

58th वी वार्षिक प्रतिवेदन
ANNUAL REPORT
2009-10



हिन्दुस्तान शिपयार्ड लिमिटेड

(भारत सरकार का उपक्रम)

आएएसओ-9001 : 2008 प्रमाणित

HINDUSTAN SHIPYARD LIMITED

(A Govt. of India Undertaking)

ISO-9001 : 2008 Certified



HINDUSTAN SHIPYARD LIMITED

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

AUTHENTICATED

RAKSHA MANTRI



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BOARD OF DIRECTORS

Cmde. NARESH KUMAR, VSM, IN (Retd)

Chairman & Managing Director

Shri RAKESH MAHAJAN

Director (Finance & Commercial)

Shri GYANESH KUMAR, IAS

Director (from 22-02-10)

VAdm. N.N. KUMAR, AVSM, VSM

Director (from 22-02-10)

Capt. P.V.K. MOHAN

Independent Director (from 06-06-08)

Shri VINEET GARG, IAS

Director (from 16-7-09 to 22-2-10)

Dr. T.R.K. RAO, IRTS

Director (from 6-8-09 to 22-2-10)

Shri Rajneesh Gupta, IAS

Director (upto 16-7-2009)

Shri K.V. Brahmananda Reddy, IRAS

Director (upto 6-8-2009)

COMPANY SECRETARY

Shri INAITULA BAIG

BANKERS

Indian Bank
State Bank of India
UCO Bank
Syndicate Bank
Corporation Bank
Canara Bank

AUDITORS

M/S. G.R.KUMAR & CO.
Chartered Accountants
9, Merrylife Apartments,
Doctor's Colony, Pedda Waltair,
Visakhapatnam – 530 017.

REGISTERED OFFICE

209 & 209A, Vikram Tower
16, Rajendra Place
New Delhi-110 008
Phone : 011-25737425
Fax : 011-25730029

HEAD OFFICE & WORKS

Gandhigram, Visakhapatnam – 530 005
Phone : 0891-2577404/2577437/
9493792132 (PRO)
9493792351 (PRO Office)
Fax : 0891-2577502/356/667
E-mail : hsl@hslvizag.com
Web : www.hsl.nic.in



निदेशक मंडल Board of Directors



Cmde. Naresh Kumar, VSM, IN (Retd.)
Chairman & Managing Director



Shri Rakesh Mahajan
Director (Finance & Commercial)



Capt. P.V.K. Mohan
Director



VAdm. N.N. Kumar, AVSM, VSM
Director



Shri Gyanesh Kumar, IAS
Director



CHAIRMAN'S ADDRESS

Dear Shareholders,

I have great pleasure in welcoming you to this 58th Annual General Meeting of your Company and share with you some of the significant achievements of the Company during the year under review. During the year, the administrative control of Hindustan Shipyard Limited was transferred from the Ministry of Shipping to the Ministry of Defence on 22nd February, 2010 through a Presidential Order for requirements of Defence. The Directors' Report and the Audited Statement of Accounts for the year 2009-10 and the Notice to the Shareholders have already been circulated and with your permission, I take them as read.

HSL is one of the largest Defence Shipyard in the country, and it has 68 years of glorious history in ship building and repairs. HSL has built 163 Vessels including 11 Platforms ships and repaired around 2000 vessels for various clients. HSL has thus achieved many significant mile stones and earned a name for itself as a ship builder of repute both within India and abroad.

The highlights of the year 2009-10 are as follows :

- a) In keeping with its image as a premier shipyard, HSL has shown consistent growth in almost all aspects of its activities. More importantly, the company has been able to achieve progressive growth for the last five years pending implementation of the revival plan.
- b) The year 2009-10 has also been a special one for the company in many ways. The Company achieved the highest ever income of Rs.662.03 Crores in its history despite restrictions imposed on taking fresh orders since last two years. The Ship Repair Income of Rs.266.04 Crores was also the highest ever. The Company recorded a profit after tax of Rs.2.32 Crores for the year 2009-10 as against the loss of Rs.140.01 Crores in previous year. Details of the Keels laid, ships launched, handed over, productivity improvement measures

and income generated are given in the Directors' Report.

c) Some of the major achievements during the year are as follows :

- Three ships were delivered including the last 30,000 DWT Bulk carrier.
- First largest 53,000 DWT Bulk Carrier was floated from Building Dock.
- Keel was laid for four new vessels.
- Launching of the first and second Inshore Patrol Vessels from slip way.
- New infrastructure set up for pipe manufacturing & testing.
- Progress of ONGC rig repairs contract of approx Rs.400 Crores has been remarkable and most of the works were completed in given time frame of one year.

The ship building order book position is lean and new orders for small crafts as well as high value orders for capital ships are expected from the Navy and Coast Guard. The order book is likely to grow exponentially over next five years with construction of Warships and Submarines. Recently Ministry of Defence has placed an order on HSL on 27th August,2010 for construction of 3 Numbers 50 Ton Bollard Pull Tugs.

Your Company is thus creating value addition by not only achieving path breaking achievements in shipbuilding & Ship repairs but also developing indigenous repair capabilities of Naval Submarines and Offshore Rigs in the Country.

I am happy to report that due to these efforts, the overall production of this yard has improved from 63772 DWT in the year 2008-09 to 67572 DWT in 2009-10 with a capacity utilization of 89%. On approval of the financial restructuring, the yard will be able to make good profits in the coming years.

These all round improvements in the performance of the company were made possible by team work, dedication, sacrifice and hard work put in by all our employees. Industrial Relations during the year continued to be peaceful and harmonious.

Grading vide Memorandum of Understanding

The performance of the Company for the year, as per the internal Assessment, is expected to be adjudged as "Very Good" in terms of the MoU signed with the Government of India.

Corporate Governance

It is the constant endeavour of the company to adopt and maintain the highest standards of ethics in all spheres of business activities. The Company's philosophy of Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures and legal compliances. It strives for transparency in decision making. The company adheres to good corporate practices and is constantly striving to adopt the best practices. Ministry of Defence has approved additional post of Director(Corporate Planning) and Director(Strategic Projects) for meeting the new business goals & requirement of the Company. The Company is also making all efforts to enhance transparency through use of IT systems, ERP, e-tendering and e-procurement.

Future Out look

Your Company is fully committed to build quality ships for the Indian Navy and Coast Guard. Consequent to transfer of Administrative control of HSL from Ministry of Shipping to Ministry of Defence, the Company is endeavoring to obtain orders from Naval and Coast Guard Ships for large capacity utilization. The Company is also planning to upgrade its infrastructure through major modernization programme for concurrent construction of ships & submarines. The company plans to enhance its design capability by modernizing its Design office with additional Tribon Licenses and augment the manpower strength for detailed design of Submarines and Warships.

Yard Modernization

The yard needs immediate upgradation to increase its production capacity in order to cater for the defence requirements. The yard infrastructure also needs to be upgraded for construction of submarines. The modernization programme is being taken up on high priority.

Skill Development

The Yard is planning to induct young workforce to take care of large attrition due to retirements. The Skill Development through training is one of the high priority areas to hone the skills required for construction of complex warships and Submarines

HSL has travelled a long way in these years and I have no doubt that this yard will continue to make significant contribution to the ship building industry and the National security at large in the days to come.

Acknowledgements

I would like to conclude by thanking the Central and State Government Authorities, the Ministry of Defence, the Ministry of Shipping, the Naval and Coast Guard Authorities, the Dredging Corporation of India Limited, the Shipping Corporation of India Ltd., The Oil & Natural Gas Corporation Ltd., M/s. Goodearth 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 their valuable suggestions and co-operation. I also acknowledge with gratitude the continual assistance and guidance received from the Indian Navy and Coast Guard. Last but not the least, I appreciate the vital role and hard work put in by all the employees of the Company to achieve its goal and the Board of Directors and the Ministry of Defence who have supported and guided the Company for the turnaround.

Jai Hind



Cmdr. Naresh Kumar, VSM, IN (Retd)
Chairman & Managing Director

NOTICE OF 58th ANNUAL GENERAL MEETING

Notice is hereby given that the 58th Annual General meeting of the Shareholders of Hindustan Shipyard Ltd., will be held on Friday, the 24th September, 2010 at 11.00 A.M. at Shipyard House, A1/314, Safdar jung Enclave, New Delhi-110 029 to transact the following business:

ORDINARY BUSINESS

- 1) Adoption of Annual Accounts of the Company for the year 2009-10:
To receive, consider and adopt the Balance Sheet as at 31st March, 2010 and the Profit & Loss Account for the year ended 31st March, 2010 and the Reports of the Directors and Auditors thereon.
- 2) To fix the remuneration of the Auditors to be appointed by the Comptroller & Auditor General of India for the Financial Year 2010-11.

SPECIAL BUSINESS

- 3) To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 17(1) and other applicable provisions, if any, of the Companies Act, 1956 and subject to confirmation by the Company Law Board, as prescribed in Sub-section (2) of the said section, the Memorandum of Association of the Company be altered so as to change the place of the Company’s Registered Office from its present situation at 209 & 209A, Vikram Tower, 16 Rajendra Place, New Delhi in the State of Delhi to Hindustan Shipyard Ltd., Gandhigram P.O., Visakhapatnam-530005, by substituting the words “in the State of Delhi” for the words “in the State of Andhra Pradesh” in Clause 2 of the Memorandum of Association of the Company.

RESOLVED FURTHER THAT the company secretary, Shri Inaitula Baig be and is hereby authorized-

- a) to make, on behalf of the company, the petition under Sub-section (2) of Section 17 of the Companies Act, 1956 to the Company Law Board for securing confirmation to the alteration to the Memorandum of Association of the Company so as to change the place of the Registered Office of the Company from the State of Delhi to the State of Andhra Pradesh;
 - b) to file, along with the petition, his memorandum of appearance before the concerned Bench of the Company Law Board as and when summoned to do so and represent the company in all hearings concerning the petition of the company; and
 - c) to appoint, on behalf of the company, Company Secretaries in Practice, advocates, lawyers, counsels and other consultants, if and when required, to represent the company and plead on its behalf before the concerned Bench of the Company Law Board and or any other agency in all matters connected with the petition of the company.”
- 4) To consider and if thought fit, to pass with or without modification the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of the section 31 and other applicable provisions if any of the Companies Act, 1956, the New set of Articles of Association of the Company, a copy of which is placed before the meeting, duly initialled by the Chairman of the Meeting, be and is hereby approved and adopted as the Articles of Association of the Company in supersession and substitution of the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Secretary of the Company be and is hereby authorized to take all steps for giving effect to the resolution.”

By order of the Board

Sd/-
(Inaitula Baig)
Company Secretary

New Delhi

Dated the 19th August,2010

- NOTES :
- (a) A member entitled to attend and vote is entitled to appoint a Proxy to attend and vote instead of himself and a proxy need not be a member of the Company.
 - (b) The instrument appointing the Proxy, if any, should, in order to be effective, be deposited at the Registered Office of the Company not less than 48 hours before the time of holding the meeting.
 - (c) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act,1956, in respect of the Special Resolution set out above is annexed hereto.

To

All the Shareholders

Statutory Auditors

Directors

Chairman of the Audit Committee.

EXPLANATORY STATEMENT PURSUANT TO THE SECTION 173(2) OF THE COMPANIES ACT, 1956 ATTACHED TO THE SPECIAL RESOLUTION

As required by Section 173 of the Companies Act, 1956, the following Explanatory Statement set out all material facts relating to the business mentioned under item Nos. 3 & 4 of the accompanying Notice dated 19th August, 2010.

1. Item No.3

Clause 2 of the Memorandum of Association of the Company provides that the Registered Office of the Company will be situated in the State of Delhi within the jurisdiction of the Registrar of Companies at Delhi.

Hindustan Shipyard Limited (HSL) is a Central Public Sector Undertaking wholly owned by the Government of India (GoI). Though at present the Registered Office of the Company is situated in the State of Delhi at rented premises, the company's Administrative and work offices are in Andhra Pradesh and all business activities are based in the State of Andhra Pradesh. If the Registered Office is located in Andhra Pradesh it will be convenient, efficient and also economical to manage the operations of the Company.

The shifting of Registered Office to Andhra Pradesh will enable the Company to have better and effective control over the working of its Registered Office. It will also enable better coordination and integration of the Company's activities, which in turn shall result in more efficient and economical working of the company. HSL Factory & Administrative Office is located at Vishakhapatnam in the State of Andhra Pradesh. For Administrative convenience and in order to carry on its business more economically, conveniently, efficiently, effectively and advantageously, it is deemed expedient in the overall interest of the company to shift the Registered Office of the Company from the State of Delhi to the State of Andhra Pradesh.

The Directors are of the opinion that shifting of Registered Office would ensure better cost and operational control. Therefore the Directors, consider that the Memorandum of Association of the Company would be altered so as to change the place of its Registered Office from its present situation at 209 & 209A, Vikram Tower, 16 Rajendra Place, New Delhi in the State of Delhi to Hindustan Shipyard Limited, Gandhigram P.O., Visakhapatnam -530 005, in the State of Andhra Pradesh.

After the proposal is approved by the Shareholders, a petition is required to be made, under Section 17(2) of the Companies Act, 1956 to the "Company Law Board" for confirmation of the alteration to the Memorandum of Association of the Company so as to shift the Company's Registered Office from the State of Delhi to the State of Andhra Pradesh. Therefore, the proposed resolution also seeks Authority to the Company Secretary to make the said petition to the Company Law Board on behalf of the Company.

The Board commends the resolution to the members for their consideration and approval.

None of the Directors of the Company is interested or concerned in the proposed Resolution.

2. Item No.4

The present Articles of Association of the company were adopted in 1970. The Companies Act and other applicable rules have been amended/changed from time to time. The Articles of Association of the Company have been amended from time to time to incorporate/delete some of the Articles since their adoption. Your Board of Directors considers that instead of amending the existing articles substantially which would have been a very cumbersome affair, it will be proper and convenient to adopt the New set of Articles of Association in substitution of the existing articles of Association of the Company. Hence a new set of Articles of Association of the Company have been prepared in conformity with the companies Act,1956 and in line with similar corporate entities in Ship building & Shiprepair under administrative control of the Ministry of Defence. A copy of New set of Articles of Association will be available at the Registered Office of the Company for inspection by any member of the Company on any working day during business hours of the Company. Copies of the proposed Articles of Association will also be available at the Annual General Meeting.

Your Directors commend the proposed Resolution for your consideration and adoption of the New set of Articles of Association of the Company to replace the existing Articles of Association of the Company.

The Board commends the Resolution to the members for their consideration and approval.

None of the Directors of the Company is interested or concerned in the proposed resolution.

