



COCHIN SHIPYARD LIMITED



CRUISE 2030
Annual Report 2019-20

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CRUISE 2030

The Company understands that long term sustenance is to position CSL as a knowledge company, capable of imbibing technological advances combined with innovation & commercial aggressiveness. This would call for a process of unlearning, re-learning, revamping & recasting, for resurgence as an organisation of the future with a long term strategy road map with visibility upto 2030.

In March 2019, CSL kicked off CRUISE 2030 (CSL's Revenue & profitability Unlock through Integrated Strategic Excellence 2030) along with M/s. Boston Consulting Group (BCG) to formulate strategic roadmap to achieve its 2030 vision of 6-8X growth. Over next 10 years, CSL has setup a bold ambition to transform from being the leading Indian Shipyard to one of the leading global shipyards. This transformation requires relentless focus on revenue growth as well as developing and sustaining global competitiveness through systematic operational excellence.

Disclaimer

Statements in this report that describe the Company's objectives, projections, estimates, expectations or predictions of the future may be 'forward-looking statements' within the meaning of the applicable securities laws and regulations. The Company cautions that such statements involve risks and uncertainty and that actual results could differ materially from those expressed or implied. Important factors that could cause differences include raw materials' cost or availability, cyclical demand and pricing in the Company's principal markets, changes in government regulations, economic developments within the countries in which the Company conducts business, and other factors relating to the Company's operations, such as litigation, labour negotiations and fiscal regimes.

HIGHLIGHTS OF THE YEAR

April 2019

April 25: Launching of 2 nos. RO-PAX Vessels for IWAI in the presence of Shri Sanjay Bandopadhyaya IAS, Additional Secretary, Ministry of Shipping, Govt. of India.

April 30: CSL signed contract for building 8 nos. Anti-Submarine Warfare Shallow Water Crafts for Indian Navy.

May 2019

May 17: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

June 2019

June 04: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Sobha A, Superintendent (Office), CSL.

June 14: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept., by Smt. Madhavi K K, Leading Service Assistant (Office), CSL.

June 14: Steel Cutting of 2 nos. RO-RO Vessels for IWAI by Shri Alok Ranjan, ICAS, Member (Finance), IWAI.

June 26: Commencement of Block Erection of 2 nos. RO-PAX Vessels for IWAI by Shri Paul Ranjan D, Director (Finance), CSL and Shri Mathew George, Director, IWAI.

July 2019

July 01: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

July 10: Steel Cutting of Brows & Pontoons for INS Vikramaditya and IAC for Southern Naval Command, Kochi, by Capt. Ramesh Krishna, SSO (Projects), HQSNC, Indian Navy.

August 2019

August 02: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Susamma P, Senior Service Assistant (Office), CSL.

August 12: Launching of 2 nos. RO-PAX Vessels for IWAI by Smt. Asha Paul W/o. Shri Mathew George, Director, IWAI and Smt. Mini C C, W/o. Shri Suresh Babu N V, Director (Operations), CSL.

August 16: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. E A Rajalekshmi, Leading Service Assistant (HK), CSL.

August 28: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

August 29: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Sobha K B, Service Assistant (Canteen), CSL.

September 2019

September 04: Steel Cutting of 4 nos. 8000 DWT Mini General Cargo Ships for Utkarsh Advisory Services Private Limited (JSW Group) by Shri Pranab Jha, Vice President - Shipping, JSW Steel Limited.

September 16: Commencement of Block Erection of 2 nos. RO-PAX Vessels for IWAI by Shri Suresh Babu N V Director (Operations), CSL and Shri Bejoy Bhasker, Director (Technical), CSL.

September 19: Inauguration of CSL Maritime Park by Shri Mansukh L Mandaviya, Hon'ble Minister of State for Shipping (Independent Charge) and Chemicals & Fertilizers.

September 20: Keel Laying of 1 no. Marine Ambulance Boat for the Department of Fisheries, Govt. of Kerala, by Smt. J Mercykutty Amma, Hon'ble Minister of Fisheries, Harbour Engineering & Cashew Industry.

September 30: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Chandrika Devi D, Jr. Superintendent (Office), CSL.

Turnover

₹ **3422** crores

Achieved Record Turnover

Shipbuilding Turnover

₹ **2852** crores

Achieved Record Shipbuilding Turnover

Profit After Tax

₹ **638** crores

Achieved Record Profit After Tax



अशोका
ASHOKA

COCHIN SHIPYARD LIMITED
LAUNCHING CEREMONY
SHIP 023
(12000 TONNAGE GENERAL CARGO VESSEL)
ANDAMAN NICOBAR ADMINISTRATION
"SRI RAMKISHOR K. SINGH" (C/O, NPOL)
(3000 TONNAGE GENERAL CARGO VESSEL)
In the presence of Senior Officers, distinguished Guests & All Employees of CSL
28 JANUARY 2020 (Tuesday)

HIGHLIGHTS OF THE YEAR

October 2019

October 21: Launching of 2 nos. RO-PAX Vessels for IWAI by Smt. Julie Jose W/o. Shri Jose V J, Director (Finance), CSL and Smt. Binu N S, W/o. Shri Bejoy Bhasker, Director (Technical), CSL.

October 28: Commencement of Block Erection of 2 nos. RO-PAX Vessels for IWAI by Shri Suresh Babu N V, Director (Operations), CSL and Shri Mathew George, Director, IWAI.

October 29: CSL signed contract for design and construction of 23 nos. of Hybrid Electric - Passenger Ferries for Kochi Metro Rail Limited.

October 31: CSL signed Phase III contract for construction of the Indigenous Aircraft Carrier for Indian Navy.

November 2019

November 01: CSL acquired 26 percent equity stake of Hooghly Cochin Shipyard Limited from the joint venture partner to become a wholly owned subsidiary of CSL.

November 07: Steel Cutting of Floating Border Outposts for Ministry of Home Affairs, Govt. of India, by Shri Mukesh Tyagi, DIG (Water Wing), Border Security Force.

November 07: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Radhamoni G, Leading Service Assistant (HK), CSL.

November 08: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

November 21: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Omana E S, Senior Assistant (Finance), CSL.

November 2019

November 22: CSL delivered 2 nos. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

November 28: CSL signed agreement with Andaman and Nicobar Administration for operation and management of the Marine Dockyard, Port Blair and for development of the ship repair eco system of the islands.

December 2019

December 04: With a view to promote paperless office culture in CSL, the Company implemented SAP File Life Cycle Management, a full-fledged online file and document management system.

December 19: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. P D Lisamma, Leading Service Assistant (HK), CSL.

December 21: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

January 2020

January 04: Launching of 2 nos. RO-PAX Vessels for IWAI by Smt. Gayathri M, Deputy Commissioner, Income Tax, Kochi and Smt. Bindu P R, Asst. Commissioner, State Goods and Services Tax, Ernakulam.

January 24: Commencement of Block Erection of 2 nos. RO-RO Vessels for IWAI by Smt. Amita Prasad IAS, Chairperson, IWAI.

January 28: Launching of 1 no. 1200 Pax Cum 1000T Cargo Vessel for Andaman and Nicobar Administration by Smt. Rameetha K, Scientist 'G', NPOL (DRDO) and W/o. Shri Madhu S Nair, CMD, CSL.

January 2020

January 29: Launching of 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. V Kala, Company Secretary and General Manager (Finance), CSL.

February 2020

February 15: Launching of 2 nos. Tuna Long Liner Cum Gilnetter Fishing Vessels for the beneficiaries of Tamil Nadu Fisheries Dept. by Smt. Nitya Kalyani, the beneficiary and Smt. Mini B, Asst. Administrative officer (SG) CSL.

March 2020

March 04: Keel laying of 2 nos. 8000 DWT Mini General Cargo Ships for JSW Shipping & Logistics Private Limited by Shri Pranab Jha, Vice President, JSW Shipping and Shri Vipon Chopra, Advisor, JSW Shipping.

March 04: CSL emerged as successful resolution applicant for Tebma Shipyards Limited undergoing Corporate Insolvency Resolution Process, under the Insolvency and Bankruptcy Code, 2016

March 09: Launching of 1 no. Marine Ambulance Boat for the Department of Fisheries, Govt. of Kerala, by Smt. Sreelu N S, Jt. Dir. Fisheries & Exec. Dir. SAF.

March 09: CSL delivered 1 no. Tuna Long Liner Cum Gilnetter Fishing Vessel for the beneficiaries of Tamil Nadu Fisheries Dept.

March 11: The protocol signing ceremony for delivery of 4 nos. of RO-PAX Vessels for IWAI.

March 13: The protocol signing ceremony for delivery of 4 nos. of RO-PAX Vessels for IWAI.

A RARE SIGHT IN INDIAN SHIPBUILDING

Made in CSL Ro-Pax vessels and fishing vessels ready for its voyage. In March 2020, CSL delivered 8 Ro-Pax vessels to the Inland Waterways Authority of India (IWAI). The vessels designed to carry both passengers and vehicles would be operated in strategic locations in National Waterways 1 and 2. During the year, CSL delivered 8 fishing vessels and 5 vessels are ready for delivery. The vessels have been built for the beneficiaries of Tamil Nadu Fisheries Department under the 'Blue Revolution Scheme' introduced by the Government of India. These vessels targets to promote sustainable fishing practices such as Gill netting and Long lining in the deep sea and also to provide necessary fishing infrastructural facilities to support deep sea fishing. This indeed is reflection of the commitment of CSL Shipbuilding division.



EXPANDING SHIPBUILDING AND REPAIRING CAPABILITIES

New Dry-dock

CSL is in the process of setting up a new dry-dock. The new dry-dock measuring 310 x 75/60 x 13 m with a 600T Gantry crane will be capable of handling vessels upto Suezmax, Aircraft Carriers of 70000T displacement, Jack-up rigs, LNG vessels etc.

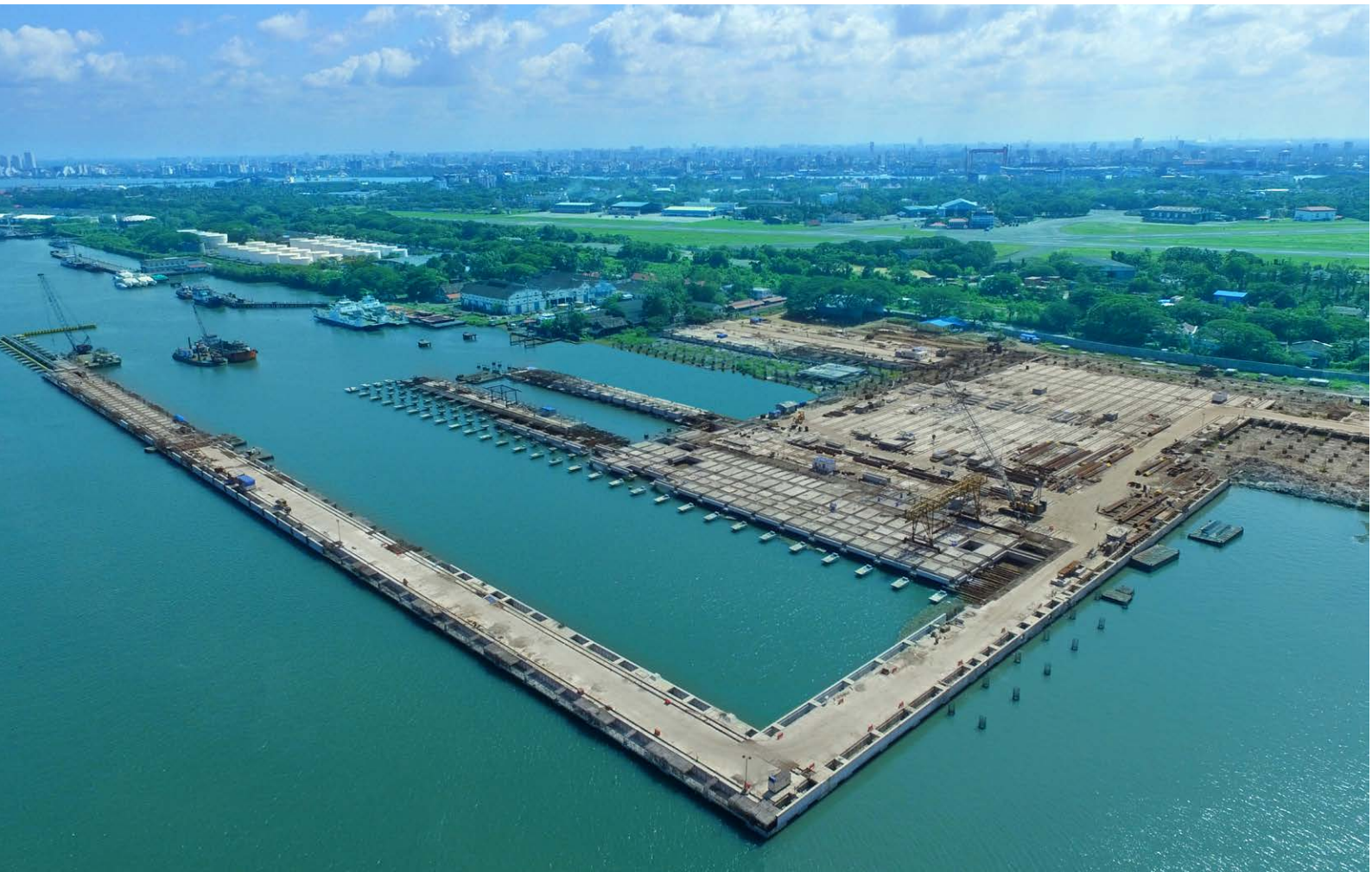


How We Are Progressing

Construction activities commenced in June 2018 were progressing seemingly well. Ground improvement works are completed. RCC piling and sheet pile installation works are in progress. Around 40% of RCC piling and 70% of sheet piling works have been completed. Contract for the supply & commissioning of 600 T gantry crane was issued on March 14, 2019 and review of design submitted by the contractor is being carried out

ISRF

The International Ship Repair Facility (ISRF) will modernise and expand the existing ship repair facility in CSL. The ISRF includes 6000T shiplift for ships upto 130 x 25 m with six work stations and allied facilities. Total outfitting berth of 1500 meters approx.



How We Are Progressing

More than 95% of the piling works, 50% of the deck concreting & 80% of the dredging activities of the ISRF are completed and the facility is expected to be commissioned in FY 2021-22.

CSL-Mumbai Ship Repair Unit (CMSRU)

CSL entered into an agreement with Mumbai Port Trust (Mbpt) for management and operation of the ship repair facilities at Mumbai Port Trust for expansion of the ship repair capacity within the Indira Dock, that may include setting up of a floating dry-dock and upgrading existing facility at Hughes dry-dock thereby enhancing the existing ship repair capacity in Mumbai Area. During the year 24 vessels were repaired at CMSRU.

CSL-Kolkata Ship Repair Unit (CKSRU)

CSL entered into an agreement with Kolkata Port Trust (KoPT) for utilizing two dry-docks at Netaji Subhas Dock and Berth No.6 for a period of 15 years, with an option to extend upto 30 years. CSL will establish a professional ship repair ecosystem, that would be beneficial for the commercial as well as defence ship repair industry in east coast of India. The Honorable Prime Minister of India, Shri Narendra Modi formally inaugurated the CKSRU facility on January 12, 2020 at a function held as part of the commencement of the Sesquicentenary Celebrations of the Kolkata Port Trust.



CSL-Andaman & Nicobar Ship Repair Unit (CANSRU)

CSL has entered into an agreement with the Andaman & Nicobar Administration to commence operations at Marine Dockyard, at Port Blair, a facility that is currently being operated directly by the A&N Administration. Under the ambit of this agreement, the CSL A&N Ship Repair Unit, named (CANSRU), shall assist the Administration in developing an overall ship repair ecosystem at Andaman & Nicobar Islands. CANSRU shall also assist & associate in augmentation and modernization of existing facilities. Focus on skill development in consultation with the Administration and technical institutions located in the Islands, is also part of the mandate of the agreement. The agreement is for a period of 30 years, during which CSL is expected to spruce up the operational efficiency of the dockyard as well as improve the overall ship repair ecosystem in the Island to ensure faster turnaround and minimise downtime of the vessels, which are the lifeline for the Islands.

CHAIRMAN'S ADDRESS



Dear Shareholders

It gives me immense pleasure to welcome you all, on behalf of the Board of Directors to the 48th Annual General Meeting of your Company, Cochin Shipyard Limited (CSL). I would like to take you through the highlights of performance and achievements of the Company in the year 2019-20, impact of COVID-19 and the initiatives for the future.

Operating Scenario

The operating scenario this year saw significant changes with CSL Mumbai Ship Repair Unit (CMSRU) at Mumbai ramping up operations and increasing momentum. CSL Kolkata Ship Repair Unit (CKSRU) at Kolkata became operational and has since completed three projects. The year also saw CSL moving into Andaman & Nicobar with the inauguration of the CSL Andaman & Nicobar Ship Repair Unit (CANSRU) at Port Blair. The long term business strategy road map worked out firmly points out the necessity of pro-active marketing efforts on both commercial and defence sectors. The main focus segments on the commercial front would include coastal, inland, fishing, specialised vessels etc. The

eight Ro-Pax vessels contracted for Inland Waterways Authority of India (IWAI) for operations in NW1 & NW2 was delivered amidst the COVID-19 lockdown and sailed off to Kolkata. The yard construction at Hooghly Cochin Shipyard Limited (HCSL), the 100% subsidiary of CSL at Kolkata is making good progress, except the delay that would accrue on account of the COVID-19 lockdown period. This is being set up as a dedicated facility for construction of inland water vessels. With further development of the inland waterways and coastal segment, the Company sees more opportunities here. CSL has also delivered 11 out of the 16 Fishing Vessels contracted for the Tamil Nadu beneficiaries. The balance 5 vessels are ready for delivery. Sensing the high potential in this arena for good quality safe and technologically advanced vessels, CSL aspires to spin off a dedicated vertical which will enable production of these vessels to cater to the high demand volume envisaged. Towards this, CSL submitted a Resolution Plan for TEBMA Shipyard Limited, which was listed under the National Company Law Tribunal (NCLT) and succeeded in obtaining favourable orders for taking over the facility. Physical activities towards this will commence once lockdown restriction are eased up.

Achievements

We feel that our diversified focus & many-front approach while at the same time retaining sights on the main business segments viz., defence & commercial ship building has helped us to achieve another year of impressive results. The Company posted an all time high turnover of ₹3422.49 crores and PAT of ₹637.69 crores. The shipbuilding income was at an all time high of ₹2,852.27 crores. The ship repair turnover during the year was ₹570.23 crores.

The Indigenous Aircraft Carrier (IAC) contract continues to progress well and the vessel was getting ready for its first sea sortie, when the pandemic struck the project has entered its trials phase. All four gas turbines of the ship were started in the month of November 2019. Also, a major milestone of pre-CST docking was completed in the month of December 2019 during which extensive work on shafting, underwater valves, underwater painting and other docking related activities were carried out. These included foundations installation of Luna, Kavach, Rezistor E, RAN 40L etc. Trials of all eight diesel generators of the ship have been completed. Four air conditioning plants of the ship has been energised. Harbour acceptance trials of ships systems such as salvage, heeling & trimming, bilge and firemain are progressing as per the schedule. Trials of IPMS (Integrated Platform Management System) are also progressing satisfactorily. Operations checks of energy distribution centers, power panels, RCOS/ HCOS and 24v DC transrectifiers have been completed. Phase-III contract of the ship has been signed and its activities related to AFC and super structure outfitting is at culmination stage. Next immediate milestone is the basin trials followed by the sea trials of the ship and its associated activities are progressing satisfactorily. Work on the two 500 pax passenger vessels for A&N Administration which has a capacity to carry 500 PAX and 150 MT Cargo is also progressing well and the first vessel is ready for sea trials. The remaining two 1200 pax passenger vessels for A&N are at the assembly / erection stage.

The work on the first two vessels in the series of 4 Nos. of 8000 Mini Bulk Carriers for the JSW Group is progressing and is nearing readiness for erection in the dry-dock. These vessels which were originally scheduled for delivery between Augusts to December 2020, has also been affected both the local effects of the COVID-19 lockdown as well as its impact on the global supply chain. Work on the construction of 9 Nos. Floating Border Outpost vessels for the BSF has commenced while the Brows & Pontoon project for the Indian Navy is on the verge of delivery.



The Company posted an all time high turnover of ₹3422.49 crores and PAT of ₹637.69 crores. The shipbuilding income was at an all time high of ₹2,852.27 crores. The ship repair turnover during the year was ₹570.23 crores.

On the ship repair front the Company achieved a turnover ₹570.23 crores out of which the turnover from Mumbai was clocked around ₹51 crores and ₹1.7 crores from that of Kolkata facility. We have repaired around 30 vessels in CMSRU, i.e, our Mumbai unit and 24 vessels were repaired during FY20. In CKSRU, i.e, the Kolkata Ship Repair Unit, we have repaired 4 vessels during the year. The overall performance of the ship repair unit of the Company is in line with our expectations.

Cochin Shipyard is today at a very crucial juncture of growth and development. While strengthening its core competencies in shipbuilding and ship repair, the Company is looking at new avenues, facilities and business opportunities. While focusing on the defence and large shipbuilding orders, CSL had also taken up small ships in the fishing segment and the Inland waterways segment, taking into consideration its vital requirement in the strategic interests of the nation. With a multi-locational operation and strategic depth, the Company hopes to sustain its growth in the coming years by overcoming the challenges on production loss and cash flow caused by the pandemic, through hard work, focussed marketing & innovative business models.

COVID-19

Shutdown of industrial activities owing to the COVID-19 induced nation-wide lockdown towards the end of the month of March 2020 has led to serious ramification in the Indian industry as evidenced by the contraction of industrial output in March 2020 by 16.7% as against the 2.7% growth in March 2019. This will have direct implication as the commercial shipbuilding industry prospects since it is dependent on world trade and the cyclicity of oil, natural gas, shipping, transportation and other trade related industries.

Cochin Shipyard Limited had suspended its production activities from March 23, 2020 to May 05, 2020 in compliance with the instruction of the State and Central Governments for preventing the spread of COVID-19 pandemic.

The Company has adopted various measures to prevent the spread of COVID-19. CSL charted out a detailed standard operating procedure and issued for compliance by all concerned. CSL contributed ₹2.5 crores to PM Cares Fund. The Company also distributed food & provisions kits worth ₹30 lakhs to the weaker sections of the society, in Kochi. All the employees of CSL contributed their one day salary each to PM Cares Fund and to Chief Ministers Distress Relief Fund (CMDRF). Customer connect was maintained by CSL through digital media to keep customers progressively apprised of the situation and to sustain the confidence of the customer. Work requirements were prioritized, ensured preparatory works were carried out and re-started operations in minimum time. CSL in the mean time, flagged off 4 Ro-Pax vessels for Inland Waterway Authority of India on April 25, 2020 on its maiden voyage from Kochi to Kolkatta. The lock-down period was effectively utilized to undertake dredging activities of the CSL Jetties to facilitate berthing of vessels.

The shipbuilding order book position of the Company is unaffected and the existing shipbuilding orders have not been cancelled. As the operations were stopped w.e.f from March 23, 2020, only six days production was lost in FY19-20. Hence, the impact on the financials of FY20 is minimal. There will not be any additional impact due to liquidated damages for delay in running projects as the company has already invoked Force Majeure (FM) clause available in all the contracts, by which the contractual delivery dates will get automatically extended to compensate the lock down period. Since CSL is practically zero debt Company except for the Tax free Bonds of ₹123 crores, debt servicing does not pose any serious impact. While there is a delay in collection of receivables from the customers especially from Govt., the Company does not foresee any credit risks.

Expansion Plans

International Ship Repair Facility (ISRF) at Kochi

The construction works of ISRF project, which commenced on November 17, 2017, is progressing in full swing. More than 95% of the piling works, 50% of the deck concreting & 80% of the dredging activities are completed and the facility is expected to be commissioned in FY 2021-22. As a part of our efforts to develop Kochi as a maritime hub of India, CSL had set up a maritime park near to the

International Ship Repair Facility at Willingdon Island, which was inaugurated by Hon'ble Minister of State (Independent Charge) for Shipping, Shri Mansukh L Mandaviya on September 19, 2019. Ten globally renowned firms in the maritime industry have already partnered with CSL for setting up their units in the Maritime Park in the first phase. CSL expects to position Kochi as a major ship repair hub with major operations in the present ship repair dock coupled with increased capacities that would be available when the ISRF is commissioned.

New 310M Dry-dock project at Kochi

Construction activities commenced in June 2018 were progressing seemingly well. Ground improvement works are completed. RCC piling and sheet pile installation works are in progress. Around 40% of RCC piling and 70% of sheet piling works have been completed. Contract for the supply & commissioning of 600 T gantry crane was issued on March 14, 2019 and review of design submitted by the contractor is being carried out. However, the COVID-19 impacted heavily on the projects due to multifarious reasons viz. return of migrant labours, disruption of material supply chain, deployment of limited work force owing to social distancing norms, curfew imposed by the government during the night etc. to name



The Company has adopted various measures to prevent the spread of COVID-19. CSL charted out a detailed standard operating procedure and issued for compliance by all concerned. CSL contributed ₹2.5 crores to PM Cares Fund. The Company also distributed food & provisions kits worth ₹30 lakhs to the weaker sections of the society, in Kochi. All the employees of CSL contributed their one day salary each to PM Cares Fund and to Chief Ministers Distress Relief Fund (CMDRF).

a few. Further, most of the equipment manufacturers, the CAPEX missionary suppliers have already invoked the force majeure clause available in the contract. So we are expecting some delays in this project. Despite of the uncertainties, the project commissioning is targeted by December 2022.

New Initiatives

Hooghly Cochin Shipyard Limited

Hooghly Cochin Shipyard Limited (HCSL) was initially set up as a joint venture (JV) between CSL and Hooghly Dock & Port Engineers Limited (HDPEL) and pursuant to the Union Cabinet approval, HCSL has become a wholly owned subsidiary of CSL with effect from November 01, 2019. Construction works of two outfitting jetties at the Nazirgunge facility were completed on December 31, 2019 as against MoU target of February 15, 2020, thereby meeting the 'Excellent' rating criteria of the CSL MoU with Ministry of Shipping. The jetties were inaugurated on January 30, 2020 in the presence of distinguished guests. Presently, civil construction work is in progress and has crossed 50% mark. Further, the activities under various other work packages viz., Electrical, Gas Piping, Fire Fighting etc. are also progressing which are planned in line with the progress of the civil works.

The project site had to shut down its activities from March 23, 2020 to June 08, 2020 due to the lockdown imposed by the Government Authorities to contain the spread of the Pandemic. Even though the activities at the project site resumed from June 09, 2020, limited manpower is being employed to ensure compliance with the Guidelines issued by the Government Authorities on account of the Pandemic. The HCSL team is constantly monitoring the Project and aiming at earliest completion of the project and commencement of operations.

TEBMA Shipyards Limited (TSL)

As part of CSL's long term strategy, viz., CRUISE 2030, CSL aspires to achieve 6x-8x growth by 2030 and towards this the Company identified deep sea fishing vessel as one of the several opportunities. Since fishing vessel segment calls for a dedicated facility so as to cater to the large volume of business different from the conventional shipbuilding process, CSL was in search of a suitable facility to enter into this segment. During this period, CSL found an opportunity in TSL, Malpe which was undergoing Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) and bidding for TSL through IBC was considered appropriate. Accordingly CSL submitted its Resolution Plan which was approved by the National Company Law Tribunal (NCLT),



As a part of our efforts to develop Kochi as a maritime hub of India, CSL had set up a maritime park near to the International Ship Repair Facility at Willingdon Island, which was inaugurated by Hon'ble Minister of State (Independent Charge) for Shipping, Shri Mansukh L Mandaviya on September 19, 2019. Ten globally renowned firms in the maritime industry have already partnered with CSL for setting up their units in the Maritime Park in the first phase.

Chennai on March 04, 2020. CSL is in the process of implementing the said Resolution Plan.

CSL-Mumbai Ship Repair Unit (CMSRU)

CSL entered into an agreement with the Mumbai Port Trust on October 20, 2018 to upgrade, operate and manage Ship Repair Facility at Hughes dry-dock and berth nos. 5, 6, 7 and 8 of Indira Dock of Mumbai Port. Subsequent to the execution of the agreement, CSL has commenced the ship repair operations in Mumbai on January 18, 2019. Post operationalization and repairs of around nine vessels at CMSRU in financial year ending 2019, CSL has successfully undertaken repairs to 24 vessels during the FY 2019-20. This includes submarine separation operation of Indian Naval submarine INS Vela through M/s. MDL & repairs of guided-missile destroyer INS Delhi. Other services undertaken from this new facility this year include - repairs of 5 SCI vessels including the major repair to Samudra Nidhi, 2 vessels of the Indian Coast Guard in addition to providing repair services to many private owners/agencies. CSL had also taken up repairs for a foreign client and successfully completed repairs to accommodation barge SS-3 of M/s. Bayu Maritim Berkah, Indonesia."

CSL-Kolkata Ship Repair Unit (CKSRU)

CSL signed the agreement with Kolkata Port Trust on March 28, 2019 for operations and management of ship

repair facility at Netaji Subhas Dock (NSD) for a period of 30 years. The new venture is being managed by separate unit of CSL known as “CSL-Kolkata Ship Repair Unit (CKSRU). CSL commenced ship repair operations at NSD on October 10, 2019 with docking of naval vessel ‘INS Kavaratti’. The first commercial repair vessel ‘Greatship Vidya’, an Anchor Handling Offshore Support Vessel was docked at CKSRU in January 2020. The Honorable Prime Minister of India, Shri Narendra Modi formally inaugurated the CKSRU facility on January 12, 2020 at a function held as part of the commencement of the Sesquicentenary Celebrations of the Kolkata Port Trust. CSL is currently in the process of setting up the necessary infrastructure facilities, recruitment of dedicated manpower, vendor empanelment and developing the ship repair ecosystem at CKSRU.

CSL-Andaman & Nicobar Ship Repair Unit (CANSRU)

CSL has entered into an agreement with the Andaman & Nicobar (A&N) Administration on November 28, 2019 to commence operations at Marine Dockyard, at Port Blair, a facility that is currently being operated directly by the A&N Administration. Under the ambit of this agreement, CANSRU shall assist the Administration in developing an overall ship repair ecosystem at Andaman & Nicobar Islands. CANSRU shall also assist & associate in augmentation and modernization of existing facilities. Focus on skill development in consultation with the Administration and technical institutions located in the Islands, is also part of the mandate of the agreement. The agreement is for a period of 30 years, during which CSL is expected to spruce up the operational efficiency of the dockyard as well as improve the overall ship repair ecosystem in the island to ensure faster turnaround and minimise downtime of the vessels, which are the lifeline for the Islands. CSL has since nominated its first set of executives for CANSRU. A CSL team consisting of officers representing various key departments conducted a dipstick audit of CANSRU as mandated in the agreement and the dipstick audit report has also been prepared. Submission of the same and further progress on the operational aspects will be possible once COVID restrictions are lifted. The recruitment process of CANSRU manning team has also been initiated at CSL.

Corporate Governance

The Company continued to comply with good corporate governance practices. The Company complies with the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and also the Guidelines on Corporate

Governance issued by the Department of Public Enterprises, except that the Company was short of three Non-Official Part Time (Independent) Directors including a women director on the Board for the period from March 21, 2019 to July 28, 2019 as required under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. CSL being a government company, the power to appoint Directors vests with the President of India and the Company has taken all possible steps within its power to comply with the above requirements. The Company also submits its quarterly progress reports on corporate governance within 15 days from the close of each quarter to the Ministry of Shipping as recommended by the DPE in this regard. The Report on Corporate Governance forms part of the Directors’ Report.

Human Resource Development

Various programmes for development and motivation of the employees were continued during the year. The Company continued to nominate executives at all levels to attend specific management development programmes at IIMA, IIMK, IIMC, ASCI, ISB etc. The Company conducted two customized management development programmes in association with the Indian Institute of Management (IIMK), Kozhikode. A one week programme on “General Management” was conducted at the IIMK main campus covering 24 executives up to the level of Senior Managers. One day customized programme was conducted at IIMK Kochi campus for top management on the topic “Macro Economic & Financial Imperatives for Industry”.

The “Young Officers’ Competency Development Programme” covering young managers upto the level of Deputy Managers was conducted. A second batch comprising of 25 executives have completed the sessions. Third batch of 32 executive trainees completed 40 sessions of the programme. The faculty for this programme is primarily drawn from in-house talent as well as retired executives. As part of facilitating knowledge transfer, a structured training programme for workmen in the trades of welder, pipe fitter, structural & engineering fitters and electrical covering 155 workmen was held during the year.

Industrial Relations

Industrial relations scenario of the Company continued to have cordial climate throughout the year. During the year, CSL introduced various employee welfare measures including, paternity leave to male employees of the Company including for valid adoption of a child below the age of one year, special leave for employees undergoing treatment for infertility, reimbursement of medical

expenses to employees undergoing infertility treatment etc. Realising the importance of good health of employees and as an initiative under the people first policy of CSL, a scheme for periodic health check-up for all regular employees of the Company was introduced during the year. The scheme also provides for early cancer detection screening for female spouses of employees. The Company disbursed full salary to the entire work force for the COVID-19 lock down period to maintain employee morale. In addition, special quarantine leave were granted to those employees, personnel on contract basis and trainees residing in containment zone.

Research and Development (R&D)

R&D activities have been undertaken during the year, mainly in the areas of welding procedure development and qualification of welders. Weld procedure development has been undertaken in-house for welding of lower thickness of grade AH 36 plate using Twin wired SAW process with copper backing. The weld procedure specification has been prepared and qualified to weld thickness from 9 mm to 13 mm of AH 36 grade steel plate. This new process saves considerable amount of man hour and effort since turning of large welded plates is avoided by enabling to complete the welding in one side only. The procedure has been validated by IRS Classification Society.

Capacity development and training in welding have been carried out during the period, under the Memorandum of Understanding with Welding Research Institute (WRI), Tiruchirappalli, a research institute under Bharat Heavy Electricals Limited (BHEL).

Integrated Management System

Cochin Shipyard maintained its Integrated Management System (IMS) under the ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System standards. The last surveillance audit was successfully completed in September 2019. CSL will be upgrading its Health and Safety Management system to the latest ISO 45001:2018 in September 2020.

Corporate Social Responsibility

During the year the Company was required to spend ₹12.33 crores in socially impactful CSR projects. The Company exceeded the target and the actual spent was ₹15.29 crores. The Company focused on the theme "School education and healthcare" as prescribed by the Government of India and spent 75% of its total CSR spent on the theme against the mandate of minimum 60%. In the aspirational district of Wayanad, the Company has sanctioned ₹255.50 lakhs during the year out of which ₹129.87 lakhs has been paid.

Accolades

The Company continued to post exemplary performance with reference to the MOU parameters set by GOI for the year 2019-20. However, the final rating under the MOU is yet to be received. Cochin Shipyard also received a plethora of awards in different fields, notable among them being the KMA CSR award 2019 for recognition of contribution in the category 'innovative and effective deployment of CSR fund' and also in specific contribution in the category 'health & hygiene', NIPM Best Corporate Citizen Award 2019 from National Institute of Personnel Management, in recognition of its CSR initiatives in 'healthcare' sector, Rotary International CSR Excellence Award 2019, Outstanding Safety performance award 2019 from Department of Factories & Boilers, Govt. of Kerala, in the category of very large engineering/automobile repairing and servicing, textiles and coir with more than 500 workers and various awards for implementation of the official language.

Conclusion

CSL is presently in an extremely challenging and competitive business environment. CSL has always been able to portray its competitive advantage & capabilities for bagging contracts amidst stiff competition. While strengthening its core competencies in shipbuilding and ship repair, the Company is looking at new avenues, facilities and business opportunities. With a multi-locational operation and strategic depth, the Company is poised for expected growth and development in the coming years.

I convey my thanks to all the Board Members for their valuable contribution in propelling this great organization. I thank the Ministry of Shipping, other offices of Government of India, the Government of Kerala, West Bengal and Maharashtra and the Andaman and Nicobar Administration for their unstinted support. Finally, I would like to take this opportunity to thank all the shareholders, employees and other stakeholders of the Company for the trust reposed in and solicit continued support to fulfil your expectations.

Thanking You

Jai Hind

Madhu S Nair
Chairman and Managing Director
DIN : 07376798

HOW WE CREATE VALUE

VISION

Emerge as an internationally preferred shipyard to construct world class Merchant and Naval ships, offshore vessels and structures.

Be the market leader in India for ship repairs, including conversions and up-gradation.

To be admired for our achievements, respected for our ethics and trusted for our service excellence by our valued customers.

MISSION

To build and repair ships and off-shore structures to international standards and provide value added quality engineering services.

Sustain corporate growth in competitive environment.

To adopt and undertake practices towards becoming a responsible corporate citizen.

OBJECTIVES

To sustain and enhance shipbuilding and ship repair activities through technology up-gradation and capacity augmentation.

To continuously endeavour to expand/diversify activities of the shipyard including setting up new facilities.

To carry out research & development in existing and emerging technologies in shipbuilding processes.

To move towards international benchmarking, benchmark with the best shipbuilding standards followed in India.

To motivate employees through improved specific training programs. To adopt best practices for clean and safe environment. Ride the down time with aggressive bidding and secure orders to maximize capacity.

To ensure positive customer oriented initiatives.

To build a responsible corporate citizen image through CSR & sustainability projects and compliance to corporate governance principles.

Gross Income

₹ **3670** crores

Contribution to
exchequer

₹ **514** crores

CSR spent

₹ **15.29** crores

Employee
benefit expenses

₹ **306** crores

ABOUT US

Cochin Shipyard Limited (CSL) was incorporated in the year 1972 as a fully owned Government of India Company. Presently, the Government of India holds 72.86% of equity share capital in the Company. In the last four decades, the Company has emerged as a forerunner in the Indian shipbuilding & ship repair industry and also a well-known player on the global shipbuilding front. CSL has exported 45 ships to various commercial clients outside India such as National Petroleum Construction Company (Abu Dhabi), the Clipper Group (Bahamas), Vroon Offshore (Netherlands) and SIGBA AS (Norway).

The Company has built and repaired some of the largest ships in India and is presently building the prestigious Indigenous Aircraft Carrier for the Indian Navy. Over the years, CSL has successfully responded to fluctuations in the shipbuilding requirements of the markets and have evolved from building bulk carriers to smaller and more technically sophisticated vessels such as Platform Supply Vessels (PSV) and Anchor Handling Tug Supply Vessels (AHTS). CSL has worked with several leading technology firms in the industry including Rolls Royce Marine (Norway), GTT (France), Vard Group (Norway) etc. This has added to our credibility in the international markets. Our key shipbuilding clients on the domestic front include the Indian Navy, the Indian Coast Guard and the Shipping Corporation of India Limited. CSL has also undertaken repairs of various types of vessels including upgradation of ships of the oil exploration industry as well as periodical maintenance, repairs and life extension of ships. CSL is presently one of the best performing shipyards in India.

Vessels built and delivered by
Cochin Shipyard Limited (Total as on March 31, 2020)

15

Large Vessels

35

Offshore Support Vessels

71

Small & Medium Vessels

20

Defence Vessels

OUR OPERATIONAL FOOT PRINTS



COCHIN SHIPYARD LIMITED (CSL), KOCHI

Dry-dock 1 : 255 x 43 x 9 Mtr
 Dry-dock 2 : 270 x 45 x 12 Mtr
 Dry-dock 3 : 310 x 75/60 x 13 Mtr (New)
 Berth : 1.3 KM

INTERNATIONAL SHIP REPAIR FACILITY (ISRF), KOCHI

Shiplift : 6000T (130 x 25 Mtr)
 6 Work Stations
 Dedicated Shops & Maritime Park

CSL MUMBAI SHIP REPAIR UNIT (CMSRU), MUMBAI

Dry-dock : 300 x 30 x 9 Mtr
 1Km berth for afloat repairs

CSL KOLKATA SHIP REPAIR UNIT (CKSRU), KOLKATA

Dry-docks : 172 x 23 x 8 Mtr (2 nos)

CSL-ANDAMAN & NICOBAR SHIP REPAIR UNIT (CANSRU), PORT BLAIR

Dry-dock 1 : 88 x 20 x 7 Mtr
 Dry-dock 2 : 68 x 16 x 5 Mtr
 Slipways : 25 x 8 Mtr (5 nos)

HOOGHLY COCHIN SHIPYARD LIMITED (HCSL), KOLKATA

Subsidiary Yard for Inland Vessels
 Slipway : 90 x 15m x 2 nos
 5 Outfitting Jetties

CSL-TEBMA SHIPYARD, MALPE

Standalone facility for Medium Size Vessels
 Slipway : 96 x 22 Mtr

OUR CREDENTIALS



SHIPBUILDING

Has built various types of vessels including Oil Tankers, Bulk Carriers, Tugs, Dredger, Platform Supply Vessels, Passenger Vessels, Anchor Handling Tug Supply Vessels etc. Reputed international clientele. Currently building Aircraft Carrier, Technology Demonstration Vessels, Passenger Vessels, Floating Border Outpost Vessels, Ro-Ro Vessels, Marine Ambulance Boats, Fishing Vessels, Mini General Cargo Ships, ASW Corvettes, Hybrid Electric – Passenger Vessels etc.



SHIP REPAIR

Only yard in India which has undertaken dry-dock repairs of Aircraft Carriers INS Viraat and INS Vikramaditya. Can undertake complex and sophisticated repairs to all types of vessels including Oil Rigs, Naval and Coast Guard Vessels, Offshore Vessels, Dredgers, Fishing Vessels, Passenger Ships, Port Crafts, and all other Merchant Vessels.



OFFSHORE

Has undertaken a variety of complex and sophisticated offshore upgradation contracts.



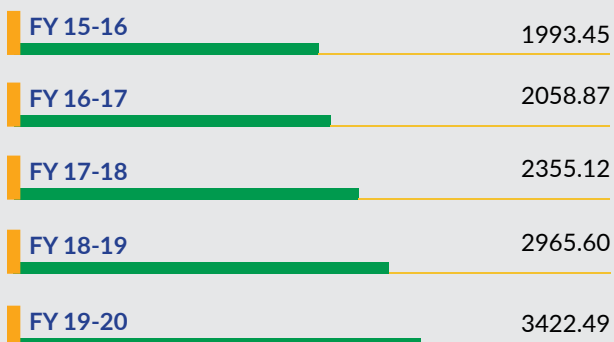
QUALITY

Cochin Shipyard upgraded its Integrated Management System by getting certified under the ISO 9001:2015 - Quality Management System and ISO 14001:2015 - Environmental Management System standards in September 2018. CSL conforms to OHSAS 18001:2007 - Occupational Health and Safety Management System. CSL will be upgrading its Health and Safety Management system to the latest ISO 45001:2018 by September 2020.

FINANCIAL HIGHLIGHTS

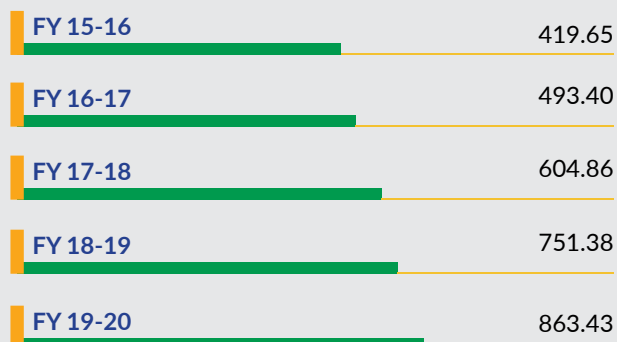
TURNOVER

(₹ in crores)



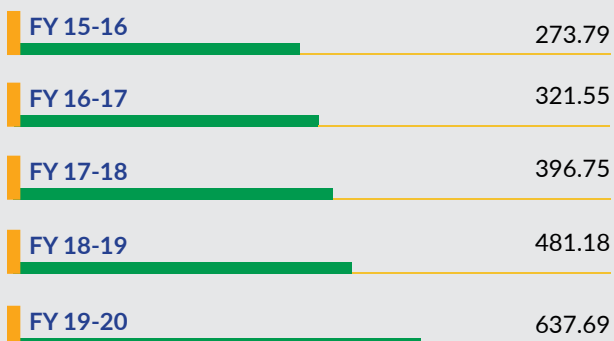
PROFIT BEFORE TAX

(₹ in crores)



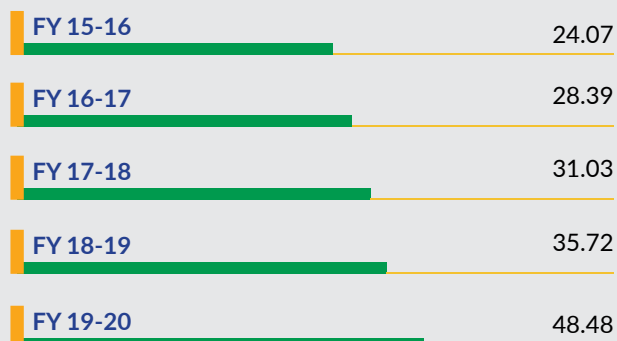
PROFIT AFTER TAX

(₹ in crores)



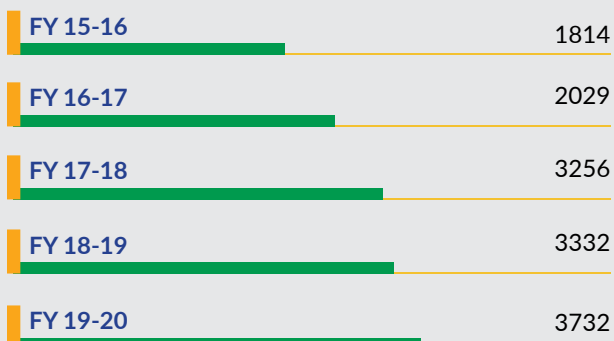
EPS

(₹)



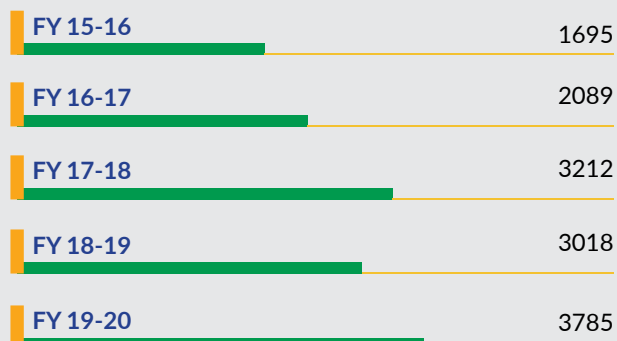
NET WORTH

(₹ in crores)



CAPITAL EMPLOYED

(₹ in crores)



Key Indicators	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
EPS (₹ per share)	48.48	35.72	31.03	28.39	24.07	20.75	17.15	16.35	15.21	20.09
Face Value Per Share (₹)	10	10	10	10	10	10	10	10	10	10
EBDIT/ Gross Turnover (%)	27.95	26.97	27.76	26.35	23.52	22.81	20.37	20.45	20.21	26.70
Net Profit Margin %	18.63	16.23	16.85	15.62	13.73	12.64	11.75	11.92	12.27	15.57
Return on Net Worth %	17.09	14.44	12.19	15.85	15.09	15.06	14.15	15.76	16.40	23.51
Return on Capital Employed %	16.85	15.94	12.35	15.39	16.15	14.50	13.97	19.08	18.76	27.44

(₹ in crores)

Particulars	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
Turnover	3422.49	2965.60	2355.12	2058.87	1993.45	1859.51	1652.66	1554.16	1404.85	1461.72
Total income	3669.99	3192.89	2544.28	2217.50	2107.37	1952.97	1728.64	1642.33	1481.54	1589.17
Profit Before Tax (PBT)	863.43	751.38	604.86	493.40	419.65	367.56	290.96	275.55	252.97	344.23
Depreciation & write offs	48.73	34.16	37.51	38.51	37.19	38.33	26.43	19.22	18.07	17.06
Profit After Tax (PAT)	637.69	481.18	396.75	321.55	273.79	235.07	194.24	185.27	172.33	227.53
Equity Share Capital	131.54	131.54	135.94	113.28	113.28	113.28	113.28	113.28	113.28	113.28
Reserves & Surplus	3600.25	3200.54	3119.93	1915.30	1701.05	1447.79	1239.25	1062.42	898.41	775.38
Net Worth	3731.80	3332.08	3255.87	2028.58	1814.33	1561.07	1352.53	1175.70	1050.83	967.80
Gross Fixed Assets	853.82	426.69	369.79	357.72	569.53	636.84	602.38	444.35	376.73	362.10
Net Fixed Assets	696.54	313.03	284.47	302.85	296.44	377.44	383.41	247.30	192.61	190.67
Number of Employees	1710	1744	1781	1829	1671	1786	1751	1656	1900	1818

OUR PEOPLE

HR VISION

Emanating from the goals and objectives enshrined in the corporate mission statement, the strategic HR vision of the Shipyard is to strive and create an unique institution that integrates creativity, innovation, technology, business and good corporate governance practices for all round improvement in the quality of work life of the yard's workforce.

HR Policy

HR policies are oriented towards providing the right mix of human resources, their empowerment and enrichment so as to meet organizational targets and results.

HR Mission

To provide a vibrant platform for all those working in the yard to give their best and ensure all round growth both for the individual and organization.

Target

To plan for, introduce/implement HR policies based on performance that would ensure growth, recognition, rewards, motivation, competence building, commitment and healthy employer-employee relations.

CSL Approach

Cochin Shipyard recognizes that among all resources it is the Shipyard's abundant professional, skilled and trained Human Resources (HR) who have been propelling the Shipyard towards achievement of targets and helping CSL gain a competitive advantage. The HR of CSL forms a very critical part of the company's business strategy. HR management system procedures and approach in CSL are designed to maximize employee welfare and performance. The Company focuses on effective

management and development of HR, recruitment, training and development, performance appraisal and rewards. HR is also concerned with the organizational change and maintaining a healthy employer employee relationship climate in the organization.

OUR PEOPLE STRENGTH

1710

The manpower strength of the Company as on March 31, 2020 was 1710 consisting of 369 executives, 136 supervisors and 1205 workmen



BOARD OF DIRECTORS



SHRI MADHU S NAIR
Chairman and Managing Director

Shri Madhu S Nair assumed charge as the Chairman & Managing Director of the Company on January 01, 2016. He holds a degree of Bachelor of Technology (Naval Architecture and Ship Building) from Cochin University of Science & Technology in first class and Masters in Engineering (Naval Architecture and Ocean Engineering) from Osaka University, Japan. He has more than 32 years of professional experience with the Company since joining as Executive Trainee in June 1988 in the entire gamut of Shipyard management. He was the key driver in forging alliances with international technology partners. He was also instrumental in conceptualizing the Small Ship Division and key player in bagging international contracts while he was heading the Marketing Division. Under his leadership, CSL became a listed company after a very successful Initial Public Offer. During his tenure, CSL is undertaking two major expansion projects worth ₹2,769 crores. Also CSL is making foray into the Inland waterways transport vessel segment by setting up subsidiary Company at Kolkata. CSL has forged alliance with the Major Port Trusts in India, viz. Mumbai Port Trust and Kolkata Port Trust for developing and operating Ship Repair ecosystems and setting up separate units in those ports. CSL also established a unit at Port Blair. He is trained in shipbuilding systems at IHI Shipyard at Kure, Japan and undergone JICA Specialized training at Overseas Vocational Training Centre (OVTA), Tokyo and Osaka International Centre, Osaka, Japan and did research in Joining & Welding Research Institute, during Masters in Engineering at Osaka University, Japan. He is a member of various Professional bodies including The Royal Institution of Naval Architects, UK (RINA), Institution of Naval Architects, India. He is a strong believer in power of people and the "people first policy" conceived by him is aimed at steering CSL into a knowledge organization. He is also the Chairman of Hooghly Cochin Shipyard Limited, a wholly owned subsidiary of CSL.



SHRI SURESH BABU N V
Director (Operations)

Shri Suresh Babu N V is the Director (Operations) of the Company from April 26, 2016. He holds a degree of Bachelor of Engineering (Mechanical) from the University of Kerala. He also holds a Diploma in Management from Indira Gandhi National Open University. He has completed one year Group Training Course in Shipbuilding, Repairing and Maintenance conducted by Overseas Shipbuilding Cooperation Centre under International Cooperation Programme of the Government of Japan under Colombo Plan. He has also undergone a practical training course with shipyard in Sekaide, Japan of Kawasaki Heavy Industries Limited. Furthermore, he has completed supplementary course in Japanese language held at Overseas Shipbuilding Cooperation Centre. He joined the Company as an executive trainee in February 1985. He has more than 35 years of work experience with the Company wherein he has had experience across various areas of the shipyard such as Shipbuilding, Materials and Ship Repair divisions. He is also a Director in Hooghly Cochin Shipyard Limited, a wholly owned subsidiary of CSL.



SHRI BEJOY BHASKER
Director (Technical)

Shri Bejoy Bhasker assumed charge as the Director (Technical) of the Company on April 05, 2018. He holds a Degree of Bachelor of Technology (Mechanical) from the University of Kerala with First Rank and Gold Medal. He also holds a Degree of Master of Technology (Mechanical) from the Indian Institute of Technology, Madras. He has completed Advanced Diploma in Management from Indira Gandhi National Open University. He joined the Company on June 29, 1988 as an executive trainee. He was awarded the "Manager of the Year" award in 2014 by Kerala Management Association. He has more than 32 years of work experience with the Company wherein he was involved in Ship Design, Ship Building, Outfit and Ship Repair divisions of the Company. He is also a Director in Hooghly Cochin Shipyard Limited, a wholly owned subsidiary of CSL.



SHRI JOSE V J
Director (Finance)

Shri Jose V J assumed charge as Director (Finance) and Chief Financial Officer of Cochin Shipyard Limited from August 2019. He is a member of the Institute of Cost Accountants of India and also holds a degree in Law from Government Law College, Ernakulam. He has approximately 29 years of work experience across diverse field viz., financial management, strategic planning, risk management, forex management, budgeting and cost control. He is also heading the Information Systems Department of the Company. He is also a Director in Hooghly Cochin Shipyard Limited, a wholly owned subsidiary of CSL.



**SHRI SANJAY
BANDOPADHYAYA IAS**
Part Time Official
(Nominee) Director

Shri Sanjay Bandopadhyaya is a Part Time Official (Nominee) Director of the Company representing Ministry of Shipping, Government of India from February 03, 2020. He is a 1988 Batch IAS Officer of Madhya Pradesh Cadre. Shri Sanjay Bandopadhyaya is presently posted as Additional Secretary to Government of India, Ministry of Shipping and is entrusted with all policies, operations and development work related to Ports, Shipping, Shipbuilding & recycling, International Co-operation and Treaties, Aid-to-navigations etc. As Additional Secretary he co-ordinated the passing of the Recycling of Ships Bill 2019 and ratification of the Hong Kong Convention. He is also co-ordinating the drafting of the new Merchant Ship Bill, Aid-to-navigation Bill and the Indian Ports Bill.

He holds a Master degree of Technology in Communications and Radar Engineering from Indian Institute of Technology, Delhi, Bachelor's degree of Engineering in Electronics and Communications and Master of Arts degree in Economics. In the past he held various senior positions in both Central and State governments viz., Principal Secretary to Government of Madhya Pradesh in charge of Dept. of Technical Educational & Skill Development, Chief Executive Officer of National Automotive Testing and R&D Infrastructure Project (NATRIP), (Under Ministry of Heavy Industries & Public Enterprises), Government of India, Joint Secretary to the Government of India, Ministry of Road Transport & Highways, the Secretary of Energy (Power & Renewable Energy), Government of Madhya Pradesh, the Managing Director of Madhya Pradesh Laghu Udyog Nigam Ltd., the Secretary of Agriculture, Government of Madhya Pradesh, the Member (Finance) of Madhya Pradesh State Electricity Board & Additional Secretary to Government of Madhya Pradesh.

He won various prestigious awards viz., the "Platinum Icon Web Ratna Award 2012" for implementing the 'Vahan' vehicle registration and permit system for the best citizen centric service by the Government of India, National Award for e-Governance (GOLD) 2009-10 presented for State School Portal and management through electronic platform, India Tech Foundation 2007 for second Best Reforming State in India in Power Sector.



SHRI JYOTHILAL K R IAS
Part Time Official
(Nominee) Director

Shri Jyothilal K R is a Part Time Official (Nominee) Director of the Company representing Government of Kerala. He was re-appointed into the Board from August 24, 2020. He holds a degree of Bachelor of Technology in Chemical Engineering from IIT Chennai. He is an IAS Officer of 1993 batch (Kerala cadre) and served in various departments of the Government of Kerala viz., Land Revenue Management and District Administration, Fisheries/Agriculture & Co-operation, Information Technology, Food, Civil Supplies & Consumer Affairs etc. He is currently posted as Principal Secretary (Transport), Government of Kerala.

CORPORATE INFORMATION

Board of Directors

Shri Madhu S Nair
Chairman & Managing Director

Shri Suresh Babu N V
Director (Operations)

Shri Bejoy Bhasker
Director (Technical)

Shri Jose V J
Director (Finance) and
Chief Financial Officer

Shri Sanjay Bandopadhyaya IAS
Additional Secretary,
Ministry of Shipping, Govt. of India
Part Time Official (Nominee) Director

Shri Jyothilal K R IAS
Principal Secretary (Transport)
Govt. of Kerala
Part Time Official (Nominee) Director

Chief Vigilance Officer

Shri K Rajendran

Management Team

Shri Ramesh K J
Chief General Manager
(Human Resource & Training)

Shri Murugaiah M
Chief General Manager (Tech)

Shri Sreejith K N
Chief General Manager (Ship Repair)

Shri Neelakandhan A N
General Manager (Planning & Project
Management)

Shri Suresh Kumar A V
General Manager (Training)

Shri Varadarajan S
General Manager & Special Officer
(KMRL Project)

Shri Rajesh Gopalakrishnan
General Manager
(Business Development & New
Projects)

Shri Harikrishnan S
General Manager (Materials)

Shri Eldho John
General Manager (Infra Projects)

Shri Subramaniya Pillai R
General Manager (U&M)

Shri Sivakumar A
General Manager (Ship Building)

Shri Sunil Kumar K R
General Manager (IAC)

Smt. Anjana K R
General Manager (Design)

Shri Jayan K Thampi
General Manager
(Ship Repair-Mumbai)

Shri Syamkamal N
Company Secretary &
Compliance Officer

Registered Office

Cochin Shipyard Limited
Administrative Building,
Cochin Shipyard Premises,
Perumanoor, Ernakulam, Kerala,
India - 682 015

Bankers

State Bank of India
Canara Bank
Union Bank of India
IDBI Bank
Axis Bank

Statutory Auditors

M/s. Elias George & Co.
Chartered Accountants,
38/1968 A, EGC House,
HIG Avenue West End,
Gandhi Nagar, Kochi - 682 020

Secretarial Auditors

M/s. Mehta & Mehta
Company Secretaries
201-206, Shiv Smriti, 2nd Floor,
49/A, Dr. Annie Besant Road,
Above Corporation Bank, Worli,
Mumbai - 400 018

Cost Auditors

M/s. K A Felix & Co.
D31/670, Parvathy Nilayam,
Opp. Welcare Hospital, Vyttila P.O.,
Ernakulam - 682 019

Debenture Trustees

SBICAP Trustee Company Ltd.
6th Floor, Apeejay House,
3, Dinshaw Wachha Road,
Churchgate, Mumbai - 400 020

Registrar & Transfer Agents

Link Intime India Pvt. Ltd.
Surya, 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore - 641 028

CORPORATE SOCIAL RESPONSIBILITY

CSR VISION

Cochin Shipyard Limited in consonance with its corporate vision looks forward to continuing in the best tradition of being a responsible corporate citizen recognised for the quality of its products and services and respected for its ethical way of conducting business. In this, it endeavours to follow the path of shared inclusive growth, thereby distributing the fruits of its prosperity towards improved quality of life of the society and contributing to environment and nature for sustainable development.



Support for purchase of Optimist Class Sail Boats for Sea Cadet Corps.



Construction of modern public toilet block at Atlantis Junction, MG Road, Ernakulam, contributing to the promotion of sanitation in the city under Swachh Bharat Abhiyan of Government of India.



A touching gift to blind school - Provided equipments for blind friendly children's park and for Physiotherapy Centre at Kerala Blind School Society, Thottumugham, Aluva, Ernakulam District.



From death's door to doctor's hand - Support for purchase of two Maruti Eeco basic life support ambulances and three Maruti Eeco vehicles for Palliative Care Department at General Hospital, Ernakulam.



One less plastic bag campaign - Distributed 20,000 jute bags to general public in association with Times of India under Swachh Bharat Abhiyan to reduce the use of plastic bags.

Number of CSR Projects in FY20

116

Amount spent for CSR during the year

₹ **15.29** crores

DIRECTORS' REPORT

Dear Shareholders,

- Your Directors have pleasure in presenting the 48th Annual Report of your Company along with the audited financial statements for the year ended March 31, 2020.

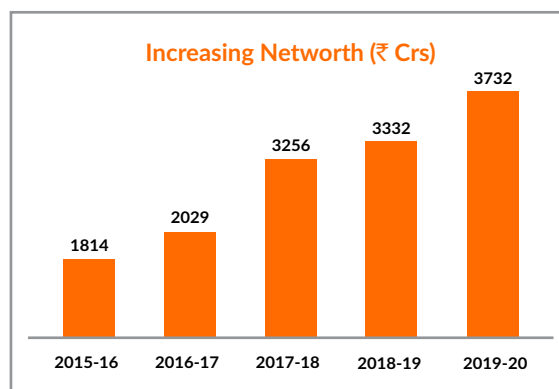
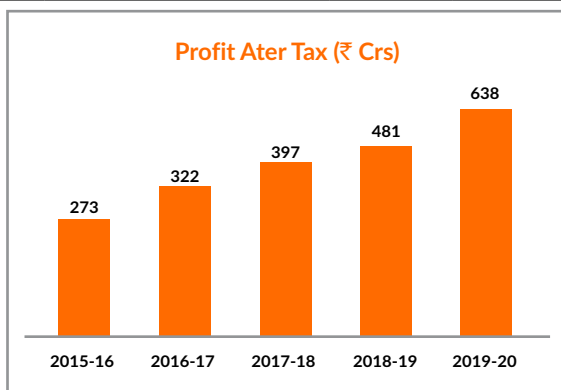
Financial Performance

- Your Company posted yet another year of impressive performance despite the shipbuilding market scenario remaining lackluster. Diversified operational segments and product profile helped the Company to achieve a turnover of ₹3,422.49 crores for the year as compared to ₹2,965.60 crores in the year 2018-19. The profit before tax is ₹863.43 crores for the year as against ₹751.38 crores in the previous year. The net profit is ₹637.69 crores as compared to ₹481.18 crores for the previous year.
- The authorised share capital of the Company is ₹2,50,00,00,000/- divided into 25,00,00,000 equity shares of face value of ₹10/- each. The paid up share capital of the Company is ₹1,31,54,03,900/- divided into 13,15,40,390 equity shares of face value of ₹10/- each.

Financial Highlights

(₹ Crs)

Sl. No.	Particulars	2019-20	2018-19
(i)	Gross Income	3669.99	3192.89
(ii)	Profit before finance cost, depreciation & tax	956.75	799.83
(iii)	Finance costs	44.59	14.30
(iv)	Depreciation & write off	48.73	34.16
(v)	Profit Before Tax	863.43	751.38
(vi)	Tax Expense	225.74	270.20
(vii)	Net profit	637.69	481.18



Dividend

- As per Office Memorandum F.No.5/2/2016-Policy dated May 27, 2016 issued by Department of Investment and Public Asset Management (DIPAM), every CPSE have to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher. Accordingly, your Directors are pleased to recommend a dividend of ₹15/- per share on the 13,15,40,390 fully paid equity shares of ₹10/- each. Earlier, an interim dividend of ₹1.63/- per equity share has been paid to the shareholders during 2019-20. Thus, the total dividend for the year 2019-20 is ₹16.63/- per equity share (166.30%), amounting to ₹218.75 crores. No unclaimed dividend (previous years') is due to be transferred to the Investor Education and Protection Fund (IEPF).

Dividend Distribution Policy

- As per Regulation 43A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the top five hundred listed entities shall formulate a dividend distribution policy. Accordingly, dividend distribution policy has been adopted to set out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to its shareholders and/or retaining the profit into the business. The policy is enclosed as **Annexure 1** to this report and is available on the CSL's website at <https://www.cochinshipyard.com/uploads/coporate/1776176ff06b7942265b7265e3f6bd97.pdf>

Transfer to Reserves

- As per the amendment made to the Companies (Share Capital and Debenture) Rules, 2014 notified

vide Notification No. G.S.R. 574(E) by the Ministry of Corporate Affairs, the Company is not required to create Debenture Redemption Reserve in respect of the bonds issued by it. As on March 31, 2020, the Company has Reserves and Surplus amounting to ₹3,600.25 crores which reflects the inherent financial strength of the Company.

Contribution to Exchequer

- The total contribution made during the year by way of income tax, customs duty, service tax (SVLDRS), GST and dividend including dividend distribution tax was approximately ₹513.73 crores.

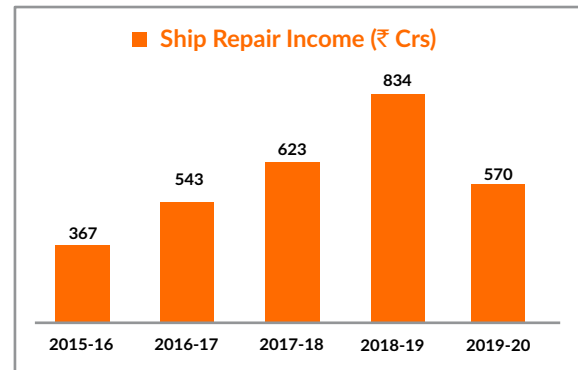
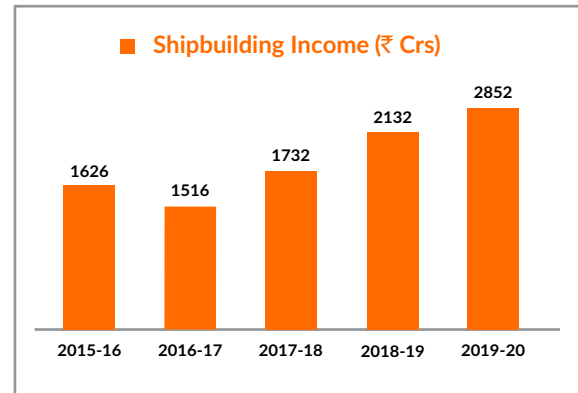
Shipbuilding

- The Company achieved a total shipbuilding income of ₹2,852.27 crores during 2019-20 as against ₹2,132.02 crores in 2018-19. During the year 2019-20, CSL delivered eight Ro-Pax vessels for Inland Waterways Authority of India (IWAI). The yard also completed various major milestones on the projects which includes, launching of two 500 Pax cum 150 MT Cargo vessels and one 1200 Pax cum 1000 MT Cargo vessel being built for Andaman & Nicobar Administration, launching of one Marine Ambulance Boat for the Fisheries Department of Government of Kerala, launching of two nos. of Brows and pontoons for Indian Navy, steel cutting of 8000 DWT Mini General Cargo Ships for Utkarsh Advisory Services Private Limited (JSW group). CSL also delivered eight Tuna Long Liner cum Gillnetter Fishing Boats for the beneficiaries of Tamil Nadu and five numbers of Tuna Long Liner cum Gillnetter Fishing Boats are in the final stages of delivery. Further, Brows and pontoons for Indian Navy, Floating Border Outpost vessels for Ministry of Home Affairs and two nos. of Marine Ambulance Boats for Govt. of Kerala are progressing.
- Indigenous Aircraft Carrier (IAC) project has entered its trials phase. All four gas turbines of the ship were started in the month of November 2019. Also, a major milestone of pre-CST docking was completed in the month of December 2019 during which extensive work on shafting, underwater valves, underwater painting and other docking related activities were carried out. These included foundations installation of Luna, Kavach, Rezistor E, RAN 40L etc. Trials of all eight diesel generators of the ship have been completed. Four air conditioning plants of the ship have been energised. Harbour acceptance trials of ships systems such as salvage, heeling & trimming, bilge and firemain are progressing as per the schedule. Trials of IPMS (Integrated Platform Management System) are also progressing satisfactorily. Operations checks of energy distribution centers, power panels, RCOS/HCOS and 24v DC trans-rectifiers have been completed.

Phase 3 contract of the ship has been signed and its activities related to AFC and super structure outfitting is at culmination stage. Commissioning of various equipments and system has commenced after the lock down. Basin Trials of the vessels is scheduled in October 2020.

Ship Repair

- During the year, the Company achieved a total ship repair income of ₹570.23 crores. as compared to ₹833.58 crores during the financial year 2018-19. Major vessels repaired during the year in the main yard include INS Sharda, INS Jyoti, INS Tir, INS Jamuna, Samudra Sarvekshak, Dredge XXI, Nancowary & Shanti Sagar - 4. Major vessels repaired during the year in CSL Mumbai Ship Repair Unit include INS Delhi, Separation of Submarine - 4 (INS Vela), Samudra Nidhi & Support Station - 3. Major vessels repaired during the year in CSL Kolkata Ship Repair Unit are Great ship Vidhya & INS Kavaratti.



Shipbuilding Order Book Position

- During the financial year 2019-20, CSL had been successful in securing against intense competition, shipbuilding orders for 8 Nos. of ASW corvettes for Indian Navy, signing of Phase III contract of Indigenous Aircraft Carrier for Indian Navy and 23 Nos. of Hybrid Electric - Passenger Ferry (100 Pax) for Kochi Metro

Rail Limited (KMRL). The order book position as on March 31, 2020 is as follows:

Vessel Type	Nos.
Indigenous Aircraft Carrier for the Indian Navy	01
Technology Demonstration Vessel (Special Purpose Vessel) for DRDO	01
500 passenger cum 150 MT cargo vessel for A&N Administration	02
1200 passenger cum 1000 MT cargo vessel for A&N Administration	02
Tuna Longliner Cum Gillnetter Fishing Boat for Tamil Nadu	05
Ro-Ro vessels for Inland Waterways Authority of India for NW3	02
Brows & pontoons for Indian Navy	02
Marine Ambulance Boat for Kerala Government	03
Mini Bulk Carrier of 8000 T for Utkarsh Advisory Services Private Limited (JSW group)	04
Floating Border Outpost vessels for Ministry of Home Affairs	09
Anti Submarine Shallow Water Corvettes for Indian Navy	08
Hybrid Electric - Passenger Ferry (100 Pax) for KMRL	23

Expansion Projects

12. Details of major projects and initiatives taken up during 2019-20 are as follows:

i) **International Ship Repair Facility (ISRF) at Cochin Port Trust**

CSL continued to operate the dry-dock & existing facilities in the leased area (first phase) at Cochin Port premises. CSL completed the repairs of eleven ships during the financial year 2019-20. The construction works of ISRF project, which commenced on November 17, 2017, is progressing in full swing. More than 95% of the piling works, 50% of the deck concreting & 80% of the dredging activities are completed and the facility is expected to be commissioned in FY 2021-22. As a part of our efforts to develop Kochi as a maritime hub of India, CSL had set up a maritime park near to the International Ship Repair Facility at Willingdon Island, which was inaugurated by Hon'ble Minister of State (Independent Charge) for Shipping, Shri Mansukh L Mandaviya on September 19, 2019. Ten globally renowned firms in the maritime industry have

already partnered with CSL for setting up their units in the Maritime Park in the first phase. CSL expects to position Kochi as a major ship repair hub with major operations in the present ship repair dock coupled with increased capacities that would be available when the ISRF is commissioned.

ii) **New Dry-dock Project**

The new dry-dock measuring 310 x 75/60 x 13m with 600T gantry crane will be located at the northern end of the existing premises of the Company. The new dock will augment the Company's shipbuilding and ship repair capacity essentially required to tap the market potential of building specialized and technologically advanced vessels such as LNG Carriers, Aircraft Carriers of higher capacity, jack up rigs, drill ships, large dredgers and repairing of offshore platforms and larger vessels. Construction activities commenced in June 2018 and is progressing. Ground improvement works are completed. RCC piling and sheet pile installation works are in progress. Around 40% of RCC piling and 70% of sheet piling works have been completed. New dry-dock facility is expected to be commissioned in FY 2022-23. Contract for the supply & commissioning of 600T gantry crane was issued on March 14, 2019 and review of design submitted by the contractor is being carried out.

iii) **Hooghly Cochin Shipyard Limited (HCSL)**

Hooghly Cochin Shipyard Limited (HCSL) was initially set up as a joint venture between CSL and Hooghly Dock & Port Engineers Limited (HDPEL). Pursuant to the approval of the Union Cabinet, HCSL became a wholly owned subsidiary of CSL with effect from November 01, 2019. HCSL aspires to establish itself as one of the leading shipbuilding yard in east coast for quality inland and coastal vessel construction.

