has engaged ERP advisory services for the preparation of the 'Request for Proposal for a suitable ERP system. The report of ERP advisor has been examined. It is now felt that a suitable shipbuilding ERM suite would be more advantageous than a generic ERP System. The case is accordingly being pursued. Once an ERM is in place, the design, production, planning and material departments would be subsequently integrated.

Environmental Aspects

32. Your Company continues to be environment friendly and has fulfilled all the statutory requirements of central and state pollution control boards. The Company is committed to meet all the stipulated standards to maintain and protect the environment.

Industrial Relations

33. During the year 2014-15, the Industrial Relation of the Company remained peaceful and harmonious.

Welfare Activities

34. Your Company's concern for the welfare of its employees continues to be paramount. During the year, various welfare measures have been implemented. 68th Independence Day and 65th Republic Day functions were organized. The function was well attended by shipyard personnel as well as by the children of the school/ colleges in our colony. Cultural programmes were also organised by the HSR Club on these occasions. "Utkal Diwas" was organized by the Shipyard's Utkal Samaj on 01 Apr 2014 and a cultural program was also organized on this occasion. Besides this, regular sports activities were organised.



Training

35. In accordance with the Apprentice Act 1961, a large number of ITI Apprentices were trained in designated trades. During the year 2014-15, 202 Trade Apprentices (one year & two year courses) successfully completed their training. Out of them, 29 apprentices have passed All India Trade Test and received "National Apprenticeship Certificates" from Govt. of India, Ministry of Labour and Employment, Regional Directorate of Apprenticeship Training (RDAT), Hyderabad.

36. Training was also imparted to Graduate Engineers and Diploma Holders. 45 engineering graduates and 7 Technician (Diploma) Apprentices were trained and awarded "certificate of Proficiency" from Govt. of India, Ministry of HR, Board of Apprenticeship Training (BOAT), Southern Region, Chennai.



37. The yard also provided on job training and extended facilities for project work to 1073 students of various engineering colleges, management institutions and marine institutions.

Gender Budget

38. In pursuance of the instructions of the Government of India, a "Gender Budgeting Cell" has been constituted. The Cell comprise, Four women officers for effective implementation of general development programme for women employees such as training, advancement of skills, provision of welfare amenities at work place etc. There are presently 85 women employees in the yard. International Women's Day was observed on 08 Mar 2015.



Observation of International Women's Day on 08 Mar 2015

Prohibition of sexual harassment of women at workplace

39. A committee on prohibition of sexual harassment of women at workplace has been constituted comprising six members headed by Smt K Sarvalakshmi, Deputy General Manager (Vigilance) as its chairperson. During the year, your Company has not received any complaint on sexual harassment; hence NIL disclosure under Section 22 and 28 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act 2013.

Medical Benefits

40. HSL runs a First Aid Centre in the yard which works from 7 AM to 10 PM and a dispensary at HSL Township which works round the clock. Outpatient treatment facilities are also extended through a panel of doctors. There are five referral hospitals, which are used for in-patient treatment of employees and the yard pays medical bills directly to these hospitals for their services. The employees along with their dependents are covered under the Medical Reimbursement scheme for hospitalization. During the year 2014-15 an amount of Rs 4.22 Cr was spent towards medical treatment of employee and their dependents.

41. Annual eye check up for crane operators and drivers was undertaken. Medical checkups for all staff and workmen above 50 years of age were conducted under occupational health service

42. Retired employees and their spouses are being issued with Medical Identity Cards to avail concessions for medical checkups and lab tests.

Rajbhasha

43. Official Language Implementation Committee meetings and Hindi Workshops were held regularly. Training in usage of Hindi & typing in Hindi is ongoing process under the Hindi Teaching Scheme promulgated by Ministry of Home Affairs. During the year, 65 employees participated in Hindi Workshops. In order to ensure the compliance with Section 3 (3) of Official Language Act 1963 and Official Language Rule 1976 of Government of India and to encourage the use of Hindi, an inter-departmental Monthly Incentive Scheme is in existence.

44. The Company's Annual Report and MoU were prepared in bilingual form. To inculcate reading of Hindi Books a separate Hindi Library has been established.

45. Hindi Fortnight was observed during 01-14 Sep 2014 during which various hindi competitions were organized and cash awards were presented to victorious employees.

Implementation of Right to Information Act, 2005

46. The yard is in full compliance with the RTI Act, 2005. A RTI portal in the Company's website is being maintained.
47. Necessary information as per the provisions of RTI Act 2005 is being furnished to information seekers regularly. During the year 2014-15, your Company received 90 applications (directly and through MoD) and all of them have been disposed off as per the provisions of the Act.

Corporate Social Responsibility

48. As per DPE guidelines and Companies Act 2013, loss making enterprises are exempted from earmarking dedicated funds for CSR. However the yard is committed to CSR and accordingly the Board of Directors has constituted a sub-Committee for CSR and Sustainability. A CSR & Sustainability Policy and Plan for the year 2014-15 has been formulated. A Senior Management Committee on CSR & Sustainability has also been constituted to monitor the implementation of the CSR Plan for the year 2014-15.

49. The company has identified some of the need-based CSR initiatives for the betterment of the local people with limited financial commitment. Towards this, an amount of Rs 73089/- was spent during the year 2014-15. The following activities have been undertaken:

(a) **International Coastal Cleanup Day:** HSL participated in the International Coastal Clean-up Day on 20 Sep 2014. 150 Students from Schools and Colleges and staff from the educational institutions situated in HSL Township and members of the Rovers Scouts and members of CSR Senior Management Committee of the Company participated to clean up the Beach.



International Coastal Cleanup Day

(b) **Swatch Bharat Campaign:** The yard observed 'Swatch Bharat Campaign' in its premises on 02 Oct 2014 on the occasion of Gandhi Jayanthi. Awareness march was conducted by the school children and "Swatchata Shapath" was administered. All personnel were engaged to clean the yard and the colony. The enthusiasm and involvement was beyond expectations.



Swatch Bharat Campaign on 02 Oct 2014

(c) **Blood Donation Camp on 06 Dec 2014:** A Blood Donation Camp was organised on 06 Dec 2014 in association with Lions Club of Visakhapatnam under the CSR initiative.



Free Medical Camp on 21 Dec 2014

(d) **Free Medical Camp on 21 Dec 2014:** A Free Medical Camp for the benefit of under privileged members of the neighboring community was organised on 21 Dec 2014. The Medical camp was inaugurated by Cmde A S Mitra, IN (Retd.), Director



(Shipbuilding). Renowned Doctors from various specializations rendered their voluntary support for this noble cause. Nearly 400 people took benefit of this free Medical Camp.

(e) As a part of Community based project, the yard has shifted the weekly market to a spacious area which will give a platform to small farmers, fishermen, traders to market their products besides making available fresh market produce and essentials at economical price for employees and resident of neighboring colonies/ townships.



Inauguration of weekly market on 04 Jan 2015

(f) **Sustainability:** Your Company has organised Training Programs/ Workshops/seminars for executives, Staff & Workmen on energy conservation. Measures to save energy and sustainable development have been taken.

50. Apart from the above, the company also bears the expenditures towards electricity and water of the six educational institutions functioning under Gandhigram Education Society (GES) for the educational needs of the students of surrounding areas. During the year 2014-15, the expenditure on this account was Rs 52,616/-.

Activities of Vigilance Department

51. Vigilance department in HSL functions under the guidance of Central Vigilance Commission and keeps constant vigil on various activities. During the year, Vigilance Awareness Week was observed from 27 Oct 14 to 01 Nov 14 with the intention to emphasize the importance of enhanced probity and to spread awareness against Corruption. As part of Vigilance Awareness Week, a seminar on the subject "Combating Corruption and Technology as an Enabler" was conducted. Debate competition was also conducted at HSL Degree College and prizes were distributed to the winners.



52. Following workshops and seminar was conducted as a part of preventive vigilance:

(a) One day workshop on e-procurement by Shri Tapan Prakash Ray, Technical Director, NIC on 29 Jan 2015.

(b) A lecture on preventive vigilance by Dr Akhilesh Kumar Ambasht, IFS, CVO, ONGC on 18 Mar 2015.



Vigilance Awareness Week - 2014



Corporate Governance Report

53. The number of Board meetings and the attendance of Directors in the meetings, change of Directors and their remuneration is given in the Corporate Governance Report. The Report on Corporate Governance and Compliance Certificate forming part of Board's Report are placed at **Annexure-1 & 1A** respectively.

Management Discussion and Analysis

54. A report on Management Discussion and Analysis forming part of Board's Report is placed at **Annexure-2**.

Fixed Deposits

55. Your Company has not accepted any fixed deposits and as such no amount of principal or interest was outstanding as on the date of Balance Sheet.

Subsidiaries & Associates

56. Your Company has no Subsidiary or Associate company or Undertaking during the year under review.

Particulars of Employees

57. During the year under review, no employees received remuneration of Rs.60 Lakhs or more per annum or Rs.5 Lakhs or more per month. Hence, information as required under Section 197 (12) of the Companies Act, 2013, read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, is 'NIL'.

Significant & Material Orders

58. During the year under review, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

Extracts of Annual Return

59. Pursuant to Section 92(3) of the Companies Act 2013 read with rule 12(1) of the Companies (Management & Administration) Rules 2014, the extracts of Annual Return is placed at **Annexure-3**.

Contract with Related Parties

60. The Information required to be disclosed under Section 134(3)(h) of Companies Act 2013 is Nil for the Financial Year 2014-15. Therefore, Form AOC -2 is not attached with the Board's Report as required under Section 134(3)(h) of Companies Act 2013 read with Rule 8(2) of Companies (Accounts) Rules 2014.

Reservation of Posts for SCs/STs

61. Your Company has complied with all Govt. directives with regard to reservation of posts for SC/ST/OBC. Details of recruitments, strength and vacancy position are as on 01 Jan 2015 are placed at **Annexures 4, 5, & 6** respectively.

Reservation for Physically Handicapped

62. Reservation for physically handicapped in all groups viz A, B, C and D are being complied with the directives of the Government of India. Present percentage of physically handicapped employees is 3.48% against required 3%.



Conservation of Energy

63. Information required under Section 134(3)(m) of Companies Act 2013 read with rule no 8 (3) read with the Companies (Accounts) Rules 2014 pertaining to Conservation of Energy, Technology Absorption and foreign earning and outgo is placed at Annexure-7.

Statutory Auditors

64. M/s Basha & Narshimahan., Visakhapatnam had been appointed as Statutory Auditors of the Company for the financial year 2014-15 by the Comptroller & Auditor General of India. The fees payable to Statutory Auditors for the year 2014-15 was Rs 1,75,000/- exclusive of out of pocket expenses and Service tax.

65. Replies of the Board of Directors on the observations of C & AG on the Accounts of the Company for the Year ended 31 Mar 15 are placed at **Annexure- 8**.

Cost Auditors

66. CMA U Prakash, Cost Accountants, Visakhapatnam, had been appointed as Cost Auditors for the year 2014-15 in terms of Section 148 of Companies Act, 2013, read with the Companies (Cost Records and Audit) Rules, 2014 to prepare and file necessary 'Cost Audit Report' with a remuneration of Rs 50000/- exclusive of Service Tax. Further, as required under the said Rules, the remuneration payable to the Cost Auditor had been ratified in 62nd Annual General Meeting by the members of the Company.

Directors' Responsibility Statement

67. Pursuant to the requirement under section 134 (5) of the Companies Act 2013 with respect to the Directors Responsibility Statement, following is hereby confirmed:-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgements 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 and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provision of this Act for safeguarding the assets of the Company and for preventing land detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on going concern basis; and
- (e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgements

68. We acknowledge with gratitude, the valuable guidance and support received from the Department of Defence Production, Ministry of Defence and Department of Public Enterprises, Ministry of Heavy Industries. Your Directors are particularly thankful to the valued customers i.e. Indian Navy and Coast Guard, Dredging Corporation of India, Oil & Natural Gas Corporation Limited, Visakhapatnam Port Trust, Kandla Port Trust, Shipping Corporation of India



and various vendors. Your Directors also express their gratitude to Controller of Defence Accounts (Navy), Government of Andhra Pradesh, Departments of Customs, Income Tax, Excise, Service Tax & Sales Tax for their kind support. The Directors also acknowledge their gratitude to the clients and all Classification Societies, who have ensured quality and adherence to the standards. Your Directors also place on record their appreciation for the assistance extended by the Company's bankers Indian Bank and valuable advice rendered and co-operation extended by the Statutory Auditors Internal Auditors and the Officers & Staff of the offices of Principal Director of Commercial Audit & Ex-Officio Member Audit Board, Bangalore and their Headquarters. The Board places on record its appreciation for valuable contribution made by our employees at all levels.

**FOR AND ON BEHALF OF
THE BOARD OF DIRECTORS**

(N K Mishra)

Rear Admiral (Retd)

Chairman & Managing Director

Place: Visakhapatnam

Date: 27 Jul 2015



REPORT ON CORPORATE GOVERNANCE

As per the guidelines issued by the Department of Public Enterprises, Government of India, a report on compliance of the provisions on Corporate Governance is enumerated in succeeding paragraphs.

2. **Philosophy of Corporate Governance:** Hindustan Shipyard Limited constantly endeavours to adopt and maintain highest standards of ethics in all spheres of its business activities. The company firmly believes that its business role is based on adherence to fundamental principles of Corporate Governance like honesty, integrity, accountability, adequate disclosures, legal & statutory compliances, and to protect, promote and safeguard interests of all stakeholders. It also strives to carryout its business obligations with good corporate values duly discharging its duties for maximum level of transparency in decision making to avoid conflicts of interests. It also accords due importance to adherence the adopted corporate values and objectives and discharging social responsibilities as a responsible corporate citizen.

Board of Directors

3. **Composition of the Board:** The Board of Directors during the Financial Year 14-15 comprised 08 Members viz. 04 Whole-time Directors (including the Chairman and Managing Director), 02 Part time Government Directors and 02 Part time Non Official Directors (Independent Directors).

4. The details of the members of the Board during the Financial Year ended on 31 Mar 15 are as under:

Name of the Directors	Period	Category of Directorship	No. of Other Directorship
Chairman & Managing Director			
RAdm N K Mishra, NM, IN (Retd)	01 Apr 14 to 31 Mar 15	Chairman & Managing Director	Nil
Whole Time Directors			
Cmde Ashok Bhal, VSM, IN (Retd)	01 Apr 14 to 31 Mar 15	Director(Strategic Project)	Nil
Cmde K S Subramanian, NM, IN (Retd)	01 Apr 13 to 31 Oct 14	Director (Shipbuilding)	Nil
Cmde A S Mitra, IN (Retd)	29 Nov 14 to 31 Mar 15	Director (Shipbuilding)	Nil
Cmde K L N Prasad, IN (Retd)	01 Apr 14 to 20 Jun 14	Director (Corp. Plg & Personnel)	Nil
Shri M Nagaraj	16 Mar 15 to 31Mar 15	Director (Finance & Commercial)	Nil
Part Time Official Directors (Govt Nominees)			
VAdm K R Nair, AVSM,VSM	01 Apr 14 to 17 Jun 14	Part-time Govt. Director	1
VAdm A V SubhedarAVSM, VSM	18 Jun 14 to 31 Mar 15	Part time Govt. Director	1
Shri Ashok K K Meena, IAS	01 Apr 14 to 07 Dec 14	Part-time Govt. Director	2

Shri Bharat Khera, IAS	08 Dec 14 to 31 Mar 15	Part time Govt. Director	2
Part-time Non official Director			
Dr Devi Singh	01 Apr 14 to 17 May 14	Independent Director	5
Ambassador Skand R Tayal, IFS (Retd)	01 Apr 14 to 31 Mar 15	Independent Director	1
Shri Samirendra Chatterjee, IAS (Retd)	01 Apr 14 to 31 Mar 15	Independent Director	0

5. The following directors joined the Board of HSL during the financial year 2014-15:

- (a) Vice Admiral AV Subedhar, AVSM, VSM, CWP&A, MoD has been appointed as Non official Part time Director w.e.f 18 Jun 2014 in the place of Vice Admiral K R Nair, AVSM, VSM vide MoD letter No 2(12)/2007-D(SY) dated 23 Jun 2014.
- (b) Cmde A S Mitra, IN (Retd.) assumed the charge as Director (Shipbuilding) w.e.f 29 Nov 2014 in place of Cmde K S Subramanian, NM, IN (Retd.) vide MoD letter no 2(5)/2013/HSL/D(NS-II) dated 16 Oct 2014.
- (c) Shri Bharat Khera, IAS, Joint Secretary (NS) was appointed as Part time official Director on the Board of Directors in place of Shri Ashok K K Meena, IAS vide MoD letter no 2(12)/2007-D(SY) dated 08 Dec 2014.
- (d) Shri M Nagaraj assumed the charge as Director (Finance & Commercial) w.e.f 16 Mar 2015 vide MoD letter no 2(26)/2012/HSL/D(NS-II) dated 25 Feb 2015.

Profile of Directors appointed during the year

6. Vice Admiral A V Subhedhar, AVSM, VSM. Vice Admiral AV Subhedhar has commissioned in Indian Navy in August 1977. He is a post graduate in Marine Engineering from Pune University. During his career, spanning over Three and half decades, Admiral held important assignments, both afloat and ashore. He has served on five frontline warships including a tenure as Fleet Engineer Officer, Western Fleet in 1998. His important ashore appointments include Director Naval Training and Ship Production at Naval Headquarters, Director Machinery Trials and Acceptance Authority (Mumbai), Warship Production Superintendent (Mumbai), General Manager (Refit) Naval Dockyard Visakhapatnam, Chief Staff Officer (Technical), Eastern Naval Command, Visakhapatnam and Admiral Superintendent, Naval Dockyard, Mumbai. As Director General Naval Projects, Mumbai, he was responsible for planning and execution of major technical and marine infrastructure for the Navy on west Coast. For his Meritorious service of exceptionally high order in Indian Navy, he has been awarded as Vishisht Seva Medal in 2009 and Ati Vishisht Seva Medal in 2011 by the President of India. Vice Admiral A V Subhedhar, AVSM, VSM has been appointed as Part time official Director on the Board of Directors w.e.f 18 Jun 2014.

7. Commodore A S Mitra, IN (Retd.). Commodore A S Mitra, IN (Retd.) has done B.Tech in Naval Architecture and Ocean Engineering from prestigious IIT Kharagpur followed by Post Graduate diploma in Naval Architecture from IIT Delhi. In a career span of 28 years, Cmde Mitra has held several positions in Indian Navy in the field of Ship Design, Ship Construction and Maintenance. He has been at the helm of management in design and execution of very high value warship building projects. Some of the important assignments held by him during his illustrious career are Naval Construction Overseer at GRSE, Kolkata, Director at Directorate of Naval Design, Naval Headquarters, Dy. General Manager (Quality Assurance) at Naval Dockyard, Mumabi, Warship Production Superintendent, at Goa, Principal Director at Directorate of Naval Architecture, Naval Headquarters etc. He has led policy formulation for material, equipment and maintenance standards besides Human Resource Management. Commodore A S Mitra took premature retirement from Indian Navy and joined Hindustan Shipyard on 29 Nov 2014 as Director (Shipbuilding).



8. **Shri Bharat Khera, IAS.** Shri Bharat Khera, joined IAS (Himachal Pradesh Cadre) in the year 1995. In a career spanning about 20 years, he has served both state Govt. and Central govt. and associated with various administration and policy making process. Apart from heading Himachal Pradesh Government's Departments like Personnel & General Administration department, Parliamentary Affairs, Defence Services department as Secretary, Shri Bharat Khera has managed various State Government PSUs like Agro Packaging India Limited, State Road Transportation Corporation, HP Horticulture Marketing & Processing Corporation Limited, HP State Industrial Development Corporation Limited as Managing Director. Besides this he has been the Secretary to Governor of Himachal Pradesh in the year 2009-10. Shri Bharat Khera is presently on deputation to Govt. of India and serving the country as Joint Secretary (Naval Systems) from Nov 2014 in the Department of Defence Production, Ministry of Defence. He has been appointed as Part time official Director on the Board of Directors by President of India w.e.f 08 Dec 2014.

9. **Shri M Nagaraj.** Shri M Nagaraj has done MBA (Finance) from Kousali Institute of Management Studies, Karnatak University in 1979. He started his career as an Administrative Officer in an Ancillary Unit of M/s Hindustan Aeronautics Limited Bangalore in the year 1979. Thereafter, he joined ITI Limited (under Ministry of Telecom and IT) at its Naini Plant, Uttar Pradesh as Dy. Accounts Officer in 1980. In a career of 34 years in ITI Limited he has worked in various production units of ITI Limited and Corporate Office and holds diversified experience in Costing, Budgeting, Deposits and Bonds, Finalisation of Accounts, Foreign Exchange Cell, Treasury Management, etc. His last assignment in ITI Limited was Additional General Manager (Corporate Finance) at Bangalore. Shri M Nagaraj took over as Director (Finance & Commercial) of Hindustan Shipyard Limited on 16 Mar 2015 after taking premature retirement from ITI Limited.

10. During the year the following Directors have left the board due to superannuation /completion of tenures of their appointment:

- (a) Dr Devi Singh, has completed his tenure as Part time official Director on 17 May 2014.
- (b) Vice Admiral K R Nair, AVSM, VSM has completed his tenure as Part time official Director on 17 Jun 2014. Vice Admiral A V Subhedar, AVSM, VSM has been appointed as Part time official Director in lieu.
- (c) Cmde (Retd.) K L N Prasad, Director (Corporate Planning & Personnel) expired on 20 Jun 2014.
- (d) Cmde K S Subramanian, NM, IN (Retd.), Director (Shipbuilding) has been retired from service on attaining superannuation on 31 Oct 2014. Cmde A S Mitra, IN (Retd) has been appointed as Director (Shipbuilding) in lieu.
- (e) Shri Ashok K K Meena, IAS Part time official Director completed his tenure on 07 Dec 2014. Shri Bharat Khera, IAS, Joint Secretary (NS) has been appointed in lieu.

11. The Board of Directors wishes to place on record the appreciation of the services rendered by the outgoing Directors. The Board also deeply regret on the sad and sudden demise of Cmde (Retd.) K L N Prasad.

12. Dr Devi Singh has completed his tenure on 17 May 2014 and thus one post of Independent Director post has fallen vacant since 18 May 2014. Therefore, as on the date of the report, there is one vacancy of Independent Director needs to be filled by the Govt. of India.

13. As per DPE guidelines on Corporate Governance, there should be Four Independent Directors on the Board of Directors of HSL. Out of the required four Independent Directors, presently, only two Independent Directors are on the Board. Ministry of Defence has been informed about such requirement and required appointments of Independent Directors on the Board have also been requested. Therefore, present composition of the Board of Directors is not inline with the DPE guidelines.