By order of the Board

Sd/-

(Inaitula Baig)
Company Secretary

Place: New Delhi

Date: 19th August, 2010

DIRECTORS' REPORT FOR THE YEAR 2009-10

The Shareholders,
Hindustan Shipyard Limited.

Gentlemen,

Your Directors have pleasure in presenting this Fifty Eighth Annual Report on the working of the Company, together with the Audited Accounts and Auditors' Report for the financial year ended 31st March 2010. The Company achieved the highest ever Income of Rs.662.03 Crores in its history. The Ship Repair income of Rs.266.04 Crores was also the highest ever. The value of Production for the Financial Year 2009-10 is Rs.608.43 Crores as against Rs.460.13 Crores in the previous year. The Profit after tax is Rs.2.32 Crores for the year 2009-10 as against the loss of Rs.140.01 Crore in previous year.

1. TRANSFER TO MINISTRY OF DEFENCE

Considering the strategic location of HSL and requirements of Defence, the President of India transferred the administrative control of Hindustan shipyard Limited from the Ministry of Shipping to the Ministry of Defence with effect from 22nd February,2010 under Government of India (Allocation of Business) Rules,1961 vide notification No.1/22/1/2010-Cab, Dated 22nd February,2010. The Shipyard would now play a major role as a Defence yard and undertake construction of Hi-tech Warships and Submarines.

2. CAPITAL STURCTURE :

The Authorized Equity Share Capital and Paid-up Equity Share Capital of the Company as on 31st March 2010 stood at Rs.304 Crore and Rs.301.99 Crore respectively.

3. THE FINANCIAL PERFORMANCE OF THE COMPANY FOR THE YEAR 2009-10 WAS AS FOLLOWS :

Description	All figures in Rupees Crores				
	Ship Building	Ship Repairs	Retrofit	Unallocated	Total
Total Income	265.24	276.59	115.03	5.17	662.03
Profit/(Loss) before Depreciation, interest and income tax	(39.11)	99.68	0.47	(35.97)	25.07
Depreciation	4.17	00.41	1.17	0.71	6.46
Interest & Finance charges	13.89	8.47	8.46	21.59	52.41
Profit/(Loss) before tax	(57.17)	90.80	(9.16)	(58.27)	(33.80)
Provision for Income Tax of earlier years					+31.86
Deferred Tax Asset					+ 4.26
Net Profit After Income Tax					2.32

The "NIL COMMENT" Report of the Principal Director of Commercial Audit & Ex-Officio Member, Audit Board is enclosed vide ANNEXURE-1 to this report.

The Financial Restructuring is under active consideration with Government of India.

4. CONTRIBUTION TO CENTRAL EXCHEQUER:

Your Company's contribution is Rs. 52.91 Crores during the year 2009-10 to the Central Exchequer by way of Income Tax, Service Tax, Customs Duty, Excise Duty and Fringe Benefit Taxes.

5. DIVISION-WISE PERFORMANCE :

5.1. SHIPBUILDING

The Shipbuilding Division of your Company achieved a Value of Production of Rs. 243.08 Crore for 2009-10 as against Rs.258.49 Crore of the previous year.

5.1.1. MAIN EVENTS

The following events have been achieved during the year 2009-10 in Shipbuilding Division.

Sl. No.	Event	Date	Description of Vessel	Owner
1)	Delivery	27.04.2009	Oil recovery and pollution control vessel	Visakhapatnam Port Trust
		10.08.2009	Fourth 30,000 DWT Bulker	Goodearth Maritime Ltd.(GML), Chennai
		17.08.2009	32-Ton Bollard Pull Tug	New Mangalore Port Trust
2)	Floating / Launching	28.05.2009	Launching of First IPV	Coast Guard
		18.06.2009	Floating of First 53,000 DWT Bulker	GML, Chennai
		04.11.2009	Launching of Second IPV	Coast Guard.
3)	Keel Laying	24.06.2009	Second 53,000 DWT Bulker	GML, Chennai
		29.09.2009	Fourth Inshore Patrol Vessel (IPV)	Coast Guard
		29.09.2009	Fifth Inshore Patrol Vessel (IPV)	Coast Guard
		31.03.2010	Third 53,000 DWT Bulker	GML, Chennai

5.1.2. MOU GRADING / RATING

MoU grading / rating for the year 2009-10 as per self evaluation is "Very good".

5.1.3. Order Book position as on 31st July,2010

The first of the Six Nos. 53,000 DWT Diamond series Bulk Carrier i.e., "M.V.Good Pride" the biggest Bulk Carrier built by HSL was delivered to its owner M/S Goodearth Maritime Limited on 12.4.2010 in the august presence of Shri. M.M.Pallam Raju, Hon'ble Union Minister of State for Defence and Smt.D.Purandeswari, Hon'ble Union Minister of State for HRD. HSL is having the orders for construction of 12 ships and the value of orders is Rs. 894.84 Cr as on 31st July,2010. These ships are under various stages of construction.



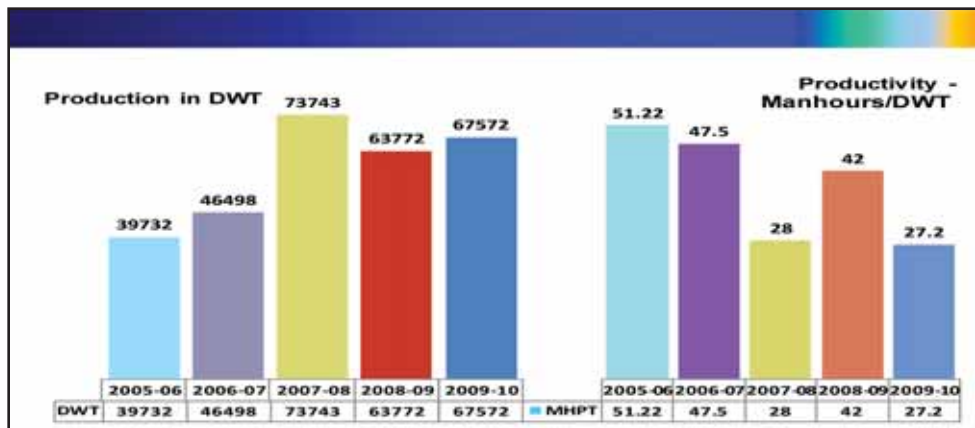
The detail of the order book is as follows :

Sl. No.	Yard No.	Type of the Vessel	Owner	Value (Rs. in Cr.)
1	11137 to 11141	5 Nos. 53,000 DWT Diamond series Bulk Carriers	M/s. Good Earth Maritime Ltd, Chennai	583.68
2	11154 to 11158	5 Nos. Inshore Patrol Vessels	Indian Coast Guard	231.19
3	11160 & 11161	2 Nos. 50-Ton Bollard Pull Tug	Visakhapatnam Port Trust	79.97
Total				894.84

5.1.4. Production / Physical Performance

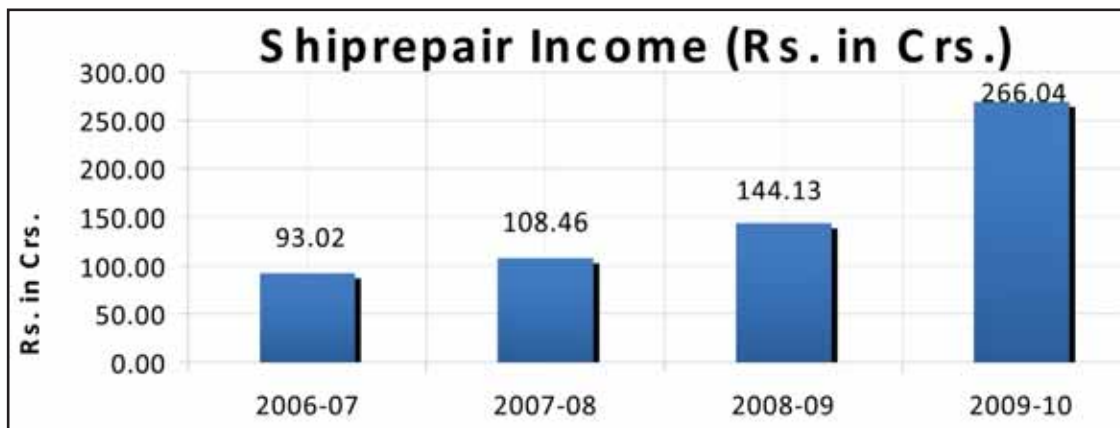
The Shipbuilding production in DWT and Capacity Utilisation achieved during the year 2009-10 has been compared with the previous year and is as under:

Sl. No.	Description	Unit	2009-10	2008-09
1	Installed capacity as reckoned (at 3.5 Standard Pioneer Ships per annum)	DWT	75,250	75,250
2	Production Target (B.E)	DWT	89,261	93,535
3	Actual Production achieved	DWT	67,572	63,772
4	Capacity Utilisation	Percentage	89.80%	85%
5	Productivity achieved	M.hrs/DWT	27.20	42.0



5.2 SHIP REPAIRS

The Ship Repairs Division of your Company achieved a Value of Production of Rs. 266.04 Crore for 2009-10 as against Rs.144.13 Crore of the previous year. Ship repair Division has undertaken repairs on 29 Vessels (including 17 Foreign Flag Vessels) of various types belonging to Indian Navy, DCI, SCI, ONGC, VPT etc.



EVENTS ACHIEVED DURING THE YEAR 2009-10

- 1) ONGC's Jack Up Rig "SAGAR RATNA" {order worth Rs.450 Crores (approx)} berthed at HSL Wet Basin on 17th August'09 and the repairs are under various stages of completion.
- 2) ONGC's Mobile Offshore Drilling Unit 'SAGAR VIJAY' repairs were completed successfully as per schedule.

Ship repair work orders worth around Rs.423.55 Crores are on hand and the target for the next year is to achieve Rs.275 Crores Turnover in Shiprepairs.

5.3 RETROFIT DIVISION

The Value of Production on account of Submarine Repairs was Rs. 99.31 crore for 2009-10 as against Rs. 57.52 crore of the previous year.

6. FUTURE OUTLOOK :

The present orders are likely to be completed by early 2012 and we are expecting high value orders from Indian Navy in the near future. New business plan to construct Warships & Submarines are being finalized

by MoD along with modernization of the shipyard.

Your Company is going to receive orders for three numbers 50 Ton BP Tugs, three numbers 25 Ton BP Tugs and Six numbers 10 Ton BP Tugs, Two numbers 500 Ton Self Propelled Water Barges and One Diving Support Vessel from Indian Navy. The Company plans to concentrate on the core business of construction of Warships and Submarines. The surplus capacity, if any, available, may be utilized for Commercial Vessels.

7. MODERNISATION :

The yard needs immediate upgradation to increase its production capacity in order to cater for the Defence requirements. The yard infrastructure also needs to be upgraded for construction of Submarines. The modernization programme is being taken up on high priority.

8. DRAWING & DESIGN OFFICE

CAD/CAM centre has developed completely in-house design for Tugs, water barges and Offshore Patrol Vessels by using TRIBON M3 Software. The Design Office capability & capacity is planned to be augmented to cater for design of Warships and Submarines

9. QUALITY ASSURANCE

The 1st Surveillance Audit & 2nd Surveillance Audit were satisfactorily carried on 22nd to 24th April, 2009 & 16th to 18th December, 2009 respectively by LRQA, Mumbai. The Quality Management System of ISO 9001:2000 Standard is being maintained through periodical Internal Audits by Quality Internal Auditors throughout the year 2009-10.

10. INFORMATION TECHNOLOGY

Your Company has successfully implemented the following tasks under IT during the year:

- ▶ Extension of LAN facility in Dry-dock and Ship Repair Division, Administrative Building and Design Office for effective communication.
- ▶ Increased usage of intranet for quick intra Departmental Communication.
- ▶ On-site provisional work order system was introduced in Ship Repair Division to facilitate release of provisional work orders.

11. ENVIRONMENTAL ASPECTS

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

12. INDUSTRIAL RELATIONS

The Industrial Relations situation in the Company during the year was cordial and harmonious. HS Staff and Workers Union elections were held on 14.11.09. Management has accorded recognition to the union for a period of 3 years. In order to motivate employees, HSL has implemented new Promotion policy for both Staff and Workmen to streamline promotions. The Wage Revision for Staff & Workmen is due from 1.1.2009. The Management has constituted a Wage Negotiation Committee and the negotiations have been completed. The MoU is being processed further for the Board and Government sanction.

13. WELFARE ACTIVITIES

Your Company's concern for the welfare of the employees continues to be paramount and various welfare

measures have been implemented. The Hindustan Shipyard Recreation (HSR) Club assisted by the Company looks after the recreational facilities for the employees. Company provided Crèche facility for the children of lady employees. HSR club conducted 63rd Independence Day and 61st Republic Day celebrations on 15th August, 2009 and 26th January, 2010 respectively at Colony Parade Ground. Cmde Naresh Kumar, C & MD hoisted the National Flag on both these occasions and Cultural Programmes were arranged by HSR Club. One additional increment was given to the employees' who underwent family planning operation. Free medical check up camp was organized for the School children.

14. SAFETY, SECURITY & PRODUCTIVITY

The Safety of the workers/employees is accorded utmost importance. Safety gears are provided to all eligible employees every year and the use of the same on the job is also monitored. With a view to educate the employees on Safety, 39th National Safety Day was observed on 4th March, 2010. To propagate and imbibe the message of "Safety Promotion", an exhibition on safety was held during Safety Week. The employees also took a "Safety Pledge" during Safety Week and a safety book has been compiled for ready reference.

Productivity Day was observed on 12th February 2010, and the period 12th to 18th February 2010 was observed as National Productivity Week. "Prosperity through Productivity" was adopted as main theme for the year 2010 during the Productivity Week.

National Fire Services Week 2009 was observed from 14th April 2009 and fire safety drills were held in the yard.

15. TRAINING

Training was imparted to large number of ITI Trade Apprentices in the designated trades. During the year 2009-10, 314 Trade Apprentices have successfully completed the training and were awarded National Apprenticeship Certificates by Govt. of India, Ministry of Labour and Employment, NCVT, RDAT, Hyderabad.

Training was also imparted to Graduate Engineers and Diploma Holders. 26 Engineering Graduates, 8 Technician (Diploma) Apprentices were imparted training under the Apprentices Act and awarded Certificate of Proficiency by Govt. of India, Ministry of Human Resource Development, Board of Apprenticeship Training (SR), Chennai, during the year 2009-10.

HSL also arranged in-plant training and extended project work facilities to 1075 students of various Engineering Colleges, Management Institutions and Marine Institutions.