During the financial year, the construction work kick-started with the activities under civil works package and the physical progress of civil works has crossed the 50% mark. Major tenders like electrical system, fire-fighting system, gas piping, critical machinery and cranes have been awarded and works are in progress. Other various packages are being finalized and will be executed to match with the progress of the project.

Construction works of two outfitting jetties were completed on December 31, 2019 and was inaugurated on January 30, 2020 by Chairman (HCSL) cum CMD (CSL) Shri Madhu S Nair in

the presence of Shri S Balaji Arunkumar IRTS (Dy. Chairman (KoPT) & Chairman (HCSL)). The construction of the outfitting jetty was completed ahead of the MoU target date of February 15, 2020, thereby meeting the 'Excellent' rating criteria of the CSL MoU with Ministry of Shipping.

Due to the nationwide lockdown imposed on account of the COVID-19 Pandemic, the construction activities in Nazirgunge were halted from March 23, 2020 to June 08, 2020 resulting in revising the project completion date to September 2021. However, all efforts are being made to complete the project and commence the operations of the yard within the original contractual completion date of June 2021 itself.

A separate statement containing the salient features of the financial statement of subsidiaries/associates/joint venture companies in form AOC - 1 pursuant to the provisions of section 129 (3) of the Companies Act, 2013 is attached along with the financial statements.

iv) **Tebma Shipyards Limited (TSL)**

As part of CSL's long term strategy, viz., CRUISE 2030, CSL aspires to achieve 6x-8x growth by 2030 and towards this the Company identified deep sea fishing vessel as one of the several opportunities. Since fishing vessel segment calls for a dedicated facility so as to cater to the large volume of business different from the conventional shipbuilding process, CSL was in search of a suitable facility to enter into this segment. During this period, CSL found an opportunity in TSL, Malpe which was undergoing Corporate Insolvency Resolution Process (CIRP) under the Insolvency and Bankruptcy Code, 2016 (IBC) and bidding for TSL through IBC was considered appropriate. Accordingly, after obtaining the approval of the Board, CSL submitted its Resolution Plan for acquiring the assets and facilities of TSL under the IBC. The Committee of Creditors (CoC) on December 26, 2019 approved the Resolution Plan. After successful passing of the Resolution Plan by the CoC of TSL, the Resolution Professional filed the Resolution Plan with the National Company Law Tribunal (NCLT), Chennai on December 27, 2019. The NCLT, after hearing, approved the Resolution Plan and pronounced the Order on March 04, 2020. CSL is in the process of implementing the said Resolution Plan.

v) **CSL-Mumbai Ship Repair Unit (CMSRU)**

CSL entered into an agreement with the Mumbai Port Trust on October 20, 2018 to

upgrade, operate and manage Ship Repair Facility at Hughes dry-dock and berth nos. 5, 6, 7 and 8 of Indira Dock of Mumbai Port. Subsequent to the execution of the agreement, CSL has commenced the ship repair operations in Mumbai on January 18, 2019. Post operationalization and repairs of around nine vessels at CMSRU in financial year ending 2019, CSL has successfully undertaken repairs to 24 vessels during the FY 2019-20. This includes submarine separation operation of Indian Naval submarine INS Vela through M/s. MDL & repairs of guided-missile destroyer INS Delhi. Other services undertaken from this new facility this year include repairs of 5 SCL vessels including the major repair to Samudra Nidhi, 2 vessels of the Indian Coast Guard in addition to providing repair services to many private owners/agencies. CSL has also taken up repairs for a foreign client and successfully completed repairs to accommodation barge SS-3 of M/s. Bayu Maritim Berkah, Indonesia.

vi) **CSL-Kolkata Ship Repair Unit (CKSRU)**

CSL signed the agreement with Kolkata Port Trust on March 28, 2019 for operations and management of ship repair facility at Netaji Subhas Dock (NSD) for a period of 30 years. The new venture is being managed by separate unit of CSL known as "CSL-Kolkata Ship Repair Unit (CKSRU)". CSL commenced ship repair operations at NSD on October 10, 2019 with docking of naval vessel 'INS Kavaratti'. The first commercial repair vessel 'Greatship Vidya', an Anchor Handling Offshore Support Vessel was docked at CKSRU in January 2020. The Honorable Prime Minister of India, Shri Narendra Modi formally inaugurated the CKSRU facility on January 12, 2020 at a function held as part of the commencement of the Sesquicentenary Celebrations of the Kolkata Port Trust. CSL is currently in the process of setting up the necessary infrastructure facilities, recruitment of dedicated manpower, vendor empanelment and developing the ship repair ecosystem at CKSRU.

vii) **CSL-Andaman & Nicobar Ship Repair Unit (CANSRU)**

CSL has entered into an agreement with the Andaman & Nicobar (A&N) Administration on November 28, 2019 to commence operations at Marine Dockyard, at Port Blair, a facility that is currently being operated directly by the A&N Administration. Under the ambit of this agreement, CANSRU shall assist the Administration in

developing an overall ship repair ecosystem at Andaman & Nicobar Islands. CANSRU shall also assist & associate in augmentation and modernization of existing facilities. Focus on skill development in consultation with the Administration and technical institutions located in the Islands is also part of the mandate of the agreement. The agreement is for a period of 30 years, during which CSL is expected to spruce up the operational efficiency of the dockyard as well as improve the overall ship repair ecosystem in the island to ensure faster turnaround and minimise downtime of the vessels, which are the lifeline for the Islands. CSL has since nominated its first set of executives for CANSRU. A CSL team consisting of officers representing various key departments conducted a dipstick audit of CANSRU as mandated in the agreement and the dipstick audit report has already been submitted. Further progress on the operational aspects will be possible once COVID restrictions are lifted. The recruitment process of CANSRU manning team and empanelment of contractors have also been initiated.

Utilisation of IPO Proceeds

13. Details of utilization of funds from proceeds of IPO as on March 31, 2020 is given below:

Particulars	₹ crores	
Proceeds from Initial Public Offer (IPO)		961.95
Less: Amount estimated towards IPO expenses (Company's share)		21.72
Net IPO proceeds		940.23
Add interest amount reinvested		88.04
Total proceeds plus interest		1028.27
Less utilisation of proceeds for:		
General Corporate Purpose (GCP)	165.23	
Construction of New Dry-dock	462.63	
ISRF	265.00	892.86
Fund balance as on March 31, 2020		135.41
Parking of funds in Fixed Deposits	135.36	
Parking of Funds in Current Accounts	0.05	
Parking of funds as on March 31, 2020		135.41

CPSE ETF FFO 6 Issue

14. The Department of Investment and Public Asset Management ("DIPAM"), along with Nippon Life

India Asset Management Limited (formerly Reliance Nippon Life Asset Management Limited), as the Asset Management Company of the Scheme ("AMC"), has formulated a sixth Further Fund Offer ("FFO 6") of the Scheme, which has been offered to the public for subscription in accordance with the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 and other applicable laws, rules and regulations, as framed from time to time.

15. The issue was opened on January 30, 2020 and closed on January 31, 2020. In regard to the FFO 6, the President of India, acting through the Ministry of Shipping, Government of India, has sold 30,90,978 equity shares of Cochin Shipyard Limited to the AMC.
16. The shareholding pattern of the Company prior and post issue of CPSE ETF FFO 6, is as under:

Particulars	Pre Issue		Post Issue	
	No. of shares	% of shares	No. of Shares	% of shares
President of India acting through Ministry of Shipping, Government of India	9,89,34,442	75.21	9,58,43,464	72.86
Public	3,26,05,948	24.79	3,56,96,926	27.14
Total	13,15,40,390	100.00	13,15,40,390	100.00

Impact and CSL's Response for COVID-19 Scenario

17. Cochin Shipyard Limited had suspended its production activities from March 23, 2020 to May 05, 2020 in compliance with the instruction of the State and Central Governments for preventing the spread of COVID-19 pandemic.
18. The impact of COVID-19 includes reduced scale of production due to various factors including restricted working arrangements, travel constraints, reduction in outsourced manpower (which to a certain extent due reduced migrant labour availability), service engineers, OEM representatives availability especially related to foreign equipment on account of international and inter-state travel restrictions. Projects are also run at a delayed pace due to the factors mentioned above and also on account of issues in material availability and logistic, issues related to locked down states of origin (domestic and international) and also issues relating to cash flows from customers. Further, the pandemic also caused delay of Capex projects in Kochi, Mumbai, Kolkata, Port Blair as well as subsidiaries of

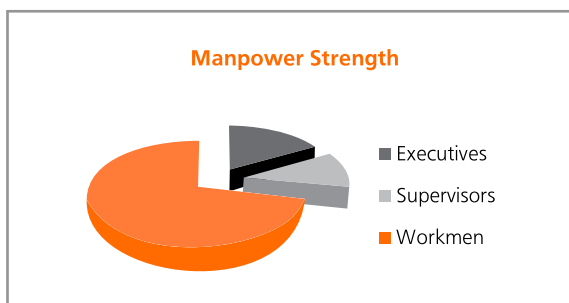
CSL viz., Hooghly Cochin Shipyard Limited and Tebma Shipyards Limited which was acquired by bidding at NCLT in March 2020 and consequent loss of production. Commercial implication and contractual issues may arise on account of varied inferences of disputes. Withholding of future projects/cancellation of few running enquiries and potential projects have to be put on hold citing liquidity issues. The assessment of cumulative impact will be possible only once reasonable level of revival occurs.

19. CSL resumed its operations at the main unit in Kochi with entire permanent workforce, with effect from May 06, 2020. All permanent employees of the Company reported to work from May 06, 2020 onwards in two shifts. Each shift contain not more than 50% of the total strength. The Kochi unit alone contributes more than 90% of the turnover of the Company in a year. The units in Kolkata and Mumbai were closed due to the lockdown and re-started operations in compliance with the government guidelines on COVID-19, with effect from June 08, 2020 and July 01, 2020 respectively.
20. The Company adopted various measures to prevent the spread of COVID-19. CSL charted out a detailed standard operating procedure and issued for compliance by all concerned, which includes:-
 - Social distancing - distance marking at entrance and specific norms inside yard premises;
 - Two shift operations;
 - Contactless temperature measurements at entrance;
 - Compulsory wearing of masks - free masks supply at entrance;
 - Facility for hand washing and sanitizers provided at entrance and work sites;
 - Laptops and digital connectivity & e-mail for remote access granted to all officers on ERP system. This ensures that all officers are able to work from home effectively;
 - Various internal documentation and approval processes are carried out through online File Lifecycle Management (FLM) module of ERP system through work from home.
21. The Company disbursed full salary to the entire work force for the lock down period to maintain employee morale. Customer connect was maintained by CSL through digital media to keep customers progressively apprised of the situation and to sustain the confidence of the customer. Work requirements were prioritized, ensured preparatory works were carried out and re-started operations in minimum time. CSL in the mean time, flagged off 4 Ro-Pax vessels for Inland Waterway Authority of India on April 25, 2020 on its maiden voyage from Kochi to Kolkatta. The lock-down period was effectively utilized to undertake dredging activities of the CSL Jetties to facilitate berthing of vessels.
22. Various efforts were ensured by CSL to avoid major disruptions and maintain supply chain continuity -
 - All payments due to suppliers were released even during the lock down period through "Work From Home" mode;
 - Recoverable advance given to all the outsourced labour contractors to retain their workers;
 - Contact and regular communication with major suppliers was ensured through "Work From Home" mode;
 - Some major procurement orders processed, such as steel & aluminum plates for the prestigious Anti-Submarine Warfare Corvettes for the Indian Navy and special aluminium plates for Kochi Water Metro Project.
23. CSL contributed ₹2.5 crores to PM Cares Fund. The Company also distributed food & provisions kits worth ₹30 lakhs to the weaker sections of the society, in Kochi. All the employees of CSL contributed their one day salary each to PM Cares Fund and to Chief Ministers Distress Relief Fund (CMDRF).
24. The shipbuilding order book position of the Company is unaffected and the existing shipbuilding orders have not been cancelled. As the operations were stopped w.e.f from March 23, 2020, only six days production was lost in FY19-20. Hence, the impact on the financials of FY20 is minimal. Delay in running projects, will have an adverse impact on financial performance and profitability of the company during FY20-21 but the assessment of the impact will be possible only after stabilization of operations in the yard. However, there will not be any additional impact due to liquidated damages for delay in running projects as the company has already invoked Force Majeure (FM) clause available in all the contracts, by which the contractual delivery dates will get automatically extended to compensate the lock down period. Since CSL is practically zero debt Company except for the Tax free Bonds of ₹123 crores, debt servicing does not pose any serious impact. While there is a delay in collection of receivables from the customers especially from Govt., the Company does not foresee any credit

risks. The Company also does not foresee any liquidity challenges to meet its supplier obligations. Ongoing CAPEX will not be impacted on account of liquidity. However, on account of COVID-19 pandemic, the overall CAPEX outlay will go down owing to various other factors including shortage of migrant labour, regulatory restrictions on deployment of available workforce, disruption of material supply chain with respect to construction materials etc. CSL has already set up a Crisis War Room which proposes a zero based budgeting and other austerity measures. Adequate steps have been taken to ensure effective internal financial controls through issue of SOPs.

Manpower Status

25. The manpower strength of the Company as on March 31, 2020 was 1710 consisting of 369 executives, 136 supervisors and 1205 workmen.



Industrial Relations

26. CSL continued to nurture warm industrial relation atmosphere during the year. There was no loss of man hours on account of labour strike or unrest due to reasons directly attributable to the Company.
27. The collective bargaining process for finalizing the Long Term Wage Settlement (LTS) applicable to the CSL permanent workmen with the recognized trade unions of the Company was amicably settled after protracted discussions over a series of 46 meetings held at different levels. The Memorandum of Settlement was signed before the Dy. Chief Labour Commissioner on June 18, 2019 under Section 12(3) of the Industrial Disputes Act, 1947. As per the agreement and in line with the guidelines issued by Department of Public Enterprises vide its OM. No. W-02/0015/2016-DPE (WC-GL-XIV/17) dated November 24, 2017, the period of settlement is for ten years commencing from April 01, 2017 to March 31, 2027. A fitment benefit at an aggregate rate of 15 percent of basic pay, variable dearness allowance as on March 31, 2017 was extended to all workmen on the rolls of the Shipyard as on that date. In line with the Government directives, the corresponding variable DA, i.e., the industrial DA

at the rate of 119.50 percent of the basic pay on March 31, 2019 stood merged along with basic pay. The LTS on wage revision boosted the general morale and happiness among the workmen of the Company. The pro-active approach of the recognized trade unions during the course of the negotiation was really commendable.

28. Introduction of Welfare Measures

- a) During the year, the CSL introduced paternity leave to male employees of the Company including for valid adoption of a child below the age of one year.
- b) CSL has introduced special leave for maximum 10 days in a year to all categories of regular employees (Officers/Supervisors/Workmen) who undergo procedures as part of infertility treatment in modern medicine and rest, if any, advised after such procedures by the treating doctor. An amount not exceeding ₹1,00,000/- (Rupees one lakh only) per cycle or the actual cost whichever is lower will be reimbursed by the Company subject to a maximum of three fresh cycles.
- c) Realising the importance of good health of employees and as an initiative under the people first policy of CSL, a scheme for periodic health check-up for all regular employees of the Company was introduced during the year. This health check-up is comprehensive and covers various health parameters including occupational health. The scheme also provides for early cancer detection screening for female spouses of employees.
29. The executives and non-unionised supervisors also continued to contribute their best to the Company during the year.
30. The joint management forums like joint councils, shop council, central safety committee, shop level safety committees, contract worker safety committee, canteen management committee, employees' contributory provident fund trust etc., continued to function effectively.
31. As a statutory requirement, we have also conducted secret ballot elections to the CSL Employees Canteen Managing Committee and CSL Employees Provident Fund Trust on December 20, 2019 and the newly elected office bearers also assumed charge accordingly.
32. Employees and their dependents welfare and wellbeing are well taken care through various voluntary schemes like Employees Medical Assistance Scheme, Employees

Pension Scheme, Shipyard Parivar Prathibha Puraskar Scheme, Employees Educational Assistance Scheme etc.

33. CSL also has taken active role while organizing the study visit of the “Standing Committee on Labour to Kochi and Goa from 17th to 18th January 2019”. The Committee whole heartedly appreciated the contributions made by CSL and also asked CSL to continue with the good work, care and concern for the working class.

Human Resource Development

Learning and Development Activities During 2019-20

34. The Company continued to conduct the “Young Officers Competency Development Programme” covering young managers upto the level of Deputy Managers. A second batch comprising of 25 executives have completed the sessions. Third batch of 32 executive trainees completed 40 sessions of the programme. The faculty for this programme is primarily drawn from in-house talent as well as retired executives. As part of facilitating knowledge transfer, a structured training programme for workmen in the trades of welder, pipe fitter, structural & engineering fitters and electrical covering 155 workmen was held during the year.
35. The Company started in-house development programme called Supervisory Competency Development Programme for the supervisory cadre covering 22 supervisors in the year 2019. The sessions are progressing with 16 sessions.
36. The Company conducted two customized management development programmes in association with the Indian Institute of Management (IIMK), Kozhikode. A one week programme on “General Management” was conducted at the IIMK main campus covering 24 executives up to the level of Senior Managers. One day customized programme was conducted at IIMK Kochi campus for top management on the topic “Macro Economic & Financial Imperatives for Industry”.
37. Company continued to nominate executives at all levels to attend specific management development programmes at IIMA, IIMC, ASCI, ISB etc. A total of 17 executives of Dy. General Managers and above cadre attended such courses targeted at senior executives under the scheme “Igniting Minds”.
38. 15 Executives up to the level of Dy. General Managers were given a customized 10 Day in-house C Level Certification programme on Project Management by PMA India New Delhi.
39. Further, twelve in-house programmes were conducted in CSL on a wide range of topics ranging from vigilance

sensitization to mentoring. The prominent technical programmes conducted in-house include programmes on “IMO, IACS & History of Classification Societies” conducted by renowned classification society, M/s. Indian Register of Shipping (IRS). As a follow up of Competency Mapping exercise done by M/s. Kornferry Hay Group, two in-house sessions on “Commercial Acumen” were conducted for the select target group of executives.

40. Women Development Programme: Sessions were given as exclusive in-house programmes to women employees & executives on topics like Mentoring, Yoga etc. Women employees were also given session on career development courses by Asst. Regional Director, IGNOU on the occasion of women’s day celebration along with motivational training by an international faculty.
41. Retirement Orientation Programme: In addition to the above, all the employees & executives retiring on superannuation from the roles of the Company were given a one day orientation programme consisting of topics like investment planning and tax planning, healthy lifestyle tips after retirement, motivation etc., in association with the education officers of Dattopant Thengadi National Board for Workers Education, Ministry of Labour, Govt. of India.
42. Workers Training in Japan: CSL in association with Association for Overseas Technical Cooperation and Sustainable Partnerships (AOTS Kerala) conducted a customized training programme titled “Discover Japan – style sense of values” for a 20 member team of CSL. The team consisted of one senior manager, 4 supervisors and 15 workmen chosen from various departments based on their excellent work performance. The programme was from 04 to 17 December 2019. The team visited Mitsui E&S Ship Building Company Ltd., Tokyo, Toyota Tsutsumi Plant, Mizushima Shipyard, Osaka Shipyard etc., during the programme along with lectures in Tokyo Kenshu Centre and Kansai Kenshu Center Osaka. The feedback received from the participants has been overwhelming. They have earnestly recommended that this programme particularly with AOTS be continued in future as the exposure to a different work culture coupled with excellent learning from the well structured programme would greatly benefit the Shipyard in the future.

Encouraging Leadership

43. Nethruthwa Samvridhhi Yojana – Leadership Acceleration Programme (LEAP) was launched in the year 2016 to encourage and motivate executives in the grades E1 to E4 for pursuing higher studies in premier institutes both in India and abroad. The core

benefit under the scheme is not only a grant of study leave for two years, but reimbursement of tuition fees, in installments after they come back and join for duty. A maximum of three applicants are considered on a yearly basis under LEAP scheme. During January 2019, three executives were granted study leave under LEAP scheme to pursue post graduation in various IIMs/ premier institutes. In addition, under the separate scheme of study leave for officers, one more executive was granted study leave to pursue two years MBA programme at IIT Delhi.

Educational Scholarships to Wards of Employees

44. "Shipyard Pariwar Prathibha Puraskar", an educational scholarship scheme introduced from the year 2016 aims to reward and promote the star performers among the wards of regular employees of CSL. A scholarship of ₹25,000/- per year for a maximum period of 5 years shall be bestowed in the order of highest marks scored by the wards in class XII final examination. During the year 2019-20, 10 eligible students have been granted scholarship under the said scheme.

Recognising Excellence

45. CSL has introduced the Employee Excellence Awards Scheme envisaging reward and recognition of innovative ideas and practices among the employees below the level of AGMs. The highest award under the scheme is Chairman's award with a citation and cash price of ₹15,000/-. The awards are presented to the winners on the occasion of Independence day and Republic day celebrations every year to the permanent employees while fixed term contract employees and advanced trainees are honoured during the valedictory ceremony of "Productivity Month Celebrations" or on "Safety Day", "Swachta Diwas" etc. In 2019-20, 32 permanent employees and 32 contract personnel/trainees have been honored with Chairman's Commendation, which carries ₹2,000/- cash prize.

Encouraging Thought Provoking Ideas

46. The enlightening talk series 'Prajyoti', where eminent personalities who have excelled in their professional field share their thoughts with the executives of CSL continued. During the year, three such talk sessions were held by Shri C Balagopal IAS, Founder, Terumo Penpol Ltd., Vice Admiral (Rtd.) Shri SKK Krishnan, former CMD, Mazagon Dock Shipbuilders Limited and Shri G Vijayaraghavan, Founder, CEO, Technopark, Trivandrum. In addition there was also a talk on leadership by His Holiness, Swami Bodhananda Sarasvati on January 24, 2020.
47. 'Prajnan', the technical talk series launched in the year 2018, aiming at spreading knowledge about

latest technologies and changes happening around us continued during the year. This talk series promote continuous learning among executives, creating avenues for structured internal discussions on new technological areas, emerging fields and other areas of topical relevance. Five sessions were conducted during 2019-20 on topics like Overview of Patent System and Patent Filing Procedure in India, Innovate or Perish – An essential mantra for modern technical environment, ZED – Zero Defect Zero Effect, Integrated Mast, Future of Logistics & Mobility – How Artificial Intelligence is going to change the traditional games.

48. Mentor-Mentee scheme launched in the year 2016 continued this year also for ensuring personalized special attention by a senior executive. It is extended to all new executives/executive trainees joining CSL. This collaboration gives junior executives, who are freshers, a feeling of engagement, belongingness and significant improvement in the inter and intra personal relationship in the organization which lead to better retention.
49. Buddy scheme was launched in the year 2019 with the induction of new batch of executive trainees. The objective of the scheme is to encourage the younger executives in CSL to be a guide to the new entrants especially executive trainees joining CSL. The scheme will help the new entrants, especially those from outside Kochi to socialize, and get a support/guidance during their organizational entry, as well as experience a smooth transition from campus to corporate life.
50. Samanvay is the common knowledge management portal for all CPSEs. The website is designed & developed by ONGC, on behalf of the DPE. The primary objective of the Samanvay knowledge management portal is to create a platform for enabling individuals, teams & entire Public Sector Enterprises to collectively and systematically share knowledge, infrastructure, best practices, SOP etc., to learn from others' experiences. The usage of Samanvay is being closely monitored by DPE. Periodic meetings and reviews are conducted by DPE with CPSEs which are chaired by top officials of DPE, and there has been continuous follow-up from DPE to increase the usage of the portal. CSL has given user access for the portal to all officers, and the users can share lessons learnt from their work place through the portal. CSL has shared around 70 articles including lesson learnt, innovation and best practices through the Samanvay portal as on March 31, 2020.

Professional Assessments

51. Through an elaborate competency mapping exercise, four cultural competencies namely Teaming, Execution Excellence, Constraint Breaking and Continuous

Learning have been identified for CSL. It has been decided that these cultural competencies will be incorporated in all HR sub systems like Recruitment, Training, Performance Management, and Career development etc., in future.

52. During the year 2018, M/s. Korn Ferry Hay group, a leading HR consultancy organization in Asia was awarded the work order for conducting an exercise on Executives' Assessment Development Centre (ADC) and creation of Individual Development Plans (IDPs) for succession planning. In 2018, ADC was conducted to assess the competencies of 100 executives (70 in the grades of Senior Manager and below and 30 in the grades of Assistant General Manager and above) vis-à-vis the required competencies. The exercise was an elaborate exercise and greatly appreciated by the participants. The exercise also laid out roadmap for succession planning for senior management positions. During the year 2019 also, ADC was conducted successfully for additional 102 selected executives in the grades of Managers and above. M/s. Korn Ferry Hay group assessed the strengths and areas for development of the executives through online multi source feedback tool and various other assessment tools and prepared detailed IDPs. In addition to formulation of succession plan, the ADC was beneficial to CSL as it provided the right direction for future planning of HR interventions, development and learning strategies.

People Capability Maturity Model (PCMM)

53. During the year, the Company commenced activities for obtaining a level 3 PCMM certification. The timeline for obtaining the same is as follows:
 - (a) Conduct of SCAMPI-B readiness Audit – October 2020; and
 - (b) Conduct of SCAMPI-A Final Audit – six months after completion of readiness audit i.e. by March 2021.
54. PCMM is a maturity framework that focuses on continuously improving the management and development of the human assets of an organization. The PCMM helps organizations characterize the maturity of their workforce practices, establish a program of continuous workforce development, set priorities for improvement actions, integrate workforce development with process improvement and establish a culture of excellence. The PCMM consists of five maturity levels; Level 1 to Level 5. Each maturity level is a well-defined evolutionary plateau that institutionalizes new capabilities for developing

the organization's workforce. Unlike other HR models, PCMM requires that key functions/process areas, improvements, interventions, policies, procedures and practices are institutionalized across the organization, irrespective of function or level. Therefore, all improvements have to percolate throughout the organization to ensure emphasis on a participatory culture embodied in a team-based environment and encouraging individual innovation and creativity.

Training

55. Under the Apprentices Act, the Company had imparted training to 167 ITI trade apprentices, 49 engineering graduates, 68 diploma holders and 08 vocational trainees in 2020. In addition, for the first time in the history of CSL, 30 non-engineering graduates were inducted as Assistant HR apprentices in CSL associating with National Skill Development Corporation. Furthermore, specialized training mainly in the technical streams was extended to 302 trainees under the Company scheme. The Company during the year had also inducted 40 executive trainees for one year training. The GME course, approved by Director General of Shipping, Govt. of India was undergone by 62 engineering cadets during the year to qualify for marine engineering jobs onboard vessels.
56. CSL had launched special financial assistance scheme applicable to SC/ST apprentices in 2018 to provide monthly financial assistance of ₹1,500/- for meeting their expenses towards rental accommodation in Kochi. In 2019, the number of beneficiaries under the scheme was enhanced from 10 nos. to 20 nos. and accordingly, 20 trainees were provided financial assistance during the year 2019.

Status on Affirmative Action to Implement Presidential Directives on Reservations

57. Cochin Shipyard has been strictly complying with the Presidential directives and guidelines on reservation for Scheduled Caste (SC)/ Scheduled Tribes (ST)/ Other Backward Classes (OBC)/ Economically Weaker Sections (EWS) and Persons with Benchmark Disabilities (PwBD) issued by the Government of India from time to time. Shipyard has appointed a liaison officer for SC/ST/PWD/Ex-Servicemen and a separate liaison officer for OBCs and EWSs to oversee the implementation of reservation policies. Reservation percentage is ensured through the maintenance of post based roster system as prescribed by the Government of India. Regular meetings with the associations of the employees belonging to these categories were conducted to discuss and redress their grievances.

Representation of SC/ST Employees

58. The representation of SC and ST employees in various groups of posts as on March 31, 2020 is given under:

Category	CSL's Total Strength	SC	ST
Group A	300	46	14
Group B	139	21	14
Group C	942	132	10
Group D	329	40	8
Total	1710	239	46

Representation of OBC Employees

59. The representation of OBC employees in various groups of posts as on March 31, 2020 is given under:

Category	CSL's Total Strength	OBC
Group A	300	76
Group B	139	19
Group C	942	404
Group D	329	182
Total	1710	681

Representation of Minority Employees

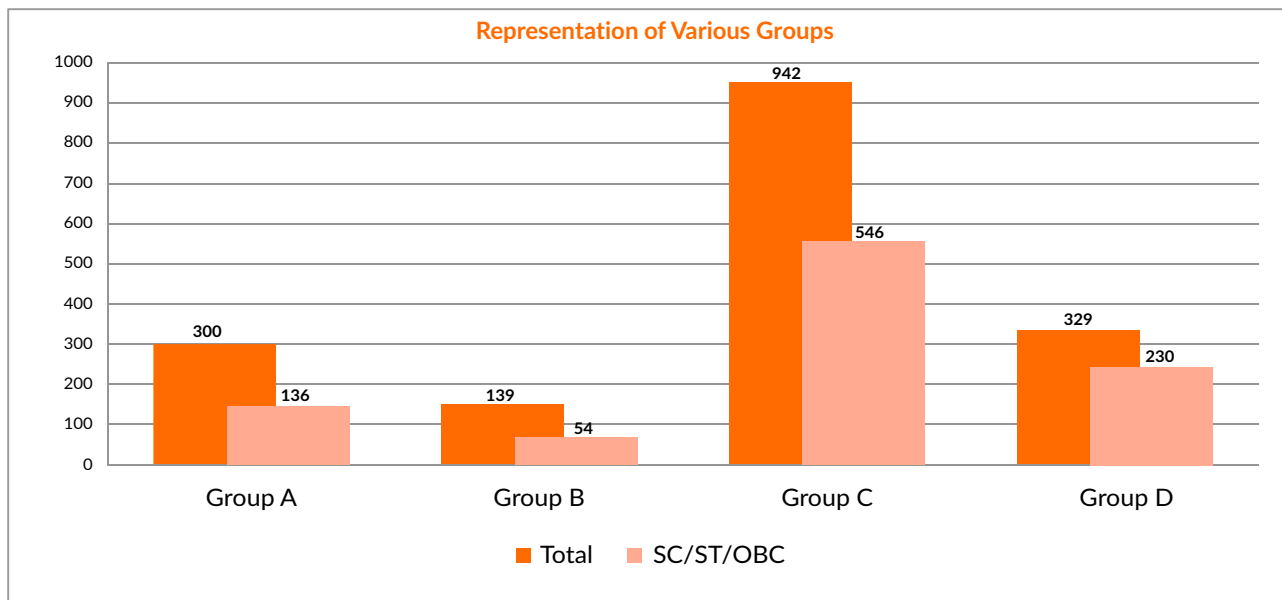
60. The representation of minority employees in various groups of posts as on March 31, 2020 is given under:

Category	CSL's Total Strength	Minority
Group A	300	82
Group B	139	38
Group C	942	237
Group D	329	96
Total	1710	453

Representation of Persons with Benchmark Disabilities

61. The representation of Persons with Benchmark Disabilities in various groups of posts as on March 31, 2020 is given under:

Category	CSL's Total Strength	PwBD
Group A	300	7
Group B	139	5
Group C	942	24
Group D	329	21
Total	1710	57



Welfare Measures for Retired Employees

62. A scheme called 'Shipyards Santhwana Sparsham' is in operation for extending financial support to those employees who retired from service prior to January 01, 2007 and in financial destitution, physical ailment, cost of equipments to overcome disabilities, loss of

house due to natural calamities. The scheme provides for monthly or lump sum financial assistance based on the recommendations of a committee that conduct an in situ examination of each case.

63. 'Shipyards Aswasa Kiranam' is a financial assistance scheme that has been implemented to support those

employees who retired from service during the period from January 01, 2007 to December 31, 2016 and facing financial difficulties, physical ailment, cost of equipments to overcome disabilities, loss of house due to natural calamities. The scheme is also for extending financial support based on a situ study by a committee and their recommendations.

64. Outpatient treatment facility for retired employees and their spouses in CSL Medical centre has been commenced during the year. They are also provided with medicines free of cost.

Provision for Safeguard of Women

65. The Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder are strictly complied with. An Internal Complaints Committee has been constituted in accordance with the Act chaired by a senior woman executive. The Committee had closed one complaint which was received during 2018-19. The Committee did not receive any complaint during the financial year 2019-20.
66. During the year, CSL recruited a Women Welfare Officer specifically to promote women empowerment activities and to formulate and implement welfare measures according to the needs of women employees of the Company.

Integrated Management System (IMS)

67. Cochin Shipyard maintained its Integrated Management System (IMS) under the ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System standards. The last surveillance audit was successfully completed in September 2019. CSL will be upgrading its Health and Safety Management system to the latest ISO 45001:2018 in September 2020.

Facility Upgrade and Capital Expenditure

68. The total capital expenditure incurred in 2019-20 amounted to ₹494.87 crores. This related to renewals and replacements, modernization and expansion, dry-dock, ISRF, infrastructure for IAC, CMSRU, CKSRU etc.

Implementation of Official Language Policy

69. In pursuance of sub rule (4) of rule 10 of the Official Language (Use for the Official Purposes of the Union) Rules, 1976, Government of India have notified, in the Gazette of India, that 80% of ministerial staff of the Company have acquired working knowledge/proficiency in Hindi.
70. Cochin Shipyard was awarded 'Rajbhasha Kirti Puraskar' in recognition of the achievements of the

PSUs and government departments in implementation of the Official Language (OL). CSL stood third among all the PSUs category in 'C' region which includes the southern states and some states of North East. Shri Madhu S Nair, Chairman & Managing Director received the award from Shri Nithyanand Rai, Hon'ble State Minister for Home Affairs in the presence of the Hon'ble Home Minister Shri Amit Shah on September 14, 2019.

71. Rajbhasha Shield (first prize) for the year 2018-19 from the Ministry of shipping for the Best Official Language Implementation.
72. Cochin Shipyard has bagged first prize for the implementation of official language from TOLIC & also the sponsored Trophy by HIL. Overall championship for the year 2019 from TOLIC & a sponsored trophy by United India Insurance. Third prize for Hindi magazine 'Sagar Ratna' from Kochi TOLIC for the year 2019.
73. Late Shankar Dayal Singh Memorial Award Scheme was introduced in CSL during 2013 as per directions from Ministry of Heavy Industries and Public Enterprises. This year, the award was given to Smt. Nayana Vijayan K, Junior Commercial Assistant-SG. Incentive scheme for doing original work in Hindi has been made more attractive with a view to encourage employees to do more work in Hindi.
74. Various competitions in Hindi were organized in connection with Hindi Month celebrations 2019 for employees, children of employees, trainees and employees on contract of CSL. Eleventh issue of Hindi house journal, 'Sagar Ratna' and a 'Desktop Calendar' were released during the valedictory function of Hindi Month Celebrations, 2019. As a special programme, essay and speech competitions were organized for government school students of Kochi. As part of implementation of official language policy of Govt. of India, CSL observes first Wednesday of every month as Hindi day.
75. OL Management Seminar was organized in two batches for the Senior Executives in the year 2019. Total 140 Executives participated for the same.
76. A career development seminar was organized for college students (Post Graduates & PhD Students) at Maharajas College, Ernakulam on November 28, 2019 in which 80 students participated actively.
77. Three Hindi workshops were organized in the year 2019-20 in which a total of 56 employees participated. Spoken Hindi classes were organised in which 40 employees participated.
78. Joint Hindi fortnight celebrations were organized from November 16 to November 30, 2019 under the

auspices of Kochi TOLIC. 25 employees attended in various competitions organized in this connection. Out of the above, 12 employees won prizes.

79. Cash incentives for obtaining high marks in Hindi in 10th std. during the academic year 2018-19 were given to the children of employees. Total 12 children participated in the scheme.
80. Hindi books were distributed to various flood affected schools in Ernakulam as a joint venture with TOLIC, Kochi.
81. 32 Executive Trainees and 3 Stenographers completed their In Service Training course in Pragya and Stenography respectively and cleared the exams successfully.

Particulars of Employees and Related Disclosures

82. In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated June 05, 2015, government companies are exempt from Section 197 of the Companies Act, 2013 and its rules thereof.

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

83. Details are placed at **Annexure-2**. The Company's major initiative in the conservation of energy was installation of solar panels on the rooftop of various buildings inside CSL premises. The programme was commenced from the financial year 2013-14. As of March 31, 2020, solar power plant having capacity of 835 kWp has been commissioned in CSL. In addition to this, installation of 450 kWp grid connected solar power plant at roof top of outfit warehouse and bonded store & 200 kWp grid connected solar power plant at roof top of various buildings are in progress.

Risk Management

84. CSL constituted a Board level Risk Management Committee (RMC) on February 08, 2019 for an overall review of the corporate risks. The Company's risk management policy aims to put in place a comprehensive risk management system consisting of a defined process of risk management and methodology of identification, assessment, response, monitoring and reporting of risks. The policy provides the management and Board of Directors an assurance that key risks are being properly identified and effectively managed.
85. As per the policy, CSL Board at the helm will review the risk management system in CSL. The Board shall discharge its responsibility of risk oversight by ensuring the review at periodical intervals. Board may also delegate to any other person or committee, the task of independently assessing and evaluating the

effectiveness of the risk management system. The CSL management comprising of CSL Board level and below Board level executives has been entrusted with the implementation of the risk management process. In this respect the Company have RMC and Risk Management Steering Committees (RMSCs) to implement the policy in CSL. The RMC and the Board of Directors review the risk management process and policy. The yard's product mix comprising of defense and commercial shipbuilding and ship repair gives the Company a natural hedge against market risk.

Research and Development (R&D) Activities

86. R&D policy of CSL is to enhance the Company's pre-eminence in shipbuilding, ship repair and other chosen fields and products through research and development. In-house R&D activities have been undertaken during the year 2019-20 mainly in the areas of welding procedure development and qualification of welders.
87. Welding of lower thickness plates with twin wired submerged arc welding processes (Twin wired SAW) using copper backing for lower thickness plates (9-13 mm) is a new technique for which capability building in developing the weld procedure is of paramount importance to the yard. In the above context, weld procedure development has been undertaken in-house for welding of lower thickness of grade AH 36 plate using Twin wired SAW process with copper backing. The weld procedure specification has been prepared and qualified to weld thickness from 9 mm to 13 mm of AH 36 grade steel plate. This new process saves considerable amount of man hour and effort since turning of large welded plates is avoided by enabling to complete the welding in one side only. The procedure has been validated by IRS Classification Society.
88. Under the Memorandum of Understanding with Welding Research Institute (WRI), Tiruchirappalli, a research institute under Bharat Heavy Electricals Limited (BHEL), capacity development and training in welding have been carried out during the period.

Health, Safety & Environment (HSE)

89. CSL is committed to establish a zero accident work environment for its employees and stakeholders. To bring in expert knowledge, the Company has instituted and recently strengthened a well-qualified Safety and Fire Services Department. The Department supervises all critical works inside the Yard and plays a pivotal role in creating a safe work environment. Besides, efficient, qualified and well equipped emergency response team is available in the yard to meet any kind of emergencies.

90. Various initiatives like safety trainings, safety alerts, toolbox talks etc., drives our employees conscious on aspects related to health, safety and environment. Induction, refresher training and specialised safety trainings are compulsory across the CSL workforce including officers, supervisors, employees and sub-contractors' workmen. Further, the Company is on the move to obtain ISO 45001 certification. As a part of this, a four tier HSE governance system has been adopted to improve the safety ownership and bring in a major cultural reform. An employee from each section has been selected as "Field Safety Representative" to be the change agents in this cultural transformation.
91. To improve upon the existing work practices, a comprehensive task-based hazard identification and risk assessment exercise was performed on the activities inside the Yard. Corrective actions of investigations are being monitored in structured forums.
92. HSE performance for the last 3 calendar years is tabulated below:

Category	2017	2018	2019
Fatal	0	6	0
Reportable accidents	2	25	4
Non Reportable Accidents	100	98	106
Frequency Rate (Reportable accidents in one million man hours)	0.20	6.95	0.36
Induction, Refresher & Specialised Trainings attended	8844	10724	13452

Industrial security

93. Cochin Shipyard is classified as a national vital organisation and the security of establishment has got national importance. The security of the establishment is entrusted with Central Industrial Security Force with a battalion of 130 CISF personnel under the command of Dy. Commandant, CISF. Overall security of the Company continued to be robust without causing any serious security concern during the year. All security systems and measures introduced and installed in the Company are of international standards. Periodic joint survey was conducted by the Company and CISF. Twenty four hours waterfront patrolling in a dedicated speed boat with armed personnel and wireless surveillance (CCTV) system covering all critical locations and installations are in place. As per the security plan and policy of the Company, periodic security drills were conducted to ensure prompt mitigating action in the event of any security breach, crisis or calamities. CISF is carrying out their security surveillance with various security gadgets including biometric access control system, x-ray baggage scanner, door frame metal detectors, hand held metal detectors, breath analysers, vehicle patrolling, boat patrolling, foot patrolling etc. The periodic mock drill exercise is conducted under direction of Intelligence Bureau with Sate Police, State Fire Department, Bomb Squad and Navy to assess the readiness of CISF force to counter any security threat. The upgradation of security gadgets as per the technical survey of CISF is underway to bring all modern security gadgets to enhance the existing security system and facilitate the CISF for a foolproof frisking mechanism at all gates.
94. Special security attention is being accorded to the Indigenous Aircraft Carrier (IAC) and an exclusive security is provided apart from the overall security arrangement of the establishment. A special security task force consisting of 46 armed CISF personnel under the command of Asst. Commandant is entrusted for exclusive security of the ship. The additional security gadgets including CCTV surveillance, biometric access system, two net water barrier, DDS, boat patrolling etc., arranged for safeguarding and avoids any imminent threat for the ship. The theft incident reported during last year in IAC is under investigation by National Investigation Agency (NIA). NIA arrested two persons in connection with the incident and retrieved the stolen computer hardware components. The issue of security was taken up at the highest levels of CISF and an additional contingent of 46 CISF security personnel have now been posted exclusively for the IAC.
95. Effective access control systems including biometric embedded turnstile gates are in place in the Company. A full-fledged visitor's facilitation center is operated for scrutiny and verification of the credentials of the visitors to the Company. Baggage scanning system has also been installed at the main entry gate of the Company. Apart from these, special systems and measures such as exclusive photo entry pass and special surveillance system, additional waterside security net around IAC etc. are positioned and operated towards total security of the IAC. A robust cyber security policy has also been adopted by the Company.
96. The monitoring of visitors, materials and vehicles movement in the Company are done through an integrated ERP module of visitors management system which ensures effective and vigilant monitoring of materials movement into and out of the Company.
97. CSL has also engaged DGR approved ex-servicemen security services for supplementing existing forces mainly catering to external properties of CSL and also internal specific locations.

98. The security strength and requirements of additional security enhancements are periodically monitored by the Head Quarters of CISF through technical resurvey for security gadgets and resurvey for manpower additions. The proposal of CISF to enhance the present strength of 130 CISF guards battalion to 230 guards battalion through the survey is approved by the management and deployment procedure is underway.

Awards and Recognitions

99. During the financial year CSL received following awards:

- (a) KMA award 2019 for recognition of contribution in the category 'innovative and effective deployment of CSR fund' and also in specific contribution in the category 'health & hygiene';
- (b) NIPM Best Corporate Citizen Award 2019 from National Institute of Personnel Management, in recognition of its CSR initiatives in 'healthcare' sector;
- (c) Rotary International CSR Excellence Award 2019. The Company won golden award for its contribution in 'healthcare and sanitation' sector and platinum award for its contribution in 'education and special education' sector;
- (d) Rajbhasha Kirti Puraskar in recognition of the achievements of the PSUs and Government departments in implementation of the official language;
- (e) Rajbhasha Shield (first prize) for the year 2018-19 from Ministry of Shipping for best official language implementation;
- (f) CSL bagged first prize for the implementation of official language from TOLIC and also the trophy sponsored by HIL. CSL has also bagged overall championship for the year 2019 from TOLIC & a trophy sponsored by United India Insurance;
- (g) Third prize for Hindi home magazine 'Sagar Ratna' from Kochi TOLIC for the year 2019; and
- (h) Outstanding Safety performance award 2019 from Department of Factories & Boilers, Govt. of Kerala, in the category of very large engineering/ automobile repairing and servicing, textiles and coir with more than 500 workers.

Participation in DEFEXPO 2020 & International Seafood Show

100. CSL participated in DEFEXPO – 2020, a flagship event of Ministry of Shipping and is a series of land, naval and internal homeland security systems exhibition conducted once in two years, organised by Ministry of Defence at Lucknow in February 2020.

101. With the technology, knowledge and experience CSL possess in the construction of prestigious Indigenous Aircraft Carrier (IAC) for Indian Navy and repair of Indian Navy & Indian Coast Guard (ICG) Vessels, DEFEXPO was an ideal platform for CSL to display its core competency, expertise and capability in Defence Ship Building / Repairs to the National / International Maritime Defence community.

102. CSL also participated in the India International Seafood Show (IISS), which is one of the largest seafood fairs in Asia, organised by the Marine Products Exports Development Authority (MPEDA). IISS as a biennial event offers sea of opportunities for exporters and importers of Indian marine products. Since CSL is venturing into the fishing segment with small sized boats, this was an opportunity and a good platform to launch the CSL product segment and to introduce this novel concept to the fishing industry. High level delegation participated in this expo conducted at Kochi. The fishing boat of CSL that was parked at the jetty of conference venue was one of the key highlights of the Expo.

Board of Directors & Key Managerial Personnel

103. As on March 31, 2020 the Board of CSL comprises of 9 directors consisting of a Chairman & Managing Director, 3 Whole Time Directors, 3 Non-Official Part Time (Independent) Directors and 1 Official Part Time (Nominee) Director each of Government of India and Government of Kerala, respectively.

104. Shri D Paul Ranjan (DIN: 06869452), Director (Finance) and Chief Financial Officer, retired from service by superannuation on July 31, 2019. Shri Jose V J (DIN: 08444440) took over charge as Director (Finance) with effect from August 01, 2019 vide Ministry of Shipping letter F.No. SY-11012/2/2018-CSL dated July 15, 2019. Shri Jose V J, Director (Finance) was also appointed as the Chief Financial Officer of the Company by the Board of Directors in their 250th meeting held on August 13, 2019. The Ministry of Shipping, Government of India vide letter no. SY-11012/1/2017-CSL dated February 03, 2020 appointed Shri Sanjay Bandopadhyaya IAS (DIN: 00088957), Additional Secretary, Ministry of Shipping, Govt. of India, as the Official Part Time (Nominee) Director on the Board of CSL in place of Shri Satinder Pal Singh IPS (DIN: 07490296) with effect from February 03, 2020.

105. Pursuant to the Ministry of Shipping, Government of India letter F.No. SY-11012/1/2016-CSL dated July 29, 2019, the 1 year tenure of Smt. Roopa Shekhar Rai (DIN:07565156), Shri Radhakrishna Menon (DIN: 07518727) and Shri Krishna Das E (DIN: 02731340), who were re-appointed as Non-Official Part Time (Independent) Directors on the Board of CSL, came to an end on March 20, 2020.

106. Smt. Kala V, Company Secretary and Compliance Officer, resigned from CSL on January 31, 2020, owing to her appointment as Company Secretary in another Public Sector Undertaking. Shri Syamkamal N, Assistant Company Secretary of CSL took over charge as the Company Secretary and Compliance Officer of the Company with effect from February 01, 2020.

107. Details of changes in Key Managerial Persons during the financial year 2019-20 and also upto the date of this report are given below:

Sl. No.	Name	DIN	Designation	Date of Appointment	Date of Cessation	Changes, if any
1	Shri Madhu S Nair	07376798	Chairman & Managing Director	January 01, 2016	Continuing*	No Change
2	Shri D Paul Ranjan	06869452	Director (Finance) & Chief Financial Officer	May 01, 2014	July 31, 2019	Superannuation
3	Shri Suresh Babu N V	07482491	Director (Operations)	April 26, 2016	Continuing	No Change
4	Shri Bejoy Bhasker	08103825	Director (Technical)	April 05, 2018	Continuing	No Change
5	Shri Jose V J	08444440	Director (Finance)	August 01, 2019	Continuing	Appointment
			Chief Financial Officer	August 13, 2019		
6	Smt. Kala V	-	Company Secretary & Compliance Officer	May 02, 1998	January 31, 2020	Resignation
7	Shri Syamkamal N	-	Company Secretary & Compliance Officer	February 01, 2020	Continuing	Appointment

* Shri Madhu S Nair was reappointed as director by way of retirement by rotation at the 47th Annual General Meeting held on August 13, 2019.

Declaration and Meeting of Independent Directors

108. The Company has received declarations from all the Independent Directors of the Company confirming that they meet the criteria of independence as prescribed under the Companies Act, 2013. A separate meeting of Independent Directors was held on June 19, 2020 which was attended by all the Non Official Part Time (Independent) Directors, viz., Shri Jiji Thomson IAS (Retd.), Shri Pradipta Banerji and Shri Nanda Kumaran Puthezhath.

Details of Board Meetings held during 2019-20

109. Six Board Meetings were held during the year 2019-20 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held are as follows:

Sl. No.	Date	Board Strength	No. of Directors present
1	May 21, 2019	9	8
2	July 29, 2019	9	7
3	August 13, 2019	12	11
4	October 23, 2019	12	9
5	November 12, 2019	12	9
6	February 11, 2020	12	10

110. For more details with respect to the Directors, Board and Committee meetings held during the year and attendance of these meetings, refer Corporate Governance Report which forms part of Directors' Report.

Remuneration Policy/Evaluation of Board's Performance

111. Cochin Shipyard is a Government of India company under Ministry of Shipping. Presently, the Directors of the Company are presidential appointees and their remuneration is fixed in accordance with the DPE guidelines. Accordingly, Article 21(a) of the Articles of Association of CSL states that President will appoint Directors and determine their remuneration. Since the Board level appointments are made by President of India, the evaluation of performance of such appointees is also done by the GOI. The Independent Directors evaluated the performance of the Board as a whole in a separate meeting of Independent Directors held on June 19, 2020.

Report of the Nomination & Remuneration Committee on Company's Policy on Directors' Remuneration

112. Presently, the remuneration of Board level appointees is determined in accordance with DPE guidelines. CSL at its 228th Board meeting held on December 14, 2016 adopted the Nomination and Remuneration Policy in compliance with the provisions of Section 178 of the Companies Act, 2013. CSL in its 241st Board meeting held on May 24, 2018 and further in its 245th Board meeting held on October 31, 2018 amended the Policy. The Policy is available in the website of the Company at <https://cochinshipyard.com/Investors>

Directors Responsibility Statement

113. Your Directors state that:

- a) in the preparation of the annual accounts for the year ended March 31, 2020, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have 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 as at March 31, 2020 and of the profit of the Company for the year ended on that date;
- c) the Directors have 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;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;

- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Contracts and arrangements with related parties

114. During the year, the Company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material. Your Directors draw attention of the members to Note 47 to the financial statements which set out related party disclosures as per Indian Accounting Standard (Ind AS) 24. Form AOC-2 has been attached as **Annexure-3** as required under Section 134(3)(h) of the Companies Act, 2013.

Corporate Social Responsibility & Sustainable Development Committee (CSR & SD Committee)

115. As on March 31, 2020, the CSR & SD Committee of CSL comprises of Shri Jiji Thomson (DIN: 01178227), Non-Official Part Time (Independent) Director as Chairman of the Committee, Shri Nanda Kumaran Puthiezath (DIN: 02547619), Non-Official Part Time (Independent) Director, Shri Bejoy Bhasker (DIN: 08103825), Director (Technical) and Shri Jose V J (DIN: 08444440), Director (Finance), as members. The Corporate Social Responsibility and Sustainable Development Committee (CSR & SD) has formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, which has been approved by the Board. The CSR Policy can be accessed on the Company's website at the link: <https://cochinshipyard.com/Investors>
116. Cochin Shipyard started CSR activities in the year 2010-11 based on the guidelines issued by the Department of Public Enterprises (DPE) applicable to Government Companies. CSL has put in place an effective CSR Policy and implementation machinery. The CSR implementation machinery consists of three tier system: Tier I CSL Board, Tier II CSL Board Level CSR Committee consisting four members of the Board headed by an Independent Director and Tier III CSL CSR Executive Committee consisting of six senior level executives across various departments of the Company.
117. During the year 2019-20, the Company could engage in meaningful CSR initiatives that received appreciation both within Kerala and also nationally.
118. The mandatory CSR spending for the year is ₹1,233 lakhs. The Company has spent ₹1,271 lakhs during the year, including ₹250 lakhs paid to the PM-CARES

account in response to the crisis arisen out of the COVID Pandemic. Apart from above, the Company spent ₹258 lakhs from Unspent non-statutory CSR fund/Non-statutory fund available, which was carried forward from the periods preceding the enactment of Companies Act, 2013 and Rules made thereunder; thus making the total cash outflow for CSR activities as ₹1,529 lakhs.

119. The Company focused on the theme “School education and healthcare” as prescribed by the Government of India by spending more than 75% of its total spending on the theme against the requirement of 60%. The Company has not limited its CSR spending to the local area. It has undertaken projects across various geographical regions of the country as per the Schedule VII of the Companies Act, 2013. Though Swachh Bharat initiatives have not been the focus for the current year, the Company has been liberal towards supporting projects promoting public sanitation. The Company continued to focus on the District “Wayanad” in Kerala, one of the “aspirational districts” again, as per the directive of the Government of India for CSR spending by CPSEs. During the COVID lockdown period, the Company has committed support worth ₹36.50 lakhs by way of providing essential food items, through the CSL Consumer Co-operative Society. The Annual Report on CSR activities is placed at **Annexure-4**.

Audit Committee

120. As on March 31, 2020, the Audit Committee of CSL is constituted with Shri Nanda Kumaran Puthiezath (DIN: 02547619), Non-Official Part Time (Independent) Director as Chairman, Shri Jiji Thomson (DIN: 01178227), Non-Official Part Time (Independent) Director and Shri Pradipta Banerji (DIN: 00630615), Non Official Part Time (Independent) Director as members. During the year, all recommendations of the Audit Committee were accepted by the Board of Directors. Particulars regarding the Audit Committee are provided under the section ‘Board Committees’ in the Report on Corporate Governance.

Corporate Governance

121. The Company is committed to maintaining the highest standards of corporate governance and has put in place an effective corporate governance system. The Company complies with the applicable regulations of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and also the Guidelines on Corporate Governance issued by the Department of Public Enterprises, except with respect to the composition of Board of Directors. CSL being a government company, the power to appoint Directors vests with the President of India and the Company has taken all possible steps within

its power to comply with the above requirements. The Company also submits its quarterly progress reports on corporate governance within 15 days from the close of each quarter to the Ministry of Shipping as recommended by the DPE in this regard. The Report on Corporate Governance forms part of the Directors’ Report.

Management Discussion and Analysis

122. A separate section ‘Management Discussion and Analysis Report’ has been included in the Annual Report and the same forms part of the Directors’ Report.

Internal Financial Controls

123. The Company has in place adequate internal financial controls with reference to financial statements. During the year, the Company had engaged M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, (Firm Registration No. 0014885) for reviewing and installing adequate Internal Financial Controls and to ensure proper and adequate systems for compliance with the provisions of all applicable laws. Such controls were tested and no reportable material weakness in the design or operation was observed. In order to provide for functional autonomy, the Company has a system wherein financial powers of the Board of Directors are delegated to the CMD. These powers are further sub-delegated to officers at various levels for smooth and efficient day to day functioning. An independent internal audit mechanism is in place for conducting extensive audit of various operational and financial matters. C&AG conducts proprietary audit. An independent Audit Committee of the Board of Directors also examines internal/statutory audit observations and provides guidance based on the same. The Audit Committee also looks into the internal control system, Company procedures and internal audit performance and reports to the Board of Directors. The Company has implemented an integrated ERP System (SAP) since July 2014 which is enabling better management control. SAP audit was conducted by M/s. KPMG for assessment and improvement of SAP utilizations. Assessment of the security of the SAP system was also part of the audit. A follow up audit was also undertaken by M/s. KPMG during the year. Being a frontrunner in adapting to and leveraging digital technology for optimizing its procedures and operations, CSL had taken another step further in this direction by introducing Legatrix in 2018, a digitally enabled legal and regulatory compliance and support service interface. CSL is the first shipping sector PSU to implement this novel system for streamlining its legal and regulatory compliance requirement.

Statutory Auditors

124. M/s. Elias George & Co. (Firm Registration No. 0008015), Chartered Accountants, Ernakulam were appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India for the year 2019-20. The shareholders have delegated the power to fix the remuneration of Statutory Auditors to the Board and accordingly, the same has been fixed by the Board.

Auditors Report

125. M/s. Elias George & Co., Statutory Auditors have submitted their report on the standalone and consolidated financial statements of the Company for the financial year ended March 31, 2020, on June 20, 2020. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

Comments of C&AG

126. The comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 are placed at **Annexure-5**.

Cost Auditors

127. The Board has appointed M/s. Felix & Co. (Firm Registration No. 100416), Cost Accountants, as the Cost Auditors for conducting the audit of cost records of the Company for the financial year 2019-20. The remuneration of Cost Auditor for the financial year 2019-20 was ratified by the shareholders at the 47th AGM held on August 13, 2019.

Secretarial Auditor

128. The Board has appointed M/s. Mehta & Mehta, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is placed at **Annexure-6**.

129. The Secretarial Auditors in their Report observed that there were no requisite number of Independent Directors and Woman Director on the Board of Directors of the Company for the period April 01, 2019 to July 28, 2019 as required under Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and resultant fine amounting to ₹2,30,100/- (including GST) imposed by BSE and NSE each. It is informed that the appointment of Directors are done by Govt. of India and filling up of vacancies of the said Independent Directors and Woman Director were also pending with the Government of India. The Company had intimated to the Stock Exchanges viz., BSE & NSE explaining the position of the Company with respect to

the appointment of Directors. NSE on March 18, 2020 vide their letter no. NSE/LIST/SOP/103783 waived the fine levied on CSL. The fines are levied as per the SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018 which provides that the Stock Exchanges shall take uniform action in consultation with each other. Further, BSE has not taken any further action under the SEBI Regulations in this regard.

130. The Secretarial Auditors also observed that the Board of Directors of the Company have granted leave of absence to Shri Jyothilal K R (DIN: 01650017) Part time Official (Nominee) Director for all the meetings of the Board of Directors during the financial year under review leading to vacation of office under Section 167(1)(b) of the Act, resulting in cessation of his Directorship in the Company. It is informed that Shri Jyothilal K R, Part time Official (Nominee) Director attended the 23rd Nomination and Remuneration Committee meeting held on June 28, 2019. However, as a prudent measure, in line with the provisions of the Companies Act, 2013, the Board took note the cessation of the Directorship of Shri Jyothilal K R, Part time Official (Nominee) Director representing the Government of Kerala pursuant to Section 167(1)(b) of the Companies Act, 2013 and intimated the same to the Government of Kerala for nominating its representative on the Board of CSL.

Internal Auditor

131. The Board has appointed M/s. Varma & Varma, Chartered Accountants, Kochi, to conduct Internal Audit for the financial year 2019-20.

Extract of Annual Return

132. The extract of annual return in Form MGT 9 as per Rule 12(1) of the Companies (Management & Administration) Rules, 2014 is placed at **Annexure-7**. Further, the annual return of the Company as required under Section 92(3) of the Companies Act, 2013 is available in the website of the Company at <https://cochinshipyard.com/Investors>

Investor Services

133. The shares of the Company are listed in BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). CSL has paid listing fees to BSE and NSE on time. Link Intime India Private Limited, Mumbai are the Registrar & Transfer Agents in respect of these equity shares. The tax free bonds issued by the Company in 2013-14 are fully dematerialized with both the depositories, NSDL and CDSL. These bonds are listed on Wholesale Debt Market ("WDM") segment of BSE. CSL has paid the listing fees to BSE on time in respect of these bonds. Link Intime India Private Limited,

Mumbai is the Registrar & Transfer Agents and SBICAP Trustee Company Limited is the Debenture Trustees in respect of these bonds.

Vigilance

134. Vigilance department functions advocating transparency, equity and competitiveness in all procurement. Important CVC guidelines are discussed with Heads of Departments for its strict compliance. Emphasis was given to vigilance sensitization among the officers and supervisors for preventive vigilance.
135. Vigilance department scrutinizes the audit paras of both Internal as well as CAG audit on quarterly basis and action taken on issues related to vigilance angle, if any. Various systemic improvements achieved through vigilance initiatives during the year includes, updation of vendor list, provision for online registration of new vendors, monitoring of contract closing, addition and review of new vendor list on monthly basis, introduction of bill tracking system to enhance transparency, emphasis on e-procurement, online scrutiny of property returns of executives & supervisors, systematic disposal of Shipbuilding & Ship Repair steel scraps for ensuring grade transparency, conducted Intensive Examinations (CTE Type) for the works procurement of SAE – flanges for Ship No 20, construction of Marine Engineering Training Institute (METI) complex and hostel building & hiring of transport service.
136. Vigilance sensitization programs - Vigilance Awareness Week observed in a befitting manner as directed by the Commission. A special workshop on transparency in public procurement was arranged for the CSL Officers and the same was conducted by Shri V Ramachandran, former CTE. Elocution and essay competitions were conducted for college and school students in Ernakulum District. A grievance redressal meeting was also arranged for the suppliers and contractors of CSL. In the valedictory function conducted on October 01, 2019 Shri V Ramachandran, former CTE was the Chief Guest. Vigilance Study Circle Kerala also conducted various programmes including a Walkathon in which CSL employees actively participated.
137. Vigilance Department is scrutinizing the selection process of candidates for various posts. Further, the Department has conducted 28 surprise/periodic inspection for the year in various areas of operations and suggested corrective actions on vigilance angle. All reports to the Central Vigilance Commission are submitted in time and no reference is pending with CVC.

138. Annual Sectoral Review Meeting (2019) of Chief Vigilance Officers in various Public Sectors coming under Ministry of Shipping was conducted at Cochin Shipyard Limited on January 18, 2020 at the request of Central Vigilance Commission.

Right to Information Act

139. In order to promote transparency and accountability, your Company has implemented the provisions of the RTI Act, 2005 in its true letter and spirit and an appropriate mechanism has been set up in the Company with a dedicated centralized RTI Cell to provide information to the citizens under the provisions of this Act. All the RTI applications and the appeals received both online and offline during the year 2019-20 have been processed and information was provided in a time bound manner as stipulated in the Act, except, a few RTI requests which could not be processed due to the unprecedented outbreak of COVID-19 Pandemic resulting in closing down the operations of the Company. However, the said RTI requests have been processed after CSL resumed its operations.
140. There have been no instances of non-compliance by the Company. No penalties or strictures were imposed on the Company by any statutory authority during the last three years with respect to RTI.

Vigil Mechanism

141. The Cochin Shipyard Vigil Mechanism and Whistle Blower Policy of CSL adopted by the Board of Directors at 228th Meeting held on December 14, 2016 were functioning as Vigil Mechanism of CSL. Further, in line with the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, CSL had adopted Fraud Prevention and Detection Policy at the 214th Board Meeting held on September 16, 2014. Since the larger objective of both policies was similar, CSL adopted a combined policy viz., Whistle Blower and Fraud Prevention Policy at the 252nd Board Meeting held on November 12, 2019. The Whistle Blower and Fraud Prevention Policy of CSL is available at the link <https://cochinshipyard.com/Investors>

Details of frauds reported by Auditors under Section 143

142. Nil.

Particulars of loans, guarantees or investments

143. During the year under Report, the Company has not
 - a) given any loan to any person or other body corporate;

- b) given any guarantee or provided security in connection with a loan to any other body corporate or person; and
- c) acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, as prescribed under Section 186 of the Companies Act, 2013.

Material changes and commitments

144. No material changes and commitments, affecting the financial position of the Company, have occurred between the end of the financial year of the Company and the date of this Report.

Details of change in nature of business

145. There has been no change in the nature of business of the Company during the year under report.

Deposits

146. Your Company has not accepted any deposits from the public under Chapter V of the Companies Act, 2013.

Secretarial Standards

147. The Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

Significant and Material orders

148. No significant and material orders were passed by the regulators or any courts or tribunals impacting the going concern status of the Company and affecting its operations.

Business Responsibility Report

149. The Securities and Exchange Board of India (SEBI) has mandated inclusion of Business Responsibility Report ("BR Report") as part of the Annual Report for top 500 listed entities based on market capitalization. This SEBI mandate is also inserted as Regulation 34(2)(f) of SEBI (LODR) Regulations, 2015. The SEBI (LODR) Regulations, 2015 provide a format for BR Report. It also contains a list of nine key principles and various core elements under each principle to assess compliance with environmental, social and governance norms. The Company's BR Report for the year forms part of the Annual Report.

Acknowledgment

150. The Board of Directors are extremely thankful for the continued patronage and support extended by the Hon'ble Prime Minister, Hon'ble Minister of State (Independent Charge) for Shipping and all officials of

the Ministry of Shipping. The Board would also like to express their grateful appreciation for the support and co-operation from various offices of the Government of India, Government of Kerala, Government of West Bengal, Government of Maharashtra, various local bodies, the Comptroller & Auditor General of India, Statutory Auditors, Secretarial Auditors, Cost Auditors, Internal Auditors, Suppliers, Sub-contractors, Company's Bankers and our valued customers. The Board also places on record its appreciation for the contribution and support extended by all employees of Cochin Shipyard Limited. Your Directors express their appreciation and gratitude to all the shareholders/ investors for the trust and confidence reposed in the Company and look forward to their continued support and participation in sustaining the growth of the Company in the coming years.

For and on behalf of the Board of Directors

Kochi
August 07, 2020

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

Annexure-1

Dividend Distribution Policy

1. Preamble

1.1. The shares of CSL are listed on Bombay Stock Exchange Ltd and National Stock Exchange of India Ltd. As per regulation 43A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 the top five hundred listed entities based on market capitalization (calculated as on March 31st of every year) need to formulate a dividend distribution policy which shall be disclosed in the Annual Report and on their websites.

1.2. This policy lays down the general framework for considering and deciding the distribution of dividend to the Company's shareholders and/or retaining of earnings for sustained growth.

2. Policy framework

2.1. The purpose of the policy is to specify in broad terms, the external and internal factors including financial parameters that will be considered while deciding on the distribution of dividend, the circumstances under which shareholders of the Company, may or may not expect dividend and the policy relating to retention and utilisation of earnings. This policy is not an alternative to the decision of the Board for recommending dividend every year based on all relevant factors namely, factors enumerated in this policy and also other additional factors that the Board may consider relevant in the overall interest of the Company. However, such additional factors if any resulting in amendment of the policy will be disclosed in the Annual Report as well as the website of the Company.

2.2. The policy will be implemented by the Company keeping in view the provisions of SEBI (LODR) Regulations, the Companies Act 2013 and also taking into consideration guidelines issued by SEBI, DPE, DIPAM, Ministry of Shipping as also other guidelines to the extent applicable to the Company.

3. Effective date

3.1. The policy will be effective from the financial year 2017-18.

4. Exclusions

4.1. The policy shall not apply to:

- a) Distribution of dividend in kind i.e. by issue of fully or partly paid bonus shares or other securities, subject to applicable law;

- b) Distribution of cash as an alternative to payment of dividend through Buyback of equity shares.

5. Factors considered while declaring dividend

5.1

- a. In pursuance of Section 123 of the Act, no dividend shall be declared or paid by the Company for any financial year except out of the profits of the Company for that year or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation. However normally, the Company will decide to declare dividend only out of current year's profits after providing for depreciation in accordance with the law and after transfer to the reserves of the Company such portion of the profits as may be considered appropriate for future growth.
- b. Interim dividend will be based on profits of the current year as per unaudited results after providing for depreciation in accordance with law and Management estimates of profits for full financial year.
- c. Dividend distribution tax payable by the Company on dividend paid to shareholders will also be considered.

5.2. The quantum of dividend declared by the Company would depend upon the following external and internal factors:

- a. The external factors that shall impact the decision to pay dividend will inter-alia include economic environment, market conditions, expectation of shareholders, statutory requirements and applicable Government directives as may be applicable from time to time.
- b. The internal factors that shall be considered for dividend will be profitability of the Company, its net worth, its requirement for funds for its Capital Expenditure towards renewals & replacement/ upgradation / R&D and expansion (CAPEX), investment in subsidiaries/JVs, stability of earnings, past dividend trends, obligation to creditors and any other factors as may impact the decision to declare dividend.

- c. The Company may endeavor to pay minimum annual dividend of 30% of Profit After Tax (PAT) or 5% of net worth, whichever is higher subject to the maximum dividend permitted under the extant legal provisions.

6. Utilisation of retained earnings

6.1. The Company is a major player in the shipbuilding and ship repair sector and is acutely conscious of the need to plough back adequate profits for operations and capital investment in order to maintain, and more importantly improve its market position in the face of emerging new technologies requiring investments to stay abreast of current technologies, competition arising from the private players, both domestic and foreign. The Company has an ambitious expansion programme, Capex requirements which includes multi-locational ship repairing/building facility, two major capital projects viz. a dry-dock at the existing premises and a new ship repair complex at Cochin Port Trust premises and also has necessarily to invest in upgrading & renewals and replacement of its existing facility and R&D projects. Further, with the anticipated higher growth in sales year on year, the incremental working capital requirements also will have to be met increasingly from cash and reserves of the Company.

7. Circumstances under which the shareholders may or may not expect dividend

7.1. The Company has been consistently paying dividends to its shareholders and that it will continue to do so in future is a reasonable expectation unless circumstances warrant the contrary.

7.2. The shareholders of the Company may or may not expect dividend depending upon the circumstances including, but not limited, to the following:-

- a) In the event of inadequacy of profits or whenever the Company has incurred losses;
- b) Whenever the Company undertakes or proposes to undertake significant capital expenditure or investment in new areas of business whether in CSL itself or in joint ventures/subsidiaries;

- c) Significantly higher working capital requirement adversely impacting cash flows; or

- d) Whenever the Company proposes to utilise the surplus cash for buyback of securities;

- e) Any other circumstance/instance which the Board of Directors may consider relevant to the dividend declaration decisions.

