

CHARTING NEW HORIZONS WITH EXPANSION & INNOVATION



ANNUAL REPORT 2018-19



COCHIN SHIPYARD LIMITED

www.cochinshipyard.com

TABLE OF CONTENTS

	Page No.
Highlights of the Year	1
Who We Are	4
Our Credentials	8
Chairman's Address	9
Key Performance Indicators	14
Financial Highlights	16
Our People	18
Corporate Social Responsibility	19
Board of Directors	20
Corporate Information	23
Directors' Report	24
Comments of C&AG	59
Management Discussion and Analysis Report	71
Business Responsibility Report	79
Report on Corporate Governance	87
Independent Auditors' Report (Standalone)	109
Standalone Financial Statements	116
Independent Auditors' Report (Consolidated)	175
Consolidated Financial Statements	180

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

Turnover

₹ **2962** crores

Achieved
Record Turnover

Shipbuilding Turnover

₹ **2130** crores

Achieved
Record Shipbuilding Turnover

Ship Repair Turnover

₹ **832** crores

Achieved
Record Ship Repair Turnover

Profit After Tax

₹ **481** crores

Achieved
Record Profit After Tax

April 28, 2018

Commencement of block erection of 2 nos. 500 Pax Cum 150 MT Cargo Vessels for the Andaman & Nicobar (A&N) Administration was held in Cochin Shipyard Limited (CSL). Shri Nitin Gadkari, Hon'ble Union Minister of Shipping, Road Transport, Highways, Water Resources, River Development and Ganga Rejuvenation, did the honours.

August 10, 2018

Steel Cutting of Ro-Pax Vessels for NW-1 & 2 for IWAI by Shri Gopal Krishna, IAS, Secretary, Shipping, Govt. of India.

September 25, 2018

MoU between CSL and A&N Administration for setting up of Ship repair eco-system at A&N islands, augmentation & modernization of marine dockyard and skill development & training schemes for A&N islanders.

October 20, 2018

An agreement entered into between CSL and the Board of Trustees of Port of Mumbai 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.

October 30, 2018

Launching of 2 nos. 500 Pax vessels for A&N Administration by Smt. Kanchan Gadkari, wife of Shri Nitin Gadkari, Hon'ble Union Minister for Shipping, Road Transport, Highways, Water Resources, River Development and Ganga Rejuvenation.

October 30, 2018

Ground breaking ceremony of the 310 metre dry-dock by Shri Pinarayi Vijayan, Hon'ble Chief Minister of Kerala and Shri Nitin Gadkari, Hon'ble Union Minister for Shipping, Road Transport, Highways, Water Resources, River Development and Ganga Rejuvenation.

December 18, 2018

CSL completed buyback of 4395610 equity shares aggregating to 3.23% of the fully paid-up equity share capital of the Company at a price of ₹ 455/- per equity share for an amount aggregating to ₹ 200,00,02,550/-.

February 19, 2019

First batch of three Tuna Long Liner Cum Gillnetter Fishing Vessels for fishermen beneficiaries of Department of Fisheries, Government of Tamil Nadu was flagged off by Hon'ble Chief Minister of Tamil Nadu, Thiru Edappadi K Palaniswami.

February 25, 2019

Steel cutting ceremony of Marine Ambulance Boats (BY 110, BY 111 & BY 112) for Department of Fisheries, Govt. of Kerala by Smt. J Mercykutty Amma (Hon'ble Minister of Fisheries, Harbour Engineering & Cashew Industries, Govt. of Kerala).

March 01, 2019

CSL signed contracts for 4 nos. 8000 T Mini Bulk Carriers with Utkarsh Advisory Services Pvt. Ltd. (part of JSW Group) for their Indian coastal operations.

March 28, 2019

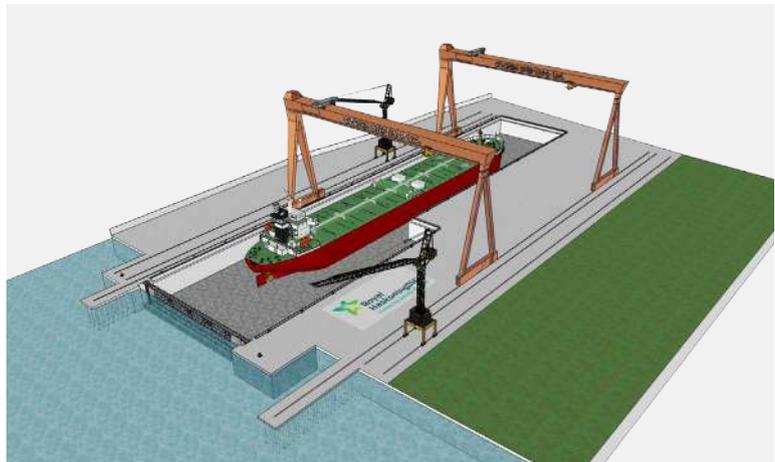
An agreement entered into between CSL and Kolkata Port Trust for operations and management of ship repair facility at Netaji Subhas Dock, which shall be focusing on the ship repair requirements at Kolkata area and inland waterways.

CHARTING NEW HORIZONS WITH EXPANSION & INNOVATION

CSL believes in expansion and innovation for charting its future growth. Towards this, the Company has introduced a digital platform called Sandbox which will provide each individual of the organization an opportunity to express their innovative ideas and to implement those ideas associating with likeminded people while getting guided by mentors and experts in the relevant areas. The platform is expected to nurture creativity, encouraging innovation, technology induction and thereby to try a change culture within the organisation which would contribute towards a larger transformation of organisation.

Dry-dock

CSL is in the process of setting up a new dry-dock. The new dry-dock measuring $310 \times 75/60 \times 13$ m with a 600T Gantry crane will be capable of handling vessels upto Suezmax, Aircraft Carriers of 75000T displacement, Jack-up rigs, LNG vessels etc.



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 130×25 m with six transfer work stations and allied facilities. Total outfitting berth of 1500 meters approx.



Mumbai Port

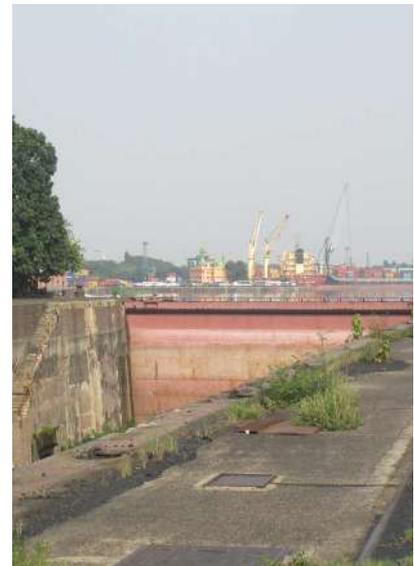
CSL entered into MoU with Mumbai Port Trust (Mbpt) for management and operation of the ship repair facilities at Mbpt for expansion of the ship repair capacity within the Indira Dock, that may include setting up of a floating dry-dock and upgrading existing facility at Hughes dry-dock thereby enhancing the existing ship repair capacity in Mumbai area. Further, a concession agreement between CSL & Mbpt was signed 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.

Port Blair

With a view to spruce up the operational efficiency of the marine dockyard and to ensure faster turnaround of vessels for seamless operations, CSL & A&N Administration have entered into an MoU whereby CSL shall take up the “operation & maintenance of the marine dry-dock” at Port Blair. Under the ambit of this MoU, CSL shall assist the Administration in (a) setting up of ship repair eco-system at A&N islands, (b) augmentation & modernization of marine dockyard and (c) skill development & training schemes for A&N Islands.

Kolkata Port

CSL entered into an agreement with Kolkata Port Trust for utilizing the Netaji Subhas dry-dock facility to expand the ship repair capacity within the Netaji Subhas Dock and to set up a professional ship repair eco system, that would be beneficial for the commercial as well as defence ship repair industry in India.



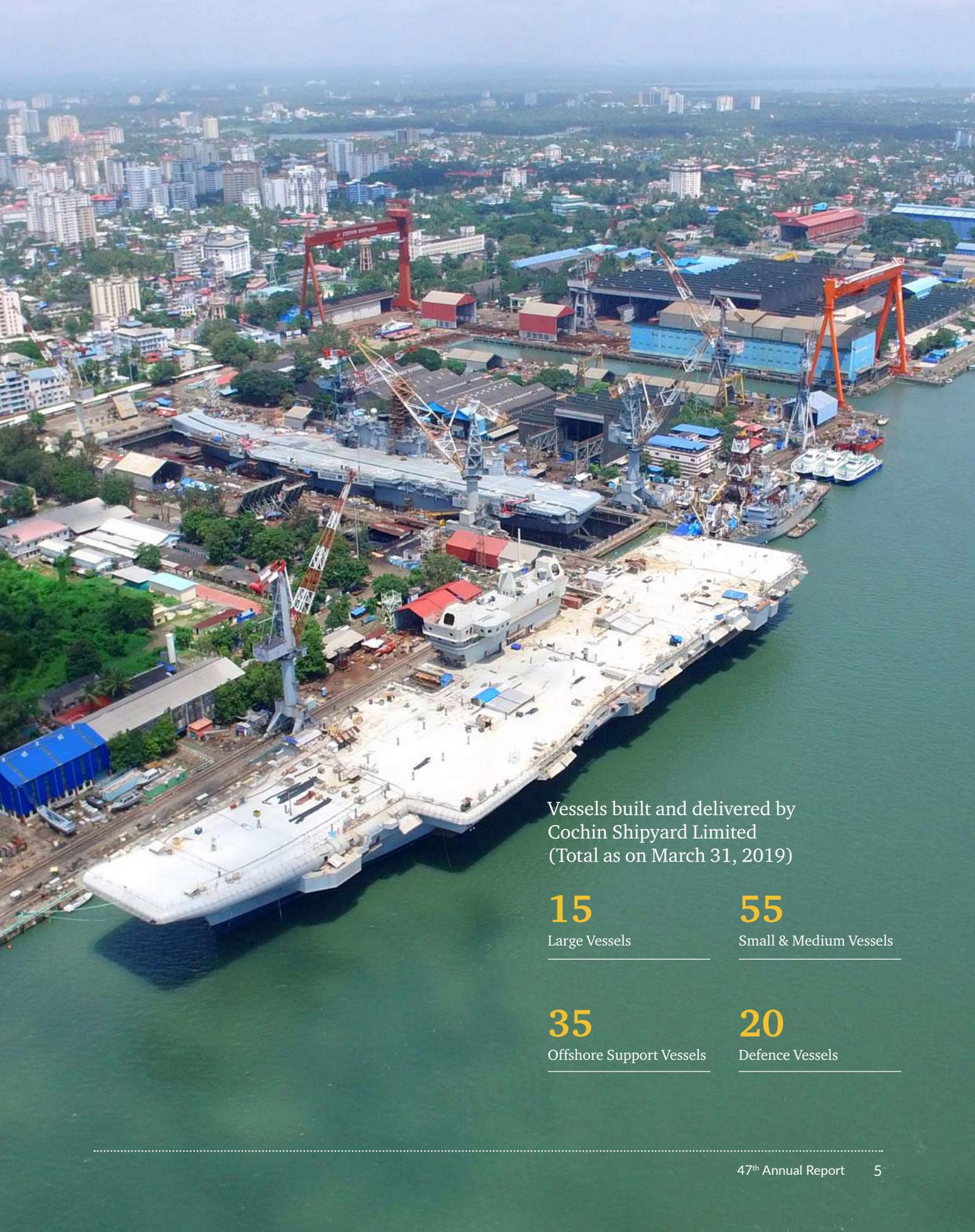
WHO WE ARE

Cochin Shipyard Ltd. (CSL) was incorporated in the year 1972 as a fully owned Government of India Company. After the completion of IPO in 2017 and the buyback in 2018, the Government of India holds 75.21% 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 Passenger Vessels and Offshore Support Vessels. 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 the credibility of the Company in the international markets. CSL's key shipbuilding clients on the domestic front include the Indian Navy, the Indian Coast Guard, DRDO, A&N Administration and JSW group. 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.

CSL SHIPS DELIVERED AROUND THE WORLD





Vessels built and delivered by
Cochin Shipyard Limited
(Total as on March 31, 2019)

15

Large Vessels

55

Small & Medium Vessels

35

Offshore Support Vessels

20

Defence Vessels

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 endeavor 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.



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 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.



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 2019.



OFFSHORE

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

CHAIRMAN'S ADDRESS

Dear Shareholders

It gives me immense pleasure to welcome you all, on behalf of the Board of Directors to the 47th 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 2018-19 and the initiatives for the future.

OPERATING SCENARIO

The operating scenario remained unchanged during the year. The GOI thrust on the coastal shipping and inland water transport sector remains firm. The development of NW 1 looked up with the inauguration of multi-modal terminal at Varanasi in November 2018 by the Hon'ble Prime Minister. In February 2019 in a big step to promote the Make in India initiative and incentivize ship building activity in the country, the Ministry of Shipping has revised its guidelines for chartering of ships by providing Right of First Refusal (RoFR) to ships built in India. As per the new guidelines, whenever a tendering process is undertaken to charter a vessel, a bidder offering a ship built in India will be given the first priority to match the L1 quote. It is expected that this priority given to ships built in India will raise the demand for such vessels, and will be a major incentive for the shipbuilding industry. This RoFR has however been challenged by some shipowners in court and the order is presently stayed, but I hope that matters will be sorted out soon. With further development of the inland waterways and coastal segment, the Company sees more new building opportunities in this sector.



ACHIEVEMENTS

We feel that our continued focus on the current main business segments viz., defence and domestic orders in Shipbuilding and Ship Repair has helped us to achieve another year of impressive results. The Company posted an all time high turnover of ₹ 2,962.16 crores and PAT of ₹ 481.18 crores. The ship repair income was at an all time high of ₹ 831.97 crores.

The Indigenous Aircraft Carrier (IAC) project has progressed well. We are currently at a very critical phase of the project with equipment being energised and commissioned and the setting to work (STW) of various systems underway. During the latter part of this year and early next year we are targeting to achieve significant milestones on the project. Major efforts have been put in and I am happy to report that discussions are at advanced stages to conclude the contract for the final phase of the IAC project. The TDV for the DRDO is also progressing towards a potential delivery later this year. The first two passenger vessels for A&N Administration which has a capacity to carry 500 Pax and 150 MT cargo was launched on October 30, 2018 and will reach the delivery stage later this year. The two 1200 Pax passenger vessels for A&N Administration are at the assembly/erection stage.

We have also been focussing on smaller vessels, which we believe has the potential to provide CSL with growth avenues in the future. In the small fishing boats sector, the first batch of 3 nos. Tuna Long Liner Cum Gillnetter Fishing Vessels for fishermen beneficiaries of Tamilnadu was flagged off in February 2019. This project where we have teamed up with CIFT, IIT Kharaghpur and IRS has been very well received by the industry and we will try to build up further projects in this space.

Also, in line with our initiatives in the fishing vessel sector, the 'Steel – cutting' ceremony of 3 nos. Marine Ambulance Boats, for the Department of Fisheries, Govt. of Kerala, was carried out in February 2019.

Our thrust on the inland water transport sector has led us to contracts with the Inland Waterways Authority of India (IWAI) in July 2018 for design and construction of 10 nos. Ro-Pax/Ro-Ro vessels. Most of these vessels will be delivered within 2019 and are presently in various stages of construction. They are for deployment in NW 1 (Ganga), NW 2 (Brahmaputra) and NW 3 (Kerala).

CSL signed contracts for building 4 nos. 8000 T Mini Bulk Carriers with Utkarsh Advisory Services Private Limited (part of the JSW Group). The order for 4 ships was bagged by CSL against stiff international competition, both with respect to time as well as cost. This project is significant,

since it has the potential to bring in more orders from the Indian Coastal Shipping sector as also from international coastal shipping companies.

CSL also secured a contract from the Ministry of Home Affairs to build 9 nos. Floating Border Outposts (FBOP) for the Border Security Force. These FBOPs are for deployment in the Sunderbans area of West Bengal and the Rann of Kutch area of Gujarat.

The Company also signed the landmark contract for 8 nos. ASW Corvettes worth about ₹ 6,000 crores for the Indian Navy, for which CSL had emerged L1 last year. These advanced vessels will help CSL to position as one of the foremost solution providers for such vessels.



We feel that our continued focus on the current main business segments viz., defence and domestic orders in Shipbuilding and Ship Repair has helped us to achieve another year of impressive results. The Company posted an all time high turnover of ₹ 2962.16 crores and PAT of ₹ 481.18 crores. The ship repair income was at an all time high of ₹ 831.97 crores.



The Indigenous Aircraft Carrier (IAC) project has progressed well. We are currently at a very critical phase of the project with equipment being energised and commissioned and the setting to work (STW) of various systems underway.

On the ship repair front, we handled 79 projects. During the year India's flagship Aircraft carrier INS Vikramaditya docked at CSL and has completed a technologically demanding refit in a very challenging timeframe. Other major vessels repaired/major projects handled were INS Shardul, ICGS Samar, INS Sagardhwani, RV Sindhu Sadhana, INS Jamuna etc. MODU Sagar Bhushan owned by ONGC which suffered damages in the fire accident at CSL during February 2018, sailed off from the yard in December 2018 after all damages were restored and the ship was fully fit for service. I am happy to report that ONGC reposed faith in CSL and awarded the contract for their MODU Sagar Vijay also to CSL, which ship has also completed a successful refit at CSL.