16. GENDER BUDGETING

In pursuance of the instructions of the Government of India, a "Gender Budgeting Cell" has been constituted with four Women Officers to act as a Nodal Agency for all gender responsive budgeting initiatives and to ensure effective implementation of general development programme for women employees like training, advancement of skills, provision of welfare amenities at work place etc.,

17. MEDICAL BENEFITS

HSL runs two Dispensaries i.e., one in the yard which works from 6 a.m. to 10 p.m. and the other at residential area of colony which works round the clock to cater the needs of employees and their dependents. Medical facilities are extended for outpatient treatment by a system of panel doctors for employees of HSL. Under referral system there are six referral hospitals from where all employees get in-patient treatment and the HSL pays the medical bills directly to the hospitals for the services rendered as per the rate contract entered with them. Majority of the employees including their families are covered under the Medical Reimbursement

Scheme for hospitalization and claims amounting to Rs.3.83 Crores was disbursed for treatment of employees and their family members during the year 2009-10. Two Ambulances are available at Yard Dispensary round the clock for patients use. Annual Eye Check up by ophthalmologist from Government Hospital for crane operators and drivers was also arranged.

18. CORPORATE SOCIAL RESPONSIBILITY

HSL believes that the activities under Corporate Social Responsibility (CSR) are not philanthropic acts but a humble service to the society. With a positive commitment to strengthen the fabric of society for improving the quality of life of the workforce, their families and community at large, your Company has undertaken various voluntary steps to enrich social development.

The Company's CSR vision forms an integral part of the business function and covers community development initiatives prioritized on local needs:

▶ Gandhigram Educational Society (GES):

The educational services are available to children of HSL staff as well as local public in all the six educational institutes which are managed by GES, body constituted by HSL. HSL waived past dues of electricity and water charges of all educational institutions in the HSL Township amounting to Rs.4,36,738/- and provided free electricity & water to all educational Institutions being operated in the HSL Township by Gandhigram Educational Society.

▶ Health & Family Welfare:

The existing Colony Dispensary is primarily to cater the need of colony residents. However first-aid and medical assistance is given to outsiders in case of emergency when required.

▶ Imparting Vocational Training & Setting up of Skill Development Centers:

HSL is providing vocational training under the Apprentices Trade Act and Graduate Trainees Scheme of GOI which are both of a statutory nature.

19. RESERVATION OF POSTS FOR SCs/STs/OBCs

Your Company has complied with the Govt. directives with regard to reservation of posts for SCs/STs/OBCs. Detailed statistics regarding particulars of recruitment made during the calendar year 2009 and the members filled by members of SCs/STs, the representation of SC/ST and ex-serviceman and women employees as on 1-1-2010 are given at ANNEXURE '2','3','4' respectively.

20. RESERVATION OF PHYSICALLY HANDICAPPED

As per Government of India instructions, 3% reservation for physically handicapped in all Groups viz: A, B, C and D posts and "C" & "D" (Staff & Workmen) posts are being made. During the calendar year 2009, Four Physically Handicapped candidates have been recruited/ promoted.

21. OFFICIAL LANGUAGE IMPLEMENTATION

The Company has been following the directives issued by the Government of India in regard to progressive use of Hindi for official purpose. In order to intensify the progressive use of Hindi, efforts were initiated to promote and encourage the use of Hindi in the Official work. Official Languages Implementation Committee meetings are being held regularly. Hindi training is being given to our employees under Hindi teaching scheme. Incentive scheme for doing original work in Hindi is in vogue in the Company for increasing the correspondence in Hindi. This has accelerated the effective implementation of progressive use of Hindi. Under Section 3(3) of the Official Languages Act, the Annual Report of the Company has been prepared bilingually.

To encourage the employees to read Hindi books, a separate Hindi Library has been set up.

On the occasion of Hindi fortnight observed from 1st to 14th September, 2009, competitions in Hindi Typing, translation, essay writing, Hindi Newspaper reading was organized in the Company, in which officers as well as employees participated enthusiastically. The participants were awarded with prizes, on the occasion of Hindi Day on 19th September, 2009.

22. ACTIVITIES OF VIGILANCE DEPARTMENT

The Vigilance Department acts as an arm of the Central Vigilance Commission in the Company. It tries to ensure integrity among the company's officers and promotes transparency and fairness in various activities of the company such as procurement, recruitment etc. All purchase & outsourcing tenders are placed on company website for transparency. Purchase & Outsourcing is being done through ERP & the purchase procedure approved by the Board complies with CVC guidelines. Vigilance Awareness Week was observed between 03-07 November, 2009.

23. IMPLEMENTATION OF RIGHT TO INFORMATION ACT, 2005

As per the directives of the Govt. of India, the RTI Act, 2005 is being implemented in the Company and the required infrastructure has been put in place. An RTI portal in the Company's website is being maintained to provide the requisite information. Periodical Reports on the progress of implementation of the Act and reports are being submitted to statutory authorities/Government.

All necessary information as per the provisions of RTI Act 2005 are being furnished to information seekers regularly. RTI request and Appeal Management Information System (RTI-MIS) is being implemented in accordance with the direction of Central Information Commission.

24. CONSERVATION OF ENERGY

Information required by the Companies (Amendment) Act, 1988 pertaining to Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo is given in ANNEXURE-'5' to this Report

25. CORPORATE GOVERNANCE REPORT

PHILOSOPHY ON CORPORATE GOVERNANCE

It is constant endeavour of Hindustan Shipyard Limited to give maximum thrust for transparency and fairness in all spheres of business activities. HSL philosophy of Corporate Governance is based on the principles of honesty, integrity, accountability, adequate disclosures and legal compliances. It strives for transparency in decision making. The company adheres to good corporate practices and is constantly striving to adopt the best practices.

25.1 BOARD OF DIRECTORS

25.1.1 Composition of the Board

The Company is managed by the Board of Directors, which formulates strategies, policies and reviews its performance periodically. As per the Articles of Association of the Company, the number of Directors shall not be less than four and more than fourteen.

As on 31st March, 2010, the Board of Directors of the Company comprised a full time Chairman-cum-Managing Director, One Functional Director i.e., Director (Finance & Commercial), Two Part-time Government Directors and One part-time non-official Director (Independent Director)

25.1.2 Board Meetings

The Board meets regularly and is responsible for the proper direction and management of the Company. During the financial year ended 31st March,2010, six Board Meetings were held on 9th April,2009, 19th June,2009, 21st August,2009, 10th November,2009, 29th December,2009 and 20th March,2010.

25.1.3 Composition and Attendance

The Composition of the Board, details of attendance etc. are as under:

Name of the Directors	Category of Directorship	No. of Meetings		Attendance at last AGM	No. of other Directorship held as on 31st March, 2010
		Held during the tenure of Directors	Attended		
Cmde Naresh Kumar, VSM, IN(Retd.)	Chairman & Managing Director	6	6	Yes	Nil
Shri. Rakesh Mahajan,	Full-time Director	6	6	Yes	1
Capt. P.V.K.Mohan	Part-time Director (Independent)	6	2	Yes	3
Shri. Rajneesh Gupta, IAS	Part-time Govt. Director	2	2	-	-
Shri. K.V.Brahmananda Reddy, IRAS	-do-	2	2	-	-
Shri. Vineet Garg, IAS	-do-	3	2	Yes	-
Dr. T.R.K.Rao, IRTS	-do-	3	2	Yes	-
Shri. Gyanesh Kumar, IAS	-do-	1	1	-	3
VAdm. N.N.Kumar, AVSM, VSM	-do-	1	Nil	-	1

- Note:
1. Shri. Rajneesh Gupta, IAS & Shri. K.V.Brahmananda Reddy, IRAS part-time Govt. Directors have ceased to be Directors on the Board with effect from 16th July, 2009 and 6th August, 2009 respectively.
 2. Shri. Vineet Garg, IAS and Dr. T.R.K.Rao, IRTS who were appointed by the Govt. of India, Ministry of Shipping with effect from 16th July, 2009 and 6th August, 2009 have ceased to be Directors on the Board with effect from 22nd February, 2010.
 3. Shri. Gyanesh Kumar, IAS and VAdm. N.N.Kumar, AVSM, VSM have been appointed as Part-time Government Directors by the Govt. of India, Ministry of Defence with effect from 22nd February, 2010

25.1.4 Part-time Official Directors :

Part-time Government Directors are nominated by Government of India as Directors. No remuneration is paid to the Part-time Official Directors by the Company.

25.1.5 Part-time Non-Official Directors (Independent Directors)

The part-time Non-Official Directors (Independent Directors) are appointed by the Government of India as Directors for a period of 3 years from the date of assumption of charge or until further orders, whichever is earlier.

25.1.6 Constitution of the Audit Committee

a) Audit Committee Composition

The Composition of Audit Committee as on 31.3.2010 was as follows :

Capt. P.V.K.Mohan	Chairman	Independent Director
Shri. Gyanesh Kumar	Member	Government Director
Cmde. Naresh Kumar	member	Chairman & Managing Director

b) Meetings of the Audit Committee

During the year, Two meetings of the Audit committee were held on 19th June,2009 and 29th December,2009 and the attendance of the members of the Committee are given below :

Name of the member	No of meeting	
	Held during the tenure of member	Attended
Shri. K.V.Brahmananda Reddy	1	1
Shri. Rajneesh Gupta	1	1
Dr. T.R.K.Rao	1	1
Shri. Vineet Garg	1	Nil
Cmde. Naresh Kumar	2	2

25.2 STATUTORY AUDITORS

M/s. G.R.Kumar & Co., Visakhapatnam has been appointed as Statutory Auditors of the Company for the financial year 2009-10 by the C & AG as per Section 619(2) of the Companies Act,1956.

Replies of Board of Directors on the observation of Statutory Auditors on the accounts of the Company for the year ended 31st March,2010 are given in ANNEXURE-6.

25.3 FEES TO STATUTORY AUDITORS

The fee payable to the Statutory Auditors for the year 2009-10 was Rs.1,40,000/- (previous year Rs.1,40,000/-) exclusive of out-of-pocket expenses.

25.4 GENERAL BODY MEETINGS

Particulars of the Annual General Meetings of the Company held during last 3 years:

Year	Date	Time	Location
2006-07	21-09-2007	11.00 A.M.	Regd. Office, New Delhi
2007-08	26-09-2008	11.30 A.M.	Transport Bhavan, New Delhi
2008-09	22.09.2009	04.00 P.M.	Transport Bhavan, New Delhi

25.5 DISCLOSURES

As per the disclosures given by the Directors of the Company, there were no materially related party transactions that have potential conflicts with the interests of the Company at large.

26. PARTICULARS OF EMPLOYEES

During the year 2009-10, there was no employee, who drew remuneration of Rs.24 Lakhs or more per annum or Rs.2 Lakhs per month. Hence, information as required under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Amendment Rules 2002, is 'NIL'.

27. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217(AA) of the Companies (Amendment) Act, 2000 the Directors' Responsibility Statement is given as under:-

- i) That in the preparation of the Annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii) That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the company for that period;
- iii) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv) That the Directors had prepared the Annual Accounts on a going concern basis.

28. ACKNOWLEDGEMENTS

Your Directors place on record their gratitude and appreciation for the assistance, co-operation and guidance received by the Company from various Ministries of the Government of India especially the Ministry of Defence, Department of Defence production, the Ministry of Shipping, the Indian Navy, Department of Public Enterprises for their help and administrative support, Indian Coast Guard, M/s Oil & Natural Gas Corporation Ltd., M/s Good earth Maritime Limited, Greater Visakhapatnam Municipal Corporation, the Visakhapatnam Port Trust, Controller of Defence Accounts (Navy), Government of Andhra Pradesh, the Department of Customs, Income Tax, Excise, Service Tax and Sales Tax. The Directors also acknowledge their gratitude to the clients who have extended patronage to the Company. Your Directors also place on record their appreciation for the assistance extended by the Company's Bankers viz. Indian Bank, State Bank of India, the valuable advice rendered and co- operation extended by the Auditors, M/s G.R. Kumar & Co., and Internal Auditors M/s Rao & Shyam and the officers and staff of the Principal Director of Commercial Audit and Ex- officio Member, Audit Board, Hyderabad and their Headquarters. Your Directors also have pleasure in placing on record their appreciation for the devoted efforts put in by the Company's employees at all levels, significantly improving the Company's performance.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS



Cmde. NARESH KUMR, VSM, IN(Retd.)
Chairman and Managing Director

Place: New Delhi,
Date: 19-08-2010

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF HINDUSTAN SHIPYARD LIMITED, VISAKHAPATNAM FOR THE YEAR ENDED 31st March, 2010.

The preparation of financial statements of Hindustan Shipyard Limited, Visakhapatnam for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and auditor General of India under Section 619(2) of the Companies Act 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on the independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 13 August 2010.

I on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of Hindustan Shipyard Limited, Visakhapatnam for the year ended 31 March 2010. This supplementary audit has been carried out independently and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. In view- of the revisions made in the financial statements by the management, as a result of my audit observations highlighted during supplementary audit as indicated in the Note No. 19 of the Notes forming part of Accounts (Schedule No. 18 B), I have no further comments to offer upon or supplement to the Statutory Auditors' Report, under Section 619 (4) of the Companies Act, 1956.

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

Sd/-
(DOLLY CHAKRABARTY)
Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board, Hyderabad

Place: Hyderabad
Date: **17 August 2010**

Annexure -2

PARTICULARS OF RECRUITMENT MADE DURING THE CALENDAR YEAR 2009 AND THE NUMBER FILLED BY MEMBERS OF SCs/STs.

Classification of Post/ Services	Total Number of Posts filled during the year.	Scheduled Castes		Scheduled Tribes		Reason for shortfall and steps taken to improve the Position
		Posts Reserved	Posts Filled	Posts Reserved	Posts Filled	
PERMANENT :						
GROUP "A"	-	-	-	-	-	-
GROUP "B"	19	3	3	1	1	-
GROUP "C"	21	3	4	2	2	-
GROUP "D" (Excluding Safaiwala)	-	-	-	-	-	-
GROUP "D" Safaiwala	-	-	-	-	-	-
GROUP "D" (under Apprentices Act, 1961)	-	-	-	-	-	-
FIXED TERM CONTRACT :						
GROUP "A"	-	-	-	-	-	-
GROUP "B"	14	3	5	1	1	-
GROUP "C"	20	3	4	2	2	-
GROUP "D" (Excluding Safaiwala)	151	22	21	9	7	-
GROUP "D" Safaiwala	-	-	-	-	-	-

POSITION REGARDING REPRESENTATION OF SCHEDULED CASTE AND SCHEDULED TRIBE IN VARIOUS CATEGORIES OF POSTS AS ON 1ST JAN 2009 AND 1ST JAN,2010.