7.3. The Company will take a decision on the dividend distribution keeping all external and internal factors in view and duly adopting a judicious balance between directly rewarding the shareholders through dividend declaration on the one hand and increasing shareholders wealth in future through appropriate retention of projects and its realisation for sustainable growth, on the other.

8. Parameters to be adopted with regard to various classes of shares

8.1. The Company has issued only one class of shares i.e. equity shares with equal voting rights. All the members of the Company are entitled to receive the same amount of dividend per share.

9. Interpretation & amendments

9.1. Any word used in this Policy shall have the same meaning as defined under the Companies Act, 2013, SEBI Listing Regulations, 2015 and any other applicable statutory regulations.

9.2. The Board of Directors may review, amend and modify the policy at any point of time as it may deem necessary and /or as may be required from time to time in accordance with subsequent amendments in Companies Act, 2013 & Companies Rules, Circulars, Notifications, Guidelines thereto, SEBI Listing Regulations, 2015, the relevant guidelines of Ministry of Finance, Ministry of Shipping, DPE, DIPAM etc. and other applicable statutes.

10. Disclosure

10.1. This policy shall be disclosed in the Annual Report and hosted on the Company's website to meet statutory requirements, if any.

Annexure-2

A. Conservation of Energy

a. Steps taken or impact on conservation of energy during the year 2019-20.	Steps Taken <ul style="list-style-type: none">• Electrification of new buildings is carried out with LED lights instead of conventional discharge lamps.• Replacement of high pressure mercury vapour lights with LED's at various bays of Hull Shop & Ship Repair Shops.• Leakages in the compressed air distribution system and other industrial gas lines are regularly monitored and rectified.• Switching off main air compressor during lunch break.• Switching off main power supply to shops, quays, & docks momentarily at 12:15 hrs. This trips man coolers, roof extractors (controlled through starters), etc. which are not required during the lunch break.• Displayed energy saving stickers & posters, conducted seminar and quiz competition for inculcating awareness among employees for energy conservation aimed at optimum use of electric power.• Power factor is continuously monitored and maintained near unity.
	Impact <p>Energy saving is approx. 3.94 lakhs units per annum with the implementation of measures specified above.</p>
b. Steps taken for utilizing alternate sources of energy.	<ul style="list-style-type: none">• 10.74 lakhs units of energy was generated from the existing 835 kWp grid connected solar power plant during the year 2019-20.• Installation of 450 kWp grid connected solar power plant at roof top of outfit warehouse and bonded store & 200 kWp grid connected solar power plant at roof top of various buildings are in progress.
c. Capital investment on energy conservation equipments	<ul style="list-style-type: none">• An amount of approximately ₹35 lakhs has been invested for conservation of energy.

B. Technology Absorption, Adaptation and Innovation

- | | |
|--|---|
| a. Efforts made towards technology absorption. | <ul style="list-style-type: none">• Implemented OpenFOAM Computational Fluid Dynamics software for carrying out advanced hydrodynamics study of ship hull forms during design development phase. OpenFOAM is an open-source software used widely in the industry. Implementation was done after undertaking advanced training at IIT Kharagpur during December 2019.• Implemented state-of-the-art Finite Element Analysis software tool from Dassault Systemes for structural analysis of ship structures.• External workshops/training provided in:
Noise and Vibration Workshop conducted by Bhabha Atomic Research Centre, Mumbai.
International Conference of Ship & Offshore Technology conducted by IIT Kharagpur.
NAPA user meeting & workshops on NAPA stability and structural modules, which was conducted at NAPA headquarters, Helsinki.• In-house development of 3D model, functional drawings & production drawings for hull, machinery and electrical & accommodation systems for Ro-Ro vessels/berthing pontoon/ Ambulance boats/FBOP were carried out.• Procured 3D EXPERIENCE ship building software solutions from Dassault Systemes India Private Ltd., comprising of CATIA (3-D modeling), SIMULIA (for simulation and analysis), DELMIA (Manufacturing), INNOVIA (Collaborative Project management) as replacement for current software Tribon, in the coming years.• Training and set up of 3D EXPERIENCE shipbuilding software solutions for hull structure, electrical, machinery, piping, HVAC, accommodation outfit & project management are in progress. |
| b. Efforts made towards Technology Innovation. | <ul style="list-style-type: none">• Development of in house design of 100 Pax Electric Hybrid Catamaran for Kochi Water Metro. The vessel has a hybrid propulsion system consisting of Diesel Generators and latest Lithium-Titanate (LTO) batteries. Once fully operational, these boats would be one of the most eco-friendly water transport network in the world.• Development of hullform for Kochi Water Metro project, in association with MARIN, Netherlands. The design is optimized for achieving minimum propulsion power and lowest wake wash.• Development of basic design of Floating Border Outpost for Border Security Force.• Development of basic design of Ambulance boats for Kerala Fisheries department.• Development of concept design of Next Generation Missile Vessels (NGMV), for Indian Navy.• Development of concept design of Survey Training Vessel (STV) for Indian Navy.• Development of concept design of Semi-Submersible Platform (SSP) for Indian Navy.• Development of concept design of Multi- Purpose Vessel (MPV) for Indian Navy.• Development of concept design for Weed-Harvester pontoon for Dal Lake.• Development of in-house web-based application, Chronoz, for man-hour utilization capture in Design Department.• Implementation of File Life Cycle Management system which facilitates paperless office for ensuring better transparency and availability of files.• Development of 'Habitability Application' for monitoring the progress of work in 2600 accommodation compartments in IAC using SAP Portal.• Development of a mobile application called 'Rudder' for tracking the steel renewal projects in Ship Repair.• Implementation of a web/mobile application for controlling the access of external sub-contract workers by their contractors inside CSL. |
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Disclosure of Particulars in respect of Absorption

c.	Benefits derived like product improvement, cost reduction, product development or import substitutions.	<ul style="list-style-type: none"> • Effective tracking and deployment of man-hour in basic design department, where man-hour capture tool has been implemented. • Increased flexibility for performing design iterations for developing optimized products because of having in-house FEA and CFD capability. • Capability for performing CFD & FEA calculations within the Shipyard offers cost and time saving, which if offloaded to an outside consultancy, would be very costly and time consuming and may result in forex outflow. • Improved self-reliance, better control and focus on productivity improvement. • Access to high end clientele and enhanced credibility on account of high quality design solutions. • Capability achieved in undertaking multiple projects concurrently. • Reduction of cost due to minimized rework, as interface of the systems can be viewed and corrected in 3D modelling on computer.
d.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) following information may be furnished.	
i.	The details of technology imported	ALMA ACT CUT nesting software for plates and profiles.
ii.	The year of import	2019-20
iii.	Whether the technology been fully absorbed	The above is currently under set up and implementation and can be considered as technology undergoing absorption.
iv.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	ALMA ACT CUT is being integrated with the 3D Experience Software Solution and would become absorbed fully once the same for the entire design department becomes live.
e.	Expenditure incurred on Research and Development	Nil

C. Foreign Exchange Earnings and Outgo

(₹ in lakhs)

Income from Foreign Exchange	2019-20	2018-19
From Shipbuilding	0.00	0.00
From Ship repair	345.70	0.00
Total	345.70	0.00
Expenditure in Foreign Exchange		
Materials (CIF Value)	102864.31	82543.51
Design & Documentation	116.52	0.00
Service Charge & Others	10528.97	12523.09
Total	113509.80	95066.60

For and on behalf of the Board of Directors

Madhu S Nair

Chairman & Managing Director
DIN: 07376798

Kochi
August 07, 2020

Annexure-3

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/agreements entered into by the Company with related parties referred to in subsection (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto:

1. Details of contracts or arrangements or transactions not at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transactions	Not Applicable
(c)	Duration of the contracts/arrangements/transactions	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
(e)	Justification for entering into such contracts or arrangements or transactions	Not Applicable
(f)	Date(s) of approval by the Board	Not Applicable
(g)	Amount paid as advances, if any	Not Applicable
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not Applicable

2. Details of material contracts or arrangements or transactions at arm's length basis

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/arrangements/transactions	Not Applicable
(c)	Duration of the contracts/arrangements/transactions	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
(e)	Date(s) of approval by the Board	Not Applicable
(f)	Amount paid as advances, if any	None

For and on behalf of the Board of Directors

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

Kochi
August 07, 2020

Annexure-4

REPORT ON CORPORATE SOCIAL RESPONSIBILITY

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programs.
 - a) Cochin Shipyard Limited Corporate Social Responsibility Policy (CSL CSR Policy):
 - (i) CSL CSR Policy approved and adopted by the Board of CSL in its 213th meeting held on September 16, 2014 is founded on the basic principles of shared and inclusive growth of the community and environment and is a manifestation of Company's commitment to the people and planet without sacrificing its economic sustainability. More than a mandatory practice, CSR for CSL is its way of conducting the business. The Policy encompasses the basic tenets of CSR and domain of CSR activities as enshrined in the Companies Act, 2013 and the CSR Rules framed there under with particular reference to the Schedule VII of the Act.
 - (ii) Accordingly, CSL CSR Policy contains:
 - CSR Vision and Mission
 - Thrust areas of CSR interventions
 - CSR activities
 - CSR Management structure in CSL
 - CSR implementation process or modus operandi
 - CSR budgeting
 - Documentation and reporting
 - (iii) Web-link to the CSR Policy and projects or programs:
https://cochinshipyard.com/uploads/CSL_CSR_14-15_policy.pdf
 - (b) Details of CSR spent on projects or programs undertaken: please refer point no. 5 below.
2. The Composition of the CSR Committee (Board Level) as on March 31, 2019:
 - i) Shri Jiji Thomson DIN: 01178227 Independent Director and Chairperson of the Committee
 - ii) Shri Bejoy Bhasker DIN: 08103825 Director (Technical)
 - iii) Shri Shri Jose V J DIN: 08444440 Director (Finance)
 - iv) Shri Nanda Kumaran Puthezhath DIN: 02547619 Independent Director
3. Average profit before tax of the Company for the last three financial years: ₹616.75 crore.
4. Prescribed CSR Expenditure (two per cent of the amount at point no. 3 above): ₹12.33 crore.
5. Details of CSR spent during the financial year:
 - a) Total amount to be spent for the financial year : ₹ 12.33 crore
 - b) Total amount spent : ₹ 15.29 crore
 - c) Amount unspent, if any : Nil

RESPONSIBILITY STATEMENT

'The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objective and policy of the Company.'

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

Jiji Thomson
Chairperson of CSR & SD Committee
DIN: 01178227

Kochi
June 20, 2020

PROJECT-WISE CSR SPENT BY COCHIN SHIPYARD LIMITED DURING 2019-20

Sl No	Name of project with a brief	Sector in which project is covered (clause No. of Sch VII to Companies Act 2013 as amended)	Project of programme (1) Local area and other (2) Specify the State and District where projects or program was undertaken	Amount of outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or the programmes sub heads (1) Direct expenditure on project or programmes, (2) Overheads (₹ Lakhs)	Cumulative expenditure upto the reporting period (₹ Lakhs)	Amount spent direct or through implementing agency	Number and category of project beneficiaries
A THEME HEALTH & EDUCATION								
1	Distribution of Free Medicines (Insulin) to Type 1 Diabetic Children of BPL Families in Kottayam, Ernakulam, Alappuzha, Idukki and Thrissur District	Cl. (i) promoting health care including preventive health	Alappuzha, Kottayam, Idukki, Ernakulam and Thrissur Districts of Kerala State	9.50	1.19	3.83	Lourdes Hospital, Ernakulam	66 Type 1 Diabetic Patients
2	Financial Support for Mathrubhumi Madhuram Malayalam Scheme - an Initiative to Boost Reading Habits among Children in Needy Schools in Idukki, Kottayam and Pathanamthitta Districts	Cl. (ii) promoting education	Idukki, Kottayam and Pathanamthitta Districts	3.00	1.50	3.00	Mathrubhumi, Kottayam Unit	6000 School Students
3	Support for a Training and Development Centre for Marginalized Women at Thekkumbhagam, Vizhinjam, Thiruvananthapuram District	Cl. (ii) Employment enhancing vocational skills, especially among children, women, elderly, and the differently-abled.	Thekkumbhagam - Vizhinjam, Thiruvananthapuram District of Kerala State	30.00	3.00	30.00	Vizhinjam Thekkumbhagam, Muslim Jama'ath	50 Marginalized Women of the area
4	Support for Setting up a Rehabilitation cum Yoga Centre for the Aged at Punnyam Trust, Vazhoor, Kottayam District	Cl.(iii) setting up of homes and hostels for women and orphans	Vazhoor, Kottayam District	40.00	1.50	40.00	Punnyam Trust at Vazhoor, Kottayam District	40 aged people
5	Support for Pakalvedu (Day Care for the Aged) Functioning at Red Cross Bhavan, Kakkannad, Ernakulam District	Cl. (iii) Setting up old-age homes, day care centers and such other facilities for senior citizens	Kakkannadu Ernakulam District of Kerala State	5.00	0.46	4.96	Red Cross Society Kakkannadu, Ernakulam District	40 Aged People
6	Support for Manorama Daily Distribution Programme - an Initiative to Boost Reading Habits among Children in Government Schools in Ernakulam District	Cl. (ii) promoting education	Ernakulam District	0.95	0.48	0.95	Malayala Manorama, Kochi Unit	2500 school students
7	Support for Observing Road Safety Week for the Benefit of the Common People at Various Venues Including within the Shipyard	Cl. (ii) promoting education	Ernakulam District	0.95	0.95	0.95	Motor Vehicles Department, Government of Kerala	General Public
8	Support for Mathrubhumi Madhuram Malayalam Scheme - an initiative to Boost Reading Habits among Children in Needy Schools in Ernakulam District	Cl. (ii) promoting education	Ernakulam District	2.00	1.00	2.00	Mathrubhumi, Kochi Unit	4000 School Students
9	Support for New Urinal Facilities and Renovation of Toilets along with the Establishment of an Incinerator at Darul Uloom Higher Secondary School, Puleppeady, Ernakulam District	Cl. (ii) promoting education (Swachh Bharat)	Darul Uloom Higher Secondary School, Puleppeady, Ernakulam District	2.89	1.31	2.76	PTA, Darul Uloom Higher Secondary School, Puleppeady, Ernakulam District	300 Students

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10	Financial Support for Purchase of Smart Class Room Equipments at Government Junior Basic School, Kundannoor, Maradu, Ernakulam District	Cl. (ii) promoting education	Kundannoor, Ernakulam District	3.00	2.95	2.95	PTA, Government Junior Basic School, Kundannoor, Maradu, Ernakulam District	40 Students
11	Support for Construction of an Additional Floor to the Existing Building of Press Club, Kottayam for Skill Development	Cl. (ii) Promoting education (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Kottayam District of Kerala State	20.00	4.00	20.00	Press Club, Kottayam	100 students per year
12	Support for Construction of a Girls Friendly Toilet Complex at AV Smaraka Govt. Higher Secondary School, Karivellur, Kannur District	Cl. (ii) promoting education (Swachh Bharat)	Karivellur, Kannur District	8.06	4.03	8.06	AV Smaraka Govt. Higher Secondary School, Karivellur, Kannur District	425 Students
13	Support for Construction of a New Toilet Complex at Muppaikkad LP School, Moolavattom, Kottayam District	Cl. (ii) promoting education (Swachh Bharat)	Moolavattom, Kottayam District	8.84	4.42	8.84	Muppaikkad LP School, Moolavattom, Kottayam District	165 Students
14	Support for Purchase of Class Room Furniture at Government UP School, Bavali, Mananthawadi, Wayanad District	Cl. (ii) promoting education	Bavali, Mananthawadi, Wayanad District	5.00	5.00	5.00	PTA Government UP School, Bavali, Mananthawadi, Wayanad District	135 Students
15	Support for the Construction of a Toilet Complex at Sacred Heart Higher Secondary School, Thevara, Ernakulam District under Swachh Bharat Abhiyan of Gol	Cl. (ii) promoting education (Swachh Bharat)	Thevara, Ernakulam District	12.80	6.38	12.78	Sacred Heart Higher Secondary School, Thevara, Ernakulam District	639 students
16	Support for Purchase of Optimist Class Sail Boats for Sea Cadet Corps	Cl. (ii) promoting education	Thevara, Ernakulam District	6.53	6.53	6.53	Southern Naval Command, Kochi	50 Cadets per year
17	Support for Adopt a Library Scheme - Support the Libraries in Ernakulam District, which effected by the Recent Floods	Cl. (ii) promoting education	Ernakulam District	6.70	6.70	6.70	Samoohya Samrambhaka Co - operative Society, Kochi	5000 Readers
18	Promotion of Reading Habits among School Children by Supporting a Book for Every Initiative at the International Book Fair - 2019	Cl. (ii) promoting education	Ernakulam District	8.00	8.00	8.00	Samoohya Samrambhaka Co - operative Society, Kochi	5000 Students

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19	Support for Repair/Restoration of Anganwadi Centers in Alappuzha District	Cl. (ii) promoting education	Kuttanad, Alappuzha District	20.00	9.18	19.18	District Social Justice Department, Alappuzha	180 Anganwadi Students
20	Support for Prana - Students Association of Amrita School of Business in their Endeavour to Support Special Children with Wheelchair, Stretcher and Walking Stick	Cl. (ii) promoting education including special Education	Ernakulam District	0.69	0.69	0.69	Amrita School of Business, Kochi	30 Differently Abled Persons
21	Support for Urava - Water ATM Project at Attappady, Palakkad District	Cl. (i) promoting health (Swachh Bharat)	Sholayur Grama Panchayat of Attappady, Palakkad District	30.00	1.00	30.00	Shanthy Medical Information Centre, Guruvayoor	2500 household families in Sholayur Grama Panchayat
22	Support for Construction of a Toilet Complex at ANM UP School, Gokhale Nagar, Mylambadi, Wayanad District	Cl. (ii) promoting education (Swachh Bharat)	Mylambadi, Wayanad District	4.00	4.00	4.00	PTA ANM UP School, Gokhale Nagar, Mylambadi, Wayanad District	140 Students
23	Support for Improving the Laboratory Facilities at Amboori Primary Health Centre, Parassala, Thiruvananthapuram District	Cl. (i) promoting health	Amboori, Parassala, Thiruvananthapuram District	6.06	6.06	6.06	Hospital Management Committee, Amboori Primary Health Centre, Parassala, Thiruvananthapuram District	200 Patients per Day
24	Support for a Multi - Gym at in the Training Centre for Ernakulam South Police Station for Women and Children	Cl. (i) promoting health	Thevara, Ernakulam District	6.34	6.34	6.34	City Police Commissioner, Kochi	General Public
25	Support for a Sensory Therapeutic Centre for Children with Special Needs at Sevanikethan Thiruhudaya Nivas Parel, Kurisumoodu, Changanacherry, Kottayam District	Cl. (ii) promoting education including special Education	Changanacherry, Kottayam District	16.19	7.63	15.73	Sevanikethan Thiruhudaya Nivas Parel, Kurisumoodu, Changanacherry, Kottayam District	62 Special Children
26	Support for an Elevator at Pratheeksha Bhavan - School for the Mentally Challenged at Thodupuzha, Idukki District	Cl.(iii) setting up of homes and hostels for women and orphans	Thodupuzha, Idukki District	20.00	8.40	18.40	Pratheeksha Bhavan - School for the Mentally Challenged at Thodupuzha, Idukki District	140 differently abled children
27	Support for Setting up of a Blood Bank at Thaluk Head Quarters Hospital, Mannarkad, Palakkad District	Cl. (i) promoting health care including preventive health	Mannarkad, Palakkad District	70.00	14.00	66.50	Hospital Development Society, Thaluk Head Quarters Hospital, Mannarkad, Palakkad District	200 patients per month

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28	Support for Procuring Ambulance for Shri Dnyaneshawar Mauli Mandir Sansthan, Karajgaon, District Amaravati	Cl. (i) promoting health care including preventive health	Amaravati, Maharashtra	15.00	15.00	15.00	Shri Dnyaneshawar Mauli Mandir Sansthan, Karajgaon, District Amaravati	General Public
29	Support for Revitalization of Khodiyar Temple Lake and Development of Adjacent Naval Environment Park & Training Area of INS Valsura, Jammnagar, Gujarat	Cl. (i) promoting health (Swachh Bharat)	Jammnagar, Gujarat	25.00	23.92	23.92	INS Valsura, Jammnagar, Gujarat	People who are visiting the Park
30	Support for Construction of Household Toilets in Chellanam Panchayat, Ernakulam District under Swachh Bharat Abhiyan of Gol	Cl. (i) promoting health (Swachh Bharat)	Chellanam Grama Panchayat in Ernakulam District	55.00	27.50	55.00	WIN Society, Eramalloor, Alappuzha District	100 household families
31	Support for Construction of Jijamata Primary Women Health Care and Diagnosis Centre, Quarters and Equipments including an Ambulance for the benefit of the People at Sindkhed Raja, Dist. Buldana, Maharashtra	Cl. (i) promoting health care including preventive health	Sindkhed Raja, Dist. Buldana, Maharashtra	200.00	76.25	175.87	Jijau Shirishti, Matrutiirtha Sindkhedraja, District Buldana	3000 Out Patients per month
32	Support for Establishing a Cath Lab at the Cardiology Unit of A. P. Varkey Mission Hospital, Arakkunnam, Ernakulam District	Cl. (i) promoting health care including preventive health	Arakkunnam, Ernakulam District, Kerala State	100.00	90.00	90.00	A. P. Varkey Mission Hospital, Arakkunnam, Ernakulam District	200 Patients per Month
33	Support for SHIKSHA of Backwaters 2018 - Annual Management Festival of IIM, Kozhikode from 26th to 28th October 2018	Cl. (ii) promoting education	Kozhikode District	0.84	0.85	0.85	IIM, Kozhikode	1000 Student Participants
34	Support for Sansad Adarsh Gram Yojana at Venganoor Grama Panchayat, Thiruvananthapuram District	Cl. (ii) promoting education	Venganoor Grama Panchayat, Thiruvananthapuram District	28.05	28.05	28.05	Venganoor Grama Panchayat, Thiruvananthapuram District	500 Students
35	Support for Infrastructure Development of Public Library, Thiruvankulam, Ernakulam District	Cl. (ii) promoting education	Thiruvankulam, Ernakulam District, Kerala State	5.00	2.50	2.50	Public Library, Thiruvankulam, Ernakulam District	3000 readers
36	Support for Modification of Soyus Library & Reading Room, Kadavanthra, Kochi	Cl. (ii) promoting education	Kadavanthra, Ernakulam District, Kerala State	11.00	9.33	9.33	Soyus Library & Reading Room, Kadavanthra, Kochi	3000 readers
37	Support for Training for SOS Children of Aluva & Thrissur Villages for a Duration of 2 Days	Cl. (ii) promoting education	Ernakulam and Thrissur Districts of Kerala State	1.00	1.00	1.00	SOS Childrens Villages, Aluva and Thrissur	100 students

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38	Support for Installation of Water Treatment Plant at Amrita High School, Moolavattom, Kottayam District	Cl. (i) promoting health (Swachh Bharat)	Moolavattom, Kottayam District	4.35	2.18	2.18	PTA Amrita High School, Moolavattom, Kottayam District	450 Students
39	Support for Renovation of School Making them Suitable for Smart Class Room at Sahodaran Memorial High School, Cherai, Ernakulam District	Cl. (ii) promoting education	Cherai, Ernakulam District, Kerala State	5.00	2.50	2.50	PTA Sahodaran Memorial High School, Cherai, Ernakulam District	700 Students
40	Support for Renovation of School Making them Suitable for Smart Class Room at SNDP HSS, Aluva, Ernakulam District	Cl. (ii) promoting education	Aluva, Ernakulam District, Kerala State	5.00	2.50	2.50	PTA SNDP HSS, Aluva, Ernakulam District	780 Students
41	Support for Construction of School Building at St. Joseph's UP School, Karithala, Ernakulam District	Cl. (ii) promoting education	Karithala, Ernakulam District	5.00	2.50	2.50	St. Joseph's UP School, Karithala, Ernakulam District	210 Students
42	Support for Construction of a Toilet Complex at Dr. B. R. Ambedkar Memorial UP School, Muttappally, Kottayam District	Cl. (ii) promoting education (Swachh Bharat)	Muttappally, Kottayam District	5.00	2.50	2.50	PTA Dr. B. R. Ambedkar Memorial UP School, Muttappally, Kottayam District	180 Students
43	Support for School Renovation at SRV UP School, Perumpadappa, Chenthrappinni, Thrissur District	Cl. (ii) promoting education	Perumpadappa, Chenthrappinni, Thrissur District, Kerala State	5.00	2.50	2.50	PTA SRV UP School, Perumpadappa, Chenthrappinni, Thrissur District	140 Students
44	Support for Renovation of Class Room for Smart Class and Other Facilities at KMLP School, Eeroor, Thripunithura, Ernakulam District	Cl. (ii) promoting education	Eeroor, Thripunithura, Ernakulam District, Kerala State	5.00	3.35	3.35	PTA KMLP School, Eeroor, Thripunithura, Ernakulam District	90 Students
45	Support for Renovation of School for Making them Suitable for Smart Class Room at St. Mary's High School, Kannamaly, Ernakulam District	Cl. (ii) promoting education	Kannamaly, Ernakulam District, Kerala State	5.00	5.00	5.00	PTA St. Mary's High School, Kannamaly, Ernakulam District	240 Students
46	Support for Renovation of Kids Park and Furniture for Class Rooms at Government U P School, Akanad, Mudakuzha, Ernakulam District	Cl. (ii) promoting education	Akanad, Mudakuzha, Ernakulam District, Kerala State	5.00	5.00	5.00	PTA Government U P School, Akanad, Mudakuzha, Ernakulam District	160 Students
47	Support for Construction of a Toilet Complex at MTLP School, West Vengola, Ernakulam District	Cl. (ii) promoting education (Swachh Bharat)	West Vengola, Ernakulam District, Kerala State	5.00	5.00	5.00	PTA MTLP School, West Vengola, Ernakulam District	80 Students
48	Support for Procuring Medicines for Thalassaemia Patients by Manava Seva Lokkalyan Maha Sangh, Nagpur, Maharashtra	Cl. (i) promoting health	Nagpur, Maharashtra	5.00	5.00	5.00	Manava Seva Lokkalyan Maha Sangh, Nagpur, Maharashtra	200 Thalassaemia Patients

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49	Support for Construction of a New School Building at SABTM LP School, Randarkara P. O, Muvattupuzha, Ernakulam District	Cl. (ii) promoting education	Randarkara P. O, Muvattupuzha, Ernakulam District	10.00	5.00	5.00	SABTM LP School, Randarkara P. O, Muvattupuzha, Ernakulam District	240 Students
50	Support for Renovation of Old School Building at SV LP School, Thekkumbhagam, Thripunithura, Ernakulam District	Cl. (ii) promoting education	Thripunithura, Ernakulam District, Kerala State	10.00	5.00	5.00	PTA SV LP School, Thekkumbhagam, Thripunithura, Ernakulam District	165 Students
51	Support for Renovation of Old School Building at SDV LP School, Maradu, Ernakulam District	Cl. (ii) promoting education	Maradu, Ernakulam District, Kerala State	10.00	5.00	5.00	PTA SDV LP School, Maradu, Ernakulam District	140 Students
52	Support for Creating Awareness and Educating Students in Cyber Security by Commissioner of Police, Kochi City	Cl. (ii) promoting education	Ernakulam District	10.00	5.00	5.00	City Police Commissioner, Kochi	5000 School Students
53	Support for Construction of a Toilet Complex at V B U P School, Thrikkodithanam, Changanacherry, Kottayam District	Cl. (ii) promoting education (Swachh Bharat)	Thrikkodithanam, Changanacherry, Kottayam District, Kerala State	10.00	5.00	5.00	PTA V B U P School, Thrikkodithanam, Changanacherry, Kottayam District	230 Students
54	Support for Preparatory Coaching for Selection of Officers in Defence Services by Defence Service Officers Institute (DSOI) Palakkad	Cl. (ii) promoting education	Palakkad District, Kerala State	10.00	5.00	5.00	Defence Service Officers Institute (DSOI) Palakkad	50 students per year
55	Support for Purchase of Computers and Water Filters for SOS Children's Villages, Aluva and Thrissur	Cl. (ii) promoting education	Thrissur and Ernakulam District, Kerala State	15.00	6.89	6.89	SOS Childrens Villages, Aluva and Thrissur	100 Students
56	Support for Integrated Interventions for addressing Poverty, Malnutritions and Educational Backwardness of Paniya Tribes in Wayanad District	Cl. (ii) promoting education	Wayanad District, Kerala State	15.00	7.50	7.50	Dr. M S Swaminathan Foundation, Kalpetta, Wayanad District	150 Paniya Household Family
57	Support for Holistic Development of Children Affected by Drugs to AURA Social Work Organization, Chittissery, Thrissur District	Cl. (ii) promoting education	Thrissur District of Kerala State	12.00	10.80	10.80	AURA Social Work Organization, Chittissery, Thrissur District	100 School Students
58	Support for Construction of Setting up Science Lab at Government High School, Muppathadam, Aluva, Ernakula District	Cl. (ii) promoting education	Muppathadam, Ernakulam District, Kerala State	12.00	11.33	11.33	PTA Government High School, Muppathadam, Aluva, Ernakula District	400 Students
59	Support for a School Bus to Janey Centre - a Day Care Centre for Rehabilitating the Differently Abled Persons in Erroor, Thripunithura, Ernakulam District	Cl. (ii) promoting education including special Education	Thripunithura, Ernakulam District, Kerala State	15.00	15.00	15.00	Janey Centre - A Day Care Centre for Rehabilitating the Differently Abled Persons in Erroor, Thripunithura, Ernakulam District	73 Special Children

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60	Support for Puthuyugam - A Comprehensive Educational Project (PCEP) by District Administration, Ernakulam	Cl. (ii) promoting education	Ernakulam District, Kerala State	30.00	30.00	30.00	District Administration, Ernakulam	200 Student aspirants
61	Support for Construction of an Assembly Hall at Sree Ramakrishna Gurukula Vidyamandir Higher Secondary School, Puranattukara, Thrissur District	Cl. (ii) promoting education	Puranattukara, Thrissur District, Kerala State	30.00	30.00	30.00	PTA Ramakrishna Gurukula Vidyamandir Higher Secondary School, Puranattukara, Thrissur District	1800 Students
62	Support for Construction of Laboratories at Government HSS, Elamakkara, Ernakulam District	Cl. (ii) promoting education	Ernakulam District, Kerala State	80.00	40.00	40.00	PTA Government HSS, Elamakkara, Ernakulam District	600 Higher Secondary Students
63	Support for Procuring a Maruti Eeco Vehicle to St. Alphonsa Vocational Training Centre for Mentally Challenged Students at Kidangoor, Angamaly, Ernakulam District	Cl. (ii) promoting education including special Education	Kidangoor, Angamaly, Ernakulam District, Kerala State	5.56	5.56	5.56	St. Alphonsa Vocational Training Centre for Mentally Challenged Students at Kidangoor, Angamaly, Ernakulam District	43 Differently Abled Children
64	Support for Providing Educational Aids to the SC/ST Students in Wayanad District	Cl. (ii) promoting education	Wayanad District, Kerala State	7.50	5.87	5.87	Federation of Central Govt. SC/ST Employees (Kerala) Cochin Shipyard Unit	450 ST School Children
65	Support for Set up Four Anganwadi Projects at Wayanad District	Cl. (ii) promoting education	Wayanad District, Kerala State	120.00	80.00	80.00	District Administration, Wayanad	80 Anganwadi Students
66	Support for Construction of a Part of the First Floor of Human Excellence Building at Ramakrishna Mission, New Town, Kolkata	Cl. (ii) promoting education/Cl.(v) protection of national heritage, art and culture	New Town, Kolkata, West Bengal	120.00	100.00	100.00	Ramakrishna Mission, Bhelur Math, Kolkata	5000 Students per Year
67	Support for Construction of a Toilet Complex at Model Technical Higher Secondary School, Kaprassery, Nedumbassery, Ernakulam District	Cl. (ii) promoting education (Swachh Bharat)	Kaprassery, Nedumbassery, Ernakulam District, Kerala State	5.00	5.00	5.00	PTA Model Technical Higher Secondary School, Kaprassery, Nedumbassery, Ernakulam District	450 Students
68	Support for Construction of a Toilet Complex at Bhagavathy Vilasam High School, Nayarambalam, Ernakulam District	Cl. (ii) promoting education (Swachh Bharat)	Nayarambalam, Ernakulam District, Kerala State	5.75	5.75	5.75	PTA Bhagavathy Vilasam High School, Nayarambalam, Ernakulam District	300 Students
69	Support for Get Together of HIV +ve Patients of ART Centre, General Hospital, Ernakulam	Cl. (i) promoting health	Ernakulam District, Kerala State	0.32	0.32	0.32	ART Centre, General Hospital, Ernakulam	60 Patients

SI No	Name of project with a brief	Sector in which project is covered (clause No. of Sch VII to Companies Act 2013 as amended)	Project of programme (1) Local area and other (2)Specify the State and District where projects or program was undertaken	Amount of outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or the programmes sub heads (1) Direct expenditure on project or programmes, (2) Overheads (₹ Lakhs)	Cumulative expenditure upto the reporting period (₹ Lakhs)	Amount spent direct or through implementing agency	Number and category of project beneficiaries
70	Support for Procuring Ophthalmic Equipment to Sri Sathya Sai Institute of Primary Health Care, Kulappully, Shornur, Palakkad District	Cl. (i) promoting health	Kulappully, Shornur, Palakkad District, Kerala State	4.00	4.00	4.00	Sri Sathya Sai Institute of Primary Health Care, Kulappully, Shornur, Palakkad District	600 Patients per Month
71	Support for Buying a Maruti Eco Van to Karunyarvarsham Charitable Trust, Ernakulam	Cl. (i) promoting health	Ernakulam District, Kerala State	5.00	4.70	4.70	Karunyarvarsham Charitable Trust, Ernakulam	12 Bedridden Patients per Day
72	Support for Vehicle for ARDSI Dementia Day Care Centre at Erroor, Ernakulam District	Cl. (i) promoting health	Ernakulam District, Kerala State	5.00	4.89	4.89	ARDSI Dementia Day Care Centre, Erroor, Ernakulam District	10 Dementia Patients per Day
73	Support for Procuring a Eco Maruti Van for Home for the Destitute, Perumanoor, Kochi	Cl. (i) promoting health	Ernakulam District, Kerala State	5.00	4.98	4.98	Home for the Destitute, Perumanoor, Kochi	53 Inmates
74	Support for Purchase of a Palliative Care Vehicle (Maruti Eco) to Ayushya Centre for Healing and Wholeness, Veroor, Changanachery, Kottayam District	Cl. (i) promoting health	Changanachery, Kottayam District, Kerala State	5.00	4.96	4.96	Ayushya Centre for Healing and Wholeness, Veroor, Changanachery, Kottayam District	10 Bedridden Patients per Day
75	Support for Procuring Mobile Unit with Imaging Devised for Retinopathy of Prematurity (RO) Screening in Premature Infants Cost of Vehicles and Equipments at SSM Eye Research Foundation, Kadavanthra, Ernakulam District	Cl. (i) promoting health	Ernakulam District, Kerala State	21.00	9.00	9.00	SSM Eye Research Foundation, Kadavanthra, Ernakulam District	300 Patients per Month
76	Support for Construction of a Building for Physiotherapy Centre with Equipments at Family Health Centre, Noolpuzha, Wayanad District	Cl. (i) promoting health	Noolpuzha, Wayanad District, Kerala State	20.00	10.00	10.00	Hospital Management Committee, Family Health Centre, Noolpuzha, Wayanad District	300 Patients per Day
77	Support for a School Bus to Assisi Special School for Mentally Challenged, Panavally, Trichattukulam, Alapuzha District	Cl. (ii) promoting education including special Education	Panavally, Trichattukulam, Alapuzha District, Kerala State	14.00	14.00	14.00	Assisi Special School for Mentally Challenged, Panavally, Trichattukulam, Alapuzha District	75 Special Children
78	Support for 10 Number Water ATM - Neerurava Project at Attappady, Palakkad District	Cl. (i) promoting health (Swachh Bharat)	Sholayur Grama Panchayat of Attappady, Palakkad District, Kerala State	14.50	14.50	14.50	Shanthy Medical Information Centre, Gurusvayoor	5750 household families in Sholayur Grama Panchayat
79	Support for Blind Friendly Children's Park Equipments and Equipments in Physiotherapy Centre at Kerala Blind School Society, Thottumgham, Aluva, Ernakulam District	Cl. (ii) promoting education including special Education	Thottumgham, Aluva, Ernakulam District, Kerala State	15.00	15.00	15.00	Kerala Blind School Society, Thottumgham, Aluva, Ernakulam District	73 Blind Children

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80	Support for Purchase of Two Manuti Eco Basic Life Support Ambulances and Three Maruti Eco Vehicles for Palliative Care Department at General Hospital, Ernakulam	Cl. (i) promoting health	Ernakulam District, Kerala State	32.00	16.87	16.87	Hospital Development Society, General Hospital, Ernakulam	30 Bedridden Patients per Day
81	Support for Distribution of Blankets to Poor People in Madras Colony Cluster and Sun Light Colony, Delhi	Cl. (i) promoting health	Sun Light Colony, Delhi	2.00	2.00	2.00	Daya Trust, Mayur Vihar, Delhi	500 Poor People
82	Support for Immediate Flood Relief for Attapady Residents During Flood on 8th to 10th August 2019	Cl. (i) promoting health	Attapady, Palakkad District, Kerala State	0.44	0.44	0.44	Shanthy Medical Information Centre, Guruvayoor	40 Household Family
	SUB TOTAL (A)			1,517.81	918.47	1,263.20		
B	OTHER PROJECTS							
83	Construction of one Public Toilet Block on the North side of CSL, Contributing to the Promotion of Sanitation in the City under Swachh Bharat Abhiyan of Gol	Cl. (i) promoting health (Swachh Bharat)	Atlantis Junction, MG Road, Ernakulam	20.00	13.49	19.49	CREDAI, Kochi	General Public
84	Support for Harithardra Santhwanam - A 27 Days Swachhatha Awareness Campaign	Cl. Swachh Bharat Abhiyan of Gol	All Districts of Kerala State	1.00	0.29	0.92	Bodhananda Sruti Seva Trust, Vyttila	2000 people including students
85	Support for Construction of Houses for the Helpless and the Abandoned by PINC (Protecting Innocence with Commitment), Kalavoor, Alapuzha District	Cl.(iii) setting up of homes and hostels for women and orphans	Kalavoor, Alapuzha District	15.00	2.47	9.97	PINC (Protecting Innocence with Commitment), Kalavoor, Alapuzha District	Two abandoned families
86	Support for Conducting Workshop/ Lecture/Demonstration in Schools/ Colleges for Promoting Classical Music & Dance, Folk, Yoga, Screening Cinema Classics, Traditional Painting and other Art Forms by SPIC MACAY	Cl.(v) protection of national heritage, art and culture	Selected Govt/Govt Aided Schools in Ernakulam District	10.00	4.00	9.00	SPIC MACAY, New Delhi	5000 School Students
87	Support for the Construction of a Toilet Complex at Vivekananda Hostel, Rajashree Colony, Dastur Nagar, Amravati, Maharashtra, under Swachh Bharat Abhiyan of Gol	Cl. (ii) promoting education (Swachh Bharat)	Vivekananda Hostel, Rajashree Colony, Dastur Nagar, Amravati, Maharashtra	10.00	5.00	10.00	Pradnya Prabodhini, Amravati, Maharashtra	170 Students
88	Support for Welding for Nation Building - A Skill Development Training in Advanced Welding of 60 Marginalized Youth - 3rd Phase	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Different Districts of Kerala	35.00	8.21	24.63	Don Bosco Tech, Vaduthala, Ernakulam	60 Students

SI No	Name of project with a brief	Sector in which project is covered (clause No. of Sch VII to Companies Act 2013 as amended)	Project of programme (1) Local area and other (2)Specify the State and District where projects or program was undertaken	Amount of outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or the programmes sub heads (1) Direct expenditure on project or programmes, (2) Overheads (₹ Lakhs)	Cumulative expenditure upto the reporting period (₹ Lakhs)	Amount spent direct or through implementing agency	Number and category of project beneficiaries
89	Support for Construction of Ashwas Vocational Training Centre - a Mentally Challenged at Kanjirappally, Kottayam District	Cl. (ii) Promoting education, including special education (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Kanjirappally, Kottayam District	90.00	20.00	42.50	We Care Centre, Pastoral Centre, P.B. No.22, Kanjirappally, Kottayam District	100 Mentally Challenged children
90	Additional Support for National Safety Council for Completion of Safety Industrial Skill Building Centre	Cl. (ii) and (iii) livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Irumpanam, Ernakulam District of Kerala State	35.00	31.81	31.81	National Safety Council -Kerala Chapter, Ernakulam	600 Trainees per year
91	Support for Maintenance and Management of Koithara Park, Panampilly Nagar, Kochi	Cl. Swachh Bharat Abhiyan of Gol	Koithara Park, Panampilly Nagar, Kochi	6.00	3.00	6.00	Centre for Heritage, Environment and Development (C - HED), Kacherippady, Cochin	People who are visiting the Park
92	Support for Sponsoring 50 Motorized Tricycles for the Welfare of the Disabled Persons in Participation with ALIMCO	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Thrissur District of Kerala State	22.50	1.10	20.00	ALIMCO in association with District Social Justice Department, Thrissur	50 disabled persons in Thrissur District
93	Support for the Promotion of Cultural Events of Paraplegic Persons by Suvarna Theaters, Valayanchirangara	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Ernakulam District, Kerala State	2.70	2.70	2.70	Suvarna Theaters, Valayanchirangara, Ernakulam District	8 disabled persons and their families
94	Support for Repair/Replacement of Charkha and Related Facilities and Rebuilding of Sales Outlet of Centre for Rural Employment & Economic Development (CREED), Aranmula, Pathanamthitta District	(ii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Aranmula, Pathanamthitta District, Kerala State	11.55	5.54	11.32	Centre for Rural Employment & Economic Development (CREED), Aranmula, Pathanamthitta District	75 Khadi Artisans

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95	Support for Art Installation - Proposed by Changampuzha Smaraka Grandhashala, Edappally, Kochi	Cl.(v) protection of national heritage, art and culture	Fort Kochi Beach, Ernakulam District, Kerala State	1.50	1.50	1.50	Changampuzha Smaraka Grandhashala, Edappally, Kochi	5000 General Public
96	Support for Rasaranjanam - A Kathakali Performance by Thripunithura Kathakali Kendram	Cl.(v) protection of national heritage, art and culture	Thripunithura, Ernakulam District	5.90	5.90	5.90	Thripunithura Kathakali Kendram, Thripunithura, Ernakulam District	5000 Participants
97	Support for 27th All Kerala Children's Fest 2019 - A Project of Cochin Shipyard Recreation Club	Cl.(v) protection of national heritage, art and culture	The entire state of Kerala	15.00	15.00	15.00	Cochin Shipyard Recreation Club, Kochi	6000 Children
98	Support for Construction of Art Gallery at MV Devan Foundation, Pallimom, Kollam District	Cl.(v) protection of national heritage, art and culture	Pallimom, Kollam District, Kerala State	30.00	15.00	15.00	M V Devan Foundation & Devan Kalagramam, Pallimom P. O, Kollam District	10000 visitors per year
99	Support for Bodha Paurnami - Anti Drug Movement by Kerala Kaumudhi in Kottayam and Idukki District	Cl. (ii) promoting education	Kottayam and Idukki Districts of Kerala State	2.00	2.00	2.00	Kerala Kaumudhi, Kottayam Unit	5000 School Students
100	Support for Sradha Special School, Ernakulam	Cl. (ii) promoting education including special Education	Ernakulam District, Kerala State	15.25	9.31	9.31	Ernakulam Women's Association	60 Special Children
101	Support for Skill Development Training for Tribal Students at Wayanad Girijana Seva Trust, Mattilayam, Vellamunda, Wayanad District	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Wayanad District, Kerala State	25.00	12.50	12.50	Wayanad Girijana Seva Trust, Mattilayam, Vellamunda, Wayanad District	60 ST Students
102	Support for Transportation of Elderly People by Air, Conducted by Rotary Club of Cochin - Vypin Island	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Vypin, Ernakulam District, Kerala State	0.25	0.25	0.25	Rotary Club of Vypin Island	30 Old age people
103	Support for Entrepreneurship Development Programme for Women by Kerala State Productivity Council, Cochin	Cl. (ii) promoting education, employment enhancing vocational skills especially among women and livelihood enhancement project Cl. (iii) empowering women and measures for reducing inequalities faced by socially and economically backward groups	Ernakulam District, Kerala State	2.50	1.91	1.91	Kerala State Productivity Council, Cochin	50 Aspiring Women Entrepreneurs

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104	Support for Construction of Vocational Training Centre for Differently Abled at Swaraya Special Child Development and Vocational Training Centre for Differently Abled, Kuttur, Thrissur District	Cl. (ii) Promoting education, including special education (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Thrissur District of Kerala State	58.00	26.71	26.71	Swaraya Special Child Development and Vocational Training Centre for Differently Abled, Kuttur, Thrissur District	150 Inmates
105	Support for Implementation of Miyawaki Method Afforestation in a Vacant Plot Near CSL Residential Quarters by Natures Green Guardian Foundation, Thiruvananthapuram	Cl. (iv) Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water	Panampilly Nagar, Ernakulam District	15.00	3.75	3.75	Natures Green Guardian Foundation, Thiruvananthapuram	General Public
106	Support for 1 Less Plastic Bag - In Association with Times of India under Swachh Bharat Abhiyan	Cl. Swachh Bharat Abhiyan of Gol	Ernakulam District, Kerala State	15.00	15.00	15.00	Times of India, Cochin Unit	20000 jute bags distributed to general public
107	Uniquely Me - Support for Differently Abled on Occasion of November 14th by CEFE, Ernakulam	Cl. (ii) promoting education including special Education	Ernakulam District, Kerala State	0.50	0.50	0.50	Center For Empowerment and Enrichment (CEFE), Kochi	300 Special Children
108	Support for Providing Fishing Nets and Long Liner Hooks for the Identified Beneficiaries at Rameshwaram, Tamil Nadu	(iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Rameshwaram, Tamil Nadu	60.00	48.00	48.00	Deputy Director of Fisheries, (Regional) Ramanathapuram, Tamil Nadu	32 Fishermen
109	Support for Installing 5 Units of Garden Waste Composter	Cl. Swachh Bharat Abhiyan of Gol	Ernakulam District, Kerala State	0.93	0.93	0.93	Sub Collector, Fort Kochi	General Public
110	Support for Drinking Water Scheme at En Uru Tribal Village at Pookkodu, Wayanad District	Cl. Swachh Bharat Abhiyan of Gol	Wayanad District, Kerala State	10.00	5.00	5.00	Sub Collector, Mananthawady	15 household ST families and general public

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111	Support for Plastic waste management system – to be located at land provided by Indian Navy at their premises. Waste generated by both the Navy and collected from local area to be used. To be implemented by District Administration, Indian Navy	Cl. Swachh Bharat Abhiyan of Gol	Ernakulam District, Kerala State	40.00	8.00	8.00	District Administration, Ernakulam	Indian Navy and General Public
112	Support for Construction of a New Library cum Skill Development Centre to Kerala Puliyar Maha Sabha, V. H. Colony, Aluva, Ernakulam District	Cl. (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Aluva, Ernakulam District, Kerala State	23.70	11.85	11.85	Kerala Puliyar Maha Sabha, V. H. Colony, Aluva, Ernakulam District	600 SC household family
113	Support for Renovation and Construction of Training and Research Facility at Kerala State Productivity Council, Kalamassery, Ernakulam District	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Kalamassery, Ernakulam District, Kerala State	15.00	7.50	7.50	Kerala State Productivity Council, Kalamassery, Ernakulam District	100 students per year
114	Support for Different Art Centre at Academy of Magical Sciences, Thiruvananthapuram	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Thiruvananthapuram, Kerala State	20.00	20.00	20.00	Academy of Magical Sciences, Thiruvananthapuram	300 differently abled children per year
115	Support for Conducting One Year Football Coaching Camp by Mohamadans Sporting Club, Vaduthala, Alappuzha District	Cl. (vii) Training to promote rural sports, nationally recognized sports, Paralympics sports and Olympic sports	Vaduthala, Alappuzha District, Kerala State	2.00	1.00	1.00	Mohamadans Sporting Club, Vaduthala, Alappuzha District	50 School Students
116	Support to PM Care	PM Care	Pan India	250.00	250.00	250.00	PM Care	
	SUB TOTAL (B)			866.28	559.21	649.98		
C	INDIRECT EXPENSES							
1	Overhead/Administrative Expenses			58.91	51.39	51.91		
	SUB TOTAL (C)			58.91	51.39	51.91		
	GRAND TOTAL (A+B+C)			2443.00	1529.08	1964.44		

Annexure-5

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF COCHIN SHIPYARD LIMITED, FOR THE YEAR ENDED 31 MARCH 2020

The preparation of financial statements of Cochin Shipyard Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Cochin Shipyard Limited for the year ended 31 March 2020 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

(R AMBALAVANAN)

Director General of Commercial Audit, Chennai

Place: Chennai
Date: 07.08.2020

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF COCHIN SHIPYARD LIMITED, FOR THE YEAR ENDED 31 MARCH 2020

The preparation of consolidated financial statements of Cochin Shipyard Limited for the year ended 31 March 2020 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act are responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of Cochin Shipyard Limited for the year ended 31 March 2020. We conducted a supplementary audit of the financial statements of Cochin Shipyard Limited and Hooghly Cochin Shipyard Limited for the year ended on that date. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

(R AMBALAVANAN)

Director General of Commercial Audit, Chennai

Place: Chennai
Date: 07.08.2020

Annexure-6

Form No. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED MARCH 31, 2020

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Cochin Shipyard Limited,
Administrative Building,
Cochin Shipyard Premises,
Perumanoor, Cochin,
Ernakulam, Kerala - 682015

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cochin Shipyard Limited** (hereinafter called "the Company"). Secretarial audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliance and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and the records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (during the period under review not applicable to the Company);
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (during the period under review not applicable to the Company);
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (during the period under review not applicable to the Company);
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (during the period under review not applicable to the Company);
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (during the period under review not applicable to the Company);
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (during the period under review not applicable to the Company); and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (during the period under review not applicable to the Company);
- (vi) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;
- (vii) Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises;

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by the Institute of Company Secretaries of India;
- Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above **subject to the following observations;**

- There was no Woman Director on the Board of Directors of Company for the period April 01, 2019 to July 28, 2019 as required under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- There were no requisite number of Independent Directors on the Board of Directors of the Company for the period April 01, 2019 to July 28, 2019 as required under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- A fine has been levied by both BSE Limited ("BSE") & National Stock Exchange of India Limited (NSE) for Non-Compliance of Corporate Governance conditions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. Non-Appointment of Woman Director & Non-Appointment of Independent Directors for as follows:

Sr. No.	Fines levied by Stock Exchanges	Amount	Period for which fine levied
1	BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE")	*NSE: INR 64,900/- (₹ Sixty Four Thousand Nine Hundred Only)# BSE: INR 64,900/- (₹ Sixty Four Thousand Nine Hundred Only)#	Quarter ended on June 30, 2019
2	BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE")	*NSE: INR 1,65,200/- (₹ One Lakh Sixty Five Thousand Two Hundred Only)# BSE: INR 1,65,200/- (₹ One Lakh Sixty Five Thousand Two Hundred Only)#	Quarter ended on September 30, 2019

* After the representations made by the Company the fine levied by NSE were waived.

#The fine amounts mentioned above are inclusive of Goods and Service Tax @18%

- The Board of Directors of the Company have granted leave of absence to Mr. KalluvilaVeedu Ravindran Jyothilal (DIN: 01650017) Non-Executive Nominee Director for all the meetings of the Board of Directors during the financial year under review leading to vacation of office under Section 167(1)(b) of the Act, resulting in cessation of his Directorship in the Company;

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of the Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the Minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had the following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

- The members of the Company at the Annual General Meeting held on August 13, 2019, approved dividend of ₹ 13.00/- per share for Financial Year 2018-19.
- The Board of Directors at their Board Meeting held on November 12, 2019, declared an interim dividend of ₹ 1.63/- per share.

For **Mehta & Mehta,**
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner

PCS No: 5782
CP No: 2486
UDIN: F005782B00037470

Place: Mumbai
Date: June 24, 2020

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

Annexure A

To,
The Members,
Cochin Shipyard Limited,
Administrative Building,
Cochin Shipyard Premises,
Perumanoor, Cochin,
Ernakulam, Kerala - 682015

Our report of even date is to be read along with this letter.

- 1) Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
 - 2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices we followed provide a reasonable basis for our opinion.
 - 3) We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
 - 4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
 - 5) The compliance of the provisions of corporate laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- 6) As regard the books, papers, forms, reports and returns filed by the Company under the provisions referred to in point vi & vii of our Secretarial Audit Report in Form No. MR-3 the adherence and compliance to the requirements of the said regulations is the responsibility of management. Our examination was limited to checking the execution and timeliness of the filing of various forms, reports, returns and documents that need to be filed by the Company with various authorities under the said regulations. We have not verified the correctness and coverage of the contents of such forms, reports, returns and documents.
 - 7) The secretarial audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Mehta & Mehta,
Company Secretaries**
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner

PCS No: 5782
CP No: 2486
UDIN: F005782B00037470

Place: Mumbai
Date: June 24, 2020

Annexure-7

FORM NO. MGT 9 EXTRACT OF ANNUAL RETURN

As on financial year ended on 31.03.2019
Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies
(Management & Administration) Rules, 2014

I. Registration & Other Details:

1.	CIN	L63032KL1972GOI002414
2.	Registration Date	March 29, 1972
3.	Name of the Company	Cochin Shipyard Limited
4.	Category/Sub-category of the Company	Public Company/ Limited by Shares
5.	Address of the Registered office & contact details	Administrative Building, Cochin Shipyard Premises, Perumanoor Cochin, Ernakulam, Kerala, India - 682 015, Ph: +91 484-2501307 Fax: + 91 484-2384001 e-mail: secretary@cochinshipyard.com website: www.cochinshipyard.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited Surya, 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore, Tamil Nadu, 641028 Phone: +91 422-2314792, 2315792 Fax: +91 422-2314792 E-mail: coimbatore@linkintime.co.in website: www.linkintime.co.in

II. Principal Business Activities of the Company (All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and description of main products / services	NIC Code of the product/service	% to total turnover of the Company
1	Building of ships & floating structures	3011	83.34
2	Specialised repair and maintenance of ships and floating structures	3315	16.66

III. Particulars of Holding, Subsidiary and Associate Companies

Sl. No.	Name and address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable section
1	HOOGHLY COCHIN SHIPYARD LIMITED The Legacy, 25 A Shakespeare Sarani, Level 1 Kolkata -700017	U35900WB2017GOI223197	Subsidiary	100	2(87)

IV. Share Holding Pattern (Equity Share Capital Breakup as Percentage of Total Equity)

(i) Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019			Shareholding at the End of the year - 2020			% Change during the year	
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
(A)	Shareholding of Promoter and Promoter Group								
[1]	Indian								
(a)	Individuals / Hindu Undivided Family	0	0	0	0.0000	0	0	0	0.0000
(b)	Central Government / State Government(s)	98934442	0	98934442	75.2122	95843464	0	95843464	72.8624
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000
(d)	Any Other (Specify)								
	Sub Total (A)(1)	98934442	0	98934442	75.2122	95843464	0	95843464	72.8624
[2]	Foreign								
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.0000	0	0	0	0.0000
(b)	Government	0	0	0	0.0000	0	0	0	0.0000
(c)	Institutions	0	0	0	0.0000	0	0	0	0.0000
(d)	Foreign Portfolio Investor	0	0	0	0.0000	0	0	0	0.0000
(e)	Any Other (Specify)								
	Sub Total (A)(2)	0	0	0	0.0000	0	0	0	0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	98934442	0	98934442	75.2122	95843464	0	95843464	72.8624
(B)	Public Shareholding								
[1]	Institutions								
(a)	Mutual Funds / UTI	11715007	0	11715007	8.9060	12600271	0	12600271	9.5790
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000
(c)	Alternate Investment Funds	44035	0	44035	0.0335	29639	0	29639	0.0225
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000
(e)	Foreign Portfolio Investor	3936748	0	3936748	2.9928	2726769	0	2726769	2.0730
(f)	Financial Institutions / Banks	1083003	0	1083003	0.8233	2776758	0	2776758	2.1110
(g)	Insurance Companies	0	0	0	0.0000	1780165	0	1780165	1.3533
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000
(i)	Any Other (Specify)								
	Sub Total (B)(1)	16778793	0	16778793	12.7556	19913602	0	19913602	15.1388
[2]	Central Government/ State Government(s)/ President of India								
	Sub Total (B)(2)	0	0	0	0.0000	0	0	0	0.0000
[3]	Non-Institutions								
(a)	Individuals								
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	10390822	7	10390829	7.8993	11123278	6	11123284	8.4562
(ii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	973130	0	973130	0.7398	1384126	0	1384126	1.0522

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2019			Shareholding at the End of the year - 2020			% Change during the year		
		Demat	Physical	Total	% of Total Shares	Demat	Physical		Total	% of Total Shares
(b)	NBFCs registered with RBI	11871	0	11871	0.0090	9900	0	9900	0.0075	-0.0015
(d)	Overseas Depositories (holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	17665	0	17665	0.0134	23665	0	23665	0.0180	0.0046
	Foreign Nationals	30	0	30	0.0000	60	0	60	0.0000	0.0000
	Hindu Undivided Family	577208	0	577208	0.4388	684648	0	684648	0.5205	0.0817
	Non Resident Indians (Non Repat)	203118	0	203118	0.1544	253055	0	253055	0.1924	0.0380
	Non Resident Indians (Repat)	755937	0	755937	0.5747	800807	0	800807	0.6088	0.0341
	Foreign Portfolio Investor (Individual)	1550	0	1550	0.0012	4700	0	4700	0.0036	0.0024
	Clearing Member	142427	0	142427	0.1083	188334	0	188334	0.1432	0.0349
	Bodies Corporate	2753390	0	2753390	2.0932	1310745	0	1310745	0.9965	-1.0967
	Sub Total (B)(3)	15827148	7	15827155	12.0322	15788318	6	15788324	11.9988	-0.0334
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	32605941	7	32605948	24.7878	35696920	6	35696926	27.1376	2.3498
	Total (A)+(B)	131540383	7	131540390	100.0000	131540384	6	131540390	100.0000	0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	0.0000	0	0	0	0.0000	0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Total (A)+(B)+(C)	131540383	7	131540390	100.0000	131540384	6	131540390	100.0000	0.0000

(ii) Shareholding of Promoters

Sr No	Shareholder's Name	Shareholding at the beginning of the year - 2019			Shareholding at the End of the year - 2020			% change in shareholding during the year
		No of Shares Held	% of Total of the Company	% of Shares Pledged / encumbered to total shares	No of Shares Held	% of the Total of the Company	% of Shares Pledged / encumbered to total shares	
1	The President of India	98934442	75.2122	0	95843464	72.8624	0	-2.3498
	Total	98934442	75.2122	0	95843464	72.8624	0	-2.3498

(iii) Change in Promoters Shareholding (please specify, if there is no change)

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1	The President of India	98960314	75.2319			98960314	75.2319
	Transfer			Apr 05, 2019	(12936)	98947378	75.2221
	Transfer			Feb 07, 2020	(3090978)	95856400	72.8722
	At the End of the Year					95895208	72.9017

(iv) Shareholding Pattern of Top Ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs)

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
1	The President of India	98947378	75.2221			98947378	75.2221
	Transfer			Feb 07, 2020	(3090978)	95856400	72.8722
	At the End of the Year					287543328	218.5970
2	Reliance Capital Trustee Co Ltd - A/c Nippon India Tax Saver (ELSS) Fund	8323743	6.3279			8323743	6.3279
	Transfer			Apr 26, 2019	(34823)	8288920	6.3014
	Transfer			May 03, 2019	(74797)	8214123	6.2446
	Transfer			May 10, 2019	(12280)	8201843	6.2352
	Transfer			May 24, 2019	(251860)	7949983	6.0438
	Transfer			May 31, 2019	(7120)	7942863	6.0383
	Transfer			Jun 07, 2019	116376	8059239	6.1268
	Transfer			Jun 14, 2019	74000	8133239	6.1831
	Transfer			Jun 21, 2019	80000	8213239	6.2439
	Transfer			Aug 09, 2019	20000	8233239	6.2591
	Transfer			Aug 23, 2019	100000	8333239	6.3351
	Transfer			Sep 13, 2019	111750	8444989	6.4201
	Transfer			Sep 20, 2019	9240	8454229	6.4271
	Transfer			Sep 27, 2019	10000	8464229	6.4347
	Transfer			Oct 18, 2019	10000	8474229	6.4423
	Transfer			Oct 25, 2019	1200000	9674229	7.3546
	Transfer			Nov 15, 2019	71800	9746029	7.4092
	Transfer			Nov 29, 2019	(177759)	9568270	7.2740
	Transfer			Dec 06, 2019	(261572)	9306698	7.0752
	Transfer			Dec 13, 2019	(71333)	9235365	7.0209
	Transfer			Dec 20, 2019	(140579)	9094786	6.9141
	Transfer			Dec 27, 2019	(27966)	9066820	6.8928
	Transfer			Jan 17, 2020	(50000)	9016820	6.8548
	Transfer			Jan 24, 2020	86307	9103127	6.9204
	Transfer			Jan 31, 2020	1366812	10469939	7.9595
	Transfer			Feb 07, 2020	2569162	13039101	9.9126
	Transfer			Feb 14, 2020	(739378)	12299723	9.3505
	Transfer			Feb 21, 2020	(375478)	11924245	9.0651
	Transfer			Feb 28, 2020	(153968)	11770277	8.9480
	Transfer			Mar 06, 2020	(12765)	11757512	8.9383
	Transfer			Mar 13, 2020	(669028)	11088484	8.4297
	Transfer			Mar 20, 2020	(417977)	10670507	8.1120

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Transfer			Mar 27, 2020	51879	10722386	8.1514
	Transfer			Mar 31, 2020	72966	10795352	8.2069
	At the End of the Year					10795352	8.2069
3	Life Insurance Corporation of India	207670	0.1579			207670	0.1579
	Transfer			Dec 06, 2019	110000	317670	0.2415
	Transfer			Dec 13, 2019	146364	464034	0.3528
	Transfer			Dec 20, 2019	128891	592925	0.4508
	Transfer			Dec 27, 2019	97841	690766	0.5251
	Transfer			Dec 31, 2019	12095	702861	0.5343
	Transfer			Jan 03, 2020	31521	734382	0.5583
	Transfer			Jan 10, 2020	31988	766370	0.5826
	Transfer			Jan 17, 2020	48096	814466	0.6192
	Transfer			Feb 07, 2020	96759	911225	0.6927
	Transfer			Feb 14, 2020	184642	1095867	0.8331
	Transfer			Feb 21, 2020	170656	1266523	0.9628
	Transfer			Feb 28, 2020	275844	1542367	1.1725
	Transfer			Mar 06, 2020	357099	1899466	1.4440
	Transfer			Mar 13, 2020	242031	2141497	1.6280
	Transfer			Mar 20, 2020	199469	2340966	1.7797
	At the End of the Year					2340966	1.7797
4	ICICI Lombard General Insurance Company Ltd.	1300000	0.9883			1300000	0.9883
	Transfer			Sep 20, 2019	100000	1400000	1.0643
	Transfer			Jan 24, 2020	300000	1700000	1.2924
	At the End of the Year					1700000	1.2924
5	ICICI Prudential Balanced Advantage Fund	86871	0.0660			86871	0.0660
	Transfer			May 17, 2019	32	86903	0.0661
	Transfer			May 24, 2019	16	86919	0.0661
	Transfer			Jul 05, 2019	16	86935	0.0661
	Transfer			Jul 26, 2019	16	86951	0.0661
	Transfer			Aug 09, 2019	37799	124750	0.0948
	Transfer			Aug 16, 2019	28670	153420	0.1166
	Transfer			Aug 23, 2019	69596	223016	0.1695
	Transfer			Aug 30, 2019	72011	295027	0.2243
	Transfer			Sep 06, 2019	9756	304783	0.2317
	Transfer			Sep 20, 2019	150000	454783	0.3457
	Transfer			Sep 27, 2019	32	454815	0.3458
	Transfer			Sep 30, 2019	16	454831	0.3458

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Transfer			Oct 04, 2019	16	454847	0.3458
	Transfer			Oct 11, 2019	16	454863	0.3458
	Transfer			Oct 18, 2019	2	454865	0.3458
	Transfer			Oct 25, 2019	(83461)	371404	0.2823
	Transfer			Nov 22, 2019	16	371420	0.2824
	Transfer			Dec 27, 2019	25	371445	0.2824
	Transfer			Jan 10, 2020	16	371461	0.2824
	Transfer			Jan 24, 2020	(371154)	307	0.0002
	Transfer			Jan 31, 2020	16	323	0.0002
	Transfer			Feb 07, 2020	16	339	0.0003
	Transfer			Feb 14, 2020	230008	230347	0.1751
	Transfer			Feb 28, 2020	722	231069	0.1757
	Transfer			Mar 06, 2020	335082	566151	0.4304
	Transfer			Mar 13, 2020	420849	987000	0.7503
	Transfer			Mar 20, 2020	10767	997767	0.7585
	Transfer			Mar 27, 2020	(11178)	986589	0.7500
	Transfer			Mar 31, 2020	(29890)	956699	0.7273
	At the End of the Year					956699	0.7273
6	Valuequest India Moat Fund Limited	0	0.0000			0	0.0000
	Transfer			Feb 28, 2020	648414	648414	0.4929
	Transfer			Mar 27, 2020	145000	793414	0.6032
	At the End of the Year					793414	0.6032
7	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Small Cap Fund	911255	0.6928			911255	0.6928
	Transfer			Apr 05, 2019	(12755)	898500	0.6831
	Transfer			Jan 24, 2020	(6006)	892494	0.6785
	Transfer			Jan 31, 2020	(22382)	870112	0.6615
	Transfer			Feb 07, 2020	(62785)	807327	0.6137
	Transfer			Feb 14, 2020	(32327)	775000	0.5892
	Transfer			Feb 28, 2020	(100000)	675000	0.5132
	Transfer			Mar 27, 2020	(117250)	557750	0.4240
	Transfer			Mar 31, 2020	(22334)	535416	0.4070
	At the End of the Year					535416	0.4070
8	National Insurance Company Ltd.	317682	0.2415			317682	0.2415
	At the End of the Year					317682	0.2415

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020		
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company	
9	HDFC Trustee Company Ltd. A/c HDFC Balanced Advantage Fund	1900556	1.4448			1900556	1.4448	
	Transfer			Jan 24, 2020	(642800)	1257756	0.9562	
	Transfer			Feb 28, 2020	(624000)	633756	0.4818	
	Transfer			Mar 06, 2020	(373756)	260000	0.1977	
	At the End of the Year					260000	0.1977	
10	Missouri Local Government Employees Retirement System	0	0.0000			0	0.0000	
	Transfer			Apr 05, 2019	2438	2438	0.0019	
	Transfer			Apr 12, 2019	5705	8143	0.0062	
	Transfer			Dec 27, 2019	4938	13081	0.0099	
	Transfer			Jan 03, 2020	15958	29039	0.0221	
	Transfer			Jan 10, 2020	14391	43430	0.0330	
	Transfer			Jan 17, 2020	20330	63760	0.0485	
	Transfer			Jan 24, 2020	4146	67906	0.0516	
	Transfer			Jan 31, 2020	54842	122748	0.0933	
	Transfer			Feb 14, 2020	20186	142934	0.1087	
	Transfer			Mar 06, 2020	23560	166494	0.1266	
		At the End of the Year					166494	0.1266
11	Pinebridge Global Funds - Pinebridge India Equity Fund	2531818	1.9247			2531818	1.9247	
	Transfer			Apr 12, 2019	(6449)	2525369	1.9198	
	Transfer			Apr 19, 2019	(8806)	2516563	1.9131	
	Transfer			Apr 26, 2019	(2931)	2513632	1.9109	
	Transfer			Jun 14, 2019	(40454)	2473178	1.8802	
	Transfer			Jun 21, 2019	(24003)	2449175	1.8619	
	Transfer			Sep 20, 2019	(149998)	2299177	1.7479	
	Transfer			Oct 11, 2019	(1000000)	1299177	0.9877	
	Transfer			Oct 18, 2019	(56000)	1243177	0.9451	
	Transfer			Oct 25, 2019	(1243177)	0	0.0000	
		At the End of the Year					0	0.0000
	12	State Bank of India	428814	0.3260			428814	0.3260
		Transfer			May 10, 2019	(4290)	424524	0.3227
		Transfer			May 17, 2019	(15000)	409524	0.3113
Transfer				May 24, 2019	(30777)	378747	0.2879	
Transfer				May 31, 2019	(83000)	295747	0.2248	
Transfer				Jun 07, 2019	(79000)	216747	0.1648	
Transfer				Jun 14, 2019	(42830)	173917	0.1322	
	At the End of the Year			Jun 21, 2019	(81886)	92031	0.0700	

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of Shares Held	% of Total Shares of the Company	Date of Transaction	No. of Shares	No. of Shares Held	% of Total Shares of the Company
	Transfer			Jun 29, 2019	(26677)	65354	0.0497
	Transfer			Jul 05, 2019	(53353)	12001	0.0091
	Transfer			Jul 12, 2019	(12001)	0	0.0000
	At the End of the Year					0	0.0000
13	Union Small Cap Fund	311530	0.2368			311530	0.2368
	Transfer			Apr 05, 2019	(69429)	242101	0.1841
	Transfer			May 31, 2019	(16963)	225138	0.1712
	Transfer			Sep 20, 2019	(45251)	179887	0.1368
	Transfer			Sep 27, 2019	(94454)	85433	0.0649
	Transfer			Oct 11, 2019	(867)	84566	0.0643
	Transfer			Nov 22, 2019	1086	85652	0.0651
	Transfer			Jan 03, 2020	(774)	84878	0.0645
	Transfer			Jan 10, 2020	3147	88025	0.0669
	Transfer			Jan 17, 2020	(948)	87077	0.0662
	Transfer			Jan 24, 2020	(87077)	0	0.0000
	At the End of the Year					0	0.0000
14	Government Singapore - E	233194	0.1773			233194	0.1773
	Transfer			Aug 23, 2019	(82997)	150197	0.1142
	Transfer			Sep 20, 2019	(21892)	128305	0.0975
	Transfer			Sep 27, 2019	(24238)	104067	0.0791
	Transfer			Sep 30, 2019	(1495)	102572	0.0780
	At the End of the Year			Oct 25, 2019	(102572)	0	0.0000

(v) Shareholding of Directors and Key Managerial Personnel

Sr No.	Name	Shareholding at the beginning of the year - 2019		Transactions during the year		Cumulative Shareholding at the end of the year - 2020	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
1	Madhu S Nair	600	0.0005	-	-	600	0.0005
2	Bejoy Bhasker	510	0.0004	-	-	510	0.0004
3	Radhakrishna Menon	30	0.0000	-	-	NA*	NA*
4	Krishna Das E	125	0.0001	-	-	NA*	NA*

*Demitted office on March 20, 2020 due to completion of tenure.