14. **Permanent Special Invitees on the Board :** During the Year, the following Permanent Special Invitees continued on the Board:

- (a) Shri Rajnish Kumar, Addl FA & JS (RK), MOD
- (b) Rear Admiral Anil Kumar Saxena, NM, DGND, Indian Navy
- (c) Dr V Bhujanga Rao, DG & DS (NS & M), DRDO, MOD
- (d) Vice Admiral K R Nair, AVSM, VSM, Chief of Materiel, Indian Navy
- (e) Vice Admiral Anurag G Thapliyal, AVSM & Bar, Director General, Indian Coast Guard (Upto 15 Mar 2015)

15. In addition, during the Financial year 2014-15, the Govt. of India appointed Vice Admiral H C S Bisht, Director General, Indian Coast Guard in place of Vice Admiral Anurag G Thapliyal, AVSM & Bar vide MoD letter No 2(12)/2007/D(SY) dated 16 Mar 2015.

16. **Board Meetings.** The Board meets at regular intervals during which the company affairs are discussed and decisions are taken. During the financial year ended 31 Mar 2015, six Board Meetings were held on 23 Apr 2014, 11 Jul 2014, 23 Sep 2014, 10 Dec 2014, 23 Jan 2015 and 12 Mar 2015. The intervening gap between any two meetings was within the period prescribed by the Companies Act 2013.

17. **Directors Attendance.** Details of Directors attendance at the Board Meetings and Annual General Meeting are given below.

Name of the Directors	No. of Meetings		Attendance at last AGM
	Held during the tenure of Directors	Attended	
Radm N K Mishra, NM (Retd)	6	6	Yes
Cmde K S Subramanian, NM (Retd)	3	3	Yes
Cmde K L N Prasad (Retd)	1	1	Yes
Cmde Ashok Bhal, VSM, (Retd)	6	6	Yes
Cmde A S Mitra	3	3	No
Shri M Nagaraj	0	0	No
Shri Ashok K K Meena, IAS	3	2	No
Shri Bharat Khera, IAS	3	2	No
VAdm K R Nair, AVSM, VSM	1	1	No
VAdm A V Subhedar, AVSM, VSM	5	1	No
Dr Devi Singh	1	1	No
Shri Skand R Tayal, IFS	6	6	Yes
Shri Samirendra Chatterjee	6	5	Yes

18. **Board Procedure.** Board Meetings are held at least once in every quarter, and more often if considered necessary, focusing on business requirements. Every Board meeting is convened through proper and appropriate advance notice to the Board Members after obtaining approval from Chairman & Managing Director. Detailed agenda, management reports, other relevant documents are generally circulated well in advance to the members of the Board in order to have meaningful, informed and focused decisions at the meeting. To address specific urgent needs, Board meetings are also called at short notice and sometimes considering business exigencies, Resolutions are also passed through circulation which is confirmed by the Board members in its very next meeting.



19. In general, agenda papers are prepared by the concerned officials, concurred by the Functional Directors and put up for approval of Chairman & Managing Director. Duly approved Board notes and agenda papers are circulated among the Board members by the Company Secretary.

20. The Board and its members have complete access to all informations of the company. The Board is also free to recommend inclusion of any matter in agenda for discussion. If necessary, senior management is also called to provide additional inputs to the items being discussed by the Board / committee.

21. **Audit Committee.** The Audit Committee of the Board comprises three members viz. Two Part time non official Directors and One Part time Official Director. The Audit Committee is being chaired by a Non official part time Director. The following were the Audit Committee Members during the Financial Year 2014-15 till 10 Jul 2014.

- | | | |
|-----|---|-----------------|
| (a) | Dr. Devi Singh
(Part Time Non official director) | Chairman |
| (b) | Shri Skand R Tayal
(Part Time Non official director) | Member |
| (c) | Shri Ashok K K Meena, IAS
(Part Time Official director) | Member |

22. Dr Devi Singh completed his tenure as Part time non official Director on 17 May 2014. Therefore the Board members nominated Shri Samirendra Chatterjee, Part time non official director in place of Dr Devi Singh as member of the Audit Committee which is subsequently confirmed by the Board on 11 Jul 2014. The Audit Committee formally reconstituted on 11 Jul 2014 with following members.

- | | | |
|-----|--|-----------------|
| (a) | Shri Skand R Tayal
(Part Time Non official director) | Chairman |
| (b) | Shri Samirendra Chatterjee
(Part Time Non official director) | Member |
| (c) | Shri Ashok K K Meena, IAS
(Part Time Official director) | Member |

23. Shri Ashok K K Meena, IAS completed his tenure on 07 Dec 2014. Shri Bharat Khara, IAS has been appointed as Part time official Director in lieu. In view of the above, the Board in its 384th Meeting held on 10 Dec 2014 reconstituted the Audit Committee as under

- | | | |
|-----|--|-----------------|
| (a) | Shri Skand R Tayal
(Part Time Non official director) | Chairman |
| (b) | Shri Samirendra Chatterjee
(Part Time Non official director) | Member |
| (c) | Shri Bharat Khara, IAS
(Part Time Official director) | Member |

24. Shri Rajnish Kumar, Addl FA & JS (RK), DDP, MoD continued to be Special Invitee to the Audit Committee during the Financial Year 2014-15.

25. The terms of reference of the audit committee are as specified in Section 177 of the Companies Act, 2013 and the guidelines issued by the Department of Public Enterprises. The primary function of the committee is to assist the Board of Directors to fulfill its responsibilities through review of financial reports, internal control systems for finance, accounting and legal compliance by the management and Board.

26. The Audit Committee reviews Internal Audit Reports, meets Statutory Auditors and Internal Auditors and discusses their findings, suggestions and other related matters and reviews the half yearly and annual financial statements before their submissions to the Board.

27. The Chairman of the Committee apprises the Board regarding observations of the Audit Committee during the Board meeting. The minutes of the Audit Committee meetings are placed before the Board.

28. During the financial year 2014-15, five meetings of the Audit Committee were held on 23 Apr 2014, 11 Jul 2014, 23 Sep 2014, 10 Dec 2014 and 12 Mar 2015 .

29. The attendance of the members of the Audit Committee during the financial year 2014-15 is given below

Name of the member	No of meeting	
	Held during the tenure	Attended
Dr Devi Singh	1	1
Shri Skand R Tayal, IFS (Retd.)	5	5
Shri Samirendra Chatterjee, IAS (Retd.)	4	3
Shri Ashok K K Meena, IAS	3	2
Shri Bharat Khera, IAS	2	2

30. **Procurement Sub Committee:** In order to obviate procedural delays in connection with procurement of high value equipment, a Sub-committee of the Board with vested financial power was constituted in the 366th Board meeting held on 21 Feb 2012. During the FY 2014-15, the following were Members of the Procurement Sub Committee

- | | |
|--|-----------------|
| (a) Rear Admiral N K Mishra, NM (Retd.)
Chairman & Managing Director | Chairman |
| (b) Shri Samirendra Chatterjee
Part time non official Director | Member |
| (c) Concerned Functional Director | Member |

31. The terms of reference of the committee include powers to approve proposals for procurement of order for required assets/capital expenditure items, materials, equipment, tools, stores & spares, imports, approvals of works, sub-contracts, and facility hire valued above Rs 5 Cr and up to the value of Rs 20 Cr in each case for sanctioned projects except nomination cases. However, the financial powers of Procurement Sub Committee to approve the proposals were revised for procurement of materials and equipments value above Rs 25 Cr upto Rs 50 Cr for the Project VC 11184 only.

32. During the Financial year 2014-15, three meetings of the Procurement Sub-Committee was held on 09 Sep 2014, 11 Feb 2015, and 12 Mar 2015.

33. The attendance of the members of the Procurement Sub Committee during the financial year 2014-15 is given below

Name of the member	No of meeting	
	Held during the tenure	Attended
Rear Admiral N K Mishra, NM	3	3
Shri Samirendra Chatterjee	3	3
Cmde K S Subramanian, NM	1	1
Cmde A S Mitra	2	2



34. **Project Review Sub Committee.** In order to review important Govt. Sanctioned Projects and executed by the Company, a Project Review Sub Committee (PRSC) of the Board of Director was constituted in the 372nd Meeting of Board of Director held on 14 Feb 13 which was subsequently reconstituted in 380th Meeting held on 26 Feb 2014 . The PRSC comprise following Directors as members:

- | | |
|---|-----------------|
| (a) Shri Skand R Tayal, IFS (Retd.)
Part time Non official Director | Chairman |
| (b) Director (Shipbuilding) | Member |
| (c) Director (Corporate Planning & Personnel) | Member |
| (d) Director (Strategic Project) | Member |

35. The terms of reference of the Committee are as follows:

- (a) Detailed Review of technical and financial progress achieved with reference to the milestones fixed and scope and specifications prescribed.
- (b) Review adherence to contractual provisions and approved procurement policy of the company in important cases of procurement.
- (c) To identify deficiencies in the extant procedures and to make suggestions for improvement.

36. Since, Cmde K L N Prasad, ex-Dir (CP &P) expired on 20 Jun 2014 and Cmde K S Subramanian, NM, IN (Retd.) retired on attaining superannuation on 31 Oct 2014, no meeting of PRSC was held during the year 2014-15. The Committee is presently under reconstitution.

37. **Human Resource Committee.** In order to address HR related issues that require the attention of the Board, the Board in its 379th Meeting 02 Dec 2013 constituted the Human Resource Committee. The HR Committee comprise following Directors as members:

- | | |
|--|-----------------|
| (a) Shri Samirendra Chatterjee
Part time Non official Director | Chairman |
| (b) Director (Shipbuilding) | Member |
| (c) Director (Corporate Planning & Personnel) | Member |

38. The terms of reference of the Committee are as follows:

- (a) To review and recommend the proposals towards revision in payment of allowances/benefits to the employees.
- (b) To examine the proposals related to other HR related issues like promotion policy of the company, welfare measures for employees, IR issues etc. and give its recommendations.
- (c) To review and monitor the execution of HR Plan in alignment with company's objective and future business expansions and recommend the same to the Board for approval

39. Since, Cmde K L N Prasad, ex-Dir (CP &P) expired on 20 Jun 2014 and Cmde K S Subramanian, NM, IN (Retd.) retired on attaining superannuation on 31 Oct 2014, no meeting of HR committee was held during the year 2014-15. The Committee is presently under reconstitution

40. **Corporate Social Responsibility and Sustainability Sub-Committee.** In order to formulate the CSR & Sustainability Policy and review the activities undertaken, the Board in its 374th Meeting held on 17 May 14 had constituted the CSR & Sustainability Committee. The following were the members of the committee till 22 Sep 2014

- | | |
|---|-----------------|
| (a) Shri Samirendra Chatterjee
Part time Non official Director | Chairman |
| (b) Cmde K L N Prasad
Director (Corporate Planning & Personnel) | Member |
| (c) Cmde Ashok Bhal, VSM
Director (Strategic Project) | Member |

41. In view of the sad & sudden demise of Cmde K L N Prasad, ex-Dir (CP&P), the Committee was reconstituted as under in 383rd Meeting held on 23 Sep 2014.

- | | |
|--|-----------------|
| (a) Shri Samirendra Chatterjee
Part time Non official Director | Chairman |
| (b) Director (Shipbuilding) | Member |
| (c) Director (Strategic Project) | Member |

42. The terms of reference of the Committee are as follows:

- (a) Formulate and recommend to the Board, Corporate Social Responsibility and Sustainable Development Policy which shall indicate the activities to be undertaken by the Company.
- (b) Recommend the amount of expenditure to be incurred on the activities referred in clause (a).
- (c) Monitor the Corporate Social Responsibility and Sustainable Development Policy of the Company from time to time.

43. During the Financial year 2014-15, one meeting of the CSR & Sustainability Sub-Committee was held on 23 Sep 2014 where all members were present.

44. **Committee of Independent Directors:** Pursuant to DPE's OM dated 20 Jun 2013, a Committee of Independent Directors had been constituted by the Board in its 376th Meeting held on 23 Jul 2013. The Committee comprises all Independent Directors on the Board as its members.

45. The Terms of Reference inter-alia includes that Non Official Directors of the company shall hold at least one meeting in a year, without attendance of Functional & Government Directors and members of management to assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform the duties.

46. Pursuant to Section 149 (8) and Clause VII of Schedule IV of the Companies Act 2013, one separate meeting of the Independent Director was held on 31 Mar 2015 where all members were present.

47. **Evaluation of Board:** Pursuant to Section 149 (8) and Clause VII of Schedule IV, the Independent Directors were to evaluate the performance of Chairperson, Non Independent Directors on the Board, and the Board as a whole. The Independent Directors in their 1st Separate Meeting held on 31 Mar 2015 have opined that the performance of the , Chairperson, non-independent Directors and the Board as a whole are being reviewed by the Govt. of India. However, the committee placed it on record that they have no adverse remarks on the performance of Chairperson, non-independent Directors and the Board as a whole. Further the Independent Directors placed it on record that the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform the duties are normal.

48. **Declaration by Independent Diectors.** The Company has received necessary declaration from each Independent Directors as on 31 Mar 2015 under Section 149 (7) of the Companies Act 2013 that he/she meets the criteria of independence laid down in Section 149 (6) of the Companies Act 2013.



49. **Remuneration of Whole-time Directors.** The remuneration of Whole Time directors is fixed by the Government as the Company is a Government Company within the meaning of Sec 2 (45) of Companies Act, 2013. Your Company being a Central Public Sector Enterprise, the appointment, tenure and remuneration of Directors are decided by the President of India. The Government communication appointing the Functional Directors indicate the detailed terms and conditions of their appointment including a provision for the applicability of the relevant rules of the Company. The details of remuneration paid to the Functional Directors during 2014-15 are provided in extract of Annual Return annexed to this report.

50. **Remuneration to Part Time Directors.** Part time Official Directors are not eligible for sitting fees attended by them. The part time Non-Official (Independent) Directors are paid sitting fees of Rs.2500/- for each meeting of the Board /Committees (s) of the Board and reimbursed actual expenditure to attend the meeting of the Board/Board Committee (s). Government Nominee Directors are not paid any remuneration including sitting fee for attending Board / Committee meetings. Further, none of the Government Nominee Directors had any pecuniary relationship or transactions with the Company during the year.

51. **Code of Business Conduct and Ethics.** As per guidelines issued by Department of Public Enterprises, the company has formulated "Code of Business Conduct and Ethics for Board Members and Senior Management" for better corporate governance and fair/ transparent practices. A copy of the same has been circulated to all concerned and also available on the website of the Company. The Board members and senior management personnel, to whom the said code is applicable, have affirmed compliance of the same for the year ended 31 Mar 15.

52. **General Meetings.** The details of the last three Annual General Meetings and Extra Ordinary General Meetings of the company are given below:

Year	Date	Time	Location
2011-12	21.09.2012	11.00 A.M	HSL Board Room, Visakhapatnam
2012-13	30.09.2013	10.00 A.M	HSL Board Room, Visakhapatnam
Extraordinary General Meeting	27.05.2014	11.00 A.M	HSL Board Room, Visakhapatnam
2013-14	23.09.2014	12.00 P.M	HSL Board Room, Visakhapatnam

53. **Whistle Blower Policy.** The Company has its Whistle Blower Policy and the same has been displayed on the Website of the Company.

54. **Risk Management Policy.** The company has framed a Risk Management Policy and the same has been approved by the Board and the same has been implemented in the company.

55. **Disclosures.** During the year 2014 -15, the company has not entered into any transactions with any Directors that may have potential conflict with the interest of the company at large. The members of the Board, apart from receiving Director's remuneration (wherever applicable), do not have any material or pecuniary relationship or transaction with the company which in judgment of the Board may affect independence of judgment of the directors.

56. During the last three years, there has been no instance of non-compliance by the company on any matter related to Companies Act, 1956/2013 or any Industrial Laws. The Board has periodically reviewed the compliance of laws by the Company.

57. The guidelines issued by the Department of Public Enterprises, Govt of India have been complied with.

58. The company has not incurred any expenditure which is not for the purpose of Business of the Company, nor has the Company incurred any expenditure which is person in nature for the Board of Directors and top management.

-----x-----



DECLARATION

As provided under the guidelines on Corporate Governance for CPSEs 2010 issued by the Department of Public Enterprise, Government of India, it is hereby declared that all Board members and Senior Management personnel have affirmed compliance with the code of conduct for Directors and Senior Management personnel of Hindustan Shipyard Limited for the year ended 31 Mar 2015.

For Hindustan Shipyard Limited

(N K Mishra)
Rear Admiral, IN (Retd.)
Chairman & Managing Director

Place : Visakhapatnam

Date : 27 Jul 2015



SATYANARAYANA A.
COMPANY SECRETARY

ASN ASSOCIATES
COMPANY SECRETARIES

(O) : 2529246
Fax : 0891-2712695
Cell : 99492-26699
email : asn@asnassociates.com
satya@asnassociates.com

CORPORATE GOVERNANCE CERTIFICATE

CIN : U74899AP1952GOI076711
Nominal Capital : Rs. 3,040,000,000/-

To
The Members
M/s. Hindustan Shipyard Limited
Visakhapatnam.

We have examined the Compliance of Conditions of Corporate Governance by Hindustan Shipyard Limited, (CIN U74899AP1952GOI076711) for the year ended on 31.03.2015, as stipulated in the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) 2010 issued by the Government.

The Compliance of Conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, We Certify that the Company has complied with the aforesaid Guidelines on Corporate Governance. The appointment of Independent Directors on the Board as per the DPE Guidelines should be expedited.

We state that such Compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.



Place : Visakhapatnam
Date : 30.07.2015

For ASN Associates
Company Secretaries

Signature :

Name of the :
Company Secretary: (SATYANARAYAN A)
C.P No. : 2354

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Industry Structure and Developments

1. India has around 32 shipbuilding yards operating in both public and private sectors. In recent years, the industry has witnessed entry of new shipbuilders from the private sector. With liberalisation policy of the Government and promulgation of Defence Procurement Policy-2013 (DPP 2013), these shipbuilders have become serious competitors to Defence Public Sector yards.
2. With the opening of the Defence market to Private Sector, HSL is facing stiff competition. To meet this competition, an elaborate modernisation programme has been planned. On successful completion of the said modernisation programme, the yard will be able to meet the future challenges. The major customers of HSL are Indian Navy and Indian Coast Guard. The long term perspective plan of our esteemed customers indicates ambitious expansion plans and the yard will benefit from the diverse ships to be procured in near future. The Yard is putting its best efforts to secure lucrative orders from these customers. This would help the yard to turn around and become profit making in near future.

SWOT Analysis

3. In the changing environment, the company has identified following Strengths, Weakness, Opportunities and Threats (SWOT).

(a) Strengths

- Largest shipyard on East Coast of India
- Only shipyard on East Coast for submarine repairs
- Large covered building dock for un-interrupted work
- Strategically located with water depth of about 10 m
- Almost no dependence on tide conditions for float out/ launch.
- Capable of building all kinds of vessels up to 80,000 DWT
- 850 m of wharfage with adequate cranes
- Large dry dock and wet basin with workshops for Ship/Submarine repairs
- Cranes to handle loads upto 300 tons
- Two low bed transporters of 200 tons capacity

(b) Weaknesses

- Aged work force with low productivity
- Acute working capital constraints
- Attrition of good contractors view irregular payments
- Weak Supply Chain Management
- Lack of high value orders
- High overheads due to increased wages
- Low teeth to tail ratio



(c) Opportunities

- Increased demand for ships for Coastal Security/ Defence
- Large scope for ships/ submarines repairs
- National need to create second line of Submarine Construction.
- Make in India policy of Government.

(d) Threats

- Loss of expertise due to superannuation
- Poaching by sister PSUs and upcoming yards
- Loss of business due to new yards on East Coast
- Uneven playing field compared to Private Yards
- Volatile Exchange Rate Variation
- Unfavourable judgments w.r.t legal cases
- Changing International Maritime Laws
- Stiff Competition from both global and national players.

Infrastructure Modernisation

4. **Phase-I:** The Yard had approached MoD for sanction of funds towards Refurbishment and Replacement of Machinery and Infrastructure (RRMI) to meet the future challenges of construction of warships under Phase-I Modernisation. Accordingly, Govt. of India has sanctioned Rs 457.36 Cr under LPD Project on 23 Dec 2011. As on 31 Mar 2015, procurement / work for an amount of Rs 36.96 Cr is completed. With regard to Phase- I modernization following are relevant:-

(a) In Oct 2014, the yard was hit by a super cyclone “HUDHUD” with wind speeds in excess of 260 KM/Hr. This caused wide spread damage and production came to a grinding halt. The roofs of dock factory sheds were almost completely destroyed and services (particularly electrical supplies, air and piped gas) were severely affected. Being loss making, the company had no reserve and surpluses to undertake repairs and assistance of Government was sought. Pending approval the yard utilized RRMI funds to undertake minimum essential repairs to resume operations. This activity is almost completed.

(b) The yard being 70 years old, the infrastructure, buildings, roads etc. are in a dilapidated condition. This issue is being addressed in the Phase-I modernization.

(c) In addition, replacement of essential machinery, repairs of equipments and few new machines (to keep abreast of new technologies) are also being undertaken.

5. **Phase-II:** The second phase of modernisation involves augmentation of infrastructure to enable construction of sophisticated warships and strategic vessels for Indian Navy and Coast Guard.

6. In addition to above, a sophisticated facility has been created in the yard to take up special assembly works of naval projects at a cost of Rs 4.5 Cr. This facility includes an air conditioned hangar of 50 x 25 x 12 M size along with 21 x 13 x 6 M size warehouse and 50 x 25 M size hard-stand area.

Segment-wise or Product-wise Performance

7. Your Company has three distinct revenue segments i.e. Shipbuilding, Ship repairs and Submarine Retrofit. The Value of Production during the Financial Year 2014-15 from these segments was Rs 294.16 Cr.

8. Segment-wise performance during FY 2014-15 is indicated below

(i) Shipbuilding. During the financial year, the yard laid keels for VC 11184 and 02 Nos 25 T BP Tugs for Indian Navy and achieved floating of 53,000 DWT for GML, Chennai. This Division has achieved VoP of Rs.128.67 Cr.

(ii) Ship repairs. The yard has undertaken repairs of 22 vessels of various types. During the Financial Year, this Division has achieved a VoP of Rs 62.84Cr .

(iii) Retrofit. Despite severe constraints due to cyclone Hudhud, the yard has achieved another important landmark in its glorious history with successful undocking of INS Sindhukirti, an EKM class Submarine on 04 Nov 2014. The refit has been done meeting all stringent quality requirements specified by Indian Navy. This Division has achieved VoP of Rs 102.65 Cr.

