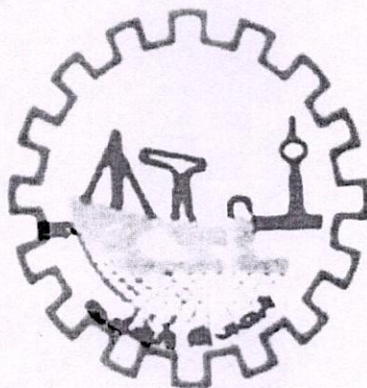


COCHIN SHIPYARD LIMITED



MEMORANDUM OF UNDERSTANDING (MoU)

BETWEEN

COCHIN SHIPYARD LIMITED

AND

MINISTRY OF SHIPPING

2017-18

Annexure-I

Brief about the CPSE

		COCHIN SHIPYARD LTD			
1	Name of the CPSE	Sick/ Incipient Sick/ weak/ none : None			
2	Status (Please tick): As per DPE guidelines	NA			
3	Reasons of Sickness, if applicable	No			
4	Whether registered with BIFR, if yes details	A/B/C/D/none : B			
5	Schedule of the CPSE (Please tick)	Ship Building and Repairs			
6	Purpose for which CPSE has been setup and the main business now	Ship Building and Repairs			
7	Number and Name of subsidiary companies along with amount invested and share in its profit during last five years	Separate sheet may be attached, if more than one subsidiary. Information may be separately given in respect of each subsidiary and aggregated (consolidated) also.			
		Year*	Name of subsidiary	Amount invested (Rs.)	Share in its profit (Rs.)
		2011-12	NIL	NA	NA
		2012-13	NIL	NA	NA
		2013-14	NIL	NA	NA
		2014-15	NIL	NA	NA
		2015-16	NIL	NA	NA
8	Number and Name of Joint Venture companies along with amount invested and share in its profit during last five years	Separate sheet may be attached, if more than one Joint Venture. Information may be separately given in respect of each subsidiary and aggregated (consolidated) also.			
		Year*	Name of Joint Venture	Amount invested (Rs.)	Share in its profit (Rs.)
		2011-12	NIL	NA	NA
		2012-13	NIL	NA	NA
		2013-14	NIL	NA	NA
		2014-15	NIL	NA	NA
		2015-16	NIL	NA	NA
9	Details of revival plan if approved earlier	NA			

*Note: For each succeeding year of MoU, one more year may be added after the MoU 2017-18 and the first year deleted so that total data available is for the past five years.



COCHIN SHIPYARD LTD
MoU 2017-18
Mandatory Parameters
PART A

Sl.No.	Financial Performance Criteria	Unit	Marks	2016-17 (Estimated)	Best in last 5 years	MoU Target for the year 2017-18					% Improvement*
						Excellent 100%	Very Good 80%	Good 60%	Fair 40%	Poor 20%	
1	Turnover: Revenue from Operations	Rs. Crore	10	2072.56	1996	2300.00	2200.00	2100.00	2000.00	1900.00	6.15%
2	Operating Profit: Operating profit/ Revenue from operations	%	20	16.55%	15.54%	17.00%	16.50%	16.00%	15.50%	15.00%	-0.30%
3	Return on investment: PAT / Net Worth	%	20	16.17%	17.07%	13.80%	13.00%	12.50%	12.00%	11.50%	-19.60%
	Total (A)		50								



Cochin Shipyard Ltd

COCHIN SHIPYARD LTD
MoU 2017-18
Other Parameters
PART B

Sl. No.	Financial Performance Criteria	Unit	Marks	Current Year 2016-17 (Estimate)	Best in 5 years	MoU Target for the year 2017-18					% Improvement*
						Excellent 100%	Very Good 80%	Good 60%	Fair 40%	Poor 20%	
1	<u>Capacity Utilisation/ Production/ Generation/ Transmission, etc.</u>										
a	Dry dock utilisation(Dock No.1+Dock No.2)	%	5	98%	99%	99%	98%	97%	96%	95%	
2	<u>New orders received during the year</u>										100.00%
a	Ship Building segment	Rs. Crore	5	0.00	1656.50	1600.00	1400.00	1300.00	1200.00	1100.00	
b	Ship Repair segment	Rs. Crore	5	657.25	402.48	350.00	300.00	275.00	250.00	225.00	-54.35%
3	Completion of milestone of clients order/ agreements without time overrun (as per Annexure A)	%	10	100		100	95	90	85	80	
4	CAPEX (Rs. Crore)*	Rs. Crore	5	100.00	76.90	482.00	382.00	332.00	275.00	225.00	
5	Percentages of value of CAPEX contracts/ projects running/ completed without time/ cost overrun to total value of CAPEX contracts running/ completed during the year (as per Annexure B)	%	5	100		100	90	80	70	60	
6	Trade Receivables (net) as number days of Revenue from operations (gross)	Days	5	58	90	57	58	90	95	100	

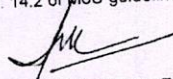
* CAPEX does not include investment in JV's amounting to Rs 25 crore, however, if lesser investment made in the JV's, the difference will be added to the CAPEX target.