BUYBACK OF SHARES

Based on the Capital Restructuring guidelines by DPE, the Company bought back 43,95,610 (Forty Three Lakh Ninety Five Thousand Six Hundred and Ten only) fully paid-up equity shares of ₹ 10/- (Rupees Ten only) each from the Shareholders / beneficial owners of equity shares of the Company as on the record date i.e. October 31, 2018, on a proportionate basis. Priced at ₹ 455/- (Rupees Four Hundred and Fifty Five only), the buyback was through the tender offer route, to enable the GOI to offer shares as promoters. The aggregate amount spent for the

buyback was ₹ 200,00,02,550/- (Rupees Two Hundred Crore Two Thousand Five Hundred and Fifty only) excluding any expenses in connection with the transaction. This buyback was approximately 3.23% of the total number of equity shares in the issued, subscribed and paid-up equity share capital of the Company as at March 31, 2018. The buyback size was 6.41% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2018.

EXPANSION PLANS

International Ship Repair Facility (ISRF) at Kochi

The construction work for the facility is progressing in full swing. About 85% of the Marine side piling and about 60% of the land side piling is completed and allied works are in various stages of progress. The dock gate of the existing small dock has been successfully replaced. CSL's Maritime Park being setup adjacent to the ISRF is also at an advanced stage of completion. With the commissioning of the ISRF and the Maritime park being populated with service providers, we are well on course to develop Kochi as the shiprepair hub of the nation. The completion date has been revised to mid 2020.

New 310M Dry-dock project at Kochi

The construction activities for the new dry-dock commenced in 2018 and is currently progressing well. Shri Pinarayi Vijayan, the Hon'ble Chief Minister of Kerala and Shri Nitin Gadkari, Hon'ble Union Minister for Shipping, Road Transport, Highways, Water Resources, River Development and Ganga Rejuvenation, did the honours of ground breaking ceremony of the dry-dock project. Ground improvement works are at advanced stages of completion and RCC piling in progress with more than 600 pile already completed. The Company has contracted for the supply & commissioning of 600 T gantry crane with a leading international supplier. The facility is targeted to be commissioned in June 2021.

NEW INITIATIVES

Hooghly Cochin Shipyard Limited at Kolkata

The construction contract was awarded in Jan 2019 and the civil works are under progress. As per the revised DPR prepared by the consultant KITCO Ltd., the project is divided into two phases. In the first phase i.e., operational phase, the existing slipways will be completely revamped and development of related shops and allied facilities will be carried out. In the expansion phase, side launching facilities and associated outfit berthing facilities will be commissioned.

Ship Repair at Mumbai Port

Based on an agreement signed in October 2018, CSL took over the operations and management of ship repair facility at Hughes dry-dock and berth nos. 5, 6, 7 and 8 of Indira Dock of Mumbai Port Trust and commenced ship repair operations from January 2019. The Company has already commenced ship repair operations in the Indira Dock facility and three ships were repaired during the year.

Ship Repair at Kolkata Port

An agreement has been signed with Kolkata Port Trust on March 28, 2019 for operations and management of ship repair facility at Netaji Subhas Dock. This facility will help the Company to tap the repair market in the eastern part of the country as also cater to vessel repairs in the inland waterways segment.

CSL has also signed a MoU with Andaman & Nicobar (A&N) Administration for setting up its unit at Port Blair in September 2018. As per the MOU, CSL would take up the modernization of facilities, maintenance of vessels and skill development for the islanders.

CORPORATE GOVERNANCE

The Company continued to comply with good corporate governance practices. A major stride taken by the Company during the year is to put in place a digitised system for monitoring legal compliance. The new digital legal compliance system was commissioned in January 2019. Legatrix is a one stop solution for effectively managing the organisation's legal & regulatory compliances through monitoring control at different levels. This online solution will support risk tracking & compliance on real time basis along with creation of a centralised repository, compliance calendar, auto-generated reports and certificates and immediate updates for legal and regulatory amendments.

The total strength of the Board of Directors as on July 08, 2019 is 9 out of which 3 are Independent directors.

HUMAN RESOURCE DEVELOPMENT

The 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. Custom made programmes were conducted at IIMK Kochi campus covering 75 executives on communication effectiveness, contract management and finance for non finance managers. The "Young Officers' Competency Development Programme" covering young managers upto the level of Deputy Managers was conducted. A second batch comprising of

“

The Company continued to nominate executives at all levels to attend specific management development programmes at IIMA, IIMK, IIMC, ASCI, ISB etc. Custom made programmes were conducted at IIMK Kochi campus covering 75 executives on communication effectiveness, contract management and finance for non finance managers.

25 executives have completed 46 sessions. Third batch was also commenced and completed 6 sessions for a total of 32 executive trainees. As part of facilitating knowledge transfer, a structured training programme for workmen in the trades of welder, pipefitter, structural & engineering fitters and electrical covering 174 workmen was held during the year.

INDUSTRIAL RELATIONS

A major breakthrough in the Industrial Relations front was the conclusion of Long Term Settlement (LTS) with the workmen on June 18, 2019 after multiple rounds of negotiations spanning more than a year, which will now be the basis for all wage related matters till the year 2027. There has been cordial industrial relations climate during the year.

RESEARCH AND DEVELOPMENT (R&D)

R&D activities have been undertaken during the year, mainly in the areas of welding procedure development. Weld procedure development was undertaken in-house for welding of lower thickness grade A plate using SAW process with ceramic backing and a Weld Procedure Specification (WPS) has been prepared. This new process saves considerable amount of man hour and effort since turning of large welded plates is avoided and helps in completing the weld pass in single side. The procedure has been validated by ABS Classification Society.

A Memorandum of Understanding has been made in the period with Welding Research Institute (WRI), Tiruchirappalli, a research institute under Bharat Heavy Electricals Ltd. (BHEL). The objective of the MoU is to carry out R&D activities, capacity development and training in welding and allied fields.

INTEGRATED MANAGEMENT SYSTEM

Cochin Shipyard upgraded its Integrated Management System (IMS) by getting certified under the ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System standards in September 2018. CSL will be upgrading its Health and Safety Management System to the latest ISO 45001:2018 by September 2019.

CORPORATE SOCIAL RESPONSIBILITY

During the year the Company is required to spent ₹ 10.15 crores in socially impactful CSR projects. The actual spent was ₹ 10.41 crores.

ACCOLADES

The Company continued to post exemplary performance with reference to the MOU parameters set by GOI for the year 2018-19. 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 2018 in the category of education, health and hygiene, FACT MKK Nair Memorial award for the second best productivity performance in State level from Kerala State Productivity Council in the category of Large Industries, Rajbhasha Kirti Puraskar from the Hon'ble Vice President of India in recognition of the achievements of the PSUs and Government departments in implementation of the Official Language and various other awards for best implementation of the official language. The Company also received Kerala State Akshaya Urja award from Agency for Non-Conventional Energy and Rural Technology (ANERT) for popularising renewable energy options and energy conservation.

CONCLUSION

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 is also setting its sights on coastal shipping, deep sea fishing and the inland waterways



“

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.

segment, which could hold significant potential in future. The Company will continue to be extremely focussed on ship repair. With a multi-locational operation and strategic depth, the Company is expecting significant growth in the coming years. To develop a well-crafted comprehensive long term strategy for CSL, we are now engaged with M/s. Boston Consulting Group (BCG) in an enterprise wide exercise named 'CRUISE 2030'.

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 Governments of Kerala, Maharashtra and West Bengal for their support. Finally, I would like to take this opportunity to thank all the shareholders for the trust and support and solicit continued support to fulfil your expectations.

Thanking You

Jai Hind

Madhu S Nair
Chairman and Managing Director
DIN : 07376798

KEY PERFORMANCE INDICATORS

CSL Business Strategy	Key recent developments	Achieved / Expected Key Performance Indicators	Goals for FY20 and beyond
Expand Operational capabilities	<p>CSL is in the process of expanding the existing capacity in shipbuilding and ship repair by adding a new dry-dock at CSL premises and an International Ship Repair Facility (ISRF) at Cochin Port Trust land taken on 30 years lease. The total capex for putting up the above two facilities is ₹ 2,768 crore.</p> <p>An agreement entered into between Cochin Shipyard Limited and the Board of Trustees of Port of Mumbai 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.</p> <p>CSL entered into an agreement with Kolkata Port Trust on March 28, 2019 for utilizing the Netaji Subhas Dry-dock facility to expand the ship repair capacity within the Netaji Subhas Dock and to set up a professional ship repair eco system, that would be beneficial for the commercial as well as defence ship repair industry in India.</p>	<p>ISRF: Achieved more than 60% of the piling works. The construction works are in progress.</p> <p>Shri Nitin Gadkari, Hon'ble Union Minister for Shipping, Road Transport, Highways, Water Resources, River Development and Ganga Rejuvenation, did the honours of ground breaking ceremony of the ISRF of CSL on November 17, 2017.</p> <p>Dry-dock: Shri Pinarayi Vijayan, the Hon'ble Chief Minister of Kerala and Shri Nitin Gadkari, Hon'ble Union Minister for Shipping, Road Transport, Highways, Water Resources, River Development and Ganga Rejuvenation, did the honours of ground breaking ceremony of the third dry-dock of CSL on October 30, 2018.</p>	<p>ISRF: Civil, Mechanical and Electrical works of ISRF will be completed by FY 2020-21.</p> <p>Dry-dock: The dry-dock project is expected to be completed by FY 2021-22.</p>
To carry out Research & Development, innovation, technological upgradations.	Initiated engineering and development of vessels with alternate fuels like Methanol, LNG etc.		Development of new products or products with new features.
Explore emerging opportunities in national & international joint ventures /technology tie-ups.	Formed a JV company, Hooghly Cochin Shipyard Ltd. (HCSL), with Hooghly Dock and Port Engineers Limited (HDPEL) for operationalizing their facilities at Salkia and Nazirgunge for construction and repair of vessels for inland and coastal waterways.	Tap the opportunities in inland waterways segment.	Construction activities for HCSL commenced with the inauguration of the same & the ground breaking ceremony on February 16, 2019 by CMD (CSL) / Chairman (HCSL) in the presence of Chairman, Kolkata Port Trust (KoPT) & Dy. Chairman (KoPT) / Chairman (HDPEL). Construction activities related to the operational phase is expected to be completed in 24 months from commencement.
To be the supplier of choice through quality, on time product delivery and competitive bidding / cost efficient processes.	Completed repairs of prominent vessels such as INS Vikramaditya, INS Shardul, Modu Sagar Bhushan, ICGS Samar, INS Sagardhwani, RV Sindhu Sadhana, INS Jamuna etc.	Orders value in hand in shipbuilding as on March 31, 2019 is estimated at ₹ 8,286 crore (approx.) without factoring balance on IAC (Cost plus) and Phase III.	
To build a responsible corporate citizen image through CSR & Sustainability projects and compliance to Corporate Governance principle.	Focus areas of CSL CSR continued to be health, education, capacity building, environmental protection, sanitation and drinking water for the economically poor and weaker sections of the society including the differently abled ones, senior citizens etc. The Company as advised by the DPE has shifted the main theme to health and education to spend 60% of its total statutory budget in these segments.	<p>The Company could comfortably achieve the target stipulated under the Companies Act and also the DPE to spend 60% towards health and school education.</p> <p>The total outlay achieved for CSR and sustainable causes was ₹ 10.41 crore.</p> <p>The Company won Kerala Management Association Excellence Award 2018 for education (public sector).</p>	Set a target of ₹ 12.33 crore, 2% of the average PBT for the past three financial years pursuant to section 135 of the Companies Act, 2013.
Competency upgradation of executives in E3 to E7 cadre based on Assessment Centre study	100 Executives covered		Commenced activities for obtaining a level 3 PCMM certification.

FINANCIAL HIGHLIGHTS

TURNOVER (₹ in crores)

FY 14-15	1859.51
FY 15-16	1993.45
FY 16-17	2058.87
FY 17-18	2355.12
FY 18-19	2962.16

PROFIT BEFORE TAX (₹ in crores)

FY 14-15	367.56
FY 15-16	419.65
FY 16-17	493.40
FY 17-18	604.86
FY 18-19	751.38

PROFIT AFTER TAX (₹ in crores)

FY 14-15	235.07
FY 15-16	273.79
FY 16-17	321.55
FY 17-18	396.75
FY 18-19	481.18

EPS (₹)

FY 14-15	20.75
FY 15-16	24.07
FY 16-17	28.39
FY 17-18	31.03
FY 18-19	35.72

Key Indicators	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
● EPS (₹ per share)	35.72	31.03	28.39	24.07	20.75	17.15	16.35	15.21	20.09	19.69
● Face Value Per Share (₹)	10	10	10	10	10	10	10	10	10	10
● EBDIT/ Gross Turnover (%)	27.00	27.76	26.35	23.52	22.81	20.37	20.45	20.21	26.70	29.20
● Net Profit Margin %	16.24	16.85	15.62	13.73	12.64	11.75	11.92	12.27	15.57	17.86
● Return on Net Worth %	14.44	12.19	15.85	15.09	15.06	14.15	15.76	16.40	23.51	32.78
● Return on Capital Employed %	15.95	12.35	15.39	16.15	14.50	13.97	19.08	18.76	27.44	38.57

NET WORTH

(₹ in crores)

FY 14-15	1561
FY 15-16	1814
FY 16-17	2029
FY 17-18	3256
FY 18-19	3332

CAPITAL EMPLOYED

(₹)

FY 14-15	1621
FY 15-16	1695
FY 16-17	2089
FY 17-18	3212
FY 18-19	3018

Contribution to exchequer

₹ **863.34**

crores

CSR spent FY 18

₹ **10.41**

crores

Employee benefit expenses

₹ **277.56**

crores

Particulars	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11	2009-10
● Turnover	2962.16	2355.12	2058.87	1993.45	1859.51	1652.66	1554.16	1404.85	1461.72	1248.50
● Total income	3190.27	2544.28	2217.50	2107.37	1952.97	1728.64	1642.33	1481.54	1589.17	1326.49
● Profit Before Tax (PBT)	751.38	604.86	493.40	419.65	367.56	290.96	275.55	252.97	344.23	331.25
● Depreciation & write offs	34.16	37.51	38.51	37.19	38.33	26.43	19.22	18.07	17.06	15.24
● Profit After Tax (PAT)	481.18	396.75	321.55	273.79	235.07	194.24	185.27	172.33	227.53	223.04
● Equity Share Capital	131.54	135.94	113.28	113.28	113.28	113.28	113.28	113.28	113.28	113.28
● Reserves & Surplus	3200.54	3119.93	1915.30	1701.05	1447.79	1239.25	1062.42	898.41	775.38	490.54
● Net Worth	3332.08	3255.87	2028.58	1814.33	1561.07	1352.53	1175.70	1050.83	967.80	680.32
● Gross Fixed Assets	426.69	369.79	357.72	569.53	636.84	602.38	444.35	376.73	362.10	349.68
● Net Fixed Assets	313.03	284.47	302.85	296.44	377.44	383.41	247.30	192.61	190.67	189.75
● Number of Employees	1744	1781	1829	1671	1786	1751	1656	1900	1818	1907

OUR PEOPLE



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.

Key HR Priorities

Effectively plays the role of a strategic team member.

Planning for pragmatic manpower induction, re-skilling, re-deployment and retention of human resources.

Develop and position the right mix of personnel.

Create, maintain and nurture a healthy employer-employee relation.

Evolve and implement best industry practices with transparency in approach, competitive reward and incentive systems for excellence in performance.

Focus on continual improvement for skill and knowledge development so as to enhance effectiveness in job.

Provide effective and meaningful social support to the community/ society around.

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 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.

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.

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.

OUR PEOPLE STRENGTH

1744

The manpower strength of the Company as on March 31, 2019 was 1744 consisting of 340 executives, 152 supervisors and 1252 workmen

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.

Major take aways for CSL from CSR initiatives are (i) Building corporate image (ii) Boosting CSL's standing in the society which in turn improved the morale of the employees.



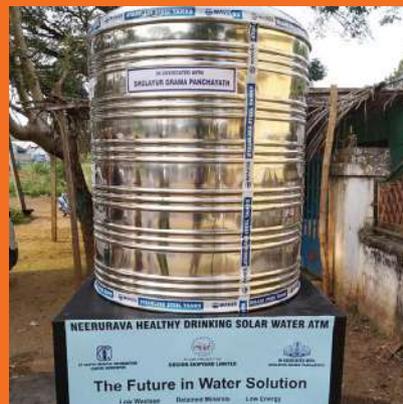
Support for flood affected anganwadis in Alappuzha District.



One of the anganwadi renovated by CSL in Kuttanadu, Alappuzha District.



Inauguration of Water ATM at Attappadi.



Water ATM provided at Attappadi tribal hamlet.

AMOUNT SPENT FOR CSR DURING THE YEAR

₹1041 lakh

CSR Budget Allocation
FY 19 is ₹ 1015 lakh

BOARD OF DIRECTORS



SHRI MADHU S NAIR
Chairman and Managing Director

Shri Madhu S Nair assumed charge as the Chairman and Managing Director of the Company on January 1, 2016. He had joined the Company as an executive trainee in June 1988. He holds a Degree of Bachelor of Technology in Naval Architecture and Ship Building from Cochin University of Science and Technology, India and a Degree of Master in Engineering with specialisation in Naval Architecture and Ocean Engineering from Osaka University, Japan. He has completed a training course in Shipbuilding-Production Control at Ishikawajima Harima Heavy Industries Overseas Vocational Training Association organised by the Japan International Cooperation Agency under the International Cooperation Programme of the Government of Japan. Furthermore, he has also attended an intensive Japanese language course at Osaka International Centre. He is a member of the Royal Institution of Naval Architects, London. He has more than 30 years of work experience with the Company. He is also a CSL Nominee Director and Chairman in the Board of Hooghly Cochin Shipyard Limited, a Joint Venture Company between Cochin Shipyard Limited and Hooghly Dock & Port Engineers Limited.