V. Indebtedness - Indebtedness of the Company including interest outstanding/accrued but not due for payment. (₹ In Crore)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	123.00	-	-	123.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.82	-	-	2.82
Total (i+ii+iii)	125.82	-	-	125.82
Change in Indebtedness during the financial year				
Addition	-	-	-	-
Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	123.00	-	-	123.00
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.82	-	-	2.82
Total (i+ii+iii)	125.82	-	-	125.82

VI. Remuneration of Directors and Key Managerial Personnel

A. Remuneration to Managing Director, Whole-time Directors and/or Manager (In ₹)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		Shri Madhu S Nair, Chairman & Managing Director (DIN: 07376798)	Shri D Paul Ranjan Director (Finance) & CFO (DIN: 06869452)	Shri Suresh Babu N V Director (Operations) (DIN: 07482491)	Shri Bejoy Bhasker Director (Technical) (DIN: 08103825)	
1.	Gross Salary	7813014.90	5756476.78	6608986.34	5346972.35	29674335.83
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7664562.90	5748726.78	6492537.34	5251151.35	29176128.83
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	148452.00	7750.00	116449.00	95821.00	498207.00
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-
4.	Commission	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	Total (A)	7813014.90	5756476.78	6608986.34	5346972.35	29674335.83

In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated 5th June, 2015, Government Companies are exempt from Section 197 of the Companies Act, 2013 and its rules thereon.

(₹ In Crore)

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
1.	Independent Directors	Smt. Roopa Shekhar Rai (DIN: 07565156)	Shri Radhakrishna Menon (DIN: 07518727)	Shri Krishna Das E (DIN: 02731340)	Shri Jiji Thomson (DIN: 01178227)	Shri Pradipta Banerji (DIN: 00630615)	Shri Nanda Kumaran Puthethath (DIN: 02547619)		
	Fee for attending Board/Committee meetings	150000	135000	150000	195000	180000	225000	1035000	
	Commission	-	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	-	
	Total (1)	150000	135000	150000	195000	180000	225000	1035000	
2.	Other Non-Executive Directors	Shri Satinder Pal Singh IPS, Nominee Director, Govt. of India (DIN: 07490296)	Shri Jyothilal K R, IAS, Nominee Director, Govt. of Kerala (DIN: 01650017)	Shri Sanjay Bandopadhyaya IAS, Nominee Director, Govt. of India (DIN: 00088957)					
	Fee for attending Board/Committee meetings	-	-	-	-	-	-	-	
	Commission	-	-	-	-	-	-	-	
	Others, please specify	-	-	-	-	-	-	-	
	Total (2)	-	-	-	-	-	-	-	
	Total (B)=(1+2)	150000	135000	150000	195000	180000	225000	1035000	
	Total Managerial Remuneration (A+B)							30709336	
	Overall Ceiling as per the Act	In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated 5th June 2015, Government Companies are exempt from Section 197 of the Companies Act, 2013 and its rules thereof.							

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

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		Smt. Kala V* Company Secretary	Shri Syamkamal N # Company Secretary		
	Gross salary	4706845.16	1392854.10		6099699.26
1.	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4556653.16	1344228.10		5900881.26
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	150192.00	48626.00		198818.00
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-		-
2.	Stock Option	-	-		-
3.	Sweat Equity	-	-		-
	Commission	-	-		-
4.	- as % of profit	-	-		-
	others, specify	-	-		-
5.	Others, please specify	-	-		-
	Total	4706845.16	1392854.10		6099699.26

* Resigned from service on January 31, 2020

Appointed as Company Secretary with effect from February 01, 2020.

VII. Penalties / Punishment/ Compounding of Offences:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give details)
A. Company					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
B. Directors					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
C. Other Officers In Default					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

For and on behalf of the Board of Directors

Kochi
August 07, 2020**Madhu S Nair**
Chairman & Managing Director
DIN: 07376798

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Forward Looking Statements

1. Statements in this Management Discussion and Analysis of financial condition and results of operations of the Company describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable securities laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised. The Company assumes no responsibility to publicly amend, modify or revise forward looking statements on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include government's strategy relating to acquisition of naval platforms, changes in government regulations, tax laws, economic developments within the country and such other factors globally. The financial statements are prepared under historical cost convention, on accrual basis of accounting and in accordance with the provisions of the Companies Act, 2013 and comply with the Accounting Standards specified under section 133 of the Act. The Company has used estimates and judgements relating to the financial statements on a prudent and reasonable basis, in order that the financial statements reflect in a true and fair manner, the state of affairs for the year.
2. The following discussions on our financial condition and result of operations should be read together with our audited consolidated financial statements and the notes to these statements included in the annual report

Shipbuilding Industry

Global Shipbuilding Industry

3. The global shipbuilding prospects got some fillip due to large ageing fleet replacements and new regulatory restrictions implemented by the International Maritime Organization (IMO). The global fuel, sulphur cap, which came into force in January 2020, is part of the IMO's response to heightening environmental concerns, contributed in part by harmful emissions from ships. Further, commitments to reduce the total emissions to 50% by 2050 is a forward looking initiative with

farfetched impact providing plenty of opportunity for the industry to adopt new technology and thus driving next generation fleet replacements. That is likely to have modest positive effect for the shipyards and the suppliers in medium and long term basis.

4. The uncertainties in the political sphere and trade wars looming large, the world real GDP had a stagnant growth on year on year basis. This had direct impact on the seaborne trade and thus limiting the appetite for the new shipbuilding orders on the international stage.

Indian Shipbuilding Industry

5. The Indian shipbuilding industry still continues to be driven by the defence requirements and domestic demand primarily in coastal and inland vessels. As per published report, the Indian Navy's perspective plan aims to increase the Navy's fleet from the present 137 to 200 Nos. by 2027. This is expected to provide a spurt in the indigenous shipbuilding. Besides, the Indian Navy's indigenisation plan is also expected to give a fillip to the growth of ancillaries and generally improve the shipbuilding environment in the country. The vision of GOI as per the draft Defence Production Policy, circulated recently was "To make India among the top five countries of the world in Aerospace and Defence Industries", with active participation of public and private sector, fulfilling the objective of self-reliance as well as demand of other friendly countries. In this segment, the Company has signed the contract for 8 Nos. ASW - SWC vessels (Anti-Submarine Shallow Water Craft).
6. Coastal shipping in India is waiting for a stimulus for its growth that is expected out of Sagarmala programme declared by Government of India in 2015. As part of the programme, a National Perspective Plan (NPP) for the comprehensive development of India's 7,500 km coastline, 14,500 km of potentially navigable waterways and maritime sector was published by Ministry of shipping in 2016. Port led industrialisation, port modernisation, port development and connectivity enhancement is expected to create a wider impact in the coastal shipping & inland waterway segment in India. In the inland waterway segment, through the World Bank funded 'Jal Marg Vikas' Project, Government is aiming at increasing the inland waterway cargo movement from the current 8 million tonnes to 27 million tonnes

in the next two years. \$88 million worth sanctions accorded to Assam Government is an additional boost to help modernize Assam's passenger ferry sector that runs on its rivers including the mighty Brahmaputra. With these schemes, the Indian commercial segment projects a positive growth in shipbuilding segments too in a period of 3-5 years from now.

7. Cochin Shipyard has signed a contract on July 11, 2018 with IWAI for construction of 10 ROPAX/RORO vessels for use in inland waterways segment, 8 of them are delivered at Kolkata which will commence operations shortly.
8. The fishing vessels built by CSL under 'Blue Revolution Scheme' also has been a successful venture, and has generated demand for Engineered Fishing vessels in the Fishing Industry. The scheme introduced by Government of India aims for replacement of trawl fishing boats with deep sea fishing vessels in a phased manner with funding assistance from the Government of India and State Governments under 'Blue Revolution Scheme'. This helps in promoting sustainable fishing practices such as Gill netting and Long lining in the deep sea and also to provide necessary fishing infrastructural facilities to support deep sea fishing, which will be a game changer in Fishing industry too.

Ship Repair Industry

Global Ship Repair Industry

9. As per the published report by future market insights, the global market for ship repair and maintenance service is expected to witness significant growth in 2018, reaching a market value of \$20,532.6 million while growing at a y-o-y growth rate of 6.4% as compared to 2017. The report further states that ship repair and maintenance services market is estimated to reach \$40 billion by 2028 supported by developments in the markets in South East Asia and India. As per the AT Kearney report on ship repair, though India's share in global ship repair is less than 1%, the country's location is favourable with 7-9% of the global trade passing within 300 NM of the coastline.
10. The new environmental regulations, such as Ballast Water Management Convention and the 2020 Sulphur Cap, are expected to impact the ship repair market as well.

Indian Ship Repair Industry

11. As per the AT Kearney report, India has a market potential of ₹2,600 crores from repair of domestic fleet out of which only 15% share is currently captured. The report has further highlighted that India can grow its ship repair industry to ₹9,000 crores in the next 10 years

through infrastructure and process improvement. The report has highlighted low levels of process efficiency, lack of infrastructure to service vessels above 10000 DWT and weak ancillary landscape as road blocks for developing the industry. A key recommendation of the report was to lease out the repair facilities at major ports to specialist to augment revenue opportunity.

Government Policy on Shipbuilding and Ship Repair

12. The most important policy initiative of Government of India in the maritime sector is the Sagarmala Programme which envisions port led industrialization through setting up of Coastal Economic Zones (CEZ) and coastal economic units within the CEZ.
13. In the shipbuilding segment a host of measures have been introduced in the last few years including financial assistance scheme, infrastructure status, permitting of 100% FDI, right of first refusal to Indian yards in case of government procurement etc. These incentives are still continuing.
14. As per the Maritime Agenda 2010-2020 issued by Ministry of Shipping, the following targets are set for ship repair industry:
 - a. To be self-sufficient in ship repair requirements of the country and to emerge as a dominant ship repair centre.
 - b. To achieve a share of 10% in global ship repair industry by 2020.
15. One of the major initiatives under the Sagarmala project was to lease out the ship repair facilities available at the major ports to specialists to generate more revenue and create a positive ship repair industrial climate. Based on this the Ministry had decided that CSL, a Govt. entity under the same Ministry may be offered the first opportunity for ship repair operations at various port facilities. Accordingly, CSL entered into an agreement with Mumbai Port Trust on October 20, 2018 and commenced operations and management of the Indira Dock on January 18, 2019. CSL has also commenced ship repair operations at Netaji Subhas Dock of Kolkata Port Trust which was taken on lease basis. Subsequently, CSL has also taken over ship repair operations at Marine Dockyard facility at Port Blair which is presently being operated by A&N Administration. These initiatives would help better utilization of existing ship repair facilities in the country and is likely to positively impact the Company's revenue.
16. CSL's initiatives in setting up of ship repair facilities at Cochin Port premises through the setting up of International Ship Repair Facility (ISRF) at Cochin Port premises progressed during the year. The construction of the ISRF at Cochin Port Trust premises commenced

on November 17, 2017. Shri Nitin Gadkari, Hon'ble Union Minister for Shipping, Road Transport, Highways, Water Resources, River Development and Ganga Rejuvenation, performed the ground breaking ceremony for the ISRF. The establishment of the above facility for undertaking repair of small and medium size vessels along with other maritime facilities will lead to the development of ancillary industries and would facilitate the emergence of Kochi as the maritime hub of India.

17. All the above initiatives would give the Company a pan India presence in the ship repair segment.

Operations

18. Our Company's performance continued to be promising in all segments. The total turnover of the Company is ₹3,422.49 crore as against the previous year of ₹2,965.60 crore. The shipbuilding income during the year is ₹2,852.27 crore as against the previous year income of ₹2,132.02 crore. During the year, CSL delivered 8 fishing vessels and 5 vessels are ready to be delivered. The vessels delivered to the fishermen folks at Rameshwaram, was well appreciated and the Yard

is presently looking at scaling up its fishing segment and develop engineered new-generation fishing vessels affordable to common fishermen in India. The Yard also looks for construction of fishing vessels for international markets in collaboration with industry majors in this segment. CSL also delivered 8 Nos. Ro-Ro vessels to IWAI. Ro-Pax vessels (2 Nos.) are being made ready for delivery. These vessels, which are also developed with in-house design, are likely to give tremendous impetus to this segment which in-turn will be an opportunity for CSL to find more business in the inland water transportation segment, which is already a focus area of the government with many infrastructure investments underway. Construction of 500 Pax cum 150 T Cargo vessels (2 Nos.) for A&N Administration and Technology Demonstration vessel for DRDO, are at the final stages of completion. Final phases in the construction of Indigenous Aircraft Carrier for Indian Navy, is also progressing and will be commencing its trials shortly. The River Sea Mini Bulk Carriers (4 Nos.) being built is progressing on schedule. This segment in the coastal shipping is also gearing up for significant growth, getting more attention from many big shippers and is likely to provide more such for the Company.

Financial Information

19. The financial information of the Company pertaining to the last decade is given below:

(Amount in ₹ crore)

Year	Paid up capital	Nominal value of shares (₹ per share)	Capital employed	Net worth	Profit Before Tax	Tax on Profits	Net Profits	EPS (₹)	Dividend	Payout ratio
19-20	131.54	10	3784.81	3731.80	863.43	225.74	637.69	48.48	218.75	0.34
18-19	131.54	10	3017.66	3332.08	751.38	270.20	481.18	35.72	171.00	0.35
17-18	135.94	10	3212.22	3255.87	604.86	208.11	396.75	31.03	163.12	0.41
16-17	113.28	10	2089.05	2028.58	493.40	171.85	321.55	28.39	101.61	0.32
15-16	113.28	10	1695.35	1814.33	419.65	145.86	273.79	24.07	86.65	0.32
14-15	113.28	10	1621.24	1561.07	367.56	132.49	235.07	20.75	16.99	0.07
13-14	113.28	10	1389.98	1352.53	290.96	96.71	194.24	17.15	16.99	0.08
12-13	113.28	10	970.84	1175.70	275.55	90.28	185.27	16.35	16.99	0.09
11-12	152.42	10	918.68	1050.83	252.97	80.63	172.33	15.21	16.99	0.10
10-11	192.42	10	829.27	967.80	344.23	116.70	227.53	20.09	11.32	0.05

Key Financial Ratios

Sl. No.	Particulars	FY 2019-20	FY 2018-19	Change (in %) as compared to FY 2018-19	Detailed explanation for change of 25% or more
1.	Debtors Turnover	10.06	6.09	65.10	The main reason for reduction in debtors in FY 2019-20 is due to collection of Rs.128 crores from Indian Navy for INS Vikramaditya
2.	Inventory Turnover	11.47	9.91	15.76	NA
3.	Interest Coverage	86.36	53.54	61.29	Improvement is mainly on account of increase in profit and new Ind AS on Leases
4.	Current Ratio	2.05	2.31	-10.97	NA
5.	Debt Equity Ratio	0.03	0.04	-10.71	NA
6.	Operating Profit Margin (%)	18.00	17.67	1.88	NA
7.	Net Profit Margin (%)	18.63	16.24	14.70	NA

Return on Net Worth

Particulars	FY 2019-20	FY 2018-19	Change (in %) as compared to FY 2018-19	Detailed explanation for change
Return on Networkth	17.09	14.44	18.33	Change is on account of increase in surplus

Proposed / Declared Dividend

20 As per Office Memorandum F.No.5/2/2016-Policy dated May 27, 2016 issued by Department of Investment and Public Asset Management (DIPAM), every CPSE have to pay a minimum annual dividend of 30% of PAT or 5% of the net-worth, whichever is higher. Accordingly, your Directors are pleased to recommend a dividend of ₹15/- per share on the 13,15,40,390 fully paid equity shares of ₹10/- each. Earlier, an interim dividend of ₹1.63/- per equity share has been paid to the shareholders during 2019-20. Thus, the total dividend for the year 2019-20 is ₹16.63/- per equity share (166.30%) amounting to ₹ 218.75 crores.

Segment-wise/ Product-wise Performance

21. The Company is engaged in two major activities viz., shipbuilding and repair of ships/offshore rigs etc. Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis. The segment wise performance is given below:

(₹ lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Segment Assets		
Shipbuilding	292812.55	246394.20
Ship Repair	243285.53	195899.31
Others	104364.17	82062.66
Total	640462.25	524356.17

Particulars	As at 31.03.2020	As at 31.03.2019
Segment Liabilities		
Shipbuilding	67144.21	39406.47
Ship Repair	12715.35	25944.31
Others	187423.19	125797.58
Total	267282.75	191148.36
Segment Revenue		
Shipbuilding	285226.50	213202.07
Ship Repair	57022.89	83358.26
Unallocated	24750.03	22728.42
Total	366999.42	319288.75
Segment Result		
Shipbuilding	66459.10	44494.96
Ship Repair	14741.55	23789.32
Unallocated	5141.93	6853.24
Total	86342.58	75137.52

The Company has two major business segments – “shipbuilding” and “ship repair”. Revenue under shipbuilding includes ₹2,37,746.87 lakhs (previous year: ₹2,06,934.28 lakhs) from one customer (previous year: two customers) having more than 10% revenue of the total revenue, and for ship repair includes ₹49,582.22 lakhs (previous year: ₹61,572 lakhs) from three customers (previous year: one customer) having more than 10% revenue of the total revenue.

SWOT

Strengths:

- (a) Highly trained, motivated and knowledgeable manpower with an average of 15 years of experience at all levels of hierarchy resulting in extremely high quality workmanship;
- (b) A well planned and laid out shipyard enabling smooth work flow;
- (c) A modern 'state of the art' design centre manned by highly trained, experienced and competent naval architects/engineers, draftsman etc.;
- (d) Highly evolved shipbuilding processes and practices permitting modular construction of ships;
- (e) A very good product mix compatibility comprising of defence ships, commercial ships, offshore support ships;
- (f) Availability of quality sub-contractors and good supply chain network; and
- (g) 'State of the art' facilities especially in terms of craneage, transporters, covered mobile shops, covered marine coating facility, high quality welding equipment, international standard hull fabrication facilities, substantial material storage facilities etc.

Weaknesses:

- (a) Virtually non-existent indigenous ancillary industries and consequently non-availability of major equipment/raw materials in India;
- (b) Infrastructure constraints due to non-availability of large sized dock to build and repair ships beyond 1,10,000 DWT and 1,25,000 DWT respectively. (This will be overcome with the proposed new dry-dock);
- (c) Difficulty to arrange long term project finance to ship owners which is offered by other overseas shipbuilding countries; and
- (d) Comparatively higher social and employee overheads and certain restrictive labour practices especially for contracting labour.

Opportunities:

- (a) Projected increase in requirement of ships for the domestic commercial segment, owing to the new GOI policy to encourage "Make in India";
- (b) Projected demand in the defence sector;
- (c) Indian Navy, Coast Guard and other maritime security agencies have embarked on an ambitious expansion programme which will open new opportunities;

- (d) LNG fuelled vessels, both deep sea and coastal;
- (e) Emerging opportunities in the inland waterways and coastal shipping sector in India;
- (f) Fishing vessels for both domestic and overseas market;
- (g) Tap opportunities for FRP boats for coastal security; and
- (h) Huge demand - supply gap for the repair of commercial and defence ships and virtually no competition in India.

Threats:

- (a) Spread of contagious diseases like COVID-19 pandemic;
- (b) Natural disasters;
- (c) Distress pricing policies of competitors;
- (d) Adverse reputational impact on the Indian shipbuilding industry due to under performance by Indian yards;
- (e) Rising cost of labour; and
- (f) Non-flexible government regulations on procurement policies delaying the product delivery timelines and cost.

CRUISE - 2030

22. Key to long term sustenance would be to position CSL as a knowledge Company, capable of imbibing technological advances combined with innovation & commercial aggressiveness. This would call for a process of unlearning, re-learning, revamping & recasting, for resurgence as an organisation of the future. Accordingly, it has been decided to formulate a long term strategy road map with visibility upto 2030. Towards this, the Yard has embarked on CRUISE 2030 (CSL Revenue Unlock through Integrated Strategic Excellence). M/s. Boston Consulting Group, leading global consultants, has been on-board to help benchmark CSL against leading international shipyards, identify areas of productivity/efficiency improvement, ascertain & evaluate various growth opportunities and create a strategic growth plan for CSL for 2030. Based on the strategy and plan, CSL is poised to cruise towards its goal set for 2030. The major focus areas for CSL will be defence segment, coastal segment, and other small vessel segments. The Company is also working towards tapping potential in new technology emerging areas like autonomous vessels, hybrid/battery operated vessels, alternate fuels as also venturing into various marine advance solutions. The infrastructure enhancement through automation and expansions are also on cards as per the new strategy set for CSL.

Risks and Concerns

23. The risks for the Company arise from the inherent nature of the shipbuilding industry. About 20 to 30% of the Company's revenue is from the commercial shipbuilding which is highly cyclical in nature. The commercial shipbuilding industry prospects are dependent on world trade and the cyclicity of oil, natural gas, shipping, transportation and other trade related industries. Offshore Industry continues to be in the trough. The pandemic situation in the last quarter has created concerns world over and the situation are on watch for the probable indications towards the tectonic shifts in the international economy with significant impact in the shipbuilding & repair industries too.
24. Substantial portion of the Company's activities involve the fabrication and refurbishment of large steel structures and its erection which would entail the operation of cranes and other heavy machinery and other operating hazards. The operational risks faced by the Company also could result in fires and explosions etc. Though the losses caused on such eventualities are covered under a standard fire and special perils policy, CSL do not have insurance for business interruption. These risks could expose the Company to substantial liability for personal injury, wrongful death, product liability, property damage, pollution and other environmental damages.
25. Another high risk area for the Company is the availability and price of major raw materials. The major raw materials include steel (the grade and quality of which, in each project, depends on the applicable classification rules) and other materials, equipment and other components such as pumps, propellers and engines. In fiscals 2018, 2019 and 2020 respectively, the Company's material consumption costs constituted 60.10%, 61.61% and 63.99% of its total costs, respectively. In particular, bought out components accounted for nearly 95% of our total raw material cost in these recent fiscals.
26. Shortages in the supply of raw materials may result in an increase in the price of these raw materials. For example, there are supply-side constraints in relation to steel in India which we expect will continue in future. The Indian steel industry has been unable to compete globally due to which the GOI has imposed significant duties on the import of steel from other countries such as China to protect the domestic steel industry. This has adverse impacts when CSL is unable to source steel economically. In addition, the cost of certain raw materials, such as steel, aluminium, copper etc., may fluctuate in line with any changes in their global supply and demand and thus impacting the material cost.
27. In the event that the price of the Company's raw materials increase, the Company will not be able to pass these price increases to its customers on its existing fixed contracts and its business, financial condition and results of operations can be adversely affected.
28. Changes in currency exchange rates may influence our results of operations. Globally, a substantial part of all worldwide ship sales transactions and purchase of offshore structures is generally conducted in USD. Currently there are no export orders outstanding, and hence there is no hedging exposure on the export receivables. However, in the case of import components in respect of shipbuilding/ship repair contracts denominated in Rupee terms, CSL is exposed to exchange rate fluctuation risk unless the contract with the ship owner provides for an exchange variation reimbursement clause. Currently some of the shipbuilding contracts do not contain such provision. Hence, adverse fluctuation in the currency rates will affect and influence our results of operations.
29. Pandemics like COVID-19 and the resultant lock down also impose various risks on the operations of the Company. The scale of production will be reduced due to various factors including restricted working arrangements, travel constraints, reduction in outsourced manpower (which to a certain extent due to reduced migrant labour availability), non-availability of service engineers and OEM representatives especially related to foreign equipment on account of international and inter-state travel restrictions. Projects can also run at a delayed pace due to the factors mentioned above and also on account of issues in material availability and logistic, issues related to locked down states of origin (domestic and international) and also issues relating to cash flows from customers.
30. Also there are possibilities of withholding of future projects by clients, cancellation of running enquiries and potential projects might have to be put on hold citing liquidity issues. Additionally, impaired cargo movement through road, shipping channels and air routes (due to labour shortages, operational hurdles at ports, airlines cutting down on operations) would add to cost of imports as well as exports further pressuring Company. The assessment of cumulative impact will be possible only once reasonable level of revival occurs.

Product Diversification

31. With the GOI focusing on the blue revolution and the recent impetus for the upliftment of the fishing community all along the coastal India, CSL sees a surge both in the demand as well as in the quality of the fishing vessel segment in India. With the construction

of 11 of 16 fishing boats delivered and performing well and with the volumes to the tune of many thousands being projected by the industry, CSL feels that this could eventually turn out to be a separate vertical by itself, if everything goes as planned by the government. To bring impetus to this segment, Company has successfully bid for Tebma Shipyards Limited through NCLT process and obtained the order in March 2020.

32. There is good scope on the inland transportation segment. In this regard Company already is working closely with Inland Waterways Authority of India (IWAI) by constructing 10 vessels for the inland waterways and is expecting more projects from this segment. The operationalisation of HCSL will put the Company in a better position to meet the customer demands in this segment which primarily is going to grow in NW1 and NW2 in the initial stage. Similarly, the urban water transport segment is seeing new project initiatives and the Company has successfully won contract to built 23 Nos. of battery powered boats which will put the Company in an elite group to built such future generation vessels and thus drive the market further. Company is examining the possibility of conversion of vessels to run on alternate fuels such as methanol fuel, for which a proposal submitted is under the consideration of the Ministry/IWAI.

Internal Control

33. The Company has promulgated an internal control and internal audit manual and has in place adequate internal control systems. The internal audit function is carried out by an independent firm of Chartered Accountants who carry out an in-depth review of internal control systems in critical areas based on the audit programme approved by the Board level Audit Committee headed by an Independent Director. A review of the internal control procedures was undertaken by M/s. Krishnamoorthy & Krishnamoorthy, Chartered Accountants, (Firm Registration No. 001488S) as a separate exercise.

Human Resource Development and Industrial Relations

34. The details regarding Human Resource Development and Industrial Relations are more specifically covered in the Directors' Report.

Women Empowerment

35. CSL has constituted an Internal Complaints Committee in accordance with the guidelines and norms prescribed by Sexual Harassment of Women at Workplace (Provision, Prohibition and Redressal) Act, 2013. A senior woman executive is the Chairperson of the Internal Complaints Committee. The Certified

Standing Orders applicable to workmen include sexual harassment as an act constituting misconduct. The Internal Complaints Committee is empowered to enquire into such complaints as per the procedure laid down in the Certified Standing Orders and Industrial Employment (Standing Orders) Acts and Rules.

36. WIPS Cell of CSL conducted the following programmes for the benefit of the women employees.
- CSL hosted WIPS Southern Regional meeting on July 26, 2019, at Hotel Monsoon Empress. The delegates from other Southern Region CPSUs like BHEL, NLC, NPCIL, HAL, ONGC, etc., and more than 50 ladies from CSL participated in the full day meeting. Eminent International trainer, Ms. Jessica Mondroina gave a session on women empowerment regarding the topic "Power of Beauty, Brain & Brawn". This was followed by another session "Making Presence Felt - The Human Side of being Indispensable at Work" by Ms. Deepa Sethi, Professor, IIM, Kozhikode.
 - A self defence programme for all women employees, trainees and on contract employees was organised in 4 batches on 9th, 10th, 13th and 14th of January 2020 with the help of Kerala Police as part of Nirbhaya project.
 - The International Women's day was celebrated on March 09, 2020 in CSL as a full day event at The Mercy Luxury Business Hotel, Ravipuram. Chief guest of the function was Smt. M Beena IAS, Chairperson of Cochin Port Trust. An in-house awareness session on financial aspects "Provident Fund, Tax and Pension", interactive educative session on "Higher Education, Women Empowerment and Gender Equality" by Dr. Sindhu P Nair, Assistant Regional Director, IGNOU Kochi and motivational talk on "Not by Chance but by Choice- Happiness and Success can be your Destiny!" by Ms. Jessica Mundroina, International Trainer, were the highlights of the day. The day concluded with a practical and energetic physical fitness session by fitness trainer Smt. Rithu Paul.

37. The Company ensures the participation of women in various forum including Joint Council, Shop Council, Central Safety Council, Shop Safety Council, Employees Contributory Provident Fund Trust, Employees Cochin Shipyard Recreation Club, Employees Cochin Shipyard Consumer Society etc.

Technology Conservation

38. CSL continuously strives for conservation and upgradation of technology to remain competitive in the global shipbuilding market. Towards this the Company has taken the following initiatives:

- i. Development of in house design of 100 Pax Electric Hybrid Catamaran for Kochi Water Metro. The vessel has a hybrid propulsion system consisting of Diesel Generators and latest Lithium-Titanate (LTO) batteries. Once fully operational, these boats would be one of the most eco-friendly water transport network in the world.
- ii. Development of hullform for Kochi Water Metro project, in association with MARIN, Netherlands. The design is optimized for achieving minimum propulsion power and lowest wake wash.
- iii. Development of basic design of Floating Border Outpost for Border Security Force.
- iv. Development of basic design of Ambulance boats for Kerala Fisheries department.
- v. Development of concept design of Next Generation Missile Vessels (NGMV), for Indian Navy.
- vi. Development of concept design of Survey Training Vessel (STV) for Indian Navy.
- vii. Development of concept design of Semi-Submersible Platform (SSP) for Indian Navy.
- viii. Development of concept design of Multi- Purpose Vessel (MPV) for Indian Navy.
- ix. Development of concept design for Weed-Harvester pontoon for Dal Lake.
- x. Development of in-house web-based application, Chronoz, for man-hour utilization capture in Design Department.
- xi. Implementation of File Life Cycle Management system which facilitates paperless office for ensuring better transparency and availability of files.
- xii. Development of 'Habitability Application' for monitoring the progress of work in 2600 accommodation compartments in IAC using SAP Portal.
- xiii. Development of a mobile application called 'Rudder' for tracking the steel renewal projects in Ship Repair.
- xiv. Implementation of a web/mobile application for controlling the access of external sub-contract workers by their contractors inside CSL.

Corporate Social Responsibility (CSR) and Sustainability

39. For more details, please refer the annual report on CSR activities placed at Annexure-4 to Directors' Report.

Micro Small and Medium Enterprises (MSME) as per the Public Procurement Policy 2012

40. The Company is making all out efforts to increase the procurement/ availing services from MSMEs. The Company has achieved a target of 33%, against the required target of 25% procurement of goods and services from MSMEs, out of total indigenous procurement for FY 2019-20, till March 31, 2020. SC/ST and Women MSME entrepreneurs are also getting benefitted due to CSL's initiatives.
41. With a view to promote procurement/avail services, through MSMEs, as per the Public Procurement Policy 2012, promulgated by the Government of India (GOI), Cochin Shipyard Limited attended International MSME EXPO, Summit and Trade Fair - 2019 held from August 23-25, 2019, at Pragati Maidan, New Delhi.
42. Other initiatives include, making CSL website user-friendly for MSME vendors and regular uploading of procurement data and other details in "MSME Sambandh" portal launched by Ministry of MSME, GOI.

Cautionary statement

43. Statement in this 'Management Discussion and Analysis Report' describing the objectives, expectations, assumptions or predictions of the Company may be forward looking statements within the meaning of applicable rules and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the operations of the Company include economic conditions affecting demand/supply, price conditions in the domestic and international markets, Government policies and regulations, statutes and other incidental factors.

For and on behalf of the Board of Directors

Kochi
August 07, 2020

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

BUSINESS RESPONSIBILITY REPORT

In terms of Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Annual Reports of the top five hundred listed entities based on market capitalization at the BSE and NSE shall contain a Business Responsibility Report (BRR) describing the initiatives taken by the Company from an environmental, social and governance perspective, which includes CSL.

The reporting framework is based on the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVEGs) released by the Ministry of Corporate Affairs, Government of India, in July 2011 which contains 9 Principles and Core Elements for each of the 9 Principles. Following is the Business Responsibility Report of our Company based on the format suggested by SEBI.

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company	L63032KL1972GOI002414
2. Name of the Company	Cochin Shipyard Limited
3. Registered address	Administrative Building, Cochin Shipyard Premises, Perumanoor, Ernakulam, Kerala - 682015
4. Website	www.cochinshipyard.com
5. E-mail id	secretary@cochinshipyard.com
6. Financial Year reported	2019-20
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Shipbuilding and Ship Repair (Industrial Group 301 and 331 as per National Industrial Classification of the Ministry of Statistics and Programme Implementation)
8. List three key products/services that the Company manufactures/provides (as in balance sheet)	The Company is engaged in business of shipbuilding and ship repair. Inter-alia considering nature of production process and infrastructure facilities used, there are no other reportable segment.
9. Total number of locations where business activity is undertaken by the Company	
a) Number of International Locations (Provide details of major 5)	Nil
b) Number of National Locations	Four
10. Markets served by the Company - Local/State/National/International	Local, State, National and International

Section B: Financial Details of the Company

1. Paid up Capital	₹131.54 crores
2. Total Turnover	₹3422.49 crores
3. Total profit after taxes	₹637.69 crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.40
5. List of activities in which expenditure in 4 above has been incurred:-	CSL's CSR activities are carried out in the following focus areas: <ul style="list-style-type: none"> • Healthcare • School education • Sanitation

Section C: Other Details

Does the Company have any Subsidiary Company/ Companies?	Yes, CSL has one subsidiary viz., Hooghly Cochin Shipyard Limited.
Do the Subsidiary Company/ Companies participate in the BR initiatives of parent company? If yes, then indicate the number of such subsidiary company(s)	No. The subsidiary company was incorporated only in October 2017 and is yet to commence operations. Hence, the company has not started to participate in the BR initiatives of CSL.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	The Company has adopted well established procedures for outsourcing and procurement activities in order to ensure quality, on time delivery and optimum cost. Care is taken to have a panel of vendors with sound integrity. The Company has introduced e-payment, integrity pact etc., for a more transparent method of procurement. The standard terms and conditions of purchase order conforms to the Company policy on safety, environment etc., and are accepted by the vendor. Hence, majority (more than 60%) conform to the key principles of the business responsibility.

Section D: BR Information

1. Details of Director/Directors responsible for BR	
(a) Details of the Director/ Directors responsible for implementation of the BR policy/policies 1. DIN 2. Name 3. Designation	BR function relating to corporate social responsibility and sustainability is monitored by the Corporate Social Responsibility & Sustainable Development (CSR & SD) Committee of the Board of Directors. The details of the composition of the CSR & SD Committee are provided in the Corporate Governance Report. As on March 31, 2020, the CSR & SD Committee of the Company is under the Chairmanship of Shri Jiji Thomson. The details of the Chairman of CSR & SD Committee of CSL are as follows: DIN : 01178227 Name: Shri Jiji Thomson Designation : Independent Director Email ID : jjithomson@gmail.com
(b) Details of the BR head	The Board has not assigned responsibilities specifically to any Director to function as the BR head.

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The 9 principles outlined in the National Voluntary Guidelines are as follows:

P1	Businesses should conduct and govern themselves with ethics, transparency and accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	-	Y	Y
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	Y	Y
		Various policies at CSL conform to different applicable statutes/ guidelines/ rules etc. issued by GOI, and updated from time to time. Industry practices, national/ international standards are kept in view while formulating policies.								
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	-	Y	Y
		Different policies are approved by the Board/Competent Authorities as per delegation of power.								
5	Does the Company have a specified Committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	-	Y	Y
6	Indicate the link for the policy to be viewed online?	The policies are available on Company's website: https://cochinshipyard.com/Investors								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Yes. The policies have been communicated to the stakeholders by uploading on the Company's above mentioned website. Quality, Health, Safety and Environmental Policy is uploaded in intranet of the Company as well as CSL's website. The same is also displayed at all major locations of the Company.								
8	Does the Company have in-house structure to implement the policy/ policies.	Yes								
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	The Board has set up a Committee to address the grievances of the stakeholders, debenture holders and other persons holding securities in the Company as required under the Companies Act, 2013 and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In addition, the Company has also set up a vigil mechanism to address the genuine concerns, of any of the Directors and employees.								
10	Has the Company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The Company is subject to various audits such as Statutory Audit by firm of Chartered Accountants appointed by the Comptroller & Auditor General, Internal Audit, C&AG Audit, Cost Audit, Secretarial Audit, Energy Audit, Safety Audit, Integrated Management Systems Audit etc. These audits ensure compliance to various internal and external policies.								

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

The senior management of the Company reviews BR performance on an on-going basis. The Board/ Committees constituted by it review the same annually.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The Company publishes BR Report annually as part of its annual report. The hyperlink for viewing the report: <https://cochinshipyard.com/annual-report>

Section E: Principle-Wise Performance

Principle 1: Businesses should conduct and govern themselves with ethics, transparency and accountability

- 1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs /Others?**

The Company has positioned an Integrity Pact which is signed with bidders to enable them to raise any issues with regard to high value tenders of more than ₹100 lakhs floated from time to time. People of high repute and integrity are appointed as Independent External Monitors to oversee implementation of the said Integrity Pact.

The pact essentially envisages an agreement between the prospective vendors/bidders and CSL committing the persons/officials of both sides, not to resort to any corrupt practices in any aspect/stage of the contract. Any violation of the same would entail disqualification of the bidders and exclusion from future business dealings.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

During the financial year 2019-20, 15 investor complaints were received by the Company through SEBI SCORES Platform, NSE and BSE and Registrar & Transfer Agent. All these complaints were attended to and resolved on priority basis.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.**

The Company is engaged in the business of shipbuilding and ship repair. As such the Company has only one product, which has been designed to incorporate social or environmental concerns as well as benefit from the available opportunities.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):**

- (a) Reduction during sourcing / production / distribution achieved since the previous year throughout the value chain.**

The Company recognizes its commitment to achieve economic development through sustainable methods. This is proposed to be

achieved through employment of appropriate technology, transparency in procurement and outsourcing and participation in sustainable development programmes.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year.**

CSL has implemented various energy conservation measure viz., installation of solar power plant, electrification of new buildings is carried out with LED lights instead of conventional discharge lamps, replacement of high pressure mercury vapour lights with LED lights, switching off main air compressor during lunch break, switching off main power supply to shops, quays, & docks momentarily at 12:15 hrs. which trips man coolers, roof extractors (controlled through starters), etc., which are not required during the lunch break, displayed energy saving stickers & posters, conducted seminar and quiz competition for inculcating awareness among employees for energy conservation aimed at optimum use of electric power, continuously monitoring and maintaining power factor near unity etc. Energy savings of approximately 3.94 lakhs units per annum have been achieved with the implementation of measures specified above.

- 3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

The Company has been following approved criteria for the selection of vendors to ensure sustainable sourcing which inter alia includes vendors having ISO 9000 certification, vendors approved by regulatory bodies, various authorized dealers of the manufacturer, ability to provide materials as per laid down specification and other requirements, ability to supply materials as per stipulated delivery period. Annual evaluation of the orders placed on a vendor is completed to decide the average performance. A vendor is removed / suspended from approved vendor list based on his average performance over the period of evaluation. Vendors list is reviewed and updated once in a year.

- 4. Has the Company taken any steps to procure goods and services from local and small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

With a view to promote procurement/avail services through local and small producers and service providers including Micro, Small and Medium

Enterprises (MSME), as per the Public Procurement Policy 2012, promulgated by the Government of India (GOI), the Company is making all out efforts to increase the procurement/ availing services from MSMEs. The Company has achieved a target of 33%, against the required target of 25% procurement of goods and services from MSMEs, out of total indigenous procurement for FY 2019-20, till March 31, 2020. SC/ ST and Women MSME entrepreneurs are also getting benefitted due to CSL's initiatives

With a view to promote procurement/avail services through MSMEs, as per the Public Procurement Policy 2012, promulgated by the Government of India (GOI), Cochin Shipyard Limited attended International MSME EXPO, Summit and Trade Fair – 2019 held from August 23-25, 2019, at Pragati Maidan, New Delhi.

Other initiatives include, making CSL website user-friendly for MSME vendors and regular uploading of procurement data and other details in "MSME Sambandh" portal launched by Ministry of MSME, GOI.

5. **Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%)?**

Due to the nature of products of the Company and the waste generated, mechanism to recycle is not available. However, the wastes are disposed off through agencies dealing in such disposal or recycling and approved by the environmental authorities.

7. **Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the year.**

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child Labour / forced Labour/ involuntary labour	The Company does not hire child labour, forced labour or involuntary labour. No Compliant.	Not Applicable
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

8. **What percentage of your under mentioned employees were given safety and skill upgradation training in the last year?**

Permanent Employees: 100%

Permanent Women Employees: 100%

Casual/Temporary/Contractual Employees: 100%

Employees with Disabilities: 100%

Principle 3: Businesses should promote the well being of all employees

- Total number of employees:** 1710 (permanent employees)
- Total number of employees hired on temporary / contractual /casual basis:** Average 3691 per day
- The number of permanent women employees:** 152
- The number of permanent employees with disabilities:** 57
- Do you have an employee association that is recognized by management?**

Yes, CSL have six employee association recognised by the management viz.:

- Cochin Shipyard Officers Association (CSOA)
- Cochin Shipyard Supervisory Staff Association (CSSSA)
- Cochin Shipyard Employees Organisation (CSEO)
- Cochin Shipyard Employees Federation (CSEF)
- Cochin Shipyard Employees Union (CSEU)
- Shipyard Employees Sangh (SES)

6. **What percentage of your permanent employees is members of this recognized employee association?**

Most executives are members of Cochin Shipyard Officers Association. In the case of permanent workmen, most of them are affiliated to various recognised unions. Four recognised unions have been conferred recognition by the Company on the basis of referendum.

Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

- Has the Company mapped its internal and external stakeholders?**

Yes, the Company has mapped its internal as well as external stakeholders

2. Out of the above, has the Company identified the disadvantaged, vulnerable and marginalized stakeholders?

CSL's CSR projects aims at benefiting the disadvantaged, vulnerable and marginalised community who are present across Kerala particularly in remote rural/tribal communities. Further, CSL ensures that the reservation policy as advised by Govt. of India is implemented. CSL is also involved in improving the quality of life of persons for whom projects are specially designed. The Company has identified (i) SC/ST (ii) differently abled as disadvantaged, vulnerable and marginalized for employment purpose.

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

CSL has made commitments for various projects across Kerala in its CSR thrust areas, largely catering to disadvantaged, vulnerable and marginalized stakeholder's viz., education, sanitation & smart class rooms for children, healthcare initiatives for tribal communities, several initiatives for differently abled persons, empowerment of women through income enhancing skill development programs and other interventions in rural/tribal/semi-urban areas. The Company follows all the GOI regulations regarding reservations for SC/ST and differently abled.

Principle 5: Businesses should respect and promote human rights

1. Does the policy of the Company on human rights cover only the Company or extend to the group/joint ventures/suppliers/contractors/NGOs/others?

The human resource policies of the Company cover all aspects of human rights of its employees and others associated with it for operation of its business and covers human rights of employees of the subsidiary also. No complaints have been received in the past financial year on human rights.

The Company is committed to uphold and maintain the dignity of women employees and it has in place a policy which provides for protection against sexual harassment of women at work place and for prevention and redressal of such complaints. During the year under review, no such complaints were received.

The Company is committed to comply with all human rights practices across subsidiary and other stakeholders associated with the Company.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

During the year under review, 15 complaints were received from investors and all the complaints were resolved to their satisfaction.

Principle 6: Business should respect, protect, and make efforts to restore the environment

1. Does the policy related to Principle 6 cover only the Company or extends to the group/joint ventures/suppliers/contractors/NGOs/others?

Covers the Company. As a part of the integrated approach of the Company, our commitment to the mother nature is demonstrated through our ongoing effort to reduce the adverse impact on the environment and reinforcing the positive contribution. We strive to achieve this by identifying the significant environmental aspects of its activities and products and developing programs and processes to reduce or control them with an aim of protecting the environment. The Company also persuades and encourages its business partners/vendors/contractors to move towards environmental friendly processes, right from design to disposal.

2. Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? If yes, please give hyperlink for webpage etc.

The Company has a detailed manual which describe the common procedures that need to be established for the effective implementation of the environmental management system, meeting the requirements of the international standards ISO 14001:2015.

3. Does the Company identify and assess potential environmental risks?

Yes.

4. Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Presently, CSL does not have any project under Clean Development Mechanism

5. Has the Company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? If yes, please give hyperlink for web page etc.

The Company has undertaken various initiatives like, installation of solar power plant, electrification of new buildings is carried out with LED lights instead of conventional discharge lamps, replacement of high pressure mercury vapour lights with LED lights, switching off main air compressor during lunch break, switching off main power supply to shops,

quays, & docks momentarily at 12:15 hrs. which trips man coolers, roof extractors (controlled through starters), etc., which are not required during the lunch break, displayed energy saving stickers & posters, conducted seminar and quiz competition for inculcating awareness among employees for energy conservation aimed at optimum use of electric power, continuously monitoring and maintaining power factor near unity etc. These initiatives resulted in energy savings of approximately 3.94 lakhs units per annum.

6. Are the emissions/waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

In financial year 2019-20, there are no pending CPCB/SPCB show cause/legal notices.

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

1. Is your Company a member of any trade and chamber or association? If Yes, name only those major ones that your business deals with:

- a) Indian Shipbuilders Association
- b) Indo Japan Chamber of Commerce
- c) Confederation of Indian Industry (CII)
- d) Cochin Chamber of Commerce and Industry
- e) All India Management Association
- f) The Federation of Indian Chambers of Commerce and Industry (FICCI)
- g) Standing Conference of Public Enterprises (SCOPE)
- h) Society of Indian Defence Manufacturers (SIDM)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes, specify the broad areas (drop box: governance and administration, economic reforms, inclusive development policies, energy security, water, food security, sustainable business principles, others).

The above-mentioned organisations act as a platform for CSL to address issues that might impact its stakeholders. CSL encourages participation in advocating policy level processes rather than lobbying on any specific issues.

Principle 8: Businesses should support inclusive growth and equitable development.

1. Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes, details thereof.

As mentioned in the sections above, CSL's CSR projects aim at benefitting the community from low socio-economic strata, across the state of Kerala and are identified as vulnerable. These projects are attempting for inclusive growth & equitable development of such communities.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

CSL largely collaborates with various NGOs, foundations, government agencies, and other professional agencies for execution of the project on the ground.

3. Have you done any impact assessment of your initiative?

Yes. Impact assessment is crucial to view the effect of the activity conducted. CSL conducts impact assessment as a part of the project for the majority of projects.

4. What is your Company's direct contribution to community development projects - amount in INR and the details of the projects undertaken?

In financial year 2019-20, the contribution to community development projects was ₹14.78 crores. Please refer to the Report on CSR Activities forming part of this Annual Report.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Engagement of the community is paramount for sustaining any community development program on ground. We ensure engagement of the community at the very planning stage and thereafter induct them at the implementation level. This not only ensures acceptance of the programme on ground but also its continuity and sustainability.

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

The Company's customers are large corporate houses, corporations both national and international

or Ministries of the Central Government. During the year under review the Company has not received any complaints.

2. **Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

Not applicable as it engages in shipbuilding and ship repair operations.

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.**

No cases have been filed by any stakeholders against the Company regarding unfair trade practices during the year under review.

4. **Did your Company carry out any consumer survey/ consumer satisfaction trends?**

Yes. All the contracted vessels are conducted with a customer satisfaction survey, and feedbacks are taken from owners willing to share their experience. The surveys are conducted by an independent third party firm in order to have open & genuine feedback from the customer.

Customer satisfaction survey is conducted in two phases for the vessels contracted, one on Construction Phase (Phase I) and one after completion of warranty period (Phase II). Phase I is intended for an interim feedback during the ongoing construction stage, in order to identify any concerns from the owner during the construction phase. This also helps the Yard to understand the area of concerns (if any), and can initiate actions appropriately for improvements to the level of owner expectations. Phase II survey is after the delivery and the completion of warranty period of the vessel where owner would have sufficient time to understand the performance & quality of construction, which will provide an overall perspective of their satisfaction for the new building contracted & delivered.

The surveys conducted cover all phases of construction starting from the pre-contract stage. Feedbacks are requested from owners regarding approachability, accessibility, quality of construction, overall technical capabilities of the Yard & post delivery services. The independent agency submits a report in each financial year for the surveys conducted, and elaborates regarding the feedbacks from various clients, specifying the areas where Shipyard is performing well & areas where improvements are suggested. This independent report provides a scope to understand the strength & weakness of the Yard from the owner perspective, and is much helpful while approaching the same client / similar clients.

REPORT ON CORPORATE GOVERNANCE

Company's Philosophy on Corporate Governance

1. Cochin Shipyard recognizes the importance of Corporate Governance to emerge as a model corporate. The Company has adopted policies and procedures which are aimed at effectively discharging its responsibilities to various stakeholders, viz., shareholders, creditors, customers, employees and society at large. CSL strongly believes that the Company can emerge as a strong global leader only by following good & sound Corporate Governance principles. The Company has been rated 'Excellent' in Corporate Governance practices as per the evaluation criteria prescribed by the Department of Public Enterprises consistently for the last several years.

Board of Directors

2. The Board of Directors of Cochin Shipyard Limited plays a pivotal role in ensuring good Corporate Governance. The composition of the Board of the Company is governed by the provisions of the Companies Act, 2013 ("the Act") and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations"). The composition of the Board during the financial year ended March 31, 2020 is as follows:

Sl. No.	Name of Director	Director Identification Number (DIN)	Category of Directorship
1	Shri Madhu S Nair *	07376798	Chairman & Managing Director
2	Shri D Paul Ranjan **	06869452	Director (Finance)
3	Shri Suresh Babu N V	07482491	Director (Operations)
4	Shri Bejoy Bhasker	08103825	Director (Technical)
5	Shri Jose V J ***	08444440	Director (Finance)
6	Shri Satinder Pal Singh IPS #	07490296	Official Part Time (Nominee) Director, Government of India
7	Shri Sanjay Bandopadhyaya IAS #	00088957	Official Part Time (Nominee) Director, Government of India
8	Shri Jyothilal K R. IAS †	01650017	Official Part Time (Nominee) Director, Government of Kerala
9	Smt. Roopa Shekhar Rai ∞	07565156	Non Official Part Time (Independent) Director
10	Shri Radhakrishna Menon ∞	07518727	Non Official Part Time (Independent) Director
11	Shri Krishna Das E ∞	02731340	Non Official Part Time (Independent) Director
12	Shri Jiji Thomson IAS (Retd.)	01178227	Non Official Part Time (Independent) Director
13	Shri Pradipta Banerji	00630615	Non Official Part Time (Independent) Director
14	Shri Nanda Kumaran Puthethath	02547619	Non Official Part Time (Independent) Director

* Shri Madhu S Nair, Chairman & Managing Director was re-appointed (retirement by rotation) in the 47th Annual General Meeting of CSL held on August 13, 2019.

** Shri D Paul Ranjan, Director (Finance) retired from services by superannuation on July 31, 2019.

*** Ministry of Shipping vide letter F. No.SY-11012/2/2018-CSL dated July 15, 2019 appointed Shri Jose V J, former General Manager (Finance), CSL as the Director (Finance) of CSL. He is a member of the Institute of Cost Accountants of India and also holds a degree in Law from Government Law College, Ernakulam. He has approximately 29 years of work experience across diverse field viz., financial management, strategic planning, risk management, forex management, budgeting and cost control. He is also heading the Information Systems Department. He is also a CSL Nominee Director in the Board of Hooghly Cochin Shipyard Limited, a wholly owned subsidiary of Cochin Shipyard Limited.

The Ministry of Shipping, vide letter No.SY-11012/1/2017-CSL dated February 03, 2020 appointed Shri Sanjay Bandopadhyaya, IAS, Additional Secretary, Ministry of Shipping, Govt. of India as Official Part Time (Nominee) Director of CSL, in place of Shri Satinder Pal Singh IPS, Joint Secretary, Ministry of Shipping, Govt. of India. Shri Sanjay Bandopadhyaya is a 1988 Batch IAS Officer of Madhya Pradesh Cadre. He is presently posted as Additional Secretary to Government of India, Ministry of Shipping and is entrusted with administration and development of Shipping Activities, Merchant Shipping Act, Shipbuilding, International Co-operation and Treaties, Ports and stressed projects. He holds a Master degree of Technology in Communications and Radar Engineering from Indian Institute of Technology, Delhi, Bachelor degree of Engineering in Electronics and Communications and Master of Arts degree in Economics. In the past he held various senior positions in both central and state governments. He won various prestigious awards viz., the "Platinum Icon Web Ratna Award 2012" for implementing the 'Vahan' vehicle registration and permit system for the best citizen centric service by the Government of India, National Award for e-Governance (GOLD), 2009-10 presented for State School Portal and management through electronic platform, India Tech Foundation 2007 for second Best Reforming State in India in Power Sector.

† Shri Jyothilal K R. IAS Official Part Time (Nominee) Director of CSL vacated his office under Section 167(1)(b) of the Act with effect from June 20, 2020.

∞ Pursuant to the Ministry of Shipping, Government of India letter no. SY-11012/1/2016-CSL dated July 29, 2019, the tenure of Smt. Roopa Shekhar Rai, Shri Radhakrishna Menon and Shri Krishna Das E, who were re-appointed as Non-Official Part Time (Independent) Directors on the Board of CSL, completed on March 20, 2020.

3. Disclosure of relationship between Directors inter-se: Nil
4. None of the Directors of the Company were members in more than ten committees or act as Chairperson of more than five committees across all listed entities in which he/she is a Director. None of the Independent Directors of the Company held Directorships in more than seven listed companies.
5. The Companies Act, 2013 read with relevant Rules made thereunder, facilitates the participation of the Director in the Board/Committee meetings through video conferencing. The Directors viz., Shri Satinder Pal Singh IPS, Shri Sanjay Bandopadhyaya IAS, Shri Pradipta Banerji, Smt. Roopa Shekhar Rai and Shri Krishna Das E have availed the facility during the financial year 2019-20.
6. The meetings of the Board of Directors and Committees have been conducted in the manner as specified in Listing Regulations and Companies Act, 2013.

Attendance of Directors at Board Meetings and Annual General Meeting (AGM)

7. Six Board Meetings were held during the year under review. Details of attendance of Directors at the Board Meetings and AGM are given below:

Name of Director	2019					2020	AGM
	May 21	Jul 29	Aug 13	Oct 23	Nov 12	Feb 11	Aug 13, 2019
Shri Madhu S Nair	✓	✓	✓	✓	✓	✓	✓
Shri Satinder Pal Singh IPS	✓*	×	✓	✓	×	NA	✓
Shri Sanjay Bandopadhyaya IAS	NA	NA	NA	NA	NA	✓*	NA
Shri Jyothilal K R, IAS	×	×	×	×	×	×	×
Shri D Paul Ranjan	✓	✓	NA	NA	NA	NA	NA
Shri Suresh Babu N V	✓	✓	✓	✓	✓	✓	✓
Shri Bejoy Bhasker	✓	✓	✓	✓	✓	✓	✓
Shri Jose V J	NA	NA	✓	✓	✓	✓	✓
Smt. Roopa Shekhar Rai	NA	NA	✓	✓	✓	✓	✓
Shri Radhakrishna Menon	NA	NA	✓	✓	✓	✓	✓
Shri Krishna Das E	NA	NA	✓	✓	✓	✓	✓
Shri Jiji Thomson IAS (Retd.)	✓	✓	✓	✓	✓	×	✓
Shri Pradipta Banerji	✓	✓	✓*	×	✓	✓	×
Shri Nanda Kumaran Puthethath	✓	✓	✓	×	×	✓	✓

* attended through video conferencing

NA - Not applicable

Other Directorships and Committee positions:

8. The total number of other Directorship(s) held by Directors and other positions of Membership/Chairmanship on Committees, as on March 31, 2020 are given below:-

Name of the Director	No. of Directorship in other public limited companies		Board Committee positions held in other public limited companies		Name of other Listed Entity where the person is a Director	Category of Directorship in the Listed Entity
	Chairman	Member	Chairman	Member		
Shri Madhu S Nair	1	1	-	-	-	-
Shri Sanjay Bandopadhyaya IAS	-	-	-	-	-	-
Shri Jyothilal K R, IAS	-	6	1	2	-	-
Shri Suresh Babu N V	-	1	-	-	-	-
Shri Bejoy Bhasker	-	1	-	-	-	-
Shri Jose V J	-	1	-	-	-	-
Shri Jiji Thomson IAS (Retd.)	-	-	-	-	-	-
Shri Pradipta Banerji	-	-	-	-	-	-
Shri Nanda Kumaran Puthethath	1	3	-	2	Atlas Jewellery India Limited	Non-Executive Director

- The Directorships held by Directors as mentioned above does not include Alternate Directorships, Directorships in Private Limited Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013.
 - Memberships/Chairmanships of only the Audit Committees and Stakeholders Relationship Committees of all Public Limited Companies and Government Companies have been considered.
9. None of the Directors except the following hold any shares in the Company as on March 31, 2020:

Name of the Director	No. of Equity Shares Held
Shri Madhu S Nair	600
Shri Bejoy Bhasker	510

Chart of skills/expertise/competence of the Board of Directors

Sl. No.	Skills/Expertise/Competency	Shri Madhu S Nair	Shri Suresh Babu N V	Shri Bejoy Bhasker	Shri Jose V J	Shri Sanjay Bandopadhyaya, IAS	Shri K R Jyothilal, IAS	Shri Jiji Thomson IAS (Retd.)	Shri Pradipta Banerji	Shri Nanda Kumaran Puthethath
1	Ship building/repair Industry Experience	✓	✓	✓	✓					
2	Knowledge of Ship building/repair Sector	✓	✓	✓	✓	✓	✓	✓	✓	✓
3	Accounting knowledge				✓					✓
4	Financial/investment knowledge	✓	✓	✓	✓	✓	✓	✓		✓
5	Law			✓	✓	✓	✓	✓		
6	Marketing experience	✓	✓	✓	✓					
7	Information Technology			✓	✓	✓				
8	Developing and implementing risk management systems	✓	✓	✓	✓	✓	✓	✓	✓	✓
9	Human Resource Management experience	✓		✓		✓	✓	✓	✓	✓
10	Strategy/Corporate plan development and implementation	✓	✓	✓	✓	✓	✓	✓	✓	✓
11	Directorship experience in other listed companies							✓		✓
12	Directorship experience in unlisted companies	✓	✓	✓	✓	✓	✓	✓	✓	✓
13	Integrity and high ethical standards	✓	✓	✓	✓	✓	✓	✓	✓	✓
14	Leadership skills	✓	✓	✓	✓	✓	✓	✓	✓	✓
15	Social welfare orientation	✓		✓	✓	✓	✓	✓		✓
16	Experience in government relations	✓	✓	✓	✓	✓	✓	✓	✓	✓

Independent Directors

10. Independent Directors have been appointed by the Ministry of Shipping, Government of India for a term of 3 years. The main terms of appointment can be accessed at <https://cochinshipyard.com/board-of-directors/independent>
11. Familiarization programme for Independent Directors generally form part of the Board process. The Independent Directors are updated on an on-going basis at the Board/Committee meetings, inter-alia, on the following:
 - Nature of industry in which the Company operates;
 - Business environment and operational model of various business divisions of the Company including important developments thereon; and
 - Important changes in regulatory framework having impact on the Company.
12. Details of the familiarization programme for Independent Directors can be accessed at <https://cochinshipyard.com/uploads/FTPStaging/INDPDIR/famil.pdf>
13. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.

Meetings of Independent Directors

14. According to Schedule IV to the Companies Act, 2013 a separate meeting of the Independent Directors of the Company was held on June 19, 2020 which was attended by all the Non Official Part Time (Independent) Directors, viz., Shri Jiji Thomson IAS (Retd.), Shri Pradipta Banerji and Shri Nanda Kumaran Puthezath.

Availability of information to the members of the Board

15. The Board has complete access to any information within the Company and to any employee of the Company. The Board welcomes the presence of executives in the Board meetings, who can provide additional insights into the issues being discussed in the meeting. The information normally required to be placed before the Board include the following:

- a) To make calls on shareholders in respect of money unpaid on shares.
- b) To authorize buy-back of securities.
- c) To issue securities including debentures, in India or abroad.
- d) To borrow monies.
- e) To invest funds of the Company.
- f) To grant loans or give guarantee or provide security in respect of loans.
- g) To approve financial statement and Board's Report.
- h) To diversify the business of the Company.
- i) To approve amalgamation, merger or reconstruction.
- j) To take over a company or acquire a controlling interest or substantial stake in another company.
- k) To appoint or remove Key Managerial Personnel (KMP).
- l) To appoint internal auditor and secretarial auditor.
- m) General notices of interest of Directors.
- n) Terms of reference of Board Committees.
- o) Minutes of meetings of Audit Committee and other Committees of the Board, resolutions passed by circulation and also the minutes of Board meeting of subsidiary company.
- p) Annual operating plans of businesses, capital budgets and any updates.
- q) Quarterly results of the Company and its operating divisions or business segments.
- r) Declaration of dividend.
- s) Sale of investments, subsidiaries and assets which are material in nature and not in normal course of business.
- t) Quarterly details of foreign exchange exposures and the steps taken by the management to limit the risks of adverse exchange rate movement, if material.
- u) Internal audit findings and external audit reports (through the Audit Committee).
- v) Status of business risk exposures, its management and related action plans.
- w) Details of any joint venture or collaboration agreement.
- x) Show cause, demand, prosecution notices and penalty notices which are materially important.
- y) Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems.
- z) All policy matters deliberated and introduced for implementation.
- aa) Any material default in financial obligations to and by the Company, or substantial non-payment for goods sold by the Company.
- bb) Any issue which involves possible public or product liability claims of substantial nature, including any judgment or order, which may have passed strictures on the conduct of the Company or taken an adverse view regarding another enterprise that can have negative implications on the Company.
- cc) The information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and the Company Secretary.
- dd) Non-compliance of any regulatory, statutory or listing requirements and shareholders service such as non-payment of dividend, delay in share transfer etc.
- ee) Significant labour problems and their proposed solutions. Any significant development in human resources/industrial relations front like implementation of Voluntary Retirement Scheme (VRS) etc.
- ff) Capital budgets and any updates.
- gg) Transactions that involve substantial payment towards goodwill, brand equity, or intellectual property.
- hh) Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

Board material distributed in advance

16. Notice of each Board Meeting and Committee Meeting is sent to all the members not less than seven days in advance except when it is convened as emergency meeting. The agenda notes for each Board/Committee meeting is drafted in consultation with the Chairman and are circulated to the Directors not less than seven days in advance except when it is convened as emergency meeting with the concurrence of all Board/Committee members. All material information is incorporated in the agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is tabled at the meeting with specific reference to the subject in the agenda. In special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted with the consent of all Directors present at the meeting.
17. CSL digitalised its meetings by introduction of a Board Management software viz., Dess Digital Meetings, which enables to securely create, distribute and manage meeting documents in digital format. It ensures that the Board members get the communication at the right time and securely. This Board management software will streamline the entire meeting process right from the preparation of agenda papers till the finalisation of minutes of the meetings, which will in turn save time, effort & cost and improve governance.

Recording Minutes of proceedings at Board and Committee meeting

18. The Company Secretary records the minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to all the members of the Board/Committee for their comments within fifteen days from the conclusion of the meeting. The final minutes are entered in the minute book within 30 days from conclusion of the meeting.

Post Meeting Follow-up Mechanism

19. The important decisions taken at the Board/Committee meetings are promptly communicated to the departments/divisions concerned. Action taken report on the decisions/minutes of the previous meeting(s) is placed at the immediately succeeding meeting of the Board/Committee.

Compliance

20. The Company Secretary while preparing the agenda notes, minutes etc. of the meeting(s) is responsible for and is required to ensure adherence to all the applicable

laws and regulations including the Companies Act, 2013 read with the Rules issued thereunder as also the Secretarial Standards issued by the Institute of Company Secretaries of India and notified by the Government of India.

Board Committees

21. During the financial year 2019-20, the Board of CSL had five statutory Committees viz., Audit Committee, Nomination & Remuneration Committee, Corporate Social Responsibility and Sustainable Development Committee, Stakeholders Relationship Committee and Risk Management Committee.
22. During the financial year 2019-20, the Board of CSL had four non-statutory Committees viz., Contracts & Capex Committee, Committee for New Technology, Strategy and New Initiatives, Share Transfer Committee and Shipbuilding Software Price Negotiation Committee.

Audit Committee

23. The Audit Committee of CSL was formed on August 21, 2008. Owing to the completion of tenure of three Independent Directors, the Audit Committee was re-constituted on March 21, 2020.

Terms of reference

24. The following are the terms of reference of the Audit Committee:
 - (i) Oversight of the listed entity's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
 - (ii) Recommendation for appointment, remuneration and terms of appointment of auditors of our Company based on the order of Comptroller & Auditor General of India;
 - (iii) Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - (iv) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management;

- (d) Significant adjustments made in the financial statements arising out of audit findings;
 - (e) Compliance with listing and other legal requirements relating to financial statements;
 - (f) Disclosure of any related party transactions; and
 - (g) Modified opinion(s) in the draft audit report.
- (v) Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
 - (vi) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency, monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
 - (vii) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
 - (viii) Approval or any subsequent modification of transactions of our Company with related parties;
 - (ix) Scrutiny of inter-corporate loans and investments;
 - (x) Valuation of undertakings or assets of our Company, wherever it is necessary;
 - (xi) Evaluation of internal financial controls and risk management systems;
 - (xii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
 - (xiii) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
 - (xiv) Discussion with internal auditors of any significant findings and follow up there on;
 - (xv) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (xvi) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
 - (xvii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
 - (xviii) To review the functioning of the whistle blower mechanism;
 - (xix) Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
 - (xx) Review the following information:
 - (a) Management discussion and analysis of financial condition and results of operations;
 - (b) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - (c) Management letters/letters of internal control weaknesses issued by the statutory auditors;
 - (d) Internal audit reports relating to internal control weaknesses; and
 - (e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
 - (f) Statement of deviations:
 - (i) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of regulation 32(1) of the SEBI Listing Regulations;
 - (ii) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of regulation 32(7) of the SEBI Listing Regulations;
 - (xxi) To review the follow up action on the audit observations of the C&AG audit;
 - (xxii) Recommend the appointment, removal and fixing of remuneration of Cost Auditors and Secretarial Auditors;

(xxiii) Audit Committee shall also review the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding Rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans /advances/investments existing as on the date of coming into force of this provision;

(xxiv) Review of compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended, at least once in a financial year;

(xxv) Verify that the systems for internal control required to be maintained pursuant to the SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended are adequate and are operating effectively; and

(xxvi) Carrying out any other function as specified by the Board from time to time.

Powers of the Audit Committee

25. The Committee is entrusted with the following powers:
- To investigate any activity within its terms of reference;
 - To seek information on and from any employee;
 - To obtain outside legal or other professional advice, subject to the approval of the Board of Directors; and
 - To secure attendance of outsiders with relevant expertise, if it considers necessary.
26. The recommendations of the Audit Committee on any matter relating to the financial management, including the audit report, shall be binding on the Board.
27. If the Board does not accept the recommendations of the Audit Committee, it shall record the reasons thereof and communicate such reasons to the shareholders.

Constitution

28. As on March 31, 2020, the Audit Committee is constituted with Shri Nanda Kumaran Puthezhath, Non Official Part Time (Independent) Director as Chairperson, Shri Jiji Thomson, Non Official Part Time (Independent) Director, and Shri Pradipta Banerji, Non Official Part Time (Independent) Director as members.
29. Audit Committee meetings are also attended by Director (Finance), representatives of Secretarial Auditors, Statutory Auditors and Internal Auditors of the Company as invitees. The Internal audit function has been outsourced to a firm of Chartered Accountants. The Company Secretary acts as the Secretary to the Committee.

Audit Committee meetings held during 2019-20 and attendance

30. The Committee met four times during the year 2019-20. The necessary quorum was present at these meetings. The attendance during these meetings were as follows:

Sl. No.	Name of the Director	May 21, 2019	Jul 29, 2019	Nov 12, 2019	Feb 11, 2020
1	Shri Radhakrishna Menon	NA	NA	✓	✓
2	Shri Krishna Das E	NA	NA	✓	✓
3	Shri Nanda Kumaran Puthezhath	✓	✓	×	✓
4	Shri Jiji Thomson	✓	✓	NA	NA
5	Shri Pradipta Banerji	✓	✓	NA	NA

NA - Not applicable

Nomination & Remuneration Committee

31. The Nomination & Remuneration Committee of Cochin Shipyard Limited was constituted vide Circular Resolution adopted on December 13, 2008. Owing to the completion of tenure of three Independent Directors, the Nomination & Remuneration Committee was re-constituted on March 21, 2020.

Terms of reference

32. Following are the terms of reference of the Nomination & Remuneration Committee:
- Decide on the annual bonus/performance pay/variable pay pool and policy for its distribution across the executives and non-unionized supervisors of our Company;
 - Formulation and modification of schemes for providing perks and allowances for officers and non-unionized supervisors;
 - Any new scheme of compensation like medical scheme, pension etc. to officers, non-unionized supervisors and the employees as the case may be; and
 - Exercising such other roles assigned to it by the provisions of the SEBI Listing Regulations and any other laws and their amendments from time to time.

Constitution

33. As on March 31, 2020, the Committee comprises of Shri Jiji Thomson, Non Official Part Time (Independent) Director as Chairperson, Shri Jyothilal K R, IAS, Official Part Time (Nominee) Director and Shri Nanda Kumaran Puthezhath, Non Official Part Time (Independent) Director, as members.

Nomination & Remuneration Committee meetings held during 2019-20 and attendance

34. Five meetings of the Nomination & Remuneration Committee were held during 2019-20. The necessary quorum was present at these meetings. The attendance during these meetings were as follows:

Sl. No.	Name of the Member	Jun 28, 2019	Jul 29, 2019	Feb 11, 2020	Mar 13, 2020	Mar 19, 2020
1	Shri Krishna Das E	NA	NA	✓	✓	✓*
2	Shri Jyothilal K R IAS	✓	×	×	×	×
3	Smt. Roopa Shekhar Rai	NA	NA	✓	✓*	✓*
4	Shri Jiji Thomson	✓	✓	NA	NA	NA
5	Shri Nanda Kumaran Puthezhath	✓	✓	NA	NA	NA

* attended through video conferencing

NA - Not applicable

Remuneration Policy

35. Under Article 21(a) of the Articles of Association of the Company, the Directors shall be paid such remuneration as the President of India may from time to time determine. The pay and allowances of Board level executives are paid in accordance with the terms of appointment, Department of Public Enterprises (DPE) Guidelines on the above subject and other benefits and perquisites in accordance with the rules of CSL. The remuneration of below Board level executives and non-unionized supervisors is as per DPE guidelines and as approved by administrative ministry (Ministry of Shipping). The remuneration of worker is as per the long term settlement between the management and recognized trade unions.
36. Details of remuneration paid to the Chairman & Managing Director and the Whole Time Directors are placed at **Annexure I** to this report.

Sitting fees

37. The Non Official Part Time (Independent) Directors are paid sitting fees at the rate of ₹15,000/- for attending each meeting of the Board or Committee thereof. The Official Part Time (Nominee) Directors are not paid any remuneration. The criteria for making payment to Non-Executive Directors is available in the Company's website at the following link: <https://cochinshipyard.com/board-of-directors/independent>
38. Sitting fees paid to the Non Official Part Time Directors for 2019-20 are as follows:

Sl. No.	Name	Fees (in ₹)
1	Smt. Roopa Shekhar Rai	1,50,000
2	Shri Radhakrishna Menon	1,35,000
3	Shri Krishna Das E	1,50,000
4	Shri Jiji Thomson IAS (Retd.)	1,95,000
5	Shri Pradipta Banerji	1,80,000
6	Shri Nanda Kumaran Puthezhath	2,25,000

39. Since the Non Official Part Time (Independent) Directors are appointed by the President of India, the evaluation of performance of such Directors is also done by the GOI.

