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GSL: SCALING NEW HEIGHTS THROUGH INNOVATIVE LEADERSHIP

Goa Shipyard Limited (GSL) is a Government owned shipbuilding company located on the West Coast of India in Goa. Established in 1957 during the Portuguese era, it has emerged as the ‘fastest growing shipbuilding yard’

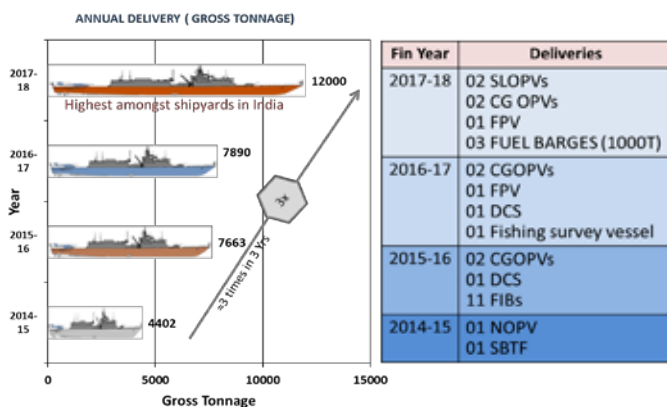
In the recent years, GSL has been blazing ahead at a very fast pace under visionary leadership, innovative approach and cutting-edge line of work. The present management has adopted new business disruptive model, which is totally focused on adoption of new practices and innovative technologies, with an aim for timely delivery of ships at low operational costs. From the results achieved, both on execution and financial fronts, it is evident that it has succeeded in setting new milestones in the shipbuilding industry, with persistent ‘ahead of time’ contractual deliveries, as a direct result of reduced ‘build periods’ and strong commitment to contractual delivery schedules.

Production Performance: Situated strategically on the banks of river Zuari, the shipyard has exhibited **unparalleled performance by delivering 27 ships in the last four years, all ahead of schedule**, amounting to cumulative tonnage of 32,000 tonnes, 12,000 tonnes alone in FY 17-18, highest in the industry. This include 01 NOPV for Indian Navy, 06 Coast Guard AOPVs, 02 AOPVs to Sri Lanka, 02 Fast Patrol Vessels & 11 Fast Interceptor Boats to Mauritius, 04X 1000 Ton fuel

barges to Indian Navy and 01 Damage Control Simulator each to Myanmar and Indian Navy. In the last year alone, the Shipyard has undertaken refits, valued in excess of Rs 100 Crore, which is more than cumulative refit work undertaken in last 10 years by the yard.

Its accomplishments in terms of timely delivery of new construction ships, and completion of refits as per schedule over last four years, validates the processes and high productivity being enjoyed by the yard currently, which has enabled it to establish new benchmarks for the industry. It has become particularly significant, as other shipyards operating in the same ecosystem have experienced repeated time and cost overruns in every project delivered, which has been a bane for Indian shipyards for years together and major sore point with the Navy / users.

Exports: With dependable and robust products/ processes and committed workforce, the Shipyard has emerged as the largest exporter of defence ships from Indian sub-continent. In the last three years alone, it has delivered 02 large OPVs



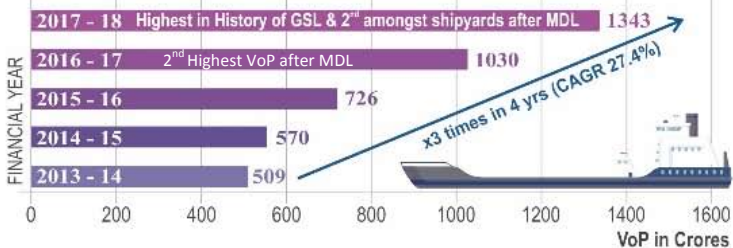
to Sri Lanka, 11 FIBs and 02 FPVs to Mauritius, and a Damage Control Simulator to Myanmar. The two Sri Lankan OPVs are the biggest warships to be exported from India and largest in the Sri Lankan Fleet. Not resting on the laurels, the Shipyard is on continuous lookout to expand footprint globally through participation in international shipbuilding programs, such as Corvettes for Brazil and LST for Nigeria. The company has emerged as L1 in global tender floated by Nigeria for procurement of LSTs.