SHRI D PAUL RANJAN
Director (Finance) and
Chief Financial Officer

Shri D Paul Ranjan is the Director (Finance) and Chief Financial Officer of the Company from May 1, 2014. He is a Chartered Accountant and also had acquired post qualification Diploma in Information Systems Audit (DISA) from the Institute of Chartered Accountants of India. He joined the Company as an executive trainee in December 1984. He has approximately 34 years of work experience with the Company wherein his responsibilities included financial management, strategic planning, risk management, forex management, budgeting and cost control. He is also in charge of the Information Systems Department. He is also a CSL Nominee Director in the Board of Hooghly Cochin Shipyard Limited, a Joint Venture Company between Cochin Shipyard Limited and Hooghly Dock & Port Engineers Limited.

In the Board Committees of:

Risk Management Committee
Stakeholders Relationship Committee
Corporate Social Responsibility &
Sustainable Development Committee
Contracts & Capex Committee
Share Transfer Committee



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 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 approximately 34 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 CSL Nominee Director in the Board of Hooghly Cochin Shipyard Limited, a Joint Venture Company between Cochin Shipyard Limited and Hooghly Dock & Port Engineers Limited.

In the Board Committees of:

Risk Management Committee
Stakeholders Relationship Committee
Share Transfer Committee



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 approximately 31 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 CSL Nominee Director in the Board of Hooghly Cochin Shipyard Limited, a Joint Venture Company between Cochin Shipyard Limited and Hooghly Dock & Port Engineers Limited.



SHRI SATINDER PAL SINGH
Part Time Official
(Nominee) Director

Shri Satinder Pal Singh is a Part Time Official (Nominee) Director of the Company representing Ministry of Shipping, Government of India. He was inducted into the Board from October 04, 2017. He holds a Bachelor degree in civil engineering from Regional Engineering College, Srinagar, Post Graduate degree in law from Brunel University, London and Master’s degree in Police Management from Osmania University, Hyderabad. He is an IPS Officer of 1995 batch (Himachal Pradesh cadre) and has served in senior positions in the State Government of Himachal Pradesh, including Superintendent of Police, Special Secretary in the Department of Home and Inspector General of Police. He is currently posted as Joint Secretary, Ministry of Shipping, Government of India and prior to this he has served as Director (Housing) in the Ministry of Housing and Urban Affairs.



SHRI JYOTHILAL K R
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 inducted into the Board from April 20, 2018. 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.

In the Board Committees of:

- Risk Management Committee
- Corporate Social Responsibility & Sustainable Development Committee
- Contracts & Capex Committee
- New Technology, Strategy & New Initiatives Committee
- Strategic Human Resource Committee

In the Board Committees of:

- Nomination & Remuneration Committee

BOARD OF DIRECTORS



SHRI JIJI THOMSON

Non-Official Part Time
(Independent) Director

Shri Jiji Thomson is a Non-Official Part Time (Independent) Director of the Company from July 15, 2017. He holds Bachelor of Arts and Master of Arts degrees in Economics from University of Kerala and Degree of Master of Social Science in Public Economic Management from University of Birmingham, UK. He belongs to the 1980 batch of the Indian Administrative Service (Kerala cadre). In the past, he has been the Chief Secretary of the Government of Kerala from January 2015 to February 2016 and Director General in Sports Authority of India, Ministry of Youth Affairs and Sports from March 2013 to January 2015.

In the Board Committees of:

Audit Committee
Nomination & Remuneration Committee (Chairman)
Corporate Social Responsibility & Sustainable Development Committee (Chairman)
Contracts & Capex Committee (Chairman)
New Technology, Strategy & New Initiatives Committee
Strategic Human Resource Committee (Chairman)



SHRI PRADIPTA BANERJI

Non-Official Part Time
(Independent) Director

Shri Pradipta Banerji is a Non-Official Part Time (Independent) Director of the Company from July 15, 2017. He holds a Degree of Bachelor of Technology from Indian Institute of Technology, Delhi. He also holds a Degree of Master of Science and a Doctorate of Philosophy (Ph.D) from University of California, Berkeley, USA. He has done an executive development programme with Kellogs School of Management, Northwestern University, USA. He is currently associated with Indian Institute of Technology, Bombay. He is the former director of Indian Institute of Technology, Roorkee. He has received "Excellence in Teaching" award from Indian Institute of Technology, Bombay.

In the Board Committees of:

Audit Committee
Contracts & Capex Committee
New Technology, Strategy &
New Initiatives Committee (Chairman)



SHRI NANDA KUMARAN PUTHEZHATH

Non-Official Part Time
(Independent) Director

Shri Nanda Kumaran Puthezhath is a Non-Official Part Time (Independent) Director of the Company from July 15, 2017. He holds Bachelor of Arts and Master of Arts degrees from Calicut University. He is also a Certified Associate of the Indian Institute of Bankers. He has been associated with State Bank of India from 1975 to 2011, post which he was appointed as the Managing Director of State Bank of Travancore from 2011 to 2013. He has, after his retirement from State Bank of India Group in 2013, also held various positions including the President of MobMe Wireless Solutions Limited, the Chief Executive Officer of Alpha Palliative Care and the Managing Director of Atlas Jewellery India Limited.

In the Board Committees of:

Audit Committee (Chairman)
Nomination & Remuneration Committee
Stakeholders Relationship Committee (Chairman)
Corporate Social Responsibility & Sustainable Development Committee
Contracts & Capex Committee

CORPORATE INFORMATION

Board of Directors

Shri Madhu S Nair
Chairman & Managing Director

Shri D Paul Ranjan
Director (Finance) and
Chief Financial Officer

Shri Suresh Babu N V
Director (Operations)

Shri Bejoy Bhasker
Director (Technical)

Shri Satinder Pal Singh IPS
Joint Secretary (Shipping),
Ministry of Shipping, Govt. of India
Part Time Official (Nominee) Director

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

Shri Jiji Thomson IAS (Retd.)
Non-Official Part Time
(Independent) Director

Shri Pradipta Banerji
Non-Official Part Time
(Independent) Director

Shri Nanda Kumaran Puthezhath
Non-Official Part Time
(Independent) Director

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 (Materials)

Shri Suresh Kumar A V
General Manager (Ship Building)

Shri Varadarajan S
General Manager & SO (M-SR)

Smt. V Kala
General Manager (Company Secretary)
& Compliance Officer

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

Shri Harikrishnan S
General Manager (LNG, PM & PPC)

Shri Eldho John
General Manager (Infra Projects)

Shri Subramaniya Pillai R
General Manager (U&M)

Shri Jose V J
General Manager (Finance)

Shri Sivakumar A
General Manager (IAC)

Shri Sunil Kumar K R
General Manager (Mat-II)

Smt. Anjana K R
General Manager (Design)

Registered Office

Cochin Shipyard Limited
Administrative Building,
Cochin Shipyard Premises,
Perumanoor, Kochi, Kerala,
India – 682 015

Bankers

State Bank of India
Syndicate Bank
Union Bank of India
IDBI 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

SVJS & Associates
Company Secretaries
65/2364A, Ponoth Road,
Kaloor, Kochi - 682 017

Cost Auditors

Shri K A Felix
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

DIRECTORS' REPORT

Dear Shareholders,

- Your Directors have pleasure in presenting the 47th Annual Report of your Company along with the audited financial statements for the year ended March 31, 2019.

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 ₹2,962.16 crores for the year as compared to ₹2,355.12 crores in the year 2017-18. The profit before tax was ₹751.38 crores for the year as against ₹604.86 crores in the previous year. The net profit was ₹481.18 crores as compared to ₹396.75 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. In December 2018, the Company went in for a buyback of 43,95,610 equity shares of face value of ₹10/- each at a price of ₹455/- per equity share. The amount of outflow on the buyback was approx. ₹200 crores. In consequence of the buyback, the post buyback paid up equity share capital of CSL decreased from ₹1,35,93,60,000/- (pre-buyback) to ₹1,31,54,03,900/- (post buyback).

Financial Highlights

(₹ in Crs)

Sl. No.	Particulars	2018-19	2017-18
(i)	Gross Income	3190.27	2544.28
(ii)	Profit before finance cost, depreciation & tax	799.83	653.78
(iii)	Finance costs	14.30	11.41
(iv)	Depreciation & write off	34.16	37.51
(v)	Profit Before Tax	751.38	604.86
(vi)	Tax Expense	270.20	208.11
(vii)	Net profit	481.18	396.75

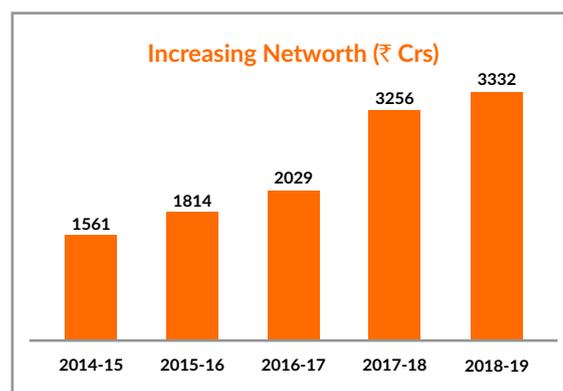
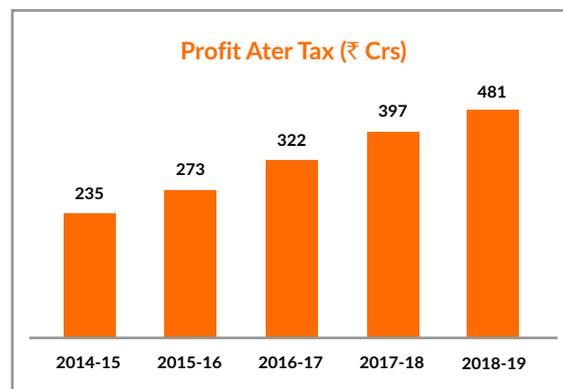
Dividend

- 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 ₹13/- per share on the 13,15,40,390 fully paid equity shares of ₹10/- each. The total outgo for dividend and dividend tax would be approximately ₹206.15 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 the this report and is available on the CSL's website at <https://www.cochinshipyard.com/links/Dividend%20Distribution%20Policy.pdf>



Transfer to Reserves

- During the year an amount of ₹2.88 crores was transferred to Debenture Redemption Reserve in terms of Section 71(13) of the Companies Act, 2013. The company also transferred ₹4.39 crores to Capital Redemption Reserve being the nominal value of the shares brought back in terms of Section 69 of the Companies Act, 2013. As on March 31, 2019, the Company has Reserves and Surplus amounting to ₹3,200.54 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, GST, buyback of shares and dividend including dividend distribution tax was approximately ₹863.34 crores.

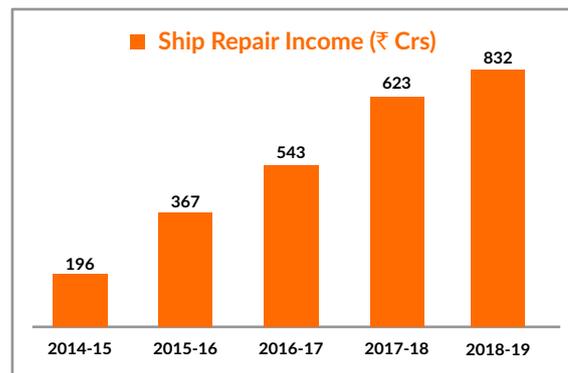
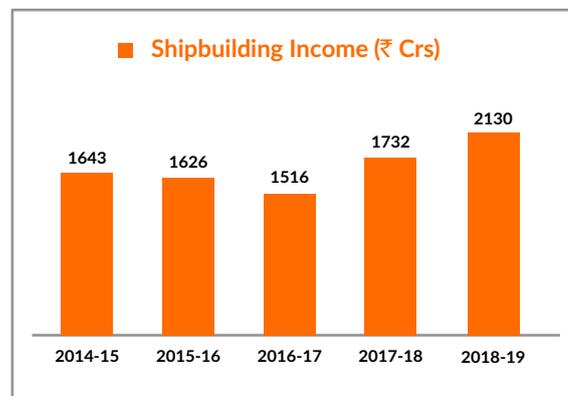
Shipbuilding

- The Company achieved a total shipbuilding income of ₹2,130.18 crores during 2018-19 as against ₹1,731.86 crores in 2017-18. During the year 2018-19, CSL delivered three Tuna Long Liner Cum Gilnetter Fishing Boats for the beneficiaries of Tamil Nadu. The yard also completed various major milestones on the projects which are under construction such as launching of SH 21 and SH 22 - 500 pax vessels, start of erection of SH 23 - 1200 Pax vessel, commenced grand assembly of hull blocks of SH 24 - 1200 Pax vessel, steel cutting and erection start of BY 98-99 - the Ro-Pax vessels for Inland Waterways Authority of India (IWAI).
- Indigenous Aircraft Carrier (IAC) project progressed satisfactorily. Trials of 6 out of 8 Nos. 3 MW DGs have been completed. Gas turbine starting and trials scheduled from September 19, 2019. STW of ship systems such as salvage, heeling & trimming, bilge and firemain etc. has been completed. 72000 Mtrs. out of estimated 82500 Mtrs. piping has been completed. 1475 km (75% of the estimated cable length) has been laid on board as on March 31, 2019. Trials of part of IPMS (Integrated Platform Management System) have been commenced. Installation & operations checks of electrical power distribution systems & internal communication systems and installation of Ship Data Network (SDN) are in progress. Installation of 2 Nos. restraining gear has been completed. Installation of other AFC equipments and systems such as arresting gear, AFC PSS, ammunition magazine etc., have progressed well. 3D modelling of the super structure is nearing completion which will lead to the culmination of the design phase of the ship. Outfitting of super structure shall commence soon after above 3D modelling completion. Preparation

has been commenced for the Basin Trials (BT) of the carrier scheduled in February 2020. Phase 3 contract negotiations are at an advanced stage and are expected to be concluded by mid of FY 2019-20.

Ship Repair

- During the year, the Company achieved a total ship repair income of ₹831.97 crores as compared to ₹623.27 crores during the financial year 2017-18. Major vessels repaired during the year include INS Vikramaditya, INS Shardul, Modu Sagar Bhushan, ICGS Samar, INS Sagardhwani, RV Sindhu Sadhana, INS Jamuna etc.



Shipbuilding Order Book Position

- As on date of the report, CSL has been successful in securing against intense competition, shipbuilding orders for 8 Nos. of ASW corvettes for Indian Navy, 4 Nos. of mini bulk carriers for a JSW group concern and 9 Nos. of floating border outposts for BSF. The Company also received on nomination, 8 Nos. of Ro-Pax vessels & 2 Nos. of Ro-Ro vessels for Inland Waterways Authority of India, 3 Nos. of marine ambulance boats for Kerala Fisheries Department, and 2 Nos. of brows and pontoons for Indian Navy. The order book position as on March 31, 2019 is as follows:-

Vessel Type	Nos
Indigenous Aircraft Carrier for the Indian Navy, P-71	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 Gil netter Fishing Boat (3 boats delivered) for Tamil Nadu	16
Ro-Pax vessels for Inland Waterways Authority of India for NW1/ NW2	08
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 Limited (JSW group)	04
Floating Border Outpost vessels for Ministry of Home Affairs	09

Expansion Projects

12. Details of major projects and initiatives taken up during 2018-19 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 seven ships during the financial year 2018-19. Meanwhile, gate of the existing dry-dock was successfully replaced during the period, March - October 2018. The construction works, which commenced on November 17, 2017, is progressing in full swing. More than 60% of the piling works are completed and the facility is expected to be commissioned in FY 2020-21. As a part of our efforts to develop Kochi as a maritime hub of India, CSL is setting up a maritime park adjacent to the ISRF premises to house major OEMs and service providers of the ship repair industry. Civil construction is almost complete and we expect to allocate the initial units to service providers during Q3 2019-20. 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. Turnkey contract for construction works of plant and machinery for the new dry-dock project was awarded on April 27, 2018 and construction activities commenced on June 01, 2018. Shri Pinarayi Vijayan, the Hon'ble Chief Minister of Kerala and Shri Nitin Gadkari, Hon'ble Union Minister for Shipping, Road Transport, Highways, Water Resources, River Development and Ganga Rejuvenation, did the honours of ground breaking ceremony of the dry-dock project on October 30, 2018. Ground improvement works and RCC piling are in progress and five hundred piles have been completed. Contract for the supply & commissioning of 600 T gantry crane was issued on March 14, 2019.

iii) Hooghly Cochin Shipyard Limited (HCSL)

The new Joint Venture Company, Hooghly Cochin Shipyard Limited was incorporated on October 23, 2017. Cochin Shipyard has invested ₹60.28 crores (₹16.28 crores by way of equity and ₹44 crores by way of debentures) for building up the infrastructure of the Company. In this respect a Detailed Project Report (DPR) has been submitted by the project management consultant. The proposed developmental work in Nazirgunge shall be carried out in a phased manner, as operational phase & expansion phase. Operation phase will cater to the refurbishment of existing slipways, development of related shops, allied facilities and expansion phase is intended to establish the side launching facilities and associated outfit berthing facilities. The expected total project cost including operational and expansion phase would be ₹169.76 crore including GST.