Classification of Post/ Services	As on 1 st January 2009			As on 1st January 2010		
	Total Strength	Scheduled Castes	Scheduled Tribes	Total Strength	Scheduled Castes	Scheduled Tribes
PERMANENT :						
GROUP "A"	156	28	14	141	29	13
GROUP "B"	289	59	25	290	57	28
GROUP "C"	1740	224	53	1748	220	53
GROUP "D" (Excluding Safaiwala)	514	90	22	460	85	14
GROUP "D" Safaiwala	82	82	-	78	78	-
TEMPORARY :						
GROUP "A"	-	-	-	-	-	-
GROUP "B"	-	-	-	-	-	-
GROUP "C"	-	-	-	1	1	-
GROUP "D" (Excluding Safaiwala)	1	-	-	-	-	-
GROUP "D" Safaiwala	-	-	-	-	-	-
GROUP "D" (under Apprentices Act, 1961)						
FIXED TERM CONTRACT :						
GROUP "A"	-	-	-	-	-	-
GROUP "B"	31	2	1	46	7	2
GROUP "C"	12	2	-	31	6	2
GROUP "D" (Excluding Safaiwala)	491	104	34	614	140	33
GROUP "D" (Safaiwala)	-	-	-	-	-	-

REPRESENTATION OF EX-SERVICEMEN IN GROUP "C" AND "D" AND NUMBER OF WOMEN EMPLOYEES AS ON 1st JANUARY 2010.

Classification of Posts/Services	Total Strength.	Ex- servicemen		Women employees	
		Number	%	Number	%
PERMANENT :					
GROUP "A"	141	5	3.54	8	5.67
GROUP "B"	290	-	-	21	7.24
GROUP "C"	1748	15	0.86	32	1.83
GROUP "D" (Excluding Safaiwala)	460	6	1.30	16	3.48
GROUP "D" Safaiwala	78	-	-	8	10.26
GROUP "D"(Under Apprentices Act,1961)	-	-	-	-	-
FIXED TERM CONTRACT FOR TWO YEARS :					
GROUP "A"	-	-	-	-	-
GROUP "B"	46	25	54.3	3	6.52
GROUP "C"	32	9	28.12	5	15.62
GROUP "D" (Excluding Safaiwala)	602	-	-	2	0.33
GROUP "D" Safaiwala	12	-	-	11	91.66

INFORMATION AS PER SECTION 217(1)(e) READ WITH THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF DIRECTORS) RULES 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR 2009-10

CONSERVATION OF ENERGY	
a) Energy conservation measures taken	<ol style="list-style-type: none"> 1. Reduction in lighting to optimum levels. 2. Running of heavy loads like Air Compressors are restricted to minimum. 3. Operation of Distribution Transformer around 70% loading by turning off during OFF Peak Hours; 4. Switching off Plant & Machinery when not in use.
b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy.	NIL
c) Impact of the measures at (a) & (b) above for reduction of energy consumption and consequent impact on the cost of production of goods during the year 2009-10.	Despite increase in turnover & productivity a reduction of 6,55,100 units during the year 2009-10.

d) Particulars with respect to conservation of energy :

FORM-A

Power and Fuel Consumption	Current Year	Previous Year
1. Electricity		
a) Purchased units	12,644,900	12,730,016
Total Amount	Rs.5,17,41,283	Rs.5,24,86,879
Rate per Unit	Rs.4.09	Rs.4.12
b) Own generation	NIL	NIL
2. Coal	NIL	NIL
3. Furnace Oil	NIL	NIL
4. Consumption per unit of production	N.A	N.A

FORM – B

A. RESEARCH & DEVELOPMENT	
1. Specific areas in which R&D was carried out	<ul style="list-style-type: none"> In house Designs development for 10 Tons Bollard Pull Tug, Offshore Patrol Vessels, 500 Ton fresh water Barge, 200 Ton Non-propelled Barge and 200 Ton self-propelled Barge and Ammunition Cum Torpedo Cum Missile Barge by using TRIBON-M3 software. Development of tailor-made forms of existing designs for 25 tons and 50 tons Bollard Pull Tug for Indian Navy.
2. Benefits derived as a result of the above R&D	<ul style="list-style-type: none"> Saving in Design cost and time.
3. Future Plan of Action	<ul style="list-style-type: none"> Strengthening of Design infrastructure by adding skilled designers and arranging training to personnel. LAN connectivity of Engineering, Electrical and Outfit wings of Drawing & Design Office with CAD/CAM wing is being taken up shortly.
4. Expenditure on R&D	-
i) Capital;	-
ii) Recurring (Revenue)	-
B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATIONS	
<ul style="list-style-type: none"> Inclining experiment conducted for 53K Bulk carrier with liquid transfer method to cut down handling time in the solid weight shifting. 	
C. FOREIGN EXCHANGE EARNINGS & OUTGO :	
a) Activities relating to export Initiatives taken to increase export market for products and services and export plans.	Nil
b) Total Foreign Exchange used and earned:	
USED :	
a) Material procurement	Rs.406.20 Crores
b) Others	Rs. 16.59 Crores
Total	<u>Rs.422.79</u> Crores
EARNED :	Rs.148.93 Crores

OBSERVATIONS OF THE STATUTORY AUDITORS ON THE ACCOUNTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH 2010 AND THE REPLIES OF THE BOARD OF DIRECTORS.

Sl. No.	Observation	Reply
1	5(j)(i) Non-provision of interest on term loan from State Bank of India amounting to Rs.59025 lakhs	This has been adequately dealt in notes forming part of Accounts vide Note No.5 of Schedule 18(B).
2	5(j)(ii) Non-provision for write off of Deferred Tax Asset amounting to Rs.11018.63 lakhs	This has been adequately dealt in notes forming part of accounts vide Note No.11 of Schedule 18(B).

For and on behalf of the Board of Directors



Cmde. NARESH KUMAR, VSM, IN(Retd.)
Chairman & Managing Director

New Delhi,
19th August,2010

AUDITOR'S REPORT

The
Members of Hindustan Shipyard Limited,
New Delhi.

1. We have audited the attached Balance Sheet of Hindustan Shipyard Limited ("the Company") as at 31st March, 2010. The Profit & Loss Account for the year ended on that date annexed thereto and cash flow statement for the year ended on that date. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We have conducted our audit in accordance with auditing standards generally accepted in India. These Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of "the Companies Act, 1956" of India (the Act) and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we set out in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order.
4. The accounts of the Company for the year, as approved by the Board of Directors of the Company and Certified by us on 21st June 2010, have been revised in the light of provisional comments made by Member, Audit Board, Hyderabad. The said revision has resulted in decrease of profit by Rs. 92.64 lakhs on account of decrease in turnover by Rs. 331.19 lakhs, and decrease in material consumption and Depreciation by Rs. 236.24 lakhs and by Rs. 2.31 lakhs respectively, decrease in fixed assets (Net Block) by Rs. 44.65 lakhs, increase in capital work in progress by Rs. 46.96 lakhs, increase in inventories by Rs.236.24 lakhs decrease in other current assets by Rs. 32.48 lakhs and increase in current liabilities by Rs. 298.71 lakhs.
5. Further to our comments in the Annexure referred to in paragraph 3, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of such books.
 - c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of account.
 - d) In our opinion the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in Sub-Section (3c) of Section 211 of the Companies Act, 1956, except paragraph (j).
 - e) We have placed reliance on technical/commercial evaluation by management in respect of valuation of ship-building under construction and income accrued in respect of ship repair and submarine retrofit activities and provisions towards related sub-contract and off-loaded jobs at the end of the year.

- f) Kind attention is invited to note no. 3 of schedule 18B, wherein provision for liquidated damages in respect of 5 no's Inshore Patrol Vessels which are under construction for Indian Coast Guard to an extent of Rs. 1,007.75 lakhs was not provided in the books of account and the same was disclosed under contingent liability.
- g) Kind attention is drawn to note no 6 of schedule 18B, towards non provision of arrears in respect of wage revision of staff and workmen.
- h) Kind attention is drawn to note 18 of schedule 18B, regarding non receipt of letters of balance confirmation from various customers.
- i) Kind attention is invited to note no 1(d) & 1(e) of schedule 18B, wherein details of various demands and claims totaling to Rs. 20,969 lakhs, Note 4 of schedule 18B regarding disputed sales tax demand of Rs 500 lakhs, contested by the company before different judicial and appellate authorities and arbitrations are given. The said matters stated therein are all sub-judice and are yet to attain finality.
- j) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and subject to the following -

(i) Non-provision of interest of Rs. 59,025 lakhs on term loan as confirmed by State Bank of India as on 31.03.2010. (as stated in note 5(a) of schedule 18B) resulting in undersatatement of loss (before prior period adjustments and taxation) by Rs. 59,025 lakhs. We further draw your kind attention to the expiry of Government of India Guarantee on 30.09.2009 and invocation of Government of India guarantee by State Bank of India (refer note 5(b) of schedule 18B).

(ii) Non-provision for write off of Deferred Tax of Rs. 11,018.63 lakhs (stated in note 11 of schedule 18B,) resulting in undersatatement of loss (before prior period adjustments and taxation) by Rs. 11,018.63 lakhs.

Had the company provided for Interest on term loan from SBI and write off the Deferred Tax Asset to the profit and loss account the present profit of Rs. 232.43 lakhs would have been converted into a loss of Rs. 69,811.20 lakhs

express a true and fair view, in conformity with the accounting principles generally accepted in India.

a. in the case of the Balance Sheet of the state of affairs of the Company as at 31st March, 2010.

b. in the case of the Profit and Loss account, of the Loss for the year ended on that date.

c. in case of the cash flow statement, of the cash flows for the year ended on that date.

(iii) The provisions of Section 274(1)(g) of the Companies Act, 1956 are not applicable to the company in terms of Notification No. G.S.R.829(E) dated October 21, 2003 issued by Department of Company Affairs, Government of India.

**For G.R Kumar & Co.,
Chartered Accountants
(Firm Regn No. 004941S)**

Sd/-
(P.Vikram)
Partner

Membership No. 216542

Place : Visakhapatnam
Date : 13th August, 2010

ANNEXURE TO THE AUDITOR'S REPORT REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE

- i
 - a) While the Company has maintained proper records showing full particulars, including quantitative details of fixed assets, some of the fixed assets were not readily identifiable with the plant identification numbers in the register.
 - b) The fixed assets have been physically verified by the management during the year in accordance with a phased programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. According to the information furnished to. us, no material discrepancies have been noticed on such verification.
 - c) The Fixed Assets disposed off by the Company during the year do not form a substantial part thereof
- ii
 - a) Physical verification of inventory has been conducted during the year by the management at reasonable intervals.
 - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) On the basis of our examination of the records of inventory, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on such verification between the physical stocks and the book records were not material. However, quantitative details for user department- wise consumption of steel are not available for reconciliation of steel consumption.
- iii
 - a) The Company has not granted any loans either secured,or unsecured to companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly sub-clause (b),(c) & (d) of clause (III) of paragraph 4 of the order are not applicable.
 - b) The Company has not taken any loans, secured or unsecured from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, sub-clauses (f) & (g) of clause (iii) of paragraph 4 of the Order are not applicable.
- iv In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and sale of goods and services. During the course of our audit, no major weakness has been noticed in the internal control systems.
- v
 - a) According to the information and explanations given to us there are no contracts or arrangements referred to section 301 of the Companies Act, 1956, which are required to be entered in the register maintained under the section.
 - b) Accordingly, the provision of the sub-clause (b) of clause (v) of paragraph 4 of the order is not applicable to the Company.
- vi The Company has not accepted any deposits from public. Accordingly clause (VI) of paragraph 4 of the order is not applicable
- vii Although the Company has an internal audit system, which is commensurate with its size and nature of its business, yet in our opinion the same needs to be strengthened with respect to Scope, Coverage, Report Content etc.,
- viii According to the information and explanations given to us, maintenance of cost records is not required under section 209(1)(d) of the Companies Act, 1956 in respect of the business activities carried out by the Company.
- ix
 - a) According to the records of the Company, the company is regular in depositing with appropriate authorities undisputed current statutory dues including provident fund, employees state insurance, income tax, sales-tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it.

- b) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, sales tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it were in arrears as at 31st March, 2010 for a period of more than six months from the date they became payable except an amount of Rs. 139,22 lakhs together with interest and penalties, thereon in respect of customs duty payable on Import of materials for construction of well-platforms.
- c) As at 31st March, 2010, there have been no disputed dues, which have not been deposited with the respective authorities-in respect of Income Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess, except disputed central excise duty of Rs. 128 lakhs pending before the Hon'ble High Court of Andhra Pradesh, and disputed sales tax of Rs.3,498,46 lakhs (and interest thereon) pending before the Sales Tax Appellate Tribunal, Visakhapatnam.
- x The Company has accumulated losses which are more than fifty percent of its net worth. Beside it has incurred cash loss in the financial year covered by our audit and the immediately preceding financial year.
- xi The Company has not defaulted in payment of any loan installment or interest in respect of Term Loans from financial institutions and banks, except in case of term loan from State Bank of India with an outstanding balance of Rs. 8,4571 lakhs, against which a compromise settlements has been reached for an amount of Rs. 25,546 lakhs, which is subject to the approval of Government of India.
- xii The Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures and other securities. Accordingly clause (xii) of paragraph 4 of the order is not applicable.
- xiii In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Accordingly the clause (xiii) of paragraph 4 of the order is not applicable.
- xiv In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other instruments. Accordingly the clause (xiv) of paragraph 4 of the order is not applicable.
- xv The Company has not given any guarantee for loans taken by others from banks or financial institutions. Accordingly the clause (xv) of paragraph 4 of the order is not applicable.
- xvi In our opinion, the Term Loans have been applied for the purposes for which they were raised.
- xvii According to the information and explanations given to us and on overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term Investment.
- xviii During the year, the Company has not made any preferential allotment of shares. Accordingly the clause (xviii) of paragraph 4 of the Order is not applicable.
- xix The Company has not issued any debentures so far. Accordingly clause (xix) of paragraph 4 of the Order is not applicable.
- xx During the year, the Company has not raised money by Public issue. Accordingly the clause (xx) of paragraph 4 of the Order is not applicable.
- xxi According to the information and explanation given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For G.R KUMAR & Co.,
Chartered Accountants.
(Firm Regd No. 004941S)