Future Outlook

9. HSL is a major shipyard on the East Coast. There is a vast potential to secure high value construction and repair orders. However, the yard is facing stiff competition from shipyards that have emerged on the east coast, not too far away from Visakhapatnam. The Yard was brought under the control of Ministry of Defence to meet the future requirement of Indian Navy & Coast Guard. Both Indian Navy and Coast Guard have embarked on massive expansion plan to strengthen their fleets. HSL is geared to seize the opportunity and undertake construction of sophisticated Defence vessels. Towards this, the yard has been nominated for construction of two SOVs and two LPDs. Besides this, your yard is also putting best efforts to secure Ship/ Submarine Construction and Ship/ Submarine repair orders through competitive bidding. During the year 2014-15, your yard has signed MoUs with Hyundai Heavy Industries Ltd, Korea for transfer of technology, design and manufacture of the submarines including its systems/sub-systems. Another MoU with BHEL & MIDHANI has been signed. Through this, a consortium is being formed to jointly bid for Project 75(I)

10. The above strategy aims to improve the order book and eventually address the cash flow issues plaguing the yard. Financial Restructuring and Improvement in Order Book position would enable the yard to turnaround during Financial Year 2015-16. Having regained the financial health, the shipyard would endeavor to meet all its commitments for delivery of vessels as per contract schedules and post reasonable profits in a sustained manner. Efforts would continue to secure additional orders through competitive tender basis including the construction of new class of submarines

Risks & Concerns

11. Presently the major concern of the Company is its financial position. The reason behind its weak financial position explained in succeeding paragraphs, which is serious casue of concern.

12. During the transition period from MoS to MoD, there was a ban on Shipyard against taking any fresh commercial orders. The yard was thus deprived from taking advantage of the shipbuilding boom existing then as it was assured that naval orders on nomination would be placed on HSL. However, no such sizeable order was placed on the yard except Project 11184 since transfer of MoD. As a result, at present the yard has a meagre order book of Rs 1400 Cr approx.



13. Though, the yard has excellent infrastructure and facilities. Owing to low order book, its capacity is not being fully utilized. Since the yard has been designed for production of large ocean going vessels, the contribution from small orders is not enough to meet the breakeven cost of the yard and thereby the yard continues to post losses every year. Though, the yard has been striving to improve its performance, these legacy issues are coming in the way of turning around of the yard. In order to surmount these issues, a Fresh Financial Restructuring proposal has already been submitted to the Govt of India for consideration. Considering the size of the yard, it requires to maintain the order book value of about Rs 5000 Cr in order to achieve break even.

14. Assured orders on nomination for construction of advanced vessels like LPDs, SOVs have been delayed and one of the assured orders i.e. one submarine under P-75(I) has been cancelled. HSL has been deprived of any highvalue orders on nomination basis, whereas other DPSU yards continue to get orders on nomination. Therefore, with a weak financial position, HSL is forced to compete with economically sound shipyards to bag orders to remain operational. Furthermore, due to its negative networth, the yard at times fails to qualify to participate in Shipbuilding tenders.

15. **Financial Restructuring:** As reported in our earlier reports, the Fresh Financial restructuring (FFR) is still under consideration by Ministry of Defence. The delay in approval of Financial Restructuring Proposal is a cause of concern.

16. The position of the yard is very unstable as brought out, and the foreseeable risks are as under:-

- (a) Acute cash constraints and inadequate working capital
- (b) High attrition rates resulting in reduction of skilled manpower
- (c) Low order book which may severely affect the financials of the Company
- (d) Stiff competition from Private Shipyards
- (e) Abnormal fluctuations in Rupee-Dollar exchange rate

Internal Control System and their Adequacy

15. Your Company has a robust system of Internal Controls to achieve effective and efficient operations, reliability of financial reports and compliance to applicable laws and regulations. The system comprises a clearly defined organisational structure, pre-identified authority levels and procedures issued by the management covering all vital and important areas of activities. viz. Purchase, Material Control, Works, Finance & Accounts, Personnel etc.

16. The Company has outsourced internal audit to a Chartered Accountant firm i.e. Ambika & Isha, Chartered Accountants, Visakhapatnam for the year 2014-15

17. The Internal Control systems are regularly reviewed by the Audit Committee. The adequacy of Internal Control procedures is also reviewed by the Statutory Auditors in their Audit Report. Your Company, being owned by Government is subject to Government Audit also.



Financial Performance of the Company

18. The Financial performance of your Company during the year as compared to the last year are as under:-

In Rs Cr

Details	As on 31 Mar 15	As on 31 Mar 14
Total Income	323.01	519.06
Profit /(Loss) Before Depreciation, Interest, Extraordinary Items and Tax	(145.54)	(29.43)
Profit / (Loss) Before Tax	(202.84)	(46.21)
Profit / (Loss) after Tax	(202.84)	(46.21)
Cumulative Profits / (Losses)	(1325.37)	(1117.47)

19. The reasons for losses in the Financial Year 2014-15 can be primarily attributed to the reduction in total income due to extensive damage caused by HUDHUD cyclone and subsequent repercussions and slow production due to restoration activities for nearly 03-04 months from 12 Oct 2014. Further, the low turnover due to lean order book and provision made towards the case lost against M/s Essar Oil Limited and payment to M/s Graig Investment Limited towards full and final settlement of their claim also contributed to the losses in the year 2014-15. The contribution generated was inadequate to meet the fixed expenses of the yard and thereby the Company has incurred losses. In addition, Companys Low order Book also contributed for losses in FY 2014-15.

Development of Human Resource

21. Employees are the most valuable resources of any Company. Therefore the Company gives utmost importance to training and development of its human resources to maximise their contribution. Employees were nominated for various in-house/external seminars and training modules. Awareness training on occupational health, safety, environment & fire fighting were conducted during the year.

23. To meet the critical requirements of the yard, 33 nos Management Trainees and 02 officers in the rank of Sr. Manager and General Manager were recruited besides other recruitments in staff & workmen cadre.

23. The Company runs an Apprentice Training School to meet the need for skilled manpower. During the year FY 2014-15, 202 Trade Apprentices (one year & two year courses) of different trades have successfully completed their training under the Apprentices Act 1961, out of this 29 apprentices have passed All India Trade Test and qualified for "National Apprenticeship Certificates" from the Govt. of India, Ministry of Labour and Employment, Regional Directorate of Apprenticeship Training (RDAT), Hyderabad are awaited.

Industrial Relations

25. The industrial relations were cordial and harmonious during the year 2014-15.

Environment Aspects

26. Your Company continues to be environment friendly and has fulfilled all the statutory requirements of central and State Pollution Control Boards. The Company is committed to meet all the stipulated standards for maintaining and protecting the environment.



Corporate Social Responsibility

27. The yard continues to show its commitment towards CSR even though it is not required to allocate dedicated funds towards CSR being a loss making organisation in accordance with the DPE guidelines. The Board of Directors has constituted a Board level sub-Committee on CSR and Sustainability and formulated a CSR & Sustainability Policy and Plan for the year 2014-15. The Chairman of the Committee is Shri Samirendra Chatterjee, IAS (Retd.), Non-official Part time Director.

28. A Senior Management Committee on CSR & Sustainability has also been constituted to monitor the implementation of the CSR Plan for the year 2014-15. The Senior Management Committee is chaired by an officer in General Manager Cadre with HODs/ Senior Officers from concerned departments of the yard as its members. The Committee oversaw and implemented the CSR Plan for the year 2014-15.

29. The company has identified some of the need based CSR initiatives for the betterment of the local people with minimum financial commitment. Towards this, an amount of Rs 1,25,705/- was spent during the year 2014-15. The activities undertaken during the year 2014-15 has been detailed in the Directors Report.

Form No MGT-9

**EXTRACT OF ANNUAL RETURN
as on Financial Year ended on 31 Mar 2015**

[Pursuant to Section 92(3) of the Companies Act 2013 and rule 12(1) of the Companies (Management & Administration) Rules 2014]

I. REGISTRATION AND OTHER DETAILS

(i)	CIN	U74899AP1952GOI076711
(ii)	Registration Date	21-Jan-52
(iii)	Name of the Company	Hindustan Shipyard Limited
(iv)	Category/ Subcategory of the Company	Private Company/ Government Company
(v)	Address of the Registered office and Contact details	Gandhigram PO, Visakhapatnam - 530005 , PH: 9493792639
(vi)	Whether listed company	No
(vii)	Name, Address and Contact details of Registrar and Transfer Agent, If any	Not Applicable

II. Principal Business Activity of the Company

All the business activity contributing 10% or more of the total turnover of the Company shall be stated			
Sl No	Name & Description of Main Products	NIC Code of the Product	% of the total turnover of the Company
1	Building of Ships & Boats	3011	43
2	Repair of transport equipment except motor vehicles	3315	57

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares Held	Applicable Section
1	Nil	NA	NA	NA	NA



IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

(i) Category wise Share Holding

Category of Shareholders	No of Shares held at the beginning of the year				No of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of the Total Shares	Demat	Physical	Total	% of the Total Shares	

A. Promoters

(1) Indian									
(a) Individual/HUF	-	4	4	0	-	4	4	0	-
(b) Central Govt.	-	30,19,918	30,19,918	100	-	30,19,918	30,19,918	100	-
(c) State Govt(s)	-	-	-	-	-	-	-	-	-
(d) Bodies Corp	-	-	-	-	-	-	-	-	-
(e) Banks / Fis	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(1)	-	30,19,922	30,19,922	100	-	30,19,922	30,19,922	100	-
(2) Foreign									
(a) NRIs-Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuas	-	-	-	-	-	-	-	-	-
(c) Bodies Corp	-	-	-	-	-	-	-	-	-
(e) Banks / Fis	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
Sub Total (A)(2)	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	30,19,922	30,19,922	100	-	30,19,922	30,19,922	100	-

B. Public Shareholding

(1) Institutions									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/Fis	-	-	-	-	-	-	-	-	-
(c) Central Govt	-	-	-	-	-	-	-	-	-
(d) State Govt(s)	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FIs	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital	-	-	-	-	-	-	-	-	-
(i) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(1)	-	-	-	-	-	-	-	-	-

(2) Non Institutions

(a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals	-	-	-	-	-	-	-	-	-
(i) Indian Shareholders holding nominal share capital upto Rs 1 Lakh	-	-	-	-	-	-	-	-	-
(ii) Indian Shareholders holding nominal share capital upto Rs 1 Lakh	-	-	-	-	-	-	-	-	-
(b) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub Total (B)(2)	-	-	-	-	-	-	-	-	-
Total Public Shareholding (B) = (B)(1)+(B)(2)	-	-	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	-	30,19,922	30,19,922	100	-	30,19,922	30,19,922	100	-

(ii) Shareholding of Promoters

Sl No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No of Shares	% of total Shares of the company	% of Shares pledged/encumbered to taltal shares	No of Shares	% of total Shares of the company	% of Shares pledged/encumbered to taltal shares	
1	President of India	3019918	100	0	3019918	100	0	0

(iii) Change in Promoter's Shareholding (Please Specify, if there is no change)

Sl No	Description	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of company	No of Shares	% of total shares of company
1	At the beginning of the year	3019918	100	3019918	100
2	Date wise increase/decrease in promoter shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc.)	0	0	0	0
3	At the end of the year	3019918	100	3019918	100



(iv) Shareholding pattern of top ten Shareholders (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sl No	Description	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of company	No of Shares	% of total shares of company
1. President of India					
1	At the beginning of the year	3019918	100	3019918	100
2	Date wise increase/decrease in promoter shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc.)	0	0	0	0
3	At the end of the year	3019918	100	3019918	100

(v) Shareholding pattern of Directors and Key Managerial Personnel

Sl No	Description	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of company	No of Shares	% of total shares of company
1. Rear Admiral N K Mishra, C&MD					
1	At the beginning of the year	1	0.00	1	0.00
2	Date wise increase/decrease in promoter shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc.)	0	0	0	0
3	At the end of the year	1	0	1	0
2. Cmde K S Subramanian, NM, IN (Retd.)					
1	At the beginning of the year	1	0.00	1	0.00
2	Date wise increase/decrease in promoter shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment /transfer/bonus/sweat equity etc.)	-1	-0	-1	-0
3	At the end of the year	-	-	-	-
3. Cmde K L N Prasad, IN (Retd.)					
1	At the beginning of the year	1	0.00	1	0.00
2	Date wise increase/decrease in promoter shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc.)	-1	-0	-1	-0
3	At the end of the year	-	-	-	-

Sl No	Description	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No of Shares	% of total shares of company	No of Shares	% of total shares of company
4. Shri Ashok K K Meena, IAS					
1	At the beginning of the year	1	0.00	1	0.00
2	Date wise increase/decrease in promoter shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc.)	-1	-0	-1	-0
3	At the end of the year	-	-	-	-
5. Cmde Ashok Bhal, IN (Retd)					
1	At the beginning of the year	0	-	0	-
2	Date wise increase/decrease in promoter shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc.)	1	0.00	1	0.00
3	At the end of the year	1	0	1	0
6. Shri Bharat Khara					
1	At the beginning of the year	-	-	-	-
2	Date wise increase/decrease in promoter shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc.)	1	0	1	0
3	At the end of the year	1	0	1	0
7. Cmde A S Mitra, IN (Retd)					
1	At the beginning of the year	-	-	-	-
2	Date wise increase/decrease in promoter shareholding during the year specifying the reasons for increase/decrease(e.g. Allotment/transfer/bonus/sweat equity etc.)	1	0	1	0
3	At the end of the year	1	0	1	0



V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment. (Rs in Cr)

Description	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
(i) Principal Amount	96.08	372.21	0	468.29
(ii) Interest due but not paid	0	0	0	0
(iii) Ainterest accrued but not due	0	0	0	0
Total (i+ii+iii)	96.08	372.21	0	468.29
Changes in indebtedness during the financial year				
(i) Addition	0	0	0	0
(ii) Reduction	7.65	0	0	7.65
Net Change	7.65	0	0	7.65
Indebtedness at the end of financial year				
(i) Principal Amount	88.43	372.21	0	460.64
(ii) Interest due but not paid	0	0	0	0
(iii) Ainterest accrued but not due	0	0	0	0
Total (i+ii+iii)	88.43	372.21	0	460.64

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time Director and/or Manager

Sl No	Particulars of Remuneration	Name of MD/WTD/Manager						Total Amount
		Radm N K Mishra, CMD	Cmde K S Subramanian, D(SB)	Cmde K L N Prasad, D(CP&P)	Cmde Ashok Bhal, D(SP)	Cmde A S Mira, D(S)	Shri M Nagaraj	
1	Gross Salary	25,34,938.00	10,61,244.00	3,16,512.00	20,87,466.00	7,14,137.00	75,261.00	67,89,558.00
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act 1961	24,37,403.00	10,61,244.00	3,16,512.00	20,72,035.00	7,14,137.00	75,261.00	66,76,592.00
(b)	Value of perquisites u/s 17(2) Income Tax Act 1961	97,535.00	-	-	15,431.00	-	-	1,12,966.00
(c)	Profits in lieu of salary under section 17(3) of Income Tax Act 1961	-	-	-	-	-	-	-
2	Stock Option	-	-	-	-	-	-	-
3	Sweat Equity	-	-	-	-	-	-	-
4	Commission	-	-	-	-	-	-	-
(a)	As % of Profit	-	-	-	-	-	-	-
(b)	Others, Specify	-	-	-	-	-	-	-
5	Others, please specify	-	-	-	-	-	-	-
	Total (A)	25,34,938.00	10,61,244.00	3,16,512.00	20,87,466.00	7,14,137.00	75,261.00	67,89,558.00
	Celing as per the Act							

B. Remuneration to other Directors

Sl No	Particulars of Remuneration	Name of Directors							Total Amount
		Shri Ashok K K Meena	Vadm K R Nair	Dr Devi Singh	Shri Skand R Tayal	Shri Samirendra Chatterjee	Vadm A V Subhedar	Shri Bharat Kherra	
1	Independent Directors	-	-	5,000.00	30,000.00	32,500.00	-	-	67,500.00
(a)	Fee for attending the Board/ Committee Meetings	-	-	5,000.00	30,000.00	32,500.00	-	-	67,500.00
(b)	Commission	-	-	-	-	-	-	-	-
(c)	Others, Please Specify	-	-	-	-	-	-	-	-
	Total (1)	-	-	5,000.00	30,000.00	32,500.00	-	-	67,500.00
2	Other Non Executive Directors	-	-	-	-	-	-	-	-
(a)	Fee for attending the Board/ Committee Meetings	-	-	-	-	-	-	-	-
(b)	Commission	-	-	-	-	-	-	-	-
(c)	Others, Please Specify	-	-	-	-	-	-	-	-
	Total (2)	-	-	-	-	-	-	-	-
	Total (B) = (1)+(2)	-	-	5,000.00	30,000.00	32,500.00	-	-	67,500.00
	Total Managerial remuneration	-	-	5,000.00	30,000.00	32,500.00	-	-	67,500.00
	Ceiling as per the Act								

C. Remuneration to Key Managerial Personnel other than MD/WTD/Manager

Sl No	Particulars of Remuneration	Key Managerial Personnel					Total Amount
		Inaitula Baig, Comany Secretary	Shri V R S Naga Sama, CFO				
1	Gross Salary	9,86,125	16,71,825				26,57,950
(a)	Salary as per provisions contained in section 17(1) of the Income Tax Act 1961	9,84,587	16,52,657				26,37,244
(b)	Value of perquisites u/s 17(2) Income Tax ct 1961	1,538	19,168				20,706
(c)	Profits in lieu of salary under section 17(3) of Income Tax Act 1961	-	-				-
2	Stock Option	-	-				-
3	Sweat Equity	-	-				-
4	Commission	-	-				-
(a)	As % of Profit	-	-				-
(b)	Others, Specify	-	-				-
5	Others, please specify	-	-				-
	Total	9,86,125	16,71,825				26,57,950
	Ceiling as per the Act						



VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Breif Description	Details of Penalty/ Punishment/ Compounding	Authroity (RD/NCLT/ Court)	Appeal Made, If any (Give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**POSITION REGARDING REPRESENTATION OF SCHEDULED CASTE AND SCHEDULED TRIBES
IN VARIOUS CATEGORIES OF POSTS AS ON 1ST JAN 2014 AND 1ST JAN 2015:**

Classification of post/ Services	As on 1 st January 2014			As on 1 st January 2015		
	Total Strength	Scheduled Castes	Scheduled Tribes	Total Strength	Scheduled Castes	Scheduled Tribes
PERMANENT						
Group "A"	113	28	13	102	26	12
Group "B"	234	47	24	232	47	22
Group "C" (Excluding Safaiwala)	1234	176	60	1017	151	59
Group "D" (Excluding Safaiwala)	238	42	8	279	50	15
Group "C" & "D" (safaiwala)	51	51	-	42	42	-
TEMPORARY						
Group "A"	-	-	-	-	-	-
Group "B"	-	-	-	-	-	-
Group "C"	-	-	-	-	-	-
Group "D" (Excluding Safaiwala)	-	-	-	-	-	-
Group "D" (Safaiwals)	-	-	-	-	-	-
Group "D" (Apprentices under Act 1961)	83	28	6	240	45	19
FIXED TERM CONTRACT						
Group "A"	-	-	-	10	1	-
Group "B"	31	4	1	20	3	1
Group "C"	25	5	2	24	4	2
Group "D" (Excluding Safaiwala)	676	157	26	565	131	20
Group "D" (Safaiwals)	10	4	-	8	4	-



**PARTICULARS OF RECRUITMENT MADE DURING THE CALENDER YEAR 2014
AND THE NUMBER FILLED BY MEMBERS OF SCs/STs:**

Classification of Posts/Services	Total Number of posts filled during the year	Scheduled Castes		Scheduled Tribes		Reasons for shortfall and steps taken to improve the position.
		Posts Reserved	Posts filled	Posts Reserved	Posts filled	
PERMANENT:						
GROUP "A"	8	2	2	—	—	—
GROUP "B"	35	4	4	2	2	—
GROUP "C"	1*	—	—	—	—	*compassionate appointment
GROUP "D" (Excluding safaiwala)	106*	16	22	7	7	*2 on compassionate appointment
GROUP "D" Safaiwala	—	—	—	—	—	—
GROUP "D" (Apprentices under Act 1961)	189	30	38	13	16	—
FIXED TERM CONTRACT FOR TWO YEARS:						
GROUP "A"	—	—	—	—	—	—
GROUP "B"	—	—	—	—	—	—
GROUP "C"	—	—	—	—	—	—
GROUP "D" (Excluding Safaiwala)	—	—	—	—	—	—
GROUP "D" Safaiwala	—	—	—	—	—	—



**REPRESENTATION OF EXSERVICEMEN IN GROUP 'C' AND 'D' AND
NUMBER OF WOMEN EMPLOYEES AS ON 1st JANUARY 2015**

Classification of Posts/Services	Total Strength	Ex-Servicemen		Women employees	
		Number	%	Number	%
PERMANENT:					
GROUP "A"	102	9	8.8	8	7.84
GROUP "B"	232	—	—	23	9.91
GROUP "C"	1017	8	0.78	26	2.55
GROUP "D" (Excluding safaiwala)	279	1	0.35	7	2.50
GROUP "D" Safaiwala	42	—	—	7	16.66
GROUP "D" (Apprentices under Act 1961)	240	—	—	3	1.25
FIXED TERM CONTRACT FOR TWO YEARS:					
GROUP "A"	10	10	100	—	—
GROUP "B"	20	9	45	2	10.0
GROUP "C"	24	7	29.16	3	12.5
GROUP "D" (Excluding Safaiwala)	565	—	—	5	0.88
GROUP "D" Safaiwala	8	—	—	7	87.5





ANNEXURE "7" TO THE BOARD'S REPORT

INFORMATION AS PER SECTION 134(3)(m) OF COMPANIES ACT 2013 READ WITH RULE NO 8 (3) OF COMPANIES (ACCOUNTS) RULES 2014 AND FORMING PART OF THE BOARD'S REPORT FOR THE YEAR 2014-15

(A) CONSERVATION OF ENERGY:

(i) The steps taken or impact on Conservation of Energy	<p>The following steps have been taken towards Energy Conservation.</p> <ul style="list-style-type: none"> (i) Use of APFC capacitor banks to improve the power factor thereby reducing the overall Power Consumption. (ii) Running of heavy loads like Air compressors are restricted to minimum (iii) Reduction of lighting to optimum level. (iv) Operation of Distribution Transformers around 70% loading by turning off during OFF peak hours (v) Replacement of old plant and machinery with efficient system like VVVF drivers (vi) Inverter technology welding machines etc. (vii) Switching off plant & machinery when not in use (viii) Replacement of old switchgear & old PLCA cables with suitable capacity XLPE cables & New switchgear etc. (ix) Replacement of old Air Conditioners with BEE certified star rated and inverter based units. Replacement of old lighting with energy efficient CFL and LED lamps.
(ii) The Steps taken by the Company utilizing alternate sources of energy	Nil
(iii) The capital investment on energy conservation equipments	During the year 2014-15, Rs 50 lakhs were spent towards capital investment on energy conservation equipment.