The Construction contract for civil work for the new yard was awarded on January 10, 2019.

Tendering activities with regard to other work packages like external electrical, gas piping, fire fighting, etc. are under process. The ground-breaking ceremony of the construction of new yard at HCSL was performed by Shri Madhu S Nair, Chairman (HCSL) and CMD (CSL), at Nazirgunge on February 16, 2019 in the presence of Shri Vinit Kumar IRSEE, Chairman (KoPT), Shri S Balaji Arunkumar, Dy. Chairman (KoPT)/CMD (HDPEL) and the Directors of CSL. The operational phase of the project is expected to be completed within 18 months and the unit to be operational by 2020. The establishment will promote socio-economic development in the region and will also help development of ancillary units.

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) New Initiatives

CSL has 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. As on date, nine ships were repaired in the facility. It is expected that once stabilized, the ship repair operations will add significant strength to CSL's overall ship repair portfolio. CSL signed the agreement with Kolkata Port Trust on March 28, 2019 for operations and management of ship repair facility at Netaji Subhas Dock, which shall be focusing on the ship repair requirements at Kolkata area and inland waterways. CSL has also signed a MoU with Andaman & Nicobar (A&N) Administration for setting up its unit at Port Blair in September 25, 2018. The agreement with A&N is in the administrative phase and is expected to be cleared in the current FY. By entering into this arrangement with A&N Administration, CSL shall be developing an integrated ship repair ecosystem at A&N islands that includes modernisation of facilities, maintenance of Administration owned vessels and skill development for the islanders.

Utilisation of IPO Proceeds

13. Details of utilization of funds from proceeds of IPO as on March 31, 2019 is given below:

Particulars		₹ Crs
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		60.41
Total proceeds plus interest		1000.64
Less utilisation of proceeds for:		
General Corporate Purpose (GCP)	165.22	
Construction of New Dry-dock	256.38	
ISRF	210.60	632.20
Fund balance as on March 31, 2019		368.44
Parking of funds in Fixed Deposits	368.39	
Parking of Funds in Current Accounts	0.05	
Parking of funds as on March 31, 2019		368.44

Buyback of Shares

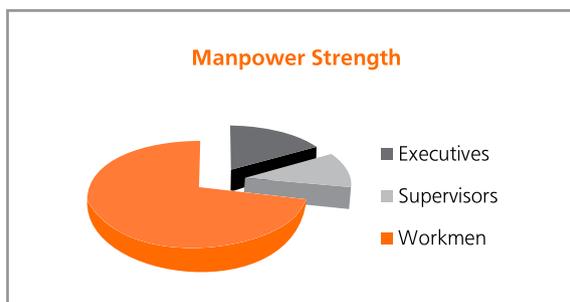
- The Board of Directors of Cochin Shipyard Limited at its meeting held on October 16, 2018 announced the Buyback of upto 43,95,610 (Forty Three Lakh Ninety Five Thousand Six Hundred and Ten) fully paid-up equity shares of ₹10/- (Rupees Ten only) each from the shareholders / beneficial owners of equity shares of the Company as on the record date i.e. October 31, 2018, on a proportionate basis. The buyback was through the "tender offer" route at a price of ₹455/- (Rupees Four Hundred and Fifty Five Only) per equity share for an aggregate amount not exceeding ₹200,00,02,550/- (Rupees Two Hundred Crore Two Thousand Five Hundred and Fifty Only) excluding any expenses incurred or to be incurred for the buyback.
- The above buyback represented approximately 3.23% of the total number of equity shares in the issued, subscribed and paid-up equity share capital of the Company as at March 31, 2018. The buyback size is 6.41% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2018.

16. Accordingly, the tendering period for the buyback offer opened on Wednesday, November 28, 2018 and closed on Tuesday, December 11, 2018.
17. The Company received 26,810 valid bids for 2,02,96,677 (Two Crore Two Lakh Ninety Six Thousand Six Hundred and Seventy Seven) equity shares in response to the buyback, resulting in the tender of approximately 4.62 times the maximum number of equity shares proposed to be bought back.
18. The payment to the shareholders was made on December 18, 2018 and the 43,95,610 equity shares bought back was extinguished on December 20, 2018. The President of India acting through the Ministry of Shipping, Government of India, participated in the buyback offer and tendered 30,17,558 equity shares. An amount of ₹137,29,88,890/- (Rupees One Hundred and Thirty Seven Crore Twenty Nine Lakh Eighty Eight Thousand Eight Hundred and Ninety only) was paid to the Government of India towards the consideration for the said shares. Post buyback, the shareholding of the Government of India has increased to 75.21% from 75%.
19. The shareholding pattern of the Company pre buyback and post buyback, is as under:

Particulars	Pre buyback		Post buyback	
	No. of shares	% of shares	No. of shares	% of shares
President of India acting through Ministry of Shipping, Government of India	10,19,52,000	75.00	9,89,34,442	75.21
Public	3,39,84,000	25.00	3,26,05,948	24.79
Total	13,59,36,000	100.00	13,15,40,390	100.00

Manpower Status

20. The manpower strength of the Company as on March 31, 2019 was 1744 consisting of 340 executives, 152 supervisors and 1252 workmen.



Industrial Relations

21. CSL continued to maintain and foster cordial industrial relation atmosphere during the year. There was no loss of man hours on account of labour unrest due to reasons attributable to the Company exclusively.
22. Process of collective bargaining for framing a Long Term Settlement (LTS) for CSL permanent workmen by recognized trade unions of the Company continued amicably. After protracted discussions at different levels in a series of 46 meetings a memorandum of agreement for wage revision of workmen was signed on March 28, 2019. This memorandum of agreement is expected to be made as a long term settlement under section 12(3) of the Industrial Disputes Act, 1947 after due approval of the same by the competent authorities. 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 from April 01, 2017 to March 31, 2027 and fitment at the rate of 15 percent on the aggregate of basic pay as on March 31, 2017 and corresponding industrial DA at the rate of 119.50 percent of the basic pay. This milestone LTS for wage revision kindled general contentment and happiness among the workmen of the Company. The recognized trade unions with their pro-active approach during the course of the negotiation have once again exhibited their true allegiance to the enhanced productivity and economic sustainability of the Company.
23. The executives and non-unionised supervisors also continued to contribute their best to the Company during the year.
24. The joint management fora 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.
25. 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.

Human Resource Development

Learning and Development Activities During 2018-19

26. 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 46 sessions. Third batch also commenced with 6 sessions completed for a total of 32 executive trainees. 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 174 workmen was held during the year.

27. Company continued to nominate executives at all levels to attend specific management development programmes at IIMA, IIMK, IIMC, ASCI, ISB etc. The Company continued with the six customized management development programmes in association with the Indian Institute of Management (IIMK), Kozhikode. Two comprehensive one week programmes on "General Management" were conducted at the IIMK main campus covering 48 executives up to the level of AGMs. Three day programmes were conducted at IIMK Kochi campus covering 75 executives on communication effectiveness, contract management and finance for non-finance managers etc. Further, twelve in-house programmes were conducted in CSL on a wide range of topics ranging from GST updation to vigilance sensitization. The prominent technical programmes conducted in-house include programmes on Electrical Safety, Confined Space - Gas Safety", programme on "QC Inspection" conducted by renowned classification society, M/s. Indian Register of Shipping (IRS) on FRP structures, talk on ergonomics, coupler scaffolding system. Senior management cadre executives including CMD & Directors had attended programmes under igniting minds scheme in various premier institutes in the country like ISB Hyderabad, IIMA, IIMC etc. on various topics relevant to senior executives.
28. Women Development Programme: Sessions were given exclusively to women employees & executives on topics like Nuero Lingusitic Programming (NLP), work-life balance etc.
29. 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.

Encouraging Leadership

30. "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. Last year three executives had been granted study leave to pursue Post Graduation in various IITs/ IIMs and all of them have re-joined after completing M Tech at IIT. During January 2019, again fresh applications were invited for considering under LEAP scheme and accordingly, three executives have been selected for granting study leave. One of the executives has already joined IIM for pursuing higher studies.

Educational Scholarships to Wards of Employees

31. "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 2018-19, 43 eligible students have been granted scholarship under the said scheme.
32. CSL launched special financial assistance scheme applicable to SC/ST apprentice trainees in 2018 to provide monthly financial assistance of ₹1,500/- for meeting their expenses towards rental accommodation in Kochi. The monthly financial support is extended to a maximum of 10 trainees during the period of apprenticeship training, subject to periodical review by CSL. Under the scheme, 10 trainees were provided financial assistance during the year.

Recognising Excellence

33. 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 2018-19, 71 permanent employees and 16 contract personnel/trainees have been honored with Chairman’s commendation which carries ₹2,000/- cash prize.

Encouraging Thought Provoking Ideas

34. The 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 Dinesh P Thampi, Vice President and Delivery Centre Head, Tata Consultancy Services Limited, Dr. V A Joseph, former MD, South Indian Bank Limited, Rameshan Paleri, Chairman, Uralungal Labour Contract Co-operative Society Ltd.
35. ‘Prajnan’ talk series is a technical talk series launched in the year 2018, which is aimed at spreading knowledge about latest technologies and changes happening around us. This will promote continuous learning among executives, create avenues for structured internal discussions on new technological areas, emerging fields and other areas of topical relevance. Two sessions were conducted during 2018-19 on topics Accuracy Control in Shipbuilding and Robotics, Automation and Distortion Control in Welding.
36. ‘Atmajyoti’ series of inner awakening discourse was held on July 21, 2018 at CSL. Dr. E Sreedharan, Principal Advisor to DMRC & LMRC and former CMD of CSL fondly known as “Metro Man” of India has addressed the employees of CSL. The talk was followed by an interactive session with all employees of the Company including contract employees and trainees.
37. Apart from the above, prominent persons also addressed a gathering of executives on procurement, procedures and policies. Experts from Lloyds Register, UK also addressed a select gathering of executives.
38. 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.
39. 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.

40. CSL Star Board – a new mobile application for executives was introduced in 2017 for the purpose of knowledge sharing. The objective of Star Board is to enable the executives to share their technical knowledge, latest technical information and to provide a platform for innovative minds on matters related to their profession/work. Star Board will promote knowledge sharing culture in CSL, which is essential for the existence and success of any business. This platform has provisions for sharing of both explicit knowledge and tacit knowledge.
41. The ‘Sandbox’ is an online platform introduced in 2019 to act as a launch pad of new ideas, formed primarily with the vision of becoming a collaboration platform for officers of CSL. ‘Sandbox’ is envisaged to act as a people engagement platform which will provide each executive of the organization an opportunity to express their innovative ideas and to implement those ideas associating with likeminded people while getting guided by mentors and experts in the relevant areas. The platform is expected to nurture creativity, encouraging innovation, technology induction and thereby to try a change culture within the organisation which would contribute towards a larger transformation of organisation. A three day session was imparted by faculty from the Indian Institute of Management Kozhikode IIMK for the sandbox team members in CSL.
42. Samanvay, knowledge management portal developed by Department of Public Enterprises was introduced in CSL in 2018. This portal intends to share the best practices, case studies, tacit knowledge, break through innovations etc. in respective functional domains among CPSEs. All executives in CSL are allowed access to Samanvay portal for knowledge sharing. CSL has enabled the knowledge management application in the SAP portal for all supervisors and officers. Department wise knowledge repositories has been created which can be viewed across CSL for knowledge enrichment.

Professional Assessments

43. 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, career development etc. in future.

44. During the year 2018, M/s. Korn Ferry Hay group, a leading HR consultancy organization in Asia was awarded the work order for conducting executives' Assessment Development Centre (ADC) and creation of Individual Development Plans (IDPs) for succession planning. ADC was conducted to assess the competencies of 100 executives vis-à-vis the required competencies. During the year, ADC was conducted successfully for 100 selected executives in the grades of SMs and above. M/s. Korn Ferry Hay group assessed the strengths and areas for development of the executives using various assessment tools and prepared detailed IDP. In addition to formulation of succession plan, the ADC was beneficial to CSL as it provided right direction for planning HR interventions.

People Capability Maturity Model (PCMM)

45. 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;
 - (b) Conduct of SCAMPI-A Final Audit – six months after completion of readiness audit i.e. by March 2021.
46. 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

47. Under the Apprentices Act, the Company has imparted training to 181 ITI trade apprentices, 14 engineering graduates, 08 diploma holders and 05 vocational trainees in 2018. Furthermore, specialized training mainly in the technical streams was extended to 473 trainees under the Company scheme. The Company during the year had also inducted 38 executive trainees for one year training. The GME course, approved by Director General of Shipping, Govt. of India was undergone by 134 engineering cadets during the year to qualify for marine engineering jobs onboard vessels.
48. The Company constituted a Strategic Human Resource Committee of the Board with Shri Bejoy Bhasker, Director (Technical), Shri Jiji Thomson, Non Official Part Time (Independent) Director and Prof. Biju Varkkey of IIMA as members to bring further focus and oversight on the transnational human resource practices.

Status on Affirmative Action to Implement Presidential Directives on Reservations

49. 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) and Persons with Disabilities (PWD) 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 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. During the year, training was imparted exclusively for employees belonging to these categories. The sessions were handled by an expert Deputy Secretary from the Ministry. Regular meetings with the associations of the employees belonging to these categories were conducted to discuss and redress their grievances. Pursuant to Government orders, special recruitment drive was resorted during the year for filling up of vacancies reserved for Persons with Disabilities and out of 15 vacancies notified, 4 candidates were selected. In order to support employees belonging to the SC/ST/OBC/PWD employees who fall under the zone of consideration for promotion, special crash courses were arranged with the aid of expert external faculty for 50 employees on the topics, procedures and provisions related to reservation policies. As directed by Govt. of India under the accessibility India campaign, accessibility audit for PWD and a session on the provisions was carried out by an accredited agency M/s. Ekansh Trust, Pune.

Representation of SC/ST employees

50. The representation of SC and ST employees in various groups of posts as on March 31, 2019 is given under:

Category	CSL's Total Strength	SC	ST
Group A	274	42	12
Group B	146	25	13
Group C	836	107	9
Group D	488	70	10
Total	1744	244	44

Representation of OBC employees

51. The representation of OBC employees in various groups of posts as on March 31, 2019 is given under:

Category	CSL's Total Strength	OBC
Group A	274	67
Group B	146	15
Group C	836	331
Group D	488	265
Total	1744	678

Representation of Minority Employees

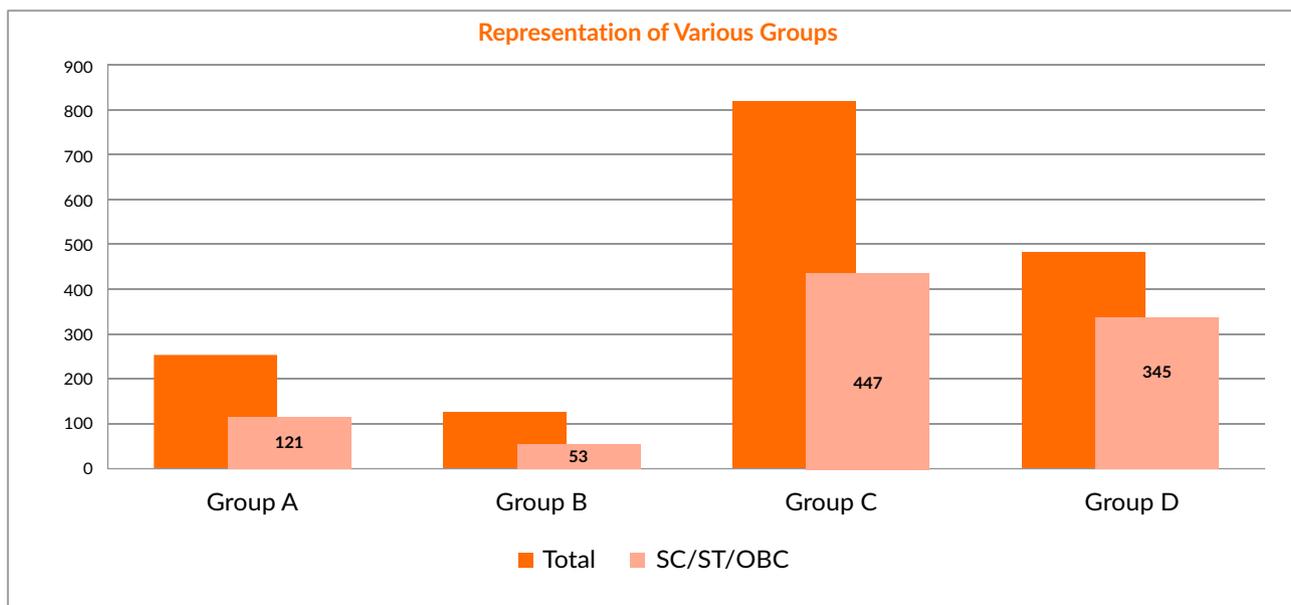
52. The representation of minority employees in various groups of posts as on March 31, 2019 is given under:

Category	CSL's Total Strength	Minority
Group A	274	79
Group B	146	41
Group C	836	226
Group D	488	132
Total	1744	478

Representation of Persons with Disabilities Employees

53. The representation of Persons with Disabilities in various groups of posts as on March 31, 2019 is given under:

Category	CSL's Total Strength	PWD
Group A	274	5
Group B	146	7
Group C	836	22
Group D	488	21
Total	1744	55



Provision for Safeguard of Women

54. 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 has received one complaint during the financial year 2018-19, which is pending for disposal as on March 31, 2019.