Stakeholders Relationship Committee

40. The Stakeholders Relationship Committee of CSL was constituted vide resolution no. 227/08 at the 227th Board Meeting held on September 20, 2016. Owing to the completion of tenure of three Independent Directors, the Stakeholders Relationship Committee was re-constituted on March 21, 2020.

Terms of reference

41. Following are the terms of reference of the Stakeholders Relationship Committee:
- Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.;
 - Review of measures taken for effective exercise of voting rights by shareholders;
 - Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent; and

- (iv) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Constitution

42. As on March 31, 2020, the Committee comprises of Shri Nanda Kumaran Puthethath, Non Official Part Time (Independent) Director as Chairperson of the Committee, Shri Suresh Babu N V, Director (Operations) and Shri Jose V J, Director (Finance) as members.

Stakeholders Relationship Committee meetings held during the year and attendance

43. One meeting of Stakeholders Relationship Committee was held during the year 2019-20 on February 11, 2020. Necessary quorum was present at this meeting. The attendance during this meeting was as follows:

Sl. No.	Name of the Member	Feb 11, 2020
1	Shri Krishna Das E	✓
2	Shri Suresh Babu N V	✓
3	Shri Jose V J	✓

Name, designation and address of the Compliance Officer

Shri Syamkamal N
 Company Secretary & Compliance Officer
 Cochin Shipyard Limited,
 Administrative Building, Cochin Shipyard Premises,
 Perumanoor, Ernakulam, Kerala – 682015
 Tel: +91 (484) 2501306, Fax: +91 (484) 2384001
 Email: secretary@cochinshipyard.com Website: www.cochinshipyard.com

Status of Investor Complaints as on March 31, 2020 and reported under Regulation 13(3) of the Listing Regulations is as under:

Complaints as on April 01, 2019	0
Received during the year	15
Resolved during the year	15
Not solved to the satisfaction of shareholders	0
Pending as on March 31, 2020	0

Risk Management Committee

44. The Risk Management Committee of CSL was formed on February 08, 2019.

Terms of reference

45. Following are the terms of reference of Risk Management Committee:

- (i) Monitoring and reviewing of the risk management plans including steps taken for ensuring cyber security;
- (ii) Ensure required risk documentation is done on quarterly basis;
- (iii) Provide updates and seek approval from Board of Directors on risk management; and
- (iv) Such other functions as may be specified by the Board from time to time.

Constitution

46. Risk management Committee of CSL was constituted on February 08, 2019. Prior to the Constitution of the Committee, the risks had been periodically reviewed by the Board and the Audit Committee. As on March 31, 2020, the Committee comprises of Shri Suresh Babu N V, Director (Operations), Shri Bejoy Bhasker, Director (Technical) and Shri Jose V J, Director (Finance), as members.

Risk Management Committee meetings held during the year and attendance

47. One meeting of the Risk Management Committee was held during the financial year 2019-20. Necessary quorum was present at this meeting. The attendance during this meeting was as follows:

Sl. No.	Name of the Member	Jan 28, 2020
1	Shri Suresh Babu N V	✓
2	Shri Bejoy Bhasker	✓
3	Shri Jose V J	✓

Corporate Social Responsibility & Sustainable Development (CSR & SD) Committee

48. A sub-committee of the Board was constituted vide resolution no. 181/09 at the 181st meeting of the Board held on September 05, 2008 to decide on the matters relating to Corporate Social Responsibility in CPSEs.
49. The Sustainable Development Committee was constituted at the 197th Board Meeting held on November 23, 2011. The DPE vide OM No.3(9)/2010-DPE(MoU) dated September 23, 2011 has issued detailed guidelines on Sustainable Development in CPSEs.
50. Company decided to merge the Corporate Social Responsibility Committee and Sustainable Development Committee to decide the matters relating to CSR activities in line with the guidelines laid down under Schedule VII of the Companies Act, 2013. Owing to the completion of tenure of three

Independent Directors, the CSR & SD Committee was re-constituted on March 21, 2020.

Terms of reference

51. The following are the terms of reference of the Corporate Social Responsibility & Sustainable Development Committee:
- Recommend CSR and sustainability development policy to the Board;
 - Recommend plan of action and projects to be initiated in the short, medium and long term for CSR and sustainability development;
 - To recommend the annual CSR and sustainability development plan and budget; and
 - Periodic review of CSR and sustainability development policy, plans and budgets.

Constitution

52. As on March 31, 2020, the Committee comprises of Shri Jiji Thomson, Non Official Part Time (Independent) Director as Chairperson of the Committee, Shri Bejoy Bhasker, Director (Technical), Shri Nanda Kumaran Puthethath, Non Official Part Time (Independent) Director and Shri Jose V J, Director (Finance) as members.

CSR & SD Committee meetings held during the year and attendance

53. Five meetings of CSR & SD Committee were held during the year 2019-20. The attendance during these meetings were as follows:

Sl. No.	Name of Director	Jun 28 2019	Jul 29 2019	Nov 12 2019	Dec 20 2019	Feb 11 2020
1	Smt. Roopa Shekhar Rai	NA	NA	✓	✓	✓
2	Shri Radhakrishna Menon	NA	NA	✓	✓	✓
3	Shri D Paul Ranjan	✓	✓	NA	NA	NA
4	Shri Bejoy Bhasker	✓	✓	✓	✓	✓
5	Shri Jiji Thomson	✓	✓	NA	NA	NA
6	Shri Nanda Kumaran Puthethath	✓	✓	NA	NA	NA
7	Jose V J	NA	NA	✓	✓	✓

NA - Not applicable

General Body Meetings

54. The date, time and venue of the last three Annual General Meetings were as follows:

Year	Date	Time	Venue	Special resolution passed
2018-19	Aug 13, 2019	11:00 Hrs	The Mercy Hotel, M.G. Road, Ravipuram, Kochi - 682015	Nil
2017-18	Aug 14, 2018	11:00 Hrs	Kerala Fine Arts Society Hall, Foreshore Road, Pallimukku, Ernakulam - 682016	Nil
2016-17	Jul 17, 2017	09:30 Hrs	Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin - 682015	Nil

Postal Ballot

55. During the FY 2019-20, no resolution was put through by postal ballot.
56. None of the business proposed to be transacted in the ensuing AGM requires the passing of a special resolution by way of postal ballot.

Means of Communication

57. All price-sensitive information and matters that are material to shareholder are disclosed to the respective Stock Exchanges, where the securities of the Company are listed. All submission to the Exchanges is made through the respective electronic filing systems.
58. The financial results for the quarter/half-year/year were published as under:

Quarter/half-year/year	In the month of
Quarter ending June 30, 2019	July
Quarter/half-year ending September 30, 2019	November
Quarter ending December 31, 2019	February
Year ending March 31, 2020	June

59. Quarterly/half-yearly/annual results, notices and information relating to General Meetings, etc. are published in leading newspapers viz., Business Line (all editions), Mathrubhumi (Cochin edition) and Jansatta (all editions) and are notified to the Stock Exchanges as required under the Listing Regulations.

60. The quarterly/half-yearly/annual financial results and other communication to shareholders and Stock Exchanges, inter-alia, presentations to institutional investors & analysts, press releases etc., are made available in the Company's website www.cochinshipyard.com under 'Investors' section. They are also filed with the National Stock Exchange of India Limited (NSE) through NSE Electronic Application Processing System (NEAPS) and with BSE Limited (BSE) through BSE Online Portal.

61. The Management hold quarterly briefs with analysts and institutional investors. The presentation made to the institutional investors and analysts for quarterly/annual results are available on the Company's website under 'Investors' section.

General Shareholder Information

62. Annual General Meeting for FY 2020

Date : September 29, 2020
Time : 11:00 hrs.

Venue : The Company is conducting meeting through VC / OAVM pursuant to the MCA Circular dated May 5, 2020 and as such there is no requirement to have a venue for the AGM. For details please refer to the Notice of this AGM.

63. Financial Year: April 01, 2019 to March 31, 2020.

Dividend Payment

64. The final dividend for the year ended March 31, 2020 if approved at the AGM, will be paid, subject to deduction of tax at source, on or after Tuesday, October 06, 2020. The Company will be making the dividend payment by electronic mode wherever

possible and by dividend warrants/demand drafts in other cases.

65. The particulars of dividend declared in the previous three financial years are given below:

Financial Year	Dividend Per Share (₹)
2016-17	8.97
2017-18	12.00
2018-19	13.00

CSL had also declared an interim dividend of ₹1.63/- per equity share for the financial year 2019-20.

Listing of shares and stock code

66. The Company's equity shares are listed at the following Stock Exchanges and listing fees for the year 2019-20 has been paid to the Stock Exchanges.

Name and address of the Stock Exchange	Stock Code
BSE Limited Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001	540678
National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Bandra - Kurla Complex, Bandra (East), Mumbai – 400 051	COCHINSHIP

67. The International Securities Identification Number (ISIN) for the Company's shares is INE704P01017.

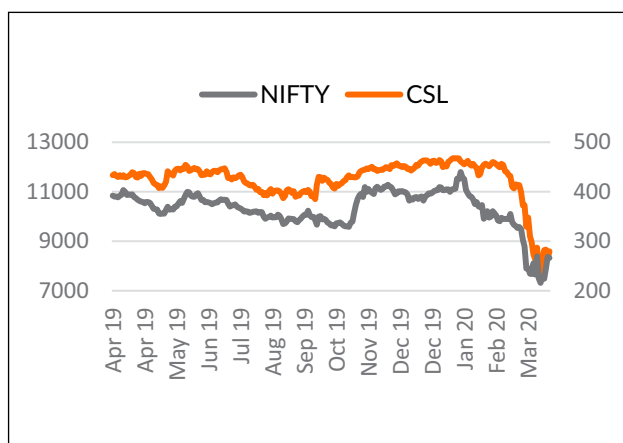
68. Market Price data – high, low during each month in the last financial year (i.e. year under review):

Price and volume of shares traded

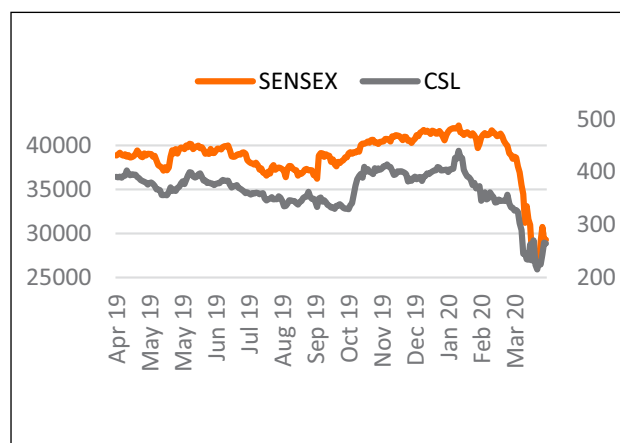
Month/ Year	BSE Limited			National Stock Exchange of India Limited		
	High (₹)	Low (₹)	Volume (Nos. in Lakhs)	High (₹)	Low (₹)	Volume (Nos. in Lakhs)
Apr 2019	408.15	374.60	0.93	408.55	373.00	10.30
May 2019	390.00	352.35	1.22	389.40	351.15	23.57
Jun 2019	406.35	374.35	0.85	408.00	374.00	11.60
Jul 2019	395.85	348.20	0.66	389.95	350.00	8.92
Aug 2019	365.65	333.00	0.65	365.90	331.65	9.10
Sep 2019	368.00	328.30	0.74	368.55	329.00	13.56
Oct 2019	408.35	320.15	14.60	412.00	326.90	43.30
Nov 2019	424.55	370.00	2.77	424.55	390.00	32.70
Dec 2019	408.80	380.10	1.28	409.20	379.15	17.92
Jan 2020	491.15	372.50	4.04	491.70	372.05	90.56
Feb 2020	383.25	332.20	3.12	383.60	335.00	65.09
Mar 2020	345.95	209.00	4.51	346.75	209.10	71.94

Performance in comparison to broad based indices:

CSL vs NSE NIFTY



CSL vs BSE SENSEX



Details of securities suspended: Not applicable.

Registrar and Share Transfer Agents (RTA):

Link Intime India Private Limited,
Surya, 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road, Coimbatore,
Tamil Nadu - 641 028
Tel: 0422 2315792; Fax: 0422 2314792
E-mail: coimbatore@linkintime.co.in

Share Transfer System

69. The Company's shares being in the compulsory demat list, are transferable through the depository system.

Distribution of Shareholding

70. Distribution of shareholding based on number of folio (as on March 31, 2020)

No. of shares held	Members		Shares	
	No.	%	No.	%
1-500	152930	97.6035	8097374	6.1558
501-1000	2164	1.3811	1630892	1.2398
1001-2000	827	0.5278	1201391	0.9133
2001-3000	260	0.1659	658543	0.5006
3001-4000	109	0.0696	393485	0.2991
4001-5000	97	0.0619	449657	0.3418
5001-10000	153	0.0976	1096055	0.8332
>10000	145	0.0925	118012993	89.7162
Total	156685	100.0000	13,15,40,390	100.0000

Dematerialization of shares and liquidity

71. The Company's shares are compulsorily traded in dematerialized form and are available on both the depositories, viz. NSDL and CDSL.

Percentage of shares held in:-

Physical form	:	0.00
Electronic form with NSDL	:	93.63
Electronic form with CDSL	:	6.37

The Company's equity shares are regularly traded on the BSE and NSE.

Outstanding Global Depository Receipts (GDRs) or American Depository Receipts (ADRs) or warrants or any convertible instruments, conversion date and likely impact on equity: None

Foreign exchange risk and hedging of activities

- 72. The Company has a formulated Forex Risk Management Policy duly approved by the Board and the forex exposures are being hedged depending upon the market conditions.
- 73. To keep the minimum impact due to adverse exchange variations, the Company is keeping a constant watch on the forex market fluctuations and has been exploring various options of foreign currency borrowings like buyer's credit etc. as part of effective working capital management. However, since the total cost of buyer's credit including hedging cost is higher than deposit rate of banks, we were not able to avail any buyer's credit during the recent times. However, various options are being looked into and a continuous watch on the same is being kept. Status of the forex exposure and the hedging position is reviewed by the Audit Committee and the Board on a quarterly basis.

Plant Locations

- Ship Building & Ship Repair facility at Perumanoor, Ernakulam District, Kochi – 682 015
- International Ship Repair facility at Cochin Port Trust, Willingdon Island, Kochi – 682 009
- Ship repair facility at Indira Dock, Mumbai
- Ship repair facility at Netaji Subhas Dock, Kolkata
- Ship repair facility at Marine Dockyard, Port Blair

Address for Correspondence

Company Secretary & Compliance Officer
 Cochin Shipyard Limited,
 Administrative Building, Cochin Shipyard Premises,
 Perumanoor, Ernakulam, Kerala – 682015
 Tel: +91 (484) 2501306, Fax: +91 (484) 2384001
 Email: secretary@cochinshipyard.com
 Website: www.cochinshipyard.com

Credit Ratings

Instrument	ISIN	Rating
8.51% Tax Free Secured Redeemable Non-Convertible Bonds	INE704P07014	AA+ by India Rating and CARE Rating
8.72% Tax Free Secured Redeemable Non-Convertible Bonds	INE704P07030	AA+ by India Rating and CARE Rating

Other Disclosures

Related Party Transactions:

- 74. During the year under review, there were no materially significant related party transactions that had or may have conflict with the interest of the Company at large. The Company has a policy for related party transactions, which can be accessed at the following link: <https://cochinshipyard.com/uploads/coporate/183d8b6d86dbcd98336ba05c52dc6bfd.pdf>

Non-compliance by the Company:

- 75. No penalties/strictures have been imposed on the Company by the Sock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter relating to capital markets during the last three years except fine amounting to ₹1,95,000/- imposed by BSE and NSE each for not having requisite number of Independent Directors and Woman Director on the Board of Directors of the Company for the period June 20, 2019 to July 28, 2019 as required under Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The appointments of Directors are done by Govt. of India and filling up of vacancies of the said Independent Directors and Woman Director were also pending with the Government of India. The Company had intimated to the Stock Exchanges viz., BSE & NSE explaining the position of the Company with respect to the appointment of Directors. NSE on March 18, 2020 vide their letter no. NSE/LIST/SOP/103783 waived the fine levied on CSL. The fines are levied as per the SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018 which provides that the Stock Exchanges shall take uniform action in consultation with each other. Further, BSE has not taken any further action under the SEBI Regulations in this regard.

As on March 31, 2020, there is no Woman Director on the Board of CSL and there were only three Independent Directors as against the statutory requirement of six, due to the completion of tenure of three Independent Directors including a Woman Director on March 20, 2020. The said vacancies have been intimated to the Government of India.

Vigil Mechanism and Whistle Blower Policy:

- 76. Cochin Shipyard has adopted a Whistle Blower Policy approved by the Board at its 198th meeting held on February 22, 2012. Cochin Shipyard is a Government of India undertaking and follows Government guidelines on reporting of any illegal or unethical practices. Directors/employees/stakeholders/representative bodies of employees are given freedom to report to their immediate Supervisor/Chief Vigilance Officer or Chairman and Managing Director, details of any

violation of rules, regulations and unethical conduct. The Directors and Senior Management are bound to maintain confidentiality of such reporting and ensure that the whistle blowers are afforded protection against any harassment and not subjected to any discriminatory practices. During the period under report no personnel has been denied access to the Audit Committee. The Board in its 228th meeting held on December 14, 2016 amended its Whistle Blower Policy. Further, in line with the guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, CSL had adopted Fraud Prevention and Detection Policy at the 214th Board Meeting held on September 16, 2014. Since the larger objective of both policies was similar, CSL adopted a combined policy viz., Whistle Blower and Fraud Prevention Policy at the 252nd Board Meeting held on November 12, 2019. The said policy is available in the website of the Company at <https://cochinshipyard.com/uploads/investors/86e4f639de81552f10f00afec6917a09.pdf>

Code of Conduct for Prevention of Insider Trading:

77. The Company has in place a Code of Conduct for Prevention of Insider Trading in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines, which advise on procedures to be followed and disclosures to be made, while dealing with the shares of the Company, and cautioning them of the consequences of violations. The Code of Conduct for Prevention of Insider Trading is hosted on the website of the Company and can be accessed at: <https://cochinshipyard.com/Investors>

Mandatory Requirements:

78. A comprehensive report on the status of compliance with all the applicable corporate laws, rules and regulations by the Company is placed before the Board on a quarterly basis for their information and review. The Company has complied with all the mandatory requirements of the Code of Corporate Governance as specified in Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of Regulation 46 of the Listing Regulations, except with regard to the composition of Board of Directors as explained above.

Non-Mandatory Requirements

79. The Company has complied with the following non-mandatory requirements of the Listing Regulations relating to Corporate Governance. The status of compliance with the non-mandatory requirements listed in Regulation 27 (1) read with Part E of Schedule II of the Listing Regulations is as under:

- During the year under review, there is no audit qualification in the Company's financial statements. The Company continues to adopt best practices to ensure regime of unmodified audit position.

Subsidiary Company:

80. Regulation 16 of the Listing Regulations defines a 'material subsidiary' as subsidiary, whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the listed entity and its subsidiaries in the immediately preceding accounting year. Under this definition, the Company does not have any unlisted material subsidiary incorporated in India.

81. Hooghly Cochin Shipyard Limited (HCSL) is the subsidiary company of Cochin Shipyard Limited (CSL) which was incorporated as Joint Venture Company on October 23, 2017, venturing with Hooghly Dock & Port Engineers Limited. However, since November 01, 2019, HCSL is a wholly owned subsidiary of CSL.

82. Pursuant to the Explanation under Regulation 16(1) (c) of the Listing Regulations, the Company has formulated a policy for determining 'material subsidiaries' which is disclosed on the Company's website at the following web link: <https://cochinshipyard.com/Investors>

83. Details of compliance with the requirement of Corporate Governance guidelines:

In terms of Listing Regulations and DPE guidelines on Corporate Governance, Certificate regarding Compliance of Corporate governance guidelines from Practicing Company Secretary is placed at **Annexure II** to this report.

84. Details of Presidential Directives issued by Central Government and their compliance during the year and also in the last three years:

The Company has complied with all presidential directives issued by Central Government regarding the operation of PSUs.

85. Items of expenditure debited in books of accounts, which are not for the purposes of the business: Nil

86. Expenses incurred which are personal in nature and incurred for the Board of Directors and Top Management: Nil

The administrative and office expenditure of the Company for the year 2019-20 was 1.89 % of the total expenditure as against 2% in 2018-19. Financial expenditure stood at 1.59% of the total expenditure in 2019-20, against 0.59% in the previous year.

87. A certificate from a company secretary in practice, that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the SEBI/Ministry of Corporate Affairs or any such statutory authority, is placed at **Annexure III** to this report.

88. The Company has paid an amount of ₹24.50 lakhs to M/s. Elias George & Co., Statutory Auditors for the services provided to the Company and its subsidiary.

Code of Conduct

89. The Board has prescribed a Code of Conduct ('Code') for all the Board members and Senior Management of the Company. All Board members and Senior Management personnel have confirmed compliance with the Code for the year 2019-20. The Code is hosted on the website of the Company and can be accessed at: <https://cochinshipyard.com/Investors>

90. A declaration signed by the Chairman and Managing Director of the Company is given below:

I hereby declare that all the members of the Board of Directors and Senior Management personnel have affirmed compliance with the Code of Conduct of the Board of Directors and Senior Management personnel in respect of the financial year 2019-20.

Sd/-
Madhu S Nair
Chairman and Managing Director
DIN: 07376798

CEO/CFO Certification

91. The CEO/CFO certification of the financial statements for the year is appended at **Annexure IV** to this report.

Risk Management Process

92. CSL reviewed the existing risk management policy and adopted a revised policy encompassing a comprehensive system of Risk Management at its 214th Board Meeting held on September 16, 2014. The salient features of the new risk management policy is as follows:

(i) Risk Management Vision Statement: Minimize the organizational risks to an acceptable level and adopt risk management practices which would help the Company to attain its goals and objectives while at the same time ensuring minimization of risks.

- a. Total exposure of the listed entity to commodities in INR: 57.60 crores.
- b. Exposure of the listed entity to various commodities:

(ii) Risk Management Policy:

- (a) The Risk Management process is implemented to improve the Company's ability to prevent risks and ensure timely detection of risk.
- (b) To identify risks and its mitigation.
- (c) Risk Management process to be standardized.
- (d) Facilitate sharing of risk information.

93. The risk management policy intends to put in place an effective risk management framework and an appropriate reporting mechanism. The management of Cochin Shipyard would periodically identify the various risks and assess/analyze their impact on the Company. Risk mitigation and management measures would be put in place to effectively manage these risks. The Board may approve changes to the policy from time to time in order to align it with the changes in business environment.

Risk Management System and Structure

94. The Board has constituted a Risk Management Committee to review the risk management system within CSL. The Board also discharge its responsibility of risk oversight by ensuring the review at periodical intervals. The CSL management comprising of CSL Board level and below Board level executives are entrusted with the implementation of the risk management process. In this respect, Risk Management Steering Committee and Functional Risk Management Committees have been constituted to implement the policy in CSL.

95. Due to the peculiar nature of business carried on by CSL, it avoids the risk relating to its commodities.

96. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:

Commodity Name	Exposure in INR towards the particular commodity	Exposure in Quantity terms towards the particular commodity	% of such exposure hedged through commodity derivatives				Total
			Domestic market		International market		
			OTC	Exchange	OTC	Exchange	
Steel	57.60 crores	10955 Tonnes	-	-	-	-	-

- c. In order to avoid risk relating to increase in input cost, the Company places order for all major inputs with staggered delivery at the time of signing of shipbuilding contract. The offers are checked with the estimates taken for arriving at the estimated cost. In the case of ship repair, major components are normally supplied to ship owners at cost plus basis as the components are normally of the owners preference.

Shareholding pattern

97. The Company has issued 13,15,40,390 equity shares of ₹10/- each, details of which as on March 31, 2020 are as follows:

Sl. No.	Category	No. of shareholders	No. of shares	% holding
1	Central Government	1	95843464	72.8624
2	Alternate Investment Funds	2	29639	0.0225
3	Clearing Members	180	188334	0.1432
4	Directors	2	1110	0.0008
5	Financial Institutions	3	2766648	2.1033
6	Foreign Nationals	1	60	0.0000
7	Foreign Portfolio Investors (Corporate)	65	2726769	2.0730
8	Foreign Portfolio Investors (Individual)	4	4700	0.0036
9	Hindu Undivided Family	5324	684648	0.5205
10	Mutual Funds	21	12600271	9.5790
11	Insurance Companies	5	1780165	1.3533
12	NBFCs registered with RBI	2	9900	0.0075
13	Nationalised Banks	1	10000	0.0076
14	Non-Nationalised Banks	1	110	0.0001
15	Non Resident (Non Repatriable)	1032	253055	0.1924
16	Non Resident Indians	2698	800807	0.6088
17	Other Bodies Corporate	639	1310745	0.9965
18	Public	146696	12506300	9.5075
19	Trusts	8	23665	0.0180
	Total	156685	131540390	100.0000

Means of Communication

98. The quarterly/half yearly/yearly financial results are posted on the websites of the BSE, NSE and the Company, after consideration and approval by the Board and are also published in one English national daily having all India circulation and atleast in one Malayalam national daily, Kochi edition within 48 hours of its approval. These results have also been published in one Hindi national daily having all India circulation. The Annual Report of the Company is posted in the website viz., www.cochinshipyard.com. The website of the Company also displays all official news releases.

Audit Qualifications

99. The Report submitted by M/s. Elias George & Co, Statutory Auditors of the Company does not contain any qualification, reservation or adverse remark or disclaimer.
100. The Secretarial Auditors, M/s. Mehta & Mehta, in their Report observed that there were no requisite number of Independent Directors and Woman Director on the Board of Directors of the Company for the period April 01, 2019 to July 28, 2019 as required under Regulation 17(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, and resultant fine amounting to ₹2,30,100/- (including GST) imposed by BSE and NSE each. It is informed that the appointment of Directors are done by Govt. of India and filling up of vacancies of the said Independent Directors and Woman Director were also pending with the Government of India. The Company had intimated to the Stock Exchanges viz., BSE & NSE explaining the position of the Company with respect to the appointment of Directors. NSE on March 18, 2020 vide their letter no. NSE/LIST/SOP/103783 waived the fine levied on CSL. The fines are levied as per the SEBI Circular SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 03, 2018 which provides that the Stock Exchanges shall take uniform action in consultation with each other. Further, BSE has not taken any further action under the SEBI Regulations in this regard.

101. The Secretarial Auditors also observed that the Board of Directors of the Company have granted leave of absence to Shri Jyothilal K R (DIN: 01650017) Part time Official (Nominee) Director for all the meetings of the Board of Directors during the financial year under review leading to vacation of office under Section 167(1)(b) of the Act, resulting in cessation of his Directorship in the Company. It is informed that Shri Jyothilal K R, Part time Official (Nominee) Director attended the 23rd Nomination and Remuneration Committee meeting held on June 28, 2019. However, as a prudent measure, in line with the provisions of the Companies Act, 2013, the Board took note the cessation of the Directorship of Shri Jyothilal K R, Part time Official (Nominee) Director representing the Government of Kerala pursuant to Section 167(1) (b) of the Companies Act, 2013 and intimated the same to the Government of Kerala for nominating its representative on the Board of CSL.

Training Board Members

102. The Board members of CSL are senior executives who have a very vast, wide and varied experience in the areas of education, industry, defence, management, human resource management and administration. CSL has benefited from their vision and knowledge. Presentations are made to the Board members on the Company's performance, business model, corporate plan and future outlook, on their induction in the Board. In addition, at the Board/Committee/other meetings, detailed presentations are made by the senior management personnel/professionals/consultants on business related issues, risk assessment, risk policy etc. The directors are encouraged to identify and attend specific training programmes to improve their effectiveness. The Board has also adopted a policy regarding training of Directors.

For and on behalf of the Board of Directors

Kochi
August 07, 2020

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

Annexure I to Corporate Governance Report

DETAILS OF MANAGERIAL REMUNERATION						(Amount in ₹)
Name of the Director	Total of Basic Pay, DA, HRA & other perks & Allowances- F.Y 2019-20	Performance Related Payment (PRP)*	Performance Criteria	Details of Service Contracts, Notice period, severance fees	Stock Option details	Total
Shri Madhu S Nair Chairman & Managing Director	4276689.90	3536325.00	Based on performance criteria laid down by DPE.	Appointed vide MOS letter No. SY-11011/ 1/2009-CSL dated December 11, 2015 for a period of 5 years with effect from the date of assumption of charge of the post or till the date of his superannuation or until further orders whichever event occurs the earliest. Notice period in case of leaving service before the contractual term is 3 months or in the absence of notice, 3 months pay may be remitted. Shri Madhu S Nair took charge as CMD on January 01, 2016.	NIL	7813014.90
Shri D Paul Ranjan, Director (Finance)	3073363.78	2683113.00	Same as above	Appointed vide MOS letter No. SY-11012/ 1/2009-CSL Vol-II dated April 04, 2014 for a period of 5 years with effect from the date of assumption of charge of the post on or after May 01, 2014 or till the date of his superannuation or until further orders whichever event occurs the earliest. Further the Ministry of Shipping vide letter F. No.SY-11012/1/2009-CSL Vol.II dated January 07, 2019 extended his tenure w.e.f. May 01, 2019 till July 31, 2019 i.e the date of his superannuation. Notice period in case of leaving service before the contractual term is 3 months or in the absence of notice, 3 months pay may be remitted.	NIL	5756476.78
Shri Suresh Babu NV, Director (Operations)	4073836.34	2535150.00	Same as above	Appointed vide MOS letter No. SY-11012/2/2010 -CSL dated April 26, 2016 for a period of 5 years with effect from the date of assumption of charge of the post on or after April 26, 2016 or till the date of his superannuation or until further orders whichever event occurs the earliest. Notice period in case of leaving service before the contractual term is 3 months or in the absence of notice, 3 months pay may be remitted.	NIL	6608986.34
Shri Bejoy Bhasker, Director (Technical)	3827700.35	1519272.00	Same as above	Appointed vide MOS letter No. SY-11012/ 4/2017-CSL dated April 04, 2018 for a period of 5 years with effect from the date of assumption of charge of the post or till the date of his superannuation or until further orders whichever event occurs the earliest. Notice period in case of leaving service before the contractual term is 3 months or in the absence of notice 3 months pay may be remitted.	NIL	5346972.35
Shri Jose VJ, Director (Finance)	3222173.46	926712.00	Same as above	Appointed vide MOS letter No. SY-11012/ 2/2018-CSL dated July 15, 2019 for a period of 5 years with effect from the date of assumption of charge of the post on or after August 01, 2019 or till the date of his superannuation or until further orders whichever event occurs the earliest. Notice period in case of leaving service before the contractual term is 3 months or in the absence of notice 3 months pay may be remitted.	NIL	4148885.46

* PRP included above pertains to the period 2017-18, paid during 2019-20.

For and on behalf of the Board of Directors

Kochi
August 07, 2020

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

CERTIFICATE ON CORPORATE GOVERNANCE

As stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
The Members,
COCHIN SHIPYARD LIMITED

We have examined the compliance of conditions of Corporate Governance by **Cochin Shipyard Limited** (hereinafter referred as "Company") for the Financial year ended March 31, 2020 as prescribed under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of regulation 46 and paras C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred as "Listing Regulations").

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion, and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as prescribed under Listing Regulations **subject to the following observations:**

- 1) There was no Woman Director on the Board of Directors of Company for the period April 01, 2019 to July 28, 2019 as required under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 2) There were no requisite number of Independent Directors on the Board of Directors of the Company for the period April 01, 2019 to July 28, 2019 as required under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 3) A fine has been levied by both BSE Limited ("BSE") & National Stock Exchange of India Limited (NSE) for Non-Compliance of Corporate Governance conditions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. Non-Appointment of Woman Director & Non-Appointment of Independent Directors for as follows:

Sr. No.	Fines levied by Stock Exchange	Amount	Period for which fine levied
1	BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE")	*NSE: INR 64,900/- (Rs. Sixty Four Thousand Nine Hundred Only)# BSE: INR 64,900/- (Rs. Sixty Four Thousand Nine Hundred Only)#	Quarter ended on June 30, 2019
2	BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE")	*NSE: INR 1,65,200/- (Rs. One Lakh Sixty Five Thousand Two Hundred Only)# BSE: INR 1,65,200/- (Rs. One Lakh Sixty Five Thousand Two Hundred Only)#	Quarter ended on September 30, 2019

*After the representations made by the Company the fine levied by NSE were waived.

#The fine amounts mentioned above are inclusive of Goods and Service Tax @18%

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

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner

FCS No: 5782

CP No.: 2486

UDIN: F005782B000374733

Place: Mumbai
Date: June 24, 2020

CERTIFICATE ON CORPORATE GOVERNANCE

As stipulated in the Guidelines on Corporate Governance for CPSEs issued by the Department of Public Enterprises, Government of India

To,

The Members,

Cochin Shipyard Limited

We have examined the compliance of conditions of Corporate Governance by **Cochin Shipyard Limited** (hereinafter referred as "Company") for the Financial year ended March 31, 2020, as stipulated under Clause 8.2.1 of Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 ("CPSEs") issued by Department of Public Enterprises ("DPE"), Government of India Ministry of Heavy Industries and Public Enterprises.

We state that compliance of conditions of Corporate Governance is the responsibility of the management, and our examination was limited to procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines subject to the following observations:

- 1) There was no Woman Director on the Board of Directors of Company for the period April 01, 2019 to July 28, 2019 as required under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 2) There were no requisite number of Independent Directors on the Board of Directors of the Company for the period April 01, 2019 to July 28, 2019 as required under Regulation 17(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- 3) A fine has been levied by both BSE Limited ("BSE") & National Stock Exchange of India Limited (NSE) for Non-Compliance of Corporate Governance conditions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 i.e. Non-Appointment of Woman Director & Non-Appointment of Independent Directors for as follows:

Sr. No.	Fines levied by Stock Exchanges	Amount	Period for which fine levied
1	BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE")	*NSE: INR 64,900/- (Rs. Sixty Four Thousand Nine Hundred Only)# BSE: INR 64,900/- (Rs. Sixty Four Thousand Nine Hundred Only)#	Quarter ended on June 30, 2019
2	BSE Limited ("BSE") & National Stock Exchange of India Limited ("NSE")	*NSE: INR 1,65,200/- (Rs. One Lakh Sixty Five Thousand Two Hundred Only)# BSE: INR 1,65,200/- (Rs. One Lakh Sixty Five Thousand Two Hundred Only)#	Quarter ended on September 30, 2019

*After the representations made by the Company the fine levied by NSE were waived.

#The fine amounts mentioned above are inclusive of Goods and Service Tax @18%

- 4) *The Board of Directors of the Company have granted leave of absence to Mr. Kalluvilaveedu Ravindran Jyothilal (DIN: 01650017) Non-Executive Nominee Director for all the meetings of the Board of Directors during the financial year under review leading to vacation of office under Section 167(1)(b) of the Act, resulting in cessation of his Directorship in the Company;*

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

This certificate is issued solely for the purposes of complying with Listing Regulations and may not be suitable for any other purpose.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Arun K Kamalolbhavan
Partner

FCS No: 9609

CP No.: 11657

UDIN: F009609B000487460

Place: Cochin

Date: July 22, 2020

Annexure III

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
Cochin Shipyard Limited,
Administrative Building,
Cochin Shipyard Premises,
Perumanoor, Cochin,
Ernakulam, Kerala - 682015

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Cochin Shipyard Limited having CIN L63032KL1972GOI002414** and having registered office at Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin, Ernakulam, Kerala - 682015 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority **except Mr. Kalluvilaveedu Ravindran Jyothilal who vacated office as Director of the Company under Section 167(1)(b) of the Companies Act, 2013.**

Sr. No.	Name of Directors	DIN	Date of appointment in Company
1.	Madhu Sankunny Nair	07376798	01/01/2016
2.	Nikerthil Velayudhan Sureshababu	07482491	26/04/2016
3.	Bejoy Bhasker	08103825	05/04/2018
4.	Valiyaparambil Jacob Jose	08444440	01/08/2019
6.	Sanjay Bandopadhyaya	00088957	03/02/2020
7.	*Kalluvilaveedu Ravindran Jyothilal	01650017	20/04/2018
8.	Jiji Thomson	01178227	15/07/2017
9.	Pradipta Banerji	00630615	15/07/2017
10.	Nanda Kumaran Puthezhath	02547619	15/07/2017

***Not eligible for continuation as a Director of the Company pursuant to Section 167(1)(b) of the Companies Act, 2013, due to absence from all the meetings of the Board of Directors of the Company held during the financial year under review.**

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Mehta & Mehta,
Company Secretaries
(ICSI Unique Code P1996MH007500)

Atul Mehta
Partner
FCS No: 5782
CP No.: 2486

Place: Mumbai
Date: June 24, 2020

UDIN: F005782B000374766

Annexure IV

CEO/CFO CERTIFICATION

To
The Board of Directors
Cochin Shipyard Limited
Kochi - 682 015

Dear Sirs,

Sub: CEO/CFO Certificate

1. We have reviewed Financial Statements and Cash Flow Statement of Cochin Shipyard Limited for the year ended March 31, 2020 and that to the best of our knowledge and belief:
 - (i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent or illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal control for financial reporting. We have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies, if any.
4. We have indicated to the Auditors and the Audit Committee that:
 - (i) There has not been any significant change in internal control over financial reporting during the year;
 - (ii) There has not been any significant change in accounting policies during the year requiring notes to financial statements; and
 - (iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Jose V J
Director (Finance)
DIN:08444440

Kochi
June 20, 2020

Madhu S Nair
Chairman and Managing Director
DIN: 07376798

INDEPENDENT AUDITORS' REPORT

To
the Members of
Cochin Shipyard Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Cochin Shipyard Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and

in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

1. Measurement of Physical Completion of Ship Building and Ship Repair activities.

The company recognises revenue from ship building and ship repair activities based on percentage of completion method. The percentage of completion is arrived at based on estimated percentage of physical completion as assessed by the management of the company which involves exercise of significant judgements. Refer Note 2.4 (Critical Accounting Estimates & Judgements - Revenue Recognition) & 2.19(a) (Revenue Recognition - Revenue from Operations) to the Standalone Financial Statements. The physical completion is ascertained as per an in-house procedure manual developed by the management of the company. The procedure and the assumptions therein are based on certain judgements made by the management based on inputs received from the planning, design and technical departments of the company. Further, the ascertainment of the actual physical completion of each sub-activity on reporting date also involves management estimation. Our audit approach consisted of understanding the basis and assumptions made in adopting such procedure, understanding the system for capturing data and monitoring the progress of completion of various works for internal reporting to the management, evaluating the internal controls in such system, selecting samples and performing substantive checking and analytical procedures. However, we have placed substantial reliance on the technical assessment and activity-based cost estimate defined by the management for the purpose of recognition of income.

Emphasis of Matter - Effects of COVID-19

We draw attention to Note 53 of the standalone financial statements which describes the Company's assessment on the impact of COVID-19 on its financial results and its operations.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Management Discussion and Analysis, Business Responsibility Report, Report on Corporate Governance, but does not include the standalone financial

statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (including Other Comprehensive Income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015(as amended) under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors are responsible for assessing the Company's ability to continue as going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the

disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraph 3 and 4 of the Order.
2. Based on the verification of records of the Company and based on information and explanation given to us, we give in "Annexure B" report on the Directions and Sub-Directions issued by the Comptroller and Auditor General of India in terms of sub-section (5) of Section 143 of the Companies Act, 2013
3. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all 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 it appears from our examination of those books.
 - (c) The standalone Balance Sheet, the standalone Statement of Profit and Loss (including Other Comprehensive Income), the standalone Statement of Changes in Equity and the standalone Statement of Cash Flows dealt with

by this Report are in agreement with the books of account.

- (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) In view of the exemption given vide notification no. G.S.R 463(E) dated June 5, 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act regarding disqualification of Directors, are not applicable to the Company.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".
- (g) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Section 197(16) of the Act, we offer no comments as the Company is exempted from the provisions of Section 197 vide notification no. G.S.R. 463(E) dated June 5, 2015.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Standalone financial statements – Refer Notes 41, 43, 44 and 45 to the Financial Statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. Further, the company did not have any long-term derivative contracts for which there were any material foreseeable losses; - Refer Note 56 to the Financial Statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Elias George & Co.
Chartered Accountants
Firm Regn. No. 000801S

Ranjit Mathews P
Partner

Kochi
20 June, 2020

Membership No. 205377
UDIN: 20205377AAAADJ5804

ANNEXURE-A TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the audit of standalone financial statements for the year ended 31st March 2020.

We report that:

- (i) (a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, there is a regular program of physical verification of fixed assets, which in our opinion is reasonable having regard to the size of the company and the nature of assets. During the year, as informed to us, no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As explained to us, the inventories were physically verified during the year in accordance with the inventory verification procedure adopted by the Management. In our opinion, the frequency of such physical verification needs to be increased. Based on information provided to us, the discrepancies noticed on such physical verification were not material.
- (iii) According to the information and explanation given to us, Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in register maintained under Section 189 of the Companies Act, 2013. Accordingly the provisions of clause (iii) (a), (b), (c) of the Order are not applicable to the Company.
- (b) There are no dues of income tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise and value added tax which have not been deposited with the appropriate authorities on account of disputes, except the following:

- (iv) In our opinion and according to the information and explanation provided to us, the company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and securities.
- (v) According to the information and explanation given to us, the company has not accepted any deposits from public and hence the directives issued by the Reserve Bank of India and the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable.
- (vi) We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Act, and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in respect of statutory dues:
- (a) The company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, goods and service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues with the appropriate authorities. According to the information and explanation given to us, no undisputed amounts payable in respect of the above were in arrears as at 31st March, 2020 for a period of more than six months from the date they become payable.

Rupees in lakhs

Name of the Statute	Nature of Dues	Amount (₹)	Amount deposited/ adjusted	Amount unpaid	Financial year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	1,406.41	1,406.41*	-	AY 2010-11	Commissioner of Income Tax (Appeals)
					AY 2011-12	
					AY 2014-15	
					AY 2017-18	
	Income Tax	700.86	700.86*	-	AY 2010-11 AY 2011-12	Income Tax Appellate Tribunal

Name of the Statute	Nature of Dues	Amount (₹)	Amount deposited/adjusted	Amount unpaid	Financial year to which the amount relates	Forum where dispute is pending
Kerala General Sales Tax, 1963	Sales Tax	515.11	20.38	494.73	1996-97	Assessing Officer, Commercial Taxes
					2000-01	
					2001-02	
	Sales Tax	293.51	-	293.51	1999-2000	Assessing Officer, Commercial Taxes (Remanded back to Assessing Officer by Kerala Sales Tax Appellate Tribunal)
	Sales Tax	202.22	6.55	195.67	2004-05	Hon'ble Kerala Sales Tax Appellate Tribunal
Kerala Value Added Tax Act, 2004	Value Added Tax	356.47	80	276.47	2007-08	Hon'ble Kerala Sales Tax Appellate Tribunal
Finance Act,1994	Service Tax	5439.06	26	5413.06	2007-08 to 2014-15	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
		24.08	-	24.08	2003-04 to 2014-15	Hon'ble High Court of Kerala
Customs Act,1962	Duty of Customs	27.46	-	27.46	1984-1990	Chief Commissioner of Customs, Bangalore
		301.03	261.22	39.81	2003-2004	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
		25.8	-	25.8	2004-2005	Commissioner of Customs, Kochi
		14,961.22	-	14,961.22	2010-2015	- do - (Case dismissed by Hon'ble High Court of Kerala directing department to file appeal under Section 130E of the Customs Act with the Hon'ble Supreme Court)
Employees' State Insurance Act, 1948	Employees' State Insurance	10.59	1	9.59	2010-2013	Hon'ble Insurance Court, Alappuzha

*Adjusted against the refund due for the subsequent years.

- (viii) According to the information and explanation given to us, the Company does not have any loans or borrowings from any financial institutions, banks or government during the year. In respect of bonds issued, the Company has not defaulted in payment of any dues.
- (ix) In our opinion and according to the information and explanation given to us, money raised by way of initial public offer have been applied by the Company during the year for the purposes for which they are raised. The Company has not raised any term loan during the year.
- (x) To the best of our knowledge and according to the information and explanations provided to us, we report that no fraud by the Company or on the Company by its officers and employees was noticed or reported during the year.
- (xi) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5,2015, issued by the Ministry of Corporate Affairs, provisions of Section 197 read with Schedule V of the Companies Act, 2013 regarding

managerial remuneration are not applicable to the company.

- (xii) The Company is not a Nidhi company as prescribed under Section 406 of the Companies Act, 2013 and therefore the reporting under Clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and based on the information and explanation provided to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable, and the details have been disclosed in the standalone Financial Statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and therefore provisions of Section 42 of the Companies Act, 2013 are not applicable to the Company.

(xv) According to the information and explanations provided to us, the Company has not entered into any non-cash transaction with directors or persons connected with them as referred to in Section 192 of Companies Act, 2013.

(xvi) In our opinion, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Elias George & Co.
Chartered Accountants
Firm Regn. No. 000801S

Ranjit Mathews P
Partner
Membership No. 205377
UDIN: 20205377AAAADJ5804

Kochi
20 June, 2020

ANNEXURE - B TO THE INDEPENDENT AUDITORS' REPORT

With reference to the Annexure B referred to in the Independent Auditors' Report to the members of the Company on the audit of standalone financial statements for the year ended March 31, 2020, we report the following:

A. General Directions

1. Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.

In our opinion, the company has a system in place to process all the accounting transactions through IT system. Based on the information and explanations given to us, and based on procedures performed by us, we are of the opinion that the company has an adequate internal control system to prevent and detect processing of accounting transactions outside the IT system. As per information provided to us, there has been no such instance reported during the year.

2. Whether there is any restructuring of any existing loan or cases of waiver write off of debts/loans/ interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.

According to the information and explanation given to us and based on our examination of the records of the company, there has not been any restructuring of any existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the company.

3. Whether funds received/receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its term and conditions? List the cases of deviation.

In our opinion, and based on the information and explanations given to us, the funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per their terms and conditions.

B. Sub Directions

No Sub Directions were issued for the period under audit.

For Elias George & Co.
Chartered Accountants
Firm Regn. No. 000801S

Ranjit Mathews P
Partner
Membership No. 205377
UDIN: 20205377AAAADJ5804

Kochi
20 June, 2020

ANNEXURE - C TO THE INDEPENDENT AUDITORS' REPORT

The Annexure referred to in our Independent Auditors' Report to the members of Cochin Shipyard Limited on the audit of standalone financial statements for the year ended 31st March 2020.

Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

We have audited the internal financial controls over financial reporting of Cochin Shipyard Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the

standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed

under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For Elias George & Co.
Chartered Accountants
Firm Regn. No. 000801S

Ranjit Mathews P
Partner
Membership No. 205377
UDIN: 20205377AAAADJ5804

Kochi
20 June, 2020

STANDALONE BALANCE SHEET

as at March 31, 2020

(₹ in lakhs)			
Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	69,653.51	31,303.04
(b) Capital work-in-progress	4	76,820.65	34,107.72
(c) Intangible assets	5	5,965.58	6,160.68
(d) Financial assets			
(i) Investments	6	6,544.52	6,037.18
(ii) Loans	7	108.24	128.73
(iii) Other Financial Assets	8	864.50	-
(e) Income tax assets (net)	9	6,025.42	5,727.71
(f) Deferred tax assets (net)	10	4,635.94	6,574.94
(g) Other non-current assets	11	29,290.38	27,976.59
Total Non-Current assets		199,908.74	118,016.59
Current assets			
(a) Inventories	12	31,341.31	28,336.71
(b) Financial Assets			
(i) Trade receivables	13	28,823.21	39,233.68
(ii) Cash and cash equivalents	14	84,851.63	97,833.96
(iii) Bank balances other than (ii) above	15	132,740.27	154,451.37
(iv) Loans	16	30.97	39.21
(v) Other Financial assets	17	3,292.18	23,357.79
(c) Other current assets	18	159,473.94	63,086.86
Total Current assets		440,553.51	406,339.58
Total Assets		640,462.25	524,356.17
EQUITY AND LIABILITIES			
Equity :			
(a) Equity share capital	19	13,154.04	13,154.04
(b) Other equity	20	360,025.46	320,053.77
Total Equity		373,179.50	333,207.81
Liabilities :			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	12,300.00	12,300.00
(ii) Other financial liabilities	22	37,586.91	261.22
(b) Provisions	23	2,872.20	2,428.71
(c) Other non current liabilities	24	11.45	12.59
Total Non-Current Liabilities		52,770.56	15,002.52
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	25	686.52	725.36
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		41,185.27	33,933.75
(ii) Other financial liabilities	26	17,266.32	13,001.22
(b) Other current liabilities	27	116,081.50	86,302.85
(c) Provisions	28	38,137.13	36,932.40
(d) Current tax liabilities (net)	9	1,155.45	5,250.26
Total Current Liabilities		214,512.19	176,145.84
Total Equity and Liabilities		640,462.25	524,356.17

Corporate overview and Significant Accounting Policies

1-2

Notes to the Financial Statements

3-58

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

SYAMKAMAL N

Company Secretary
M. No. A25337

Kochi, dated June 20, 2020

As per our report attached

For **M/s Elias George and Co.,**
Chartered Accountants
(Firm Registration No.000801S)

RANJIT MATHEWS P

Partner
(Membership Number: 205377)
Kochi, dated June 20, 2020

SURESH BABU N V

Director (Operations)
DIN - 07482491

JOSEV J

Director (Finance) & Chief Financial Officer
DIN - 08444440

MADHU S NAIR

Chairman and Managing Director
DIN - 07376798

STANDALONE STATEMENT OF PROFIT & LOSS

For the year ended March 31, 2020

(₹ in lakhs)				
	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Income			
	Revenue from operations	29	342249.39	296560.33
	Other income	30	24750.03	22728.42
	Total Income		366999.42	319288.75
II	Expenses:			
	Cost of materials consumed	31	179599.82	150429.02
	Sub contract and other direct expenses	32	36556.98	37998.73
	Employee benefits expense	33	30567.32	27755.65
	Finance costs	34	4459.41	1430.11
	Depreciation and amortisation expense	35	4873.12	3415.53
	Other expenses	36	16008.41	15897.15
	Provision for anticipated losses and expenditure	37	8591.78	7225.04
	Total expenses		280656.84	244151.23
III	Profit before tax		86342.58	75137.52
IV	Tax expense:			
	(1) Current tax	9	20634.83	29024.73
	(2) Deferred tax	9	1939.00	(2005.00)
V	Profit for the year		63768.75	48117.79
VI	Other comprehensive income			
	A) Items that will not be reclassified to profit or loss			
	i) Remeasurements of defined employee benefit obligations		(797.60)	(300.01)
	ii) Income tax relating to items that will not be reclassified to profit or loss		200.76	104.84
	Other comprehensive income for the year		(596.84)	(195.17)
VII	Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)		63171.91	47922.62
VIII	Earnings per equity share of ₹ 10 each :	38		
	(1) Basic (₹)		48.48	35.72
	(2) Diluted (₹)		48.48	35.72

Corporate overview and Significant Accounting Policies

1-2

Notes to the Financial Statements

3-58

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

SYAMKAMAL N

Company Secretary

M. No. A25337

Kochi, dated June 20, 2020

As per our report attached

For M/s **Elias George and Co.,**

Chartered Accountants

(Firm Registration No.000801S)

RANJIT MATHEWS P

Partner

(Membership Number: 205377)

Kochi, dated June 20, 2020

SURESH BABU N V

Director (Operations)

DIN - 07482491

JOSE V J

Director (Finance) & Chief Financial Officer

DIN - 08444440

MADHU S NAIR

Chairman and Managing Director

DIN - 07376798

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

(₹ in lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
A. Cash flow from operating activities		
Profit before tax	86,342.58	75,137.52
Adjustments for :		
Depreciation and amortisation	4,873.12	3,415.53
Interest expense	4,459.41	1,430.11
Interest income	(16,725.17)	(18,594.93)
Rental income	(152.48)	(58.97)
Dividend income	(0.89)	(163.34)
Loss on sale/write off of plant, property and equipment	1.87	16.09
Profit on sale of investments	(235.30)	(711.52)
Income recognised on Govt. assistance	(1.14)	(1.14)
Loss/(gain) on derivative contracts (net)	-	-
Unrealised loss/(gain) on derivative contracts (net)	-	-
Net (gain) /loss on foreign currency transactions	502.01	(88.65)
Operating cash flow before working capital changes	79,064.01	60,380.70
Movements in working capital :		
(Increase) / decrease in inventories	(3,214.86)	685.01
(Increase) / decrease in trade, other receivables and assets	(68,952.59)	(45,321.63)
Increase / (decrease) in trade and other payables	36,429.94	(40,530.86)
	43,326.50	(24,786.78)
Income tax paid net of refunds	(18,065.07)	(20,063.00)
Net cash flows from operating activities (A)	25,261.43	(44,849.78)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(3,549.74)	(5,749.06)
(Increase) / decrease in capital work In progress	(42,712.93)	(22,623.38)
(Increase) / decrease in Term deposits with maturity above three months	21,711.10	115,388.82
Investment in Mutual Funds	(66,800.00)	(238,184.87)
Redemption of Mutual Funds	66,800.00	238,185.03
Dividend received	0.89	163.34
Profit on sale of investments	235.30	711.52
Investment in NCD of HCSL Subsidiary	-	(4,400.00)
Investment in Equity shares of HCSL Subsidiary	(507.34)	-
Sale or withdrawal of plant, property and equipment	0.66	0.39
Interest received	17,290.78	20,820.27
Rent received	152.48	58.97
Net cash flows from investing activities (B)	(7,378.80)	104,371.03

(₹ in lakhs)		
Particulars	As at March 31, 2020	As at March 31, 2019
C. Cash flow from financing activities		
Buy back of shares	0.00	(20000.02)
Transaction cost of Buy back of shares	0.00	(225.78)
Borrowings/ Repayment of loans by employees	28.72	16.60
Net gain /loss on foreign currency transactions	(857.28)	124.38
Repayment of lease liability	(2,376.78)	-
Dividend paid	(19,244.36)	(16,312.32)
Dividend distribution tax paid	(3,955.74)	(3,320.80)
Interest paid	(4,459.52)	(1,163.29)
Net cash flows from financing activities (C)	(30,864.96)	(40,881.23)
D. Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	(12,982.33)	18,640.02
Cash and cash equivalent at the beginning of the Year	97,833.96	79,193.94
Cash and cash equivalent at the end of the Year	84,851.63	97,833.96
Cash and Cash Equivalents' include earmarked funds of ₹ 56702.22 lakhs as on Mar 31, 2020.		

Corporate overview and Significant Accounting Policies

1-2

Notes to the Financial Statements

3-58

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

SYAMKAMAL N

Company Secretary
M. No. A25337

Kochi, dated June 20, 2020

As per our report attached

For **M/s Elias George and Co.,**
Chartered Accountants
(Firm Registration No.0008015)

RANJIT MATHEWS P

Partner

(Membership Number: 205377)

Kochi, dated June 20, 2020

SURESH BABU N V

Director (Operations)
DIN - 07482491

JOSE V J

Director (Finance) & Chief Financial Officer
DIN - 08444440

MADHU S NAIR

Chairman and Managing Director
DIN - 07376798

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

A. Equity Share Capital		(₹ in lakhs)
As at April 01, 2019	Changes in equity share capital during the year	As at March 31, 2020
13,154.04	0.00	13,154.04
As at April 01, 2018	Changes in equity share capital during the year	As at March 31, 2019
13,593.60	-439.56	13,154.04

B. Other Equity							(₹ in lakhs)
	Reserves and Surplus						Total
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	
Balance as at April 01, 2019	263.56	93,152.44	6,322.75	206,436.99	12,353.76	1,524.27	320,053.77
Profit for the year				63,768.75			63,768.75
Other comprehensive income for the year				(596.84)			(596.84)
Total comprehensive income for the year				63,171.91			63,171.91
Dividends (including taxes)				(23,200.10)			(23,200.10)
Transfer from retained earnings				(144.17)		144.17	0.00
Buy back of shares		-		-	-		-
Transaction costs on Buy back of shares				-			-
Amortisation of premium		(0.12)					(0.12)
Transition adjustments				-			-
Balance as at March 31, 2020	263.56	93,152.32	6,322.75	246,264.63	12,353.76	1,668.44	360,025.46
Refer Note 20 for further details							Contd...
Standalone Statement of Changes in Equity for the year ended March 31, 2020							
Balance as at April 01, 2018	263.56	93,152.56	6,322.75	199,104.08	11,914.20	1,235.94	311,993.09
Profit for the year				48,117.79			48,117.79
Other comprehensive income for the year				(195.17)			(195.17)
Total comprehensive income for the year				47,922.62			47,922.62
Dividends (including taxes)				(19,633.12)			(19,633.12)
Transfer from retained earnings				(288.33)		288.33	0.00
Buy back of shares				(20,000.02)	439.56		(19,560.46)
Transaction costs on Buy back of shares				(225.78)			(225.78)
Amortisation of premium		(0.12)					(0.12)
Transition adjustments				(442.46)			(442.46)
Balance as at March 31, 2019	263.56	93,152.44	6,322.75	206,436.99	12,353.76	1,524.27	320,053.77

Refer Note 20 for further details

For and on behalf of Board of Directors

SYAMKAMAL N

Company Secretary
M. No. A25337

Kochi, dated June 20, 2020

As per our report attached

For **M/s Elias George and Co.,**
Chartered Accountants
(Firm Registration No.000801S)

RANJIT MATHEWS P

Partner
(Membership Number: 205377)
Kochi, dated June 20, 2020

SURESH BABU N V

Director (Operations)
DIN - 07482491

JOSE V J

Director (Finance) & Chief Financial Officer
DIN - 08444440

MADHU S NAIR

Chairman and Managing Director
DIN - 07376798

1. CORPORATE OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.1. Corporate information

Cochin Shipyard Limited (referred to as “CSL” or “the Company”) is mainly engaged in the construction of vessels and repairs and refits of all types of vessels including upgradation of ships periodical layup repairs and life extension of ships.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is Perumanoor, Kochi, Kerala. As at March 31, 2020, the Government of India holds 72.86% of the Company’s equity share capital. The Company’s equity shares are listed for trading on NSE Limited and BSE Limited in India and tax free bonds are listed for trading on BSE Limited.

The financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on June 20, 2020.

2. Significant Accounting Policies

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other Accounting Principles generally accepted in India.

2.2 Basis of preparation of Financial Statements

These financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.3 Use of estimates and judgements

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors

that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.4 Critical Accounting estimates and judgements:

The application of significant accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in the financial statements have been disclosed below:

Useful lives of property, plant and equipment

The Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. Assumptions are also made as to whether an item meets the description of asset so as to warrant its capitalisation and which component of the asset may be capitalised. Reassessment of life may result in change in depreciation expense in future periods.

Valuation of deferred tax assets / liabilities

The Company reviews the carrying amount of deferred tax assets / liabilities at the end of each reporting period. Significant judgements are involved in determining the elements of deferred tax items.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgements in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee’s option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset’s economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

Impairment of unquoted investments

The Company reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Recognition and measurement of provisions

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstance known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in provisions.

Provision towards Guarantee repairs

A provision is made towards guarantee repairs/claims in respect of newly built ships/small crafts delivered and repaired ships on the basis of the technical estimation done by the Company. The guarantee claims received from the ship owners are reviewed every year till settlement of the same. In case of a shortfall in the provision made earlier, additional provisions are made.

Contingencies and commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Recoverability of advances / receivables

The Company makes provisions for expected credit loss based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and expenses on account of provision for doubtful debts in the period in which such estimate has been changed. At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Provision for inventories

Management reviews the inventory ageing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether a provision is required to be made in the financial statements for any obsolete and slow-moving items and that adequate provision for obsolete and slow-moving inventories has been made in the financial statements.

Liquidated Damages

Claims for liquidated damages against the Company are recognized in the financial statements based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

Revenue Recognition

The Company exercises significant judgement in measuring progress of performance obligations satisfied over time for recognition of revenue from contracts with customers. Provision for estimated losses if any, on the uncompleted part of the contracts are provided in the period in which such losses become probable based on the expected contract estimates at the reporting date. Claims for liquidated damages against the Company are recognized based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the Government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post employment benefit obligations.

2.5 Property , Plant and Equipment (PPE)

The Company had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

Property,Plant and Equipments are stated at cost less accumulated depreciation (other than free hold land which are stated at cost) and impairment losses, if any.

PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management including non refundable duties and taxes net of any trade discounts and rebates. The cost of PPE also includes interest on borrowings (borrowing cost directly attributable to acquisition, construction or production of qualifying assets) upto initial recognition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items are material and can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

2.6 Capital work in progress and intangible assets under development:

Capital work in progress and intangible assets under development are property, plant and equipment that are not yet ready for their intended use at the reporting date, which are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

2.7 Intangible Assets

Design development: Cost incurred on Design Development which are not directly chargeable on a product are capitalized as Intangible Asset and amortised on a straight-line basis over a period of five years.

Software: Cost of software which is not an integral part of the related hardware acquired for internal use is capitalised as intangible asset and amortised on a straight-line basis over a period of three years.

Right to use: Up- front fee paid for securing right to use of land and other facility is capitalized as intangible asset and amortised on a straight line basis over the period of lease for which the right has been obtained.

Internally generated procedure: Cost of internally generated procedure is capitalized as Intangible Asset and amortised on a straight-line basis over a period of three years.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Leases

Indian Accounting Standard (Ind AS 116) "Leases" became effective from April 01, 2019 and the Company has adopted the same using modified retrospective transition method, where at the date of initial application, the lease liability is measured at the present value of remaining lease payments and the right-of-use assets are initially recognised at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. Accordingly, the comparatives have not been retrospectively adjusted

As a Lessee:

The Company's lease asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a lease liability and a corresponding right-of-use ("RoU") asset for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straightline basis or another systematic basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the

carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and RoU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis or another systematic basis over the term of the relevant lease .The difference between the amount recognised as lease rental income and actual cashflows payable as per the lease agreement is adjusted in ("Accrued Lease Rental asset").

2.9 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss

2.10 Depreciation

Depreciation on property, plant and equipment is provided on straight-line method based on useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 except to the extent described below.

For the assets acquired from Cochin Port Trust for International Ship Repair Facility (ISRF),depreciation is provided on the basis of remaining useful life as assessed by technical experts. Right Of Use assets are depreciated from the commencement date on a straight line basis over the shorter of the end of the useful life of the Right Of Use asset or the end of the lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits

are expected from its use or disposal. Any gain/loss arising on derecognition of the asset is included in the Statement of profit and loss when the asset is derecognised.Fully depreciated assets still in use are retained in financial Statements at residual value .

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for certain types of buildings and equipments wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act.Useful life considered for calculation of depreciation for various assets class are as follows:

Asset Class	Useful Life
Buildings	3-60 years
Plant and equipment	5-15 years
Furniture and fixtures	8-10 years
Vehicles	8-10 years
Office equipment	3-10 years
Data Processing Equipments	3-6 years
Docks and quays	15 years
Railway sidings	15 years
Electrical installation	10 years
Drainage and water supply	15 years
Vessels	13-28 years

2.11 Impairment of Assets

The Company assesses the impairment of assets with reference to each cash generating unit, at each Balance Sheet date. If events or changes in circumstances based on internal and external factors indicate that the carrying value may not be recoverable in full, the loss on account and the recoverable amount, is accounted for accordingly. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

2.12 Non-current assets held for sale

Company classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction. This condition is regarded as met only when the asset is available for immediate sale in its present condition and its sale is highly probable.

Non-current assets including discontinued operations, classified as held for sale are measured at the lower of

the carrying amounts and fair value less costs to sell and presented separately in the financial statements. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item in statement of profit and loss

2.13 Investment in subsidiary

The Company has accounted for its subsidiary at cost in its standalone financial statements in accordance with Ind AS- 27, Separate Financial Statements.

2.14 Inventories

- (a) Raw materials, components, stores and spares are valued at weighted average cost method or net realisable value whichever is lower. However materials and other supplies held for use in the production /services are not written down below cost if the finished products/supply of services in which they will be incorporated are expected to be sold at or above cost. Provision for obsolescence / non- usability / deterioration is determined on the basis of technical assessment made by the management. Goods in transit are valued at lower of cost and net realisable value. Stock of materials in respect of construction of defence vessels wherein the cost incurred is reimbursed by the owner are shown as reduction from the advances paid by the owner for construction of the vessel.
- (b) Loose tools in stock are valued at cost after providing for loss on revaluation estimated at 30% of book value.
- (c) Stock of scrap is valued at net realizable value after adjusting customs duty, if any, payable on the scrap.

2.15 Financial instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets at Fair Value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved

by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

Financial assets at Fair Value through statement of profit and loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by- instrument basis. The classification is made on initial recognition and is irrevocable.

Investment in a 'debt instrument' is measured at the amortised cost if both the following conditions are met: The asset is held within a business model whose objective is -

- (1) To hold assets for collecting contractual cash flows, and
- (2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Trade Receivables

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset. A receivable is a right to consideration that is unconditional and only the passage of time is required before the payment of that consideration is due.

The Company assesses at each Balance Sheet date whether a financial asset or a Company of financial asset is impaired. Ind AS 109 requires expected credit loss to be measured through a loss allowance.

The Company recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction. Impairment loss allowance is based on a simplified approach as permitted by Ind AS 109. As a practical expedient, the company uses a provision matrix to determine the impairment loss on the portfolio of its trade receivables.

Full provision is made for all trade receivables considered doubtful of recovery when the debt is more than three years or if it is probable / certain that the debt is not recoverable.

Where debts are disputed in legal proceedings, provision is made if any decision is given against the company even if the same is taken up on appeal to higher authorities/courts.

Impairment loss allowance (or reversal) that is required to be recognised at the reporting date is recognised as an impairment loss or gain in the Statement of Profit & Loss Account.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest rate method.

Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recognised at the proceeds received net of direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Foreign Currency Transactions

Functional & Presentation Currency

The financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Company.

Transactions & Balances:

Foreign exchange transactions are recorded in functional currency adopting the exchange rate prevailing on the dates of respective transactions. Monetary items denominated in foreign currencies at the year end are re-measured at the exchange rate prevailing on the balance sheet date. Non monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the statement of Profit and Loss.

Derivative instruments and hedge accounting:

The Company designates certain foreign exchange forward contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The use of foreign currency and derivative contracts is governed by the Company's foreign exchange risk management policy approved by the Board of Directors which provide written directives on the use of such financial derivatives consistent with the Company's risk management strategy. The company does not use derivative financial instruments for speculative purposes.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the foreign currency exposure that is being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges are recognised immediately in the Statement of Profit and Loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the Other Comprehensive Income and accumulated under the heading cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in equity till that time remains and is recognised in Statement of Profit and Loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

2.16 Contract Assets

Where the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the contract as a contract asset. A contract asset is Company's right to consideration in exchange for goods or services that the Company has transferred to a customer. Contract assets are reviewed for impairment in accordance with Ind AS 109.

2.17 Contract Liabilities

Where the Company receives consideration, or the Company has a right to an amount of consideration that is unconditional (ie a receivable), before the Company transfers a good or service to the customer, the Company presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is Company's obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer.

2.18 Provisions , Contingent Liabilities and Contingent assets

A provision is recognised if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions (excluding retirement benefits and compensated leave) are not discounted to its present value and are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. These are reviewed at each reporting date adjusted to reflect the current best estimates.

Provision towards guarantee claims in respect of ships/ small crafts delivered wherever provided/ maintained is based on technical estimation. For the ships delivered, guarantee claims are covered by way of insurance policies covering the guarantee period on case to case basis, wherever required.

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Company. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, the Company treats them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, Company does not expect them to have a materially adverse impact on our financial position or profitability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised

2.19 Revenue Recognition

a) Revenue from Operations

Effective April 1, 2018, the Company has adopted Ind AS115 "Revenue from Contracts with Customers". In respect of contracts that were not completed on the date of initial application (April 1, 2018), the company has applied the standard retrospectively by recognizing the cumulative effect of applying the same at the effective date, as an adjustment to the Opening balance of Retained earnings and accordingly figures for earlier years have not been retrospectively adjusted.

Revenue from contracts with customers is measured based on transaction price, which is the fair value of consideration received or receivable. Revenue is recognized when the company satisfies performance obligations by transferring promised goods and services to the customer over a period of time using output method based on measurement of physical performance completed to date in respect of contracts with customers for ship building and ship repair other than Indigenous Aircraft Carrier (IAC).

In respect of contract with Indian Navy for construction of Indigenous Aircraft Carrier, which is partly 'fixed price basis' and partly 'cost plus basis', the revenue from fixed price portion is recognized as explained above. The revenue by way of mark up from cost plus part of the contract for procuring and supply of materials and design outsourcing is recognized when performance obligations as per the terms of the contract are fulfilled

upon making payments to the suppliers. The cost of materials, value of design outsourcing and other expenses incurred for the vessel which are recoverable separately from Navy are charged off to the statement of Profit and Loss when materials are consumed/ activities are performed/expenses are incurred and are simultaneously grossed up with the value of work done and recognized as income.

Other Operating Revenue is recognized at the point of time when the company satisfies performance obligations by transferring promised goods and services to the customer except in the case of Ship Building Financial Assistance(SBFA) which is recognised over a period of time being output method based on measurement of physical performance completed to date in respect of contracts which are eligible under SBFA policy.

In circumstances, where the Company may not be able to reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. Where current estimates of total contract costs and revenue indicate a loss, provision is made for the entire loss, irrespective of the amount of work done.

Contract modifications are accounted when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the stand alone selling price. Where the goods or services added are not distinct, adjustment to revenue is made on a cumulative catch up basis. Where the goods or services added are distinct, and such additional goods or services are priced at standalone selling prices, the contract modification is accounted for as a separate contract; whereas if the modification is not priced at standalone selling price, the same is accounted as a termination of the existing contract and creation of a new contract.

If the consideration promised in a contract includes variable amounts like discounts, rebates, refunds, credits, price concessions, liquidated damages or other similar items, the Company estimates the net amount of consideration to which the Company is entitled in exchange for transferring the promised goods or services to a customer and accounts for the same.

b) Government Grants

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses, the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants are recognised in the statement of Profit & Loss concurrent to the expenses to which such grants relate/ are intended to cover.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in statement of profit & loss in the period in which they become receivable. Ship Building Financial Assistance is accounted as revenue from operations in the manner specified in para (a)

Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses, the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants are recognised in the statement of Profit & Loss

concurrent to the expenses to which such grants relate/ are intended to cover.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in statement of profit & loss in the period in which they become receivable. Ship Building Financial Assistance is accounted as revenue from operations in the manner specified in para a)

c) Liquidated damages and interest on advances

No income is recognized on (a) interest on advances given and (b) liquidated damages, where the levies depend on decisions regarding force majeure condition of contract. These are accounted for on completion of contracts and / or when final decisions are taken.

In the case of contracts entered into for execution of capital works having long gestation period, where the extant commercial terms of the contract provides for provision of extending interest bearing mobilisation advance to the service provider for mobilising various resources for timely execution, mobilisation advances are paid and interest is accounted on accrual basis

d) Accounting for insurance claims

(i) Warranty/Builder Risk claims

In the case of guarantee defects covered under warranty insurance policies or claims under Insurance Policies taken for ship building and ship repair works, the insurance claims lodged are recognized in the financial statements in the year in which the survey is completed and the probable amount of settlement intimated by the insurance Company.