(B) TECHNOLOGY ABSORPTION:

(i) The efforts made towards technology absorption	<p>HSL has developed prelim design of following vessels:-</p> <ul style="list-style-type: none"> (i) 1000T Oil Barge for Indian Navy (ii) Offshore Research Vessel (ORV) for NIOT, Chennai (iii) 03 Nos designs for Vehicle Ferries for Andaman & Nicobar Administration The above designs have been done indigenous resources.
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<p>(ii) The Benefits derived like product improvement, Cost Reduction, product development or Import Substitution</p>	<p>HSL has submitted bids with the above prelim designs thereby saving cost of import/ procurement of the designs of 1000T oil Barge, ORV & ferries from external agencies.</p>
<p>(iii) In case of imported technology (Imported during the last three years reckoned from the beginning of the financial year)</p> <p>(a) The details of technology imported</p> <p>(b) The year of import</p> <p>(c) Whether technology been fully absorbed</p> <p>(d) If not fully absorbed, areas where absorption has not taken place and the reasons thereof and</p>	<p>Not applicable for the FY 2012-13, 2013-14 and 2014-15 as HSL has not imported any design in these years.</p>
<p>(iv) The expenditure incurred on Research and Development</p>	<p>The following approximate man days of D&DO have been incurred by HSL to develop the vessels mentioned at point (i)</p> <p>(i) 240 man day for 1000T Oil Barge for Indian Navy</p> <p>(ii) 450 Man days for ferries for Andaman & Nicobar Administration</p> <p>(iii) 180 Man days for ORV</p> <p>Outsourcing</p> <p>Besides above, an amount of Rs 4 lakhs were spent for Design validation work by CFD analysis done through Andhra University.</p>

(C) FOREIGN EXCHANGE EARNINGS AND OUTGO:

<p>a) Activities relating to export Initiatives taken to increase export market for products and services and export plans.</p> <p>b) Total Foreign Exchange used and earned:</p> <p>USED:</p> <p>a) Material procurement</p> <p>b) Others Total</p> <p>EARNED:</p>	<p>Nil</p> <p>Rs 64.65 Cr</p> <p>Rs 17.37 Cr</p> <hr/> <p>Rs 82.02 Cr</p> <hr/> <p>Rs 0.99 Cr</p>
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Annexure – 8 to the Board's Report

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF COMPANIES ACT, 2013 ON THE ANNUAL ACCOUNTS OF HINDUSTAN SHIPYARD LIMITED FOR THE YEAR ENDED 31 MARCH 2015 AND THE REPLIES OF THE BOARD OF DIRECTORS

Comment	Company's Reply
<p>Comments on Balance Sheet Equity and Liabilities : Note 4 : Current Liabilities Other Current Liabilities Advances from Gol for RRMI : ₹494.11 crore</p> <p>A reference is invited to the Comments of the Comptroller and Auditor General of India on the annual accounts of the Company for the year 2013-14 relating to not providing for liability for interest of ₹47.71 crore due to Government.</p> <p>The company received ₹457.36 crore from Government of India for Refurbishment and Replacement of Machinery and Infrastructure (RRMI) scheme. As per the terms of sanction, interest earned on the unutilised funds was to be credited to Government.</p> <p>The company invested the entire amount of ₹457.36 crore in Fixed Deposits and also resorted to temporary diversion for meeting various working capital requirements.</p> <p>The Company diverted ₹361.79 crore for meeting various working capital requirements of which ₹175.86 crore was replenished leaving a balance of ₹185.93 crore as on 31st March 2015. The interest that would have been earned on the funds diverted amounted to ₹9.27 crore for the year.</p> <p>While the interest earned on the term deposit was credited to Government account, no provision was made for the notional interest that would have accrued on the funds diverted by the Company. Non-Provision for the same has resulted in understatement of liability as well as accumulated loss by ₹56.98 crore (₹47.71 crore + ₹9.27 crore)</p>	<p>In Dec 2011, the Gol has sanctioned an amount of ₹457.36 Cr for "Refurbishment and Replacement of Machinery and Infrastructure (RRMI) at HSL. As per the sanction, HSL is required to submit utilization certificate within one year and in case of non-utilization of the sanctioned amount within one year, interest earned on the unutilized funds would be credited to the Government. As per interpretation of HSL, interest earned within one year. i.e. ₹42.18 Cr will be to the credit of HSL and interest earned on unutilized funds beyond one year will be to the credit of the Government. Accordingly, interest of ₹42.18 Cr earned within one year was accounted as 'other income' in the years 2011-12 & 2012-13. However, since Government Audit had taken a different view on the accounts for FY 2012-13 and intimated that the said interest of ₹42.18 Cr should be shown as a liability of HSL, the company had approached MoD for a clarification/ approval for retention of the said interest. Further to it, HSL sought the approval for interest earned on RRMI funds till 31st Mar 2015 amounting to ₹115.90 Cr as Grant-in-Aid in it's proposal to MoD for Fresh Financial Restructuring (FFR) of the company. The said FFR proposal is under active consideration of Gol. In view of the said position, no provision was made towards the said interest of ₹42.18 Cr.</p> <p>Considering the critical fund position of the yard, the Board of HSL had approved for temporary utilization of RRMI funds for meeting various working capital requirements on replenishment basis. On this account, the company utilized ₹361.79 Cr as on 31st Mar 2015 and replenished ₹175.86 Cr leaving a balance of ₹185.93 Cr. The notional interest that would have been earned from these funds amounts to ₹14.80 Cr as on 31st Mar 2015.</p> <p>The computation of said interest of ₹14.80 Cr on the said draws is only on notional basis and not an earned interest. Since the Sanction letter of Gol stipulates condition with regard to interest earned only, the Company is of the opinion that no provision is required towards the said notional interest.</p> <p>The above position has been disclosed at Note No. 15 (a) & (b) in the Notes forming Part of Accounts.</p>

For and on behalf of the Board of Directors

(N.K. Mishra)
Rear Admiral (Retd.)
Chairman and Managing Director

Visakhapatnam
Date : 7 Sep 2015



BASHA & NARASIMHAN

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

To

**The Members,
Hindustan Shipyard Limited,
Visakhapatnam.**

Report on the Financial Statements

- 1) We have audited the accompanying Financial Statements of Hindustan Shipyard Limited, ("the Company"), which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended and a summary of significant Accounting Policies and other explanatory information.

Management's Responsibility for the Financial Statements

- 2) The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting principles generally accepted in India, including the accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate Accounting Policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- 3) Our responsibility is to express an opinion on these Financial Statements based on our audit. We have taken into account the provisions of the Act, the Accounting and Auditing Standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.
- 4) An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers "internal financial control" relevant to the Company's preparation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the company has in place an adequate Internal Financial Controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of the Accounting Estimates made by Company's Directors, as well as evaluating the overall presentation of the Financial Statements.



- 5) We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

Opinion

- 6) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements, give the information required by the Act in the manner so required and give a true and fair view in conformity with the Accounting Principles generally accepted in India.
- In the case of the Balance Sheet of the state of affairs of the Company as at March 31st 2015,
 - in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
 - in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matters

- 7) We draw attention to the following matters in the Notes to the Financial Statements:
- Note Nos.20-21 of Notes to accounts with respect to Balances under long pending Sundry Debtors/Claims Recoverable/Loans & Advances/Sundry Creditors/Other Liabilities are in the process of confirmation/reconciliation and consequent adjustment, if any, upon confirmation/reconciliation.*
 - Note Nos.15 (a) & (b) of Notes to Accounts, No provisions are made towards interest of Rs.42.18 crores for the years 2011-12 & 2012-13 and notional interest of Rs.14.80 Crores for the year ended 2014-15 to GOI pending utilization of RRMI Funds as per the terms of sanction.*
 - Note No.17 of Notes to Accounts, No Provisions are made towards extensive damages caused by “Hud-Hud Cyclone” to the Company Assets, in this regard, the Company has lodged claims with the Insurance companies and GOI for Rs.248.87 Crores and Rs.470 Crores respectively. As the said claims are under scrutiny and the resultant net loss would be ascertained on settlement of claims by the Insurance Companies and on receipt of Government Grant.*

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

- 8) As required by the Companies (Auditor’s Report) Order, 2015 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act 2013, we give in the Annexure 1, a Statement on the Matters specified in the Paragraph 3 and 4 of the Order to the extent applicable.
- 9) As required by Section 143(5), we have included in the Annexure 3, a Statement on the matters specified in the directions and in our opinion, no action is required to be taken there on and there is no impact on the Accounts and Financial Statements of the Company.
- 10) As required by Section 143(3) of the Act, we report that:
- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.



- d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of sub section (2) of Section 164 of the Companies Act, 2013.
- f) With respect to the other matters included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our best of our information and according to the explanations given to us :
- i) The Company has disclosed the impact of pending litigations on its financial position in its Financial Statements –Refer Note No.1 to the Notes on Accounts to the Financial Statements
 - ii) The company has made provisions, as required under the applicable law or Accounting Standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: Visakhapatnam

Date: 27 July 2015

for BASHA & NARASIMHAN

Chartered Accountants

Firm's Registration No.: 006031S

Sd/-

K.Narasimha Sah

Partner

Membership No.201777



ANNEXURE 1 TO THE AUDITORS' REPORT

With reference to Annexure referred to in paragraph 8 of the Independent Auditor's Report of even date of the Company on the Financial Statements for the year ended March 31, 2015, we report that:

i. In respect of Fixed Assets

- a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) As explained to us, all the fixed assets have been physically verified by the Management during the year. No material discrepancies were noticed on such verification.
- c) The Company has revised depreciation rates in respect of fixed assets w.e.f.01.04.2014 in line with Schedule II of Companies Act, 2013 linking with useful life specified therein.

ii. In respect of its Inventories

- a) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals.
- b) In our opinion, procedures of physical verification of the inventory followed by the Management are reasonable and adequate in relation to the size of the Company and nature of its business.
- c) On the basis of our examination of records of the inventory, in our opinion, the Company is maintaining proper records of inventory. No material discrepancies were noted on such verification.

iii. In respect of Loans:

The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act. Accordingly the clause 3(iii) (a) and 3 (iii) (b) of the Order are not applicable to the Company.

- iv. In our opinion and according to the information and explanations given on us, there are adequate internal control systems commensurate with the size of the company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The company has not accepted any deposits as defined in The Companies (Acceptance of Deposits) Rules 2014. Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of accounts maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of Cost Records under Section 148 (1) of the Companies Act, 2013. We are informed that compilation of cost accounting records for the current year is in progress and hence we have not carried out a detailed examination of the records with a view to determine whether they are accurate and complete.
- vii. According to the information and explanations given to us and on the basis of our examination of the records as produced and examined by us, in our opinion, the company is regular in depositing undisputed statutory dues,
 - a) including provident fund, employee's state insurance, Income-tax, Sales-tax, wealth-tax, service-tax, duty of customs, value added tax, cess and any other statutory dues with the appropriate authorities and that no undisputed amounts payable in respect of the same were in arrears as at 31.03.2015 for the period of more than six months from the date they became payable.



- b) According to the information and explanation given to us and the records of the Company examined by us, the particulars of dues of incomes tax/sales tax/wealth tax/services tax/customs duty/excise duty/cess (as applicable) as at March 31st 2015 which have not been deposited on account of any dispute, are referred to in Annexure-2.
- c) The aspect of amount required to be transferred to Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder is not applicable to this Company.
- viii. The Company has accumulated losses which are more than fifty percent of its net worth. Besides it has incurred cash loss in the financial year covered by our audit and the immediately preceding financial year.
- ix. According to the records of the Company examined by us and as per the information as explanations given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders during the year.
- x. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- xi. According to the information and explanations given to us, the Company has not taken any term loans during the year.
- xii. According to the information and explanations given to us, no material fraud on or by the company has been noticed or reported during the course of our audit.

Place: Visakhapatnam

Date: 27 July 2015

for BASHA & NARASIMHAN

Chartered Accountants

Firm's Registration No.: 006031S

Sd/-

K.NarasimhaSah

Partner

Membership No.201777



Annexure -2

Referred to in paragraph vii (b) of Annexure, a statement on the matters specified in the Companies (Auditor's Report) Order, 2015 (as amended) of the Company for the year ended on 31st March, 2015.

According to the records of the company dues of Income Tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited on account of any dispute are stated below: -

Sl No	Name of the Statue	Nature of the Dues	Amount (Rs.in lacs)	Period	Forum where dispute is pending	Subject Matter
1	GVMC	Property Tax	13.39	1984-85 to 1994-95	High Court	Property Tax on Commercial Complex
2	EPF & MP Act, 1952	Penal Interest	109.78	May, 2002 to Feb, 2005	High Court	Penal Interest on belated remittances of PF Contributions
3	ESI Act	ESI Dues + Interest	87.27	01.04.1998 to 30.09.2000	High Court	ESI Dues in respect of 'C' series workmen
4	ESI Act	ESI Dues	169.61	Apr 1985 to Mar 1993	High Court	ESI Dues in respect of temporary workmen and contractor's contribution
5	Finance Act, 1994	Service Tax	2081.31	2005 to 2007	CESTAT	Service Tax demand in respect of INS Sindhukirti
6	Finance Act, 1994	Service Tax	355.36	2001 to 2012	CESTAT	Service Tax Demand in respect of Ship Repairs.
7	AP VAT Act	VAT	217.00	2006 to 2011	STAT, ADC	VAT Demand in respect of Ship Repairs
		Total	3033.72			

ANNEXURE 3 TO THE AUDITORS' REPORT

Directions indicating the areas to be examined by the Statutory Auditors during the course of audit of annual accounts of the Hindustan Shipyard Limited Visakhapatnam for the year 2014 – 15 issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013.

1.	If the company has been selected for disinvestment, a complete status report in terms of Valuation of Assets(including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	As the company has not been selected for disinvestment, a complete status report in terms of Valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) is not required.
2.	Please report whether there are any cases of waiver/ write off debts/loans/interest etc., if yes, the reasons there for and the amount involved.	It is to report that there are no cases of waiver/ write off debts/loans/interest etc., during the year under audit.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. or other authorities.	During the year under Audit, there have been no instances of inventories lying with third parties & assets received as gift from Govt. or other authorities.
4.	A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	<p>It is to report that the Legal / Arbitration cases of the company is handled by the Legal Department headed by an Additional General Manager (Legal).</p> <p>In this regard, it is to inform that the status of the pending legal / arbitration cases is submitted to the Audit Committee / Board of Directors of the company for their monitoring, in the Meetings held during the year. In our opinion, the Legal Department should be strengthened for effective functioning.</p> <p>According to the information and explanation given to us and the records of the Company examined by us, the particulars of the pending Court and Arbitration cases have been verified and the details thereof are enclosed at Annexures 4 & 5.</p>



DETAILS OF PENDING COURT CASES AS ON 31 Mar 2015				Annexure - 4
Sl.No.	Name of the Parties	Details of Case	Pending Since	Amount Involved Rs. lakhs
1	M/s Telekom	Party filed suit for recovery of BG amount, encashed by HSL with interest and costs. An Arbitration petition has been filed by HSL to refer the dispute for arbitration as per the terms of contract and the same has been dismissed by the Civil Court. HSL filed Revision Petition in High Court and same is pending.	18-Jun-09	127.06
2	M/s Pratyusha	Party alleged that as against the original scope of work indicated in the LOI issued to them, HSL reduced the scope of work and revised the rates unilaterally. The suit was allowed in favour of Patyusha Engg. The petitioner filed an E.P. for attachment of movables for realization of the amount due under the Decree. HSL obtained stay on the decree and preferred appeal in the High Court and the same is pending.	09-Jun-08	8.65
3	M/s Sky High Shipping	The party filed against recovery suit against HSL alleging that HSL charged abnormal charges for repairs to their vessel and the same is pending in Civil Court.	3-Apr-07	187.26
4	M/s Nammakkal South India Limited	Party invoked Arbitration against HSL for payment of outstanding bills along with interest. Arbitrator passed award allowing interest @3% interest. Aggrieved by the Award the party filed the present Appeal challenging the rate of interest. HSL filed counter and the matter is pending in Civil Court.	09-Oct-01	16.89
5	M/s Techno Fabrics	HSL placed work order on Techno Fabrics for carrying out steel renewal works on ONGC Rig JUR Sagar Pragathi. They were allotted 200 tons of work at special rate of Rs.21,660/- per MT provided they complete the work within 100 days. As the contractors failed to achieve the stipulated tonnage per day over the period, HSL paid normal rate. M/s Techno fab, invoked Arbitration against HSL, alleging that the delay is attributable to HSL. The Arbitrator awarded Rs.51,53,858 including interest. Aggrieved by the Award, HSL filed an AOP and the same is pending.	28-Jun-11	51.54
6	M/s V. Venkateswara Rao	Party filed a suit against HSL to realize their pending bills for clearing and forwarding of imported consignments from VPT to HSL. The matter is pending in Civil Court.	01-Apr-04	19.61

Sl.No.	Name of the Parties	Details of Case	Pending Since	Amount Involved Rs. lakhs
7	M/s Medak Steels	HSL deducted an amount of Rs.1.17 lakhs from the Party towards Excise duty on the scrap generated on indigenous steel as per the contract. The Party challenged the action of HSL. The Lower Court upheld HSL's stand. Party filed Appeal in the High Court challenging the order on the grounds of the applicability of "General terms of Contract" in respect of Excise Duty etc and same is pending.	16-Dec-97	7.75
8	K. Satyanarayana	HSL placed work order on the party for execution of works of surface conditioning and painting of 0.60 Ton Jessop Crane and 125 Ton Crane. Contractor left the work incomplete and HSL got the work done by another contractor at the risk and cost of K. Satyanarayana. Sri K. Satyanarayana invoked Arbitration clause and raised claim. However, the Sole arbitrator rejected the claims and awarded an amount of Rs.15000/- towards compensation. Aggrieved by the Award, the contractor filed a suit and the same is pending.	02-Dec-98	38.45
9	K. Satyanarayana	HSL placed work order (Chitram Crane) on Sri K. Satyanarayana to execute the work of surface conditioning and painting on 45 Ton crane. Due to delays and failure on the part of the contractor, HSL had to cancel and award the contract to another contractor. The contractor invoked arbitration & raised claims. The arbitrator dismissed all the claims. Aggrieved by the Award, the contractor filed a suit to set aside the award and same is pending.	02-Dec-98	23.85
	Total			481.07



DETAILS OF PENDING ARBITRATION CASES AS ON 31 Mar 2015			Annexure - 5	
Sl.No.	Name of the Parties	Details of Case	Pending Since	Amount Involved Rs. lakhs
	ARBITRATION CASES			
1	M/s Goodearth Maritime Ltd. 11115 11116 11117 11136 11137	GML invoked Arbitration against HSL for realizing L.D., Loss of earnings, Market Opportunities etc. towards alleged delay in construction of three Nos. 30 K Bulk Carriers VC 11115, 11116 & 11117 and two nos. 53 K Bulk Carriers VC-11136 & 37. HSL submitted counter claims and the issue is under arbitration.	18-Dec-09 18-Dec-09 18-Dec-09 20-Sep-13 20-Sep-13	5270.59 8777.55 9675.84 7596.12 13349.97 44670.07
2	Oil & Natural Gas Corporation	Counter - Claims of ONGC towards liquidated damages, penal interest and interest on interest in respect of construction of well platforms (net of provision)	1999	9345.20
3	Essar Oil Limited (EOL)	Claims of Essar Oil Limited (EOL) towards OPF works (net of provision made of 769.00 lakhs.	1998	8017.09
4	M/s Chaitanya Electricals	Chaitanya Electricals was awarded contract for providing foundation for additional intermediate gate at the building Dock in HSL during 1999. The claim made by the party towards additional expenditure is under arbitration. Arguments heard and reserved for award.	01-Jan-02	140.18
5	M/s Swapna Entp			26.89
6	M/s Swapna Entp			9.93
7	M/s Kim Fabs			3.06
8	M/s Sunrise			54.61
9	M/s Sunrise			6.98
10	M/s Nest Builders			35.08
11	M/s Nest Builders			12.46
12	M/s Bharat Steels		18-Mar-13	18.14
13	M/s Bharat Steels			3.55
14	M/s Perfect People			11.61
15	M/s S.S. Engg			6.76
16	M/s S.S. Engg			16.38
17	M/s Patel Engg Work			5.90
		The parties challenged the deduction of Liquidated damages by HSL Arguments are being heard.		211.36



Comments of the Comptroller & Auditor General of India under section 143(6)(b) of Companies Act, 2013 on the annual accounts of Hindustan Shipyard Limited, Visakhapatnam for the year ended 31 March 2015

The preparation of financial statements of Hindustan Shipyard Limited, Visakhapatnam for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 July 2015.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143 (6)(a) of the Act of the financial statements of **Hindustan Shipyard Limited, Visakhapatnam** for the year ended 31st March 2015. This supplementary audit has been carried out independently without access to working papers of statutory auditors and is limited primarily to inquiries of statutory auditors and Company personnel and a selective examination of some of the accounting records. Based on my supplementary Audit, I would like to highlight the following significant matters under section 143(6)(b) of the Companies Act 2013 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

I, Comments on Balance Sheet

Equity and Liabilities :

Note 4 : Current Liabilities

Other Current Liabilities

Advances from GoI for RRMI : ₹494.11 crore

A reference is invited to the Comments of the Comptroller and Auditor General of India on the annual accounts of the Company for the year 2013-14 relating to not providing for liability for interest of ₹47.71 crore due to Government.

The company received ₹457.36 crore from Government of India for Refurbishment and Replacement of Machinery and Infrastructure (RRMI) scheme. As per the terms of sanction, interest earned on the unutilised funds was to be credited to Government.

The company invested the entire amount of ₹457.36 crore in Fixed Deposits and also resorted to temporary diversion for meeting various working capital requirements. The Company diverted ₹361.79 crore for meeting various working capital requirements of which ₹175.86 crore was replenished leaving a balance of ₹185.93 crore as on 31st March 2015. The interest that would have been earned on the funds diverted amounted to ₹9.27 crore for the year.