Integrated Management System (IMS)

55. Cochin Shipyard upgraded its Integrated Management System (IMS) by getting certified under the ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System standards in September 2018. CSL will be upgrading its Health and Safety Management system to the latest ISO 45001:2018 by September 2019.

Facility Upgrade and Capital Expenditure

56. The total capital expenditure incurred in 2018-19 amounted to ₹545.65 crores. This related to renewals and replacements, modernization and expansion, dry-dock, ISRF, infrastructure for IAC, investment in joint venture etc.

Implementation of Official Language Policy

57. 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.
58. 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 the Hon'ble Vice President of India on September 14, 2018.
59. For Best Official Language Implementation, Cochin Shipyard was awarded Rajbhasha Shield (second prize) for the year 2016-17 and 2017-18 from Ministry of Shipping.
60. 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. Jilsy Pinhero, Junior Commercial Assistant. 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.
61. Various competitions in Hindi were organized in connection with Hindi fortnight celebrations 2018 for employees, children of employees, trainees and employees on contract of CSL. As a special programme, competitions were organised to State school students of Kochi. Hindi books were given to Pandit Karuppan Memorial Library. As part of implementation of Official Language Policy of Govt. of India, CSL observes first Wednesday of every month as Hindi Day.
62. Three Hindi workshops were organized in the year 2018-19 in which a total of 75 employees participated. Spoken Hindi class was organised in which 26 employees participated. Tenth issue of Hindi house journal, 'Sagar Ratna' was released during this year.
63. Joint Hindi fortnight celebrations were organized from November 16 to November 30, 2018 under the auspices of Kochi TOLIC. 11 employees attended in

various competitions organized in this connection. Out of the above, 7 employees won prizes.

64. Cash incentives for obtaining high marks in Hindi in 10th std. during the academic year 2017-18 were given to the children of employees. Cash incentive was given to fourteen children.
65. Computer training in Hindi was organised from July 03, 2018 to July 09, 2018 under the aegis of CUSAT. Fourteen employees attended the above programme. Cash incentive and certificates were awarded to the participants.
66. Training in Hindi Stenography is being conducted within the Company premises for three stenographers. Faculty from Dakshina Bharat Hindi Prachar Sabha (DBHPS), Ernakulam is handling the classes. Upon completion, examination will be conducted by DBHPS.
67. With a view to promote Official Language Hindi among students, an Official Language Seminar was organised for P.G. Diploma (Translation) students of CUSAT and Dakshina Bharat Hindi Prachar Sabha on December 04, 2018 at The Mercy Hotel, Ravipuram.
68. Under the auspices of Kochi TOLIC, CSL and FACT jointly organised an Official Language Seminar for Hindi Staff at FACT Udyogmandal on December 21, 2018.

Particulars of Employees and Related Disclosures

69. 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

70. 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, 2019, solar power plant having capacity of 835 kWp has been commissioned in CSL.

Risk Management

71. 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.

72. 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

73. 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 2018-19 in the areas of welding procedure development and qualification of welders.
74. Welding of lower thickness plates with submerged arc welding processes (SAW) using ceramic backing 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 grade A plate using SAW process with ceramic backing and a weld procedure specification has been prepared. This new process saves considerable amount of man hour and effort since turning of large welded plates is avoided and helps in completing the weld pass in single side. The procedure has been validated by ABS Classification Society.
75. A Memorandum of Understanding has been made in the period with Welding Research Institute (WRI), Tiruchirappalli, a research institute under Bharat Heavy Electricals Limited (BHEL). The objective of the MoU is to carry out R&D activities, capacity development and training in welding and allied fields. The MoU is valid till year 2024.

Health, Safety & Environment (HSE)

76. In the aftermath of the major industrial accident in February 2018, CSL has taken various major initiatives such as review of gas management system, man entry system etc. in order to prevent any major industrial mishaps. The Company is in the process of engaging

a leading international consultant to improve HSE culture in the organisation. The Company continued to stress HSE as a core area. Initiatives such as safety moment, HSE briefings, publishing of HSE alerts and tool box talks at all work sites were taken up to improve the HSE awareness amongst the workforce. The focus areas during the year included imparting refresher trainings to contractors' workmen and our employees and conduct of safety audit by international agency. CSL has published 12 salient safety rules and everybody in the organization has the authority and responsibility to stop and correct any of the violation of these rules. Environment management system of CSL has been re-certified to ISO 14001:2015. CSL has initiated the process for ISO 45001 accreditation.

77. HSE performance for the last 3 calendar years is tabulated below:

Category	2016	2017	2018
Fatal	0	0	6
Reportable accidents	7	2	25
Non Reportable Accidents	148	100	98
Frequency Rate (Reportable accidents in one million man hours)	0.68	0.20	6.95

Industrial security

78. Special security attention is being accorded to the Indigenous Aircraft Carrier (IAC). Total 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.
79. 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.

80. Materials entry and exit have been integrated with ERP module which ensures effective and vigilant monitoring of materials movement into and out of the Company. No case of theft, sabotage, leakage of information etc. was reported during the year.
81. The physical security of the Company has been entrusted to the Central Industrial Security Force (CISF) contingent of 133 personnel headed by an officer of the rank of Assistant Commandant.
82. 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.

Awards and Recognitions

83. During the financial year CSL received following awards:
- KMA CSR award 2018 for the category, Education.
 - KMA CSR award 2018 for the category, Health and Hygiene.
 - Rajbhasha Kirti Puraskar in recognition of the achievements of the PSUs and Government departments in implementation of the Official Language.
 - Rajbhasha Shield (second prize) for the year 2016-17 and 2017-18 from Ministry of Shipping for best official language implementation.
 - Rajbhasha Trophy (first prize) for the year 2017-18 from Kochi Town Official Language Implementation Committee (TOLIC) for the best implementation in the Official Language field.
 - Second prize for Hindi Home Magazine 'Sagar Ratna' from TOLIC.
 - Kerala State Akshaya Urja award.
 - FACT MKK Nair Memorial award for the second best productivity performance in State level from

Kerala State Productivity Council in the category of Large Industries.

Board of Directors & Key Managerial Personnel

84. As on March 31, 2019 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.
85. Shri Bejoy Bhasker (DIN: 08103825) took over charge as Director (Technical) with effect from April 05, 2018 vide Ministry of Shipping letter no. SY-11012/4/2017-CSL dated April 04, 2018. The Ministry of Shipping, Government of India vide letter no. SY-11012/1/2017-CSL dated April 20, 2018 appointed Shri K.R Jyothish IAS (DIN: 01650017), Principal Secretary (Transport), Govt. of Kerala as Official Part Time (Nominee) Director on the Board of CSL in place of Shri Elias George IAS (Retd.) (DIN: 00204510) with effect from April 20, 2018.
86. Pursuant to the Ministry of Shipping, Government of India letter no. SS.11012/05/2014-SY.II dated March 21, 2016, the 3 years tenure of Smt. Roopa Shekhar Rai (DIN: 07565156), Shri Radhakrishna Menon (DIN: 07518727) and Shri Krishna Das E (DIN: 02731340) as Non-Official Part Time (Independent) Directors on the Board of CSL came to an end on March 20, 2019.
87. The Ministry of Shipping, Government of India vide letter F. No. SY.11012/1/2009-CSL. Vol. II dated January 07, 2019 extended the term of Shri D Paul Ranjan (DIN: 06869452), Director (Finance) for a further period of 3 months till July 31, 2019 i.e., the date of his superannuation.
88. Details of changes in Key Managerial Persons during the financial year 2018-19 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	Continuing*	No Change
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	Appointment
5	Smt. Kala V	-	Company Secretary	May 02, 1998	Continuing	No Change

* As per the Ministry of Shipping letter F. No.SY-11012/1/2009-CSL. Vol.II dated January 07, 2019 the tenure of Shri D Paul Ranjan, Director (Finance) ends on July 31, 2019 i.e the date of his superannuation. Shri D Paul Ranjan was

re-appointed as Director by way of retirement by rotation at the 46th Annual General Meeting held on August 14, 2018.

Declaration and Meeting of Independent Directors

89. 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 February 07, 2019 which was attended by all the Non Official Part Time (Independent) Directors, viz., Smt. Roopa Shekhar Rai, Shri Radhakrishna Menon, Shri Krishna Das E, Shri Pradipta Banerji and Shri Nanda Kumaran Puthezhath, except Shri Jiji Thomson IAS (Retd.).

Details of Board Meetings held during 2018-19

90. Seven Board Meetings were held during the year 2018-19 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 24, 2018	12	11
2	June 30, 2018	12	9
3	August 13, 2018	12	8
4	October 16, 2018	12	10
5	October 31, 2018	12	10
6	February 08, 2019	12	10
7	March 19, 2019	12	10

91. 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

92. 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 February 07, 2019.

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

93. 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 <http://www.cochinshipyard.com/investors.htm>

Directors Responsibility Statement

94. Your Directors state that:

- in the preparation of the annual accounts for the year ended March 31, 2019, 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;
- 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, 2019 and of the profit of the Company for the year ended on that date;
- 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;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- 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
- 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

95. 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)

96. As on March 31, 2019, 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 D Paul Ranjan (DIN: 06869452), Director (Finance), and Shri Bejoy Bhasker (DIN: 08103825), Director (Technical) 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://www.cochinshipyard.com/csr_policy.htm
97. 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 seven executives across various departments of the Company.
98. During the year 2018-19, the Company could engage in meaningful CSR initiatives that received appreciation both within Kerala and also nationally.
99. The mandatory CSR spending for the year is ₹1,015 lakhs.
100. In all, the Board identified 91 Projects which includes both Major and Minor projects.
101. The CSL CSR projects undertaken were mostly from Kerala, where the Company is located, covering the most common fields of CSR interventions appearing in Schedule VII of Companies Act, 2013. Particular focus was paid on Swachh Bharat initiatives of the Government of India, the national initiative of sanitation. Special initiatives were taken up focusing on programs including toilet construction in schools and villages including in coastal areas of Kerala, where the problem of sanitation and personal hygiene is a major issue.
102. CSL has contributed ₹10 crore to the Chief Minister's Distress Relief Fund (CMDRF) for rebuilding devastated

flood affected areas in Kerala during the monsoon months in 2018. Further, a total of ₹1 crore was spent towards various re-building activities, varying from support to khadi artisans who lost their livelihood and rebuilding of anganwadis in flood affected areas. Workmen and supervisors of CSL have contributed one day salary and the executives have contributed two days salary to the CMDRF. All Independent Directors also joined the employees to contribute to the CMDRF. Total amount so contributed was ₹37.38 lakhs.

103. As per the new Guidelines promulgated by the Department of Public Enterprises (DPE), the theme for the current year 2018-19 should be 'school education' and 'health care'. At least 60% of annual CSR expenditure should be made towards school education and health.
104. Most of the Company's projects undertaken during the year are focused around or catering towards the health care and education and hence is able to achieve the target fixed by the DPE, on this theme.
105. Also, as per the new guidelines, preference should be given to the "Aspirational Districts", in CPSE CSR spending. Out of the 112 Districts as promulgated by the Niti Aayog, only the District "Wayanad" is the lone Aspirational District in Kerala. The Company has conveyed its keenness to give preference to Wayanad District in Kerala and a meeting with the District Collector was held on February 22, 2019 to undertake projects in that District.
106. During the year, CSL has spent ₹1,041.16 lakhs for various ongoing and completed CSL CSR projects and related indirect expenses. The Annual Report on CSR activities is placed at Annexure-4.

Audit Committee

107. As on March 31, 2019, 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

108. 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, which are within its purview. 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

109. 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

110. The Company has in place adequate internal financial controls with reference to financial statements. During the year, the Company had engaged M/s. Varma & Varma, (Firm Registration No. 0045325) Chartered Accountants 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. Being a frontrunner in adapting to and leveraging digital technology for optimizing its procedures and operations, CSL took another step further in this direction by introducing Legatrix, 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

111. 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 2018-19. 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

112. M/s. Elias George & Co., Statutory Auditors have submitted their report on the standalone and consolidated financial statements of the Company for the year ended March 31, 2019, on May 21, 2019. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

Comments of C&AG

113. 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

114. 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 2018-19. The remuneration of Cost Auditor for the financial year 2018-19 was ratified by the shareholders at the 46th AGM held on August 14, 2018.

Secretarial Auditor

115. The Board has appointed M/s. SVJS & Associates, Practicing Company Secretaries, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith marked as Annexure-6 to this Report. There is no qualification, reservation or adverse remark or disclaimer in the Secretarial Audit Report.

Internal Auditor

116. The Board has appointed M/s. Varma & Varma, Chartered Accountants, Kochi, to conduct Internal Audit for the financial year 2018-19.

Extract of Annual Return

117. 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 <http://www.cochinshipyard.com/investors.htm>

Investor Services

118. 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

119. 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.
120. Submission of annual property returns of executives was made online with a link to view the same to vigilance and the vigilance department is scrutinizing the same.
121. Vigilance department is scrutinizing the qualification and experience certificates submitted by the candidates for the selection of various posts particularly experience certificate issued by private firms considered as eligible.
122. Vigilance department is scrutinizing the third party inspection certificates issued by procurement of materials for its genuineness.
123. Materials department has been directed to update the vendor list and the action is underway.
124. Further the department has conducted 26 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.
125. One vigilance case and one departmental action on a vigilance case is pending.

Right to Information Act

126. 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 on line and off line during the year 2018-19 have been processed and information was provided in a time bound manner as stipulated in the Act.

127. 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

128. 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 is functioning as Vigil Mechanism of CSL. The Whistle Blower Policy of CSL is available at the link <https://www.cochinshipyard.com/links/CSLVIGILMECHANISMANDWHISTEBLOWERPOLICY.pdf>

Details of frauds reported by Auditors under Section 143

129. Nil.

Particulars of loans, guarantees or investments

130. During the year under Report, the Company has not
- given any loan to any person or other body corporate;
 - given any guarantee or provided security in connection with a loan to any other body corporate or person; and
 - 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, except an investment of ₹44 crores towards subscription of unsecured redeemable non-convertible debentures in the subsidiary company viz., Hooghly Cochin Shipyard Ltd. The said investment is within the limit of Section 186 of the Companies Act, 2013.

Material changes and commitments

131. 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

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

Deposits

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

Secretarial Standards

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

Significant and Material orders

135. 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

136. 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 reports. 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

137. The Board of Directors are extremely thankful for the continued patronage and support extended by the Hon'ble Prime Minister, Hon'ble Minister of Shipping and all officers 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 Ltd. 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
May 21, 2019

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 2018-19.	<p>STEPS TAKEN</p> <ul style="list-style-type: none"> • Installed 300 KW grid connected solar power plant on the roof top of hull shop. • 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 HA bay of Hull Shop. • Installation of pedestal type LED lighting system at Quay 3 and building dock instead of conventional flood lights. • Use of energy efficient Brushless Direct Current (BLDC) / 5 star fans instead of regular ceiling fan. • 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. • Variable Frequency Drive (VFD) Installed for 40T OBE LLTT crane at Ship Repair for hoist motions. <p>IMPACT</p> <p>Energy saving is approx. 8.64 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"> • Installed 300 kWp grid connected solar power plant on the roof top of hull shop. • Installation of 450 kWp grid connected solar power plant at roof top of outfit warehouse and bonded store is in progress.
c.	Capital investment on energy conservation equipments	<ul style="list-style-type: none"> • An amount of approximately ₹191 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 the latest ship resistance and propulsion power prediction software HydroComp NavCad. It also provides capability for the selection of suitable propulsion system components –engines, gears and propellers etc. • Implemented 3D modelling/rendering software from AutoDesk Inc. for generating high quality images as well as animations of concept designs. • In-house development of 3D modelling for accommodation & other outfit systems in accommodation spaces for the Technology Demonstration Vessel (Ship - 020) for DRDO/500 Pax for A&N Administration in Tribon under progress. • In-house development of 3D modeling for machinery and electrical systems for 1200 Pax for A&N Administration using TRIBON is in progress in compliance with SRtP requirements. • In-house development of 3D modeling for hull, machinery and electrical systems for fishing vessels. • External workshops/training provided in :
High fidelity computational fluid dynamics simulations for marine applications sponsored by Shri Gopal Rajgarhia International Faculty Outreach Programme (SGR IFOP) at IIT Kharagpur.
Large Eddy Simulations (LES) for ship research at IIT Kharagpur.
Finite element analysis of structures conducted by Bhabha Atomic Research Centre, Mumbai.
Composite design and engineering, conducted by DIAB Core Materials Chennai. |
| b. Efforts made towards Technology Innovation. | <ul style="list-style-type: none"> • Development of concept design of Pollution Control Vessel for Coast Guard. • Development of concept design of 100 Pax Hybrid Catamaran for Kochi Water Metro. • Development of concept design of River Cruise Vessel for Exotic Heritage Group. • Development of basic design of Work Boat for Ship Repair Department of CSL. • Basic design of 38 m Ro-Pax Vessel & 56 m Ro-Ro vessel for IWAI. • Basic design of Fishing Vessels for Tamil Nadu Fisheries Department. • Development of in-house software tools for various Basic Design calculations such as equipment number calculation, weight estimation. • Functional design drawings developed for electrical cable routes for DRDO systems onboard Technology Demonstration Vessel Ship-020 considering the stringent requirements from DRDO for segregation of different types of cables and EMI/EMC compliance. • Development of suitable specification for the power system and batteries for battery powered vessel which is having 3 modes of operation i.e. pure electric, pure diesel and hybrid mode in progress. • Software is being developed in-house by yard to assess and ensure that the required stipulations of the class notation Safe Return to Port (SRtP) for 1200 Pax project are met with. • Software upgrades for “Cable Manager” – In-house developed cable scheduling and nesting software for usage onboard projects. • Software upgrades for “Electrical Apps” – In-house developed production design customization tool for Tribon M3 for usage in ongoing projects. • In-house design & development of gillnet winch for fishing vessels. • In-house design & development of long line winch for fishing vessels. • Development of design for Integrated Hydraulic System for operating winches, steering gear, bilge pump, FW pump and ER ventilation. |
-