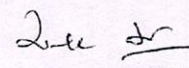


Cochin Shipyard Ltd

Sl. No.	Financial Performance Criteria	Unit	Marks	Current Year 2016-17 (Estimate)	Best in 5 years	MoU Target for the year 2017-18					% Improvement*
						Excellent 100%	Very Good 80%	Good 60%	Fair 40%	Poor 20%	
7	HRM related parameters										
a	On-line submission of ACR/APAR in respect of all executives (E0 and above) along with compliance of prescribed timelines w.r.t writing of ACR/APAR	% of no. of executives	2			100	95	90	85	80	
b	Online Quarterly vigilance clearance updation for Senior Executives (E 5 and above)	% of no. of senior executives	2			100	95	90	85	80	
c	Preparation of succession plan and its approval by Board of Directors (Date)	Date	2			30-Sep-17	15-Oct-17	31-Oct-17	15-Nov-17	30-Nov-17	
d	Holding of DPC without delay for executive (E0 and above level)	%	2			100	95	90	85	80	
e	Talent management and career progression by imparting at least one week training in Centre of Excellence within India e.g. IITs, IIMs, NITs, ICAI etc.	% of executives	2			10	9	8	7	6	
	Total (B)			50							
	GRAND TOTAL (A+B)			100							

- CPSE would update land holdings in Government Land Information System (GLIS)
- The targets approved by IMC are based on estimates submitted by the Company for the year 2016-17. In case of better performance of the CPSE as per final results as compared to estimates, the difference may be added to the targets for the year 2017-18.
- Targets decided in MoU are unconditional and no offset will be allowed. Further, evaluation would be subject to compliance of Additional Eligibility criteria as contained in Para no. 14.2 of MoU guidelines 2017-18.


 CHAIRMAN & MANAGING DIRECTOR
 COCHIN SHIPYARD LTD
 COCHIN SHIPYARD LTD 682015


 SECRETARY TO GOVT. OF INDIA
 MINISTRY OF SHIPPING
 NEW DELHI 110001



Annexure A

COCHIN SHIPYARD LTD
List of Clients' order/milestones
MoU 2017-18

Sl. No.	Project	Owner	Milestone	Timelines
a	Technology Demonstration Vessel	DRDO	Keel Laying	10-Jul-17
b	Indigenous Aircraft Carrier	Indian Navy	Completion of Outfitting of Engine room as per ship building contract	30-Jun-17
c	Indigenous Aircraft Carrier	Indian Navy	Installation of 415 volt power generation system as per ship building contract	31-Mar-18
d	500 Pax Vessel	Andaman & Nicobar Administration	Keel Laying	15-Sep-17
e	1200 Pax Vessel	Andaman & Nicobar Administration	Steel Cutting	15-Jun-17



COCHIN SHIPYARD LTD
List of CAPEX Projects for monitoring
MoU 2017-18

Sl. No.	Name of Project	Actual date/anticipated date of Commissioning	Approved cost/Estimated cost	Exp. Planned during 2017-18	Milestone in 2017-18	Date of mile stone
		Date	Rs Crs	Rs Crs		Date
A	CAPEX					
1	Construction of Marine Engineering Training Institute Complex and Hostel building	May-18	27.50	10.00	Structural completion of 2nd floor slab of Hostel block and Administration block roof slab	31-Oct-17
					Structural completion of 5th floor slab of Hostel block and completion of Administration block	31-Mar-18
					Construction upto 5th floor slab	31-Dec-17
2	Construction of Multistoried residential complex for employees	Mar-19	25.00	3.50		31-Oct-17
3	Construction of Company Guest House	Oct-17	7.00	4.40	Completion of work	31-Oct-17
					Structural work upto 3rd floor slab	31-Mar-18
4	Construction of Service Utility Complex	Mar-18	6.60	2.15	Completion of work	30-Sep-17
					Placement of Work order - Installation and commissioning	31-Mar-18
5	Installation of 300 KWp Solar Power plant on Roof Top of Hull Shop	Mar-18	2.25	1.20		
6	Replacement of Asbestos Sheet with Aluminum sheet in Roof top of Hull Shop (4 bays)	Dec-17	1.10	1.10	Completion of work	31-Dec-17
7	Construction of office space for Service Engineers in Ancillary area	Feb-18	0.82	0.82	Completion of work	28-Feb-18
B	CAPEX-EXPANSION PROJECTS					
1	Dry Dock project	Aug-19	1799.00	275.00	Issue of Purchase order for Crane	31-Dec-17
					Award of Construction Contract	15-Jan-18
					Award of Construction Contract	15-Sep-17
2	International Ship Repair Facility (ISRF) at Cochin Port Trust	Aug-19	970.00	150.00	Completion of Design for Shiplift & Transfer System	30-Sep-17
					Piling Works 150 Nos.	15-Mar-18