While the interest earned on the term deposit was credited to Government account, no provision was made for the notional interest that would have accrued on the funds diverted by the Company. Non-provision for the same has resulted in understatement of liability as well as accumulated loss by ₹56.98 crore (₹47.71 crore + ₹9.27 crore)

For and on behalf of the
Comptroller & Auditor General of India

(V. K. Girijavallabhan, IA&AS)

Pr. Director of Commercial Audit &
Ex-officio Member, Audit Board, Bangalore

Place: Bangalore

Date: 4 Sep 2015



Annual Accounts 2014-15



BALANCE SHEET AS AT 31 MARCH 2015

₹ in lakhs

Sl.No	Particulars	Note No.	As at 31-March-2015	As at 31-March-2014
I EQUITY AND LIABILITIES				
i Shareholders' Funds				
	Share Capital	1	30,199.22	30,199.22
	Reserves and Surplus	2	(1,32,527.83)	(1,11,737.42)
ii Non-current Liabilities				
	Long Term Borrowings	3	37,221.25	37,221.25
	Other Long Term Liabilities		9,044.48	6,711.11
	Long Term Provisions		9,735.76	11,974.48
	Total - Non-current Liabilities		56,001.49	55,906.84
iii Current Liabilities				
	Short Term Borrowings	4	8,842.85	9,608.18
	Trade Payables		19,908.44	20,242.42
	Other Current Liabilities		1,00,073.41	85,729.31
	Short Term Provisions		18,049.29	15,702.31
	Total Current Liabilities		1,46,873.99	1,31,282.22
	TOTAL (i+ii+iii)		1,00,546.87	1,05,650.86
II ASSETS				
i Non-current Assets				
	Fixed Assets	5		
	Tangible Assets		6,692.03	7,384.13
	Intangible Assets		12.85	3.61
	Capital work-in-progress		321.01	697.37
	Long Term Loans and Advances		6,438.22	7,015.17
	Other Non-Current Assets		5,808.72	5,955.64
	Total - Non-current Assets		19,272.83	21,055.92
ii Current Assets				
	Inventories	6	14,221.41	13,608.59
	Trade Receivables		13,218.21	17,888.34
	Cash and Bank Balances		39,815.91	40,406.94
	Short Term Loans and Advances		8,973.15	2,774.39
	Other Current Assets		5,045.36	9,916.68
	Total - Current Assets		81,274.04	84,594.94
	TOTAL (i+ii)		1,00,546.87	1,05,650.86
	Significant Accounting Policies and other Notes to Accounts forming part of Accounts	17		
	Notes 1 to 6 form an Integral Part of Balance Sheet			

For and on behalf of the Board of Directors

As per our report of even date

Sd/-
M NAGARAJ
 Director (Finance & Commercial) &
 Chief Financial Officer
 Sd/-
INAITULA BAIG
 Company Secretary

Sd/-
R Adm N K MISHRA, NM, IN (Retd)
 Chairman and Managing Director

For **BASHA & NARASIMHAN**
 Chartered Accountants
 [Firm Reg. No 6031 S]

Sd/-
CA K NARASIMHA SAH
 (Partner)
 Membership No. 201777

Place : Visakhapatnam

Date : 27-07-2015

**PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 MARCH 2015**

₹ in lakhs

Sl.No:	Particulars	Note No.	Year ended 31-March-2015	Year ended 31- March-2014
III	INCOME			
	Turnover (Revenue from Operations)	7	29,415.97	45,339.99
	Less: Taxes & Duties		(1,264.91)	(2,295.14)
	Net turnover		28,151.06	43,044.85
	Other Income	8	2,885.08	6,566.65
	Total Income		31,036.14	49,611.50
IV	EXPENSES			
	Materials Consumed	9	13,367.92	18,605.01
	Sub-contracting and Other Direct Expenses	10	10,610.28	10,048.99
	Employee Benefits	11	16,046.46	18,789.59
	Other Expenses	12	3,158.26	2,646.07
	Interest & Finance costs	13	1,225.10	925.52
	Depreciation	5	680.07	752.52
	Provisions and Losses	14	2,687.77	1,913.06
	Prior Period Expenditure (net)	15	25.15	812.82
	Transfers		(305.94)	(289.85)
	Total Expenditure		47,495.07	54,203.73
V	Profit before Exceptional & Extraordinary Items and Tax (III-IV)		(16,458.93)	(4,592.23)
VI	Exceptional Items - Income / (Expenditure)	16	(3,824.74)	(28.74)
VII	Profit Before Extraordinary Items and Tax (V-VI)		(20,283.67)	(4,620.97)
VIII	Extraordinary Items - Income / (Expenditure)	16	-	-
IX	Profit Before Tax (VII-VIII)		(20,283.67)	(4,620.97)
X	Taxes		-	-
XI	Profit / (Loss) for the period (IX-X)		(20,283.67)	(4,620.97)
XII	Earnings per Equity Share (Basic)		(672)	(153)

Notes 7 to 16 form an Integral Part of Profit and Loss statement

For and on behalf of the Board of Directors

As per our report of even date

Sd/-
M NAGARAJ
Director (Finance & Commercial) &
Chief Financial Officer
Sd/-
INAITULA BAIG
Company Secretary

Sd/-
R Adm N K MISHRA, NM, IN (Retd)
Chairman and Managing Director

For **BASHA & NARASIMHAN**
Chartered Accountants
[Firm Reg. No 6031 S]

Sd/-
CA K NARASIMHA SAH
(Partner)
Membership No. 201777

Place : Visakhapatnam

Date : 27-07-2015



NOTES FORMING PART OF THE BALANCE SHEET AS AT 31-March-2015

₹ in lakhs

I EQUITY AND LIABILITIES

Note - 1	As at 31-March-2015	As at 31-March-2014
SHARE CAPITAL		
Authorised		
30,40,000 - Equity Shares of ₹ 1000 each (Previous year 30,40,000- Equity Shares of ₹1000 each)	30,400.00	30,400.00
Issued, Subscribed and fully paid-Up		
30,19,922 Equity Shares of ₹1,000 each fully paid-up (Previous year 30,19,922- Equity Shares of ₹1,000 each)	30,199.22	30,199.22
Total - Note : 1	30,199.22	30,199.22

Notes: Subscribed and paid-up share capital includes:

Equity shareholder holding more than 5% of equity shares along with the number of equity shares held is as given below:

Name of the shareholder	As at 31-March-2015	As at 31-March-2014
	Number of shares	Number of shares
President of India (100%)	30,19,922	30,19,922
Note - 2		
	As at 31-March-2015	As at 31-March-2014

RESERVES AND SURPLUS

Capital Reserve

Balance in Capital reserve **9.50** 9.50

Deficit

Opening Balance **(1,11,746.92)** (1,07,125.95)

Depreciation (Ref: Sub-note 1) **(506.74)** -

Add: Net Profit / (Loss) for the current period **(20,283.67)** (4,620.97)

Closing Balance **(1,32,537.33)** (1,11,746.92)

Total - Note : 2 **(1,32,527.83)** (1,11,737.42)

Sub-note 1: Additional depreciation consequent to change in life of the assets has been accounted for in Reserves and Surplus account as per Schedule-2 of Companies Act-2013

₹ in lakhs

Note - 3	As at 31-March-2015	As at 31-March-2014
NON-CURRENT LIABILITIES		
Long-term Borrowings		
Unsecured		
Gol Loan in perpetuity	37,221.25	37,221.25
	37,221.25	37,221.25
Other Long-term Liabilities		
Deposits	50.50	50.95
Trade Payables (EOL-OPF works)	5,765.25	5,303.05
Advances from Customers & Interest accrued thereon (Ref Sub-note:1)	3,228.73	1,357.11
	9,044.48	6,711.11
Long-term Provisions		
Provision for Employee Benefits		
Gratuity (Refer Sub-note : 2)	6,845.31	8,175.03
Leave Salary (Refer Sub-note : 3)	2,890.45	3,799.45
	9,735.76	11,974.48
Total - Note : 3	56,001.49	55,906.84

Sub-Notes:

- 1 Includes Rs. 1810 lacs paid by ONGC to ESSAR(EOL) against Arbitration awards and interest accrued of Rs 636 lacs.
- 2 Provision for Gratuity excludes deposits amounting Rs. 1210.86 lakhs held with Gratuity Trust.
- 3 Leave salary of employees of the company is non funded.

Note - 4	As at 31-March-2015	As at 31-March-2014
CURRENT LIABILITIES		
Short-term Borrowings		
Secured loans		
Cash Credit (Refer Sub-note : 1)	8,842.85	9,608.18
Trade Payables	19,908.44	20,242.42
Other Current Liabilities		
Advances from Customers	42,363.05	27,599.46
Advance from Gol for RRMI (Refer Sub-note:2)	49,411.32	48,855.34
Other Liabilities (Refer Sub-note : 3)	8,034.50	9,022.37
Deposits	264.54	252.14
	1,00,073.41	85,729.31
Short-term Provisions		
Provision for Employee Benefits		
Gratuity	2,577.40	3,009.49
Leave salary	1,457.21	683.05
Other Provisions		
Liquidated Damages (Refer Sub-note : 4)	4,933.47	4,601.33
Provision for Contingencies	50.14	159.75
Provision for Future Losses (Refer Sub-note : 5)	8,471.14	6,488.69
Guarantee Repairs	559.93	760.00
	18,049.29	15,702.31
Total - Note : 4	1,46,873.99	1,31,282.22

Sub-notes:

- 1 Cash Credit facility from Indian Bank & Andhra Bank is secured by hypothecation of Fixed and Current Assets of the Company
- 2 Includes interest Rs.7,372 lakhs earned on RRMI funds. Assets procured under this package worth Rs. 3696 lakhs is deducted from the advance.
- 3 Out of the said amount Rs. 5,314 lakhs payable towards wage revision arrears
- 4 Out of the said amount Rs.799.76 lakhs is towards 2 No 50 Ton Tugs (VPT), Rs.706.81 lakhs for 3 Nos.50T IN Tugs, Rs.911.95 lakhs towards 2 Nos. KPT Tugs, Rs.479 lacs towards 3 Nos. 25T IN Tugs and Rs. 259 lacs on 3 Nos. 10T Tugs.
- 5 Provision for Future Losses computed as per AS-7 "Construction Contracts" issued by ICAI in respect of Ships under construction & Submarine Retrofit.



₹ in lakhs

II ASSETS

Note - 5	As at 31-March-2015	As at 31-March-2014
NON-CURRENT ASSETS		
Fixed Assets :		
Gross Block (Tangible)	24,865.26	24,376.70
Depreciation	18,173.23	16,992.57
Net Block- Tangible	6,692.03	7,384.13
Gross Block (Intangible)	159.28	146.38
Depreciation	146.43	142.77
Net Block- Intangible	12.85	3.61
Capital Works in Progress (Refer sub-note:1)	321.01	697.37
	7,025.89	8,085.11
Long term Loans and Advances (Unsecured)		
Deposits with Customs, Port Trust and other Govt. Agencies	364.62	418.34
Advance to Suppliers	74.28	-
Income Tax deducted at source	1,412.64	1,831.13
Advance Tax	99.08	99.08
MAT Credit entitlement (Refer sub-note:3)	4,482.60	4,510.60
Others	5.00	156.02
	6,438.22	7,015.17
Other Non-current Assets		
Trade Recievables (Refer sub-note:2)	3,724.25	3,678.83
Less: Provision for Bad debts	(3,054.86)	(3,009.44)
Accrued Income (OPF)	5,139.33	5,286.25
	5,808.72	5,955.64
Total - Note : 5	19,272.83	21,055.92

Sub-notes:

- 1) Includes capital items of Rs.321.01 lakhs procured in 2009-10 are retained under this head in view of the fact that the specifications / commissioning as mentioned in the PO are not adhered to and the matters are under active follow-up with the vendors and the company is resorting to risk purchase on Robotic profile cutting machine of Rs.304 lac.
- 2) Trade receivables include an amount of Rs.669.39 lakhs receivable from ONGC pending settlement of arbitration issues.
- 3) MAT credit entitlement Rs.4482.60 lakhs paid in 2010-11 is eligible for carry forward upto 2020-21.

Fixed Assets

₹ in lakhs

Particulars	Gross Block				Depreciation				Net block	
	As on 31.03.2014	Additions during the year	Sales / Adjustments during the year	As on 31.03.2015	Up to 31.03.14	For the year	On sales / Adjustments for the year	Up to 31.03.15	As at 31.03.15	As at 31.03.14
1	2	3	4	5	6	7	8	9	10	11
Tangible Assets										
Land	1.72	-	-	1.72	-	-	-	-	1.72	1.72
Buildings:										
a) On freehold land	5.41	-	-	5.41	5.36	0.02	-	5.38	0.03	0.05
b) On leasehold land	2775.19	-	4.18	2771.01	1630.59	107.31	3.97	1733.93	1037.08	1144.60
Railway sidings	28.02	-	-	28.02	26.70	-	-	26.70	1.32	1.32
Plant & Machinery	13773.74	456.09	-	14229.83	9300.50	639.52	-	9940.02	4289.81	4473.25
Slipways & Fitout wharf	563.47	-	-	563.47	353.78	171.72	-	525.50	37.97	209.69
Drydock	754.25	-	-	754.25	415.13	21.20	-	436.33	317.92	339.12
Wet Basin	342.09	-	-	342.09	288.29	36.70	-	324.99	17.10	53.80
Furniture	89.48	0.76	-	90.24	84.16	0.75	-	84.91	5.33	5.32
Boats & launches	36.07	-	-	36.07	34.33	-	-	34.33	1.74	1.74
Motor Vehicles	61.87	0.81	-	62.68	48.04	3.40	-	51.44	11.24	13.83
Roads & Compound walls	610.68	-	-	610.68	503.31	59.87	-	563.18	47.50	107.37
Other eqpt.	317.43	4.44	-	321.87	277.21	11.99	-	289.20	32.67	40.22
Elec. Installations & Electrification	627.81	-	-	627.81	591.86	1.25	-	593.11	34.70	35.95
Berth for Well platforms	169.56	-	-	169.56	167.17	-	-	167.17	2.39	2.39
Building Dock	4219.90	30.65	-	4250.55	3266.14	130.91	-	3397.05	853.50	953.76
Intangible Assets										
Tribon Software for shipbuilding	139.82	12.90	-	152.72	139.82	2.45	-	142.27	10.45	-
Pay roll software	6.56	-	-	6.56	2.95	1.20	-	4.15	2.41	3.61
Total	24523.08	505.65	4.18	25024.54	17135.34	1188.29	3.97	18319.66	6704.88	7387.74
Previous year	23982.39	545.76	5.08	24523.07	16386.07	754.16	4.89	17135.34	7387.73	7596.31
RRMI Assets (Funded by MoD, Gol)	1307.56	2388.58	-	3696.14	-	-	-	-	-	-

Note : 1. Depreciation for the year includes prior period amount of Rs. 1.48 lakhs





₹ in lakhs

Note - 6	As at 31-March-2015	As at 31-March-2014
CURRENT ASSETS		
Inventories (Refer Sub-note: 1)		
Steel	2,413.24	2,450.73
Stores & Spares , equipment and other Materials	8,977.48	10,462.07
Timber	30.64	31.05
Materials-in-Transit and under inspection	2,880.65	406.68
Steel Cut Pieces on shop floor and Scrap (Refer Sub-note: 2)	287.09	612.33
	14,589.10	13,962.86
Less : Provision for : Obsolescence of materials	143.88	130.46
Difference between Bin cards & PSL balances	223.81	223.81
	14,221.41	13,608.59
Trade Receivables		
Unsecured		
Debts outstanding for more than 6 months:		
Considered good	10,315.37	10,435.24
Considered doubtful	-	-
	10,315.37	10,435.24
Other debts, considered good	2,902.84	7,453.10
	13,218.21	17,888.34
Less: Provision for bad debts	-	-
	13,218.21	17,888.34
Cash and Bank balances		
Cash on Hand	4.62	3.15
Balances with scheduled banks in:		
Term and other Deposit accounts	39,729.70	40,139.81
Current accounts	81.59	263.98
	39,815.91	40,406.94
Short-term Loans and Advances		
Employees	231.86	85.59
Suppliers of materials & services	8,328.18	1,918.55
Others	545.42	878.42
Prepaid Expenses	50.96	83.32
	9,156.42	2,965.88
Less : Provision for Doubtful Advances	183.27	191.49
	8,973.15	2,774.39
Other Current Assets		
Interest Accrued on term deposits	229.88	1,261.95
Accrued Income (Refer Sub-note: 3)	4,815.48	8,654.73
	5,045.36	9,916.68
Total - Note : 6	81,274.04	84,594.94

Sub-notes:

- Inventories are as valued and certified by the Management
- Quantity of steel cut pieces on shop floor and Scrap is based on technical estimate
- Accrued Income is in respect of Ship Building, Ship Repairs and VAT refund. It includes income for the previous financial years amounting Rs.2424 lakhs (Ship Building: Rs. 2362 lakhs and others Rs.62 lakhs)

NOTES FORMING PART OF THE PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31st MARCH, 2015

Note - 7	Year ended 31- March-2015	Year ended 31- March-2014
Turnover (Revenue from Operations)		
a) Sale of products - (Refer Sub-note: 1)		
Shipbuilding - Contractual Income	12,341.28	23,354.79
- Government Subsidy (Refer Sub-note: 2)	250.93	558.54
Shipbuilding income	12,592.21	23,913.33
b) Sale of services -		
Repair works	4,674.96	5,808.98
Dry dock hire charges	208.97	203.30
Wet basin hire charges	235.79	261.45
DDSR Other services	951.16	542.39
Ship repair income	6,070.88	6,816.12
c) Submarine Retrofit (Refer Sub-note :3)	10,264.78	14,556.26
d) Other operating revenue		
Sale of steel scrap, stores & disposable materials (Ref Sub-note:4)	488.10	54.28
Total - Note : 7	29,415.97	45,339.99

Sub-notes:

- Income from ship building is recognised as per AS-7 "Construction Contracts" issued by ICAI
- Company is eligible for subsidy @30% on VC 11140 - 53K Bulker under construction for GML.
- The opinion from ICAI in respect of accounting of retrofit income has been received and accordingly the income under retrofit activity is accounted under AS-7 in the current financial year.
- Sale of scrap excludes - VAT Rs.28.26 lacs and Excise Duty Rs.58.27 lacs collected and paid.

Note - 8	Year ended 31- March-2015	Year ended 31- March-2014
(a) Other Income		
Interest from banks & others	Rs. 3503.72 lakhs	3,598.77
Less: Interest payable to Gol & IN(Refer Sub-note No.1)	Rs. 3294.47 lakhs	(3,457.58)
Rent (Net of Service Tax) (Refer Sub-note No: 2)	136.01	179.35
Fines and Forfeitures	224.38	112.69
Miscellaneous Receipts	138.06	63.37
Provision for Future losses on shipbuilding written back	-	825.65
Profit on sale of Assets	10.86	1.41
Provisions of earlier years no longer required	2,166.52	5,242.99
Total - Note : 8	2,885.08	6,566.65

Sub-notes:

- Interest payable to Gol on un-utilized RRMI Funds-Rs.2944.56 lacs and on Advances from Indian Navy (VC 11184) Rs.349.91 Lacs.
- Rent excludes service tax (collected and paid) amounting Rs. 13.88 lakhs



₹ in lakhs

Note - 9	Year ended 31- March-2015	Year ended 31- March-2014
Materials Consumed		
Steel	1,051.72	2,153.41
Stores & Spares	1,024.77	2,205.85
Timber	2.77	14.25
Direct Materials, Machinery & Equipment used in		
Ship Construction	4,794.25	11,157.38
Shiprepair	660.35	622.71
Submarine Retrofit	5,667.63	2,140.10
	13,201.49	18,293.70
Add: Stores procurement expenses	166.43	311.31
Total - Note : 9	13,367.92	18,605.01
Note - 10		
	Year ended 31- March-2015	Year ended 31- March-2014
Sub-contracting & Other Direct Expenses		
Sub contract & off-loaded job expenses in :		
Ship Construction	1,256.42	2,568.17
Ship Repairs	952.36	584.43
Submarine Retrofit	4,554.43	3,740.40
Other Direct Expenses in :		
Ship Construction	834.64	1,108.34
Ship Repairs	83.06	13.47
Submarine Retrofit	2,766.01	1,780.98
Builders Risk Insurance in Ship Constuction	163.36	253.20
Total - Note : 10	10,610.28	10,048.99
Note - 11		
	Year ended 31- March-2015	Year ended 31- March-2014
Employee Benefits		
Salaries, Wages, Allowances etc.,	11,891.85	12,890.99
Contribution to Provident Fund and other funds	1,203.72	1,295.08
Gratuity	1,308.50	2,406.00
Leave salary	941.31	1,462.36
Expenses on Training, Stipend etc.	91.51	49.87
Employees Welfare Expenses	609.57	685.29
Total - Note : 11	16,046.46	18,789.59

Note - 12	Year ended 31- March-2015	Year ended 31- March-2014
₹ in lakhs		
Other expenses		
Power and Fuel (net of recoveries)	678.78	785.87
Water Charges (net of recoveries)	80.71	122.10
Rates and taxes (including customs duty on scrap sales)	9.44	48.61
Fire and Other Insurance	18.96	17.51
Rent	167.21	168.75
Repairs and Maintenance to :		
Plant and Machinery	426.36	597.11
Buildings	109.10	250.56
Other Assets	35.97	48.00
Printing and Stationery	13.31	7.14
Local Conveyance charges	210.22	229.27
Travelling Expenses	55.06	60.16
Communication Expenses	5.67	4.07
Advertisement and Publicity	28.13	26.91
Salaries and other Expenses of Customs Staff	4.26	36.60
Demurrage Charges	3.30	14.90
Directors' Fees and Expenses:		
Directors' Fees	0.67	1.67
Travelling Expenses	21.35	23.18
Auditors' Remuneration :		
Statutory Audit	1.97	1.80
Expenses	0.30	0.34
Foreign Exchange Variation	230.67	96.95
Arbitration Fees and Expenses	153.02	9.52
Scrap Adjustment	502.60	(216.51)
MAT credit entitlement charged off	28.00	-
Miscellaneous Expenses	373.20	311.56
Total - Note : 12	3,158.26	2,646.07
Note - 13		
	Year ended 31- March-2015	Year ended 31- March-2014
Interest & Finance Charges		
Interest on :		
Bank term loans & Cash Credit	963.04	782.71
Others	63.65	67.16
Bank Charges	198.41	75.65
Total - Note : 13	1,225.10	925.52



₹ in lakhs

Note - 14	Year ended 31- March-2015	Year ended 31- March-2014
Provisions and Losses		
Provisions made:		
Obsolescence of Materials	28.02	1.64
Reduction in SR Bills	123.57	398.02
Liquidated Damages	286.14	411.03
Contingencies	50.15	159.75
Doubtful Debts /Advances	-	100.48
Future losses (SB&RF)	1,140.31	-
Losses		
Reduction in Shipbuilding inventory	1,059.58	842.14
Total - Note : 14	2,687.77	1,913.06

Note - 15	Year ended 31- March-2015	Year ended 31- March-2014
Prior Period Adjustments		
A Income		
SR Income	-	31.46
EKM Insurance refund	-	24.65
Miscellaneous	4.63	-
	4.63	56.11
B Expenditure		
SC Direct Expenses	-	26.98
SC Insurance expenses	-	53.25
Materials, Freight, C & F charges	2.19	80.00
Depreciation	1.48	1.64
EKM FE Variation	-	576.81
Miscellaneous	26.11	130.25
	29.78	868.93
Net Expenditure / (Income) - Total Note: 15	25.15	812.82

Note - 16	Year ended 31- March-2015	Year ended 31- March-2014
Exceptional items (Expenditure)		
ESSAR Arbitration award & Settlement of claim of Graig Investment Ltd	3,824.74	28.74
Total - Note : 16	3,824.74	28.74

Note – 17

Notes Forming Part of the Accounts for the year ended 31st March 2015

A. ACCOUNTING POLICIES

1. ACCOUNTING CONVENTIONS:

The financial statements are prepared under the historical cost conventions in accordance with Generally Accepted Accounting Principles in India and provisions of the Companies Act, 2013. Generally, revenues are recognized on accrual basis with provisions made for known losses and expenses.