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"> 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. Reduction of cost due to minimized rework, as interface of the systems can be viewed and corrected in 3D modelling on computer. Considerable improvement in time and cost saving for production of vessels being built at Shipyard. Yard has developed expertise and skill to produce production-engineering drawings by extracting relevant data from Tribon model. Carried out modelling of the entire hull, facilitating very short cycle time for drawing issue. Capability achieved in undertaking multiple projects concurrently. Considerable improvement in time for estimation of cables and optimal route design for cables. Yard has developed a new step towards product development – standard gillnet winches and standard long line winches for small fishing vessels. Developed a design for all integrated hydraulic system for small fishing vessel which can be used as a standard cost-effective solution for all fishing vessels.
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	<ul style="list-style-type: none"> HydroComp NavCad software for resistance and propulsion calculation; 3DS MAX design software for generating high quality 3D imagery and animation.
ii.	The year of import	2018-19
iii.	Whether the technology been fully absorbed	HydroComp NavCad and 3DS MAX design software are currently being used for basic design of ships developed in-house and can be considered as 100% absorbed.
iv.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not applicable
e.	Expenditure incurred on Research and Development	Nil

C. Foreign Exchange Earnings and Outgo

	(₹ in lakhs)	
	2018-19	2017-18
Income from Foreign Exchange		
From Shipbuilding	0.00	0.00
From Ship repair	0.00	496.90
Total	0.00	496.90
Expenditure in Foreign Exchange		
Materials (CIF Value)	82543.51	94984.50
Design & Documentation	0.00	2.65
Service Charge & Others	12523.09	3539.79
Total	95066.60	98526.94

For and on behalf of the Board of Directors

Madhu S Nair

Chairman & Managing Director
DIN: 07376798

Kochi
May 21, 2019

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
May 21, 2019

PROJECT-WISE CSR SPENT BY COCHIN SHIPYARD DURING 2018-19

Sl. No.	Name of Project with a brief	Sector in which the Project is covered (Clause no. of Schedule VII to Companies Act, 2013, as amended)	Projects or Programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (₹ Lakhs)	Amount spent on the projects or programs Sub-heads; (1) Direct expenditure on project or programs (2) Overheads (₹ Lakhs)	Cumulative expenditure up to the reporting period (₹ Lakhs)	Amount Spent: Direct or through implementing agency	Number and Category of Project Beneficiaries
A MAJOR PROJECTS								
1.	Financial Support for Landscaping and Maintenance of Koithara Children's Park at Panampilly Nagar, Kochi under Swachh Bharat Abhiyan Gol	Cl. (i) Swachh Bharat Abhiyan of Gol	Ernakulam District, Kerala State	10.00	10.00	10.00	Municipal Corporation of Kochi along with Centre for Heritage, Environment and Development	People who are visiting the Park
2.	Construction of toilets for the coastal people of Alleppey	Cl. (i) Swachh Bharat Abhiyan of Gol	Coastal area of Alleppey district of Kerala State	32.50	9.75	16.25	Coastal Educational Society, Alleppey	50 Families
3.	Support for Containing NIPAH Infection in Kerala	Cl. (i) promoting health (Swachh Bharat)	Kozhikode, Wayanad and Malappuram District	25.00	25.00	25.00	Government Medical College, Kozhikode	NIPAH suspected people of Kozhikode, Wayanad and Malappuram District
4.	Support for Renovation and Maintenance of Koithara Children's Park at Panampilly Nagar, Kochi under Swachh Bharat Abhiyan of Gol	Cl. (i) Swachh Bharat Abhiyan of Gol	Ernakulam District, Kerala State	30.00	14.99	14.99	Municipal Corporation of Kochi along with Environment and Development	People who are visiting the Park
5.	Construction of Toilets for 49 Houses at Cheriyanthuruthu Island Village at Kadamakkudy Panchayat in Ernakulam District under Swachh Bharat Abhiyan of Gol	Cl. (i) Swachh Bharat Abhiyan of Gol	Cheriyanthuruthu Island of Kadamakkudy Panchayat in Ernakulam District	50.00	1.23	1.23	Ernakulam Social Services Society	49 household families
6.	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) Swachh Bharat Abhiyan of Gol	Atlantis Junction, MG Road, Ernakulam	20.00	6.00	6.00	CREDAI, Kochi	General Public
7.	Support for Swachh Bharat Mission Related Activities in Palakkad Municipality	Cl. (i) Swachh Bharat Abhiyan of Gol	Palakkad Municipality	100.00	90.00	90.00	Palakkad Municipality	1.30 Lakhs population of Palakkad Municipal area
8.	Support for Roof Top Water Harvesting Structures for Providing Safe Drinking Water for the People in the Coastal Villages of Alleppey and Ernakulam	Cl. (i) Swachh Bharat Abhiyan of Gol	Alleppey District of Kerala State	18.00	3.07	3.07	Alleppey Charitable Social Welfare Society, Alleppey	40 Families

CSL Project-Wise CSR Spent Continued

9.	Support for the Construction of a Toilet Complex at Vivekananda Hostel, Rajashree Colony, Dastur Nagar, Amravati, Maharashtra, under Swachh Bharat Abhiyan of Gol	Cl. (i) Swachh Bharat Abhiyan of Gol	Vivekananda Hostel, Rajashree Colony, Dastur Nagar, Amravati, Maharashtra	10.00	5.00	5.00	5.00	Pradnya Prabodhini, Amravati, Maharashtra	170 Students
10.	Support for Urava - Water ATM Project at Attappady, Palakkad District	Cl. (i) Swachh Bharat Abhiyan of Gol	Sholayar Grama Panchayat of Attappady, Palakkad District	30.00	29.00	29.00	29.00	Shanthy Medical Information Centre, Guruvayoor	2500 household families in Sholayur Grama Panchayat
11.	Support for Haritha Keralam - Pond Rejuvenation Project of District Administration, Ernakulam	Cl. (i) Swachh Bharat Abhiyan of Gol	Ernakulam District, Kerala State	15.00	14.73	14.73	14.73	District Collector, Ernakulam	Entire Ernakulam District
12.	Support for Construction of a Toilet Complex at Sacred Heart Higher Secondary School, Thevara, Ernakulam District under Swachh Bharat Abhiyan of Gol	Cl. (i) Swachh Bharat Abhiyan of Gol	Thevara, Ernakulam District	12.80	6.40	6.40	6.40	Sacred Heart Higher Secondary School, Thevara, Ernakulam District	639 students
13.	Contribution to the Elimination of Water Logging in Kochi City	Cl. (i) Swachh Bharat Abhiyan of Gol	Kochi Municipal Corporation	14.00	13.97	13.97	13.97	Foundation for Restoration of National Values, Kochi	Entire Kochi Municipal area
14.	Support for Construction of Household Toilets in Chellanam Panchayat, Ernakulam District under Swachh Bharat Abhiyan of Gol	Cl. (i) Swachh Bharat Abhiyan of Gol	Chellanam Grama Panchayat in Ernakulam District	55.00	27.50	27.50	27.50	WIN Society, Eramalloor, Alappuzha District	100 household families
15.	Financial Assistance for Puthuyugam - A Comprehensive Educational Project (PCEP) By District Administration, Ernakulam	Cl. (ii) promoting education including special Education	Ernakulam District of Kerala State	30.00	30.00	30.00	30.00	District Collector, Ernakulam	200 Student aspirants
16.	Support for Computer Lab and Smart Class Room at Pandit Karuppan Library & Reading Room at Thevara, Cochin	Cl. (ii) promoting education, including special education	Thevara, Ernakulam District of Kerala State	15.00	7.31	7.31	7.31	Pandit Karuppan Memorial Library & Reading Room, Thevara, Cochin	200 Children of the area
17.	Support for Mammography Unit at Alphonsa Hospital, Murickassery, Idukki District	Cl. (i) promoting health care including preventive health	Murickassery, Idukki District	10.00	10.00	10.00	10.00	Alphonsa Hospital, Murickassery, Idukki District	150 patients per month
18.	Support for Minimum 25 Joint Replacement Surgeries by, Sudheendra Medical Mission, Ernakulam	Cl. (i) promoting health care including preventive	All the districts of Kerala State	25.00	16.33	16.33	16.33	Sudheendra Medical Mission, Ernakulam	25 patients who suffer Knee problems
19.	Support for Centenary Memorial Skill Development Block at SMV Higher Secondary School, Poonjar, Kottayam District	Cl. (ii) Promoting education	Poonjar, Kottayam District of Kerala State	30.00	5.00	5.00	5.00	SMV Higher Secondary School, Poonjar	1000 School Children

20.	Support for Aksharadeepam Educational Project for the Students of Cochin Constituency	Cl. (ii) Promoting education	Schools from Kochi legislative assembly	10.00	10.00	10.00	Deputy Director Education, Ernakulam	3000 School Children
21.	Financial Support for Skill Development in Welding Technology for 60 Unemployed Youth who Belong to BPL Families	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Different Districts of Kerala	32.85	16.42	16.42	Don Bosco Tech, Vaduthala, Ernakulam	60 Students
22.	Support for Setting up of a Technically Advanced Blood Bank at EMS Memorial Cooperative Hospital, Perambra, Kozhikode District	Cl. (i) promoting health care including preventive	Perambra, Kozhikode District	45.00	45.00	45.00	EMS Memorial Cooperative Hospital, Perambra, Kozhikode District	50 patients per month
23.	Support for Construction of a Counselling cum Rehabilitation Training Centre at Aranattukara, Thrissur District by SOLACE	Cl. (i) promoting health care including preventive health	Aranattukara, Thrissur District	10.00	4.50	4.50	SOLACE, Aranattukara, Thrissur District	50 Children who are affected with Cancer
24.	Support for Installation of Latest Radio Therapy Equipment Linear Particle Accelerator at General Hospital, Ernakulam	Cl. (i) promoting health care including preventive health	General Hospital, Ernakulam	200.00	10.00	10.00	Hospital Development Society, General Hospital, Ernakulam	1200 patients per year
25.	Skill Building Support for the Hearing Impaired; Assisi School for Deaf, Muvattupuzha	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	Muvattupuzha, Ernakulam District of Kerala State	20.00	4.20	4.20	Assisi School for Deaf, Muvattupuzha	24 Deaf students
26.	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	12.00	12.00	Vizhinjam Thekkumbhagam, Muslim Jamaath	50 Marginalized Women of the area

CSL Project-Wise CSR Spent Continued

27.	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	Thirissur District of Kerala State	22.50	18.90	18.90	ALIMCO in association with District Social Justice Department, Thrissur	50 disabled persons in Thrissur District
28.	Financial Assistance for the Purchase of a 50 Seater Marine Boat to Vivekananda Rock Memorial & Vivekananda Kendra, Vivekanandapuram, Kanyakumari	Cl.(v) protection of national heritage, art and culture	Kanyakumari District of Tamil Nadu State	60.00	25.00	25.00	Vivekananda Rock Memorial & Vivekananda Kendra, Vivekananda puram, Kanyakumari, Tamil Nadu	40 staff members of the Institute
29.	Support for Construction of Jijamata Primary Women Health Care and Diagnosis Centre, Quarters and Procuring of Hospital Instruments/Equipments including an Ambulance for the benefit of the People at Sinkhed Raja, Dist. Buldana, Maharashtra	Cl. (i) promoting health care including preventive health	Sinkhed Raja, Dist. Buldana, Maharashtra	200.00	99.62	99.62	Jijau Shrishti, Matrutirtha Sinkhedraja, District Buldana	3000 Out Patients per month
30.	Financial Support for Conservation of Whale Sharks along Kerala and Lakshadweep Waters by Wildlife Trust of India, New Delhi	Cl.(iv) Conservation of natural resources	Kerala and Lakshadweep Coastal area	40.00	5.00	5.00	Wild Life Trust of India, New Delhi	500 Fishermen Communities
31.	Support for Thunchan Memorial Trust for Organizing an International Festival on Mahabharatam at Thunchan Parambu, Malappuram District	Cl.(v) protection of national heritage, art and culture	Thunchan Parambu, Malappuram District	10.00	9.00	9.00	Thunchan Memorial Trust, Thunchan Parambu, Malappuram District	5000 participants
32.	Support for a Sensory Therapeutic Centre for Children with Special Needs at Sevanikethan Thiruhudaya Nivas, Parel, Kurisumoodu, Changancherry, Kottayam District	Cl. (ii) promoting education, including special education	Changancherry, Kottayam District	16.19	8.10	8.10	Sevanikethan Thiruhudaya Nivas, Parel, Kurisumoodu Changancherry, Kottayam District	43 differently abled students
33.	Support for Procuring Motorized 3 Wheeler to 23 Differently Abled Persons towards their Livelihood Enhancement in Association with Ernakulam District Panchayat	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Ernakulam District	16.00	13.45	13.45	District Panchayat, Ernakulam	23 differently abled persons

34.	Financial Assistance to Develop the Little Flower Press to give Technical Training to the Destitute Boys of Sacred Heart Boy's Home, Perumpadappu, Ernakulam District	Cl. (ii) and (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Sacred Heart Boy's Home, Perumpadappu, Ernakulam District	9.81	9.81	9.81	Little Flower Press, Perumpadappu, Palluruthy, Kochi	Destitute Boys of Sacred Heart Boy's Home, Perumpadappu, Ernakulam District
35.	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	16.00	16.00	Press Club, Kottayam	100 students per year
36.	After Flood Rehabilitation Programme - Repair/ Replacement of Charakas and Related Facilities at Gandhi Smaraka Grama Seva Kendram, Nanthiattukunnam, North Paravar, Ernakulam District	Cl. (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Nanthiattukunnam, North Paravar, Ernakulam District	21.11	21.11	21.11	Gandhi Smaraka Grama Seva Kendram, Nanthiattukunnam, North Paravar, Ernakulam District	104 Khadi Artisans
37.	Support for Construction of Ashwas Vocational Training Centre - a Vocational Training Centre for the 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	22.50	22.50	We Care Centre, Pastoral Centre, P.B. No.22, Kanjirappally, Kottayam District	100 Mentally Challenged children
38.	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	10.00	10.00	Pratheeksha Bhavan - School for the Mentally Challenged at Thodupuzha Idukki District	140 differently abled children
39.	Financial Assistance to Create a Modern Set Up for Ship Model Making at the Department of Ship Technology in Cochin University of Science and Technology (CUSAT)	Cl. (ii) promoting education	Cochin University of Science & Technology (CUSAT), Kalamassery, Ernakulam District, Kerala State	25.00	1.26	1.26	Department of Ship Technology, Cochin University of Science & Technology (CUSAT), Kalamassery, Ernakulam District, Kerala State	100 students per year
40.	Support for Setting up a Dialysis Centre at PNPMM Hindu Medical Mission Hospital, Ponkunnam, Kottayam District	Cl. (i) promoting health care including preventive health	Ponkunnam, Kottayam District	30.00	28.73	28.73	KVMS Charitable and Cultural Society, Ponkunnam. P. O, Kottayam District	250 Dialysis per month

CSL Project-Wise CSR Spent Continued

41.	Repair/Replacement of Charkha and Related Facilities and Rebuilding of Sales Outlet of Centre for Rural Employment & Economic Development (CREED), Aranmula, Pathanamthitta District	Cl. (iii) Livelihood enhancement projects and measures for reducing inequalities faced by Socially & economically backward groups	Aranmula, Pathanamthitta District	11.55	5.77	5.77	5.77	Centre for Rural Employment & Economic Development (CREED), Aranmula, Pathanamthitta District	75 Khadi Artisans
42.	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	52.50	52.50	52.50	Hospital Development Society, Thaluk Head Quarters Hospital, Mannarkad, Palakkad District	200 patients per month
43.	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	16.42	16.42	16.42	Don Bosco Tech, Vaduthala, Ernakulam	60 Students
44.	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.(iv) protection of national heritage, art and culture	Selected Govt/ Govt-Aided Schools in Ernakulam District	10.00	5.00	5.00	5.00	SPIC MACAY, New Delhi	5000 School Students
45.	Support for a Solar Power Grid System at Karunalayam Destitute Home, Thrikkakara, Ernakulam District	Cl.(iv) Ensuring environmental sustainability	Thrikkakara, Ernakulam District	15.00	7.24	7.24	7.24	Karunalayam Destitute Home, Thrikkakara, Ernakulam District	76 Inmates of Karunalayam, Thrikkakara
46.	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	7.50	7.50	7.50	PINC (Protecting Innocence with Commitment), Kalavoor, Alapuzha District	Two abandoned families
47.	Support for Anti - Tobacco Campaign by Justice K N Kurup Foundation, Ernakulam	Cl. (i) promoting health care	Ernakulam District of Kerala State	10.00	5.00	5.00	5.00	Justice K N Kurup Foundation, Ernakulam	10000 People
48.	Support for Repair/ Restoration of Anganwadi Centers in Alappuzha District	Cl. (ii) promoting education	Kuttanad, Alappuzha District	20.00	10.00	10.00	10.00	District Social Justice Department, Alappuzha	180 Anganwadi Students