(ii) Other Insurance Policies

In the case of other Insurance Policies like Asset Insurance, Transit Insurance, Marine Insurance, Cash Insurance etc., the claims are recognized in the the financial statments on settlement of the claims by way of receipt of the amount from the Insurance Company.

In the case of Medical insurance, claims are recognized on due basis, based on the claims submitted with the insurance company.

e) Others

Dividend income is recognized when the Company's right to receive payment has been established.

2.20 Employee benefits

Employee benefits consist of salaries and wages, contribution to provident fund, superannuation fund, gratuity fund, towards medical assistance, which are short term in nature and contribution towards compensated absences , which is long term in nature.

Post-employment benefit plans

Defined Contribution plans

Defined contribution to Employees Pension scheme for eligible employees are made to CSL Superannuation Pension Trust for Executives and Supervisors and CSL Workmen Pension Trust and are charged as expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

The Company also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan. The provident fund is administered by the Trustees of the Cochin Shipyard Limited Employees Contributory Provident Fund Trust. The rules of the Company's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the Company. The deficiency, if any assessed by the Company is provided for in the accounts.

The Company also makes contribution towards Employees Medical Assistance Trusts which are charged as expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made.

Defined benefit plans

The Company provides for gratuity, a defined benefit retirement plan covering eligible employees. The liability or asset recognised in the balance sheet in respect of its defined benefit plan is the present value

of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated periodically by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have terms approximating the terms of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of profit and loss as past service cost.

Other employee benefits

Compensated absences

The Company has a policy on compensated absence which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absence is determined by Actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

2.21 Borrowing cost

General and specific borrowing costs directly attributable to acquisition/ construction or production of qualifying assets (net of income earned on temporary deployment of funds) are capitalized as part of cost of such assets upto the date when such assets are ready for the intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

2.22 Corporate Social Responsibility

The Company has opted to charge its Corporate Social responsibility (CSR) expenditure to the Statement of Profit & Loss, except in respect of expenditure incurred against the non-lapsable provision held under the guidelines of Department of Public Enterprises (DPE)

2.23 Prior period adjustment

Prior period adjustments due to errors, having material impact on the financial affairs of the Company, are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.24 Taxes on Income

Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.25 Earnings Per Share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

2.26 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Chairman & Managing Director.

The Company has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Ship Building and 2) Repair of Ships/offshore structures.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments

on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Company as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.27 Statement of cash flows

Cash Flows are reported using the Indirect Method, whereby profit/loss before tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financial cash flows. Cash flows from operating, investing and financial activities of the Company are segregated based on the available information.

For the purpose of statement of cash flow, Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any. Bank overdrafts, if any, are disclosed within borrowings in current liabilities in the Balance Sheet

2.28 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

2.29 Recent accounting pronouncements - Standards issued but not yet effective

Recent Accounting Developments Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 3 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1st April 2019	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st Mar 2020	As at 1st April 2019	For the year	Adjustment/ (withdrawal)	As at 31st Mar 2020	As at 31st Mar 2020	As at 31st March 2019
Owned Assets										
Land (Freehold)	587.54	-		587.54	-			-	587.54	587.54
Buildings	13,459.99	345.44		13,805.43	1,926.33	521.85		2,448.18	11,357.25	11,533.66
Plant and equipment	18,115.59	793.50	1.07	18,908.02	5,591.52	1,485.63	0.55	7,076.60	11,831.42	12,524.07
Furniture and fixtures	1,113.31	125.88	1.65	1,237.54	372.40	114.27	0.92	485.75	751.79	740.91
Vehicles	515.38	83.73		599.11	203.19	53.30		256.49	342.62	312.19
Office equipment	234.56	148.89	1.41	382.04	133.98	39.26	1.17	172.07	209.97	100.58
Others										
Data Processing Equipments	916.58	422.24	0.79	1,338.03	668.96	161.90	0.72	830.14	507.89	247.62
Docks and quays	4,466.45	-		4,466.45	1,243.14	299.41		1,542.55	2,923.90	3,223.31
Railway sidings	1.10	-		1.10	-	-		-	1.10	1.10
Electrical installation	1,725.64	39.36		1,765.00	732.10	132.70		864.80	900.20	993.54
Drainage and water supply	6.67	-		6.67	-	-		-	6.67	6.67
Vessels	19.74	-		19.74	4.36	1.36		5.72	14.02	15.38
Sub Total	41,162.55	1,959.04	4.92	43,116.67	10,875.98	2,809.68	3.36	13,682.30	29,434.37	30,286.57
Assets on leased premises										
Buildings	848.99	1,260.35	3.84	2,105.50	333.80	110.60	2.95	441.45	1,664.05	515.19
Plant and equipment	316.00	202.75	0.13	518.62	50.28	23.96	0.04	74.20	444.42	265.72
Docks and quays	9.62	-		9.62	8.35	-		8.35	1.27	1.27
Electrical installation	331.57	29.20		360.77	97.28	34.78		132.06	228.71	234.29
Sub Total	1,506.18	1,492.30	3.97	2,994.51	489.71	169.34	2.99	656.06	2,338.45	1,016.47
Right Of Use Assets										
Right of Use - Land		39,172.92		39,172.92		1,354.98		1,354.98	37,817.94	
Right of Use - Buildings		98.11		98.11		35.36		35.36	62.75	
Sub Total	-	39,271.03	-	39,271.03	-	1,390.34	-	1,390.34	37,880.69	-
Total	42,668.73	42,722.37	8.89	85,382.21	11,365.69	4,369.36	6.35	15,728.70	69,653.51	31,303.04

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 3 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1st April 2018	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2019	As at 1st April 2018	For the year	Adjustment/ (withdrawal)	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Owned Assets										
Land (Freehold)	587.54	-	-	587.54	-	-	-	-	587.54	587.54
Buildings	9,621.47	3,838.52		13,459.99	1,472.52	453.81		1,926.33	11,533.66	8,148.95
Plant and equipment	17,247.01	881.19	12.61	18,115.59	4,133.70	1,462.12	4.30	5,591.52	12,524.07	13,113.31
Furniture and fixtures	875.83	240.29	2.81	1,113.31	267.26	107.02	1.88	372.40	740.91	608.57
Vehicles	493.86	21.56	0.04	515.38	143.18	60.02	0.01	203.19	312.19	350.68
Office equipment	208.93	28.32	2.69	234.56	104.76	31.61	2.39	133.98	100.58	104.17
Others										
Data Processing Equipments	869.14	52.52	5.08	916.58	501.72	171.71	4.47	668.96	247.62	367.42
Docks and quays	4,466.45	-	-	4,466.45	943.73	299.41	-	1,243.14	3,223.31	3,522.72
Railway sidings	1.10	-	-	1.10	-	-	-	-	1.10	1.10
Electrical installation	1,290.81	434.83	-	1,725.64	600.66	131.44	-	732.10	993.54	690.15
Drainage and water supply	6.67	-	-	6.67	-	-	-	-	6.67	6.67
Vessels	19.74	-	-	19.74	3.00	1.36		4.36	15.38	16.74
Sub Total	35,688.55	5,497.23	23.23	41,162.55	8,170.53	2,718.50	13.05	10,875.98	30,286.57	27,518.02
Assets on leased premises										
Buildings	838.22	10.82	0.05	848.99	250.85	82.97	0.02	333.80	515.19	587.37
Plant and equipment	113.45	208.99	6.44	316.00	39.11	11.34	0.17	50.28	265.72	74.34
Docks and quays	9.62	-	-	9.62	8.35	-	-	8.35	1.27	1.27
Electrical installation	329.54	2.03	-	331.57	63.82	33.46	-	97.28	234.29	265.72
Sub Total	1,290.83	221.84	6.49	1,506.18	362.13	127.77	0.19	489.71	1,016.47	928.70
Right Of Use Assets	-	-	-	-	-	-	-	-	-	-
Total	36,979.38	5,719.07	29.72	42,668.73	8,532.66	2,846.27	13.24	11,365.69	31,303.04	28,446.72

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Freehold Land includes the value of (a) land allotted on lease basis to (i) Bharatiya Vidya Bhavan (0.69045 hectare) (ii) M/s Indian Oil Corporation Ltd (0.620 hectare) for laying pipeline (iii) land leased to M/s Cochin Air Products (0.30 hectare) and (b) land leased to Kerala State Electricity Board (0.47 hectare).

Value of land includes value of buildings acquired along with the land for which depreciation has not been provided as the value is not separately available and most of these buildings are likely to be demolished for putting up facilities for the factory.

Assets taken over from Cochin Port Trust (CoPT) (₹ 1291.52 lakhs) have been valued and life assessed by technical experts. This life has been taken as a base for arriving at the remaining useful life for providing depreciation for these assets. These assets together with assets constructed/installed on land taken on lease from CoPT, Mumbai Port Trust (MbPT) and Kolkata Port Trust (KoPT) have been disclosed separately as assets on leased premises in the note no 3 to Property, Plant & Equipments.

The Company has created mortgage for ₹ 12300 Lakhs on the landed properties of the Company as security for the tax free bonds issued by the Company during the year 2013-14.

Note 4 : Capital work -in -progress

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Plant and machinery, Buildings and Civil works	75,687.89	33,693.32
Capital yard items	1,126.50	414.40
Goods in Transit	6.26	-
Total	76,820.65	34,107.72

Note 5 : Intangible assets

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2019	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st Mar 2020	As at 1st April 2019	For the year	Adjustment/ (withdrawal)	As at 31st Mar 2020	As at 31st Mar 2020	As at 31st March 2019
Internally generated weld procedure	27.67	-	-	27.67	27.67	-	-	27.67	-	-
Computer software	1,396.74	98.40	-	1,495.14	1,283.41	83.16	-	1,366.57	128.57	113.33
Right to use - land and ship repair facility	7,000.00	-	-	7,000.00	952.65	210.34	-	1,162.99	5,837.01	6,047.35
	8,424.41	98.40	-	8,522.81	2,263.73	293.50	-	2,557.23	5,965.58	6,160.68

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2018	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2019	As at 1st April 2018	For the year	Adjustment/ (withdrawal)	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Internally generated weld procedure	27.67	-	-	27.67	19.97	7.70	-	27.67	-	7.70
Computer software	1,366.75	29.99	-	1,396.74	1,180.39	103.02	-	1,283.41	113.33	186.36
Right to use - land and ship repair facility	7,000.00	-	-	7,000.00	742.31	210.34	-	952.65	6,047.35	6,257.69
	8,394.42	29.99	-	8,424.41	1,942.67	321.06	-	2,263.73	6,160.68	6,451.75

The Right to use of land and ship repair facility shown under Intangible Assets represents the upfront fee paid to Cochin Port Trust towards setting up of International Ship Repair Facility (ISRF) project, to be amortised over the period of lease which was further extended based on the date of obtaining of Environmental Clearance. As all environmental clearances for ISRF are obtained as on January 09, 2018, the lease period of 30 years effectively starts from this date.

Note 6 : Investments-Non Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unquoted (Fully Paid up)		
Investment in equity instruments		
a) At Cost		
Equity shares in subsidiary company		
Hooghly Cochin Shipyard Ltd - 22000000 Equity shares of face value of ₹ 10 each	2,135.34	1,628.00
b) At Fair Value Through Other Comprehensive Income		
Cochin Shipyard Employees Consumer Co-operative Society Limited 2175 'B Class' shares of ₹ 100 each	2.18	2.18
Kerala Enviro Infrastructure Limited - 70000 equity shares of ₹10 each	7.00	7.00
Cochin Waste to Energy Private Limited -100000 equity shares of ₹10 each	-	-
Investment in Debt instruments		
a) At Amortised cost		
Investment in Non Convertible Debentures (NCD) of M/s Hooghly Cochin Shipyard Limited (HCSL) a subsidiary of Cochin Shipyard Ltd, 440000, 6.5% Unsecured Redeemable Non-convertible Debentures of ₹1000 each	4,400.00	4,400.00
Total	6,544.52	6,037.18
Aggregate value of unquoted investment	6,544.52	6,037.18

M/s Hooghly Cochin Shipyard Limited (HCSL) a subsidiary of Cochin Shipyard Ltd, was incorporated on October 23, 2017 as an arrangement between M/s Cochin Shipyard Ltd (CSL) and M/s Hooghly Dock & Port Engineers Limited (HDPEL) wherein CSL had invested in 16280000 equity shares of face value of ₹10 each for cash (74%) and Hooghly Dock & Port Engineers Limited had invested in 5720000 equity shares of face value of ₹ 10 each for consideration other than cash (26%). During the year, the Company acquired 57,20,000 (26%) equity shares of Hooghly Cochin Shipyard Limited (HCSL) held by HDPEL, for an amount of ₹ 506.08 lakhs and HCSL has now become a wholly owned (100%) subsidiary of CSL. The paid up equity share capital of HCSL is ₹ 22,00,00,000 divided into 2,20,00,000 equity shares of ₹ 10 each. and this investment in HCSL is accounted at cost as per Ind AS 27- Separate Financial Statements.

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 7: Loans - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good:		
Security deposits	65.40	65.40
Employee advances		
Loans to related parties	0.00	0.00
Other employees	42.84	63.33
Total	108.24	128.73

No significant increase in credit risk or credit impairment

Note 8: Other Financial Assets - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Ship Building Financial Assistance Scheme Subsidy	835.57	-
Accrued Lease Rental Asset	28.93	
Total	864.50	-

Govt. of India approved a Financial Assistance Policy for Indian Shipyards on 9th December 2015 for grant of financial assistance to Indian Shipyards for shipbuilding contracts signed between April 1, 2016 to March 31, 2026. Eligibility for this Assistance based on measurement of physical performance completed to date is accounted for .

Note 9: Income tax assets / liability (net)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current tax assets		
Income Tax Assets net of provisions	6,025.42	5,727.71
Current tax assets / (liabilities)		
Advance income tax net of provisions	(1,155.45)	(5,250.26)

Income tax recognised in the Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax:		
Current income tax charge	23,895.75	29,662.84
Adjustment in respect of prior years	(3,260.92)	(638.11)
Total (A)	20,634.83	29,024.73
Deferred tax:		
In respect of current year	1,939.00	(2,005.00)
Total (B)	1,939.00	(2,005.00)
Income tax expense recognised in the Statement of Profit and Loss (A+B)	22,573.83	27,019.73

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

The income tax expense for the year can be reconciled to the accounting profit as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	86,342.58	75,137.52
Income tax expense calculated at respective applicable rates	21,730.70	26,256.00
Effect of expenses that are not deductible in determining taxable profit	5,916.60	7,088.97
Effect of expenses that are allowable in determining taxable profit	(4,131.73)	(3,834.57)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	319.87	363.82
Effect of income that is exempt from taxation		(57.08)
Others	60.31	(154.30)
	23,895.75	29,662.84
Adjustments recognised in the current year in relation to the current tax of prior years	(3,260.92)	(638.11)
Adjustments for changes in estimates of deferred tax assets	1,939.00	(2,005.00)
Income tax expense recognised in the Statement of Profit and Loss	22,573.83	27,019.73

Note 10: Deferred tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	2,787.39	3,901.30
Deferred tax assets	(7,423.33)	(10,476.24)
Total	(4,635.94)	(6,574.94)

Deferred tax liabilities/(assets) in relation to 2019-20

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(9,508.69)	3,083.22	0.00	(6,425.47)
Property, plant and equipment	3,958.25	(1,145.11)	0.00	2,813.14
Intangible assets	(56.94)	28.06	0.00	(28.88)
Others	(967.56)	(27.17)	0.00	(994.73)
Total	(6,574.94)	1,939.00	-	(4,635.94)

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Deferred tax liabilities/(assets) in relation to 2018-19

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(7,438.88)	(2,069.81)	0.00	(9,508.69)
Property, plant and equipment	3,958.04	0.21	0.00	3,958.25
Intangible assets	(3.47)	(53.47)	0.00	(56.94)
Others	(847.96)	118.07	(237.67)	(967.56)
Total	(4,332.27)	(2,005.00)	(237.67)	(6,574.94)

Note 11: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Capital advances	28,817.72	26,950.20
Advances other than capital advances:		
Security deposits	211.44	207.23
Advance lease rentals	-	557.94
Deposits with Customs department	261.22	261.22
Total	29,290.38	27,976.59

Deposit with Custom Department of ₹ 261.22 lakhs pertains to a refund appeal lying before Commissioner (Appeals) to cover a liability in respect of customs duty which is also shown as Payable to Chennai Port Trust under Note No. 22- Other Financial Liabilities- Non Current

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 12 : Inventories

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials and components*	28,145.83	23,409.46
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(391.39)	(442.17)
Goods-in transit*	1,964.10	3,754.30
	29,718.54	26,721.59
Stores & Spares*	780.18	709.80
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(17.06)	(31.75)
Goods-in transit*	37.33	0.47
	800.45	678.52
Loose Tools*	680.55	819.80
Scrap*	141.77	116.80
Total	31,341.31	28,336.71

* Valuation of inventories is done in accordance with Accounting Policy no. 2.14 given in Note no.2

- (i) Inventory does not include stock of raw materials and bought out components procured under "Cost Plus" part of the IAC contract amounting to ₹ 32838.80 lakhs (previous year ₹ 55426.72 lakhs) held on behalf of Indian Navy lying with the Company and is shown under Advances from Indian Navy for Indigenous Aircraft Carrier.
- (ii) Maintenance spares included in the inventory represent spares of general nature and are not related to a particular asset.

Note 13 : Trade Receivables-Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables considered good - Unsecured	28,823.21	39,233.68
Trade Receivables which have significant increase in Credit Risk	13,588.08	13,123.16
Less: Allowance for Expected credit loss	(13,588.08)	(13,123.16)
Trade Receivables - credit impaired	-	-
Total	28,823.21	39,233.68

Trade receivables are non-interest bearing and receivable in normal operating cycle.

Movement in the expected credit loss allowance

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	13,123.16	9,263.32
Add: Provision made/transfer during the year	4,149.68	4,187.29
Less: Amount collected/reversal of provision	3,684.76	327.45
Closing Balance	13,588.08	13,123.16

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 14 : Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	-	
Balance with Banks		
In current account	6,061.15	19,172.20
In current account on behalf of Indian Navy	3,641.02	30,626.67
In current account out of IPO Proceeds	5.04	5.09
Term deposits with original maturity of less than three months	22,088.26	35,300.00
Term deposits with original maturity of less than three months out of IPO Proceeds	8,485.71	12,730.00
Term deposits with original maturity of less than three months earmarked for objects of IPO	44,570.45	-
Total	84,851.63	97,833.96

Funds received from Indian Navy for the construction of Indigenous Aircraft Carrier are held in a separate account and is separately disclosed.

Note 15 : Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lien Marked Term deposits with original maturity of less than three months*	18,993.08	
Term Deposits with banks with original maturity more than 3 months and less than 12 months**	57,080.19	130,332.97
Term Deposits with banks with original maturity more than 3 months and less than 12 months out of IPO Proceeds	5,050.00	24,108.86
Term Deposits with banks with original maturity more than 3 months and less than 12 months earmarked for objects of IPO	51,597.00	-
Earmarked balances (Unpaid Dividend account)	20.00	9.54
Total	132,740.27	154,451.37

* Deposits with banks with maturity less than three months include ₹ 18993.08 lakhs lien marked deposits in favour of Union Bank of India for maintaining cash margin towards the Non-Fund based credit facilities granted to the Company.

** Deposits with banks with maturity upto 12 months, include ₹ 87.34 lakhs (previous year ₹ 82.29 lakhs) lien marked in favour of The Registrar of High Court of Kerala.

** Deposits with banks with maturity up to 12 months include ₹ 33,000.00 lakhs lien marked in favour of Union Bank of India for maintaining cash margin towards the Non-Fund based credit facilities granted to the Company.

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 16 : Loans - Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Loans to related parties	-	-
Other employees	30.97	39.21
Total	30.97	39.21

No significant increase in credit risk or credit impairment

Note 17 : Other Financial Assets - Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on fixed deposits	3,122.61	3,684.00
Interest accrued from Others	153.58	153.58
Interest accrued on employee advances		
Related parties		0.36
Other employees	15.99	19.85
Fixed Deposit with HDFC Ltd	-	19,500.00
Total	3,292.18	23,357.79

Note 18 : Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured advances		
Advances other than capital advances		
Advances to related party	0.84	1.01
Other advances	11,525.24	16,281.77
Advances considered doubtful	0.07	0.07
	11,526.15	16,282.85
Less: Provision for doubtful advances	0.07	0.07
	11,526.08	16,282.78
Others		
Contract Assets for IAC works	60,570.53	
Contract Assets for other works	30,980.80	21,716.35
Balance with Sales Tax department and CBEC	474.80	422.11
Miscellaneous deposits	17.26	13.94
Prepaid expenditure	463.98	384.52
Input Tax Credit on GST	54,194.03	22,926.42
Miscellaneous current assets	1,246.47	1,340.74
Total	159,473.94	63,086.86

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 19 : Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised				
Equity shares of ₹ 10/- each	250000000	25,000.00	250000000	25,000.00
Issued, Subscribed and Fully paid up				
Equity shares of ₹ 10 each fully paid up	131540390	13,154.04	131540390	13,154.04
Total	131540390	13,154.04	131540390	13,154.04

19.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹ in lakhs	Number	₹ in lakhs
Equity Shares outstanding at the beginning of the year	131540390	13,154.04	135936000	13,593.60
Add : shares issued during the year	0	0.00	0	0.00
Less : Shares bought back during the year	0	0.00	4395610	439.56
Equity Shares outstanding at the end of the year	131540390	13,154.04	131540390	13,154.04

Terms & Rights attached to Equity shares: The Company has only one class of equity shares having a face value of ₹10 per share which is fully paid up. Equity shareholders are eligible for one vote per share held, and are entitled to dividends as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend proposed by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

19.2 Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares held	% of holding	Number of Shares held	% of holding
The President of India	95843464	72.86	98934442	75.21
Nippon Life India Ltd (Formerly Reliance Capital Trustee Co. Ltd).	10795352	8.21	8323743	6.33

Govt of India has transferred 3090978 equity shares (aggregating to 2.35% of paid up capital) on Feb 3,2020 to the Asset Management Company , Nippon Life India Ltd formerly known as Reliance Capital Trustee Company Ltd through the Department of Investment and Public Asset Mangement (DIPAM) in connection with the issue of CPSE ETF FFO - 6 and in accordance with the SEBI Regulations ,1996 and other applicable laws,rules and regulations as framed from time to time

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 20 : Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserves	263.56	263.56
Capital Redemption Reserve	12,353.76	12,353.76
Securities Premium	93,152.32	93,152.44
Debenture Redemption Reserve	1,668.44	1,524.27
General Reserve	6,322.75	6,322.75
Retained Earnings	246,264.63	206,436.99
Total	360,025.46	320,053.77

Movement of each item in Other Equity is detailed in Statement of Changes in Equity

Capital Reserve: Capital reserve represents restoration charges received from Ms Indian Oil Corporation Ltd for laying pipe line through the Company's land.

Capital Redemption Reserve: Capital Redemption Reserve of ₹ 12353.76 includes ₹ 11914.20 lakhs being reserves created on redemption of preference shares and ₹ 439.56 lakhs being a sum equal to the nominal value of the shares bought back, which will be utilised for the purpose defined under the Companies Act 2013.

Securities Premium: Premium on tax free bonds is amortised on straight line basis over the period of bonds. The company had completed the Initial Public Offer (IPO) during 2017-18 and had allotted 22656000 equity shares of ₹ 10 each at premium (₹ 93929.76 lakhs). Expenses incurred net of deferred tax adjustment towards such allotment of shares amounting ₹ 777.93 lakhs has been debited in Securities Premium in accordance with the requirements of Indian Accounting Standard (Ind AS) 32- Financial Instruments.

Debenture Redemption Reserve: The Company was hitherto creating Debenture Redemption Reserve at 25% of the value of bonds issued by the company over the maturity period of such debentures in accordance with Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 and as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008. As per the amendment made to the Companies (Share Capital and Debentures) Rules, 2014 notified vide Notification No. G.S.R. 574(E) by the Ministry of Corporate Affairs, the company is not required to create Debenture Redemption Reserves in respect of the bonds issued by it. However, the Debenture Redemption Reserve already created up to 30.09.2019, ₹ 1668.44 Lakhs, shall be retained in the books till the time of redemption of the bonds.

Interim dividend : During the year, the Company paid an interim dividend of ₹ 1.63 per equity share of face value of ₹ 10 as recommended at the board meeting held on November 12, 2019

Proposed dividend : The Board of Directors of the Company have recommended a final dividend of ₹ 15 /- per equity share of face value of ₹ 10/- for the financial year ended March 31, 2020 at the board meeting held on June 20, 2020.

Note 21 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Bonds - (Secured)		
At amortised cost		
Tax Free Redeemable Non Convertible Bonds -Series 2013-14	12,300.00	12,300.00
Total	12,300.00	12,300.00

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Tax Free Infrastructure Bond Series 2013-14

- a) Tranche 1: 1000 bonds of face value of ₹10 lakhs totalling ₹10000 lakhs with interest rate of 8.51% payable annually, redeemable at par, due for redemption on 02nd December 2023
- b) Tranche 2: 230 bonds of face value of ₹10 lakhs totalling ₹ 2300 lakhs with interest rate of 8.72% payable annually, redeemable at par, due for redemption on 28th March 2029 .

These bonds are secured against the landed properties of the Company admeasuring 197.12 ares (487.00 cents) made up of 34.30 ares in Sy No. 713/11, 23.57 ares in Sy No. 713/12, 59.12 ares in Sy No. 713/13, 50.18 ares in Sy No. 714/06, 10.12 ares in Sy No. 714/2, 8.90 ares in Sy No. 714/4 and 10.93 ares in Sy No. 714/5 of land all are lying contiguously in Elamkulam village, Kanayannur taluk, Ernakulam Dist, Kerala.

Utilisation : Out of the issue proceeds of ₹ 12300 lakhs received, the Company has fully utilised/adjusted funds towards various expenditure incurred on International Ship Repair Facility (ISRF) project.

Difference between carrying amounts and fair values of financial liabilities of borrowings is not significant in each of the year presented.

Note 22: Other Financial liabilities - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Payable to Chennai Port Trust	261.22	261.22
Lease Liabilities - Ind AS 116	37,325.69	-
Total	37,586.91	261.22

Liability of ₹ 261.22 lakhs to Chennai Port Trust in respect of customs duty is covered by a refund appeal lying before Commissioner (Appeals) which is also shown as deposits with Customs department under Note No. 11

Note 23: Provisions - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits - Compensated absences (Refer Note No 33)	2,872.20	2,428.71
Total	2,872.20	2,428.71

Note 24: Other non current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Income arising from Government Assistance	11.45	12.59
Total	11.45	12.59

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 25 : Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables (Unsecured)		
Outstanding dues of Micro enterprises and Small enterprises	686.52	725.36
Outstanding dues of creditors other than Micro enterprises and Small enterprises	41,185.27	33,933.75
Total	41,871.79	34,659.11

To the extent, the Company has received intimation from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details of trade payables are provided as under:

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Amount remaining unpaid to supplier at the end of each accounting year;		
Principal	686.52	725.36
Interest on above Principal	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to supplier beyond the appointed day during each accounting year;		
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small, and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small, and Medium Enterprises Development Act, 2006;	-	-

Note 26 : Other Financial Liabilities - Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due	281.95	281.98
Unpaid Dividend	20.00	9.54
Lease Liabilities	2,433.83	
Others		
Security and other deposits	3,313.51	3,043.15
Others Payables	11,217.03	9,666.55
Total	17,266.32	13,001.22

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 27 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liability for Indigenous Aircraft Carrier works (Net)	-	30,830.24
Contract Liability for other works	113,330.88	52,634.04
Advances for other ship building contracts	114.21	8.23
Advances for ship repair and others	586.08	689.51
Income received in advance	25.33	24.34
Statutory dues	2,023.86	2,115.35
Deferred Income arising from Government Assistance	1.14	1.14
Total	116,081.50	86,302.85

Refer Note No 39 on Ind AS 115 "Revenue from Contract with Customers"

Note 28 : Provisions - Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee benefits		
Gratuity	1,048.51	607.90
Compensated absences (Refer Note No 33)	533.22	464.29
Others	-	2,997.00
	1,581.73	4,069.19
Other Provisions		
Taxes and duties	209.12	211.61
Provision for shipbuilding loss	5,287.00	205.00
Expenditure / contingencies	31,059.28	32,446.60
	36,555.40	32,863.21
Total	38,137.13	36,932.40

28.1 Details of movement of provisions

(₹ in lakhs)

Particulars	As at 01.04.2019	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2020
Provision for employee benefits					
Gratuity	607.90	440.61			1,048.51
Compensated absences	464.29	68.93			533.22
Others	2,997.00	-	(2,997.00)		0.00
Provision for taxes and duties	211.61	0.17	(2.66)		209.12
Provision for shipbuilding loss	205.00	5,287.00		(205.00)	5,287.00
Provision for expenditure / contingencies	32,446.60	29,783.06	(26,117.27)	(5,053.11)	31,059.28

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

Particulars	As at 01.04.2018	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2019
Provision for employee benefits					
Gratuity	2,361.78		(1,753.88)		607.90
Compensated absences	383.78	80.51			464.29
Others	1,220.93	1,796.04	(31.24)	11.27	2,997.00
Provision for taxes and duties	196.48	17.93	(2.80)	-	211.61
Provision for shipbuilding loss	548.22	205.00	0.00	(548.22)	205.00
Provision for expenditure / contingencies	23,203.74	26,675.55	(15,461.89)	(1,970.80)	32,446.60

Note 29 : Revenue from operations

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Sale of products		
Ship building:		
Indigenous Aircraft Carrier (IAC)	237,746.87	175,676.28
Vessels other than IAC	46,206.78	37,341.68
Engineering works	-	-
	283,953.65	213,017.96
Sale of services		
Ship repairs	56,856.75	83,197.46
	56,856.75	83,197.46
Other operating revenue		
Sale of stock items	-	0.45
Ship Building Financial Assistance	835.57	-
Sale of scrap	603.42	344.46
	1,438.99	344.91
Total	342,249.39	296,560.33

Refer Note No 39 on Ind AS 115 "Revenue from Contract with Customers"

The Company signed the Phase III Part of Contract for Construction of Indigenous Aircraft Carrier on October 31, 2019

The Company has considered the lock down period due to COVID 19 as Force Majeure for computation of Liquidated Damages while calculating Revenue from operations

Govt. of India approved a Financial Assistance Policy for Indian Shipyards on 9th December 2015 for grant of financial assistance to Indian Shipyards for shipbuilding contracts signed between April 1, 2016 to March 31, 2026. Eligibility for this Assistance based on measurement of physical performance completed to date is accounted for .

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 30 : Other Income

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Training facilities	304.29	423.67
Income from sale of scrap and stores	246.42	260.62
Profit on sale of fixed assets	-	-
Income from laboratory services	33.77	35.77
Rent received	303.34	154.32
Hire charges received	5.90	7.71
Interest on bank deposits	14,827.83	17,377.34
Interest from others	1,897.34	1,217.59
Dividend income from equity investments/ Mutual Funds	0.89	163.34
Profit on sale of Mutual Funds	235.30	711.52
Net gain on foreign currency transactions	-	88.65
Provision no longer required	5,159.25	1,916.36
Miscellaneous income	1,735.70	371.53
Total	24,750.03	22,728.42

Miscellaneous income includes ₹ 1.14 lakhs being deferred government assistance in the form of subsidy relating to installation of Solar Power plant inside the yard. The same has been accounted as per the requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

Note 31 : Cost of Materials Consumed

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Raw Materials		
Steel	5,760.00	5,487.11
Pipe	798.84	1,029.04
Paint	1,495.32	1,223.54
Bought out components	171,545.66	142,689.33
Total	179,599.82	150,429.02

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 32 : Sub Contract and Other Direct Expenses

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Sub contract and off loaded jobs	28,818.23	25,026.31
Hull insurance	530.97	208.89
Other direct expenses	7,207.78	12,763.53
Total	36,556.98	37,998.73

Note 33 : Employee Benefits Expense

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Salaries, wages, bonus/exgratia and allowances	26,145.73	24,044.00
Contribution to Provident Fund and Family Pension Fund	2,020.40	1,585.78
Gratuity	305.67	310.06
Staff welfare expenses	2,095.52	1,815.81
Total	30,567.32	27,755.65

Contribution to Provident Fund and Family Pension Fund includes provident fund inspection and administration charges ₹ 20.52 lakhs (previous year ₹17.72 lakhs)

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of half pay compensated absences for workmen amounting to ₹ 512.42 lakhs (previous year ₹ 243.52 lakhs)

Employee benefit expenses includes ₹ 33.03 Lakhs (previous year ₹ 52.25 Lakhs) being secondment to subsidiary (Hooghly Cochin Shipyard Ltd)

The employee benefits accruing to the employees on deputation from Cochin Port Trust and Mumbai Port Trust are being accounted based on demands received from Cochin Port Trust & Mumbai Port Trust as per tripartite agreement between the Company, Cochin Port Trust & Mumbai Port Trust and the recognised Trade unions of the Port and not based on actuarial valuation except for gratuity which is actuarially valued for 2019-20.

Other Benefit Plan - Compensated absences

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate (p.a)	6.66%	7.68%
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate- Half Pay Leave	Officers & Supervisors 0.7% Workers 0.7%	Officers & Supervisors 0.24% Workers 0.24%
Attrition Rate- Earned Leave	Officers & Supervisors 0.7% Workers 0.7%	Officers & Supervisors 0.6% Workers 0.1%

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Particulars	As at March 31, 2020	As at March 31, 2019
Average Duration of Defined Benefit Obligation (In years)	7.94	6.95

Amount recognised in the Statement of Profit and Loss in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Service Cost:		
Current Service Cost	213.89	208.51
Net Interest expense	196.63	187.28
Actuarial (Gain)/Loss recognised during the period	767.32	294.80
Expenses recognised in the statement of profit and loss	1177.84	690.59

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Present Value of Defined Benefit Obligation at end of the year	3405.42	2893.00
Fair Value of Plan Assets at the end of the year	-	-
Net Liabilities /(Assets) recognized in the Balance Sheet	3405.42	2893.00

Type of Employee Benefit	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Current Component of PVO	533.22	464.29
Non-Current Component of PVO	2872.20	2428.71
TOTAL PVO	3405.42	2893.00

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Defined Benefit Obligation at beginning of the year	2893.00	2649.48
Current & Past Service Cost	213.89	208.51
Current Interest Cost	196.63	187.28
Actuarial (Gain)/ Loss	767.32	294.8
Benefits paid	(665.42)	(447.07)
Defined Benefit Obligation at end of the year	3,405.42	2,893.00

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/ Loss	-	-
Contributions from the employer	665.42	447.07
Benefits paid	(665.42)	(447.07)
Fair Value of the Assets at the end of the year	-	-

Expected Contributions in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Year 1	484.41	390.26
Year 2	83.24	121.25
Year 3	203.95	242.21
Year 4	86.45	174.57
Year 5	74.63	68.06
Next 5 Years	472.06	376.12

"NA " denoted " Not Available"

Expected Benefit Payments in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Year 1	484.41	390.26
Year 2	83.24	121.25
Year 3	203.95	242.21
Year 4	86.45	174.57
Year 5	74.63	68.06
Next 5 Years	472.06	376.12

Sensitivity Analysis - Half Pay Leave

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
A. Discount Rate + 50 BP	7.16%	8.18%
Defined Benefit Obligation [PVO]	355.85	285.32
Current Service Cost	104.81	104.84
B. Discount Rate - 50 BP	6.16%	7.18%
Defined Benefit Obligation [PVO]	389.41	310.74
Current Service Cost	113.84	114.18

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	389.98	311.30
Current Service Cost	113.99	114.39
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	355.23	284.73
Current Service Cost	104.64	104.62
BP denotes "Basis Points"		

Sensitivity Analysis - Earned Leave

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
A. Discount Rate + 50 BP	7.16%	8.18%
Defined Benefit Obligation [PVO]	2,927.06	2,516.47
Current Service Cost	130.04	113.29
B. Discount Rate - 50 BP	6.16%	7.18%
Defined Benefit Obligation [PVO]	3,148.26	2,680.38
Current Service Cost	142.08	122.79
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	3,151.90	2,683.94
Current Service Cost	142.28	123.00
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	2,922.90	2,512.62
Current Service Cost	129.82	113.07
BP denotes "Basis Points"		

Defined Benefit Plan-Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows (Head office):

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Discount Rate (p.a)	6.66%	7.68%
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate	Officers & Supervisors 0.7% Workers 0.7%	Officers & Supervisors 0.6% Workers 0.1%
Expected Rate of Return on Plan Asset	6.66%	7.68%

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Average Duration of Defined Benefit Obligations (In years)	7.21	6.17

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Service Cost:		
Current Service Cost	223.48	235.84
Past Service Cost	-	-
Net Interest expense	23.34	72.04
Components of defined benefit costs recognised in statement of profit and loss	246.82	307.88
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	636.50	352.70
Difference between Actual Return and Interest income on Plan assets (gain)/loss	165.18	(52.69)
Components of defined benefit costs recognised in Other Comprehensive Income	801.68	300.01

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Present Value of Defined Benefit Obligation at end of the year	5,240.37	5,078.90
Less: Fair Value of Plan Assets at the end of the year	4,191.87	4,471.00
Net Liabilities /(Assets) recognized in the Balance Sheet	1,048.50	607.90

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Defined Benefit Obligation at beginning of the year	5,078.89	5,077.72
Current Service Cost	223.48	235.84
Current Interest Cost	349.80	355.60
Past Service Cost	-	-
Actuarial (Gain)/ Loss	636.50	352.70
Benefits paid	(1,048.30)	(942.97)
Defined Benefit Obligation at end of the year	5,240.37	5,078.89

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Fair Value of Plan Assets at the beginning of the year	4,471.00	3,211.31
Expected Return on Plan Assets	326.46	283.56
Actuarial Gain/(Loss)	(165.18)	52.69
Contributions from the employer	607.90	1,866.41
Benefits paid	(1,048.32)	(942.97)
Fair Value of the Assets at the end of the year	4,191.86	4,471.00

Expected Contributions in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

"NA " denoted " Not Available"

Expected Benefit Payments in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Year 1	1,942.66	1,640.47
Year 2	293.47	465.71
Year 3	698.96	1,064.38
Year 4	327.89	648.22
Year 5	240.10	283.78
Next 5 Years	1,242.55	1,144.17

Sensitivity Analysis

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
A. Discount Rate + 50 BP	7.16%	8.18%
Defined Benefit Obligation [PVO]	5,071.31	4,939.22
Current Service Cost	236.07	211.20
B. Discount Rate - 50 BP	6.16%	7.18%
Defined Benefit Obligation [PVO]	5,423.06	5,228.76
Current Service Cost	269.81	236.99
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	5,403.33	5,217.60

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Current Service Cost	267.13	233.60
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	5,086.36	4,947.91
Current Service Cost	238.93	213.33
BP denotes "Basis Points"		

MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)

Government of India Securities	29.90%	29.42%
State Government Securities	30.96%	34.62%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	10.90%	9.72%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.25%	0.23%
Others (to specify)	27.99%	26.01%
Total	100.00%	100.00%

The plan assets are managed by the Gratuity Trust formed by the Company.

The principal assumptions used for the purpose of actuarial valuation of International Ship Repair Facility (ISRF) and CSL Mumbai Ship Repair Unit (CMSRU) were as follows:

Particulars	For the year ended Mar 31, 2020
Discount Rate (p.a)-ISRF	6.00%
Discount Rate (p.a)-CMSRU	5.70%
Rate of increase in compensation levels	3.00%
Attrition Rate	2.00%
Expected Rate of Return on Plan Asset	NA

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020
Service Cost:	
Current Service Cost	45.08
Past Service Cost	-
Net Interest expense	13.77
Components of defined benefit costs recognised in statement of profit and loss	58.85
Remeasurement of the net defined benefit liability:	
Actuarial (Gain)/Loss on Plan Obligations	(4.08)
Difference between Actual Return and Interest income on Plan assets (gain)/loss	
Components of defined benefit costs recognised in Other Comprehensive Income	(4.08)

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020
Present Value of Defined Benefit Obligation at end of the year	238.83
Less: Fair Value of Plan Assets at the end of the year	-
Net Liabilities /(Assets) recognized in the Balance Sheet	238.83

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020
Defined Benefit Obligation at beginning of the year	184.06
Current Service Cost	45.08
Current Interest Cost	13.77
Past Service Cost	-
Actuarial (Gain)/ Loss	(4.08)
Benefits paid	-
Defined Benefit Obligation at end of the year	238.83

ISRF & CMSRU gratuity is self managed by the Company.

Expected Contributions in Following Years [mid-year cash flows]

Year	ISRF	CMSRU
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA
"NA " denoted " Not Available"		

Expected Benefit Payments in Following Years [mid-year cash flows]

Year	ISRF	CMSRU
Year 1	14.49	1.17
Year 2	36.69	2.88
Year 3	25.21	3.80
Year 4	32.45	2.41
Year 5	11.80	1.04
Next 5 Years	104.08	2.83

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Sensitivity Analysis

Particulars	ISRF	CMSRU
A. Discount Rate + 100 BP	7.00%	6.70%
Defined Benefit Obligation [PVO]	215.49	13.74
Variation	-4.10%	-2.73%
B. Discount Rate - 100 BP	5.00%	4.70%
Defined Benefit Obligation [PVO]	234.79	14.53
Variation	4.48%	2.91%
C. Salary Escalation Rate + 100 BP	4.00%	4.00%
Defined Benefit Obligation [PVO]	234.83	14.53
Variation	4.50%	2.92%
D. Salary Escalation Rate - 100 BP	2.00%	2.00%
Defined Benefit Obligation [PVO]	215.30	13.73
Variation	-4.19%	-2.78%
BP denotes "Basis Points"		

Note 34 : Finance Costs

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Bank interest	-	-
Interest expense on lease liabilities	3,406.62	
Interest others	1.35	378.67
Interest on tax free bonds	1,051.44	1,051.44
Total	4,459.41	1,430.11

Note 35 : Depreciation and Amortisation Expense

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Depreciation on property, plant and equipments	2,979.02	2,846.27
Depreciation on RoU Assets	1,390.34	-
Amortisation of other intangible asset	293.50	321.06
Total	4,662.86	3,167.33
Add : Loss on revaluation of tools	210.26	248.20
Total	4,873.12	3,415.53

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 36 : Other Expenses

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Consumption of stores	2,087.39	1,780.37
Consumption of spares	47.44	52.76
Rates and taxes	19.66	16.48
Power	2,134.70	1,998.38
Fuel	792.76	861.66
Water	242.26	223.26
Repairs and maintenance:		
Building and roads	638.75	652.75
Plant and machinery	104.92	46.96
Others	1,062.04	1,269.74
Maintenance dredging	299.50	540.50
Transport and stores handling	167.05	129.21
Travelling and conveyance expenses	849.58	496.00
Printing and stationery	98.66	88.02
Postage, telephone and telex	64.03	39.66
Advertisement and publicity	477.30	637.38
Lease rent	11.58	1,214.78
Guaranteed Amount under lease agreement	-	12.21
Hire charges	363.50	640.06
Insurance charges	427.26	367.45
Security expenses	1,393.59	1,437.53
Payments to Auditors	24.50	24.15
Training expenses	624.37	658.39
Legal expenses	58.07	16.64
Consultancy	130.46	176.48
Bank charges	496.09	112.62
Net loss on foreign currency transactions	502.01	-
Corporate social responsibility (Refer Note no.46)	1,270.94	1,041.16
Loss on sale/write off of property, plant and equipments	1.87	16.09
Miscellaneous expenses	1,618.13	1,346.46
Total	16,008.41	15,897.15

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Auditors remuneration, Auditors remuneration for other services and Miscellaneous expenses include:

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
For Audit Fees	12.50	12.50
For Limited Review/other services	7.50	6.00
For Certifications	4.50	5.65
Total	24.50	24.15

Note 37 : Provision for Anticipated Losses and Expenditure

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Provision for:		
Doubtful debts / advances	3,286.89	6,600.24
Non moving / perpetual inventory verification	1.98	128.62
Expenses and contingencies	220.91	291.18
Provision for loss on Ship Building	5,082.00	205.00
Total	8,591.78	7,225.04

Note 38 : Earnings per Equity Share

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Net Profit after tax (₹ in lakhs)	63,768.75	48,117.79
Basic and Diluted Earnings Per Share (EPS) (in ₹)	48.48	35.72
Face value per share (in ₹)	10.00	10.00

Note 39: Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers"

Disclosures of Disaggregated revenue as per INDAS 115

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Revenue from Contracts with customers		
A. Revenue from goods or services transferred over time		
(i) Sale of products (Including Excise Duty Nil)		
Ship building:		
Indigenous Aircraft Carrier (IAC)	237746.87	175676.28
Vessels other than IAC	46206.78	37341.68
Engineering works	0.00	0.00
Other operating revenue		
Ship Buildng Financial Assistance	835.57	0.00

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
(ii) Sale of services		
Ship repairs	56856.75	83197.46

B. Revenue from goods or services transferred to customers at a point in time

Other operating revenue		
Sale of Ship Building Scrap	437.29	183.66
Sale of Ship Repair Scrap	166.13	160.80
Sale of stock items		0.45
Total	342249.39	296560.33

Details of transaction price allocated to unsatisfied/ partially satisfied performance obligations:

Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period amounts to ₹ 925080.07 lakhs (excluding Cost Plus Part of IAC contract). The amount of transaction price relating to unsatisfied performance obligation that are part of a contract that has an original expected duration of one year or less has not been included in the above disclosure as permitted under Ind AS 115. Further the estimate of the transaction price as above would not include any estimated amounts of variable consideration that are constrained. Management expects that 21.71 % of transaction price allocated to unsatisfied/ partially satisfied contracts as of 31.03.2020, as stated above, will be recognised as revenue during FY 2020-21 and the remaining thereafter.

During the year ended March 31, 2020 the Company recognised revenue of ₹ 53210.54 lakhs arising from opening Contract Liability as of April 01, 2019

Reconciliation of contracted price with revenue during the year

Particulars	As at March 31, 2020
Opening contracted price of orders as at April 1, 2019*	1176242.66
Add:	0.00
Fresh orders/change orders received (net)	341069.70
Increase due to additional consideration including Shipbuilding Financial assistance	7920.74
Increase due to exchange rate movements (net)	1430.22
Less:	0.00
Other deductions including variations, change orders etc.	13747.52
Orders completed during the year	8176.29
Closing contracted price of orders as at March 31, 2020	1504739.51
Total Revenue recognised during the year:	136469.80
Less: Revenue out of orders completed during the year	6709.06
Revenue out of orders under execution at the end of the year (I)	129760.74
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	449884.96
Decrease due to exchange rate movements (net) (III)	0.00
Balance revenue to be recognised in future viz. Order book (IV)	925093.81
Closing contracted price of orders as at March 31, 2020 (I+II+III+IV)	1504739.51

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Note 40: Additional Disclosures under Ind AS 116-"Leases"

Indian Accounting Standard (Ind AS 116) "Leases" became effective from April 01, 2019 and the Company has adopted the same using modified retrospective transition method. Accordingly, the comparatives have not been retrospectively adjusted. This has resulted in recognition of RoU assets of ₹ 39271.03 Lakhs, lease liability of ₹ 37325.69 Lakhs, additional finance cost of ₹ 3406.62 Lakhs, additional depreciation of ₹ 1390.34 Lakhs, additional lease rent income (as a lessor) of ₹ 28.93 Lakhs and accrued lease rent asset (as a lessor) of ₹ 28.93 Lakhs for the year ended March 31, 2020. The actual lease rentals paid and received which were hitherto recognised as expense and income are now accounted as reduction in lease liability and adjustment to accrued lease rent. Overall, it has resulted in a reduction of profit for the year ended March 31, 2020 by ₹ 1775.17 Lakhs.

Rent and Hire charges Expense includes expense incurred for the year ended 31.03.2020 relating to Short term leases and leases of low value assets amounting to ₹ 35.61 lakhs

Total Cash outflow for leases for the year ended March 31, 2020 including outflow for short term and low value leases is ₹ 2390.86 lakhs

The Company has lease term extension options that are not reflected in the measurement of lease liabilities.

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows

Particulars	As at March 31, 2020	As at March 31, 2019
Less than one year	2,440.69	2,276.26
One to five years	10,686.34	10,052.42
More than five years	122,762.30	123,386.54
Total	135,889.33	135,715.22

The details of the contractual maturities of leased assets as at March 31, 2020 on an undiscounted basis are as follows

Particulars	As at March 31, 2020
Less than one year	182.35
One to five years	465.19
More than five years	326.87
Total	974.41

NOTES ON ACCOUNTS

Note 41: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	For the period ended 31 Mar 2020	For the period ended 31 Mar 2019	Brief Description of the nature and obligation
	(₹ in Lakhs)	(₹ in Lakhs)	
A			
CONTINGENT LIABILITY (To the extent not provided for)			
a			
Guarantees			
i			
Letters of Credit	13,345.68	23,005.41	Represents Letter of Credit opened by the Company in various banks for procurement of materials/assets
ii			
Bank Guarantees	272,384.71	151,295.89	

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Particulars		For the period ended 31 Mar 2020	For the period ended 31 Mar 2019	Brief Description of the nature and obligation
iii	Corporate Performance Guarantee to Cochin Port Trust	3,925.00	3,925.00	Performance guarantee given by Company to CoPT for performance of obligations under the contract agreement entered with CoPT during the contract period.
b	Other money for which the company is contingently liable			
i	Greater Cochin Development Authority (GCDA)	69.06	69.06	Claim raised by GCDA for the land acquired for the Company is settled. However 8 land acquisition revision petition cases (Valued at ₹ 69.06 lakhs) filed by evictees is pending with the Hon'ble Supreme Court and High Court.
ii	Customs duties	21,930.58	16,532.69	Customs duty for materials under Bond and indigenous vessels delivered. Includes an amount of ₹ 69.83 lakhs being Customs duty refund granted by CESTAT, Bangalore, against which an appeal was filed by the Department before the Hon'ble High Court of Kerala. The Hon'ble High Court of Kerala has since disposed off the appeal with a direction to the Department to prefer the appeal before the Hon'ble Supreme Court of India. In absence of any further information on the departmental appeal, the same has been retained as Contingent Liability. It also includes an amount of ₹ 5857.03 lakhs being differential IGST demanded on imports made by the company
iii	Sales Tax/Kerala Value Added Tax	657.51	1,259.75	2000-01 - ₹ 111.93 Lakhs 2001-02 - ₹ 73.44 Lakhs 2004-05 - ₹ 195.67 Lakhs 2007-08 - ₹ 276.47 Lakhs (Under appeal.) Stay of collection of tax obtained in all cases. Demand reduced to the extent of amount paid and appeal allowed by Deputy Commissioner (Appeals). Detailed notes in Note no. 41.1 (II & III)

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Particulars		For the period ended 31 Mar 2020	For the period ended 31 Mar 2019	Brief Description of the nature and obligation
		12.10	12.10	VAT credit for the year 1996-97 which has not been considered in the demand, for which no provision exists in the books
iv	Income Tax	2,107.27	2,988.44	Demand relating to Assessment Years: AY 2010-11 - ₹ 457.63 Lakhs AY 2011-12 - ₹ 406.80 Lakhs AY 2014-15 - ₹ 911.07 Lakhs AY 2017-18 - ₹ 331.77 Lakhs Detailed notes in Note no. 41.1 (I)
v	Service Tax	1,647.47	1,647.47	Demand of Service Tax on IAC (Design Consultancy) as per Show Cause Notice issued. Adjudication pending
		376.88	376.68	Refund claim of Service Tax on IAC granted by Commissioner (Appeal). However Department filed Appeal before CESTAT against the order of Commissioner(Appeals). Also issued Show Cause Notice on CSL & adjudication pending.
		323.04	323.04	Demand of Service Tax on IAC (Management Fee/Handling Charges) as per Show Cause Notice issued. Adjudication pending
		2,339.64	2,339.64	Show Cause Notice issued for levy of service tax on ship repair without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Proceedings under the show cause has been dropped vide order no. COC-EXCUS-000-COM-18-17-18 dt 19.03.2018. Department filed appeal to CESTAT.
		1,885.60	1,885.60	Show Cause Notice issued for levy of Service Tax on the repair of vessels owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments. Proceedings under the show cause has been dropped vide order no. COC-EXCUS-000-COM-11-17-18 dt 07.03.2018. Department filed appeal to CESTAT.

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Particulars		For the period ended 31 Mar 2020	For the period ended 31 Mar 2019	Brief Description of the nature and obligation
		513.71	513.71	Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2015-16 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments.
v	Service Tax	734.93	-	Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2016-17 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments.
		79.22	79.22	Show Cause Notice issued for levy of service tax on ship repair during the period 2015-16 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit.
		286.85	-	Show Cause Notice issued for levy of service tax on ship repair during the period 2016-17 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit.
		279.46	279.46	Show Cause Notice issued for non payment of service tax on availing services of persons in non-taxable territory for meeting contractual warranty obligations and on cost of security provided to the transportation of Barge from Cochin to Abu Dhabi.
B	COMMITMENTS (To the extent not provided for)			
a	Estimated amount of contracts remaining to be executed on capital account and not provided for:	134,742.67	175,080.02	
b	Other commitments			

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Particulars		For the period ended 31 Mar 2020	For the period ended 31 Mar 2019	Brief Description of the nature and obligation
i	Investment in subsidiary (Hooghly Cochin Shipyard Ltd) for which the company has restriction for their disposal for 5 years from the effective date of the concession agreement.	2,135.34	1,628.00	
ii	Unutilised amount of Initial Public Offer (IPO) proceeds (Pending utilisation amount deposited with various banks in current account and term deposits)	4,737.06	30,802.81	Detailed notes in Note no. 42

41.1. CONTINGENCIES AND COMMITMENTS

(I) Income Tax Assessments

The Income Tax Assessment of the company have been completed up to AY 2017-18.

Demands raised as per the assessment orders totaling to ₹ 1406.41 lakhs for the Assessment Years 2010-11, 2011-12, 2014-15 and 2017-18 are shown under Contingent Liability pending disposal of the appeals filed before the Commissioner of Income Tax (Appeals). The demands are mainly due to disallowance of certain genuine claims. However the above demands have been adjusted against the refund due for the subsequent years.

For the Assessment years 2010-11 and 2011-12 although the appeals filed before the Commissioner of Income Tax (Appeals) has been disposed in favour of the company, the Income Tax Department has gone for appeal against the order of Commissioner of Income Tax (Appeals) before the ITAT, the amount involved under appeal before the ITAT amounts to ₹ 700.86 lakhs.

(II) Sales Tax Assessment under KGST Act

The Sales Tax assessments under Kerala General Sales Tax Act up to the Assessment Year 2004-05 have been completed and orders were issued for all the years except for the year 2002-03 & 2003-04. Due to apparent mistake in the orders issued for the year 2000-01 and 2001-02, applications have been filed for rectification of the orders. Pending rectification to the assessment orders the demands thereto have been shown under Contingent Liabilities. For the Assessment year 2004-05, the Deputy Commissioner (Appeals) has dismissed the appeal filed by the Company against the demand for ₹ 202.22 lakhs. The Company has filed appeal with the Tribunal.

(III) Sales Tax Assessments under KVAT Act

The KVAT assessments from Assessment Year 2005-06 to Assessment Year 2007-08 have been completed and assessment orders were issued for Assessment Year 2005-06 and Assessment Year 2007-08 with a demand of ₹ 2836.63 lakhs and ₹ 5554.71 lakhs respectively. The appeals filed by the Company against the above orders, before the Deputy Commissioner (Appeals) have been partially decided in favour of the Company and remanded for fresh assessments. Accordingly the demands as per the original assessment orders have become null. As such no demand

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

exists as on reporting date. Pending receipt of the revised assessment order, the company filed appeal before the Hon'ble KVAT Appellate Tribunal on the other issues. Tribunal has issued order in favour of CSL for the assessment year 2005-06. The appeal for assessment year 2007-08 is currently pending before the Tribunal. Assessment order for the year 2006-07 is pending.

42. The Utilisation of IPO proceeds is summarised below:

(₹ in lakhs)

Particulars	IPO proceeds received -Based on Final allotment	Actual cash outflow upto March 31, 2020	Unutilised amount as at March 31, 2020
Setting up of Dry Dock	51000.00*	46262.97	4737.03
Setting up of ISRF	26500.00*	26500.00	0.00
General corporate purposes	16523.26	16523.23	0.03
Issue related expenses (Attributable to the Company)	2172.10**	2172.10	0.00
Total	96195.36	91458.30	4737.06

* As per Prospectus Filed

** Increase in IPO expenditure (₹ 172.10 lakhs) compared to the estimates is adjusted against amount specified for General Corporate Purpose

43. The dispute between M/s Apeejay Shipping Ltd (formerly known as Surendra Overseas Ltd) and the Company, in the matter of ship 005 was referred for arbitration by the Hon'ble Supreme Court of India. The arbitration award (July 2009) was in favour of the Company under which the Company is to receive ₹2803.64 lakhs from M/s Apeejay Shipping Ltd. The company has filed a petition before Sub Court, Ernakulam for passing a decree. M/s Apeejay Shipping Ltd has moved to the Sub Court to quash the Award of the Umpire and the Company has filed Counter Affidavit against this move. The matter is pending before the court. No credit has been taken in the books of account, pending final decree of the Court.
44. Permanent Machinery for Arbitration, Department of Public Enterprises, Govt. of India, has notified award in favour of the Company in the dispute between the Company and M/s Oil and Natural Gas Corporation Ltd (ONGC) on the Works Contract Tax issue and ONGC has paid to the Company the disputed sum along with interest amounting to ₹2642.22 Lakhs as per the award. ONGC has gone on appeal before the Law Secretary, Ministry of Law & Justice against the award. Pending disposal of ONGC appeal, no adjustment has been made in the accounts.
45. Litigations : The Company is subject to legal proceedings and claims, in the ordinary course of business. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's results of operation.

Details of material litigations as on 31 March 2020

M/s. Vigil Marine Services in 2004 raised claims towards Agency Commission payable for winning orders for ATCO Tugs. The arbitration proceedings commenced on 10 Oct 2004. Examination and cross examination of witnesses completed and posted the matter for arguments on 01 and 02 Feb 2014. The Arbitrator completed the proceedings and passed his award directing the Company to pay commission to M/s Vigil Marine Services at the rate of 5% of the ATCO contract value of U S Dollar 18.25 Million with interest @ 8% per annum. Aggrieved on this CSL filed Original Suit No 187/2016 before Sub Court, Ernakulam and obtained an interim order staying execution of the award. However the Company has already provided for the principal amount and interest thereon.

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

46. **Corporate Social Responsibility (CSR)** : As per section 135 of the Companies Act 2013, CSR committee has been formed by the Company. The areas of CSR activity includes Health Care, Education, Social Empowerment, etc., and those specified in Schedule VII of the Companies Act 2013. The utilisation of CSR funds are done through direct spending as per the recommendations of CSR committee. Details of amount required to be spent and the amount utilised are given below:

(a) Gross amount required to be spent by the Company during the period ended March 31, 2020	₹ 1233.49 lakhs		
(b) Amount spent during the year	₹ 1270.94 lakhs	₹ in Lakhs	
Particulars		In cash	Yet to be paid in cash
(i) Construction/acquisition of any asset		824.63	-
(ii) On purposes other than (i) above		446.31	-
			Total
			824.63
			446.31

47. Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship	
	2019-20	2018-19
Shri Madhu S Nair Chairman & Managing Director	Key Managerial Personnel	Key Managerial Personnel
Shri Paul Ranjan D (Up to July 31, 2019) Director (Finance) & Chief Financial Officer	Key Managerial Personnel	Key Managerial Personnel
Shri Suresh Babu N V Director (Operations)	Key Managerial Personnel	Key Managerial Personnel
Shri Bejoy Bhasker Director (Technical)	Key Managerial Personnel	Key Managerial Personnel
Shri Jose V J (From August 01, 2019) Director (Finance) & Chief Financial Officer	Key Managerial Personnel	--
Shri Satinder Pal Singh (Upto February 03, 2020) Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel	Key Managerial Personnel
Shri Elias George (Upto April 20, 2018) Official Part Time (Nominee) Director, Government of Kerala	--	Key Managerial Personnel
Shri Sanjay Bandopadyaya (From February 03, 2020) Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel	--
Shri K R Jyothilal Official Part Time (Nominee) Director, Government of Kerala	Key Managerial Personnel	Key Managerial Personnel
Smt. Roopa Shekhar Rai (From July 29, 2019 to March 20, 2020) Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Radhakrishna Menon (From July 29, 2019 to March 20, 2020) Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Krishna Das E (From July 29, 2019 to March 20, 2020) Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Jiji Thomson Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Pradipta Banerjee Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Nanda Kumaran Puthezhath Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Smt V Kala (Upto January 31, 2020) Company Secretary	Key Managerial Personnel	Key Managerial Personnel
Shri Syamkamal N (From February 01, 2020) Company Secretary	Key Managerial Personnel	--
Hooghly Cochin Shipyard Limited (Principal place of business:Kolkata)	Subsidiary Company	Subsidiary Company with 74 % shareholding

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Nature of transaction-Remuneration to Key Managerial Person*

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Short term benefit	353.83	275.32
Post employment Benefit	38.89	34.13
Total	392.72	309.45

*Remuneration as on March 31, 2019 includes pay revision arrears w.e.f 01.01.2017

Nature of transaction-Loans/advances

(₹ in lakhs)

Name of Related Party	Opening Balance as on 1/4/2019	Loans/ advances Taken during 2019-20	Repay ment	Balance as on 31/03/20	Interest accrued as on 31/03/20
MADHU S NAIR	0.00	0.00	0.00	0.00	0.00
PAUL RANJAN D	0.15	0.00	0.15	0.00	0.00
SURESH BABU N V	0.19	0.50	0.49	0.20	0.00
BEJOY BHASKER	0.52	0.50	0.82	0.20	0.00
JOSE V J	0.18	0.50	0.48	0.20	0.00
KALA V	0.15	0.50	0.65	0.00	0.00
SYAMKAMAL N	0.18	0.60	0.54	0.24	0.00

(₹ in lakhs)

Name of Related Party	Opening Balance as on 1/4/2018	Loans/advances Taken during 2018-19	Repay ment	Balance as on 31/03/19	Interest accrued as on 31/03/19
MADHU S NAIR	0.91	0.00	0.91	0.00	0.00
PAUL RANJAN D	0.99	0.50	1.34	0.15	0.00
SUNNY THOMAS	0.82	0.00	0.82	0.00	0.00
SURESH BABU N V	0.95	0.60	1.36	0.19	0.00
BEJOY BHASKER	1.73	0.50	1.71	0.52	0.36
KALA V	0.77	0.50	1.12	0.15	0.00

Loan balances have been considered from the year of attaining KMP status.

Notes to the Standalone

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Nature of transaction-Sitting Fee to Independent Directors

(₹ in lakhs)

Name of the meeting	Roopa Shekhar Rai	Krishna Das E	Radhakrishna Menon	Jiji Thomson	Nandakumaran Puthezhath	Pradipta Banerji
Board Meeting	0.60	0.60	0.60	0.75	0.60	0.75
Audit Committee	0.00	0.30	0.30	0.30	0.45	0.30
Corporate Social Responsibility Committee	0.45	0.00	0.45	0.30	0.30	0.00
Nomination and Remuneration Committee	0.45	0.45	0.00	0.30	0.30	0.00
Contracts and Capex Committee	0.00	0.00	0.00	0.30	0.30	0.45
Strategic HR Committee	0.00	0.00	0.00	0.00	0.00	0.00
Committee for New Technology, Strategy and New Initiatives	0.00	0.00	0.00	0.00	0.00	0.15
Stakeholders Relationship Committee	0.00	0.15	0.00	0.00	0.00	0.00
Shipbuilding Software Price Negotiation Committee	0.00	0.00	0.00	0.00	0.30	0.15
Total payment for 2019-20	1.50	1.50	1.35	1.95	2.25	1.80

Nature of transaction - Transaction with other related parties

As CSL is a Government company under the control of Ministry of Shipping (MoS), the Company has availed exemption from detailed disclosures prepared under Ind AS 24 with respect to related party transactions with Government and Government related entities.

However, as required under Ind AS 24, following are the individually significant transactions:

Transactions with Government and Government related entities by the parent company.

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Secondment to subsidiary - Hooghly Cochin Shipyard Ltd.	33.03	52.25
Investment in NCDs issued by subsidiary - Hooghly Cochin Shipyard Ltd.	4400.00	4400.00
Amount payable to Government of India	235.40	235.40
Amount paid as dividend during the year to Govt. of India	14474.11	12234.24

In addition to the above, around 97.70 % of the companies turnover and 97.88 % (approx) of trade receivables and customer advance is with respect to Government and Government related entities.

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Shares held by Nominee Directors in HCSL on behalf of CSL

	As at March 31, 2020	As at March 31, 2019
	No of Shares	
MADHU S NAIR (First Director)	10	10
PAUL RANJAN D (First Director)	--	10
SURESH BABU N V (First Director)	10	10
BEJOY BHASKER (Director)	10	10
JOSE V J (Director)	10	--
KALA V (Subscriber to Memorandum)	--	10
SYAMKAMAL N (Company Secretary, CSL)	10	--
K J RAMESH (Subscriber to Memorandum)	10	10

48. FINANCIAL INSTRUMENTS

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level II inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level III inputs are unobservable inputs for the asset or liability.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required)

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

(₹ in lakhs)

Financial assets/ financial liabilities	Fair value as at		Fair Value hierarchy
	As at March 31, 2020	As at March 31, 2019	
Financial Assets			
Non Current			
(i) Investments	6,544.52	6,037.18	Level III
(ii) Loans	108.24	128.73	Level II
(iii)Others	864.50	-	Level II
Current			
(i) Trade Receivables	28,823.21	39,233.68	Level II
(ii)Cash & Cash equivalents	84,851.63	97,833.96	Level II
(iii)Bank Balances other than (ii)	132,740.27	154,451.37	Level II
(iv) Loans	30.97	39.21	Level II
(v)Others	3,292.18	23,357.79	Level II
Total Financial Assets	257,255.52	321,081.92	
Financial Liabilities			
Non Current			
(i) Borrowings	12,300.00	12,300.00	Level I
(ii) Other financial liabilities	37,586.91	261.22	Level II
Current			
(i) Trade Payables	41,871.79	34,659.11	Level II
(ii) Other financial liabilities	17,266.32	13,001.22	Level II
Total Financial Liabilities	109,025.03	60,221.55	

Note:

- The investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. The Company has chosen to designate these investments in equity instruments of Subsidiary at cost (as per Ind AS 27)and other equity instruments at FVTOCI(as per Ind AS 109), as the directors believe that this provides a more meaningful presentation of medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss. The investments in debt instruments are not held for trading. Upon the application of Ind AS 109, the Company has chosen to designate these investments at Amortised Cost

Investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

There were no transfers between Level 1 and 2 in the period.

- Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.
- The carrying amount of trade receivables, trade and other payables and short term loans are considered to be the same as their fair value due to their short term nature.

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented

Financial Instruments by category

(₹ in lakhs)						
	31st March 2020			31st March 2019		
	FVTPL	FVTOCI	Amortised Cost/At Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investments (Non-current)						
-Equity instruments		9.18	2,135.34		9.18	1,628.00
-Debt instruments			4,400.00			4,400.00
Investments (Current)						
-Mutual Funds						
Trade receivables			28,823.21			39,233.68
Cash & Cash equivalents			84,851.63			252,285.33
Bank Balances			132,740.27			
Other Financial Assets			4,295.89			23,525.73
Total Financial Assets	0.00	9.18	257,246.34	0.00	9.18	321,072.74
Financial liabilities						
Borrowings			12,300.00			12,300.00
Trade payables			41,871.79			34,659.11
Capital creditors						
Other financial liabilities			54,853.23			13,262.44
Total Financial Liabilities			109,025.03	0.00	0.00	60,221.55

49. Financial Risk Management Policy

Financial Risk Management Objective and Policies:

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables and advances from customers. The main purpose of these financial liabilities is to finance the Company's operations, projects under implementation and to provide guarantees to support its operations. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by under the supervision of the Forex Risk Management Committee by assigning necessary resources. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial Assets affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency risk of the company is managed through a properly documented risk management policy approved by the board.

Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of steel, major machineries, equipments etc. Therefore, the Company plans its purchases closely to optimise the price.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

50. Segment Reporting

The Company has identified two major operating segments viz, Shipbuilding and Repair of ships/ offshore structures. Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis.

Particulars	As at March 31, 2020	As at March 31, 2019
Segment Assets		
Ship building	292812.55	246394.20
Ship Repair	243285.53	195899.31
Others	104364.17	82062.66
Total	640462.25	524356.17
Segment Liability		
Ship building	67144.21	39406.47
Ship Repair	12715.35	25944.31
Others	187423.19	125797.58
Total	267282.75	191148.36
Segment Revenue		
Ship building	285226.50	213202.07
Ship Repair	57022.89	83358.26
Unallocated	24750.03	22728.42
Total	366999.42	319288.75
Segment Result		
Ship building	66459.10	44494.96
Ship Repair	14741.55	23789.32
Unallocated	5141.93	6853.24
Total	86342.58	75137.52

The Company has two major business segments – “Ship Building” and “Ship Repair”. Revenue under Ship building includes ₹ 237746.87 lakhs (Previous year: ₹ 206934.28 lakhs) from one customer (Previous year: two customers) having more than 10 % revenue of the total revenue, and for Ship repair includes ₹ 49582.22 lakhs (Previous year: ₹ 61572 lakhs) from three customers (Previous year: one customer) having more than 10% revenue of the total revenue.

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

51. Capital Management

The company's objective when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

For the purpose of capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The company is not subject to any externally imposed capital requirements.

To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings (including bonds).

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Long term borrowings	12300.00	12300.00
Net Debt	12300.00	12300.00
Equity Share Capital	13154.04	13154.04
Other equity	360025.46	320053.77
Total Equity	373179.50	333207.81
Gearing Ratio	3.30%	3.69%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

52. The Company has bid and submitted a Resolution Plan for Tebma Shipyard Limited (TSL) under the Corporate Insolvency Resolution Process (CIRP) commenced by the National Company Law Tribunal (NCLT), Chennai as per the provisions of the Insolvency and Bankruptcy Code, 2016. TSL is a Company engaged in construction and repair of ships for domestic and international clients having its facility in Malpe, Karnataka. The Resolution Plan submitted by CSL under the CIRP has been accepted by the Committee of Creditors (CoC) and NCLT has approved the same vide its final order dated on 04 Mar 2020. Due to the Covid -19 pandemic situation and pursuant lock down , CSL had filed a petition before NCLT Chennai for excluding the lock down period from calculation of the time specified for payment under the Resolution Plan. As the lock down period was not over at the time of filing of the petition , NCLT has vide its order dated 12 May 2020 directed CSL to approach it after cessation of the lock down period. CSL proposes to approach NCLT again after easing of lockdown restrictions in Chennai.
53. The impact of Coronavirus disease (COVID-19) continues to be an evolving human tragedy declared a global pandemic by the World Health Organisation (WHO). It is adversely affecting the health of people worldwide as well as on the state of economy and commerce. It continues to be a matter of major concern for all the business organizations. The impacts of the COVID-19 pandemic are unfolding in real time. The COVID-19 outbreak has already had a significant effect on the economies of affected countries and international financial markets. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operation at CSL's facilities and its subsidiaries was temporarily disrupted.