2. ASSETS:

(a) Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Cost of acquisition of Fixed Assets is inclusive of freight, duties, taxes (net of VAT), incidental expenses relating to cost of acquisition, interest during construction period and the cost of installation/erection as applicable.

(b) Intangible Assets –

Expenditure incurred on software will be capitalized under intangible assets and shall include expenditure on procurement of software, acquisition / development of software and up-gradation / enhancement of existing software resulting in enhancement of economic benefits.

However all embedded software without separate value and included in hardware is capitalized along with cost of hardware.

Fixed assets, Capital work-in-progress and capital advances are segregated as non-current assets.

3. INVENTORIES:

- i) Steel, Timber, Spares and other stores are valued at Weighted Average Cost or net realizable value whichever is lower. Obsolescence is provided for on the basis of technical estimate.
- ii) Direct Materials and Stores items in offshore platform activities are valued at cost or net realizable value whichever is lower under specific identification and FIFO respectively.
- iii) Cost includes expenses of procurement including all taxes and duties other than VAT.
- iv) Scrap is valued at estimated realisable value.

4. INCOME:

Income is recognized in accounts:

- A.
 - i) In respect of ships under construction **and submarine refit activity**, on the basis of percentage completion method, taking into account the proportion that the contract cost incurred for work performed upto the reporting date bears to the estimated total contract cost for completion.
Cost for the above purpose includes value of direct materials including Machinery and other ship borne equipment issued for specific ship, direct labour, direct expenses and general overheads excluding administrative overheads and overheads attributable to idle time.
 - ii) In respect of ships delivered **and submarine refits completed** during the year at the balance price including claims for extra works and cost escalation realisable from owners.
 - iii) For the purpose of recognition of profit, weightage shall be given to the following three factors, which shall reach a minimum of 20% individually.
 - a. The proportion that cost incurred to date bears to the estimated total cost of the contract,
 - b. Stage completion and
 - c. Revenue received.
- B. Income from other activities including ship repair activity is accounted for on accrual basis by adopting proportionate completion method.



- C. Income is inclusive of Excise Duty, Sales Tax and Service Tax and is net of Rebates and other Deductions under the respective contracts.
- D. Claims in respect of Insurance are accounted for on acceptance basis taking into account the acceptances received within 15 days of the end of the financial year.
- E. The income in respect of all the activities is captioned as "Turnover".

5. GOVERNMENT GRANTS:

i) Capital grants / subsidy:

Capital grants / subsidy relating to specific assets are reduced from the gross values of assets and capital grants for project capital subsidy are credited to capital reserve and retained till the requisite conditions are fulfilled.

ii) Revenue grants / subsidy:

- a) Grant-in-aid received from Government of India for implementation of Voluntary Retirement Scheme is matched with related costs through Profit & Loss Account. Unutilized grants are shown under Current Liabilities.
- b) Price subsidy received / receivable from Government of India in respect of ships is considered as income on the basis of percentage completion of the respective ships.
- c) All other revenue grants are credited to profit & Loss Account.

6. EXCISE DUTY:

Excise Duty wherever applicable is accounted for as and when the products are Cleared from the yard.

7. DEPRECIATION:

Depreciation is provided for under straight-line method in accordance with schedule II of the Companies Act, 2013.

Depreciation on additions/disposals made during the year is charged prorata by grouping them on quarterly basis.

Intangible assets will be amortized over a period of 5 years.

8. BORROWING COSTS:

- a) Borrowing Costs relating to the acquisition/construction of qualifying assets are capitalised until the time all the substantial activities necessary to prepare the qualifying assets for their intended use are complete.
- b) A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.
- c) All other borrowing costs are charged to revenue.

9. EMPLOYEE BENEFITS:

(i) Defined Contribution Plan

Employee Benefits in the form of Employee Pension Fund is considered as Defined Contribution plan and the contributions are charged to the Profit & Loss Account of the year when the contributions to the said fund are due.

(ii) Defined Benefit Plan

Retirement Benefit in the form of Gratuity, is considered as Defined Benefit Obligation and is provided for on the basis of an actuarial valuation using the projected unit credit method as at the date of Balance Sheet. Employee Benefit in the form of Employee Provident Fund is considered as Defined Benefit plan and the contributions are charged to the Profit & Loss Account of the year when the contributions to the said fund are due.

(iii) Other Long Term Benefits

Long-Term Compensated Absences are provided on the basis of an actuarial valuation using the Projected Unit Credit Method as at the date of Balance Sheet.

Actuarial gain/losses, if any, are immediately recognized in the Profit & Loss Account.

10. EMPLOYEE SEPARATION COSTS:

Compensation to Employees who have opted for Retirement under the Voluntary Retirement Scheme of the Company is charged to the Profit and Loss account in the year of exercise of option, net of grant in aid received / receivable in the year of payment.

11. PROVISION FOR FUTURE LOSSES:

In the case of Ship Building *and submarine retrofit* activities where current estimates of total contract cost exceeds the expected realisable value, provision is fully made for such anticipated loss in accordance with AS 7 issued by the Institute of Chartered Accountants of India.

12. PROVISION FOR SUNDRY DEBTORS:

Provision is made for all debts considered doubtful of recovery having regard to the following consideration—

- a) Time barred debts from the Government / Government departments / Government companies are generally not treated as doubtful debts.
- b) Provision for bad and doubtful debts is generally made for debts outstanding for more than three years, excepting those which are considered realizable based on a case to case basis.

13. FOREIGN EXCHANGE TRANSACTIONS:

Assets and liabilities in foreign currencies are translated at rates of exchange prevailing as on the Balance Sheet date. Gains/losses arising out of fluctuations in exchange rates both on settlement and on conversion of liabilities are adjusted to revenue.

14. NORMAL OPERATING CYCLE:

- (i) "Normal operating cycle is project-wise as the time period from the date of effectiveness of the contract to the date of completion of the project.
- (ii) "Completion of Project" is till the date that all the issues between the parties are mutually settled by them other than resorting to legal means.

15. CAPITAL EXPENDITURE FUNDED THROUGH NAVAL SHIP PROJECTS:

The Capital Expenditure funded through Naval Ship Projects is netted-off from the corresponding fixed assets. The net amount so arrived at is shown as the carrying amount of such fixed assets.

Any remaining balance(s) excess/shortfall is shown as non-current asset/liability as the case may be."

16. MISCELLANEOUS:

(i) Loose tools:

Loose tools are charged to revenue on issue of the same from stores

(ii) Liquidated damages:

Provision for liquidated damages is made in the accounts as per the contractual provision / proportionate liability basis keeping in view the delay caused by the factors beyond the control of company.

(iii) Guarantee repairs:

Provision for liability for guarantee repairs made in the accounts at the time of delivery on the basis of estimation.

(iv) DISCLOSURE OF EXPENDITURE:

All items of expenditure are stated under nominal heads at gross figures and the aggregate amount allocated/transferred to other heads on functional basis is shown separately except direct labour.


B. NOTES ON ACCOUNTS

(₹. in lakhs)

		2014-15	2013-14
1	Contingent liabilities		
1.1	Irrevocable letters of credit outstanding	2530.92	5248.56
1.2	Counter guarantees given to banks for guarantees issued on behalf of the company	15741.18	17111.23
1.3	Estimated amount of contracts remaining to be executed on capital account and not provided for	-	-
1.4	<i>Demands raised against the company by various authorities, contested at various courts, appellate authorities etc and not provided for:</i>		
1.4.1	Property tax on commercial complex for the years from 1984-85 to 1994-95.	13.39	13.39
1.4.2	Penal interest on belated remittances of Provident Fund contributions during the period from May 2002 to Feb., 2005, contested u/s 7(i) of EPF & MP Act, 1952. HSL had approached Hon'ble High Court of Andhra Pradesh after dismissal of appeal by PF Appellate Tribunal. The Hon'ble High Court has issued stay orders on PF Appellate Tribunal order subject deposit of a sum of ₹35.00 lakhs by the company. Accordingly, HSL had deposited the said amount. Presently, the case is pending in Hon'ble High Court of Andhra Pradesh.	109.78	109.78
1.4.3	(a) ESI dues in respect of 'C' series workmen for the period from 1-4-1998 to 30-9-2000 together with interest thereon (₹ 6.64 lakhs paid under protest grouped under deposit recoverable)	87.27	83.29
	(b) ESI dues in respect of temporary workmen for the period from April, 1998 to Oct., 1999, contractors contribution for the period from Apr., 1985 to March, 1993.	169.61	180.24
1.4.4	Service tax demand in respect of INS Sindhukeerthi	2081.31	2081.31
1.4.5	Service tax demand in respect of Ship Repairs	355.36	367.70

1.4.6	VAT demands in respect of Ship Repairs	217.00	2552.00
1.4.7	Demands of various suppliers of goods and services	832.61	1875.81
1.4.8	Demands in respect of service matters of employees having financial impact.	1397.13	1397.86
	Total [1.4]	5263.46	8665.92
1.5	<i>Claims against the company, which are under arbitration and not provided for:</i>		
1.5.1	Counter –Claims of ONGC towards liquidated damages, penal interest and interest on interest in respect of construction of well platforms (net of provision).	9345.20	8638.00
1.5.2	Claims of Essar Oil Limited (EOL) towards OPF works (net of provision made of ₹ 769.00 lakhs.	8017.09	13441.83
1.5.3	a) On rejection of claims towards L.D. and other claims by HSL, M/s Good Earth Maritime Ltd., (G.M.L.) invoked arbitration clause for the vessel No. VC 11115, VC 11116 , VC 11117 , VC-11136 and VC-11137 and the same is under arbitration. b) In respect of Vessel No. VC 11118, VC 11138 to VC 11139 which were delivered and VC 11140 which is under construction, no provision towards LD is made, since the same is not applicable as per Contracts.	44670.07	19932.74
	Total [1.5]	62032.36	42012.57

In respect of items mentioned under 1.4 and 1.5 above, the Company has been advised by the Counsel that said demands and claims are not sustainable in law.



2. As per Accounting Standard 15 'Employees Benefits', the disclosure of Employee Benefits as defined in the Accounts Standard are given below:

Defined Contribution Plan

Contribution to Defined Contribution plan, recognized as expense for the year are as under:

	(₹ in lakhs)	
	2014-15	2013-14
Employer's Contribution to Pension Fund	195.15	132.88

Defined Benefit Plan

The employees' gratuity fund scheme managed by a Trust is a defined benefit plan. The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

- I. Reconciliation of opening and closing balances of Defined Benefit obligation (₹ in Lakhs)

Details	Gratuity (Funded)	Earned Leave Encashment (Unfunded)	Sick Leave (Unfunded)
Defined Benefit obligation at beginning of the year. (Current Year)	12291.17	3698.56	783.94
<i>(Previous year)</i>	13146.87	3321.52	755.06
Interest Cost (Current Year)	968.04	286.81	-
<i>(Previous year)</i>	905.96	220.67	-
Current Service Costs (Current Year)	138.94	90.16	(52.56)
<i>(Previous year)</i>	210.22	226.61	28.88
Benefits Paid (Current Year)	(3070.31)	(1023.59)	-
<i>(Previous year)</i>	(3358.04)	(1056.44)	-
Actuarial loss/(gain) on obligation (Current Year)	305.73	564.34	-
<i>(Previous year)</i>	1386.16	986.20	-
Defined Benefit obligation at year end (Current Year)	10633.57	3616.28	731.38
<i>(Previous year)</i>	12291.17	3698.56	783.94

II Reconciliation of opening and closing balances of fair value of plan assets (₹ in lakhs)

Details	2014-15	2013-14
Fair value of plan assets at beginning of the period.	1106.65	1010.31
Expected return on plan assets	105.13	94.97
Contribution	3070.31	3358.04
Benefits paid	(3070.31)	(3358.04)
Actuarial (loss)/gain on obligation (balancing figure)	(0.92)	1.37
Fair value of Plan Assets as at the end of the period	1210.86	1106.65

III Reconciliation of fair value of assets and obligations as at 31/03/2015 (₹ in lakhs)

	Gratuity	Leave Encashment (Unfunded)	Sick Leave (Unfunded)
Fair value of plan assets (Current Year)	1210.86	-	-
(Previous year)	1106.65	-	-
Present value of obligation (Current Year)	10633.57	3616.28	731.38
(Previous year)	12291.17	3698.56	783.94
Amount recognized in Balance Sheet (Current Year)	9422.71	3616.28	731.38
(Previous year)	11184.52	3698.56	783.94

IV. Expenses recognized during the year (in the statement of Profit & Loss Account) (₹ in lakhs)

Description	Gratuity (Funded)	Leave Encashment (unfunded)	Sick Leave (Unfunded)
Current Service Cost (Current Year)	138.94	90.16	-
(Previous year)	210.22	226.61	-
Interest Cost (Current Year)	968.04	286.81	-
(Previous year)	905.96	220.67	-
Expected return on plan assets (Current Year)	(105.13)	-	-
(Previous year)	(94.97)	-	-
Actuarial (gain)/loss (Current Year)	306.65	564.34	-
(Previous year)	1384.80	986.20	-
Expenses recognized in the statement of P&L a/c (Current Year)	1308.50	941.31	(52.56)
(Previous year)	2406.01	1433.48	28.88



V. Investment Details

(Percentage invested)

Description	Gratuity as on 31.03.15	Gratuity as on 31.03.14
Gol Securities	-	-
Special Deposit Scheme	11.00	12.00
Others (T.D.R.s)	89.00	88.00
Total :	100.00	100.00

VI. Principal Actuarial Assumptions

	Gratuity (Funded)(%)		Leave Encashment (Unfunded)(%)	
	31.03.2015	31.03.2014	31.03.2015	31.03.2014
Discount Rate	7.80	9.00	7.80	9.00
Salary escalation rate	7.00	7.00	7.00	7.00
Attrition rate	1.00	1.00	1.00	1.00
Expected rate of return on plan assets	9.42	9.50	-	-

Salary escalation by taking into account inflation, seniority, promotion and other factors. Attrition rate by reference to past experience and expected future experience and includes all types of withdrawals other than death but including those due to disability.

Discount rate has been determined by reference to market yields on the Balance Sheet date on Govt. Bonds of Term consistent with estimated term of the obligations.

As per the enterprise's accounting policy actuarial gains and losses are recognized immediately during the same year itself.

The fact that Provident Fund element is also to be included while computing relevant salary for encashment of leave has been taken into account.

The above information is certified by the Actuary.

(₹ in lakhs)

	2014-15	2013-14
Employer's Contribution to Provident Fund	1008.57	1162.20

The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund Act, 1952. The conditions for grant of exemption stipulate the employer shall make good deficiency, if any, in the interest rate declared by the Trust vis-à-vis statutory rate. The Guidance issued by the Accounting Standard Board (ASB) on implementing AS-15. Employee Benefits (revised 2005) states that Provident Funds set up by employers, which requires interest shortfall to be met by the Employer needs to be treated as Defined Benefit Plan. The fund does not have any deficit or interest shortfall. In regard to any future obligation arising due to interest shortfall (i.e., Government interest to be paid on Provident Fund Scheme exceeds rate of interest earned on Investments) pending the issuance of guidance note from the Actuarial Society of India, the Company's Actuary has expressed his inability to reliably measure the same.

SEGMENT REPORT

The company operates in Shipbuilding, Ship repair and Sub-marine Retrofit business segments.

Information in respect of the said segments as required by AS 17, issued by the Institute of Chartered

Accountants of India is given here under:

₹ in lakhs

	Ship Building	Ship Repairs	Retrofit	Un-allocated	Total
Segment Income:					
Sales	12,528.43	6,021.53	10,264.78	-	28,814.74
Taxes collected	63.78	49.35	-	-	113.13
Other operating income (scrap sales)	274.70	213.40	-	-	488.10
	12,866.91	6,284.28	10,264.78	-	29,415.97
Other Income	771.40	1,494.03	10.10	609.55	2,885.08
Total Income	13,638.31	7,778.31	10,274.88	609.55	32,301.05
Segment Expenditure:					
Materials (net of transfers)	6,449.19	800.69	5,812.10	-	13,061.98
Direct Expenses	2,254.42	1,035.42	7,320.44	-	10,610.28
Direct Labour	2,637.92	245.04	832.77	-	3,715.73
Service Tax, Sales Tax & Excise Duty	111.05	846.89	306.97	-	1,264.91
Total Segment expenditure	11,452.58	2,928.04	14,272.28	-	28,652.90
Segment Result	2,185.73	4,850.27	(3,997.40)	609.55	3,648.15
Overheads	7,639.44	1,871.35	2,802.88	5,080.50	17,394.16
Provisions and Adjustments	2,060.44	123.57	475.74	53.17	2,712.92
Extraordinary & Exceptional items	-	-	-	3,824.74	3,824.74
Net Segment Result	(7,514.15)	2,855.36	(7,276.02)	(8,348.86)	(20,283.67)
Taxes	-	-	-	-	-
Total Result	(7,514.15)	2,855.36	(7,276.02)	(8,348.86)	(20,283.67)
Other information					
Segment Assets	34,159.97	10,459.35	3,194.92	52,732.64	1,00,546.87
Segment Liabilities	77,742.29	24,670.17	20,605.26	1,10,066.49	2,33,084.20
Capital Expenditure	-	-	-	505.65	505.65
Depreciation	491.55	31.87	156.65	-	680.07
Non-cash expenditure other than Dep.	-	-	-	-	-



₹ in lakhs

		2014-15	2013-14
4	Information in respect of related parties in terms of AS 18, issued by the Institute of Chartered Accountants of India are: a) Related parties: Key Management Personnel: i) RAdm NK Mishra, NM, IN (Retd), Chairman & Managing Director. ii) Cmde Ashok Bhal, IN (Retd), Director (Strategic Projects) iii) Cmde KS Subramanian, NM, IN (Retd), Director (Shipbuilding) (up to 31 Oct 2014) iv) Cmde KLN Prasad, IN (Retd), Director (Corporate Planning & Personnel) (up to 20 June 2014) v) Cmde AS Mitra, IN (Retd), Director (Shipbuilding) (from 29 Nov 2014) vi) Shri M Nagaraj, Director (Finance & Commercial) (from 16 Mar 2015) b) Details of transactions carried out with the above stated related parties: Remuneration paid during the year (₹ In lakhs)	67.89	89.69
5	a) Net profit/(Loss) as per profit and loss account (₹In lakhs) b) Weighted average number of equity shares used as Denominator for calculating EPS	(20284) 3019922	(4621) 3019922
	c) Earnings per share: Profit/(Loss) – Basic ₹	(672)	(153)
6	As per technical evaluation, there is no impairment in the carrying cost of cash generating units of the company in terms of Accounting Standard (AS 28), issued by the Institute of Chartered Accountants of India.	-	-
7	The estimated cost of completion of vessels under construction has been revised to ₹203830 lakhs as at 31.3.2015 from ₹ 193350 lakhs as at 31.3.2014.	203830	193350
8	Provision towards interest on account of delays in making payments to MSME units (52 no).	8.36	5.93

9. Materials Consumed

Description	Unit	2014-15		2013-14	
		Qty	Value In lakhs	Qty	Value In lakhs
Steel	M.T	2438	1051.71	4466	2153.41
Pipes	Meters	7385	52.08	9737	133.31
Paints	Litres	55984	177.57	55784	120.79
Pipe Fittings	Nos.	170321	129.15	16222	276.95
Ship Machinery and Equipmt.			4794.25		11855.57
Ship Repair Materials			660.35		657.20
Retrofit Materials			5667.63		2140.05
Others			668.75		956.42
Total			13201.49		18293.70

Break up of Materials Consumed:

₹ In lakhs

	2014-15	2013-14
i) Value of all Imported Materials including components and spare parts consumed during the year.	9951.75	12310.13
ii) Value of all Indigenous Materials including components and spare parts consumed during the year.	3505.84	5983.57
iii) Percentage of item (i) to total consumption.	74%	67%
iv) Percentage of item(ii) to total consumption .	26%	33%

10. Expenditure and Earnings in Foreign Currency

₹ In lakhs

	2014-15	2013-14
1.1 i) Royalty, Know-how and Professional Consultancy fees	102.18	-
ii) Travelling Expenses	2.56	-
iii) Others	1632.44	473.05
1.2 CIF value of imported materials, components & spare parts and capital goods.	6465.27	12444.34
2 Earnings in Foreign Currency from ship repair activity	99.87	147.03

11. As per AS29 relating to Provisions – the movement of provisions in the books of account is as follows:

₹ In lakhs

Nature of provision	Opening Balance	Provision made during the year	Utilisation / Reversal during the year	Closing Balance
Provision for Gratuity	11185	1308	3070	9423
(Previous Year)	12137	2406	3358	11185
Provision for LeaveSalary	4483	941	1076	4348
(Previous Year)	4077	1463	1057	4483
Provision for Liquidated Damages	4601	446	114	4933
(Previous Year)	7721	411	3531	4601
Provision for Contingencies	160	50	160	50
(Previous Year)	136	160	136	160
Provision for Future Losses	6489	1140	(842)	8471
(Previous Year)	6555	-	66	6489
Provision for Guarantee Charges	760	54	254	560
(Previous Year)	901	410	551	760
Provision for Doubtful Debts / Reductions in SR bills(Previous Year)	3009	124	78	3055
	2741	398	130	3009
Provision for Doubtful Advances	191	-	8	183
(Previous Year)	191	-	-	191