Sd/-

(P. Vikram)
Partner

Membership No.:216542

Place : Visakhapatnam
Date : 13th August, 2010



ACCOUNTS



Balance Sheet as at 31st March, 2010

		As at		As at
	Sch	31st March, 2010		31st March, 2009
		Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
I. SOURCES OF FUNDS				
(1) Share Holders' Funds :				
(a) Capital	1	30199.22		30199.22
(b) Reserves and Surplus	2	<u>9.50</u>		9.50
			30208.72	
(2) Loan Funds :				
(a) Secured Loans	3	9639.67		6824.13
(b) Unsecured Loans	4	<u>59383.79</u>	<u>69023.46</u>	<u>55914.64</u>
Total			<u>99232.18</u>	<u>92947.49</u>
II. APPLICATION OF FUNDS				
(1) Fixed Assets :	5			
(a) Gross Block		21270.60		20860.88
(b) Depreciation		<u>14393.45</u>		<u>14473.03</u>
(c) Net Block		6877.15		6387.85
(d) Capital Works in Progress		<u>1247.05</u>		515.96
			8124.20	<u>6903.81</u>
(2) Deferred Tax Asset (Refer Note No.10 of Schedule 18B)			11018.63	10592.08
(3) Current Assets, Loans & Advances :	6			
(a) Inventories		47889.76		37215.31
(b) Sundry Debtors		11006.61		11722.32
(c) Cash and Bank Balances		6031.56		11547.09
(d) Other Current Assets		6354.28		3308.29
(e) Loans and Advances		<u>13474.49</u>		12909.02
				<u>76702.03</u>
Current Liabilities & Provisions	7			
(a) Current Liabilities		90317.83		83329.48
(b) Provisions		<u>12859.73</u>		<u>16663.59</u>
		<u>103177.56</u>		<u>99993.07</u>
Net Current Assets			(18420.86)	(23291.04)
(4) Debit balance in Profit and Loss account			<u>98510.21</u>	<u>98742.64</u>
Total			<u>99232.18</u>	<u>92947.49</u>

Significant Accounting Policies and Notes to Accounts 18 Schedules 1 to 7 form an Integral Part of Balance Sheet

For and on behalf of the Board of Directors

As per our report of even date
For G.R.Kumar & Co.
Chartered Accountants
Firm Reg. No.004941S

Sd/-
RAKESH MAHAJAN
Director
(Finance & Commercial)

Sd/-
Cmde. NARESH KUMAR, IN (Retd)
Chairman and
Managing Director

Sd/-
CA P Vikram
(Partner)
Membership No. 216542

Sd/-
INAITULA BAIG
Company Secretary

Place : Visakhapatnam
Date : 13th August, 2010

Profit and Loss Account for the year ended 31st March, 2010

	Sch	As at		As at
		31st March, 2010		31st March, 2009
		Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
I. INCOME :				
(1) From Works & Other Services	8	61896.05		39581.39
Less: Service Tax & VAT collections		<u>2325.50</u>	59570.55	(2867.68)
(2) Other Income	9		3804.38	3240.65
Provisions with drawn	16		1555.82	574.03
(3) Accretion to /(Decretion) in Work in Progress	10		<u>(1052.80)</u>	6432.08
Total			<u>63877.95</u>	<u>46960.47</u>
II. EXPENDITURE :				
(1) Materials Consumed	11		34457.31	26466.04
(2) Subcontract & Off-Loaded Jobs and Other Direct Expenses	12		9438.82	6210.04
(3) Pay and Benefits to Employees	13		12989.27	12693.05
(4) Other Expenses	14		2784.95	3102.79
(5) Interest & Finance charges	15		5241.55	5049.13
(6) Depreciation			645.75	692.67
(7) Provisions and Losses	16		<u>1866.70</u>	<u>1407.36</u>
			<u>67424.35</u>	<u>55621.08</u>
Less: Transfer to Other Accounts			<u>512.11</u>	<u>431.73</u>
			<u>66912.24</u>	<u>55189.35</u>
Profit/(Loss) Before Extraordinary & prior period Items			<u>(3034.29)</u>	<u>(8228.88)</u>
III. Prior Period Adjustments	17		<u>345.98</u>	<u>5443.79</u>
Profit / (Loss) before taxation			<u>(3380.27)</u>	<u>(13672.67)</u>
IV. Provision for :				
(1) Fringe Benefit tax			0.00	28.00
(2) Current Year MAT				
MAT liability written back			(3186.15)	0.00
Interest on MAT of earlier years			0.00	656.77
(3) Deferred Tax (Asset) / Liability			<u>(426.55)</u>	<u>(356.49)</u>
Profit / (Loss) after taxation			<u>232.43</u>	<u>(14000.95)</u>
Balance of Loss brought forward from previous year			<u>98742.64</u>	<u>84741.69</u>
Balance of Loss carried over to next year			<u>98510.21</u>	<u>98742.64</u>
Nominal value of equity share in Rupees			1000.00	1000.00
Earnings per Share (Basic & Diluted) in Rupees			8	(485)

Significant Accounting Policies and Notes to Accounts 18
Schedules 8 To 17 form an Integral Part of Profit and Loss Account.

For and on behalf of the Board of Directors

Sd/-
RAKESH MAHAJAN
Director
(Finance & Commercial)

Sd/-
Cmde. NARESH KUMAR, IN (Retd)
Chairman and
Managing Director

Sd/-
INAITULA BAIG
Company Secretary

Place : Visakhapatnam
Date : 13th August, 2010

As per our report of even date
For G.R.Kumar & Co.
Chartered Accountants
Firm Reg. No.0049415

Sd/-
CA P Vikram
(Partner)
Membership No. 216542

Schedules forming part of the Balance Sheet as at 31st March, 2010

	As at 31st March, 2010 Rs. In lakhs	As at 31st March, 2009 Rs. In lakhs
Schedule - 1		
SHARE CAPITAL		
Authorised		
30,40,000 - Equity Shares of Rs.1000 each (Previous year 30,40,000 shares of Rs.1000 each)	<u>30,400.00</u>	<u>30,400.00</u>
Issued, Subscribed and Paid-Up 3019922 Equity Shares of Rs.1,000 each fully paid-up (previous year 3019922 equity shares of Rs. 1,000 each fully paidup) Of the above shares, 27,285 equity shares were allotted as fully paid-up, pursuant to contracts without payment being received in cash	<u>30,199.22</u>	<u>30,199.22</u>

	As at 31st March, 2009 Rs. In lakhs	Addition during the year Rs. In lakhs	Withdrawn during the year Rs. In lakhs	As at 31st March, 2010 Rs. In lakhs
Schedule - 2				
RESERVES AND SURPLUS				
Capital Reserve	9.50	0.00	0.00	9.50

	As at 31st March, 2010 Rs. In lakhs	As at 31st March, 2009 Rs. In lakhs
Schedule - 3		
SECURED LOANS		
Due to Indian Bank in		
Term loan account	3,467.02	4,314.07
Cash Credit account	6172.65	2510.06
(Secured by Hypothecation of all the Fixed and Current Assets of the company)	9639.67	6824.13

	As at 31st March, 2010 Rs. In lakhs	As at 31st March, 2009 Rs. In lakhs
Schedule - 4		
UNSECURED LOANS		
Loans from Government of India :		
Received during 1-4-1995 to 31.03.2004	5,080.00	5,080.00
Interest accrued and due on above	10,125.70	8,892.73
Received since 01.04.2004	9,907.00	9,907.00
{Including Rs.9807.00 lakhs with default amount repayable within one year (previous year Rs.9423.67 lakhs)}		
Interest accrued and due on above	6,672.27	4,436.09
Inter-corporate loans from various Port Trusts	2,052.82	2,052.82
Term Loan from State Bank of India together with Interest accrued and due thereon (Refer Note No.5 of Sch.18 B)	25,546.00	25,546.00
	59,383.79	55,914.64

Fixed Assets

Rs. In lakhs

Schedule - 5

Particulars	Gross Block				Depreciation				Net block	
	As on 31.03.09	Additions during the year	Sales / Adjustments during the year	As on 31.03.2010	Up to 31.03.09	For the year	On sales/ Adjustments for the year	Up to 31.03.10	As at 31.03.10	As at 31.03.09
1	2	3	4	5	6	7	8	9	10	11
Tangible Assets										
Land	1.72	0.00	0	1.72	0.00	0.00	0.00	0.00	1.72	1.72
Buildings:										
a) On freehold land	5.23	0.00	0	5.23	4.43	0.00	0.00	4.43	0.80	0.80
b) On leasehold land	1982.50	341.82	0.00	2324.32	1334.28	29.60	0.00	1363.88	960.44	648.22
Railway sidings	28.54	0.00	0.00	28.54	27.92	0.00	0.00	27.92	0.62	0.62
Plant & Machinery	12234.70	840.48	801.16	12274.02	8363.31	391.36	723.02	8031.65	4242.37	3871.40
Slipways & Fitout warf	545.17	0.00	0.00	545.17	277.21	13.41	0.00	290.62	254.55	267.96
Drydock	402.49	0.00	0.00	402.49	368.55	7.09	0.00	375.64	26.85	33.94
Wet basin	342.09	0.00	0.00	342.09	259.47	6.51	0.00	265.98	76.11	82.62
Furniture	55.57	0.00	0.00	55.57	42.31	2.60	0.00	44.91	10.66	13.26
Boats & launches	35.78	0.00	0.00	35.78	34.04	0.00	0.00	34.04	1.74	1.74
Motor vehicles	55.69	9.45	2.41	62.73	46.92	1.39	2.29	46.02	16.71	8.77
Roads & Compound walls	499.05	0.00	0.00	499.05	342.41	0.00	0.00	342.41	156.64	156.64
Housing Estate, Hospital & Other eqpt.	254.98	20.63	0.00	275.61	184.40	35.27	0.00	219.67	55.94	70.58
Electrification of Buildings										
Elec. Installations	605.15	0.00	0.00	605.15	507.54	1.81	0.00	509.35	95.80	97.61
Berth for well platforms	203.47			203.47	176.76	1.38	0.00	178.14	25.33	26.71
Building dock	3468.92	0.92	0.00	3469.84	2381.14	137.85	0.00	2518.99	950.85	1087.78
Intangible Assets										
Tribon Software for shipbuilding	139.82	0.00	0.00	139.82	122.34	17.48	0.00	139.82	0.00	17.48
Total	20860.87	1213.30	803.57	21270.60	14473.03	645.75	725.31	14393.47	6877.15	6387.85
Previous year	19214.45	1653.20	6.78	20860.87	13786.80	692.67	6.44	14473.03	6387.85	5427.65

Note: Buildings / structures on lease hold lands includes Rs. 80.70 Lakhs (net block) for which lease deeds are expired for lands to the extent of 6.2 acres, However, the respective lease rents are claimed by Visakhapatnam Port Trust and paid by Hindustan Shipyard Ltd.

		As at 31st March, 2010	As at 31st March, 2009
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
Schedule - 6			
CURRENT ASSETS			
INVENTORIES			
(As valued and certified by the management)			
Steel	4156.12		8569.50
Stores & Spares , equipment and other Materials	7882.26		2481.22
Timber	38.01		51.06
Materials-in-Transit and under inspection	16999.04		6222.65
Steel Cut Pieces on shop floor and Scrap (As per technical estimate)	104.82		130.47
		<u>29,180.25</u>	<u>17454.90</u>
Less : Provision for : Obsolescence of materials	19.96		21.86
Difference between Bin cards & PSL balances	<u>223.81</u>	<u>243.77</u>	<u>223.81</u>
		<u>28,936.48</u>	<u>17,209.23</u>
Work-in-Progress:			
Ship Building under Construction		<u>18,953.28</u>	<u>20,006.08</u>
		<u>47,889.76</u>	<u>37,215.31</u>
(b) SUNDRY DEBTORS			
(Unsecured)			
Debts outstanding for more than 6 months:			
Considered good		2,386.00	2,432.78
Considered doubtful		<u>1,702.89</u>	<u>2,018.49</u>
		4,088.89	4,451.27
Other debts, considered good		<u>8,620.61</u>	<u>9,289.54</u>
		<u>12,709.50</u>	<u>13,740.81</u>
Less: Provision for doubtful debts		<u>1,702.89</u>	<u>2,018.49</u>
		<u>11,006.61</u>	<u>11,722.32</u>
(c) CASH AND BANK BALANCES			
Cash on Hand		2.29	2.44
Balances with scheduled banks in:			
Term and other Deposit accounts	4430.74		10293.31
Current accounts	<u>1598.53</u>	6029.27	1251.32
In Post Office Savings Bank account		<u>0.00</u>	<u>0.02</u>
		<u>6031.56</u>	<u>11547.09</u>

	Rs. In lakhs	As at 31st March, 2010 Rs. In lakhs	As at 31st March, 2009 Rs. In lakhs
(d) OTHER CURRENT ASSETS			
Interest Accrued on term deposits		101.78	399.22
Income Accrued in respect of Ship Building, Ship Repairs & Submarine Retrofit activities		6,105.58	2,726.36
Income Accrued in respect of Off-Shore Platforms	5,286.25		5,508.21
Less : Directly Payable to Third Parties (Contra vide schedule 7A)	5,139.33	<u>146.92</u>	(5,325.50)
		<u>6,354.28</u>	<u>3,308.29</u>
(e) LOANS AND ADVANCES			
Advances recoverable in cash or kind or for value to be received from :			
Employees	118.88		25.80
Suppliers of materials & services	11,284.93		11,217.86
Less: Adjustable to SR Liabilities (contra)	(402.92)		(50.80)
Others	793.47		759.79
Prepaid Expenses	<u>67.94</u>		<u>27.62</u>
		11,862.30	11,980.27
Income Tax deducted at source		1,352.18	689.93
MAT Credit entitlement		28.00	28.00
Balances with Customs, Port Trust and Other Government authorities		<u>329.56</u>	<u>308.37</u>
		<u>13,572.04</u>	<u>13,006.57</u>
Less : Provision for Doubtful Advances		<u>97.55</u>	<u>97.55</u>
		<u>13,474.49</u>	<u>12,909.02</u>
Schedule - 7			
CURRENT LIABILITIES AND PROVISIONS			
A. Liabilities :			
Sundry Creditors	27,445.62		18,863.45
Less: Adjustable to SR Advances (contra)	402.92		50.80
Less : Directly receivable from third parties Contra vide Schedule 6(d)	5,139.33		<u>5,325.50</u>
		21,903.37	13,487.15
Guarantee Fees payable to Government of India		6,427.93	5,917.01
Interest accrued but not due on unsecured loans		34.84	290.54
Advances from customers including interest thereon		54,801.39	56,268.76
Other Liabilities		6,915.95	7,182.74
Security Deposits from Employees, Trainees. Contractors and Others		225.26	183.28
Temporary overdraft from banks(representing cheques issued over and above the book balance)		<u>9.09</u>	<u>0.00</u>
		<u>90,317.83</u>	<u>83,329.48</u>
B. Provisions for :			
Gratuity		5,216.06	4,774.01
Leave Encashment		1,778.52	1,461.60
Liquidated damages		466.67	564.28
Future losses		1,519.29	1,988.22
Contingencies		0.00	164.70
Guarantee Repairs		586.62	362.69
Income Tax		3,292.57	7,348.09
		<u>12,859.73</u>	<u>16,663.59</u>