The operations of the Company was temporarily disrupted from 23rd March 2020 to 5th May 2020. CSL continues to work on a reduced scale of operations and expects an impact on the first quarter results of the financial year 2020-21. However, the Company expects to ramp up the production significantly in the ensuing quarters. The Company expects some delay in the running projects including Capex but impact is likely to be lessened by invocation and grant of the Force Majeure clause in the contract. The business landscape also presents a challenge because of the likely shelving/

Notes to the Standalone

Financial Statements for the year ended March 31, 2020

withholding of the pipeline projects by the potential clients but the Company expects sufficient business for it. The unfolding pandemic scenario still presents a challenge for the company in assessing the future.

The impact of COVID-19 may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

The operations of the Company was temporarily disrupted from 23rd March 2020 to 5th May 2020. CSL continues to work on a reduced scale of operations and expects an impact on the first quarter results of the financial year 2020-21. However, the Company expects to ramp up the production significantly in the ensuing quarters. The Company expects some delay in the running projects including Capex but impact is likely to be lessened by invocation and grant of the Force Majeure clause in the contract. The business landscape also presents a challenge because of the likely shelving/ withholding of the pipeline projects by the potential clients but the Company expects sufficient business for it. The unfolding pandemic scenario still presents a challenge for the company in assessing the future.

The impact of COVID-19 may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

54. In the case of contracts/ sub-contracts, wherever final bills are not submitted by the contractors for the work done as at the close of the year, liability is estimated and provided based on the work done.
55. Balance shown under Trade Receivables, Trade Payables , loans, deposits and claims are subject to confirmation and consequent reconciliation, if any
56. The Company has made adequate provision towards material foreseeable losses wherever required, in respect of long term contracts. The Company do not have any long term derivative contracts for which there were any material foreseeable losses.
57. Figures in brackets denote negative figures.
58. Previous year figures have been regrouped and classified wherever necessary to conform to the current year presentation.

For and on behalf of Board of Directors

SYAMKAMAL N

Company Secretary
M. No. A25337

SURESH BABU N V

Director (Operations)
DIN - 07482491

JOSE V J

Director (Finance) & Chief Financial Officer
DIN - 08444440

MADHU S NAIR

Chairman and Managing Director
DIN - 07376798

Kochi, dated June 20, 2020

As per our report attached

For **M/s Elias George and Co.,**

Chartered Accountants

(Firm Registration No.000801S)

RANJIT MATHEWS P

Partner

(Membership Number: 205377)

Kochi, dated June 20, 2020

INDEPENDENT AUDITORS' REPORT

To
the Members of
Cochin Shipyard Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Cochin Shipyard Limited (hereinafter referred to as the "Holding Company") and its subsidiary (Holding company and its subsidiary together referred to as "the Group") which comprise the consolidated Balance Sheet as at 31st March 2020, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Statement of Cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS"), and accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2020, of its consolidated profit (including Other Comprehensive Income), its consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

1. Measurement of Physical Completion of Ship Building and Ship Repair activities.

The company recognises revenue from ship building and ship repair activities based on percentage of completion method. The percentage of completion is arrived at based on estimated percentage of physical completion as assessed by the management of the company which involves exercise of significant judgements. Refer Note 2.4 (Critical Accounting Estimates and Judgement) & 2.18(a) (Revenue Recognition- Revenue from operations) to the Consolidated Financial Statements. The physical completion is ascertained as per an in-house procedure manual developed by the management of the company. The procedure and the assumptions therein are based on certain judgements made by the management based on inputs received from the planning, design and technical departments of the company. Further, the ascertainment of the actual physical completion of each sub-activity on reporting date also involves management estimation. Our audit approach consisted of understanding the basis and assumptions made in adopting such procedure, understanding the system for capturing data and monitoring the progress of completion of various works for internal reporting to the management, evaluating the internal controls in such system, selecting samples and performing substantive checking, and analytical procedures. However, we have placed substantial reliance on the technical assessment and activity based cost estimate defined by the management for the purpose of recognition of income.

The auditors of Hooghly Cochin Shipyard Limited have not communicated any specific key audit matter in their report.

Emphasis of Matter – Effects of COVID-19

We draw attention to Note 53 of the consolidated financial statements which describes the Group's assessment on the impact of COVID-19 on its financial results and its operations.

Our opinion is not modified in respect of this matter.

Information Other than the Financial Statements and Auditors' Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, Management Discussion and Analysis, Business Responsibility Report, Report on Corporate Governance, but does not include the consolidated financial statements and our auditors' report thereon. The annual report is expected to be made available to us after the date of this auditors' report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions as per applicable laws and regulations.

Responsibilities of Management and Those Charged With Governance for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance (including Other Comprehensive Income) and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether

a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

We did not audit the financial statements of the company's subsidiary (Hooghly Cochin Shipyard Limited), whose Standalone financial statements reflect total assets of ₹ 7,440.22 Lakhs as at March 31, 2020, total revenues of ₹ 77.14 Lakhs and net cash outflows amounting ₹ 2,402.31 Lakhs for the year ended on that date, as considered in the consolidated financial statements (before eliminating inter Company balances and transactions). These financial statements have been audited by another auditor whose report has been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary, is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the report of the other auditor.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) In view of exemption given vide notification no. G.S.R. 463(E) dated June 5 2015, issued by Ministry of Corporate Affairs, provisions of Section 164(2) of the Act, regarding disqualification of Directors, are not applicable to the Holding Company and its subsidiary, since they are Government Companies.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate Report in Annexure.
- (g) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act, we offer no comments as the Holding Company and its Subsidiary are exempted from the provisions of Section 197 vide notification no. G.S.R. 463(E) dated June 5, 2015.
- (h) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group:- Refer notes 41,43,44 and 45 to the Consolidated financial statements
 - ii. The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts. Further, the company did not have any long term derivative contracts for which there were any material foreseeable losses. Refer Note 59 to the Consolidated financial statements.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Group.

For Elias George & Co.
Chartered Accountants
Firm Regn.No. 000801S

Ranjit Mathews P
Partner
Membership No. 205377
UDIN: 20205377AAAADK9698

Kochi
June 20, 2020

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF COCHIN SHIPYARD LIMITED

Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Cochin Shipyard Limited (hereinafter referred to as "the Holding Company") and its subsidiary company incorporated in India, as of that date.

In our opinion to the best of our information and according to the explanation given to us, the Holding Company and its subsidiary company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company and its subsidiary company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the company incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Holding company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the 'Guidance Note') and the Standards on Auditing issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and

evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and audit evidence obtained by other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to the subsidiary company incorporated in India is based on the corresponding report of the auditor of the subsidiary company incorporated in India.

Our opinion is not modified in respect of this matter.

For Elias George & Co.
Chartered Accountants
Firm Regn.No. 000801S

Ranjit Mathews P
Partner

Kochi
June 20, 2020

Membership No. 205377
UDIN: 20205377AAAADK9698

CONSOLIDATED BALANCE SHEET

as at March 31, 2020

(₹ in lakhs)

Particulars	Note No.	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	70,047.69	31,323.59
(b) Capital work-in-progress	4	79,925.40	34,237.06
(c) Intangible assets	5	6,313.91	6,279.38
(d) Financial assets			
(i) Investments	6	9.18	9.18
(ii) Loans	7	108.55	129.01
(iii) Other Financial assets	8	864.50	-
(e) Income tax assets (net)	9	6,025.42	5,727.71
(f) Deferred tax assets (net)	10	4,698.58	6,634.76
(g) Other non-current assets	11	29,769.41	28,483.24
Total Non-Current assets		197,762.64	112,823.93
Current assets			
(a) Inventories	12	31,341.31	28,336.71
(b) Financial Assets			
(i) Trade receivables	13	28,823.21	39,233.68
(iii) Cash and cash equivalents	14	86,682.14	102,066.77
(iv) Bank balances other than (iii) above	15	132,840.27	155,657.48
(v) Loans	16	30.97	39.21
(vi) Other Financial assets	17	3,145.35	23,281.45
(c) Current tax assets (net)	9	44.52	21.24
(d) Other current assets	18	160,002.12	63,149.20
Total Current assets		442,909.89	411,785.74
Total Assets		640,672.53	524,609.67
EQUITY AND LIABILITIES			
Equity :			
(a) Equity share capital	19	13,154.04	13,154.04
(b) Other equity	20	359,134.31	319,710.00
Equity attributable to owners		372,288.35	332,864.04
(c) Non Controlling interests		-	527.73
Total Equity		372,288.35	333,391.77
Liabilities :			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	12,300.00	12,300.00
(ii) Other financial liabilities	22	37,586.91	261.22
(b) Provisions	23	2,872.20	2,428.71
(c) Other non current liabilities	24	11.45	12.59
Total Non-Current Liabilities		52,770.56	15,002.52
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	25	686.52	725.36
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		41,185.27	33,933.75
(ii) Other financial liabilities	26	17,801.48	13,019.78
(b) Other current liabilities	27	116,098.27	86,353.81
(c) Provisions	28	38,686.63	36,932.42
(d) Current tax liabilities (net)	9	1,155.45	5,250.26
Total Current Liabilities		215,613.62	176,215.38
Total Equity and Liabilities		640,672.53	524,609.67

Corporate overview and Significant Accounting Policies

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Notes to the Financial Statements

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The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

SYAMKAMAL N

Company Secretary
M. No. A25337

Kochi, dated June 20, 2020

As per our report attached

For **M/s Elias George and Co.,**
Chartered Accountants
(Firm Registration No.000801S)

RANJIT MATHEWS P

Partner
(Membership Number: 205377)
Kochi, dated June 20, 2020

SURESH BABU N V

Director (Operations)
DIN - 07482491

JOSEV J

Director (Finance) & Chief Financial Officer
DIN - 08444440

MADHU S NAIR

Chairman and Managing Director
DIN - 07376798

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

For the year ended March 31, 2020

(₹ in lakhs)

	Particulars	Note No.	For the year ended March 31, 2020	For the year ended March 31, 2019
I	Income			
	Revenue from operations	29	342249.39	296560.33
	Other income	30	24508.13	22598.35
	Total Income		366757.52	319158.68
II	Expenses:			
	Cost of materials consumed	31	179599.82	150429.02
	Sub contract and other direct expenses	32	36556.98	37998.73
	Employee benefits expense	33	30591.03	27755.65
	Finance costs	34	4492.41	1430.11
	Depreciation and amortisation expense	35	4893.89	3419.86
	Other expenses	36	16259.61	16148.74
	Provision for anticipated losses and expenditure	37	8591.78	7225.04
	Total expenses		280985.52	244407.15
III	Profit before tax		85772.00	74751.53
IV	Tax expense:			
	(1) Current tax	9	20634.83	29024.73
	(2) Deferred tax	9	1936.18	(2051.97)
V	Profit for the year		63200.99	47778.77
VI	Other comprehensive income			
	A) Items that will not be reclassified to profit or loss			
	i) Remeasurements of defined employee benefit obligations		(797.60)	(300.01)
	ii) Income tax relating to items that will not be reclassified to profit or loss		200.76	104.84
	Other comprehensive income for the year		(596.84)	(195.17)
VII	Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)		62604.15	47583.60
	Profit attributable to:			
	Owners of the Company		63200.99	47813.40
	Non-controlling interest		0.00	(34.63)
	Profit for the year		63200.99	47778.77
	Other comprehensive income attributable to:			
	Owners of the Company		(596.84)	(195.17)
	Non-controlling interest		0.00	0.00
	Other comprehensive income for the year		(596.84)	(195.17)
	Total Comprehensive Income			
	Owners of the Company		62604.15	47618.23
	Non-controlling interest		0.00	(34.63)
	Total Comprehensive income for the year		62604.15	47583.60
VIII	Earnings per equity share of ₹ 10 each :	38		
	(1) Basic (₹)		48.05	35.47
	(2) Diluted (₹)		48.05	35.47

Corporate overview and Significant Accounting Policies

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Notes to the Financial Statements

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The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

SYAMKAMAL N

Company Secretary
M. No. A25337

Kochi, dated June 20, 2020

As per our report attached

For M/s **Elias George and Co.**,
Chartered Accountants
(Firm Registration No.000801S)

RANJIT MATHEWS P

Partner
(Membership Number: 205377)
Kochi, dated June 20, 2020

SURESH BABU N V

Director (Operations)
DIN - 07482491

JOSE V J

Director (Finance) & Chief Financial Officer
DIN - 08444440

MADHU S NAIR

Chairman and Managing Director
DIN - 07376798

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2020

A. Equity Share Capital

(₹ in lakhs)

As at 01.04.2019	Changes in equity share capital during the year	As at 31.03.2020
13,154.04	(0.00)	13,154.04
As at 01.04.2018	Changes in equity share capital during the year	As at 31.03.2019
13,593.60	(439.56)	13,154.04

B. Other Equity

(₹ in lakhs)

	Reserves and Surplus								Total other equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Redemption Reserve	Debenture Redemption Reserve	Total attributable to the Parent Company	Attributable to NCI	
Balance as at April 01, 2019	263.56	93152.45	6322.75	206093.22	12353.76	1524.27	319710.00	527.73	320237.73
Profit for the year				63200.99			63200.99	0.00	63200.99
Other comprehensive income for the year				(596.84)			(596.84)	0.00	(596.84)
Total comprehensive income for the year				62604.15			62604.15	0.00	62604.15
Dividends (including taxes)				(23200.10)			(23200.10)		(23200.10)
Transfer from retained earnings				(144.17)		144.17	0.00		0.00
Amortisation of premium		(0.12)					(0.12)		(0.12)
Stamp Duty				(1.27)			(1.27)		(1.27)
NCI transfer to Retained Earnings				21.65			21.65	(21.65)	0.00
Acquisition of NCI							0.00	(506.08)	(506.08)
Balance as at March 31, 2020	263.56	93152.33	6322.75	245373.48	12353.76	1668.44	359112.67	0.00	359134.31
Refer Note 20 for further details									
Restated balance at the beginning of the reporting period	263.56	93152.56	6322.75	199064.70	11914.20	1235.94	311953.71	562.36	312516.07
Profit for the year				47813.40			47813.40	(34.63)	47778.77
Other comprehensive income for the year				(195.17)			(195.17)	0.00	(195.17)
Total comprehensive income for the year				47618.23			47618.23	(34.63)	47583.60
Dividends (including taxes)				(19633.12)			(19633.12)		(19633.12)
Transfer from retained earnings				(288.33)		288.33	0.00		0.00
Buy back of shares				(20000.02)	439.56		(19560.46)		(19560.46)
Transaction costs on Buy back of shares				(225.78)			(225.78)		(225.78)
Amortisation of premium		(0.12)					(0.12)		(0.12)
Transition adjustments				(442.46)			(442.46)		(442.46)
Balance as at March 31, 2019	263.56	93152.45	6322.75	206093.22	12353.76	1524.27	319710.00	527.73	320237.73

For and on behalf of Board of Directors

SYAMKAMAL N
Company Secretary
M. No. A25337

SURESH BABU N V
Director (Operations)
DIN - 07482491

JOSE V J
Director (Finance) & Chief Financial Officer
DIN - 08444440

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated June 20, 2020

As per our report attached

For **M/s Elias George and Co.**,
Chartered Accountants
(Firm Registration No.000801S)

RANJIT MATHEWS P
Partner
(Membership Number: 205377)
Kochi, dated June 20, 2020

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2020

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
A. Cash flow from operating activities		
Profit before tax	85,772.00	74,751.53
Adjustments for :		
Depreciation and amortisation	4,893.89	3,419.86
Interest expense	4,492.41	1,430.12
Interest income	(16,497.02)	(18,514.32)
Rental income	(64.46)	(58.97)
Dividend income	(0.89)	(163.34)
Loss on sale/write off of plant, property and equipment	1.87	16.09
Profit on sale of investments	(235.30)	(711.52)
Income recognised on Govt. assistance	(1.14)	(1.14)
Loss/(gain) on derivative contracts (net)	-	-
Unrealised loss/(gain) on derivative contracts (net)	-	-
Net (gain) /loss on foreign currency transactions	502.01	(88.65)
Operating cash flow before working capital changes	78,863.37	60,079.66
Movements in working capital :		
(Increase) / decrease in inventories	(3,214.86)	685.01
(Increase) / decrease in trade, other receivables and assets	(69,414.09)	(45,344.84)
Increase / (decrease) in trade and other payables	37,119.91	(40,495.41)
	43,354.33	(25,075.58)
Income tax paid net of refunds	(18,088.36)	(20,063.00)
Net cash flows from operating activities (A)	25,265.97	(45,138.58)
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(3,796.53)	(5,773.69)
(Increase) / decrease in capital work In progress	(45,688.34)	(22,906.76)
(Increase) / decrease in Term deposits with maturity above three months	22,817.20	114,182.71
Investment in Mutual Funds	(66,800.00)	(238,184.87)
Redemption of Mutual Funds	66,800.00	238,185.03
Transaction cost on investments	(1.27)	-
Lease rent		(1.00)
Dividend received	0.89	163.34
Profit on sale of investments	235.30	711.52
Acquisition of share of Non Controlling Interest	(506.08)	
Sale or withdrawal of plant, property and equipment	0.66	0.39
Interest received	17,133.11	20,952.31
Rent received	64.46	58.97
Net cash flows from investing activities (B)	(9,740.60)	107,387.95

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
C. Cash flow from financing activities		
Buy back of shares	0.00	(20000.02)
Transaction cost of Buy back of shares	0.00	(225.78)
Borrowings/ Repayment of loans by employees	28.72	16.60
Repayment of Lease liability	(2,388.81)	
Net gain /loss on foreign currency transactions	(857.28)	124.38
Dividend paid	(19,244.36)	(16,312.32)
Dividend distribution tax paid	(3,955.74)	(3,320.80)
Interest paid	(4,492.53)	(1,163.29)
Net cash flows from financing activities (C)	(30,910.00)	(40,881.23)
D. Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	(15,384.63)	21,368.14

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash and cash equivalent at the beginning of the Year	102,066.77	80,698.63
Cash and cash equivalent at the end of the Year	86,682.14	102,066.77
Cash and Cash Equivalents' include earmarked funds of ₹ 56702.22 lakhs as on Mar 31, 2020.		

Corporate overview and Significant Accounting Policies

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Notes to the Financial Statements

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The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

SYAMKAMAL NCompany Secretary
M. No. A25337

Kochi, dated June 20, 2020

As per our report attached

For M/s **Elias George and Co.,**
Chartered Accountants
(Firm Registration No.000801S)**RANJIT MATHEWS P**Partner
(Membership Number: 205377)
Kochi, dated June 20, 2020**SURESH BABU N V**Director (Operations)
DIN - 07482491**JOSEV J**Director (Finance) & Chief Financial Officer
DIN - 08444440**MADHU S NAIR**Chairman and Managing Director
DIN - 07376798

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

1. CORPORATE OVERVIEW AND SIGNIFICANT ACCOUNTING POLICIES

1.1. Corporate information

Cochin Shipyard Limited (referred to as “CSL” or “the Group”) is mainly engaged in the construction of vessels and repairs and refits of all types of vessels including upgradation of ships periodical layup repairs and life extension of ships.

The Group is a public limited Group incorporated and domiciled in India. The address of its corporate office is Perumanoor, Kochi, Kerala. As at March 31, 2020, the Government of India holds 72.86% of the Group's equity share capital. The Group's equity shares are listed for trading on NSE Limited and BSE Limited in India and tax free bonds are listed for trading on BSE.

The consolidated financial statements relate to Cochin Shipyard Limited (Parent Group) and its Subsidiary Group, Hooghly Cochin Shipyard Limited. The subsidiary Group was incorporated on October 23, 2017 and is proposed to be mainly engaged in the business of construction and repair of vessels of all types.

The Group and its Subsidiary are together referred to as “Group”.

The consolidated financial statements for the year ended March 31, 2020 were approved by the Board of Directors and authorised for issue on Jun 20, 2020.

2. Significant Accounting Policies

2.1 Statement of compliance

These consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as “Ind AS”) as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time and other Accounting Principles generally accepted in India.

2.2 Basis of preparation of consolidated financial statements

These consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair values

at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

2.2.1 Basis of consolidation of consolidated financial statements

Subsidiaries are entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated commencing from the date on which control is transferred to the Group until the date on which control ceases.

The Group consolidate the consolidated financial statements of the parent and its subsidiaries on line by line basis adding together like items of assets, liabilities, equity, income and expenses. InterGroup transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests, in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Consolidated Balance Sheet respectively. Subsidiary Group was incorporated in October 2017

2.3 Use of estimates and judgements

The preparation of the consolidated financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the consolidated financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

2.4 Critical Accounting estimates and judgements:

The application of significant accounting policies that require critical accounting estimates involving complex and subjective judgements and the use of assumptions in the consolidated financial statements have been disclosed below:

Useful lives of property, plant and equipment

The Group reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. Assumptions are also made as to whether an item meets the description of asset so as to warrant its capitalisation and which component of the asset may be capitalised. Reassessment of life may result in change in depreciation expense in future periods.

Valuation of deferred tax assets / liabilities

The Group reviews the carrying amount of deferred tax assets / liabilities at the end of each reporting period. Significant judgements are involved in determining the elements of deferred tax items.

Leases

The Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Group uses significant judgements in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's

option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

Impairment of unquoted investments

The Group reviews its carrying value of investments annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

Recognition and measurement of provisions

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstance known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in provisions.

Provision towards Guarantee repairs

A provision is made towards guarantee repairs/claims in respect of newly built ships/small crafts delivered and repaired ships on the basis of the technical estimation done by the Group. The guarantee claims received from the ship owners are reviewed every year till settlement of the same. In case of a shortfall in the provision made earlier, additional provisions are made.

Contingencies and commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Recoverability of advances / receivables

The Group makes provisions for expected credit loss based on an assessment of the recoverability of trade and other receivables. The identification of doubtful

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and expenses on account of provision for doubtful debts in the period in which such estimate has been changed. At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Provision for inventories

Management reviews the inventory ageing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether a provision is required to be made in the consolidated financial statements for any obsolete and slow-moving items and that adequate provision for obsolete and slow-moving inventories has been made in the consolidated financial statements.

Liquidated Damages

Claims for liquidated damages against the Group are recognized in the financial statements based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

Revenue Recognition

The Group exercises significant judgement in measuring progress of performance obligations satisfied over time for recognition of revenue from contracts with customers. Provision for estimated losses if any, on the

uncompleted part of the contracts are provided in the period in which such losses become probable based on the expected contract estimates at the reporting date. Claims for liquidated damages against the Group are recognized based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the Government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post employment benefit obligations.

2.5 Property , Plant and Equipment (PPE)

The Group had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. April 1, 2015 as the deemed cost under Ind AS. Hence regarded thereafter as historical cost.

Property, Plant and Equipments are stated at cost less accumulated depreciation (other than free hold land which are stated at cost) and impairment losses, if any. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management including non refundable duties and taxes net of any trade discounts and rebates. The cost of PPE also includes interest on borrowings (borrowing cost directly attributable to acquisition, construction or production of qualifying assets) upto initial recognition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the items are material

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

and can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

2.6 Capital work in progress and intangible assets under development:

Capital work in progress and intangible assets under development are property, plant and equipment that are not yet ready for their intended use at the reporting date, which are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

2.7 Intangible Assets

Design development: Cost incurred on Design Development which are not directly chargeable on a product are capitalized as Intangible Asset and amortised on a straight-line basis over a period of five years.

Software: Cost of software which is not an integral part of the related hardware acquired for internal use is capitalised as intangible asset and amortised on a straight-line basis over a period of three years.

Right to use: Up- front fee paid for securing right to use of land and other facility is capitalized as intangible asset and amortised on a straight line basis over the period of lease for which the right has been obtained.

Internally generated procedure: Cost of internally generated weld procedure is capitalized as Intangible Asset and amortised on a straight-line basis over a period of three years.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

2.8 Leases

Indian Accounting Standard (Ind AS 116) "Leases" became effective from April 01, 2019 and the Group has adopted the same using modified retrospective transition method, where at the date of initial application, the lease liability is measured at the present

value of remaining lease payments and the right-of-use assets are initially recognised at cost, which comprises of the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. Accordingly, the comparatives have not been retrospectively adjusted

As a Lessee:

The Group's lease asset classes primarily consist of leases for Land and Buildings. The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

At the date of commencement of the lease, the Group recognises a lease liability and a corresponding right-of-use ("RoU") asset for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Group recognises the lease payments as an operating expense on a straightline basis or another systematic basis over the term of the lease. The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to

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reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets. Lease liability and RoU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

As a lessor:

Leases for which the Group is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

For operating leases, rental income is recognized on a straight line basis or another systematic basis over the term of the relevant lease. The difference between the amount recognised as lease rental income and actual cashflows payable as per the lease agreement is adjusted in ("Accrued Lease Rental asset").

2.9 Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment losses. Any gain or loss on disposal of investment property is determined as the difference between net disposal proceeds and the carrying amount of the property and is recognised in the Statement of Profit and Loss

2.10 Depreciation

Depreciation on property, plant and equipment is provided on straight-line method based on useful life of the asset as prescribed in Schedule II to the Companies Act, 2013 except to the extent described below.

For the assets acquired from Cochin Port Trust for International Ship Repair Facility (ISRF), depreciation is provided on the basis of remaining useful life as

assessed by technical experts. Right Of Use assets are depreciated from the commencement date on a straight line basis over the shorter of the end of the useful life of the Right Of Use asset or the end of the lease term.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain/loss arising on derecognition of the asset is included in the Statement of profit and loss when the asset is derecognised. Fully depreciated assets still in use are retained in consolidated financial statements at residual value .

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for certain types of buildings and equipments wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act. Useful life considered for calculation of depreciation for various assets class are as follows:

Asset Class	Useful Life
Buildings	3-60 years
Plant and equipment	5-15 years
Furniture and fixtures	8-10 years
Vehicles	8-10 years
Office equipment	3-10 years
Data Processing Equipments	3-6 years
Docks and quays	15 years
Railway sidings	15 years
Electrical installation	10 years
Drainage and water supply	15 years
Vessels	13-28 years

2.11 Impairment of Assets

The Group assesses the impairment of assets with reference to each cash generating unit, at each Balance

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Sheet date. If events or changes in circumstances based on internal and external factors indicate that the carrying value may not be recoverable in full, the loss on account and the recoverable amount, is accounted for accordingly. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

2.12 Non-current assets held for sale

Group classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction. This condition is regarded as met only when the asset is available for immediate sale in its present condition and its sale is highly probable.

Non-current assets including discontinued operations, classified as held for sale are measured at the lower of the carrying amounts and fair value less costs to sell and presented separately in the consolidated financial statements. Once classified as held for sale, the assets are not subject to depreciation or amortisation.

Any profit or loss arising from the sale or re-measurement of discontinued operations is presented as part of a single line item in statement of profit and loss

2.13 Inventories

- (a) Raw materials, components, stores and spares are valued at weighted average cost method or net realisable value whichever is lower. However materials and other supplies held for use in the production /services are not written down below cost if the finished products/supply of services in which they will be incorporated are expected to be sold at or above cost. Provision for obsolescence / non- usability / deterioration is determined on the basis of technical assessment made by the management. Goods in transit are valued at lower of cost and net realisable value. Stock of materials in respect of construction of defence vessels wherein the cost incurred is reimbursed by the owner are shown as reduction from the advances paid by the owner for construction of the vessel.
- (b) Loose tools in stock are valued at cost after providing for loss on revaluation estimated at 30% of book value.

- (c) Stock of scrap is valued at net realizable value after adjusting customs duty, if any, payable on the scrap.

2.14 Financial instruments

Financial assets and liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument

Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

Financial assets at Fair Value through other comprehensive income (FVTOCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

Financial assets at Fair Value through statement of profit and loss (FVTPL)

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Financial assets at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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Investments

All equity investments in scope of Ind AS 109 Financial Instruments, are measured at fair value. Equity instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Investment in a 'debt instrument' is measured at the amortised cost if both the following conditions are met: The asset is held within a business model whose objective is -

- (1) To hold assets for collecting contractual cash flows, and
- (2) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the Statement of Profit and Loss. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Trade Receivables

The Group classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset. A receivable is a right to consideration that is unconditional and only the passage of time is required before the payment of that consideration is due.

The Group assesses at each Balance Sheet date whether a financial asset or a Group of financial asset is impaired. Ind AS 109 requires expected credit loss to be measured through a loss allowance.

The Group recognises lifetime expected credit losses for all trade receivables that do not constitute a

financing transaction. Impairment loss allowance is based on a simplified approach as permitted by Ind AS 109. As a practical expedient, the Group uses a provision matrix to determine the impairment loss on the portfolio of its trade receivables.

Full provision is made for all trade receivables considered doubtful of recovery when the debt is more than three years or if it is probable / certain that the debt is not recoverable.

Where debts are disputed in legal proceedings, provision is made if any decision is given against the Group even if the same is taken up on appeal to higher authorities/courts.

Impairment loss allowance (or reversal) that is required to be recognised at the reporting date is recognised as an impairment loss or gain in the Statement of Profit & Loss Account.

Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest rate method.

Equity Instruments

An equity instrument is a contract that evidences residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recognised at the proceeds received net of direct issue cost.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in consolidated financial statements if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

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Foreign Currency Transactions

Functional & Presentation Currency

The consolidated financial statements are presented in Indian Rupees ("INR"), which is the functional currency and presentation currency of the Group.

Transactions & Balances:

Foreign exchange transactions are recorded in functional currency adopting the exchange rate prevailing on the dates of respective transactions. Monetary items denominated in foreign currencies at the year end are re-measured at the exchange rate prevailing on the balance sheet date. Non monetary foreign currency items are carried at cost. Any income or expense on account of exchange difference either on settlement or on restatement is recognised in the statement of Profit and Loss.

Derivative instruments and hedge accounting:

The Group designates certain foreign exchange forward contracts as hedge instruments in respect of foreign exchange risks. These hedges are accounted for as cash flow hedges. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period.

The use of foreign currency and derivative contracts is governed by the Group's foreign exchange risk management policy approved by the Board of Directors which provide written directives on the use of such financial derivatives consistent with the Group's risk management strategy. The Group does not use derivative financial instruments for speculative purposes.

The hedge instruments are designated and documented as hedges at the inception of the contract. The effectiveness of hedge instruments to reduce the risk associated with the foreign currency exposure that is being hedged is assessed and measured at inception and on an ongoing basis. The ineffective portion of designated hedges are recognised immediately in the Statement of Profit and Loss.

The effective portion of change in the fair value of the designated hedging instrument is recognised in the

Other Comprehensive Income and accumulated under the heading cash flow hedge reserve.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated or exercised without replacement or rollover (as part of hedging strategy), or if its designation as a hedge is revoked, or when the hedge no longer meets the criteria for hedge accounting. Any gain or loss recognised in Other Comprehensive Income and accumulated in equity till that time remains and is recognised in Statement of Profit and Loss when the forecasted transaction ultimately affects the profit or loss. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss accumulated in equity is transferred to the Statement of Profit and Loss.

2.15 Contract Assets

Where the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Group presents the contract as a contract asset. A contract asset is Group's right to consideration in exchange for goods or services that the Group has transferred to a customer. Contract assets are reviewed for impairment in accordance with Ind AS 109.

2.16 Contract Liabilities

Where the Group receives consideration, or the Group has a right to an amount of consideration that is unconditional (ie a receivable), before the Group transfers a good or service to the customer, the Group presents the contract as a contract liability when the payment is made or the payment is due (whichever is earlier). A contract liability is Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

2.17 Provisions, Contingent Liabilities and Contingent assets

A provision is recognised if, as a result of a past event, the Group has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions (excluding retirement benefits and compensated leave) are not discounted to its

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present value and are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. These are reviewed at each reporting date adjusted to reflect the current best estimates.

Provision towards guarantee claims in respect of ships/ small crafts delivered wherever provided/ maintained is based on technical estimation. For the ships delivered, guarantee claims are covered by way of insurance policies covering the guarantee period on case to case basis, wherever required.

In the normal course of business, contingent liabilities may arise from litigations and other claims against the Group. Where the potential liabilities have a low probability of crystallizing or are very difficult to quantify reliably, the Group treats them as contingent liabilities. Such liabilities are disclosed in the notes but are not provided for in the consolidated financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings, Group does not expect them to have a materially adverse impact on our financial position or profitability. The Group does not recognise a contingent liability but discloses its existence in the consolidated financial statements.

Contingent assets are neither recognised nor disclosed. However, when realisation of income is virtually certain, related asset is recognised

2.18 Revenue Recognition

a) Revenue from Operations

Effective April 1, 2018, the Group has adopted Ind AS115 "Revenue from Contracts with Customers". In respect of contracts that were not completed on the date of initial application (April 1, 2018), the Group has applied the standard retrospectively by recognizing the cumulative effect of applying the same at the effective date, as an adjustment to the Opening balance of Retained earnings and accordingly figures for earlier years have not been retrospectively adjusted.

Revenue from contracts with customers is measured based on transaction price, which is the

fair value of consideration received or receivable. Revenue is recognized when the Group satisfies performance obligations by transferring promised goods and services to the customer over a period of time using output method based on measurement of physical performance completed to date in respect of contracts with customers for ship building and ship repair other than Indigenous Aircraft Carrier (IAC).

In respect of contract with Indian Navy for construction of Indigenous Aircraft Carrier, which is partly 'fixed price basis' and partly 'cost plus basis', the revenue from fixed price portion is recognized as explained above. The revenue by way of mark up from cost plus part of the contract for procuring and supply of materials and design outsourcing is recognized when performance obligations as per the terms of the contract are fulfilled upon making payments to the suppliers. The cost of materials, value of design outsourcing and other expenses incurred for the vessel which are recoverable separately from Navy are charged off to the statement of Profit and Loss when materials are consumed/activities are performed/ expenses are incurred and are simultaneously grossed up with the value of work done and recognized as income.

Other Operating Revenue is recognized at the point of time when the Group satisfies performance obligations by transferring promised goods and services to the customer except in the case of Ship Building Financial Assistance(SBFA) which is recognised over a period of time being output method based on measurement of physical performance completed to date in respect of contracts which are eligible under SBFA policy.

In circumstances, where the Group may not be able to reasonably measure the outcome of a performance obligation, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. Where current estimates of total contract costs and

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revenue indicate a loss, provision is made for the entire loss, irrespective of the amount of work done.

Contract modifications are accounted when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves assessing whether the services added to an existing contract are distinct and whether the pricing is at the stand alone selling price. Where the goods or services added are not distinct, adjustment to revenue is made on a cumulative catch up basis. Where the goods or services added are distinct, and such additional goods or services are priced at standalone selling prices, the contract modification is accounted for as a separate contract; whereas if the modification is not priced at standalone selling price, the same is accounted as a termination of the existing contract and creation of a new contract.

If the consideration promised in a contract includes variable amounts like discounts, rebates, refunds, credits, price concessions, liquidated damages or other similar items, the Group estimates the net amount of consideration to which the Group is entitled in exchange for transferring the promised goods or services to a customer and accounts for the same.

b) Government Grants

Government grants are recognised when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in Statement of Profit and Loss on a systematic basis over the periods in which the Group recognises as expenses, the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognised as deferred income, and amortised over the expected useful life of the asset. Other grants are recognised in the statement of Profit & Loss concurrent to the expenses to which such grants relate/ are intended to cover.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in statement of profit & loss in the period in which they become receivable. Ship Building Financial Assistance is accounted as revenue from operations in the manner specified in para a)

c) Liquidated damages and interest on advances

No income is recognized on (a) interest on advances given and (b) liquidated damages, where the levies depend on decisions regarding force majeure condition of contract. These are accounted for on completion of contracts and / or when final decisions are taken.

In the case of contracts entered into for execution of capital works having long gestation period, where the extant commercial terms of the contract provides for provision of extending interest bearing mobilisation advance to the service provider for mobilising various resources for timely execution, mobilisation advances are paid and interest is accounted on accrual basis

d) Accounting for insurance claims

(i) Warranty/Builder Risk claims

In the case of guarantee defects covered under warranty insurance policies or claims under Insurance Policies taken for ship building and ship repair works, the insurance claims lodged are recognized in the financial statements in the year in which the survey is completed and the probable amount of settlement intimated by the insurance Company.

(ii) Other Insurance Policies

In the case of other Insurance Policies like Asset Insurance, Transit Insurance, Marine Insurance, Cash Insurance etc., the claims are recognized in the the financial statements on settlement of the claims by way of receipt of the amount from the Insurance Company.

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In the case of Medical insurance, claims are recognized on due basis, based on the claims submitted with the insurance Company.

e) **Others**

Dividend income is recognized when the Group's right to receive payment has been established.

2.19 Employee benefits

Employee benefits consist of salaries and wages, contribution to provident fund, superannuation fund, gratuity fund, towards medical assistance, which are short term in nature and contribution towards compensated absences, which is long term in nature.

Post-employment benefit plans

Defined Contribution plans

In respect of parent company, defined contribution to Employees Pension scheme for eligible employees are made to CSL Superannuation Pension Trust for Executives and Supervisors and CSL Workmen Pension Trust and are charged as expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

The parent company also makes contribution towards provident fund, in substance a defined contribution retirement benefit plan. The provident fund is administered by the Trustees of the Cochin Shipyard Limited Employees Contributory Provident Fund Trust. The rules of the Group's provident fund administered by the Trust, require that if the Board of Trustees are unable to pay interest at the rate declared by the Employees' Provident Fund by the Government under para 60 of the Employees' Provident Fund Scheme, 1952 for the reason that the return on investment is less or for any other reason, then the deficiency shall be made good by the company. The deficiency, if any assessed by the parent company is provided for in the accounts.

The parent company also makes contribution towards Employees Medical Assistance Trusts which are charged as expense as they fall due. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made.

Defined benefit plans

The Group provides for gratuity, a defined benefit retirement plan covering eligible employees. The liability or asset recognised in the balance sheet in respect of its defined benefit plan is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated periodically by actuaries using the projected unit credit method.

The present value of the said obligation is determined by discounting the estimated future cash outflows, using market yields of government bonds that have terms approximating the terms of the related liability.

The interest income / (expense) are calculated by applying the discount rate to the net defined benefit liability or asset. The net interest income / (expense) on the net defined benefit liability or asset is recognised in the Statement of Profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of profit and loss as past service cost.

Other employee benefits

Compensated absences

The Group has a policy on compensated absence which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absence is determined by Actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

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2.20 Borrowing cost

General and specific borrowing costs directly attributable to acquisition/ construction or production of qualifying assets (net of income earned on temporary deployment of funds) are capitalized as part of cost of such assets upto the date when such assets are ready for the intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs

2.21 Corporate Social Responsibility

The Group has opted to charge its Corporate Social responsibility (CSR) expenditure to the Statement of Profit & Loss, except in respect of expenditure incurred against the non-lapsable provision held under the guidelines of Department of Public Enterprises (DPE)

2.22 Prior period adjustment

Prior period adjustments due to errors, having material impact on the financial affairs of the Group, are corrected retrospectively by restating the comparative amounts for prior periods presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.23 Taxes on Income

Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of

the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

2.24 Earnings Per Share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Group by the weighted average number of equity shares outstanding during the year. The Group did not have any potentially dilutive securities in any of the years presented.

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2.25 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Group's chief operating decision maker is the Chairman & Managing Director.

The Group has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Ship Building and 2) Repair of Ships/offshore structures.

Segment revenue, segment expenses, segment assets and segment liabilities have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue, expenses, assets and liabilities which relate to the Group as a whole and are not allocable to segments on a reasonable basis have been included under "unallocated revenue / expenses / assets / liabilities".

2.26 Consolidated Statement of cash flows

Cash Flows are reported using the Indirect Method, whereby profit/loss before tax is adjusted for the effect of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or

payments and items of income or expenses associated with investing or financial cash flows. Cash flows from operating, investing and financial activities of the Group are segregated based on the available information.

For the purpose of statement of cash flow, Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any. Bank overdrafts, if any, are disclosed within borrowings in current liabilities in the Balance Sheet

2.27 Dividend to equity shareholders

Dividend to equity shareholders is recognised as a liability and deducted from shareholders' equity, in the period in which the dividends are approved by the equity shareholders in the general meeting.

2.28 Recent accounting pronouncements - Standards issued but not yet effective

Recent Accounting Developments Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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Note 3 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1st April 2019	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st Mar 2020	As at 1st April 2019	For the year	Adjustment/ (withdrawal)	As at 31st Mar 2020	As at 31st Mar 2020	As at 31st March 2019
Owned Assets										
Land (Freehold)	587.54	-	-	587.54	-	-	-	-	587.54	587.54
Buildings	13,476.97	355.27	-	13,832.24	1,929.32	529.94	-	2,459.26	11,372.98	11,547.65
Plant and equipment	18,115.83	795.16	1.07	18,909.92	5,591.53	1,485.68	0.55	7,076.66	11,833.26	12,524.30
Furniture and fixtures	1,113.59	125.88	1.65	1,237.82	372.42	114.30	0.92	485.80	752.02	741.17
Vehicles	515.38	83.73	-	599.11	203.19	53.30	-	256.49	342.62	312.19
Office equipment	234.56	149.06	1.41	382.21	133.98	39.28	1.17	172.09	210.12	100.58
Others	-	-	-	-	-	-	-	-	-	-
Data Processing Equipments	923.71	422.79	0.79	1,345.71	670.02	164.17	0.72	833.47	512.24	253.69
Docks and quays	4,466.45	-	-	4,466.45	1,243.14	299.41	-	1,542.55	2,923.90	3,223.31
Railway sidings	1.10	-	-	1.10	-	-	-	-	1.10	1.10
Electrical installation	1,725.64	39.36	-	1,765.00	732.10	132.70	-	864.80	900.20	993.54
Drainage and water supply	6.67	-	-	6.67	-	-	-	-	6.67	6.67
Vessels	19.74	-	-	19.74	4.36	1.36	-	5.72	14.02	15.38
Sub Total	41,187.18	1,971.25	4.92	43,153.51	10,880.06	2,820.14	3.36	13,696.84	29,456.67	30,307.12
Assets on leased premises										
Buildings	848.99	1,260.35	3.84	2,105.50	333.80	110.60	2.95	441.45	1,664.05	515.19
Plant and equipment	316.00	202.75	0.13	518.62	50.28	23.96	0.04	74.20	444.42	265.72
Docks and quays	9.62	-	-	9.62	8.35	-	-	8.35	1.27	1.27
Electrical installation	331.57	29.20	-	360.77	97.28	34.78	-	132.06	228.71	234.29
Sub Total	1,506.18	1,492.30	3.97	2,994.51	489.71	169.34	2.99	656.06	2,338.45	1,016.47
Right of Use Assets										
Right of Use-Land	-	39,550.14	-	39,550.14	-	1,360.32	-	1,360.32	38,189.82	-
Right of Use-Buildings	-	98.11	-	98.11	-	35.36	-	35.36	62.75	-
Sub Total	-	39,648.25	-	39,648.25	-	1,395.68	-	1,395.68	38,252.57	-
Total	42,693.36	43,111.80	8.89	85,796.27	11,369.77	4,385.16	6.35	15,748.58	70,047.69	31,323.59

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 3 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation			Net Carrying amount		
	As at 1st April 2018	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2019	As at 1st April 2018	For the year	Adjustment/ (withdrawal)	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Owned Assets										
Land (Freehold)	587.54			587.54	-			-	587.54	587.54
Buildings	9,621.47	3,855.50		13,476.97	1,472.52	456.80		1,929.32	11,547.65	8,148.95
Plant and equipment	17,247.01	881.43	12.61	18,115.83	4,133.70	1,462.13	4.30	5,591.53	12,524.30	13,113.31
Furniture and fixtures	875.83	240.57	2.81	1,113.59	267.26	107.04	1.88	372.42	741.17	608.57
Vehicles	493.86	21.56	0.04	515.38	143.18	60.02	0.01	203.19	312.19	350.68
Office equipment	208.93	28.32	2.69	234.56	104.76	31.61	2.39	133.98	100.58	104.17
				-					-	-
Others				-					-	-
Data Processing Equipments	869.14	59.65	5.08	923.71	501.72	172.77	4.47	670.02	253.69	367.42
Docks and quays	4,466.45	-	-	4,466.45	943.73	299.41		1,243.14	3,223.31	3,522.72
Railway sidings	1.10	-	-	1.10	-			-	1.10	1.10
Electrical installation	1,290.81	434.83	-	1,725.64	600.66	131.44		732.10	993.54	690.15
Drainage and water supply	6.67	-	-	6.67	-			-	6.67	6.67
Vessels	19.74	-	-	19.74	3.00	1.36		4.36	15.38	16.74
Sub Total	35,688.55	5,521.86	23.23	41,187.18	8,170.52	2,722.58	13.05	10,880.06	30,307.12	27,518.02
Assets on leased premises										
Buildings	838.22	10.82	0.05	848.99	250.85	82.97	0.02	333.80	515.19	587.37
Plant and equipment	113.45	208.99	6.44	316.00	39.11	11.34	0.17	50.28	265.72	74.34
Docks and quays	9.62	-	-	9.62	8.35		-	8.35	1.27	1.27
Electrical installation	329.54	2.03	-	331.57	63.82	33.46	-	97.28	234.29	265.72
Sub Total	1,290.83	221.84	6.49	1,506.18	362.13	127.77	0.19	489.71	1,016.47	928.70
Right of Use Assets										
	-	-	-	-	-	-	-	-	-	-
Total	36,979.38	5,743.70	29.72	42,693.36	8,532.66	2,850.35	13.24	11,369.77	31,323.59	28,446.72

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Freehold Land includes the value of (a) land allotted on lease basis to (i) Bharatiya Vidya Bhavan (0.69045 hectare) (ii) M/s Indian Oil Corporation Ltd (0.620 hectare) for laying pipeline (iii) land leased to M/s Cochin Air Products (0.30 hectare) and (b) land leased to Kerala State Electricity Board (0.47 hectare).

Value of land includes value of buildings acquired along with the land for which depreciation has not been provided as the value is not separately available and most of these buildings are likely to be demolished for putting up facilities for the factory.

Assets taken over from Cochin Port Trust (CoPT) (₹ 1291.52 lakhs) have been valued and life assessed by technical experts. This life has been taken as a base for arriving at the remaining useful life for providing depreciation for these assets. These assets together with assets constructed/installed on land taken on lease from CoPT, Mumbai Port Trust (MbPT) and Kolkata Port Trust (KoPT) have been disclosed separately as assets on leased premises in the note no 3 to Property, Plant & Equipments.

The Company has created mortgage for ₹ 12300 Lakhs on the landed properties of the Company as security for the tax free bonds issued by the Company during the year 2013-14.

Note 4 : Capital work -in -progress

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Plant and machinery, Buildings and Civil works	75,687.89	33,693.32
Capital yard items	1,126.50	414.40
Project Management fees and miscellaneous capital expenditure	3,104.75	129.34
Goods in transit	6.26	
Total	79,925.40	34,237.06

Note 5 : Intangible assets

(₹ in lakhs)

Particulars	Gross carrying amount			Amortisation				Net Carrying amount		
	As at 1st April 2019	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2020	As at 1st April 2019	For the year	Adjustment/ (withdrawal)	As at 31st March 2020	As at 31st March 2020	As at 31st March 2019
Internally generated weld procedure	27.67	-	-	27.67	27.67	-	-	27.67	-	-
Computer software	1,396.74	98.40	-	1,495.14	1,283.41	83.16	-	1,366.57	128.57	113.33
Right to use - land and ship repair facility	7,000.00	-	-	7,000.00	952.65	210.34	-	1,162.99	5,837.01	6,047.35
Tally Software		0.53		0.53		0.01		0.01	0.52	-
Right to use - Land at Nazirgunge (5.31 Acres)	118.94			118.94	0.24	1.98		2.22	116.72	118.70
Right to use - Land at Nazirgunge (10.45 Acres)		234.07		234.07		2.98		2.98	231.09	-
Total	8,543.35	333.00	-	8,876.35	2,263.97	298.47	-	2,562.44	6,313.91	6,279.38

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2018	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2019	As at 1st April 2018	For the year	Adjustment/ (withdrawal)	As at 31st March 2019	As at 31st March 2019	As at 31st March 2018
Internally generated weld procedure	27.67		-	27.67	19.97	7.70	-	27.67		7.70
Computer software	1,366.75	29.99	-	1,396.74	1,180.39	103.02		1,283.41	113.33	186.36
Right to use - land and ship repair facility	7,000.00		-	7,000.00	742.31	210.34	-	952.65	6,047.35	6,257.69
Right to use - Land at Nazirgunge		118.94		118.94		0.24		0.24	118.70	
Total	8,394.42	148.93	-	8,543.35	1,942.67	321.30	-	2,263.97	6,279.38	6,451.75

The Right to use of land and ship repair facility shown under Intangible Assets represents the upfront fee paid to Cochin Port Trust towards setting up of International Ship Repair Facility (ISRF) project, to be amortised over the period of lease which was further extended based on the date of obtaining of Environmental Clearance. As all environmental clearances for ISRF are obtained as on January 09, 2018, the lease period of 30 years effectively starts from this date.

Note 6 : Investments-Non Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unquoted (Fully Paid up)		
Investment in equity instruments		
At Fair Value Through Other Comprehensive Income		
Cochin Shipyard Employees Consumer Co-operative Society Limited 2175 'B Class' shares of ₹ 100 each	2.18	2.18
Kerala Enviro Infrastructure Limited - 70000 equity shares of ₹10 each	7.00	7.00
Cochin Waste to Energy Private Limited -100000 equity shares of ₹10 each	-	-
Total	9.18	9.18
Aggregate value of unquoted investment	9.18	9.18

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 7: Loans - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good:		
Security deposits	65.71	65.68
Employee advances		
Loans to related parties	0.00	0.00
Other employees	42.84	63.33
Total	108.55	129.01

No significant increase in credit risk or credit impairment

Note 8: Other Financial Assets - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Ship Building Financial Assistance Scheme Subsidy	835.57	-
Accrued Lease Rental Asset	28.93	-
Total	864.50	-

Govt. of India approved a Financial Assistance Policy for Indian Shipyards on 9th December 2015 for grant of financial assistance to Indian Shipyards for shipbuilding contracts signed between April 1, 2016 to March 31, 2026. Eligibility for this Assistance based on measurement of physical performance completed to date is accounted for .

Note 9: Income tax assets / liability (net)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Non current tax assets		
Income Tax Assets net of provisions	6,025.42	5,727.71
Current tax assets / (liabilities)		
Advance income tax net of provisions	(1,155.45)	(5,250.26)
Tax Deducted at source	44.52	21.24

Income tax recognised in the Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Current tax:		
Current income tax charge	23,895.75	29,662.84
Adjustment in respect of prior years	(3,260.92)	(638.11)
Total (A)	20,634.83	29,024.73
Deferred tax:		
In respect of current year	1,936.18	(2,051.97)
Total (B)	1,936.18	(2,051.97)
Income tax expense recognised in the Statement of Profit and Loss (A+B)	22,571.01	26,972.76

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

The income tax expense for the year can be reconciled to the accounting profit as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Profit before tax	85,772.00	74,751.53
Income tax expense calculated at respective applicable rates	21,730.70	26,121.12
Effect of expenses that are not deductible in determining taxable profit	5,916.60	7,088.97
Effect of expenses that are allowable in determining taxable profit	(4,131.73)	(3,834.57)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	319.87	363.82
Effect of income that is exempt from taxation	-	(57.08)
Others	60.31	(19.42)
	23,895.75	29,662.84
Adjustments recognised in the current year in relation to the current tax of prior years	(3,260.92)	(638.11)
Adjustments for changes in estimates of deferred tax assets	1,936.18	(2,051.97)
Income tax expense recognised in the Statement of Profit and Loss	22,571.01	26,972.76

Note 10: Deferred tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities	2,787.39	3,902.25
Deferred tax assets	(7,485.97)	(10,537.01)
Total	(4,698.58)	(6,634.76)

Deferred tax liabilities/(assets) in relation to 2019-20

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(9,508.70)	3,083.22	0.00	(6,425.48)
Property, plant and equipment	3,959.20	(1,146.04)	0.00	2,813.16
Intangible assets	(56.94)	28.06	0.00	(28.88)
Others	(1,028.32)	(29.06)	0.00	(1,057.38)
Total	(6,634.76)	1,936.18	-	(4,698.58)

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Deferred tax liabilities/(assets) in relation to 2018-19

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(7,438.88)	(2,069.82)	0.00	(9,508.70)
Property, plant and equipment	3,958.04	1.16	0.00	3,959.20
Intangible assets	(3.47)	(53.47)	0.00	(56.94)
Others	(860.81)	70.16	(237.67)	(1,028.32)
Total	(4,345.12)	(2,051.97)	(237.67)	(6,634.76)

Note 11: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Capital advances	28,817.72	26,950.20
Advances other than capital advances:		
Security deposits	222.67	674.80
Advance lease rentals	38.41	597.02
Deposits with Customs department	261.22	261.22
Other long term advances	429.39	-
Total	29,769.41	28,483.24

Deposit with Custom Department of ₹ 261.22 lakhs pertains to a refund appeal lying before Commissioner (Appeals) to cover a liability in respect of customs duty which is also shown as Payable to Chennai Port Trust under Note No. 22- Other Financial Liabilities- Non Current

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 12 : Inventories

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Raw Materials and components*	28,145.83	23,409.46
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(391.39)	(442.17)
Goods-in transit*	1,964.10	3,754.30
	29,718.54	26,721.59
Stores & Spares*	780.18	709.80
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(17.06)	(31.75)
Goods-in transit*	37.33	0.47
	800.45	678.52
Loose Tools*	680.55	819.80
Scrap*	141.77	116.80
Total	31,341.31	28,336.71

* Valuation of inventories are done in accordance with Accounting Policy no. 2.13 given in Note no.2

- (i) Inventory does not include stock of raw materials and bought out components procured under "Cost Plus" part of the IAC contract amounting to ₹ 32838.80 lakhs (previous year ₹ 55426.72 lakhs) held on behalf of Indian Navy lying with the Company and is shown under Advances from Indian Navy for Indigenous Aircraft Carrier.
- (ii) Maintenance spares included in the inventory represent spares of general nature and are not related to a particular asset.

Note 13 : Trade Receivables-Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade Receivables considered good - Unsecured	28,823.21	39,233.68
Trade Receivables which have significant increase in Credit Risk	13,588.08	13,123.16
Less: Allowance for Expected credit loss	(13,588.08)	(13,123.16)
Trade Receivables - credit impaired	-	-
Total	28,823.21	39,233.68

Trade receivables are non-interest bearing and receivable in normal operating cycle.

Movement in the expected credit loss allowance

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	13,123.16	9,263.32
Add: Provision made/transfer during the year	4,149.68	4,187.29
Less: Amount collected/reversal of provision	3,684.76	327.45
Closing Balance	13,588.08	13,123.16

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 14 : Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Cash on hand	-	-
Balance with Banks		
In current account	6,145.94	19,305.01
In current account on behalf of Indian Navy	3,641.02	30,626.67
In current account out of IPO Proceeds	5.04	5.09
Term deposits with original maturity of less than three months	23,833.98	39,400.00
Term deposits with original maturity of less than three months out of IPO Proceeds	8,485.71	12,730.00
Term deposits with original maturity of less than three months earmarked for objects of IPO	44570.45	
Total	86,682.14	102,066.77

Funds received from Indian Navy for the construction of Indigenous Aircraft Carrier are held in a separate account and is separately disclosed.

Note 15 : Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Lien Marked Term deposits with original maturity of less than three months*	18,993.08	
Term Deposits with banks with original maturity more than 3 months and less than 12 months	57,180.19	131,539.08
Term Deposits with banks with original maturity more than 3 months and less than 12 months out of IPO Proceeds	5,050.00	24,108.86
Term Deposits with banks with original maturity more than 3 months and less than 12 months earmarked for objects of IPO	51,597.00	
Earmarked balances (Unpaid Dividend account)	20.00	9.54
Total	132,840.27	155,657.48

* Deposits with banks with maturity less than three months include ₹ 18993.08 lakhs lien marked deposits in favour of Union Bank of India for maintaining cash margin towards the Non-Fund based credit facilities granted to the Company.

** Deposits with banks with maturity upto 12 months, include ₹ 87.34 lakhs (previous year ₹ 82.29 lakhs) lien marked in favour of The Registrar of High Court of Kerala.

** Deposits with banks with maturity up to 12 months include ₹ 33,000.00 lakhs lien marked in favour of Union Bank of India for maintaining cash margin towards the Non-Fund based credit facilities granted to the Company.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 16 : Loans - Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured, considered good		
Loans to related parties	-	-
Other employees	30.97	39.21
Total	30.97	39.21

No significant increase in credit risk or credit impairment

Note 17 : Other Financial Assets - Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued on fixed deposits	3,129.36	3,761.24
Interest accrued on employee advances		
Related parties	-	0.36
Other employees	15.99	19.85
Fixed Deposit with HDFC Ltd	-	19,500.00
Total	3,145.35	23,281.45

Note 18 : Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Unsecured advances		
Advances other than capital advances		
Advances to related party	0.84	1.01
Other advances	11,520.97	16,281.77
Advances considered doubtful	0.07	0.07
	11,521.88	16,282.85
Less: Provision for doubtful advances	0.07	0.07
	11,521.81	16,282.78
Others		
Contract Assets for IAC works	60,570.53	-
Contract Assets for other works	30,980.80	21,716.35
Balance with Sales Tax department and CBEC	474.80	422.11
Miscellaneous deposits	17.26	13.94
Prepaid expenditure	469.67	385.65
Input Tax Credit on GST	54,341.77	22,986.56
Miscellaneous current assets (Including claims receivable)	1,625.49	1,341.81
Total	160,002.12	63,149.20

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 19 : Equity Share Capital

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised				
Equity shares of ₹ 10/- each	250000000	25,000.00	250000000	25,000.00
Issued, Subscribed and Fully paid up				
Equity shares of ₹ 10 each fully paid up	131540390	13,154.04	131540390	13,154.04
Total	131540390	13,154.04	131540390	13,154.04

19.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number	₹ in lakhs	Number	₹ in lakhs
Equity Shares outstanding at the beginning of the year	131540390	13,154.04	135936000	13,593.60
Add : shares issued during the year	0	0.00	0	0.00
Less : Shares bought back during the year	0	0.00	4395610	439.56
Equity Shares outstanding at the end of the year	131540390	13154.04	131540390	13,154.04

Terms & Rights attached to Equity shares: The Company has only one class of equity shares having a face value of ₹10 per share which is fully paid up. Equity shareholders are eligible for one vote per share held, and are entitled to dividends as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend proposed by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

19.2 Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2020		As at March 31, 2019	
	Number of Shares held	% of holding	Number of Shares held	% of holding
The President of India	95843464	72.86	98934442	75.21
Nippon Life India Ltd (formerly Reliance Capital Trustee Co. Ltd.)	10795352	8.21	8323743	6.33

Govt of India has transferred 3090978 equity shares (aggregating to 2.35% of paid up capital) on Feb 3,2020 to the Asset Management Company , Nippon Life India Ltd formerly known as Reliance Capital Trustee Company Ltd through the Department of Investment and Public Asset Mangement (DIPAM) in connection with the issue of CPSE ETF FFO - 6 and in accordance with the SEBI Regulations ,1996 and other applicable laws,rules and regulations as framed from time to time

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 20 : Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Capital Reserves	263.56	263.56
Capital Redemption Reserve	12,353.76	12,353.76
Securities Premium	93,152.32	93,152.44
Debenture Redemption Reserve	1,668.44	1,524.27
General Reserve	6,322.75	6,322.75
Retained Earnings	245,373.48	206,093.22
	359,134.31	319,710.00

Movement of each item in Other Equity is detailed in Statement of Changes in Equity

Capital Reserve: Capital reserve represents restoration charges received from Ms Indian Oil Corporation Ltd for laying pipe line through the Company's land.

Capital Redemption Reserve: Capital Redemption Reserve of ₹ 12353.76 includes ₹ 11914.20 lakhs being reserves created on redemption of preference shares and ₹ 439.56 lakhs being a sum equal to the nominal value of the shares bought back, which will be utilised for the purpose defined under the Companies Act 2013.

Securities Premium: Premium on tax free bonds is amortised on straight line basis over the period of bonds. The company had completed the Initial Public Offer (IPO) during 2017-18 and had allotted 22656000 equity shares of ₹ 10 each at premium (₹ 93929.76 lakhs). Expenses incurred net of deferred tax adjustment towards such allotment of shares amounting ₹ 777.93 lakhs has been debited in securities premium. In accordance with the requirements of Indian Accounting Standard (Ind AS) 32- Financial Instruments.

Debenture Redemption Reserve: The Company was hitherto creating Debenture Redemption Reserve at 25% of the value of bonds issued by the company over the maturity period of such debentures in accordance with Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of the Companies (Share Capital and Debentures) Rules, 2014 and as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008. As per the amendment made to the Companies (Share Capital and Debentures) Rules, 2014 notified vide Notification No. G.S.R. 574(E) by the Ministry of Corporate Affairs, the company is not required to create Debenture Redemption Reserves in respect of the bonds issued by it. However, the Debenture Redemption Reserve already created up to 30.09.2019, ₹ 1668.44 Lakhs, shall be retained in the books till the time of redemption of the bonds.

Interim dividend : During the year, the Company paid an interim dividend of ₹ 1.63 per equity share of face value of ₹ 10 as recommended at the board meeting held on November 12, 2019.

Proposed dividend : The Board of Directors of the Company have recommended a final dividend of ₹ 15/- per equity share of face value of ₹ 10/- for the financial year ended March 31, 2020 at the board meeting held on June 20, 2020.

Note 21 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
(a) Bonds - from other parties (Secured)		
At amortised cost		
Tax Free Redeemable Non Convertible Bonds -Series 2013-14	12,300.00	12,300.00
Total	12,300.00	12,300.00

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Tax Free Infrastructure Bond Series 2013-14

- a) Tranche 1: 1000 bonds of face value of ₹10 lakhs totalling ₹10000 lakhs with interest rate of 8.51% payable annually, redeemable at par, due for redemption on 02nd December 2023
- b) Tranche 2: 230 bonds of face value of ₹10 lakhs totalling ₹ 2300 lakhs with interest rate of 8.72% payable annually, redeemable at par, due for redemption on 28th March 2029 .

These bonds are secured against the landed properties of the Company admeasuring 197.12 ares (487.00 cents) made up of 34.30 ares in Sy No. 713/11, 23.57 ares in Sy No. 713/12, 59.12 ares in Sy No. 713/13, 50.18 ares in Sy No. 714/06, 10.12 ares in Sy No. 714/2, 8.90 ares in Sy No. 714/4 and 10.93 ares in Sy No. 714/5 of land all are lying contiguously in Elamkulam village, Kanayannur taluk, Ernakulam Dist, Kerala.

Utilisation : Out of the issue proceeds of ₹12300 lakhs received, the Company has fully utilised/adjusted funds towards various expenditure incurred on International Ship Repair Facility (ISRF) project.

Difference between carrying amounts and fair values of financial liabilities of borrowings is not significant in each of the year presented.

Note 22: Other Financial liabilities - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Payable to Chennai Port Trust	261.22	261.22
Lease Liabilities - Ind AS 116	37,325.69	
Total	37,586.91	261.22

Liability of ₹ 261.22 lakhs to Chennai Port Trust in respect of customs duty is covered by a refund appeal lying before Commissioner (Appeals) which is also shown as deposits with Customs department under Note No. 11

Note 23: Provisions - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits - Compensated absences (Refer Note No 33)	2,872.20	2,428.71
Total	2,872.20	2,428.71

Note 24: Other non current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Deferred Income arising from Government Assistance	11.45	12.59
Total	11.45	12.59

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 25 : Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Trade payables (Unsecured)		
Outstanding dues of Micro enterprises and Small enterprises	686.52	725.36
Outstanding dues of creditors other than Micro enterprises and Small enterprises	41,185.27	33,933.75
Total	41,871.79	34,659.11

To the extent, the Company has received intimation from the vendors regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006, the details of trade payables are provided as under:

Particulars	As at March 31, 2020	As at March 31, 2019
Amount remaining unpaid to supplier at the end of each accounting year;		
Principal	686.52	725.36
Interest on above Principal	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small, and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to supplier beyond the appointed day during each accounting year;		
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under Micro, Small, and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small, and Medium Enterprises Development Act, 2006;	-	-

Note 26 : Other Financial Liabilities - Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Interest accrued but not due	281.95	281.98
Unpaid Dividend	20.00	9.54
Lease Liability	2,833.72	-
Others		
Security and other deposits	3,434.08	3,061.64
Others Payables	11,231.73	9,666.62
Total	17,801.48	13,019.78

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 27 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Contract Liability for Indigenous Aircraft Carrier works (Net)	-	30,830.23
Contract Liability for other works	113,330.88	52,634.04
Advances for other ship building contracts	114.21	8.23
Advances for ship repair and others	586.08	689.51
Income received in advance	25.33	24.34
Statutory dues	2,040.63	2,115.53
Deferred Income arising from Government Assistance	1.14	1.14
other payables		50.79
Total	116,098.27	86,353.81

Refer Note No 39 on Ind AS 115 "Revenue from Contract with Customers"

Note 28 : Provisions - Current

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Provision for Employee benefits		
Gratuity	1,048.51	607.90
Compensated absences(Refer Note No 33)	533.22	464.29
Others	-	2,997.00
	1,581.73	4,069.19
Other Provisions		
Taxes and duties	209.12	211.61
Provision for shipbuilding loss	5,287.00	205.00
Expenditure / contingencies	31,608.78	32,446.62
	37,104.90	32,863.23
Total	38,686.63	36,932.42

28.1 Details of movement of provisions

(₹ in lakhs)

Particulars	As at 01.04.2019	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2020
Provision for employee benefits					-
Gratuity	607.90	440.61			1,048.51
Compensated absences (Refer Note No 33)	464.29	68.93			533.22
Others	2,997.00		(2,997.00)		0.00
Provision for taxes and duties	211.61	0.17	(2.66)	-	209.12
Provision for shipbuilding loss	205.00	5,287.00	-	(205.00)	5,287.00
Provision for expenditure / contingencies	32,446.62	30,332.54	(26,117.27)	(5,053.11)	31,608.78

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

(₹ in lakhs)

Particulars	As at 01.04.2018	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2019
Provision for employee benefits					
Gratuity	2,361.78	-	(1,753.88)	-	607.90
Compensated absences	383.78	80.51	-	-	464.29
Others	1,220.93	1,796.04	(31.24)	11.27	2,997.00
Provision for taxes and duties	196.48	17.93	(2.80)	-	211.61
Provision for shipbuilding loss	548.22	205.00	-	(548.22)	205.00
Provision for expenditure / contingencies	23,203.74	26,675.55	(15,461.89)	(1,970.78)	32,446.62

Note 29 : Revenue from operations

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Sale of products		
Ship building:		
Indigenous Aircraft Carrier (IAC)	237,746.87	175,676.28
Vessels other than IAC	46,206.78	37,341.68
Engineering works	-	-
	283,953.65	213,017.96
Sale of services		
Ship repairs	56,856.75	83,197.46
	56,856.75	83,197.46
Other operating revenue		
Sale of stock items	-	0.45
ShipBuilding Financial Assistance	835.57	-
Sale of scrap	603.42	344.46
	1,438.99	344.91
Total	342,249.39	296,560.33

Refer Note No 39 on Ind AS 115 "Revenue from Contract with Customers"

The Company signed the Phase III Part of Contract for Construction of Indigenous Aircraft Carrier on October 31, 2019

The Company has considered the lock down period due to COVID 19 as Force Majeure for computation of Liquidated Damages while calculating Revenue from operations

Govt. of India approved a Financial Assistance Policy for Indian Shipyards on 9th December 2015 for grant of financial assistance to Indian Shipyards for shipbuilding contracts signed between April 1, 2016 to March 31, 2026. Eligibility for this Assistance based on measurement of physical performance completed to date is accounted for .

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 30 : Other Income

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Training facilities	304.29	423.67
Income from sale of scrap and stores	246.42	260.62
Profit on sale of fixed assets	-	-
Income from laboratory services	33.77	35.77
Rent received	305.55	154.42
Hire charges received	5.90	7.71
Interest on bank deposits	14,885.29	17,450.30
Interest from others	1,611.73	1,064.43
Dividend income from equity investments/ Mutual Funds	0.89	163.34
Profit on sale of Mutual Funds	235.30	711.52
Net gain on foreign currency transactions	-	88.65
Provision no longer required	5,159.25	1,916.36
Miscellaneous income	1,719.74	321.56
Total	24,508.13	22,598.35

Miscellaneous income includes ₹ 1.14 lakhs being deferred government assistance in the form of subsidy relating to installation of Solar Power plant inside the yard. The same has been accounted as per the requirements of Ind AS 20 - Accounting for Government Grants and Disclosure of Government Assistance.

Note 31 : Cost of Materials Consumed

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Raw Materials		
Steel	5,760.00	5,487.11
Pipe	798.84	1,029.04
Paint	1,495.32	1,223.54
Bought out components	171,545.66	142,689.33
Total	179,599.82	150,429.02

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 32 : Sub Contract and Other Direct Expenses

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Sub contract and off loaded jobs	28,818.23	25,026.31
Hull insurance	530.97	208.89
Other direct expenses	7,207.78	12,763.53
Total	36,556.98	37,998.73

Note 33 : Employee Benefits Expense

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Salaries, wages, bonus/exgratia and allowances	26,166.40	24,044.00
Contribution to Provident Fund and Family Pension Fund	2,020.40	1,585.78
Gratuity	305.67	310.06
Staff welfare expenses	2,098.56	1,815.81
Total	30,591.03	27,755.65

Contribution to Provident Fund and Family Pension Fund includes provident fund inspection and administration charges ₹ 20.52 lakhs (previous year ₹17.72 lakhs)

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of half pay compensated absences for workmen amounting to ₹ 512.42 lakhs (previous year ₹ 243.52 lakhs)

The employee benefits accruing to the employees on deputation from Cochin Port Trust and Mumbai Port Trust are being accounted based on demands received from Cochin Port Trust & Mumbai Port Trust as per tripartite agreement between the Company, Cochin Port Trust & Mumbai Port Trust and the recognised Trade unions of the Port and not based on actuarial valuation except for gratuity which is actuarially valued for 2019-20.