12. Disclosure of information in respect of works under Accounting Standard-7

₹ In lakhs

	Particulars / Nature of Vessel	IPV's	53K BULKER		IPV's	50T TUGS	25T TUGS	10T TUGS	EKM SUB MARINE
	Vessel No:	11156-58	11140	11184	11165-72	11173-74	11175-77	11178-83	1180(Repair)
	Owner	ICG	GEML		ICG	KPT	NAVY	NAVY	NAVY
A	Contract Revenue Recognized up to 31 st March, 2015	10771	13664	12719		3370	3678	-	86585
B	Contract Expenses Recognized	20583	22557	12719		3791	4752	-	91832
C	Recognized Profits / (Losses)	(9812)	(8892)	-	-	(421)	(1074)	-	(5247)
D	Expected Losses Recognized	896	1856	-	3763	661	1719	159	476
E	Total Recognized Profits / (Losses)	(10708)	(10748)	2012	(3763)	(1082)	(2793)	(159)	(5723)
F	Advances Received	6982	9885	21754	9609	3648	1159	1252	87632
G	Costs Relating to Future Activity	1980	4708	57782	50867	5955	7626	10509	8326
H	Retention Amount	-	-	-	-	-	-	-	-
I	Progressive Billing	7370	11201	21754	9609	3648	2756	1252	88305
J	Gross Amount due from Customers	3789	3779	-	-	-	2519	-	-
K	Gross Amount due to Customers	3885	-	9035	9609	278	-	1252	1047

13. Details of Remuneration to Chairman & Managing Director and other whole-time Directors:

(₹ in lakhs)

S.No	Particulars	2014-15
i.	RAdm N.K.Mishra, NM, IN(Retd), Chairman & Managing Director	25.35
ii.	Cmde Ashok Bhal, IN (Retd), Director (Strategic Projects)	20.87
iii.	Cmde K.S.Subramanian, NM, IN (Retd), Director (Shipbuilding)	10.61
iv.	Cmde K.L.N.Prasad, IN (Retd), Director (Corporate Planning & Personnel)	3.17
v.	Cmde A.S. Mitra, IN (Retd), Director (Shipbuilding)	7.14
vi.	Shri M Nagaraj, Director (Finance & Commercial)	0.75
	Total	67.89

14. Particulars of leasehold lands from Visakhapatnam Port Trust

Sl. No.	Particulars	Area (in Acrs)	Lease period	Year of Expiry	Amount (Rs. Lacs)	Remarks
A.	Shipbuilding yard	55.133	99	2039	0.52	
B.	Wet Basin	11.823	99	2065	11.90	
C.	Drydock	15.290	99	2065	30.78	
D.	Shipbuilding yard ext.	16.000	99	2053	16.10	
E.	Water front structure	2.250	30	2013	4.53	Requested for Extension
F.	Water front structure	0.090	30	2013	0.43	-do-
G.	Shipbuilding yard ext	12.600	30	2011	50.16	-do-
H.	Steel stock yard and hull shop	3.238		2012	13.15	-do-
I.	Dolphin jetty	0.387	99	2065	1.23	
J.	132/11 kv substation	0.476			2.27	Requested for Extension
K.	Multi storied cycle shed	0.265	9	2009	4.30	-do-
L.	Housing Estate 1	132.12	99	2074	0.10	
M.	Housing Estate 2	7.083	65	2040	0.01	
N.	Addl. Housing colony	2.697	10	2006	16.06	Requested for Extension
O.	Commercial complex	0.165	65	2040	0.17	

15.	<p>(a) Gol sanctioned an amount of Rs 457.36 Cr in Dec 2011 for “Refurbishment and Replacement of Machinery and Infrastructure (RRMI) at HSL. As per the sanction, HSL would submit utilization certificate within one year and in case of non-utilization of the sanctioned amount within one year, interest earned on the unutilized funds would be credited to the Govt. Accordingly, interest earned within one year of Rs 42.18 Cr was accounted as ‘other income’ in the years 2011-12 & 2012-13. However, since Govt. Audit had taken a different view on the accounts for FY 2012-13 that the said interest of Rs 42.18 Cr was to be shown as a liability of HSL, the company had taken up with MoD for clarification / approval for retention of the said interest. Further to the above, the company submitted a Fresh Financial Restructuring Proposal in Feb 2014 in which interest earned on RRMI funds was included in the said proposal and the same is under active consideration of Gol. View said position, no provision was made towards the said interest of Rs 42.18 Cr.</p> <p>(b) No provision is also made towards notional interest of Rs14.80 Cr on RRMI funds utilized for ship construction, submarine repair works and for payment of retirement benefits on replenishment basis, since as per the sanction letter interest earned will be credited to the Government and accordingly actual interest earned only has been included in the above said FFR proposal.</p>
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16	<p>Impact due to Change in Accounting Policy:</p> <p>The Accounting Policy in respect of recognition of income from submarine Activity has been changed in line with the opinion of the Expert Advisory Committee of the ICAI. The said change in accounting policy has resulted in decrease in Income from said activity by Rs2976.12 Lakhs and increase in expenditure on account of Provision for Future Losses for Rs 475.74 Lakhs.</p>
17	<p>a) A very severe tropical cyclonic storm Hudhud struck Visakhapatnam on 12 Oct 2014 which caused extensive damages to HSL's assets viz., ship borne equipment, infrastructure and residential colony. In this regard, the company has lodged claims with the insurance companies for Rs.248.87 cr and restoration cost from Gol for Rs.470 cr. As the said claims are under scrutiny and the resultant net loss would be known on settlement of claims and receipt of grant, no provision towards the said damages has been made in the year 2014-15. In this regard, Gol has constituted a committee for scrutinizing of the claim and recommendations to Gol. On settlement of the claims from Insurance companies and receipt of grant from Gol, the resultant net loss if any, would be accounted in 2015-16. In this regard, the on-account payment of Rs.3 cr received from insurance company in the year 2014-15 has been accounted as an Advance.</p> <p>b) As the realizable value of the damaged assets is more than the book value, there is no impairment loss on these assets.</p>
18	<p>Events occurring after the Balance Sheet Date:</p> <p>In July 2015, the Hon'ble Supreme Court has allowed the appeals of Essar Oil Limited (EOL) in its favor in respect of its claims against HSL towards Ravva & Panna OPF well platforms (ONGC). The differential financial impact in this regard after considering the provision existing in accounts works out to Rs 24.36 Cr and the said amount has been now provided in the books of 2014-15 as an 'Exceptional Item'.</p>
19	Reconciliation of balances as per price stores ledger and Bin Cards is a continuous process.
20	Certain Advances and Provisional Liabilities for Purchases remain unadjusted, pending link-up between the same.
21	Balances of Debtors / Creditors are subject to confirmation / reconciliation.
22	Previous year's figures have been regrouped / rearranged wherever necessary.

For and on behalf of the Board of Directors

As per our report of even date

Sd/-
M NAGARAJ
 Director (Finance & Commercial) &
 Chief Financial Officer
 Sd/-
INAITULA BAIG
 Company Secretary

Sd/-
R Adm N K MISHRA, NM, IN (Retd)
 Chairman and Managing Director

For BASHA & NARASIMHAN
 Chartered Accountants
 [Firm Reg. No 6031 S]

Sd/-
CA K NARASIMHA SAH
 (Partner)
 Membership No. 201777

Place : Visakhapatnam

Date : 27-07-2015

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31-MARCH-2015**

₹ in lakhs

Particulars	Year ended 31-March-2015	Year ended 31- March-2014
A. Cash flow from operating activities:		
Net Profit/(loss) before Extraordinary, Prior period items & FE variation	(16,664.45)	(3,876.36)
Adjustments for:		
Depreciation	681.55	754.16
Interest & Finance charges	1,225.10	925.52
Foreign exchange variation	230.67	96.95
Interest received	(209.25)	(141.19)
Loss/(profit) on sale of fixed assets	(10.86)	(1.41)
Operating Cash flow before working capital changes, Extraordinary & Prior Period items	(14,747.24)	(2,242.33)
Exceptional & Extra ordinary items	3,824.74	28.74
Prior Period items: Net Expenditure	25.15	812.82
Operating Cashflow before working capital changes & after Extraordinary & Prior Period items	(18,597.13)	(3,083.89)
Adjustments for working capital changes:		
Inventories	(612.82)	(39.21)
Trade and other receivables	4,066.56	(1,337.17)
Trade and other payables	16,451.75	(694.97)
Cash generated from operation (A)	1,308.36	(5,155.24)
B. Cashflow from Investing activities:		
Purchase of fixed assets	(505.65)	(545.76)
Capital Work-in-progress	376.36	458.35
Sale of fixed assets	11.07	1.60
Interest received	209.25	141.19
Net Cash from investing operation (B)	91.03	55.38
C. Cashflow from financing activities:		
Proceeds from Share Capital	-	-
Proceeds from Borrowings from GOI & Banks	(765.32)	(752.15)
Interest paid	(1,225.10)	(925.52)
Net Cash from financing operation (C)	(1,990.42)	(1,677.67)
D. Net Increase in Cash & Cash Equivalent (A)+(B)+(C)	(591.03)	(6,777.53)
Cash and cash equivalent at the beginning of the year	40,406.94	47,184.47
Cash and cash equivalent at the end of the year	39,815.91	40,406.94

For and on behalf of the Board of Directors

Sd/-

M NAGARAJDirector (Finance & Commercial) &
Chief Financial Officer

Sd/-

INAITULA BAIG

Company Secretary

Place : Visakhapatnam

Date : 27-07-2015

Sd/-

R Adm N K MISHRA, NM, IN (Retd)

Chairman and Managing Director

As per our report of even date

For **BASHA & NARASIMHAN**

Chartered Accountants

[Firm Reg. No 6031 S]

Sd/-

CA K NARASIMHA SAH

(Partner)

Membership No. 201777



SCHEDULE OF NET EXPENDITURE ON TOWNSHIP, RESIDENTIAL QUARTERS AND OTHER SOCIAL OVERHEADS FORMING PART OF THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2015

(₹ in lakhs)

Description	2014-15		Total	2013-14		Total
	Details	Details		Details	Details	
EXPENDITURE ON TOWNSHIP AND RESIDENTIAL QUARTERS						
Administration & Maintenance:						
Salaries, Wages & Other Benefits	339.27			370.89		
Housing Estate Site Rent	16.34			16.07		
Property Tax on Residential Buildings	3.44			9.95		
Electricity and Water Charges	183.78			223.81		
Repairs and Maintenance	59.66			125.51		
Colony Security	101.28			49.89		
Miscellaneous Expenditure	4.26	708.02		6.59	802.71	
Depreciation		17.53			9.66	
		725.55			812.37	
Less: Income-Rent	136.01			179.35		
Electricity and Water Charges	89.67	225.68	499.87	76.70	256.05	556.32
Expenditure on Social Overheads:						
Schools and Educational Facilities	1.76			28.45		
Less: Educational Grant	-	1.76		(26.16)	2.29	
On Medical facilities		490.88			647.85	
On Subsidised Canteen	151.21			177.57		
On Subsidised lunch	172.53	323.74		257.04	434.61	
On Subsidised transport :						
Boats and launches	47.35	47.35			54.19	
On Social & Cultural Activities		0.56	864.28		0.53	1139.47
			1364.15			1695.79
Expenditure on Public Relations and Publicity:						
Salaries			8.38			8.67
Publicity			0.08			1.37
			8.46			10.04

NOTES:

- Interest on capital outlay on Township and Residential quarters and for providing other Social Amenities (original cost of ₹ 573.61 lakhs written down value ₹ 137.26 lakhs as on 31.03.2014) has not been taken into account since this has been finalised out of Equity Share Capital except for an amount of ₹ 0.45 lakhs out of grant of Andhra Pradesh in respect of Gandhigram High School.
- The figures of Township Expenditure and Income have been collected only to the extent practicable from the accounts of the company. The expenditure has been in the individual primary heads in the Profit and Loss Account.
- Previous year's figures have been recast wherever necessary.

For and on behalf of the Board of Directors

Sd/-

M NAGARAJ

Director (Finance & Commercial) &
Chief Financial Officer

Sd/-

R Adm N K MISHRA, NM, IN (Retd)

Chairman and Managing Director

Sd/-

INAITULA BAIG

Company Secretary

Place : Visakhapatnam

Date : 27-07-2015



CAPITAL OUTLAY ON TOWNSHIP RESIDENTIAL QUARTERS FOR PROVIDING SOCIAL AMENITIES

(₹ in lakhs)

PARTICULARS	GROSS BLOCK			DEPRECIATION			NET BLOCK			
	As on 31.03.2014	Additions during the year	Sales/ Adjustment during the year	As on 31.03.2015	Upto 31.03.2014	For the Year	On sales/ Adjustment for the year	Upto 31.03.2015	As on 31.03.2015	As on 31.03.2014
Land	1.72	-	-	1.72	-	-	-	-	1.72	1.72
Buildings	490.99	-	4.18	486.81	356.01	12.77	3.97	364.82	121.99	134.98
Roads & compound walls etc.	26.31	-	(15.67)	41.98	26.23	4.70	-	30.93	11.05	0.08
Electrical Installations	18.41	-	-	18.41	17.46	0.01	-	17.47	0.94	0.95
Hospital Equipment	3.45	-	-	3.45	3.25	0.04	-	3.29	0.16	0.20
Motor Vehicles	21.24	-	-	21.24	19.83	0.00	-	19.83	1.41	1.41
Total	562.12	-	(11.49)	573.61	422.79	17.53	3.97	436.35	137.26	139.33
Previous Year	562.12	-	-	562.12	413.13	9.66	-	422.79	139.33	148.99

For and on behalf of the Board of Directors

Sd/-

M NAGARAJ

Director (Finance & Commercial) &
Chief Financial Officer

Sd/-

R Adm N K MISHRA, NIM, IN (Retd)

Chairman and Managing Director

Sd/-

INAITULA BAIG

Company Secretary

Place : Visakhapatnam

Date : 27-07-2015





FINANCIAL POSITION AND PERFORMANCE OF THE COMPANY

	(₹ in crores)									
	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
BALANCE SHEET :										
EQUITY & LIABILITIES										
Shareholders' funds										
Share Capital	144.31	149.31	281.01	301.99	301.99	301.99	301.99	301.99	301.99	301.99
Reserves and Surplus	(1157.06)	(856.13)	(847.32)	(987.33)	(985.00)	(930.01)	(1015.99)	(1071.16)	(1117.37)	(1325.28)
Non-current Liabilities										
Long term borrowings	981.69	610.69	524.72	559.15	593.83	627.67	372.21	372.21	372.21	372.21
Other long term liabilities	6.08	6.08	6.36	6.36	6.36	11.99	9.83	11.91	15.72	90.45
Long term provisions	43.63	106.17	114.02	129.61	95.88	157.61	179.09	124.30	119.75	97.36
Current Liabilities										
Short term borrowings	6.83	70.47	89.78	68.24	96.40	93.20	104.82	103.60	96.08	88.43
Trade payables	113.66	128.94	157.40	134.87	219.03	169.06	166.85	192.77	202.43	199.08
Other current liabilities	495.37	686.61	617.84	692.06	677.78	679.71	978.62	890.60	857.29	1000.73
Short term provisions	24.32	63.61	37.76	37.03	32.72	123.21	182.29	190.97	157.02	180.49
Total	658.83	965.75	981.57	941.98	1038.99	1234.43	1279.71	1117.19	1005.12	1005.46
ASSETS										
Non-current assets:										
Fixed assets - Tangible	39.31	44.53	53.40	63.71	68.77	76.84	75.38	75.96	73.84	66.92
- Intangible	0.00	0.00	0.87	0.17	0.00	0	0	0	0.04	0.13
- Capital work in progress	0.52	4.01	6.23	5.16	12.47	12.4	14.44	11.56	6.97	3.21
Long term loans and advances	2.78	3.10	3.54	3.08	3.30	3.17	2.95	3.81	4.18	64.38
Other non-current assets	0.00	113.22	105.67	113.10	123.99	107.14	109.72	82.22	74.13	58.09
Current Assets										
Inventories	155.38	132.06	253.55	372.15	478.90	331.65	253.19	135.69	136.09	142.21
Trade receivables	51.49	140.55	148.05	117.23	110.07	139.60	128.78	230.16	178.88	132.18
Cash & cash equivalents	184.19	281.70	211.84	115.47	60.31	305.86	519.59	471.84	404.07	398.16
Short term loans and advances	135.36	164.67	126.72	118.83	117.64	147.28	76.05	46.68	27.75	89.73
Other current assets	89.80	81.91	71.70	33.08	63.54	110.50	99.61	59.27	99.17	50.45
Total	658.83	965.75	981.57	941.98	1038.99	1234.44	1279.71	1117.19	1005.12	1005.46
Net Worth	(1012.75)	(706.82)	(566.31)	(685.34)	(683.01)	(628.02)	(714.00)	(769.17)	(815.38)	(1023.29)

*Net Worth = Paid up Capital+Reserves and Surplus

FINANCIAL POSITION AND PERFORMANCE OF THE COMPANY

(₹ in crores)

	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
PROFIT AND LOSS ACCOUNT:										
Income:										
Shipbuilding	139.94	159.95	202.15	194.17	253.61	291.49	254.76	196.08	239.14	128.67
Ship repairs	87.90	93.02	108.46	144.13	266.04	277.38	193.51	152.97	68.70	62.84
Retrofit	15.74	74.66	73.91	57.52	99.31	83.27	115.77	134.79	145.56	102.65
Work-in-Progress	28.29	45.60	41.36	64.32	(10.53)	(48.29)	0.00	0.00	0.00	0.00
Other Income	47.01	26.54	84.26	38.14	53.60	34.03	40.30	78.66	65.67	28.85
Total	318.88	399.77	510.14	498.28	662.03	637.88	604.34	562.50	519.07	323.01
Expenditure:										
Materials	144.54	190.19	222.55	264.66	344.57	441.52	255.85	238.39	186.05	133.68
Direct Expenses	43.60	80.16	89.88	62.10	94.39	79.78	99.07	76.91	99.55	106.1
Pay & Benefits	82.67	92.64	80.91	126.93	129.89	257.48	199.90	183.06	187.90	160.47
Taxes and Duties	8.59	13.49	20.37	28.68	23.25	24.50	29.66	20.81	22.95	12.65
Other Expenses	15.50	19.12	25.91	31.03	27.85	26.82	28.47	26.42	27.40	31.58
Provisions and Losses	14.03	45.15	8.74	14.07	18.67	71.89	56.34	33.08	19.13	26.88
Prior period Adjustments	(1.92)	(387.40)	(7.66)	54.44	3.46	5.63	5.21	8.41	8.13	0.25
Extraordinary items	0.00	41.31	0.08	0.00	0.00	0.00	0.00	7.59	0.29	38.25
Transfers	(3.32)	(3.84)	(4.45)	(4.32)	(5.12)	(4.28)	(3.97)	(2.66)	(2.90)	(3.06)
Total	303.69	90.82	436.33	577.59	636.96	903.34	670.53	592.01	548.50	506.80
Profit / (Loss) before interest,										
Depreciation	15.19	308.95	73.81	(79.31)	25.07	(265.46)	(66.19)	(29.51)	(29.43)	(183.79)
Grant from Govt	0.00	0.00	0.00	0.00	0.00	452.68	0.00	0.00	0.00	0.00
Depreciation	4.07	4.06	5.82	6.93	6.46	7.68	7.97	7.89	7.53	6.80
Interest	4.93	34.70	44.51	50.49	52.41	14.35	11.82	17.77	9.25	12.25
Profit / (Loss) before tax	6.19	270.19	23.48	(136.73)	(33.80)	165.19	(85.98)	(55.17)	(46.21)	(202.84)
Income Tax	0.00	78.27	5.49	6.85	(31.86)	44.83	0.00	0.00	0.00	0.00
MAT credit entitlement	0.00	0.00	0.00	0.00	0.00	(44.83)	0.00	0.00	0.00	0.00
Deferred Tax (asset) / liability	0.00	(109.01)	6.66	(3.57)	(4.26)	110.19	0.00	0.00	0.00	0.00
Net Profit / (Loss)	6.19	300.93	11.33	(140.01)	2.32	55.00	(85.98)	(55.17)	(46.21)	(202.84)
Profit & Loss Appropriation	0.00	0.00	2.52	0.00	0.00	0.00	0.00	0.00	0.00	5.07
Cumulative Profit / (Loss)	(1157.16)	(856.23)	(847.42)	(987.43)	(985.10)	(930.10)	(1016.08)	(1071.25)	(1117.46)	(1325.37)



HINDUSTAN SHIPYARD LIMITED :: VISAKHAPATNAM
SHIPS BUILT

S.NO.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching/Floating	Date of Delivery
1.	"Jalausha" The Scindia Steam Navigation Co. Ltd.,	8.179	22-06-1946	14-03-1948	26-10-1948
2.	"Jalaprabha" The Scindia Steam Navigation Co. Ltd.,	8.179	22-08-1946	20-11-1948	07-04-1949
3.	"Kutubtari" (Passenger Ferry) The Scindia Steam Navigation Co Ltd.,	-	23-05-1947	18-12-1948	19-05-1949
4.	"Jalaprakash" The Scindia Steam Navigation Co. Ltd.,	8.138	27-05-1948	08-08-1949	20-12-1949
5.	"Jalapanakhi" The Scindia Steam Navigation Co. Ltd	8.150	07-10-1949	06-12-1949	04-04-1950
6.	"Jalapadma" The Scindia Steam Navigation Co. Ltd.,	8.137	26-01-1950	14-09-1950	18-01-1951
7.	"Jalapalaka" The Scindia Steam Navigation Co. Ltd.,	8.141	26-01-1950	27-12-1950	03-04-1951
8.	"Bharatmitra" The Bharat Line Limited	8.134	28-09-1950	26-03-1951	02-07-1951
9.	"Jagrani" The Great Eastern shipping Company Limited	8.125	09-05-1951	15-12-1951	09-06-1952
10.	"Jalapatrap" The Scindia Steam Navigation Co. Ltd.,	8.125	09-05-1951	27-02-1952	09.08.1952
11.	"Jalapushpa" The Scindia Steam Navigation Co. Ltd.,	8.087	26-12-1951	09-07-1952	17-10-1952
12.	"Bharatratna" The Bharat Line Limited	8.100	21-07-1952	26-08-1953	15-07-1954
13.	"Jalaputra" The Scindia Steam Navigation Co. Ltd.,	8.114	21-07-1952	09-11-1953	19-08-1954
14.	"Jalavihar" The Scindia Steam Navigation Co., Ltd.,	7.248	01-12-1953	16-08-1954	22-06-1955
15.	"Jalavijaya" The Scindia Steam Navigation Co., Ltd.,	7.311	30-09-1953	26-03-1955	29-12-1955
16.	"Vidyut" Land Customs Department	(Motor Launch)	19-10-1953	18-08-1954	18-03-1958
17.	"Jalavishnu" The Scindia Steam Navigation Co. Ltd	7.322	16-12-1953	02-11-1955	23-05-1956
18.	"State of Kutch" The Eastern Shipping Corporation Limited	8.253	02-09-1954	29-03-1956	25-11-1956
19.	"Adyar" Madras Port Trust	(Kort Nozzle Tug)	27-09-1954	31-12-1955	25-09-1957
20.	"Andamans" Ministry of Home Affairs	2.470(Passenger cum Cargo Vessel)	10-08-1955	25-07-1956	04-12-1957
21.	"State of Orissa" The Eastern Shipping Corporation Ltd.,	8.160	08-12-1955	16-02-1957	31-12-1957