Financial Performance in Last Four Years: Strategic alignment and refinement in policies, driven by the proactive management has not only helped the Shipyard, to recover from the operational losses recorded in FY13 and FY14, but has also enabled it to achieve exponential growth consistently in last four years. The Value of Production in last four years has increased nearly 3 times from Rs. 509 Crore in FY 14 to Rs 1343 Crore in FY 18, the highest VoP ever recorded in the history of GSL, with profits jumping from (-) Rs 63 Cr losses in FY 13 to PBT of Rs 331 Cr in FY 18. The company hold the distinction of recording highest operational profits, export / import ratio etc in the industry.

Absorbing Technology: Shipyard has taken long stride in indigenous construction of key products in-house locally at GSL, in collaboration with top industry leaders like MTU, THALES, Naval Group etc, which have validated the position of GSL as a 'partner of choice' for co-production of future defence systems besides having potential to change the profile of Indian ship building industry in times to come.

Future Projects: While the Shipyard has achieved nearly 28% compounded growth in Turnover over last four years, the best is yet to come. Major import substitute projects, which shipyard has been entrusted by the MoD, are the indigenous construction of two Advanced Missile Frigates 1135.6 and 12 Mine Counter Measure Vessels. While the 1135.6 ships will be constructed under ToT from Russia, Shipyard has taken on the onerous task of fitment of about 50 major indigenous equipment/ systems and shipyard is working resolutely with the Navy and indigenous OEMs for their integration with the main platform. Similarly for MCMVs, the Shipyard will absorb advanced MCMV technology through tie-up with an established world leader and undertake indigenous construction first time in the country. It is also gearing up to undertake indigenous construction of advanced Hovercrafts for requirements of Coast Guard and Indian Army.

FINANCIAL PERFORMANCE: VALUE OF PRODUCTION



STRONG FINANCIALS (in Crores)

Particulars	FY 14	FY 15	FY 16	FY 17	FY 18	Increase in last 4 years
Revenue	553	681	805	1102	1452	263% ↑
Profit before Tax	-63	53	111	177	331	726% ↑
Return on Average Capital Employed (ROCE) (%)	-7%	8.2%	13.3%	17.3%	26.6%	33.6% ↑

In last 4 years Company has recorded cumulative PBT of Rs 672 Crs, since taking over of new CMD – Rear Admiral Shekhar Mital.

Role of Employees: All this success would not have been possible without the grit and determination of the employees of GSL. They have played an active role in GSL's upswing and continuously looking to establish new standards in the industry. Company is now taking a lead in skill upgradation program in the field of 3D training in Computer Aided Design and Manufacturing through 'CEMS' State of Art 'Centre of Excellence in Manufacturing & Shipbuilding' set up by Siemens, Ministry of Shipping and IRS at Mumbai and Vizag. This will help to improve the efficiency of the workforce through the migration of Design and Manufacturing processes to Industry 4.0 level. Certainly, after achieving resounding success in all quarters and new emerging opportunities, the GSL workforce, including officers and workers, are a much happier lot now.

Awards: The outstanding turnaround of the Shipyard with best performance in the industry has been duly recognized through various awards conferred on GSL. This includes **Scope Award by the President** for Turnaround in FY 15. The Shipyard was also rated as the '**Best Performing Shipyard of MoD**' during RM Excellence Award ceremony held on 30 May 17. The par excellent performance of the Shipyard is also substantiated by the 'Excellent' MoU rating with 100% score obtained by the Shipyard for the year 2016-17, highest by any DPSU in last 10 years.