49.	Support for After Flood Rehabilitation Programmes	Cl. (x) Rural development projects Cl. (i) promoting health	Flood affected areas of Ernakulam and Alappuzha Districts	25.46	25.46	25.46	25.46	Matsya Fed. ICE & Freezing Plant Cochangadi, Kochi, Cochin Shipyard Employees Consumer cooperative Society, SHM Shipcare, Nettoor, Kochi and Indian Centrifugal Engineering Solutions Pvt. Ltd	Flood affected people of Alappuzha and Ernakulam Districts
	Sub Total (A)			1672.77	850.79	857.29			
B	MINOR PROJECTS								
1.	Financial Support for Drinking Water Pipeline Laying Work at 8th Ward of Kumarakom Panchayat, Kottayam District	Cl. (i) promoting health (Swachh Bharat)	Kumarakom Panchayat, Kottayam District	4.51	0.52	0.52	0.52	Kumarakom Grama Panchayat, Kottayam District	84 household families
2.	Support for a Drinking Water Project at Kaipuzhamuttu, Arpukara Grama Panchayat, Kottayam District for Facilitating easy access to Safe Drinking Water under Swachh Bharat Abhiyan of Gol	Cl. (i) promoting health (Swachh Bharat)	Kaipuzhamuttu, Arpukara Grama Panchayat, Kottayam District	5.00	5.00	5.00	5.00	Arpukara Grama Panchayat, Kottayam District	354 families of Kaipuzhamuttu area
3.	Financial Support for Total Cleaning Programme of Division 60 & 61 - Ravipuram along with Kochi Municipal Corporation, 2017-18	Cl. (i) promoting health (Swachh Bharat)	Kochi Municipal Corporation 60 & 61 Division	5.00	5.00	5.00	5.00	Kochi Municipal Corporation	3000 population
4.	Support for Kids Park and Computer Lab to Sree Narayana Centenary Memorial L. P. School, Neyyassery, Thodupuzha, Idukki District	Cl. (ii) Promoting education	Sree Narayana Centenary Memorial L. P. School, Neyyassery, Thodupuzha, Idukki District	4.20	2.10	2.10	2.10	PTA Sree Narayana Centenary Memorial L. P. School, Neyyassery, Thodupuzha, Idukki District	120 Students
5.	Financial Support for Providing Rain Coat to 100 Kudumbasree Workers of Thrikkakara Municipal Area	Cl. (i) promoting health (Swachh Bharat)	Kudumbasree Workers of Thrikkakara Municipal Area	0.65	0.65	0.65	0.65	Thrikkakara Municipal Residents Association Apex Council (TRAAC)	100 Kudumbasree Workers
6.	Kinarnekam Puthujeevan - Let's Give Wells New Life	Cl. (i) promoting health (Swachh Bharat)	Flood affected area of Paravur and Aluva Thaluk	10.00	10.00	10.00	10.00	Rajagiri Outreach, Rajagiri College of Social Sciences, Kalamassery	550 wells have been cleaned
7.	Support for Cheram Cheranalloorinoppam - A Joint Effort to Make Cheranalloor Grama Panchayat Clean	Cl. (i) promoting health (Swachh Bharat)	Cheranalloor Grama Panchayat, Ernakulam District	3.30	3.30	3.30	3.30	St. Theresa's College Educational and Charitable Trust, Park Avenue Road, Kochi	30000 population of Cheranalloor Grama Panchayat

CSL Project-Wise CSR Spent Continued

8.	Support for New Urinal Facilities and Renovation of Toilets along with the Establishment of an Incinerator at Darul Uloom Higher Secondary School, Palleppady, Ernakulam District	Cl. (i) promoting health (Swachh Bharat)	Darul Uloom Higher Secondary School, Palleppady, Ernakulam District	2.89	1.45	1.45	1.45	PTA, Darul Uloom Higher Secondary School, Palleppady, Ernakulam District	300 Students
9.	Support for Construction of a Toilet Complex at Government UP School, Kandanthara, Perumbavoor, Ernakulam District	Cl. (i) promoting health (Swachh Bharat)	Kandanthara, Perumbavoor, Ernakulam District	5.19	2.59	2.59	2.59	PTA, Government UP School, Kandanthara, Perumbavoor, Ernakulam District	140 Students
10.	Support for Construction of a New Toilet Complex at Muppaikkad LP School, Moolavattom, Kottayam District	Cl. (i) promoting health (Swachh Bharat)	Moolavattom, Kottayam District	8.84	4.42	4.42	4.42	Muppaikkad LP School, Moolavattom, Kottayam District	165 Students
11.	Support for Construction of a Girls Friendly Toilet Complex at AV Smaraka Govt. Higher Secondary School, Karivellur, Kannur District	Cl. (i) promoting health (Swachh Bharat)	Karivellur, Kannur District	8.06	4.03	4.03	4.03	AV Smaraka Govt. Higher Secondary School, Karivellur, Kannur District	425 Students
12.	Support for Maintenance and Management of Koithara Park, Panampilly Nagar, Kochi	Cl. (i) Swachh Bharat Abhiyan of Gol	Koithara Park, Panampilly Nagar, Kochi	6.00	3.00	3.00	3.00	Centre for Heritage, Environment and Development (C - hed), Kacherippady, Cochin	People who are visiting the Park
13.	Support for Organizing Kochi Navy Marathon on 25th November 2018, to Promote the Spirit of Clean Living through Swachh Bharat	Cl. (i) Swachh Bharat Abhiyan of Gol	Kochi	10.00	10.00	10.00	10.00	Indian Navy	3500 Participants
14.	Honoring School Students who have Excelled in their Examination in Thrikkakara LA Constituency	Cl. (ii) promoting education	Thrikkakara LA Constituency	4.00	4.00	4.00	4.00	Deputy Director of Education, Ernakulam District	2000 people including students
15.	Financial Support for a Bore well for Safe Drinking Water and Purchase of Computers with Accessories to Govt. L. P. School, Pancode, Kolenchery, Ernakulam District	Cl. (ii) promoting education	Pancode, Kolenchery, Ernakulam District	2.00	2.00	2.00	2.00	Govt. L. P. School, Pancode, Kolenchery, Ernakulam District	175 Students
16.	Support for The Hindu Class Room Project - an initiative to Boost English Reading Habits among Children in Government & Aided Schools in Idukki, Ernakulam and Alleppey Districts	Cl. (ii) promoting education	Idukki, Ernakulam and Alleppey Districts	1.00	1.00	1.00	1.00	The Hindu, Kochi Unit	6000 School Students

17.	Support for Converting a Small Building to an Ayurveda Clinic at Ramakrishna Math, Vyttila, Kochi	Cl. (i) promoting health	Vyttila Kochi, Ernakulam District of Kerala State	7.77	3.89	3.89	Ramakrishna Math, Vyttila Kochi	30 patients daily
18.	Financial Support for Establishing a Smart Class Room at St. Augustine's U P School, Thykoodam, Vyttila, Ernakulam District	Cl. (ii) promoting education	Thykooodam, Vyttila, Ernakulam District	2.00	2.00	2.00	St. Augustine's U P School, Thykoodam, Vyttila, Ernakulam District	155 Students
19.	Financial Support for Pakalvedu (Day Care for the Aged) functioning at Red Cross Bhavan, Kakkanad, Ernakulam	Cl. (iii) Setting up old-age homes, day care centers and such other facilities for senior citizens.	Kakkanadu, Ernakulam District of Kerala State	5.00	2.04	2.04	Red Cross Society Kakkanadu, Ernakulam District	40 Aged People
20.	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	1.50	Mathrubhumi, Kottayam Unit	6000 Students
21.	Support for Saukhyam 2018 - A Super Speciality Medical Camp, Ernakulam	Cl. (i) promoting health	Ernakulam	6.00	6.00	6.00	Indian Medical Association, Kochin Branch	6236 Patients attended
22.	Support for Procuring a School Bus for Helen Keller Centenary Memorial Model School for the Blind, Kottappuram, Palakkad District	Cl. (ii) promoting education	Kottappuram, Palakkad District	9.13	9.13	9.13	Helen Keller Centenary Memorial Model School for the Blind, Kottappuram, Palakkad District	72 Blind Students
23.	Distribution of Free Medicines (INSULIN) to Type 1 Diabetic Children of BPL Families	Cl. (i) promoting health care including preventive health	Alappuzha, Kottayam, Idukki, Ernakulam and Thrissur Districts of Kerala State	9.50	1.21	2.39	Lourdes Hospital, Ernakulam	66 Type 1 Diabetic Patients
24.	Support for Supply of 400 Bags of Cattle Feed for Flood Affected Area, Particularly in Kuttanad, Chengannur and Changanacherry	Cl. (i) promoting health	Kuttanad, Chengannur and Changanacherry	4.20	4.20	4.20	Sevabharathi, Changanacherry	400 smalltime farmers
25.	Support for Sradha - a School for Children with Special Needs, by Ernakulam Women's Association	Cl. (ii) promoting education including special Education	Ernakulam District of Kerala State	9.50	9.50	9.50	Ernakulam Women's Association	60 Special Children
26.	Support for Procuring a Maruti Eco Van for Rosary of Divine Charitable Trust Based at General Hospital, Ernakulam	Cl. (i) promoting health	General Hospital, Ernakulam	4.90	4.90	4.90	Rosary of Divine Charitable Trust Based at General Hospital, Ernakulam	Patients admitted in the isolation ward of General Hospital, Ernakulam
27.	Assistance for Vidyaposhanam - Poshakasamrdham Project (Breakfast and Mid - Day Meals for Students)	Cl. (ii) promoting education	Ernakulam District of Kerala State	10.00	10.00	10.00	Selected Schools from Ernakulam Parliament Constituency	3000 School Children

CSL Project-Wise CSR Spent Continued

28.	Support for Rebuilding the Power Distribution Network in the Flood Affected Area in Alappuzha District	Cl. (x) Rural development projects	Alappuzha District	2.80	2.80	2.80	2.80	Electrical Inspectorate, Alappuzha	300 flood affected houses in Alappuzha District
29.	Support for Providing Educational Aids to the Poor SC/ST Students in Wayanad District	Cl. (ii) promoting education	Wayanad District of Kerala State	4.45	4.45	4.45	4.45	Federation of Central Govt. SC/ST Employees (Kerala) Cochin Shipyard Unit	450 ST School Children
30.	Financial Support for Madhyamam Velicham Programme - An Initiative to Promote Reading Habits among Children in Government Schools in Ernakulam and Alappuzha Districts	Cl. (ii) promoting education	Ernakulam and Alappuzha Districts of Kerala State	2.00	1.00	1.00	1.00	Madhyamam, Kochi Unit	3000 School Children
31.	Support for Purchase of Smart Class Room Equipments at SSMLP School, Kodamunda, Pallarimangalam, P. O, Kothamangalam, Ernakulam District	Cl. (ii) promoting education	Kodamunda, Pallarimangalam, P. O, Kothamangalam, Ernakulam District	2.00	2.00	2.00	2.00	SSMLP School, Kodamunda, Pallarimangalam, P. O, Kothamangalam, Ernakulam District	157 Students
32.	Support for Procuring a School Bus for Swasrayanilayam Day Care Centre for Mentally Challenged, Managed by Sevabharathi, Irinjalakuda, Thrissur District	Cl. (ii) promoting education including special Education	Irinjalakuda, Thrissur District	5.64	5.64	5.64	5.64	Sevabharathi, Irinjalakuda, Thrissur District	40 differently abled children
33.	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	0.48	0.48	Malayala Manorama, Kochi Unit	2500 school students
34.	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	1.00	1.00	Mathrubhumi, Kochi Unit	4000 school students
35.	Additional Support for Converting a Small Building to an Ayurveda Clinic at Ramakrishna Math, Vyttila Kochi	Cl. (i) promoting health	Vyttila Kochi, Ernakulam District of Kerala State	1.99	1.99	1.99	1.99	Ramakrishna Math, Vyttila Kochi	30 patients daily
36.	Support for Happy Chalakudy Arogyamela - 2018 - A Super Specialty Medical Camp for a Healthy Chalakudy	Cl. (i) promoting health	Chalakudy, Thrissur District	0.50	0.50	0.50	0.50	Chalakudy Central Rotary Club	1600 Patients attended the camp

37.	Support for Science Promotion Oriented Test for School Children by Vikram Sarabhai Science Foundation @ Rs.175 for 5000 Students	Thengode, Kakkanad, Kochi	8.75	8.75	8.75	8.75	Vikram Sarabhai Science Foundation, Thengodu, Kakkanad, Ernakulam District	5000 students
38.	Assistance for Economic Empowerment of Women through Livelihood Support by SOS Children's Village, Edathala, Cochin	Edathala Grama Panchayat, Ernakulam District	3.85	3.85	3.85	3.85	SOS Children's Village, Edathala, Cochin	50 poor families
39.	Support for buying an Ambulance for Mundrythuru Grama Panchayat, Kollam District	Mundrythuru Grama Panchayat, Kollam District	6.00	4.69	4.69	4.69	Mundrythuru Grama Panchayat, Kollam District	General public of Mundrythuru Grama Panchayat
40.	Promotion of Reading Habits among School Children by Supporting A Book for Every Initiative at the International Book Fair - 2018	Marine Drive, Ernakulam	6.00	6.00	6.00	6.00	Sahithya Pravarthaka Sahakarana Society, Kottayam	5000 Students
41.	Promotion of 'Theyyam'-a Traditional & Cultural Art Forms of Kerala	Thripunithura, Ernakulam District	0.50	0.50	0.50	0.50	Thapasya-Kalasahtya Vedi- Irimpanam, Thripunithura, Ernakulam District	1000 general public
42.	Support for Flood Victims for Promotion of Agriculture at Vellangallur Panchayat, Thrissur District	Vellangallur Panchayat, Thrissur District	5.00	2.48	2.48	2.48	Salim Ali Foundation, Kanimangalam, Thrissur District	Flood affected farmers of Vellangallur Grama Panchayat
	Sub Total (B)		204.07	159.56	159.56	160.74		
C	INDIRECT EXPENSES							
1	Overhead/Administrative expenses		30.81	30.81	30.81	30.81		
	Sub Total (C)		30.81	30.81	30.81	30.81		
	Grand Total (A+B+C)		1907.65	1041.16	1041.16	1048.84		

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 2019

The preparation of financial statements of Cochin Shipyard Limited for the year ended 31 March 2019 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) 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 21 May 2019.

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 2019 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 auditors 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 and
Ex-Officio Member, Audit Board, Chennai

Place: Chennai
Date: 1 July 2019

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 2019

The preparation of consolidated financial statements of Cochin Shipyard Limited for the year ended 31 March 2019 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 is 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 21 May 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of Cochin Shipyard Limited for the year ended 31 March 2019 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of Cochin Shipyard Limited but did not conduct the Supplementary Audit of the Financial Statements of 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 and
Ex-Officio Member, Audit Board, Chennai

Place: Chennai
Date: 1 July 2019

Annexure-6

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2019
[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.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, SVJS & Associates, Company Secretaries, have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cochin Shipyard Limited [CIN: L63032KL1972GOI002414]** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances 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 31st March 2019 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 other records maintained by the Company for the financial year ended on 31st March 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the Rules made there under;
 - ii. The Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made there under;
 - iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
 - iv. The 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;
 - v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992:-
 - (a) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (c) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018;
 - (d) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (e) 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;
 - (f) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996 and The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018;
 - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- vi. As informed to us, the following other laws are specifically applicable to the Company:
1. The Factories Act, 1948;
 2. The Environment (Protection) Act, 1986;
 3. The Water (Prevention and Control of Pollution) Act, 1974;
 4. The Air (Prevention and Control of Pollution) Act, 1981;
 5. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;
 6. The Electricity Act, 2003 and Central Electricity Regulations 2010;
 7. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;
 8. Guidelines on Corporate Social Responsibility and Sustainability for Central Public Sector Enterprises;

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

- (i) Secretarial Standards relating to Board (SS 1) and General Meetings (SS 2) issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and the National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Acts, Rules, Regulations, Guidelines, etc. mentioned above.

In respect of other laws specifically applicable to the Company we have relied on information / records produced by the Company during the course of our audit and the reporting is limited to that extent.

We report that:

The Board of Directors of the Company is duly constituted with proper balance of 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 and in compliance with orders issued by the Central Government.

Adequate notices were 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.

All decisions of the Board were unanimous and the same was 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:

1. The Company have bought back 43,95,610 equity shares at a price of ₹ 455/- per equity share and have extinguished the shares on 20th December 2018 in compliance with and according to the provisions of Companies Act, 2013 and SEBI (Buyback of Securities) Regulations, 2018.

We further report that during the audit period there were no instances of:

- i. Public/ Right / Preferential issue of shares / debentures / sweat equity etc;
- ii. Redemption of securities;
- iii. Major decisions taken by the members in pursuance to Section 180 of the Act;
- iv. Merger / amalgamation / reconstruction etc.;
- v. Foreign technical collaborations.

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.