Schedules forming part of the Profit and Loss Account for the year ended 31st March, 2010

		As at 31st March, 2010	As at 31st March, 2009
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
Schedule - 8			
INCOME FROM WORKS AND OTHER SERVICES			
Income from:			
Shipbuilding Works - Contractual Income	19,962.15		14,631.79
- Government subsidy	5,398.38	25,360.53	4,784.93
Ship Repairs :			
Repair works	24,974.32		12,871.93
Dry dock hire charges	305.78		231.73
Wet basin hire charges	390.40		588.48
Other services	933.51	26,604.01	720.65
Submarine Retrofit		<u>9,931.51</u>	<u>5,751.88</u>
		<u>61,896.05</u>	<u>39,581.39</u>
Schedule - 9			
OTHER INCOME			
Interest Received from banks & others (net of interest reimbursable to customers)		570.43	1480.81
Foreign Exchange variation		1713.36	0.00
Sale of scrap, stores & disposable materials	458.31		730.65
Less: Excise duty & VAT	<u>25.98</u>	432.33	(35.08)
Rent received	79.72		65.59
Less: Service Tax	<u>4.89</u>	74.83	(5.51)
Fines and forfeitures		232.05	101.13
Miscellaneous Receipts		203.82	17.10
Profit on sale of Assets		40.93	1.39
Provisions of earlier years no longer required		385.54	884.57
VAT refund		<u>151.09</u>	
		<u>3804.38</u>	<u>3240.65</u>
Schedule - 10			
ACCRETION TO/(DECRETION IN) WORK-IN-PROGRESS			
Closing work-in-progress:			
Ship Building under construction		18953.28	20006.08
Opening work-in-progress:			
Ship Building under construction		20006.08	13574.00
Accretion to/(Decretion in) work-in-progress		<u>(1052.80)</u>	<u>6432.08</u>

	As at 31st March, 2010	As at 31st March, 2009
	Rs. In lakhs	Rs. In lakhs
Schedule - 11		
MATERIALS CONSUMED		
Steel	7,269.32	6,701.01
Stores & Spares	1,936.50	2,056.86
Timber	31.11	68.97
Direct Materials, Machinery & Equipment used in		
Ship Construction	9,473.17	13,335.77
Shiprepair	8,006.77	656.53
Submarine Retrofit	6,820.54	3,471.17
	<u>33,537.41</u>	<u>26,290.31</u>
Add: Stores procurement expenses	919.90	175.73
	<u>34,457.31</u>	<u>26,466.04</u>

Schedule -12

SUB-CONTRACTS & OFF-LOADED JOBS

Sub contract & off-loaded job expenses in :

Ship Construction	3,112.83	2,116.31
Ship Repairs	3921.30	2111.23
Submarine Retrofit	871.03	180.75
Other Direct Expenses in :		
Ship Construction *	390.93	488.87
Ship Repairs	277.95	33.83
Submarine Retrofit	782.22	1,187.36
Builders Risk Insurance in Ship Constuction	82.56	91.69
	<u>9,438.82</u>	<u>6,210.04</u>

* includes Rs. 73.60 lakhs provision for Guarantee Repairs

Schedule -13

PAY AND BENEFITS TO EMPLOYEES

Salaries, Wages, Allowances etc.,	9,797.19	7,763.71
Wage revision arrears	375.78	2,169.90
Contribution to Provident Fund and other funds	960.44	717.04
Gratuity	758.16	969.28
Leave Encashment	559.09	660.41
Expenses on Training, Stipend etc.	100.55	77.02
Employees Welfare Expenses	438.06	335.69
	<u>12,989.27</u>	<u>12,693.05</u>

	As at 31st March, 2010	As at 31st March, 2009
	Rs. In lakhs	Rs. In lakhs
Schedule - 14		
OTHER EXPENSES		
Power and Fuel (net of recoveries)	582.49	593.70
Water Charges (net of recoveries)	93.61	120.09
Rates and taxes (including customs duty on scrap sales)	53.49	125.03
Fire and Other Insurance	127.60	13.33
Rent	99.13	120.62
Repairs and Maintenance to :		
a) Plant and Machinery	830.20	676.28
b) Buildings	111.92	208.88
e) Other Assets	48.70	47.16
	990.82	
Printing and Stationery	2.22	2.00
Local conveyance charges	71.20	80.83
Travelling Expenses	38.17	43.97
Communication expenses	28.76	35.59
Advertisement and Publicity	35.48	24.98
Salaries and other Expenses of Customs Staff	49.09	30.78
Demurrage Charges	12.59	1.73
Directors' Fees and Expenses:		
A) Directors' Fees	0.06	0.10
B) Travelling Expenses	24.77	22.97
Auditors' Remuneration :		
Statutory Audit	1.54	1.72
Expenses	0.36	0.14
Other services	0.00	0.00
Foreign Exchange variation	0.00	452.74
Miscellaneous Expenses	573.57	500.15
	<u>2784.95</u>	<u>3102.79</u>

	As at 31st March, 2010	As at 31st March, 2009
	Rs. In lakhs	Rs. In lakhs
Schedule - 15		
INTEREST & FINANCE CHARGES		
Interest on :		
Government Loans	3213.47	3127.69
Bank term loans & Cash Credit	1008.12	969.35
Inter-corporate loans from various Port Trusts	170.28	210.68
Others	35.17	158.92
Guarantee fees payable to Government of India	510.92	510.92
Bank Charges	303.59	71.57
	<u>5241.55</u>	<u>5049.13</u>
Schedule-16		
PROVISIONS AND LOSSES		
Provisions made :		
Obsolescence of Materials	0.00	0.83
Reduction in SR Bills	332.61	453.95
Assets written off	49.85	0.00
Future losses	1,086.89	232.59
Liquidated Damages	209.64	192.43
Contingencies	0.00	113.75
Doubtful Debts	130.56	336.97
Losses :		
Reductions in SR Bills	55.84	40.92
Bad debts written off	0.00	35.92
On Sale of Assets	1.31	0.00
	<u>1,866.70</u>	<u>1,407.36</u>
Provisions withdrawn :		
Contingencies	0.00	70.48
Future losses	1,555.82	503.55
	<u>1,555.82</u>	<u>574.03</u>

	As at 31st March, 2010	As at 31st March, 2009
	Rs. In lakhs	Rs. In lakhs
Schedule - 17		
PRIOR PERIOD ADJUSTMENTS		
A INCOME		
Materials	0.00	10.24
Demurrages	0.29	0.00
Miscellaneous	0.00	7.18
	<u>0.29</u>	<u>17.42</u>
B EXPENDITURE		
SC Direct Expenses	239.43	355.81
SR Direct Expenses	8.20	2.89
RF Direct Expenses	1.73	0.00
Pay revision arrears	0.00	4,641.45
Materials & Freight	45.56	259.89
Pay and Benefits	0.00	12.72
Taxes & Duties	1.23	98.43
Repairs and Maintenance	7.28	5.72
Others	42.84	84.30
	<u>346.27</u>	<u>5,461.21</u>
Net Expenditure / (Income)	345.98	5,443.79

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, 1956. Generally, revenues are recognized on accrual basis with provisions made for known losses and expenses.

2. FIXED ASSETS

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

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) In respect of Ship Building, the uninstalled Machinery / Equipment acquired exclusively for the vessels is reckoned as Work-in-Progress at lower of cost or realisable value.
- v) Scrap is valued at estimated realisable value.

4. INCOME

Income is recognised in accounts :

- A. i) In respect of ships under construction, 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 acquired for specific ship, direct labour, direct expenses and general overheads excluding administrative overheads, interest, depreciation and overheads attributable to idle time.
- ii) In respect of ships delivered 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 and submarine refit activities 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.

5. GOVERNMENT GRANTS

- a) Grant-in-aid received from Government of India for implementation of Voluntary Retirement Scheme is matched with related costs through Profit and Loss Account. Unutilised 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.

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 XIV of the Companies Act, 1956 as amended, in respect of assets capitalised on or after 01-04-1988. In respect of assets capitalised prior to 01-04-1988 depreciation is provided under straight-line method at the rates worked out adopting the management's estimates of useful lives of the respective assets as under:

Name of the Asset	Life
1. Buildings	
a. Class I Factory Buildings	33 years
b. Class II Factory Buildings	20 years
c. Class I Non-Factory buildings	58 years
2. Plant and Machinery	19 years
3. Furniture and Fixtures	29 years
4. Motor Vehicles	7 years
5. Dry Dock/Wet Dock and Slipways	50 years
6. Boats and Launches	20 years

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

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 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. 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.

13. 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

(Rs in lakhs)

		2009-10	2008-09
1.	Contingent liabilities		
	a. Irrevocable letters of credit outstanding	10583.11	13544.44
	b. Counter guarantees given to banks for guarantees issued on behalf of the company	5680.48	3575.66
	c. Estimated amount of contracts remaining to be executed on capital account and not provided for	170.22	212.69
	d. Demands raised against the company by various authorities, contested at various courts, appellate authorities etc and not provided for:		
	i) Property tax on commercial complex for the years from 1984-85 to 1994-95	13.39	13.39
	ii) Penal interest on belated remittances of Provident Fund contributions during the period from May 2002 to June 2005, contested u/s 7(i) of EPF & MP Act, 1952	144.78	144.78
	iii) (a) ESI dues in respect of 'C' series workmen for the period from 1-4-1998 to 30-9-2000 together with interest thereon (Rs.6.64 lakhs paid under protest grouped under deposit recoverable)	66.49	62.51
	(b) ESI dues in respect of temporary workmen for the period from April, 1998 to Oct., 1999, contractors contribution for the period from April, 1985 to March, 1993.	180.24	180.24
	iv) Central Excise duty on P-BDE jackets manufactured and delivered to ONGC	114.51	114.51
	v) Service tax demand in respect of INS Sindhukeerti	2081.30	0
	vi) Demands of various suppliers of goods and services	272.00	189.37
	vii) Non Agricultural Land Assessment tax demands for the year 2000-01	4.54	4.54
	viii) Demands in respect of service matters having financial impact.	52.46	52.46
	Total	2929.71	761.80
	e. Claims against the company, which are under arbitration and not provided for:		

(Rs in lakhs)

		2009-10	2008-09
	i) Counter –Claims of ONGC towards liquidated damages, penal interest and interest on interest in respect of construction of well platforms (net of provision)	8632.00	8032.00
	ii) Claims of Essar Oil Limited (EOL) towards OPF works (net of provision made of Rs.4370.33 lakhs and counter claim of HSL on ONGC of Rs.769 lakhs).	8609.00	7961.00
	ii) Recognition of income in earlier years towards escalation and extra jobs for VC 1120, pending finalization of arbitration award.	129.15	129.15
	iv) Recognition of income (net of provision) in earlier years towards mark-up on materials procured and works executed in respect of offshore platforms for ONGC, pending finalization of arbitration.	669.39	669.39
	Total	18039.54	16791.54
	In respect of items mentioned under (d) and (e) above, the Company has been advised by the Counsel that said demands and claims are not sustainable in law.		
2	a) On rejection of it's claims towards L.D. and other claims by HSL, M/s Good Earth Maritime Ltd., (G.M.L.) invoked the arbitration clause for the vessel No. VC 11115, VC 11116 and VC 11117 and the same is under arbitration. b) In respect of Vessel No. VC 11118 which was delivered during the year and VC 11136 to VC 11141 which are under construction, no provision towards of LD is made, since the same is not applicable as per Contracts.	10519.00	0
3	No provision is made towards Liquidated damages on 5 Nos. Inshore Patrol Vessels which are under construction for Indian Coast Guard since HSL sought for extension of time for delivery of these vessels and the same is under consideration of Indian Coast Guard.	1007.75	0
4	The State Government of Andhra Pradesh has agreed for a full and final settlement of sales tax arrears up to 31.03.1999, amounting to Rs 4659 lakhs and interest thereon of Rs 7614 lakhs respectively, by payment of Rs 500 lakhs subject to finalization of financial restructuring package by GOI. The amount agreed to be paid has since been provided in the books of account.		
5	a) SBI agreed to a compromise settlement in respect of the term loan given to the company, to be settled either in cash or in the form of GOI Bonds of 5 years for a total consideration of Rs.25546 lakhs,		

(Rs in lakhs)

		2009-10	2008-09
	<p>which is included as financial assistance from GOI, in the financial restructuring proposal made by the company, pending with GOI. Accordingly, interest for the year ended 31-3-2010 amounting to Rs.1732 lakhs and interest upto the end of the year ended 31-3-2010 amounting to Rs.17332.00 lakhs has not been provided on the said loan. (As per the balance confirmation certificate issued by SBI the outstanding debit balance on this account as per their books as on 31.03.10 is Rs.18694.50 lakhs and in this case there is an unapplied interest of Rs.65876.50 lakhs. However, this has not been considered by HSL in the accounts, in view of the compromise settlement mentioned above).</p> <p>b) The validity of the Govt. guarantee towards the above loan was expired on 30.09.2009 and SBI had invoked the GoI guarantee. Since the above said compromise offer is included in the Financial Restructuring, HSL requested GoI for arranging extension of the validity of the above GoI guarantee up to 31.12.2010. The same is yet to be received.</p>		
6	No provision is made in the accounts with regard to financial impact on wage revision in respect of Staff and Workmen due from 01.01.2009 since negotiations with the unions are in progress and financial impact there of is not determinable at this stage.		