S.NO.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching/Floating	Date of Delivery
22.	"Jalavikram" The Scindia Steam Navigation Co., Ltd	7.312	16-04-1956	29-07-1957	26-03-1958
23.	"Jalaveera" The Scindia Steam Navigation Co., Ltd.,	7.312	04-08-1956	22-11-1957	26-07-1957
24.	"Jagmitra" The Great Eastern Shipping Company Ltd.,	6.391	31-08-1957	05-07-1958	10-06-1959
25.	"Dhruvak" Indian Navy	(Mooring Vessel)	27-01-1956	16-07-1958	16-11-1959
26.	"Indian Industry" The India Steamship Company Ltd.,	6.419	07-12-1957	12-12-1958	27-10-1959
27.	"Jayalakshmi" New Dholera Steamships Limited	5,405	22-08-1957	22-04-1959	27-01-1960
28.	"State of Uttar Pradesh" The Eastern Shipping Corporation Ltd.,	9,632	03-10-1959	31-12-1959	16-01-1961
29.	"R.S.V. Haldia" Calcutta Port Commissioners	(Port Survey Vessel)	16-11-1960	11-06-1960	25-03-1961
30.	"State of Rajasthan" The Eastern Shipping Corporation Ltd.,	9,644	22-01-1959	29-04-1960	18-05-1961
31.	"Vishvanidhi" The Western Shipping Corporation of India Ltd.,	9,666	11-05-1959	06-09-1960	02-10-1961
32.	"State of Punjab" The Shipping Corporation of India Ltd.,	12,557	02-12-1959	16-04-1961	06-04-1962
33.	"Vishva Shanti" The Shipping Corporation of India Ltd.,	12,606	29-09-1960	25-01-1961	14-09-1962
34.	"Vishva Prem" The Shipping Corporation of India Ltd.,	12,565	27-08-1960	20-12-1961	28-01-1963
35.	"Vishva Maya" The Shipping Corporation of India Ltd.,	12,577	22-09-1960	06-04-1962	30-04-1963
36.	"Vishva Mangal" The Shipping Corporation of India Ltd.,	12,608	05-05-1961	17-08-1962	23-09-1963
37.	"Jala Kala" The Scindia Steam Navigation Co., Ltd.,	12,913	12-10-1961	29-03-1963	12-11-1964
38.	"Darshak" Indian Navy	(Survey Vessel)	14-10-1957	02-11-1959	28-12-1964
39.	"State of Madhya Pradesh" The Shipping Corporation of India Ltd.,	12,873	08-01-1962	15-10-1963	04-05-1965
40.	"Rohini" Hindustan Shipyard Limited	(Launch)			20-08-1965
41.	"Jala Kendra" The Scindia Stea Navigation Co., Ltd.,	12,947	24-05-1962	16-04-1964	29-01-1966
42.	"State of West Bengal" The Shipping Corporation of India Ltd.,	12,915	06-09-1962	05-12-1964	31-03-1966
43.	"Jalakanta" The Scindia Steam Navigation Co., Ltd.,	12,912	26-04-1963	01-07-1965	02-08-1966
44.	"State of Mysore" The Shipping Corporation of India Ltd.,	12,923	13-11-1963	09-12-1965	11-10-1966



S.NO.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching/Floating	Date of Delivery
45.	"Vishva Tej" The Shipping Corporation of India Ltd.,	12,886	04-05-1964	01-10-1966	02-10-1967
46.	"Vishva Tirth" The Shipping Corporation of India Ltd.,	12,886	08-01-1965	28-12-1966	03-12-1967
47.	"Vishva Seva" The Shipping Corporation of India Ltd.,	12,959	23-08-1965	26-1967	02-03-1968
48.	"Vishva Siddhi" The Shipping Corporation of India Ltd.,	12,972	24-12-1965	15-11-1967	12-09-1968
49.	"Vishva Bhakti" The Shipping Corporation of India Ltd.,	12,937	23-01-1968	15-04-1968	29-01-1969
50.	"Vishva Shoba" The Shipping Corporation of India Ltd.,	12,931	13-02-1967	24-09-1968	11-05-1969
51.	"Vishva Shakti" The Shipping Corporation of India Ltd.,	12,900	19-05-1967	20-03-1969	17-12-1969
52.	"Vishva Dharma" The Shipping Corporation of India Ltd.,	12,852	22-11-1967	08-10-1969	20-04-1970
53.	"Vishva Vikram" The Shipping Corporation of India Ltd.,	12,881	06-06-1968	09-02-1970	12-09-1970
54.	"Shanti" The Visakhapatnam Port Trust	Launch	12-03-1970	14-12-1970	31-12-1970
55.	"Vishva Sarshan" The Shipping Corporation of India Ltd.,	12,883	16-12-1968	20-07-1970	02-07-1971
56.	"Walchand" Hindustan Shipyard Limited	(Landing Craft)	01-05-1971	14-07-1971	30-09-1971
57.	"Vishva Nayak" The Shipping Corporation of India Ltd.,	12,881	26-06-1969	30-11-1970	22-10-1971
58.	"T.S. Rajendra" The Directorate General of Shipping	(Training Ship)	20-10-1969	25-04-1971	27-03-1972
59.	"Bombay Duck-II" The Visakhapatnam Port Trust	(Dredger)	27-08-1971	12-07-1972	11-02-1973
60.	"Vishva Karuna" The Shipping Corporation of India Ltd.,	13,967	26-08-1970	02-11-1071	02-03-1973
61.	"Vishva Yash" The Shipping Corporation of India Ltd.,	13,986	18-03-1970	17-03-1972	18-05-1973
62.	"Vishva Mamta" The Shipping Corporation of India Ltd.,	13,971	23-12-1970	23-08-1972	16-10-1973
63.	"Vishva Bandan" The Shipping Corporation of India Ltd.,	13,765	30-06-1971	06-03-1973	04-03-1974
64.	Vishva Madhuri" The Shipping Corporation of India Ltd.,	13,762	25-11-1971	17-08-1973	16-08-1974
65.	"Indian Endurance" India Steam Ship Company Ltd.,	14,197	29-03-1972	26-01-1974	16-03-1975
66.	"Jag Doot" The Great Eastern Shipping Company Ltd.,	21,298	11-09-1972	22-06-1974	23-03-1975
67.	"Jagat Priya" Dempo Steamships Ltd.,	21,393	30-08-1973	03-10-1974	30-11-1975

S.NO.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching/Floating	Date of Delivery
68.	"Sagarika-1" Oil & Natural Gas Commission	(Supply cum Crew Vessel)	05-04-1974	07-08-1975	28-02-1976
69.	"Jag Dhir" The Great Eastern Shipping Company Ltd.,	21,383	28-01-1974	14-03-1975	20-03-1976
70.	"Sagarika-2" Oil & Natural Gas Commission	(Supply cum Crew Vessel)	18-12-1974	30-11-1975	30-03-1976
71.	"Jag Dharma" The Great Eastern Shipping Company Ltd.,	21,420	26-06-1974	24-07-1975	06-09-1976
72.	"Indian Explorer" India Steam Ship Company Ltd.,	14,089	07-10-1974	17-11-1975	30-10-1976
73.	"Jag Deesh" The Great Eastern Shipping Company Ltd.,	21,406	16-03-1976	30-03-1976	12-03-1977
74.	"Damodar Ganga" Damodar Bulk Carriers Ltd.,	21,365	26-07-1975	24-10-1976	25-06-1977
75.	"Indian Grace" India Steam Ship Company Ltd.,	21,283	21-11-1975	23-12-1976	29-03-1978
76.	"Indian Glory" Indian Steam Ship Company Ltd.,	21,344	26-02-1976	04-08-1977	27-10-1978
77.	"Jala Godavari" The Scindia Steam Navigation Company Ltd.,	20,914	02-07-1976	16-03-1978	16-04-1979
78.	"Jalagovind" The Scindia Steam Navigation Company Ltd.,	20,868	25-10-1976	03-11-1978	05-12-1979
79.	"Jalagopal" The Scindia Steam Navigation Company Ltd.,	20,850	12-04-1977	11-07-1979	11-09-1980
80.	"Jalagouri" The Scindia Steam Navigation Company Ltd.,	20,854	25-10-1977	01-12-1979	27-03-1981
81.	"Tenneti" Hindustan Shipyard Ltd.,	(Landing Craft)	29-10-1980	06-05-1981	29-09-1981
82.	"State of Haryana" The Shipping Corporation of India Ltd.,	16,700	19-03-1979	27-07-1980	16-06-1983
83.	"Nand Rati" Essar Bulk Carrier Ltd.,	26,710	09-03-1981	30-01-1983	16-07-1984
84.	"State of Gujarat" The shipping Corporation of India Ltd.,	16,789	30-05-1979	03-06-1981	12-12-1984
85.	"Samudrika-4" OPSSV Oil & Natural Gas Commission	1,231	22-04-1984	24-11-1984	09-12-1985
86.	"Samudrika-5" OPSSV Oil & Natural Gas Commission	1,240	22-05-1984	10-03-1985	19-03-1986
87.	"Lok Maheswari" Bulk Carrier, SDFC / Moghul Line Ltd.,	26,728	03-10-1981	20-08-1983	31-03-1986
88.	"Samudrika - 6" OPSSV Oil & Natural Gas Commission	1,240	12-08-1984	29-01-1985	24-09-1986
89.	"State of Orissa" The Shipping Corporation of India Ltd.,	16,806	05-12-1979	10-01-1982	08-07-1986
90.	"Prabhu Daya" Tolani Shipping Corporation of India Ltd.,	26,713	04-02-1983	25-11-1984	02-03-1987



S.NO.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching/Floating	Date of Delivery
91.	"Samudrika-7" OPSSV Oil & Natural Gas Commission	1,242	12-08-1984	23-06-1986	28-05-1987
92.	"Sagar Bhushan" (Drill Ship) Oil & Natural Gas Commission	9,113	12-08-1984	18-08-1985	04-11-1987
93.	"Lok Rajeswari" The Shipping Corporation of India Ltd.,	26,639	05-03-1982	16-07-1984	27-10-1988
94.	" Mundeswari" – C.I.W.C	825 (Barge)	1-8-1987	27-10-1988	03-03-1989
95.	" Manjari" – C.I.W.C	825 (Barge)	1-8-1987	10-11-1988	03-03-1989
96.	" Mahanadi" – C.I.W.C	825 (Barge)	1-8-1987	27-10-1988	03-03-1989
97.	" Mandakini" – C.I.W.C	825 (Barge)	1-8-1987	10-11-1988	03-03-1989
98.	" Matla" – C.I.W.C	825 (Barge)	1-8-1987	10-01-1989	03-03-1989
99.	" Argo" – C.I.W.C	825 (Barge)	1-8-1987	07-02-1989	03-03-1989
100.	"Lok Prakash" The Shipping Corporation of India Ltd.,	26,790	19-07-1984	24-03-1985	12-04-1989
101.	"Lok Prem" The Shipping Corporation of India Ltd.,	26,714	30-03-1985	29-05-1987	23-02-1990
102.	"INS Savitri" OPV, Indian Navy	OPV	25-06-1988	23-05-1989	20-11-1990
103.	"INS Gharial" GRSE / Indian Navy	LSTL	30-11-1989	01-04-1991	02-05-1991
104.	"INS Sarayu" OPV, Indian Navy	OPV	25-06-1988	16-10-1989	04-10-1991
105.	"INS Sharada" Indian Navy	OPV	16-06-1989	22-08-1990	16-12-1992
106.	"INS Pratap" The Shipping Corporation of India Ltd.,	26,718	28-08-1985	31-07-1988	28-06-1993
107.	"INS Sujata" OPV, Indian Navy	OPV	16-06-1989	23-10-1991	03-11-1993
108.	"Ambica" HSD Oiler Indian Navy	1,000	01-09-1993	10-12-1994	23-01-1995
109.	"Maharashtra" The Shipping Corporation of India Ltd.,	42,750 DWT (Bulkier)	18-09-1986	23-09-1992	06-01-1996
110.	"Swatantra" The Visakhapatnam Port Trust	30 T.B.P Tug	10-09-1994	29-03-1997	12-09-1997
111.	"M.V. Goa" The Shipping Corporation of India Ltd.,	42,750 DWT (Bulkier)	20-11-1994	22-03-1996	15-01-1998
112.	M.V. Swaraj Dweep – A & N Administration	1200 Passenger-cum-Cargo Vessel	22-03-1994	11-12-1996	09-12-1999

S.NO.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching/Floating	Date of Delivery
113.	"Mahatma" – The Visakhapatnam Port Trust	50T B.P. Tug	05-07-1998	22-03-1999	17-01-2000
114.	"Sardar Patel" The Visakhapatnam Port Trust	50T B.P. Tug	05-07-1998	22-03-1999	27-05-2000
115.	"M.V.Tamil Nadu" The Shipping Corporation of India Ltd.,	42,750 DWT (Bulkier)	13-04-1997	21-10-1998	15-09-2000
116.	"M.V. RANGAT" – A & N Administration	100 Passenger Vessel	30-09-1999	27-10-2000	16-10-2001
117.	M.V. BARATANG" – A & N Administration	100 Passenger Vessel	30-09-1999	27-10-2000	17-01-2002
118.	"M.T KABINI" – New Mangalore Port Trust	50T B.P. Tug	17-08-1999	19-04-2001	03-08-2002
119.	"I.N.S GAJ" - ATVP H.Q (Indian Navy)	25T B.P Tug	18-01-2000	31-08-2001	04-10-2002
120.	"M.T. TIRACOL - II" – Marmugao Port Trust	45T B.P. Tug	11-10-1999	15-11-2001	31-03-2003
121.	"M.V. CHOULDR" – A & N Administration	100 Passenger Vessel	10-11-1999	05-01-2001	10-11-2003
122.	"M.T. CHAPORA - II" – Marmugao Port Trust	45T B.P. Tug	11-10-1999	25-01-2002	24-12-2003
123.	"M.V. TEAL" – A & N Administration	100 Passenger Vessel	10-11-1999	05-01-2001	29-01-2004
124.	"M.V. Jolly Buoy" – A & N Administration	100 Passenger Vessel	18.11.1999	23.04.2001	20.05.2004
125.	"F.C Ravi B" –M/s Sarat Chatterjee & Co.	17.5 Tons Floating Crane	29.02.2000	05.09.2003	09.05.2004
126.	"M.V. Wandoor" – A & N Administration	100 Passenger Vessel	18.11.1999	23.04.2001	15.07.2004
127.	FRP Launch – Visakhapatnam Port Trust	Launch			02.01.2005
128.	"M.V. Hut Bay" – A & N Administration	100 Passenger Vessel	08.12.1999	06.10.2002	11.02.2005
129.	"G.H.D. Sagar Durga" – Visakhapatnam Port Trust	500 M ³ Dredger	30.09.1999	05.09.2003	09.02.2005
130.	1 st . Barge for A & N Administration	10 x 8 x 2 Meters			02.02.2005
131.	2 nd Barge for A & N Administration	10 x 8 x 2 Meters			02.02.2005
132.	3 rd Barge for A & N Administration	10 x 8 x 2 Meters			02.02.2005
133.	4 th Barge for A & N Administration	10 x 8 x 2 Meters			08.02.2005
134.	5 th Barge for A & N Administration	10 x 8 x 2 Meters			11.02.2005

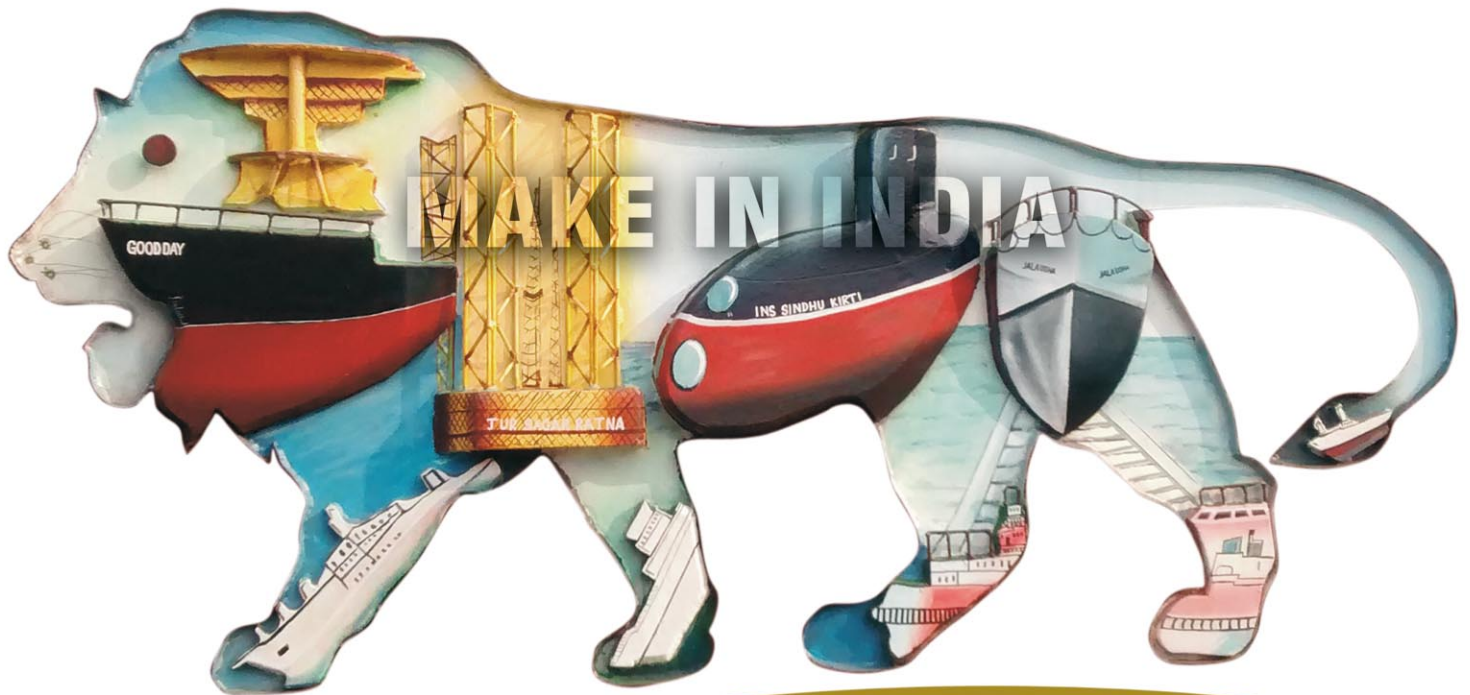


S.NO.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching/Floating	Date of Delivery
135.	6 th Barge for A & N Administration	10 x 8 x 2 Meters			08.02.2005
136.	"M.V. Strait Island" A & N Administration	100 Passenger Vessel	08.12.1999	11.01.2003	20.05.2005
137.	"M.V.Jhansi Rani for Visakhapatnam Port Trust	50 T B.P.Tug	03.11.2000	17.06.2003	01.09.2005
138.	ORV Sagar Manjusha, National Institute of Ocean Technology	Buoy Tender cum Research vessel	23.12.2004	03.11.2005	14.06.2006
139.	M.L.Radha Nagar for A & N. Admin.	Utility Launch			18.07.2006
140.	M.L.Uttava for A & N Admin.	Utility Launch			18.07.2006
141.	M.L.Nimbutala for A & N Admin.	Utility Launch			02.11.2006
142.	M.L.Nilambar for A & N Admin.	Utility Launch			02.11.2006
143.	M.V.Good Providence, for M/s. Goodearth Maritime Limited (GML), Chennai	30,000 DWT Trader series Bulk carrier	29.07.2005	22.01.2007	31.05.2007
144.	M.V. Good Princes, for GML, Chennai.	30,000 DWT Trader series Bulk carrier	18.01.2006	16.05.2007	23.01.2008
145.	M.V.Good Pacific, for GML, Chennai	30,000 DWT Trader series Bulk carrier	02.01.2007	03.01.2008	07.05.2008
146.	M.V.Kavaratti, for UTL Administration	700 Passengers-160 T Cargo vessel	21.10.2000	14.02.2005	27.06.2008
147.	"M.V. Bambooka" for A & N Administration	150 Passenger Vessel	08.12.1999	14.06.2004	06.11.2008
148.	"M.V. North Passage for A & N Admin.	150 Passenger Vessel	08.12.1999	14.06.2004	06.11.2008
149.	M.V. Jal Sudhak, for Visakhapatnam Port Trust	Oil recovery and pollution control vessel	18.10.2003	15.10.2008	27.04.2009
150.	M.V. Good Pilgrims for GML, Chennai	30,000 DWT Trader series Bulk carrier	18.12.07	14.11.2008	10.08.2009
151.	M.T Iswari, for New Mangalore Port Trust	32-T. Bollard Pull tug	20-01-07	05.06.2008	17.08.2009
152.	M.V. Good Pride for GML, Chennai	53,000 DWT Diamond			



S.NO.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching/Floating	Date of Delivery
		series Bulk carrier	09.01.2008	23.03.2009	12.04.2010
153.	M.V.Good Precedent for GML, Chennai	53,000 DWT Diamond series Bulk carrier	21.03.2009	29.03.2010	05.02.2011
154.	Mr. A.W. Delima for VPT, Visakhapatnam	50-T Bollard pull Tug	21.03.2009	14-07-2010	30-12-2011
155.	Rani Abbakka for Indian Coast Guard	Inshore Patrol Vessel	25-06-2007	28-05-2009	05-01-2012
156.	M.V. Good Trade for GML, Chennai	53,000 DWT Diamond Series Bulk Carrier	31-03-2010	31-03-2011	17-02-2012
157.	Col. H. Cart Wright Reid for Visakhapatnam Port Trust, Visakhapatnam	50-T Bollard pull Tug	21.03.2009	04-11-2010	10-08-2012
158.	Rani Avanti Bai for Indian Coast Guard	Inshore Patrol Vessel	25-06-2007	28-05-2009	08-05-2013
159.	M.V. Good Day for GML	53000 DWT Diamond Series Bulk Carrier	30-12-2010	12-06-2012	29-07-2013
160.	"DHIRAJ" for Indian Navy	50T Bollard Pull Tug	27-12-2010	03-08-2013	24-12-2013
161.	"SAHAS" for Indian Navy	50T Bollard Pull Tug	05-03-2011	03-08-2013	24-12-2013
162.	"HIMMAT" for Indian Navy	50T Bollard Pull Tug	27-12-2010	03-08-2013	31-03-2014

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