

Cochin Shipyard pays dividend for the sixth consecutive year

Cochin Shipyard Limited (CSL), a Schedule B Miniratna PSU under the Ministry of Shipping, paid a dividend of Rs 16.99 crores to Government of India here today. The Company is paying dividend for the sixth consecutive year. The dividend cheque was handed over to Shri Nitin Gadkari, Union Minister for Shipping, Govt of India by Cmde K Subramaniam CMD, CSL . Dr. Vishwapati Trivedi, Secretary, Ministry of Shipping, and other senior officials of the Ministry were also present on the occasion.

2. The dividend is of Rs 1.5 per Equity Share on the 11,32,80,000 fully paid equity shares of Rs 10 each. In addition, the yard has also contributed Rs 162.10 crores to the exchequer by way of Value Added Tax, Income Tax, Fringe Benefit Tax, Excise Duty, Customs Duty and Service Tax during the year 2013-14.

3. The performance of Cochin Shipyard had been consistently impressive in the last several years despite a very challenging business environment in the Shipbuilding / Ship repair and Shipping scenario. Cochin Shipyard's turnover has increased five fold from Rs. 373 crores in 2005-06 to Rs. 1637 crores in 2013-14. Likewise the Net Profits have more than doubled during the period from Rs. 94 crores to Rs. 194 crores. Considering the sluggish market, CSL performed creditably by posting an increase of 5% , both in turnover which increased from Rs 1554 crores in 2012-13 to Rs 1637 Crores this year and in net profit which was up from Rs 185 Crores in 2012-13 to Rs 194 Crores this year. The highlight of this year's performance was the launching of the first indigenously built Aircraft Carrier "Vikrant" on 12 August 2013. The yard also exported 2 High end Platform Supply Vessels (PSVs) , besides delivering 5 Fast Patrol Vessels (FPVs) to the Indian Coast Guard.

4. With a net worth of Rs. 1352 crores, the present book value of the company's shares of face value of Rs. 10 is Rs. 121. The company is looking at enlarging its product range and is actively pursuing the construction of dredgers and LNG vessels. In order to maintain the growth momentum, CSL has identified projects for expansion in the short, medium and long term. The yard has identified considerable potential in the ship repair business. The yard has taken land on lease in the Cochin Port Trust (CoPT) premises for setting up of an International Ship Repair Facility with Ship lift system. The capital cost for the facility is Rs. 487 crores and is expected to take about 5 years for setting up. The Company also proposes construction of a large dry dock at an estimated cost of Rs 1200 crores for which the 'in principle' approval of the Ministry of Shipping has already been obtained. The Company intends to raise capital to meet its expansion plans through a judicious mix of debt and equity options.

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