7. 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:

(Rs. in lakhs)

	2009-10	2008-09
Employer's Contribution to Pension Fund	198.68	194.95

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

(Rs in Lakhs)

Details	Gratuity (Funded)	Earned Leave Encashment (Unfunded)	Sick Leave (Unfunded)
Defined Benefit obligation at beginning of the year. Current Year.	5504.88	1080.88	380.72
(Previous year)	4681.45	731.90	294.48
Interest Cost Current Year	392.46	70.45	0
(Previous year)	366.30	49.54	0
Current Service Costs Current Year	280.86	151.77	89.89
(Previous year)	218.63	85.93	86.24
Benefits Paid Current Year	(316.11)	(242.17)	0
(Previous year)	(205.47)	(225.19)	0
Actuarial loss/(gain) on obligation Current Year	147.20	246.98	0
(Previous year)	443.97	438.70	0
Defined Benefit obligation at year end Current Year	6009.29	1307.91	470.61
(Previous year)	5504.88	1080.88	380.72

II Reconciliation of opening and closing balances of fair value of plan assets

(Rs in lakhs)

Details	2009 - 10	2008 - 09
Fair value of plan assets at beginning of the period.	730.88	668.10
Expected return on plan assets	60.66	53.45
Contribution	316.11	205.47
Benefits paid	(316.11)	(205.47)
Actuarial loss/(gain) on obligation (balancing figure)	1.69	9.33
Fair value of Plan Assets as at the end of the period	793.23	730.88

III Reconciliation of fair value of assets and obligations As at 31/03/2010

(Rs in lakhs)

Details	Gratuity	Leave Encashment (Unfunded)	Sick Leave (Unfunded)
Fair value of plan assets Current Year	793.23	0	0
(Previous year)	730.88	0	0
Present value of obligation Current Year	6009.29	1307.91	470.61
(Previous year)	5504.89	1080.88	380.72
Amount recognized in Balance Sheet Current Year	5216.06	1307.91	470.61
(Previous year)	4774.01	1080.88	380.72

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

(Rs in lakhs)

Description	Gratuity (Funded)	Leave Encashment (unfunded)	Sick Leave (Unfunded)
Current Service Cost Current Year	280.86	151.77	89.89
(Previous year)	218.63	85.93	86.24
Interest Cost Current Year	392.46	70.45	0
(Previous year)	366.30	49.54	0
Expected return on plan assets Current Year	(60.66)	0	0
(Previous year)	(53.45)	0	0
Actuarial (gain)/loss Current Year	145.51	246.98	0
(Previous year)	437.80	438.70	0
Expenses recognized in the statement of P&L a/c Current Year	758.17	469.20	89.89
(Previous year)	969.28	574.17	86.24

V. Investment Details

(Percentage invested)

Description	Gratuity as on 31/03/10	Gratuity as on 31/03/09
Gol Securities	0	0.20
Special Deposit Scheme	16.00	17.40
Others (T.D.R.s)	84.00	82.40
Total :	100.00	100.00

VI. Principal Actuarial Assumptions

	Gratuity (funded)(%)		Leave Encashment (Unfunded)(%)	
	01.04.2009	31.03.2010	01.04.2009	31.03.2010
Discount Rate	7.34	8.00	7.34	8.00
Salary escalation rate	6.00	10.00	6.00	10.00
Attrition rate	1.00	1.00	1.00	1.00
Expected rate of return on plan assets	8.30	8.50	0.00	0.00

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.

(Rs. in lakhs)

2009-10 2008-09

Employer's Contribution to Provident Fund

761.77 692.59

The Company's Provident Fund is exempted under Section 17 of Employees' Provident Fund Act, 1952. The conditions for grant of exemption stipulates 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

8. 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:

(Rs.lakhs)

	Ship building	Ship repairs	Retrofit	Un-allocated	Total
Segment Income :					
Sales	25360.53	26604.01	9931.51	0.00	61896.05
WIP (Accretion/Decretion)	(1052.80)	0.00	0.00	0	(1052.80)
Other Income	2216.66	1055.11	1571.50	516.93	5360.20
Total Income	26524.39	27659.12	11503.01	516.93	66203.45
Segment Expenditure:					
Materials & Direct Expenses	21719.28	14870.51	9164.87	0.00	45754.66
Direct Labour	1679.36	304.97	514.88	0.00	2499.21
Total Segment expenditure	23398.64	15175.48	9679.75	0.00	48253.87
Segment Result	3125.75	12483.64	1823.26	516.93	17949.58
Overheads	7340.08	2796.67	2739.10	6241.32	19117.17
Provisions and Adjustments	1502.44	606.29	1.73	102.22	2212.68
Net Segment Result	(5716.77)	9080.68	(917.57)	(5826.61)	(3380.27)
Income Tax				(3186.15)	(3186.15)
Deferred Tax				(426.55)	(426.55)
Total Result	(5716.77)	9080.68	(917.57)	(2213.91)	232.43
Other information					
Segment Assets	36784.66	24347.51	16226.51	26540.87	103899.54
Segment Liabilities	45395.05	24921.00	31943.49	100150.22	202409.76
Capital Expenditure	0.00	0.00	0.00	1260.26	1260.26
Depreciation	416.68	40.75	117.53	70.79	645.75
Non-cash expenditure other than Dep.	0.0	0.0	0.0	0.00	0.00

(Rs in lakhs)

		2009-10	2008-09
9.	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) Cmde. Naresh Kumar, IN (Retd.) Chairman & Managing Director ii) Shri.Rakesh Mahajan, Director (Finance & Commercial) b) Details of transactions carried out with the above stated related parties: Remuneration paid during the year	25.23	15.34
10.	a) Net profit/(Loss) as per profit and loss account (Rs. In lakhs) b) Weighted average number of equity shares used as Denominator for calculating EPS c) Earnings per share: Profit/(Loss) Basic & Diluted	232.43 3019922 Rs. 8	(14000.95) 2885733 Rs. (485)
11.	A).The deferred tax asset as at 31-3-2010 comprises of the following: a) Deferred tax asset : i) Unpaid interest & taxes, sums payable as employer etc. ii) Provisions made against doubtful debts, doubtful advances and contingencies etc. iii) Set off of unabsorbed depreciation available under Income Tax Act Total b) Deferred Tax liability: i) Timing Difference between book and tax depreciation Net Deferred Tax Asset B). The account of Deferred Tax Asset (DTA) was referred to the Expert Advisory Committee of The Institute of Chartered Accountants of India which has since given the opinion based on which it was appropriate to charge off DTA. However, based on the present position, HSL is confident of getting financial restructuring approval from Gol in the financial year 2010-11 resulting in the necessary taxable profit for realization of the deferred tax amount. Accordingly accountal as per the above said opinion has not been made during the year.	5569.60 1569.25 5109.70 12248.55 1229.92 11018.63	5302.16 1163.51 4948.96 11414.63 822.55 10592.08
12.	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, in view of the financial restructuring proposal of the company pending with Government of India.		
13.	The estimated cost of completion of vessels under construction has been revised to Rs 127906 lakhs as at 31.3.2010 from Rs 132334 lakhs as at 31.3.2009.	127906	132334

14. Information under Schedule VI to the Companies Act, 1956

i) Licensed & Installed Capacities and Actual Production :

		2009-10	2008-09
	Licensed Capacity		
A	Ship Construction	Not Applicable	Not Applicable
B	Well Platforms	2 Well Platforms Per annum (8000 MT of structural fabrication)	2 Well Platforms Per annum (8000 MT of structural fabrication)
	Installed Capacity		
A i)	Ship Construction	6.5 Pioneer Class vessels of 21500 DWT each.	6.5 Pioneer Class vessels of 21500 DWT each.
ii)	Rated Capacity as Reckoned by consultant	3.5 Pioneer class vessels of 21500 DWT each.	3.5 Pioneer class vessels of 21500 DWT each.
B	Well Platforms	2 Well Platforms per annum	2 Well Platforms per annum
	Actual Production		
A	Ship Construction	Pioneer class vessels (314.27) Standard Pioneer Units)	2.96 Pioneer class vessels (296.614) Standard Pioneer Units)
B	Well Platforms	Nil	Nil
	Capacity Utilization*		
A	Ship Construction		
	i) At 6.5 Vessels	48%	45%
	ii) At 3.5 Vessels	90%	85%
B	Well Platforms	Nil	Nil

*inclusive of outsourcing and submarine works.

ii) Materials Consumed :

(Rs.in lakhs)

Description	Unit	2009-10		2008-09	
		Quantity	Value	Quantity	Value
Steel	M.T	12860	7269.32	16792.	6701.01
Pipes	Meters	12717	45.38	10034	24.76
Paints	Liters.	25652	55.56	43965	111.60
Pipe Fittings and others	Nos.	28741	157.77	37434	1387.40
Ship Machinery and Equipt.			9479.08		13335.77
Others			1708.90		602.07
Ship Repair Materials			8000.86		656.53
Retrofit Materials			6820.54		3471.17
Total			33537.41		26290.31

(Rs in lakhs)

iii)	Break up of Materials Consumed :	2009-10	2008-09
i)	Value of all Imported Materials including components and spare parts consumed during the year	30005.57	21874.19
ii)	Value of all Indigenous Materials including components and spare parts consumed during the year	3531.84	4416.12
iii)	Percentage of item (i) to total consumption	89.47	83.20
iv)	Percentage of item(ii) to total consumption	10.53	16.80

iv) Expenditure in Foreign Currency

a)	i) Royalty, Know-how and Professional Consultancy fees	0	0
	ii) Traveling Expenses	0	0
	iii) Others	1659.38	3914.36
b)	CIF value of imported materials , components & spare parts and capital goods.	40620.08	23790.64
v)	Earnings in Foreign Currency from ship repair activity	14892.67	3833.91

vi) Details of Remuneration to Chairman & Managing Director and other whole-time Directors :

(Rs in lakhs)

S.No	Particulars	2009-10	2008-09
i.	Salary and Allowances	20.13	12.26
ii.	Contribution to Provident Fund & Group Gratuity Scheme.	3.48	1.51
iii..	Reimbursement of Entertainment Expenses	1.55	1.18
iv.	Reimbursement of Medical Expenses	0.01	0.33
v.	Value of Perquisite in respect of use of car (as per I.T. rules)	0.06	0.06
	Total	25.23	15.34
15.	a) Names of SSI units, where payments are out standing for more than 30 days could not be given in the absence of separate registration for the said SSI units with the company. b) In the absence of registration by Micro and Small Scale industries the information pertaining to these suppliers / service providers could not be furnished.		
16.	The reconciliation of balances as per price stores ledger and Bin Cards is a continuous process		

17	Certain Advances and Provisional Liabilities for Purchases remain unadjusted, pending link up between the same.		
18	Letters have been issued to all the customers seeking confirmation of balances as at 31.03.2010, which are still to be received.		
19	Consequent upon the observations of Comptroller and Auditor General of India during the course of audit under section 619(4) of the Companies Act, 1956, the accounts and the notes forming part of the accounts as approved by Board of Directors in the 352nd Board Meeting held on 21st June,2010 have been revised. These changes has resulted in decrease in profit by Rs.92.64 lakhs , decrease in fixed asset (Net Block) by Rs.44.65 lakhs, increase in Capital Work-in-progress by Rs.46.96 lakhs , increase in inventories by Rs.236.24 lakhs , decrease in other current assets by Rs.32.48 lakhs and increase in current liabilities by Rs.298.71 lakhs.		
20	Previous year's figures have been regrouped / rearranged wherever necessary.		

In terms of our report of even Date attached
For **G.R.Kumar & Co.**
Chartered Accountants
Firm Reg. No.004941S

For and on behalf of the Board of Directors

Sd/-

RAKESH MAHAJAN

Director (Finance & Commercial)

Sd/-

Cmde. NARESH KUMAR, IN (Retd.)

Chairman & Managing Director

Sd/-

CA P Vikram

(Partner)

Membership No216542.

Sd/-

INAITULA BAIG

Company Secretary

Place: Visakhapatnam

Date: 13th August, 2010

Balance Sheet Abstract and General Business Profile of Hindustan shipyard Limited, Visakhapatnam.
REGISTRATION DETAILS

REGISTRATION NO. 2064

STATE CODE: 01

BALANCE SHEET DATE : 31.03.2010

CAPITAL ISSUED DURING THE YEAR

	Amount in Rs. thousands
Public Issue	NIL
Bonus Issue	NIL
Rights Issue	NIL
Private Placement	NIL
Issued to Government of India	NIL

POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS

	Amount in Rs. thousands
Total Liabilities	20,240,974
Total Assets	20,240,974

SOURCES OF FUNDS

Paid-up Capital	3,019,922
Reserves and Surplus	950
Secured Loans	963967
Unsecured Loans	5,938,379
	<u>9,923,218</u>

APPLICATION OF FUNDS

Net Fixed Assets	812,420
Deferred Tax Asset	1101863
Net Current Assets	(1,842,086)
Accumulated Loss	9,851,021
	<u>9,923,218</u>

PERFORMANCE OF THE COMPANY

	Amount in Rs. thousands
Turnover (including other income)	6387795
Total Expenditure	6725822
Profit / (Loss) before tax	-338027
Profit / (Loss) after tax	23243
Earnings per share in Rupees (face value Rs.1000/-)	8
Dividend	NIL

GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF THE COMPANY

Item Code	Product Description
8901 1001	Ships
8901 9001	Bulk Carriers
8904 0000	Tugs

For and on behalf of the Board of Directors

 As per our report of even date
 For G.R.Kumar & Co.
 Chartered Accountants
 Firm Reg. No.004941S

 Sd/-
RAKESH MAHAJAN
 Director
 (Finance & Commercial)

 Sd/-
Cmde. NARESH KUMAR, VSM IN (Retd)
 Chairman &
 Managing Director

 Sd/-
INAITULA BAIG
 Membership No. 216542
 Company Secretary

 Sd/-
CA P Vikram
 (Partner)

 Place : Visakhapatnam
 Date : 13th August, 2010

CASHFLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2010

(Rs. In lakhs)

	Year ended 31st March, 2010	Year ended 31st March, 2009
A. Cash flow from operating activities		
Net Profit/(loss) before Extraordinary & Prior period items	(3034.29)	(8228.88)
Adjustments for:		
Depreciation	645.75	692.67
Interest paid	5241.55	5049.13
Interest received	(570.43)	(1480.81)
Loss/(profit) on sale of fixed assets	(39.62)	(1.39)
Operating Cashflow before working capital changes & Extraordinary & Prior Period items	2242.96	(3969.28)
Prior Period items: Net Expenditure	345.98	5443.79
Operating Cashflow before working capital changes & after Extraordinary & Prior Period items	1896.98	(9413.07)
Adjustments for working capital changes		
Inventories	(10674.45)	(11860.09)
Trade and other receivables	(2895.75)	7393.40
Trade and other payables	6370.64	5969.54
Cash generated from operation (A)	(5302.58)	(7910.22)
B. Cashflow from Investing activities:		
Purchase of fixed assets	(1213.30)	(1653.20)
Capital Work-in-progress	(731.09)	106.61
Sale of fixed assets	117.87	1.73
Interest received	570.43	1480.81
Net Cash from investing operation (B)	(1256.09)	(64.06)
C. Cashflow from financing activities:		
Proceeds from Share Capital	0.00	2098.00
Proceeds from Borrowings from GOI & Banks	6284.69	1288.76
Interest paid	(5241.55)	(5049.13)
Net Cash from financing operation (C)	1043.14	(1662.37)
D. Net Increase in Cash & Cash Equivalent (A)+(B)+(C)	(5515.53)	(9636.65)
Cash and cash equivalent at the beginning of the year	11547.09	21183.74
Cash and cash equivalent at the end of the year	6031.56	11547.09