Other Benefit Plan - Compensated absences

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	As at March 31, 2020	As at March 31, 2019
Discount Rate (p.a)	6.66%	7.68%
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate- Half Pay Leave	Officers & Supervisors 0.7% Workers 0.7%	Officers & Supervisors 0.24% Workers 0.24%
Attrition Rate- Earned Leave	Officers & Supervisors 0.7% Workers 0.7%	Officers & Supervisors 0.6% Workers 0.1%

Particulars	As at March 31, 2020	As at March 31, 2019
Average Duration of Defined Benefit Obligation (In years)	7.94	6.95

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Amount recognised in the Statement of Profit and Loss in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Service Cost:		
Current Service Cost	213.89	208.51
Net Interest expense	196.63	187.28
Actuarial (Gain)/Loss recognised during the period	767.32	294.80
Expenses recognised in the statement of profit and loss	1177.84	690.59

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Present Value of Defined Benefit Obligation at end of the year	3405.42	2893.00
Fair Value of Plan Assets at the end of the year	-	-
Net Liabilities /(Assets) recognized in the Balance Sheet	3405.42	2893.00

Type of Employee Benefit	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Current Component of PVO	533.22	464.29
Non-Current Component of PVO	2872.20	2428.71
TOTAL PVO	3405.42	2893.00

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Defined Benefit Obligation at beginning of the year	2893.00	2649.48
Current & Past Service Cost	213.89	208.51
Current Interest Cost	196.63	187.28
Actuarial (Gain)/ Loss	767.32	294.8
Benefits paid	(665.42)	(447.07)
Defined Benefit Obligation at end of the year	3,405.42	2,893.00

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/ Loss	-	-
Contributions from the employer	665.42	447.07
Benefits paid	(665.42)	(447.07)
Fair Value of the Assets at the end of the year	-	-

Expected Contributions in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Year 1	484.41	390.26
Year 2	83.24	121.25
Year 3	203.95	242.21
Year 4	86.45	174.57
Year 5	74.63	68.06
Next 5 Years	472.06	376.12

"NA " denoted " Not Available"

Expected Benefit Payments in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Year 1	484.41	390.26
Year 2	83.24	121.25
Year 3	203.95	242.21
Year 4	86.45	174.57
Year 5	74.63	68.06
Next 5 Years	472.06	376.12

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Sensitivity Analysis - Half Pay Leave

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
A. Discount Rate + 50 BP	7.16%	8.18%
Defined Benefit Obligation [PVO]	355.85	285.32
Current Service Cost	104.81	104.84
B. Discount Rate - 50 BP	6.16%	7.18%
Defined Benefit Obligation [PVO]	389.41	310.74
Current Service Cost	113.84	114.18
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	389.98	311.30
Current Service Cost	113.99	114.39
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	355.23	284.73
Current Service Cost	104.64	104.62
BP denotes "Basis Points"		

Sensitivity Analysis - Earned Leave

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
A. Discount Rate + 50 BP	7.16%	8.18%
Defined Benefit Obligation [PVO]	2,927.06	2,516.47
Current Service Cost	130.04	113.29
B. Discount Rate - 50 BP	6.16%	7.18%
Defined Benefit Obligation [PVO]	3,148.26	2,680.38
Current Service Cost	142.08	122.79
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	3,151.90	2,683.94
Current Service Cost	142.28	123.00
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	2,922.90	2,512.62
Current Service Cost	129.82	113.07
BP denotes "Basis Points"		

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Defined Benefit Plan-Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows (Head office):

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Discount Rate (p.a)	6.66%	7.68%
Rate of increase in compensation levels	3.00%	3.00%
Attrition Rate	Officers & Supervisors 0.7% Workers 0.7%	Officers & Supervisors 0.6% Workers 0.1%
Expected Rate of Return on Plan Asset	6.66%	7.68%

Average Duration of Defined Benefit Obligations (In years)	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
	7.21	6.17

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Service Cost:		
Current Service Cost	223.48	235.84
Past Service Cost	-	-
Net Interest expense	23.34	72.04
Components of defined benefit costs recognised in statement of profit and loss	246.82	307.88
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	636.50	352.70
Difference between Actual Return and Interest income on Plan assets (gain)/loss	165.18	(52.69)
Components of defined benefit costs recognised in Other Comprehensive Income	801.68	300.01

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Present Value of Defined Benefit Obligation at end of the year	5,240.37	5,078.90
Less: Fair Value of Plan Assets at the end of the year	4,191.87	4,471.00
Net Liabilities /(Assets) recognized in the Balance Sheet	1,048.50	607.90

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Defined Benefit Obligation at beginning of the year	5,078.89	5,077.72
Current Service Cost	223.48	235.84
Current Interest Cost	349.80	355.60
Past Service Cost	-	-
Actuarial (Gain)/ Loss	636.50	352.70
Benefits paid	(1,048.30)	(942.97)
Defined Benefit Obligation at end of the year	5,240.37	5,078.89

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Fair Value of Plan Assets at the beginning of the year	4,471.00	3,211.31
Expected Return on Plan Assets	326.46	283.56
Actuarial Gain/ (Loss)	(165.18)	52.69
Contributions from the employer	607.90	1,866.41
Benefits paid	(1,048.32)	(942.97)
Fair Value of the Assets at the end of the year	4,191.86	4,471.00

Expected Contributions in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

"NA " denoted " Not Available"

Expected Benefit Payments in Following Years [mid-year cash flows]

Year	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Year 1	1,942.66	1,640.47
Year 2	293.47	465.71
Year 3	698.96	1,064.38
Year 4	327.89	648.22
Year 5	240.10	283.78
Next 5 Years	1,242.55	1,144.17

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Sensitivity Analysis

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
A. Discount Rate + 50 BP	7.16%	8.18%
Defined Benefit Obligation [PVO]	5,071.31	4,939.22
Current Service Cost	236.07	211.20
B. Discount Rate - 50 BP	6.16%	7.18%
Defined Benefit Obligation [PVO]	5,423.06	5,228.76
Current Service Cost	269.81	236.99
C. Salary Escalation Rate + 50 BP	3.50%	3.50%
Defined Benefit Obligation [PVO]	5,403.33	5,217.60
Current Service Cost	267.13	233.60
D. Salary Escalation Rate - 50 BP	2.50%	2.50%
Defined Benefit Obligation [PVO]	5,086.36	4,947.91
Current Service Cost	238.93	213.33
BP denotes "Basis Points"		

MAJOR CATEGORIES OF PLAN ASSETS (AS PERCENTAGE OF TOTAL PLAN ASSETS)

Government of India Securities	29.90%	29.42%
State Government Securities	30.96%	34.62%
High Quality Corporate Bonds	0.00%	0.00%
Equity shares of listed companies	10.90%	9.72%
Property	0.00%	0.00%
Special Deposit Scheme	0.00%	0.00%
Funds managed by Insurer	0.25%	0.23%
Others (to specify)	27.99%	26.01%
Total	100.00%	100.00%

The plan assets are managed by the Gratuity Trust formed by the Company.

The principal assumptions used for the purpose of actuarial valuation of International Ship Repair Facility (ISRF) and CSL Mumbai Ship Repair Unit (CMSRU) were as follows:

Particulars	For the year ended Mar 31, 2020
Discount Rate (p.a)-ISRF	6.00%
Discount Rate (p.a)-CMSRU	5.70%
Rate of increase in compensation levels	3.00%
Attrition Rate	2.00%
Expected Rate of Return on Plan Asset	NA

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Amount recognised in the Statement of Profit and Loss/Other comprehensive income in respect of defined benefit plans are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020
Service Cost:	
Current Service Cost	45.08
Past Service Cost	-
Net Interest expense	13.77
Components of defined benefit costs recognised in statement of profit and loss	58.85
Remeasurement of the net defined benefit liability:	
Actuarial (Gain)/Loss on Plan Obligations	(4.08)
Difference between Actual Return and Interest income on Plan assets (gain)/loss	
Components of defined benefit costs recognised in Other Comprehensive Income	(4.08)

The amount included in the Balance Sheet arising from the entity's obligation in respect of its defined benefit plan is as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020
Present Value of Defined Benefit Obligation at end of the year	238.83
Less: Fair Value of Plan Assets at the end of the year	-
Net Liabilities /(Assets) recognized in the Balance Sheet	238.83

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020
Defined Benefit Obligation at beginning of the year	184.06
Current Service Cost	45.08
Current Interest Cost	13.77
Past Service Cost	-
Actuarial (Gain)/ Loss	(4.08)
Benefits paid	-
Defined Benefit Obligation at end of the year	238.83
ISRF & CMSRU gratuity is self managed by the Company.	

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Expected Contributions in Following Years [mid-year cash flows]

Year	ISRF	CMSRU
Year 1	NA	NA
Year 2	NA	NA
Year 3	NA	NA
Year 4	NA	NA
Year 5	NA	NA
Next 5 Years	NA	NA

"NA " denoted " Not Available"

Expected Benefit Payments in Following Years [mid-year cash flows]

Year	ISRF	CMSRU
Year 1	14.49	1.17
Year 2	36.69	2.88
Year 3	25.21	3.80
Year 4	32.45	2.41
Year 5	11.80	1.04
Next 5 Years	104.08	2.83

Sensitivity Analysis

Particulars	ISRF	CMSRU
A. Discount Rate + 100 BP	7.00%	6.70%
Defined Benefit Obligation [PVO]	215.49	13.74
Variation	-4.10%	-2.73%
B. Discount Rate - 100 BP	5.00%	4.70%
Defined Benefit Obligation [PVO]	234.79	14.53
Variation	4.48%	2.91%
C. Salary Escalation Rate + 100 BP	4.00%	4.00%
Defined Benefit Obligation [PVO]	234.83	14.53
Variation	4.50%	2.92%
D. Salary Escalation Rate - 100 BP	2.00%	2.00%
Defined Benefit Obligation [PVO]	215.30	13.73
Variation	-4.19%	-2.78%
BP denotes "Basis Points"		

Note 34 : Finance Costs

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Bank interest	-	-
Interest expense on lease liabilities	3,439.62	
Interest others	1.35	378.67
Interest on tax free bonds	1,051.44	1,051.44
Total	4,492.41	1,430.11

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 35 : Depreciation and Amortisation Expense

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Depreciation on property, plant and equipments	2,989.48	2,850.35
Depreciation on RoU Assets	1,395.68	
Amortisation of other intangible asset	298.47	321.30
Total	4,683.63	3,171.65
Add : Loss on revaluation of tools	210.26	248.21
Total	4,893.89	3,419.86

Note 36 : Other Expenses

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Consumption of stores	2,087.39	1,780.37
Consumption of spares	47.44	52.76
Rates and taxes	21.97	16.56
Power	2,156.61	2,023.43
Fuel	792.76	861.66
Water	242.26	223.26
Repairs and maintenance:		
Building and roads	643.18	659.77
Plant and machinery	104.92	46.96
Others	1,063.39	1,271.46
Maintenance dredging	299.50	540.50
Transport and stores handling	167.05	129.21
Travelling and conveyance expenses	852.51	496.57
Printing and stationery	100.73	89.28
Postage, telephone and telex	64.80	40.05
Advertisement and publicity	507.64	692.67
Lease rent	14.56	1,216.58
Guaranteed Amount under lease agreement	-	12.21
Hire charges	386.62	660.56
Insurance charges	427.26	367.45
Security expenses	1,538.30	1,559.11
Payments to Auditors	26.95	25.96
Training expenses	624.37	658.39
Legal expenses	58.07	16.64
Consultancy	134.78	183.11
Bank charges	496.31	112.63
Net loss /(gain) on derivative contracts	502.01	-
Corporate social responsibility (Refer Note no.45)	1,270.94	1,041.16
Loss on sale/write off of property, plant and equipments	1.87	16.09
Miscellaneous expenses	1,625.42	1,354.34
Total	16,259.61	16,148.74

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Auditors remuneration, Auditors remuneration for other services and Miscellaneous expenses include:

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
For Audit Fees	14.71	14.25
For Limited Review/other services	7.74	6.06
For Certifications	4.50	5.65
Total	26.95	25.96

Note 37 : Provision for Anticipated Losses and Expenditure

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Provision for:		
Doubtful debts / advances	3,286.89	6,600.24
Non moving / perpetual inventory verification	1.98	128.62
Expenses and contingencies	220.91	291.18
Provision for loss on Ship Building	5,082.00	205.00
Total	8,591.78	7,225.04

Note 38 : Earnings per Equity Share

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Net Profit after tax (₹ in lakhs)	63,200.99	47,778.77
Weighted average number of Equity Shares	131540390	134695595
Basic and Diluted Earnings Per Share (EPS) (in ₹)	48.05	35.47
Face value per share (in ₹)	10.00	10.00

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Note 39: Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers"

Disclosures of Disaggregated revenue as per INDAS 115

(₹ in lakhs)

Particulars	For the year ended Mar 31, 2020	For the year ended Mar 31, 2019
Revenue from Contracts with customers		
A. Revenue from goods or services transferred over time		
(i) Sale of products (Including Excise Duty Nil)		
Ship building:		
Indigenous Aircraft Carrier (IAC)	237746.87	175676.28
Vessels other than IAC	46206.78	37341.68
Engineering works	0.00	0.00
Other operating revenue		
Ship Building Financial Assistance Subsidy	835.57	0.00
(ii) Sale of services		
Ship repairs	56856.75	83197.46
B. Revenue from goods or services transferred to customers at a point in time		
Other operating revenue		
Sale of Ship Building Scrap	437.29	183.66
Sale of Ship Repair Scrap	166.13	160.80
Sale of stock items	0.00	0.45
Total	342249.39	296560.33

Details of transaction price allocated to unsatisfied/ partially satisfied performance obligations:

Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period amounts to ₹ 925080.07 lakhs (excluding Cost Plus Part of IAC contract). The amount of transaction price relating to unsatisfied performance obligation that are part of a contract that has an original expected duration of one year or less has not been included in the above disclosure as permitted under Ind AS 115. Further the estimate of the transaction price as above would not include any estimated amounts of variable consideration that are constrained. Management expects that 21.71 % of transaction price allocated to unsatisfied/ partially satisfied contracts as of 31.03.2020, as stated above, will be recognised as revenue during FY 2020-21 and the remaining thereafter.

During the year ended March 31, 2020 the Company recognised revenue of ₹ 53210.54 lakhs arising from opening Contract Liability as of April 01,2019

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Reconciliation of contracted price with revenue during the year

Particulars	As at March 31, 2020
Opening contracted price of orders as at April 1, 2019*	1176242.66
Add:	0.00
Fresh orders/change orders received (net)	341069.70
Increase due to additional consideration including Shipbuilding Financial assistance	7920.74
Increase due to exchange rate movements (net)	1430.22
Less:	0.00
Other deductions including variations, change orders etc.	13747.52
Orders completed during the year	8176.29
Closing contracted price of orders as at March 31, 2020	1504739.51
Total Revenue recognised during the year:	136469.80
Less: Revenue out of orders completed during the year	6709.06
Revenue out of orders under execution at the end of the year (I)	129760.74
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	449884.96
Decrease due to exchange rate movements (net) (III)	0.00
Balance revenue to be recognised in future viz. Order book (IV)	925093.81
Closing contracted price of orders as at March 31, 2020 (I+II+III+IV)	1504739.51

Note 40: Additional Disclosures under Ind AS 116-"Leases"

Indian Accounting Standard (Ind AS 116) "Leases" became effective from April 01, 2019 and the Group has adopted the same using modified retrospective transition method. Accordingly, the comparatives have not been retrospectively adjusted. This has resulted in RoU assets of ₹ 39648.25 Lakhs, lease liability of ₹ 37725.58 Lakhs, additional finance cost of ₹ 3439.63 Lakhs and additional depreciation of ₹ 1395.68 Lakhs, additional lease rent income (as a lessor) of ₹ 28.93 Lakhs and accrued lease rent asset (as a lessor) of ₹ 28.93 Lakhs for the year ended March 31, 2020. The actual lease rentals paid and received which were hitherto recognised as expense and income are now accounted as reduction in lease liability and adjustment to accrued lease rent. Overall, it has resulted in a reduction of profit for the year ended March 31, 2020 by ₹ 1788.53 Lakhs.

Rent and Hire charges Expense includes expense incurred for the year ended 31.03.2020 relating to Short term leases and leases of low value assets amounting to ₹ 37.93 lakhs

Total Cash outflow for leases for the year ended March 31, 2020 including outflow for short term and low value leases is ₹ 2402.90 lakhs

The Company has lease term extension options that are not reflected in the measurement of lease liabilities.

The details of the contractual maturities of lease liabilities as at March 31, 2020 on an undiscounted basis are as follows

Particulars	As at March 31, 2020	As at March 31, 2019
Less than one year	2,465.45	2,316.26
One to five years	10,819.77	10,267.93
More than five years	125,971.91	128,570.69
Total	139,257.13	141,154.88

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

The details of the contractual maturities of leased assets as at March 31, 2020 on an undiscounted basis are as follows

Particulars	As at March 31, 2020
Less than one year	182.35
One to five years	465.19
More than five years	326.87
Total	974.41

NOTES ON ACCOUNTS

Note 41: CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	For the period ended 31 Mar 2020	For the period ended 31 Mar 2019	Brief Description of the nature and obligation
	(₹ in Lakhs)	(₹ in Lakhs)	
A	CONTINGENT LIABILITY (To the extent not provided for)		
a	Guarantees		
i	13,345.68	23,005.41	Represents Letter of Credit opened by the Company in various banks for procurement of materials/assets
ii	272,384.71	151,295.89	
iii	3,925.00	3,925.00	Performance guarantee given by Company to CoPT for performance of obligations under the contract agreement entered with CoPT during the contract period.
b	Other money for which the company is contingently liable		
i	69.06	69.06	Claim raised by GCDA for the land acquired for the Company is settled. However 8 land acquisition revision petition cases (Valued at ₹ 69.06 lakhs) filed by evictees is pending with the Hon'ble Supreme Court and High Court.
ii	21,930.58	16,532.69	Customs duty for materials under Bond and indigenous vessels delivered. Includes an amount of ₹ 69.83 lakhs being Customs duty refund granted by CESTAT, Bangalore, against which an appeal was filed by the Department before the Hon'ble High Court of Kerala. The Hon'ble High Court of Kerala has since disposed off the appeal with a direction to the Department to prefer the appeal before the Hon'ble Supreme Court of India. In absence of any further information on the departmental appeal, the same has been retained as Contingent Liability. It also includes an amount of ₹ 5857.03 lakhs being differential IGST demanded on imports made by the company
iii	657.51	1,259.75	2000-01 - ₹ 111.93 Lakhs 2001-02 - ₹ 73.44 Lakhs 2004-05 - ₹ 195.67 Lakhs 2007-08 - ₹ 276.47 Lakhs (Under appeal.) Stay of collection of tax obtained in all cases. Demand reduced to the extent of amount paid and appeal allowed by Deputy Commissioner (Appeals). Detailed notes in Note no. 41.1 (II & III)

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Particulars		For the period ended 31 Mar 2020	For the period ended 31 Mar 2019	Brief Description of the nature and obligation
		12.10	12.10	VAT credit for the year 1996-97 which has not been considered in the demand, for which no provision exists in the books
iv	Income Tax	2,107.27	2,988.44	Demand relating to Assessment Years: AY 2010-11 - ₹ 457.63 Lakhs AY 2011-12 - ₹ 406.80 Lakhs AY 2014-15 - ₹ 911.07 Lakhs AY 2017-18 - ₹ 331.77 Lakhs Detailed notes in Note no. 41.1 (l)
v	Service Tax	1,647.47	1,647.47	Demand of Service Tax on IAC (Design Consultancy) as per Show Cause Notice issued. Adjudication pending
		376.88	376.68	Refund claim of Service Tax on IAC granted by Commissioner (Appeal). However Department filed Appeal before CESTAT against the order of Commissioner(Appeals). Also issued Show Cause Notice on CSL & adjudication pending.
		323.04	323.04	Demand of Service Tax on IAC (Management Fee/Handling Charges) as per Show Cause Notice issued. Adjudication pending
		2,339.64	2,339.64	Show Cause Notice issued for levy of service tax on ship repair without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit. Proceedings under the show cause has been dropped vide order no. COC-EXCUS-000-COM-18-17-18 dt 19.03.2018. Department filed appeal to CESTAT.
		1,885.60	1,885.60	Show Cause Notice issued for levy of Service Tax on the repair of vessels owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments. Proceedings under the show cause has been dropped vide order no. COC-EXCUS-000-COM-11-17-18 dt 07.03.2018. Department filed appeal to CESTAT.
		513.71	513.71	Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2015-16 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments.
		734.93		Show Cause Notice issued for levy of Service Tax on the repair of vessels during FY 2016-17 owned by UTLA by denying the benefit of Notification No.25/212-ST dt. 20-6-2012 available for the repair of vessels owned by Govt. Departments.
		79.22	79.22	Show Cause Notice issued for levy of service tax on ship repair during the period 2015-16 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Particulars		For the period ended 31 Mar 2020	For the period ended 31 Mar 2019	Brief Description of the nature and obligation
v	Service Tax	286.85		Show Cause Notice issued for levy of service tax on ship repair during the period 2016-17 without allowing deduction of materials for which VAT paid and disallowance of Cenvat Credit.
		279.46	279.46	Show Cause Notice issued for non payment of service tax on availing services of persons in non-taxable territory for meeting contractual warranty obligations and on cost of security provided to the transportation of Barge from Cochin to Abu Dhabi.
B	COMMITMENTS (To the extent not provided for)			
a	Estimated amount of contracts remaining to be executed on capital account and not provided for:	143,692.62	181,221.45	
b	Other commitments			
i	Unutilised amount of Initial Public Offer (IPO) proceeds (Pending utilisation amount deposited with various banks in current account and term deposits)	4,737.06	30,802.81	Detailed notes in Note no. 42

41.1. CONTINGENCIES AND COMMITMENTS

(I) Income Tax Assessments

The Income Tax Assessment of the company have been completed up to AY 2017-18.

Demands raised as per the assessment orders totaling to ₹ 1406.41 lakhs for the Assessment Years 2010-11, 2011-12, 2014-15 and 2017-18 are shown under Contingent Liability pending disposal of the appeals filed before the Commissioner of Income Tax (Appeals). The demands are mainly due to disallowance of certain genuine claims. However the above demands have been adjusted against the refund due for the subsequent years.

For the Assessment years 2010-11 and 2011-12 although the appeals filed before the Commissioner of Income Tax (Appeals) has been disposed in favour of the company, the Income Tax Department has gone for appeal against the order of Commissioner of Income Tax (Appeals) before the ITAT, the amount involved under appeal before the ITAT amounts to ₹ 700.86 lakhs.

(II) Sales Tax Assessment under KGST Act

The Sales Tax assessments under Kerala General Sales Tax Act up to the Assessment Year 2004-05 have been completed and orders were issued for all the years except for the year 2002-03 & 2003-04. Due to apparent mistake in the orders issued for the year 2000-01 and 2001-02, applications have been filed for rectification of the orders. Pending rectification to the assessment orders the demands thereto have been shown under Contingent Liabilities. For the Assessment year 2004-05, the Deputy Commissioner (Appeals) has dismissed the appeal filed by the Company against the demand for ₹ 202.22 lakhs. The Company has filed appeal with the Tribunal.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

(III) Sales Tax Assessments under KVAT Act

The KVAT assessments from Assessment Year 2005-06 to Assessment Year 2007-08 have been completed and assessment orders were issued for Assessment Year 2005-06 and Assessment Year 2007-08 with a demand of ₹ 2836.63 lakhs and ₹ 5554.71 lakhs respectively. The appeals filed by the Company against the above orders, before the Deputy Commissioner (Appeals) have been partially decided in favour of the Company and remanded for fresh assessments. Accordingly the demands as per the original assessment orders have become null. As such no demand exists as on reporting date. Pending receipt of the revised assessment order, the company filed appeal before the Hon'ble KVAT Appellate Tribunal on the other issues. Tribunal has issued order in favour of CSL for the assessment year 2005-06. The appeal for assessment year 2007-08 is currently pending before the Tribunal. Assessment order for the year 2006-07 is pending.

42. The Utilisation of IPO proceeds is summarised below:

(₹ in lakhs)

Particulars	IPO proceeds received -Based on Final allotment	Actual cash outflow upto March 31, 2020	Unutilised amount as at March 31, 2020
Setting up of Dry Dock	51000.00*	46262.97	4737.03
Setting up of ISRF	26500.00*	26500.00	0.00
General corporate purposes	16523.26	16523.23	0.03
Issue related expenses (Attributable to the Company)	2172.10**	2172.10	0.00
Total	96195.36	91458.30	4737.06

* As per Prospectus Filed

** Increase in IPO expenditure (₹ 172.10 lakhs) compared to the estimates is adjusted against amount specified for General Corporate Purpose

43. The dispute between M/s Apeejay Shipping Ltd (formerly known as Surendra Overseas Ltd) and the Company, in the matter of ship 005 was referred for arbitration by the Hon'ble Supreme Court of India. The arbitration award (July 2009) was in favour of the Company under which the Company is to receive ₹2803.64 lakhs from M/s Apeejay Shipping Ltd. The company has filed a petition before Sub Court, Ernakulam for passing a decree. M/s Apeejay Shipping Ltd has moved to the Sub Court to quash the Award of the Umpire and the Company has filed Counter Affidavit against this move. The matter is pending before the court. No credit has been taken in the books of account, pending final decree of the Court.
44. Permanent Machinery for Arbitration, Department of Public Enterprises, Govt. of India, has notified award in favour of the Company in the dispute between the Company and M/s Oil and Natural Gas Corporation Ltd (ONGC) on the Works Contract Tax issue and ONGC has paid to the Company the disputed sum along with interest amounting to ₹2642.22 Lakhs as per the award. ONGC has gone on appeal before the Law Secretary, Ministry of Law & Justice against the award. Pending disposal of ONGC appeal, no adjustment has been made in the accounts.
45. Litigations : The Company is subject to legal proceedings and claims, in the ordinary course of business. The Company's Management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have material and adverse effect on the Company's results of operation.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Details of material litigations as on 31 March 2020

M/s. Vigil Marine Services in 2004 raised claims towards Agency Commission payable for winning orders for ATCO Tugs. The arbitration proceedings commenced on 10 Oct 2004. Examination and cross examination of witnesses completed and posted the matter for arguments on 01 and 02 Feb 2014. The Arbitrator completed the proceedings and passed his award directing the Company to pay commission to M/s Vigil Marine Services at the rate of 5% of the ATCO contract value of U S Dollar 18.25 Million with interest @ 8% per annum. Aggrieved on this CSL filed Original Suit No 187/2016 before Sub Court, Ernakulam and obtained an interim order staying execution of the award. However the Company has already provided for the principal amount and interest thereon.

46. **Corporate Social Responsibility (CSR)** : As per section 135 of the Companies Act 2013, CSR committee has been formed by the Company. The areas of CSR activity includes Health Care, Education, Social Empowerment, etc., and those specified in Schedule VII of the Companies Act 2013. The utilisation of CSR funds are done through direct spending as per the recommendations of CSR committee. Details of amount required to be spent and the amount utilised are given below:

(a) Gross amount required to be spent by the Company during the period ended March 31, 2020				₹ 1233.49 lakhs
(b) Amount spent during the year	₹ 1270.94 lakhs			(₹ in lakhs)
Particulars		In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset		824.63	-	824.63
(ii) On purposes other than (i) above		446.31	-	446.31

47. Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship	
	2019-20	2018-19
Shri Madhu S Nair Chairman & Managing Director	Key Managerial Personnel	Key Managerial Personnel
Shri Paul Ranjan D (Up to July 31, 2019) Director (Finance) & Chief Financial Officer	Key Managerial Personnel	Key Managerial Personnel
Shri Suresh Babu N V Director (Operations)	Key Managerial Personnel	Key Managerial Personnel
Shri Bejoy Bhasker Director (Technical)	Key Managerial Personnel	Key Managerial Personnel
Shri Jose V J (From August 01, 2019) Director (Finance) & Chief Financial Officer	Key Managerial Personnel	--
Shri Satinder Pal Singh (Upto February 03, 2020) Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel	Key Managerial Personnel
Shri Elias George (Upto April 20, 2018) Official Part Time (Nominee) Director, Government of Kerala	--	Key Managerial Personnel
Shri Sanjay Bandopadyaya (From February 03, 2020) Official Part Time (Nominee) Director, Government of India	Key Managerial Personnel	--

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Related Party	Nature of Relationship	
	2019-20	2018-19
Shri K R Jyothilal Official Part Time (Nominee) Director, Government of Kerala	Key Managerial Personnel	Key Managerial Personnel
Smt. Roopa Shekhar Rai (From July 29, 2019 to March 20, 2020) Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Radhakrishna Menon (From July 29, 2019 to March 20, 2020) Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Krishna Das E (From July 29, 2019 to March 20, 2020) Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Jiji Thomson Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Pradipta Banerjee Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Nanda Kumaran Puthethath Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Smt V Kala (Upto January 31, 2020) Company Secretary	Key Managerial Personnel	Key Managerial Personnel
Shri S Balaji Arunkumar Director, HCSSL	Key Managerial Personnel	Key Managerial Personnel
Shri Rajesh Gopalkrishnan Chief Executive Officer, HCSSL	Key Managerial Personnel	Key Managerial Personnel
Shri Shibu John Chief Financial Officer, HCSSL	Key Managerial Personnel	Key Managerial Personnel
Shri Syamkamal N (From February 01, 2020) Company Secretary	Key Managerial Personnel	-
Shri Aswin Sarma M Company Secretary, HCSSL	Key Managerial Personnel	Key Managerial Personnel

Nature of transaction-Remuneration to Key Managerial Person*

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Short term benefit	353.83	275.32
Post employment Benefit	38.89	34.13
Total	392.72	309.45

* Remuneration as on March 31, 2019 includes pay revision arrears w.e.f 01.01.2017.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Nature of transaction-Loans/advances

(₹ in lakhs)

Name of Related Party	Opening Balance as on 1/4/2019	Loans/advances Taken during 2019-20	Repay ment	Balance as on 31/03/20	Interest accrued as on 31/03/20
MADHU S NAIR	0.00	0.00	0.00	0.00	0.00
PAUL RANJAN D	0.15	0.00	0.15	0.00	0.00
SURESH BABU N V	0.19	0.50	0.49	0.20	0.00
BEJOY BHASKER	0.52	0.50	0.82	0.20	0.00
JOSE V J	0.18	0.50	0.48	0.20	0.00
KALA V	0.15	0.50	0.65	0.00	0.00
SYAMKAMAL N	0.18	0.60	0.54	0.24	0.00

(₹ in lakhs)

Name of Related Party	Opening Balance as on 1/4/2018	Loans/advances Taken during 2018-19	Repay ment	Balance as on 31/03/19	Interest accrued as on 31/03/19
MADHU S NAIR	0.91	0.00	0.91	0.00	0.00
PAUL RANJAN D	0.99	0.50	1.34	0.15	0.00
SUNNY THOMAS	0.82	0.00	0.82	0.00	0.00
SURESH BABU N V	0.95	0.60	1.36	0.19	0.00
BEJOY BHASKER	1.73	0.50	1.71	0.52	0.36
KALA V	0.77	0.50	1.12	0.15	0.00

Loan balances have been considered from the year of attaining KMP status.

Nature of transaction-Sitting Fee to Independent Directors

(₹ in lakhs)

Name of the meeting	Roopa Shekhar Rai	Krishna Das E	Radhakrishna Menon	Jiji Thomson	Nandakumaran Puthezath	Pradipta Banerji
Board Meeting	0.60	0.60	0.60	0.75	0.60	0.75
Audit Committee	0.00	0.30	0.30	0.30	0.45	0.30
Corporate Social Responsibility Committee	0.45	0.00	0.45	0.30	0.30	0.00
Nomination and Remuneration Committee	0.45	0.45	0.00	0.30	0.30	0.00
Contracts and Capex Committee	0.00	0.00	0.00	0.30	0.30	0.45
Strategic HR Committee	0.00	0.00	0.00	0.00	0.00	0.00

Notes to the Consolidated

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(₹ in lakhs)

Name of the meeting	Roopa Shekhar Rai	Krishna Das E	Radhakrishna Menon	Jiji Thomson	Nandakumaran Puthezhath	Pradipta Banerji
Committee for New Technology, Strategy and New Initiatives	0.00	0.00	0.00	0.00	0.00	0.15
Stakeholders Relationship Committee	0.00	0.15	0.00	0.00	0.00	0.00
Shipbuilding Software Price Negotiation Committee	0.00	0.00	0.00	0.00	0.30	0.15
Total payment for 2019-20	1.50	1.50	1.35	1.95	2.25	1.80

Nature of transaction - Transaction with other related parties

As CSL is a Government company under the control of Ministry of Shipping (MoS), the company has availed exemption from detailed disclosures prepared under Ind AS 24 with respect to related party transactions with Government and Government related entities.

However, as required under Ind AS 24, following are the individually significant transactions:

Transactions with Government and Government related entities by the parent company.

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Amount payable to Government of India	235.40	235.40
Amount paid as dividend during the year to Govt. of India	14474.11	12234.24

In addition to the above, around 97.70 % of the companies turnover and 97.88 % (approx) of trade receivables and customer advance is with respect to Government and Government related entities.

48. FINANCIAL INSTRUMENTS

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consist of the following three levels:

Level I inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level II inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level III inputs are unobservable inputs for the asset or liability.

The following table summarises financial assets and liabilities measured at fair value on a recurring basis and financial assets that are not measured at fair value on a recurring basis (but fair value disclosures are required)

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Financial Statements for the year ended 31st March 2020

Financial assets/ financial liabilities

(₹ in lakhs)

	Fair value as at		Fair Value hierarchy
	As at March 31, 2020	As at March 31, 2019	
Financial Assets			
Non Current			
(i) Investments	9.18	9.18	Level III
(ii) Loans	108.55	129.01	Level II
(iii) Others	864.50	-	Level II
Current			
(i) Trade Receivables	28,823.21	39,233.68	Level II
(ii) Cash & Cash equivalents	86,682.14	102,066.77	Level II
(iii) Bank Balances other than (iii)	132,840.27	155,657.48	Level II
(iv) Loans	30.97	39.21	Level II
(v) Others	3,145.35	23,281.45	Level II
Total Financial Assets	252,504.17	320,416.78	
Financial Liabilities			
Non Current			
(i) Borrowings	12,300.00	12,300.00	Level I
(ii) Other financial liabilities	37,586.91	261.22	Level II
Current			
(i) Trade Payables	41,871.78	34,659.11	Level II
(ii) Other financial liabilities	17,801.48	13,019.78	Level II
Total Financial Liabilities	109,560.17	60,240.11	

Note:

- The investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. The Company has chosen to designate these investments in equity instruments of Subsidiary at cost (as per Ind AS 27) and other equity instruments at FVTOCI (as per Ind AS 109), as the directors believe that this provides a more meaningful presentation of medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

Investments included in level 3 of fair value hierarchy have been valued using the cost approach to arrive at their fair value. The cost of unquoted investments approximate the fair value because there is a wide range of possible fair value measurements and the cost represents estimate of fair value within that range.

There were no transfers between Level 1 and 2 in the period.

- Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.
- The carrying amount of trade receivables, trade and other payables and short term loans are considered to be the same as their fair value due to their short term nature.

Difference between carrying amounts and fair values of bank deposits, other financial assets, other financial liabilities and borrowings subsequently measured at amortised cost is not significant in each of the years presented.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Financial Instruments by category

(₹ in lakhs)

	31st March 2020			31st March 2019		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investments (Non-current)						
- Equity instruments		9.18			9.18	
- Debt instruments						
Loans			108.55			129.01
Others			864.50			0.00
Trade receivables			28,823.21			39,233.68
Cash & Cash equivalents			86,682.14			102,066.77
Bank Balances			132,840.27			155,657.48
Loans			30.97			39.21
Other Financial Assets			3,145.35			23,281.45
Total Financial Assets		9.18	252,495.00	0.00	9.18	320,407.59
Financial liabilities						
Borrowings			12,300.00			12,300.00
Other financial liabilities			37,586.91			261.22
Trade payables			41,871.79			34,659.11
Capital creditors						
Other financial liabilities			17,801.48			13,019.78
Total Financial Liabilities			109,560.18			60,240.11

49. Financial Risk Management Policy

Financial Risk Management Objective and Policies:

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables and advances from customers. The main purpose of these financial liabilities is to finance the Company's operations, projects under implementation and to provide guarantees to support its operations. The Company's principal financial assets include Investment, loans and advances, trade and other receivables and cash and bank balances that derive directly from its operations. The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. All derivative activities for risk management purposes are carried out by under the supervision of the Forex Risk Management Committee by assigning necessary resources. It is the Company's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

Market Risk

Market risk is the risk that the fair value of future cash flows of financial assets will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial Assets affected by market risk include loans and borrowings, deposits and derivative financial instruments.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

Foreign currency risk of the company is managed through a properly documented risk management policy approved by the board.

Commodity Price Risk

The Company is affected by the price volatility of certain commodities. Its operating activities require the purchase of steel, major machineries, equipments etc. Therefore, the Company plans its purchases closely to optimise the price.

Credit Risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and advances to suppliers) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

50. Segment Reporting

The Company has identified two major operating segments viz, Shipbuilding and Repair of ships/ offshore structures. Segment wise analysis has been made on the above basis and amounts allocated on a reasonable basis.

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Segment Assets		
Ship building	292812.55	246394.20
Ship Repair	243285.53	195899.31
Others	104574.45	82316.16
Total	640672.53	524609.67
Segment Liability		
Ship building	67144.21	39406.47
Ship Repair	12715.35	25944.31
Others	188524.62	125867.12
Total	268384.18	191217.90

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Segment Revenue		
Ship building	285226.50	213202.07
Ship Repair	57022.89	83358.26
Unallocated	24508.13	22598.35
Total	366757.52	319158.68
Segment Result		
Ship building	66459.10	44494.96
Ship Repair	14741.55	23789.32
Unallocated	4571.35	6467.25
Total	85772.00	74751.53

The Company has two major business segments – “Ship Building” and “Ship Repair”. Revenue under Ship building includes ₹ 237746.87 lakhs (Previous year: ₹ 206934.28 lakhs) from one customer (Previous year: two customers) having more than 10 % revenue of the total revenue, and for Ship repair includes ₹ 49582.22 lakhs (Previous year: ₹ 61572 lakhs) from three customers (Previous year: one customer) having more than 10% revenue of the total revenue.

51. Capital Management

The company's objective when managing capital are to safeguard their ability to continue as a going concern so that they can continue to provide returns for shareholders and maintain an optimal capital structure to reduce the cost of capital.

For the purpose of capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The company is not subject to any externally imposed capital requirements.

To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return on capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings (including bonds).

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Long term borrowings	12300.00	12300.00
Net Debt	12300.00	12300.00
Equity Share Capital	13154.04	13154.04
Other equity	359134.31	319710.00
Total Equity	372288.35	332864.04
Gearing Ratio	3.30%	3.70%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2020 and March 31, 2019.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

52. The Company has bid and submitted a Resolution Plan for Tebma Shipyard Limited (TSL) under the Corporate Insolvency Resolution Process (CIRP) commenced by the National Company Law Tribunal (NCLT), Chennai as per the provisions of the Insolvency and Bankruptcy Code, 2016. TSL is a Company engaged in construction and repair of ships for domestic and international clients having its facility in Malpe, Karnataka. The Resolution Plan submitted by CSL under the CIRP has been accepted by the Committee of Creditors (CoC) and NCLT has approved the same vide its final order dated on 04 Mar 2020. Due to the Covid -19 pandemic situation and pursuant lock down , CSL had filed a petition before NCLT Chennai for excluding the lock down period from calculation of the time specified for payment under the Resolution Plan. As the lock down period was not over at the time of filing of the petition , NCLT has vide its order dated 12 May 2020 directed CSL to approach it after cessation of the lock down period. CSL proposes to approach NCLT again after easing of lockdown restrictions in Chennai.
53. The impact of Coronavirus disease (COVID-19) continues to be an evolving human tragedy declared a global pandemic by the World Health Organisation (WHO). It is adversely affecting the health of people worldwide as well as on the state of economy and commerce. It continues to be a matter of major concern for all the business organizations. The impacts of the COVID-19 pandemic are unfolding in real time. The COVID-19 outbreak has already had a significant effect on the economies of affected countries and international financial markets. Supply Chain disruptions in India as a result of the outbreak started with restrictions on movement of goods, closure of borders etc., in several states followed by a nationwide lockdown from the 25th of March 2020 announced by the Indian Government, to stem the spread of COVID-19. Due to this the operation at CSL's facilities and its subsidiaries was temporarily disrupted.

In view of the same, the Company has considered all possible effects that may result from Covid-19 on the carrying amounts of financials assets, inventory, receivables, advances, property plant and equipment, Intangibles etc as well as liabilities accrued. The Company has looked at the possible future uncertainties in the economic conditions because of the pandemic from internal and external information such as the current contracts, financial strength of the supply chains and customers etc. Based on such information and based on current estimates the Company expects the carrying amount of these assets will be recovered and there is no significant impact on liabilities accrued.

The operations of the Company was temporarily disrupted from 23rd March 2020 to 5th May 2020. CSL continues to work on a reduced scale of operations and expects an impact on the first quarter results of the financial year 2020-21. However, the Company expects to ramp up the production significantly in the ensuing quarters. The Company expects some delay in the running projects including Capex but impact is likely to be lessened by invocation and grant of the Force Majeure clause in the contract. The business landscape also presents a challenge because of the likely shelving/ withholding of the pipeline projects by the potential clients but the Company expects sufficient business for it. The unfolding pandemic scenario still presents a challenge for the company in assessing the future.

The impact of COVID-19 may differ from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

54 . Details of Subsidiaries

	Name	Relationship	Nature of activity	Principal place of business	As at 31st March 2020 Proportionate ownership in %
1	Hooghly Cochin Shipyard Limited	Subsidiary	Construction of vessels of various types and repairs thereof	Kolkata, India	100%

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

55. Summarised financial information of subsidiary company is as follows:

The amounts disclosed for subsidiary are before inter-company eliminations

Summarised Balancesheet	2019-20	2018-19
Non-current assets	4926.00	1053.13
Current assets	2514.22	5599.73
Total Assets	7440.22	6652.86
Non-current liabilities	4400.00	4400.00
Current liabilities	1259.23	223.12
Total Liabilities	5659.23	4623.12
Net Assets	1780.99	2029.74
Accumulated NCI	0.00	527.73
Summarised Statement of Profit & Loss	2019-20	2018-19
Revenue	0.00	0.00
Profit/(Loss) for the year	(248.76)	(133.19)
Other Comprehensive Income	0.00	0.00
Total Comprehensive Income	(248.76)	(133.19)
Profit/(Loss) attributable to NCI		(34.63)
Summarised Cashflows	2019-20	2018-19
Cashflows from operating activities	(251.45)	(1457.98)
Cashflows from investing activities	(2128.07)	(213.91)
Cashflows from financing activities	-22.79	4400.00
Net increase/decrease in cash and cash equivalents	-2402.31	2728.12

56. INFORMATION REQUIRED BY SCHEDULE III OF THE COMPANIES ACT 2013, WITH RESPECT TO CONSOLIDATED FINANCIAL STATEMENTS

Name of the entity in the group	Net Asset			Share in Profit or (Loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	Ownership in % As at March 31, 2020	Proportionate Share	As % of Consolidated Net Asset	Share in Profit/ (Loss)	As % of Consolidated Profit/ (Loss)	Share in Other Comprehensive Income	As % of Consolidated Other Comprehensive Income	Share in Total Comprehensive Income	As % of Consolidated Total Comprehensive income
Cochin Shipyard Limited	100.00%	373179.50	100.24%	63768.75	100.90%	-596.84	100.00%	63171.91	100.91%
Subsidiary									
Hooghly Cochin Shipyard Limited	100.00%	1780.99	0.48%	-248.76	-0.39%	0	0	(248.76)	-0.40%
Consolidation adjustments		(2672.14)	-0.72%	-319.00	-0.50%	0	0	(319.00)	-0.51%
Grand Total		372288.35	100.00%	63200.99	100.00%	-596.84	100.00%	62604.15	100.00%

Notes to the Consolidated

Financial Statements for the year ended 31st March 2020

57. In the case of contracts/ sub-contracts, wherever final bills are not submitted by the contractors for the work done as at the close of the year, liability is estimated and provided based on the work done.
58. Balance shown under Trade Receivables, Trade Payables , loans, deposits and claims are subject to confirmation and consequent reconciliation, if any
59. The Company has made adequate provision towards material foreseeable losses wherever required, in respect of long term contracts. The Company do not have any long term derivative contracts for which there were any material foreseeable losses.
60. Figures in brackets denote negative figures.
61. Previous year figures have been regrouped and classified wherever necessary to conform to the current year presentation.

For and on behalf of Board of Directors

SYAMKAMAL N

Company Secretary
M. No. A25337

SURESH BABU N V

Director (Operations)
DIN - 07482491

JOSE V J

Director (Finance) & Chief Financial Officer
DIN - 08444440

MADHU S NAIR

Chairman and Managing Director
DIN - 07376798

Kochi, dated June 20, 2020

As per our report attached

For **M/s Elias George and Co.,**

Chartered Accountants

(Firm Registration No.000801S)

RANJIT MATHEWS P

Partner

(Membership Number: 205377)

Kochi, dated June 20, 2020

Annexure

FORM No AOC 1

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures
(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Part "A" : Subsidiaries

Sl No	Particulars	Details
1	Sl No	1
2	Name of the subsidiary	M/s Hooghly Cochin Shipyard Ltd
3	Reporting Period for the subsidiary concerned, if different from the holding company's reporting period	No
4	Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries	Not Applicable
5	Share Capital	₹ 2200 Lakhs
6	Reserves and Surplus	₹ (419.01) Lakhs
7	Total Assets	₹ 7440.22 Lakhs
8	Total Liabilities	₹ 7440.22 Lakhs
9	Investments	Nil
10	Turnover	Nil
11	Profit Before Taxation	(₹ 251.58) Lakhs
12	Provision for taxation	
	(i) Current Tax	
	(ii) Deferred Tax	₹ (2.82) Lakhs
13	Profit after taxation	₹ (248.76) Lakhs
14	Proposed Dividend	Nil
15	% of shareholding	100%

Notes: The following information shall be furnished at the end of the statement:

- Hooghly Cochin Shipyard Ltd, 100% subsidiary of Cochin Shipyard Ltd, is yet to commence operations

Part "B": Associates and Joint Ventures :Not applicable

SYAMKAMAL N

Company Secretary
M. No. A25337

SURESH BABU N V

Director (Operations)
DIN - 07482491

JOSE V J

Director (Finance) & Chief Financial Officer
DIN - 08444440

MADHU S NAIR

Chairman and Managing Director
DIN - 07376798

Kochi, dated June 20, 2020

As per our report attached

For **M/s Elias George and Co.**,
Chartered Accountants
(Firm Registration No.000801S)

RANJIT MATHEWS P

Partner
(Membership Number: 205377)
Kochi, dated June 20, 2020



COCHIN SHIPYARD LIMITED

Corporate Identity Number: L63032KL1972GOI002414

Registered Office: Administrative Building, Cochin Shipyard Premises, Perumanoor, Ernakulam, Kerala – 682015

Tel. No: +91 (484) 2361181/2501200 **Fax No:** +91 (484) 2370897/2383902

E-mail: secretary@cochinshipyard.com **Website:** www.cochinshipyard.com

NOTICE

Notice is hereby given that the 48th Annual General Meeting (AGM) of Cochin Shipyard Limited (CSL) will be held on Tuesday, September 29, 2020 at 11:00 hrs. IST through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business

1. To receive, consider and adopt the audited standalone financial statements of the Company for the financial year ended March 31, 2020, together with the Reports of the Board of Directors' and the Auditors' thereon.
2. To receive, consider and adopt the audited consolidated financial statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors' thereon.
3. To confirm the payment of interim dividend of ₹1.63 (16.30%) per equity share and to declare final dividend of ₹15/- (150%) per equity share (face value ₹10/-) for the financial year 2019-20.
4. To appoint a Director in place of Shri Suresh Babu N V (DIN: 07482491), who retires by rotation and being eligible, offers himself for re-appointment.
5. To authorize the Board of Directors to fix the remuneration of the auditors appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2020-21.

Special Business

6. **Re-appointment of Smt. Roopa Shekhar Rai (DIN: 07565156) as Non-official Part Time (Independent) Director**

To consider and if thought fit, to pass the following resolution as special resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder,

consent of the shareholders of the Company be and is hereby accorded for re-appointment of Smt. Roopa Shekhar Rai (DIN: 07565156) as the Non-official Part Time (Independent) Director by Government of India vide letter F.No.SY-11012/1/2016-CSL dated July 29, 2019 for a period from July 29, 2019 to March 20, 2020."

7. **Re-appointment of Shri Radhakrishna Menon (DIN: 07518727) as Non-official Part Time (Independent) Director**

To consider and if thought fit, to pass the following resolution as special resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, consent of the shareholders of the Company be and is hereby accorded for re-appointment of Shri Radhakrishna Menon (DIN: 07518727) as the Non-official Part Time (Independent) Director by Government of India vide letter F.No.SY-11012/1/2016-CSL dated July 29, 2019 for a period from July 29, 2019 to March 20, 2020."

8. **Re-appointment of Shri Krishna Das E (DIN: 02731340) as Non-official Part Time (Independent) Director**

To consider and if thought fit, to pass the following resolution as special resolution:

"RESOLVED THAT pursuant to the provisions of Section 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made thereunder, consent of the shareholders of the Company be and is hereby accorded for re-appointment of Shri Krishna Das E (DIN: 02731340) as the Non-official Part Time (Independent) Director by Government of India vide letter F.No.SY-11012/1/2016-CSL dated July 29, 2019 for a period from July 29, 2019 to March 20, 2020."

9. **Appointment of Shri Jose V J (DIN: 08444440) as Director (Finance)**

To consider and if thought fit, to pass the following resolution as ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 152, 160, 196 and other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable Rules, if any, (including any statutory modification(s) or re-enactment thereof for the time being in force), and in accordance with the Government of India letter F.No. SY-11012/2/2018-CSL dated July 15, 2019 issued by the Ministry of Shipping (on behalf of the President of India), in consultation with the Chairman of the Board of Directors and as per the recommendation made by the Nomination and Remuneration Committee, the approval of the shareholders be and is hereby accorded for the appointment of Shri Jose V J (DIN: 08444440), as Director (Finance) of the Company for a period of five years with effect from the date of his assumption of charge of the post, or till the date of his superannuation, or until further orders, whichever is earlier, whose office is liable to retire by rotation.”

10. **Ratification of Remuneration of Cost Auditor**

To consider and if thought fit, to pass the following resolution as ordinary resolution:

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof for the time being in force), as amended from time to time, the Company hereby ratifies the remuneration of ₹1,25,000/- per annum plus applicable tax payable to M/s. K A Felix & Co., Cost Accountants, (Firm Registration No.100416) who are appointed by the Board of Directors as Cost Auditors of the Company to conduct cost audits relating to cost records of the Company under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2021.

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

By the Order of the Board of Directors

Syamkamal N
Company Secretary
M. No. A25337

Kochi
September 04, 2020

Notes:

1. In view of the continuing COVID-19 Pandemic, the Ministry of Corporate Affairs (“MCA”) vide its Circular No. 20/2020 dated May 05, 2020 read with Circular No.14/2020 dated April 8, 2020 and Circular No.17/2020 dated April 13, 2020 (collectively referred to as “MCA Circulars”) and SEBI Circular dated May 12, 2020, permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”) and MCA Circulars, the 48th AGM of the Company is being held through VC/OAVM.
2. The relevant details, pursuant to Regulation 26(4) and 36(3) of the SEBI Listing Regulations and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India, in respect of Director seeking re-appointment at this AGM is annexed.
3. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed and forms part of the Notice.
4. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. However, in pursuance of Section 112 and Section 113 of the Act, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
5. The attendance of the members in the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
6. In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only through electronic mode to those members whose email addresses are registered with the Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company’s website www.cochinshipyard.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively. The AGM Notice is

also disseminated on the website of CDSL i.e. www.evotingindia.com

7. As per Regulation 40 of SEBI Listing Regulations, as amended, securities of listed companies can be transferred only in dematerialized form with effect from April 01, 2019, except in case of request received for transmission or transposition of securities. In view of this and to eliminate all risks associated with physical shares and for ease of portfolio management, members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Members can contact the Company or Company's Registrar and Transfer Agents, Link Intime India Private Limited for assistance in this regard.

8. Members who have not yet registered their email addresses are requested to register the same with their Depository Participant (DP) in case the shares are held by them in electronic form and with Link Intime India Private Limited in case the shares are held by them in physical form. Members, who are holding the shares in electronic form, are requested to update their email IDs with the concerned demat account, to enable the Company/Registrar to send communications through e-mail.

9. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC etc., to their DPs in case the shares are held by them in electronic form and to Link Intime India Private Limited in case the shares are held by them in physical form.

10. Book Closure and Dividend:

The Register of Members and the Share Transfer Books of the Company will be closed from Wednesday, September 23, 2020 to Tuesday, September 29, 2020, both days inclusive.

The final dividend, as recommended by the Board of Directors, if approved at the AGM, will be paid, subject to deduction of tax at source, on or after Tuesday, October 06, 2020 to those persons:

- a) whose names appear as beneficial owners at the end of the business hours on Tuesday, September 22, 2020 in the list of beneficial owners to be furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) in respect of the shares held in electronic form; and
- b) whose names appear as members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company/Registrar and Share Transfer Agents on Tuesday, September 22, 2020.

11. Company will be making the dividend payment by electronic mode wherever possible and by dividend warrants/demand drafts in other cases. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership details furnished by the Depositories (NSDL & CDSL) as at the close of business hours on Tuesday, September 22, 2020 for this purpose. Members holding shares in electronic form may note that bank particulars registered against their respective depository accounts will be used by the Company for payment of dividend. The Company or its Registrars cannot act on any request received directly from the members holding shares in electronic form for any change of bank particulars or bank mandate. Such changes are to be advised only to the Depository Participant of the members. Members who have changed their bank account after opening the Depository Account and want to receive dividend in an account other than the one specified while opening the Depository Account, are requested to change/correct their bank account details (including the nine digit Bank code) with their Depository Participant, before September 22, 2020.

12. Unclaimed Dividend:

Transfer to Investor Education and Protection Fund:

Members are hereby informed that under the Companies Act, 2013, the Company is obliged to transfer any money lying in the Unpaid Dividend Account, which remains unpaid or unclaimed for a period of seven years from the date of such transfer to the Unpaid Dividend Account, to the credit of the Investor Education and Protection Fund ('the Fund') established by the Central Government.

Further, pursuant to the provisions of Section 124 of the Companies Act, 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, as amended ('IEPF Rules'), all the shares on which dividend remain unpaid/unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority as notified by the Ministry of Corporate Affairs. Hence, the Company urges all the shareholders to encash/claim their respective dividend during the prescribed period.

13. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.

14. Members are requested to:

- (i) Intimate to the Company/Company's Registrar & Share Transfer Agent, changes if any, in their

- respective addresses along with the pin code at an early date.
- (ii) Quote folio numbers in all their correspondences.
 - (iii) Consolidate holdings into one folio in case of multiplicity of folios with names in identical orders.
15. Non-Resident Indian shareholders are requested to inform the Company immediately the change in the residential status on return to India for permanent settlement.
 16. Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 01, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Registrar & Share Transfer Agent of the Company (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
 17. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the aforesaid document on the link of RTA, <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html> by 23:59 hrs. on September 21, 2020. Shareholders are requested to note that in case their PAN is not registered, the tax will be deducted at a higher rate of 20%.
 18. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, any other document which may be required to avail the tax treaty benefits by uploading the aforesaid document on the link of RTA, <https://linkintime.co.in/formsreg/submission-of-form-15g-15h.html>. The aforesaid declarations and documents need to be submitted by the shareholders, latest by 23:59 hrs. on September 21, 2020.
 19. Since AGM will be held through VC/OAVM, the route map is not annexed to this Notice.
 20. The documents referred to in the Notice are open for inspection by the members at the registered office of the Company on all working days (that is, except Sundays, second and fourth Saturdays of the months and public holidays) during business hours up to the date of the Meeting.
 21. Relevancy of question and the order of speakers will be decided by the Chairman. Members seeking any information with regard to annual accounts at the time of meeting are requested to send their queries to the Company at least seven days before the date of meeting so as to enable the management to keep the information ready.
 22. Members are requested to send all communications relating to shares to our Registrar & Share Transfer Agent at the following address:

Link Intime India Pvt. Ltd
Surya, 35, Mayflower Avenue,
Behind Senthil Nagar,
Sowripalayam Road,
Coimbatore, Tamil Nadu - 641028
Phone: +91 (422) 2314792, 2315792
Fax: +91 (422) 2314792
E-mail: coimbatore@linkintime.co.in
 23. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars, the Company is providing facility of remote e-voting to its members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
 24. Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to atleast 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc., who are allowed to attend the AGM without restriction on account of first come first served basis.
- Instructions to shareholders for remote e-voting**
- (i) The voting period begins on Saturday, September 26, 2020 (09:00 hrs.) and ends on Monday, September 28, 2020 (17:00 hrs.). During this period, shareholders of

the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date, Tuesday, September 22, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.

- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
 - (iii) The process and manner of voting by electronic means is as follows:
 - (i) The shareholders should log on to the e-voting website www.evotingindia.com
 - (ii) Click on "Shareholders" module.
 - (iii) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in physical form should enter folio number registered with the Company.
- OR
- Alternatively, if you are registered for CDSL's EASI/EASIEST e-services, you can log-in at <https://www.cdslindia.com> from Login - Myeasi using your login credentials. Once you successfully log-in to CDSL's EASI/EASIEST e-services, click on e-Voting option and proceed directly to cast your vote electronically.
- (iv) Next, enter the Image Verification as displayed and Click on Login.
 - (v) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
 - (vi) If you are a first time user follow the steps given below:

For Shareholders holding shares in Demat Form and Physical Form	
PAN	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.

Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the Company records in order to login. If both the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).
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- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for Cochin Shipyard Limited.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the voting page.
- (xvi) If a demat account holder has forgotten the login password, then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xvii) Shareholders can also cast their vote using CDSL's mobile app "m-Voting". The m-Voting app can be downloaded from respective store. Please follow the instructions as prompted by the mobile app while remote e-voting on your mobile.

Process for those shareholders whose email addresses are not registered with the depositories for obtaining login credentials for e-voting for the resolutions proposed in this notice

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar Card) by email to RTA email id coimbatore@linkintime.co.in
2. For Demat shareholders - please provide Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), Aadhar (self attested scanned copy of Aadhar Card) to RTA email id coimbatore@linkintime.co.in

Instructions for shareholders attending the AGM through VC/OAVM

1. Shareholder will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-Voting system. Shareholders may access the same at www.evotingindia.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVSN of Company will be displayed.
2. Shareholders are encouraged to join the Meeting through laptop/tablet for better experience.
3. Further, shareholders will be required to allow camera and use internet with a good speed to avoid any disturbance during the meeting.
4. Please note that participants connecting from mobile devices or tablets or through laptop connecting via mobile hotspot may experience audio/video loss due to fluctuation in their respective network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, demat account number/folio number, email

id, mobile number at speakers@cochinshipyard.com from September 21, 2020 (08.00 hrs.) to September 23, 2020 (16:00 hrs.). The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

6. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

Instructions for shareholders for e-voting during the AGM

1. The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
2. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during the AGM.
3. If any votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.
4. Shareholders who have voted through remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.

Note for Non – Individual Shareholders and Custodians

1. Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
2. A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
3. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
4. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
5. A scanned copy of the Board Resolution/Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

6. Alternatively, non individual shareholders are required to send the relevant Board Resolution/Authority letter etc. authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting, to the Scrutinizer at the email address cochin@mehta-mehta.com and to the Company at the email address secretary@cochinshipyard.com, if they have voted from individual tab & not uploaded the same in the CDSL e-voting system for the scrutinizer to verify.

Other instructions

1. Persons who have acquired shares and become members of the Company after the dispatch of Notice and hold shares as on cut-off date of September 22, 2020, may obtain the Notice and e-voting instruction by sending request to the RTA, Link Intime India Pvt. Ltd. at their e-mail id coimbatore@linkintime.co.in or download Notice and e-voting instructions from www.evotingindia.com or CSL website www.cochinshipyard.com.
2. The results declared along with the Scrutinizer's Report, will be placed on the website of the Company www.cochinshipyard.com and on the website of CDSL www.evotingindia.com immediately after the declaration of results by the Chairman or a person authorised by him in writing. The results shall also be immediately forwarded to the Stock Exchanges where the Company's shares are listed viz., BSE Ltd. and National Stock Exchange of India Limited. The results shall also be displayed on the notice board at the Registered Office of the Company.
3. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or call 1800225533.
4. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited (CDSL), A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Annexure to the Notice

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item Nos. 6 to 8

Smt. Roopa Shekhar Rai (DIN: 07565156), Shri Radhakrishna Menon (DIN: 07518727) and Shri Krishna Das E (DIN: 02731340) were appointed by the Government of India vide Order No. SS-11012/05/2014 - SY.II dated March 21, 2016 as Non-Official Part Time (Independent) Directors for a period of three years i.e., from March 21, 2016 to March 20, 2019 ("First Term" as per the explanation to Section 149(10) and 149(11) of the Act). The First Term was approved by the shareholders at the 44th Annual General Meeting of the Company held on September 20, 2016.

Subsequently, Government of India re-appointed the above three Directors as Non-Official Part Time (Independent) Directors vide letter F. No. SY-11012/1/2016-CSL dated July 29, 2019 on the Board of CSL, for a period from July 29, 2019 to March 20, 2020 (Second Term as per the explanation to Section 149(10) and 149(11) of the Act).

The above Directors have given a declaration to the Board that they meet the criteria of independence as provided in Section 149(6) of the Companies Act, 2013. They are not disqualified from being appointed as Director in terms of Section 164 of the Companies Act, 2013.

In terms of proviso to sub-section (5) of Section 152, the Board of Directors is of the opinion that Smt. Roopa Shekhar Rai, Shri Radhakrishna Menon and Shri Krishna Das E fulfils the conditions specified in the Companies Act, 2013, for their re-appointment as Independent Directors.

The terms and conditions regulating the re-appointment of the above Directors as Independent Directors were determined by the Government of India. A copy of the letter of their re-appointment as Independent Directors setting out the terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours on any working day.

The other details including the age, shareholding, brief resume containing qualification, expertise etc. of these Independent Directors, whose re-appointment is proposed at item nos. 6 to 8 of the Notice is annexed herewith.

The Board recommends the passing of the proposed special resolutions for re-appointment of the Independent Directors as contained in item no. 6 to 8 of this Notice by the members of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives except Smt. Roopa Shekhar Rai, Shri Radhakrishna Menon and Shri Krishna Das E are concerned or interested, financially or otherwise, in the resolution at item nos.6 to 8 of the Notice.

Item No.9

Shri Jose V J (DIN: 08444440), former General Manager (Finance) of Cochin Shipyard Limited was appointed as the Director (Finance) of the Company by the Ministry of Shipping, Government of India vide their letter F. No. SY-11012/2/2018-CSL dated July 15, 2019 for a period of five years with effect from the date of his assumption of charge of the post i.e August 01, 2019, or till the date of his superannuation, or until further orders, whichever is the earliest. His appointment was recommended by the Nomination and Remuneration Committee at its meeting held on July 11, 2020.

His brief resume containing, age, qualification, expertise etc. is annexed herewith.

The Board accordingly recommends the resolution set out in item no. 8 of the Notice for the approval of the members of the Company by way of an ordinary resolution.

Shri Jose V J is interested in the resolution to the extent as it concerns his appointment.

None of the other Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution at item no.9 of the Notice.

Item No.10

In pursuance of Section 148 of the Companies Act, 2013 and Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the Company is required to appoint a Cost Auditor to audit the cost records of the applicable products of the Company.

On the recommendation of the Audit Committee at its 61st meeting held on June 20, 2020, the Board at its 254th meeting held on June 20, 2020 has considered and approved the appointment of M/s. K A Felix & Co., Cost Accountants as the Cost Auditor for the financial year 2020-21 and recommended a remuneration of ₹1,25,000/- per annum plus applicable tax. As per Section 148(3) of the Companies Act, 2013, the remuneration of Cost Auditor is required to be ratified by the shareholders.

The Board accordingly recommends the resolution set out in item no. 10 of the accompanying Notice for the approval of the members of the Company by way of an ordinary resolution.

None of the Directors/Key Managerial Personnel of the Company/their relatives are in any way, concerned or interested, financially or otherwise, in the resolution at item no.10 of the Notice.

By Order of the Board of Directors

Kochi
September 04, 2020

Syamkamal N
Company Secretary
M.No. A25337

Registered Office:
Administrative Building,
Cochin Shipyard Premises,
Perumanoor, Ernakulam, Kerala - 682015
CIN: L63032KL1972GOI002414
Tel: +91 (484) 236 1181
E-mail: secretary@cochinshipyard.com
Website: www.cochinshipyard.com

DETAILS OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE 48TH AGM [PURSUANT TO REGULATION 36(3) OF SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD – 2 ON GENERAL MEETINGS]

Name of the Director	Shri Suresh Babu N V	Shri Jose V J
DIN	07482491	08444440
Age & Date of Birth	59 years; April 22, 1961	53 years; February 04, 1967
Date of first appointment on the Board	April 26, 2016	August 01, 2019
Qualifications	He holds a degree of Bachelor of Engineering (Mechanical) from the University of Kerala. He holds a diploma in management from Indira Gandhi National Open University. He has completed one year group training course in shipbuilding, repairing and maintenance conducted by Overseas Shipbuilding Cooperation Centre under International Cooperation Programme of the Government of Japan under Colombo Plan. He has also undergone a practical training course with shipyard in Sekaidu of Kawasaki Heavy Industries Limited. Furthermore, he has completed supplementary course in Japanese language held at Overseas Shipbuilding Cooperation Centre.	He is a member of the Institute of Cost Accountants of India and also holds a degree in Law from Government Law College, Ernakulam.
Expertise in specific functional areas	Shri Suresh Babu N V is the Director (Operations) of the Company from April 26, 2016. He was appointed to the position of Director (Operations) by the Ministry of Shipping through a selection process of Public Enterprises Selection Board. He joined the Company as an executive trainee in February 01, 1985. He has more than 35 years of work experience with the Company wherein he has had experience across various areas of the shipyard such as ship building, materials and ship repair.	Shri Jose V J is the Director (Finance) of the Company from August 01, 2019. He was appointed to the position of Director (Finance) by the Ministry of Shipping through a selection process of Public Enterprises Selection Board. He has approximately 29 years of work experience across diverse field viz., financial management, strategic planning, risk management, forex management, budgeting and cost control. He is also heading the Information Systems Department of CSL.
Terms and conditions of appointment or reappointment	He was appointed on April 26, 2016 pursuant to Ministry of Shipping Order No. SY-11012/2/2010-CSL dated April 26, 2016. The current terms and conditions of his employment were prescribed by Ministry of Shipping Order F. No. SY-11012/2/2010-CSL dated May 26, 2016.	He was appointed on August 01, 2019 pursuant to Ministry of Shipping Order F. No. SY-11012/2/2018-CSL dated July 15, 2019. The current terms and conditions of his employment were prescribed by Ministry of Shipping Order F. No. SY-11012/2/2018-CSL dated September 19, 2019.
Details of remuneration last drawn (FY 2019-20)	₹ 66.09 lakhs	₹ 41.49 lakhs
Directorships in other Public Limited Companies (excluding foreign companies, private companies & section 8 companies)	Hooghly Cochin Shipyard Limited (HCSL)	Hooghly Cochin Shipyard Limited (HCSL)
Membership of Committees / Chairmanship in other Public Limited Companies	Member of Securities Offer, Allotment & Transfer Committee of Hooghly Cochin Shipyard Limited	Member of Securities Offer, Allotment & Transfer Committee of Hooghly Cochin Shipyard Limited
No. of Board Meetings attended during the Financial Year 2019-20	6/6	4/4
No. of shares held in the Company:		
(a) Own	Nil	Nil
(b) For other persons on a beneficial basis	Nil	Nil

Name of the Director	Smt. Roopa Shekhar Rai	Shri Radhakrishna Menon	Shri Krishna Das E
DIN	07565156	07518727	02731340
Age & Date of Birth	66 years; April 19, 1954	56 years; May 30, 1964	50 years; December 16, 1969
Date of first appointment on the Board	March 21, 2016	March 21, 2016	March 21, 2016
Qualifications	She holds a Degree of Bachelor in Science from Nagpur University and Master of Arts from Rashtrasant Tukadoji Maharaj Nagpur University. She also holds a Diploma in Homoeopathic Medical Science from Homoeopathic and Biochemic Doctor's Training Institute.	He holds a Degree of Bachelor in Legal, Social Science from Bharati Vidyapeeth's New Law College, Pune.	He holds a Degree of Bachelor in Commerce from University of Calicut and a Bachelor of Law from Mangalore University.
Expertise in specific functional areas	Smt. Roopa Shekhar Rai was the Non-Official Part Time (Independent) Director of CSL for a period of three years i.e, from March 21, 2016 to March 20, 2019 (First Term). She was appointed to the position of Non-Official Part Time (Independent) Director of CSL by the Government of India vide Order No. SS-11012/05/2014 - SY.II dated March 21, 2016 and pursuant to the approval of the shareholders at the 44 th AGM of the Company held on September 20, 2016. She was the Chairperson of the Ladies Wing of Vidarbha Industries Association in the year 1994-95.	Shri Radhakrishna Menon was the Non-Official Part Time (Independent) Director of CSL for a period of three years i.e, from March 21, 2016 to March 20, 2019 (First Term). He was appointed to the position of Non-Official Part Time (Independent) Director of CSL by the Government of India vide Order No. SS-11012/05/2014 - SY.II dated March 21, 2016 and pursuant to the approval of the shareholders at the 44 th AGM of the Company held on September 20, 2016. He is the President of Travancore Travel and Tourism Cooperative Society Limited. In addition to being an entrepreneur and proprietor of Devi Agency and Devi Traders, he is also the Vice-President of the World Malayalee Organisation. He is a Non-Official Member of General Council for National Livestock Mission, Ministry of Agriculture and Farmer Welfare, Government of India.	Shri Krishna Das E was the Non-Official Part Time (Independent) Director of CSL for a period of three years i.e, from March 21, 2016 to March 20, 2019 (First Term). He was appointed to the position of Non-Official Part Time (Independent) Director of CSL by the Government of India vide Order No. SS-11012/05/2014 - SY.II dated March 21, 2016 and pursuant to the approval of the shareholders at the 44 th AGM of the Company held on September 20, 2016. He is an Advocate on the roll of the Bar Council of Kerala since 1996 and practising in the District Court at Palakkad, Kerala.
Terms and conditions of appointment or reappointment	She was re-appointed as the Non-Official Part Time (Independent) Director on the Board of CSL by the Government of India vide letter F. No. SY-11012/1/2016-CSL dated July 29, 2019, for a period from July 29, 2019 to March 20, 2020 (Second Term). The Non Official Part Time (Independent) Directors are paid sitting fees at the rate of ₹15,000/- for attending each meeting of the Board or Committee thereof.	He was re-appointed as the Non-Official Part Time (Independent) Director on the Board of CSL by the Government of India vide letter F. No. SY-11012/1/2016-CSL dated July 29, 2019, for a period from July 29, 2019 to March 20, 2020 (Second Term). The Non Official Part Time (Independent) Directors are paid sitting fees at the rate of ₹15,000/- for attending each meeting of the Board or Committee thereof.	He was re-appointed as the Non-Official Part Time (Independent) Director on the Board of CSL by the Government of India vide letter F. No. SY-11012/1/2016-CSL dated July 29, 2019, for a period from July 29, 2019 to March 20, 2020 (Second Term). The Non Official Part Time (Independent) Directors are paid sitting fees at the rate of ₹15,000/- for attending each meeting of the Board or Committee thereof.
Details of remuneration (including sitting fees and commission) for FY 2019-20	₹1,50,000/-	₹1,35,000/-	₹1,50,000/-
Directorships in other Public Limited Companies (excluding foreign companies, private companies & section 8 companies)	Nil	Nil	Nil

Membership of Committees / Chairmanship in other Public Limited Companies	Nil	Nil	Nil
No. of Board Meetings attended during FY 2019-20	4/4	4/4	4/4
No. of shares held in the Company:			
(a) Own	Nil	30	125
(b) For other persons on a beneficial basis	Nil	Nil	Nil

Note:

- Shri Suresh Babu N V, Shri Jose V J, Smt. Roopa Shekhar Rai, Shri Radhakrishna Menon and Shri Krishna Das E are neither related to each other nor any other Director or Key Managerial Personnel.



COCHIN SHIPYARD LIMITED

www.cochinshipyard.com