For and on behalf of the Board of Directors

Sd/-
RAKESH MAHAJAN
Director
(Finance & Commercial)

Sd/-
Cmdr. NARESH KUMAR, VSM IN (Retd)
Chairman &
Managing Director

Sd/-
INAITULA BAIG
Membership No. 216542
Company Secretary

As per our report of even date
For G.R.Kumar & Co.
Chartered Accountants
Firm Reg. No.004941S

Sd/-
CA P Vikram
(Partner)

Place : Visakhapatnam
Date : 13th August, 2010

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 2010

(Rs. in lakhs)

Description	This Year			Previous Year		
	Details	Details	Total	Details	Details	Total
Schedule -22						
EXPENDITURE ON TOWNSHIP AND RESIDENTIAL QUARTERS						
Administration & Maintenance:						
Salaries, Wages & Other Benefits	190.11			146.05		
Housing Estate Site Rent	14.13			14.39		
Property Tax on Residential Buildings	5.14			5.26		
Electricity and Water Charges	172.04			179.38		
Repairs and Maintenance	53.74			146.92		
Colony Security	41.95			27.99		
Miscellaneous Expenditure	2.11	479.22		2.48	522.47	
Depreciation		9.90			11.35	
		489.12			533.82	
Less: Income-Rent	74.83			60.08		
Electricity and Water Charges	80.09	154.92	334.20	83.09	143.17	390.65
Expenditure on Social Overheads:						
Schools and Educational Facilities	51.56			44.61		
Less: Educational Grant	-37.44	14.12		36.69	7.92	
On Medical facilities		459.68			410.45	
On Subsidised Canteen	85.91			74.03		
On Subsidised lunch for Officers, Staff and Workmen	197.43	283.34		189.43	263.46	
On Subsidised transport : Boats and launches	39.65	39.65		32.62	32.62	
On Social & Cultural Activities		0.56	797.35		0.56	715.01
			1131.55			1105.66
Expenditure on Public Relations and Publicity:						
Salaries			8.37			6.15
Publicity			8.57			1.57
			16.94			7.72

NOTES :

- Interest on capital outlay on Township and Residential quarters and for providing other Social Amenities (original cost of Rs.562.12 lakhs written down value Rs.180.74 lakhs as on 31.03.2010) has not been taken into account since this has been finalised out of Equity Share Capital except for an amount of Rs.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/-
INAITULA BAIG
Company Secretary

Sd/-
RAKESH MAHAJAN
Director
(Finance & Commercial)

Sd/-
Cmde. NARESH KUMAR, IN (Retd)
Chairman &
Managing Director

Place : Viskhapatnam
Date : 13th August, 2010

CAPITAL OUTLAY ON TOWNSHIP RESIDENTIAL QUARTERS FOR PROVIDING SOCIAL AMENITIES

(Rupees in lakhs)

PARTICULARS	GROSS BLOCK					DEPRECIATION					NET BLOCK	
	As on 31.03.2009	Additions during the year	Sales/ Adjustment during the year	As on 31.03.2010	Upto 31.03.2009	For the Year	On sales/ Adjustment for the year	Upto 31.03.2010	As on 31.03.2010	As on 31.03.2009		
Land	1.72	0.00	0.00	1.72	0.00	0.00	0.00	0.00	1.72	1.72		
Buildings	490.99	0.00	0.00	490.99	306.50	9.45	0.00	315.95	175.04	184.49		
Roads & compound walls etc.	26.31	0.00	0.00	26.31	24.74	0.31	0.00	25.05	1.26	1.57		
Electrical Installations	18.41	0.00	0.00	18.41	17.45	0.00	0.00	17.45	0.96	0.96		
Hospital Equipment	3.45	0.00	0.00	3.45	2.96	0.13	0.00	3.09	0.36	0.49		
Motor Vehicles	21.24	0.00	0.00	21.24	19.83	0.00	0.00	19.83	1.41	1.41		
Total	562.12	0.00	0.00	562.12	371.48	9.90	0.00	381.38	180.74	190.64		
Previous Year	562.12	0.00	0.00	562.12	360.13	11.35	0.00	371.48	190.64	201.99		

For and on behalf of the Board of Directors

Sd/-
INAITULA BAIG
Company Secretary

Sd/-
RAKESH MAHAJAN
Director
(Finance & Commercial)

Sd/-
Cmdr. NARESH KUMAR, IN (Retd)
Chairman &
Managing Director

Place : Viskhatpatnam

Date : 13th August, 2010

FINANCIAL POSITION AND PERFORMANCE OF THE COMPANY

(Rupees in crores)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
BALANCE SHEET :										
<u>Sources of Funds :</u>										
Paid up Capital	106.81	114.31	121.81	129.31	136.81	144.31	149.31	281.01	301.99	301.99
Reserves and Surplus	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
Secured Loans	0.00	0.00	0.00	6.26	6.44	6.83	70.47	89.78	68.24	96.40
Unsecured Loans and Interest:										
Govt. of India	623.39	637.68	646.22	653.72	661.22	700.99	331.14	248.71	283.16	317.84
State Bank of India	272.90	290.22	290.22	290.22	290.22	255.46	255.46	255.46	255.46	255.46
Others	6.08	6.08	6.08	6.08	36.08	31.32	24.09	20.55	20.53	20.53
Total	1009.28	1048.39	1064.43	1085.69	1130.87	1139.01	830.57	895.61	929.48	992.32
Application of Funds :										
Gross Block	166.29	167.29	167.39	166.90	167.90	169.29	177.55	192.14	208.61	212.71
Less: Cumulative Depreciation	108.98	114.23	118.67	122.27	125.96	129.98	133.02	137.87	144.73	143.93
Net Fixed Assets	57.31	53.06	48.72	44.63	41.94	39.31	44.53	54.27	63.88	68.78
Capital Work-in-Progress	0.55	0.68	0.64	0.69	0.20	0.52	4.02	6.23	5.16	12.47
Deferred Tax Asset	0.00	0.00	0.00	0.00	0.00	0.00	109.01	102.36	105.92	110.18
Current Assets	241.57	222.52	215.77	192.26	332.38	619.00	808.20	818.72	767.02	847.57
Current Liabilities and Provisions	380.62	333.76	304.13	307.35	407.00	676.98	991.42	933.39	999.93	1031.78
Net Current Asset	(139.05)	(111.24)	(88.36)	(115.09)	(74.62)	(57.98)	(183.22)	(114.67)	(232.91)	(184.21)
Cumulative Loss	1090.47	1105.89	1103.43	1155.46	1163.35	1157.16	856.23	847.42	987.43	985.10
Total	1009.28	1048.39	1064.43	1085.69	1130.87	1139.01	830.57	895.61	929.48	992.32
Net Worth *	(983.66)	(991.58)	(981.62)	(1026.15)	(1026.54)	(1012.85)	(706.92)	(566.41)	(685.44)	(683.11)

*Net Worth = Paid up Capital+Free Reserves-Accumulated Losses

(Rupees in crores)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10
PROFIT AND LOSS ACCOUNT :										
Income :										
Turnover	166.60	156.67	151.00	119.15	225.30	243.58	327.63	384.52	395.81	618.96
Work-in-Progress	0.46	24.13	4.43	0.55	(10.07)	28.29	45.60	41.36	64.32	(10.53)
Other Income	11.28	20.59	9.24	7.50	21.75	47.01	26.54	84.26	38.15	53.60
Total	178.34	201.39	164.67	127.20	236.98	318.88	399.77	510.14	498.28	662.03
Expenditure :										
Materials	65.13	109.66	42.75	38.03	103.08	144.54	190.19	222.55	264.66	344.57
Direct Expenses	26.62	24.63	17.38	24.97	39.65	43.60	80.16	89.88	62.10	94.39
Pay & Benefits	66.91	64.05	72.42	77.78	77.88	82.67	92.64	80.91	126.93	129.89
Taxes and Duties	5.33	1.93	3.20	2.78	4.29	8.59	13.49	20.37	28.68	23.25
Other Expenses	14.60	12.76	12.11	12.38	14.23	15.50	19.12	25.91	31.03	27.85
Provisions and Losses	28.45	7.99	16.58	19.28	8.48	14.03	45.15	8.74	14.07	18.67
Prior period Adjustments	1.55	(5.58)	0.88	1.35	(0.86)	(1.92)	(387.40)	(7.66)	54.44	3.46
Extraordinary items	0.00	0.22	0.00	0.00	0.00	0.00	41.31	0.08	0.00	0.00
Transfers	(44.27)	(30.83)	(9.28)	(2.85)	(11.64)	(3.32)	(3.84)	(4.45)	(4.32)	(5.12)
Total	164.32	184.83	156.04	173.72	235.11	303.69	90.82	436.33	577.59	636.96
Profit / (Loss) before Interest and Depreciation	14.02	16.56	8.63	(46.52)	1.87	15.19	308.95	73.81	(79.31)	25.07
Depreciation	5.84	5.44	5.12	4.32	4.15	4.07	4.06	5.82	6.93	6.46
Interest	27.16	26.54	1.05	1.19	5.61	4.93	34.70	44.51	50.49	52.41
Profit / (Loss) before tax	(18.98)	(15.42)	2.46	(52.03)	(7.89)	6.19	270.19	23.48	(136.73)	(33.80)
Income Tax	0.00	0.00	0.00	0.00	0.00	0.00	78.27	5.49	6.85	(31.86)
Deferred Tax asset	0.00	0.00	0.00	0.00	0.00	0.00	(109.01)	6.66	(3.57)	(4.26)
Net Profit / (Loss)	(18.98)	(15.42)	2.46	(52.03)	(7.89)	6.19	300.93	11.33	(140.01)	2.32
Profit & Loss Appropriation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2.52	0.00	0.00
Cumulative Profit / (Loss)	(1090.47)	(1105.89)	(1103.43)	(1155.46)	(1163.35)	(1157.16)	(856.23)	(847.42)	(987.43)	(985.10)



**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	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.	"Jalapankhi" 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.	"Jalaprataap" 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
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

S.No.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching	Date of Delivery
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
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



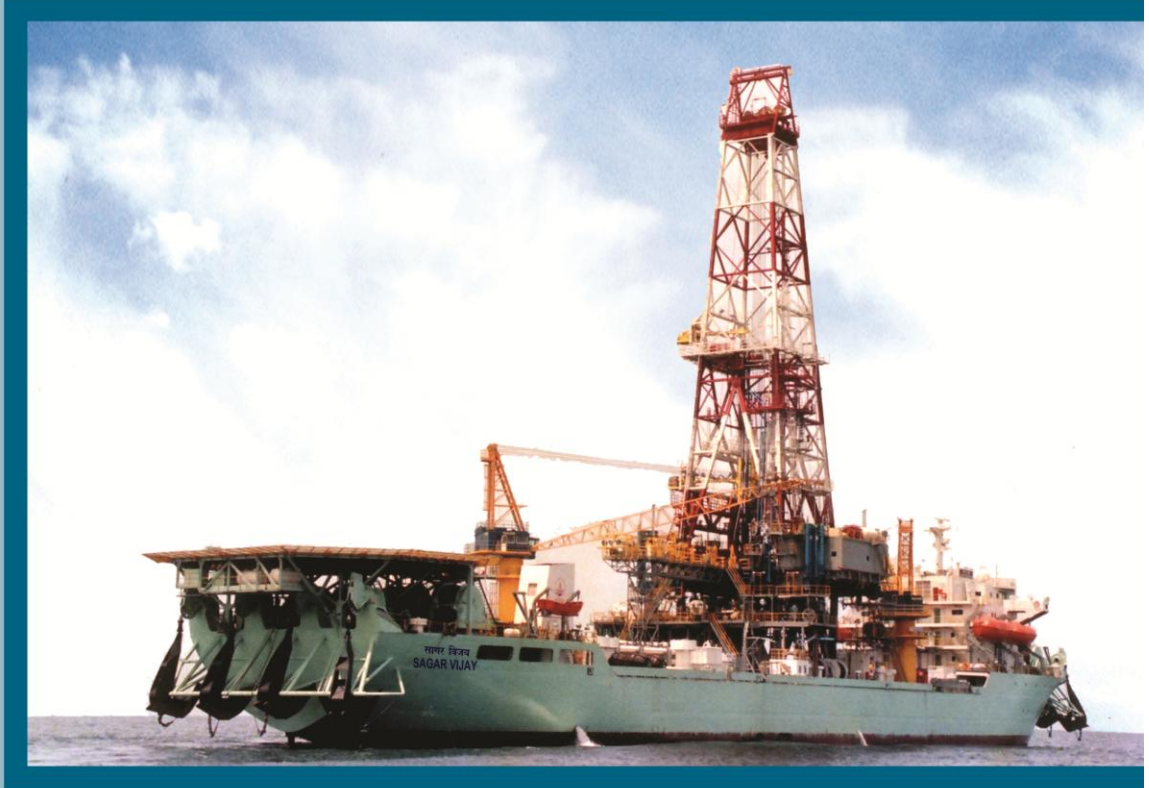
S.No.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching	Date of Delivery
53.	"Vishva Vikram" The Shipping Corporation of India Ltd.,	12,881	06-06-1968	09-02-1970	12-09-1970
54.	"Shanti" The Visakhapatnam Port Trust	Launch	12-03-1970	14-12-1970	31-12-1970
55.	"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
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	04-08-2977	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

S.No.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching	Date of Delivery
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
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



S.No.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching	Date of Delivery
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
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" - ATPV 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. CHOULDAR" - 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 M3 Dredger	30.09.1999	05.09.2003	09.02.2005

S.No.	Name of the Ship / Name of the Owner	Dead Weight Tonnes	Date of Laying Keel	Date of Launching	Date of Delivery
130.	1st. Barge for A & N Administration	10 x 8 x 2 Meters			02.02.2005
131.	2nd Barge for A & N Administration	10 x 8 x 2 Meters			02.02.2005
132.	3rd Barge for A & N Administration	10 x 8 x 2 Meters			02.02.2005
133.	4th Barge for A & N Administration	10 x 8 x 2 Meters			08.02.2005
134.	5th Barge for A & N Administration	10 x 8 x 2 Meters			11.02.2005
135.	6th 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 series Bulk carrier	09.01.2008	23.03.2009	12.04.2010



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