For SVJS & Associates
Company Secretaries

Vincent P. D.
Managing Partner
FCS: 3067
CP No: 7940

Kochi
21.05.2019

Annexure A

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

Our Secretarial Audit Report of even date is to be read along with this letter.

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.
2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our Report.
3. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.
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 and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination is limited to the verification of the procedures and compliances on test basis.
6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2019 but before issue of the Report.
7. We have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SVJS & Associates
Company Secretaries

Vincent P. D.
Managing Partner
FCS: 3067
CP No: 7940

Kochi
21.05.2019

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 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 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	71.91
2	Specialised repair and maintenance of ships and floating structures	3315	28.09

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	HOOGLHY COCHIN SHIPYARD LIMITED The Legacy, 25 A Shakespeare Sarani, Level 1 Kolkata -700017	U35900WB2017GOI223197	Subsidiary	74	2(87)

IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

(i) Category-wise Share Holding

Sl. No.	Category of Shareholders	Shareholding at the beginning of the year - 01.04.2018			Shareholding at the end of the year - 31.03.2019			% 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)	101951700	300	101952000	75.0000	98934442	0	98934442	75.2122
(c)	Financial Institutions / Banks	0	0	0	0.0000	0	0	0	0.0000
(d)	Any Other (Specify)								
[2]	Sub Total (A)(1)	101951700	300	101952000	75.0000	98934442	0	98934442	75.2122
	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)	101951700	300	101952000	75.0000	98934442	0	98934442	75.2122
(B)	Public Shareholding								
[1]	Institutions								
(a)	Mutual Funds / UTI	13983664	0	13983664	10.2869	11715007	0	11715007	8.9060
(b)	Venture Capital Funds	0	0	0	0.0000	0	0	0	0.0000
(c)	Alternate Investment Funds	0	0	0	0.0000	44035	0	44035	0.0335
(d)	Foreign Venture Capital Investors	0	0	0	0.0000	0	0	0	0.0000
(e)	Foreign Portfolio Investor	4697022	0	4697022	3.4553	3936748	0	3936748	2.9928
(f)	Financial Institutions / Banks	1129302	0	1129302	0.8308	1083003	0	1083003	0.8233
(g)	Insurance Companies	0	0	0	0.0000	0	0	0	0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	0.0000	0	0	0	0.0000
(i)	Any Other (Specify)								
	Sub Total (B)(1)	19809988	0	19809988	14.5730	16778793	0	16778793	12.7556
[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 ₹ 1 lakh.	9133659	7	9133666	6.7191	10390822	7	10390829	7.8993	1.1802
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1587365	0	1587365	1.1677	973130	0	973130	0.7398	-0.4279
(b)	NBFCs registered with RBI	0	0	0	0.0000	11871	0	11871	0.0090	0.0090
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	0.0000	0	0	0	0.0000	0.0000
(e)	Any Other (Specify)									
	Trusts	12987	0	12987	0.0096	17665	0	17665	0.0134	0.0038
	Foreign Nationals	0	0	0	0.0000	30	0	30	0.0000	0.0000
	Hindu Undivided Family	504360	0	504360	0.3710	577208	0	577208	0.4388	0.0678
	Non Resident Indians (Non Repat)	127654	0	127654	0.0939	203118	0	203118	0.1544	0.0605
	Non Resident Indians (Repat)	541373	0	541373	0.3983	755937	0	755937	0.5747	0.1764
	Foreign Portfolio Investor (Individual)	900	0	900	0.0007	1550	0	1550	0.0012	0.0005
	Clearing Member	382424	0	382424	0.2813	142427	0	142427	0.1083	-0.1730
	Bodies Corporate	1883283	0	1883283	1.3854	2753390	0	2753390	2.0932	0.7078
	Sub Total (B)(3)	14174005	7	14174012	10.4270	15827148	7	15827155	12.0322	1.6052
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	33983993	7	33984000	25.0000	32605941	7	32605948	24.7878	-0.2122
	Total (A)+(B)	135935693	307	135936000	100.0000	131540383	7	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)	135935693	307	135936000	100.0000	131540383	7	131540390	100.0000	

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year - 01.04.2018		Shareholding at the end of the year - 31.03.2019		% change in shareholding during the year
		No. of shares held	% of total shares of the Company	No. of shares held	% of total shares of the Company	
1	The President of India	101952000	75.0000	98934442	75.2122	0.2122
	Total	101952000	75.0000	98934442	75.2122	0.2122

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01.04.2018		Transactions during the year		Cumulative Shareholding at the end of the year - 31.03.2019	
		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	101952000	75.0000	21 Dec 2018	(3017258)	101951700	77.5060
	Transfer					98934442	75.2122
	At the end of the year					98934442	75.2122

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

Sl. No.	Name & Type of Transaction	Shareholding at the beginning of the year - 01.04.2018		Transactions during the year			Cumulative Shareholding at the end of the year - 31.03.2019	
		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	Reliance Capital Trustee CO. LTD. - A/C Reliance Tax Saver (ELSS) Fund	7104353	5.4009			7104353	5.4009	
	Transfer			Apr 13, 2018	(20000)	7084353	5.3857	
	Transfer			Apr 20, 2018	20000	7104353	5.4009	
	Transfer			Jun 15, 2018	250000	7354353	5.5909	
	Transfer			Jul 13, 2018	717500	8071853	6.1364	
	Transfer			Aug 24, 2018	90000	8161853	6.2048	
	Transfer			Sep 29, 2018	135000	8296853	6.3075	
	Transfer			Nov 02, 2018	8944	8305797	6.3143	
	Transfer			Nov 09, 2018	90000	8395797	6.3827	
	Transfer			Nov 16, 2018	100000	8495797	6.4587	
	Transfer			Dec 21, 2018	(335240)	8160557	6.2038	
	Transfer			Jan 18, 2019	93000	8253557	6.2745	
	Transfer			Feb 15, 2019	15967	8269524	6.2867	
	Transfer			Mar 15, 2019	127	8269651	6.2868	
	Transfer			Mar 22, 2019	54092	8323743	6.3279	
	At the end of the year					8323743	6.3279	
2	Pinebridge Global Funds - Pinebridge India Equity Fund	2714549	2.0637			2714549	2.0637	
	Transfer			Sep 07, 2018	(101000)	2613549	1.9869	
	Transfer			Dec 21, 2018	(81731)	2531818	1.9247	
	At the end of the year					2531818	1.9247	
3	HDFC Trustee Company Ltd. A/c HDFC Balanced Advantage Fund	3133319	2.3820			3133319	2.3820	
	Transfer			Jun 08, 2018	(9500)	3123819	2.3748	
	Transfer			Aug 31, 2018	(14000)	3109819	2.3642	
	Transfer			Sep 07, 2018	(100877)	3008942	2.2875	
	Transfer			Sep 14, 2018	(12370)	2996572	2.2781	
	Transfer			Sep 21, 2018	(55200)	2941372	2.2361	
	Transfer			Sep 29, 2018	(126400)	2814972	2.1400	
	Transfer			Oct 19, 2018	(19000)	2795972	2.1256	
	Transfer			Oct 26, 2018	(77000)	2718972	2.0670	
	Transfer			Nov 02, 2018	(180000)	2538972	1.9302	
	Transfer			Nov 09, 2018	(51000)	2487972	1.8914	

Shareholding Pattern of Top Ten Shareholders Continued

	Transfer			Nov 16, 2018	(181150)	2306822	1.7537
	Transfer			Nov 23, 2018	(39000)	2267822	1.7240
	Transfer			Nov 30, 2018	(67000)	2200822	1.6731
	Transfer			Dec 07, 2018	(110000)	2090822	1.5895
	Transfer			Dec 21, 2018	(105501)	1985321	1.5093
	Transfer			Dec 28, 2018	(41685)	1943636	1.4776
	Transfer			Jan 04, 2019	(43080)	1900556	1.4448
	At the end of the year					1900556	1.4448
4	ICICI Lombard General Insurance Company Ltd	203340	0.1546			203340	0.1546
	Transfer			Jun 22, 2018	650000	853340	0.6487
	Transfer			Jun 30, 2018	250000	1103340	0.8388
	Transfer			Dec 21, 2018	(23195)	1080145	0.8212
	Transfer			Dec 28, 2018	29855	1110000	0.8438
	Transfer			Jan 25, 2019	88045	1198045	0.9108
	Transfer			Feb 01, 2019	48530	1246575	0.9477
	Transfer			Feb 08, 2019	28043	1274618	0.9690
	Transfer			Feb 15, 2019	25382	1300000	0.9883
	At the end of the year					1300000	0.9883
5	Aditya Birla Sun Life Trustee Private Limited A/c Aditya Birla Sun Life Small Cap Fund	747855	0.5685			747855	0.5685
	Transfer			Apr 06, 2018	63500	811355	0.6168
	Transfer			Apr 13, 2018	20611	831966	0.6325
	Transfer			Jun 08, 2018	15889	847855	0.6446
	Transfer			Dec 07, 2018	(6300)	841555	0.6398
	Transfer			Dec 28, 2018	(9500)	832055	0.6325
	Transfer			Dec 31, 2018	(7100)	824955	0.6271
	Transfer			Mar 15, 2019	(5000)	819955	0.6233
	Transfer			Mar 22, 2019	(5000)	814955	0.6195
	Transfer			Mar 29, 2019	96300	911255	0.6928
	At the end of the year					911255	0.6928
6	State Bank of India	359800	0.2735			359800	0.2735
	Transfer			Apr 13, 2018	12450	372250	0.2830
	Transfer			Apr 20, 2018	42000	414250	0.3149
	Transfer			Apr 27, 2018	(10000)	404250	0.3073
	Transfer			Jun 30, 2018	30000	434250	0.3301
	Transfer			Jul 06, 2018	9166	443416	0.3371
	Transfer			Dec 21, 2018	(14602)	428814	0.3260

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	7736683.49	6465811.21	6073805.67	5077262.89	25353563.26
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7567595.49	6322620.21	5945475.67	4971550.89	24807242.26
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	169088.00	143191.00	128330.00	105712.00	546321.00
	(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)	7736683.49	6465811.21	6073805.67	5077262.89	25353563.26
	Ceiling as per the Act	In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated 5 th June, 2015, Government Companies are exempt from Section 197 of the Companies Act, 2013 and its rules thereof.				

*Remuneration for the financial year 2018-19 includes the pay revision arrears from 01.01.2017

(In ₹)

B. Remuneration to other Directors

Sl. No.	Particulars of Remuneration	Name of Directors	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)	Total Amount
1.	Independent Directors	Smt. Roopa Shekhar Rai (DIN: 07565156)	270000	240000	120000	105000	195000	1170000
	Fee for attending Board/Committee meetings	240000						
	Commission and Others, please specify							
	Total (1)	240000	270000	240000	120000	105000	195000	1170000
2.	Other Non-Executive Directors	Shri Satinder Pal Singh IPS, Nominee Director, Govt. of India (DIN: 07490296)	270000					
	Fee for attending Board/Committee meetings	-						
	Commission	-						
	Others, please specify	-						
	Total (2)	-	-	-	-	-	-	-
	Total (B)=(1+2)	240000	270000	240000	120000	105000	195000	1170000
	Total Managerial Remuneration (A+B)							26523563.26
	Overall Ceiling as per the Act	In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated 5 th 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 (In ₹)

Sl. No.	Particulars of Remuneration*	Key Managerial Personnel	
		Smt. Kala V, Company Secretary	Total
1.	Gross salary	4217426.86	4217426.86
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	4157116.86	4157116.86
	(b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	60310.00	60310.00
	(c) Profits in lieu of salary u/s 17(3) of the Income-tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission	-	-
	- as % of profit	-	-
	others, specify	-	-
5.	Others, please specify	-	-
	Total	4217426.86	4217426.86

*Remuneration for the financial year 2018-19 includes the pay revision arrears from 01.01.2017.

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
May 21, 2019

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 achieved modest recovery, riding on the IMO 2020 and world fleet renewals. The International Maritime Organization (IMO) will enforce a new 0.5% global sulphur cap on fuel content from January 01, 2020, lowering from the present 3.5% limit. The global fuel sulphur cap is part of the IMO's response to heightening environmental concerns, contributed in part by harmful emissions from ships. Experts have stated that the above regulations have created significant requirements for technology to be fitted to new ships or retrofitted to existing ships. There could be a scenario where 10 to 15% of fleet have a scrubber fitted by the end of 2020 and in some sectors like VLCCs it could be even higher. That is likely to be a positive effect for suppliers and for shipyards.
4. After an all time low order book in 2016 with only 14.3 million CGT placed globally, around 27.3 million CGT was contracted in 2017 and the levels are likely to be exceeded in 2018.
5. As per the report on review of maritime transport 2018 published by United Nations Conference of Trade and Development (UNCTAD), Global seaborne trade is doing well, supported by the 2017 upswing in the world economy. Expanding at 4 percent, the fastest growth in five years, global maritime trade gathered momentum and raised sentiment in the shipping industry. Total volumes reached 10.7 billion tons, reflecting an additional 411 million tons, nearly half of which were made of dry bulk commodities. The report further states that volumes across all segments are set to grow, with containerised and dry bulk commodities trades recording the best performance. While the prospects for seaborne trade are bright, downside risks such as increased inward-looking policies and the rise of trade protectionism are, nevertheless, weighing on the outlook.

Indian Shipbuilding Industry

6. The Indian shipbuilding industry continued to be driven by the defence requirements. 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).
7. In the commercial shipbuilding, the requirements envisaged in Coastal and Inland Waterways

transportation presents the most promising segment. On November 12, 2018 the new multi-modal freight terminal in Varanasi was dedicated to the nation by the Hon'ble Prime Minister of India, Shri Narendra Modi. The terminal, designed mainly for construction material, food grains, cement and fertiliser marked the beginning of the government's effort to resurrect the Ganga as a significant transportation artery. M/s. A T Kearney, in a report, has recommended 4 potential segments for shipbuilding based on a study conducted by them viz., Chemical Tankers, Product Tankers, LPGCs and Cruises. They have estimated that up to 140 vessels/year may be required to carry cargo on the National Waterways.

8. Cochin Shipyard has signed a contract on July 11, 2018 with IWAI for construction of 10 Ro-Pax/Ro-Ro vessels for use in inland waterways segment, thus making an inroad in the inland waterways segment.

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 signed an MOU with Kolkata Port Trust to take over their Netaji Subhas Dock on lease basis. Similarly, discussions are underway for operation & maintenance of the Marine Dockyard facility under the A&N administration in Port Blair. 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, 2018. 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 ₹2,962.16 crore as against the previous year of ₹2,355.12 crore. The shipbuilding income during the year is ₹2,130.18 crore as against the previous year income of ₹1,731.86 crore. The Company finished the trials and flagged off first batch of three (3) fishing vessels out of sixteen (16) vessels. The field tests of these vessels will be keenly watched and is likely to generate more interest and attention from the stakeholders. Also the Company signed a contract

with Inland Waterways Authority of India for building 10 vessels meant for National Waterways NW 1, NW 2 and NW 3. 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 Govt. with many infrastructure investments underway. Similarly, in the coastal shipping segment also, the Company managed to bag an order for building four (4) River Sea Mini Bulk Carriers of 8000 T. This segment is also gearing up for significant growth, getting more attention from many big shippers and is likely to bag more orders 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
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
09-10	192.42	10	578.32	680.32	331.25	108.21	223.04	19.69	11.32	0.05

Key Financial Ratios

Sl. No.	Particulars	FY 2018-19	FY 2017-18	Change (in %) as compared to FY 2017-18	Detailed explanation for change of 25% or more
1.	Debtors Turnover	6.09	5.31	14.69%	NA
2.	Inventory Turnover	9.91	9.40	5.43%	NA
3.	Interest Coverage	53.54	54.01	-0.87%	NA
4.	Current Ratio	2.31	2.33	-0.86%	NA
5.	Debt Equity Ratio	0.04	0.04	Nil	NA
6.	Operating Profit Margin (%)	17.67%	17.65%	0.11%	NA
7.	Net Profit Margin (%)	16.24%	16.85%	-3.62%	NA

Return on Net Worth

Particulars	FY 2018-19	FY 2017-18	Change (in %) as compared to FY 2017-18	Detailed explanation for change
Return on Networth	14.44%	12.19%	18.46%	Change is mainly on account of Buyback of shares and increase in surplus

Proposed / Declared Dividend

20. As per Office Memorandum F.No.5/2/2016-Policy dated May 27, 2016 issued by the 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 networth, whichever is higher. Accordingly, your Directors are pleased to recommend a dividend of ₹13/- per share on the 13,15,40,390 fully paid equity shares of ₹10/- each. The total outgo for dividend and dividend tax would be approximately ₹206.15 crore.

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 31.03.2019	As at 31.03.2018
Segment Assets		
Shipbuilding	246394.20	231887.20
Ship Repair	195899.31	168349.50
Others	82062.66	147570.78
Total	524356.17	547807.48
Segment Liabilities		
Shipbuilding	39406.47	89620.66
Ship Repair	25944.31	23368.86
Others	125797.58	109231.27
Total	191148.36	222220.79
External Sales		
Shipbuilding	213018.41	173185.70

(₹ lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Ship Repair	83197.46	62326.63
Unallocated	4216.53	3494.36
Total	300432.40	239006.69
Interest Income	18594.93	15421.47
Unallocated		
Total Revenue		
Shipbuilding	213018.41	173185.70
Ship Repair	83197.46	62326.63
Unallocated	22811.46	18915.83
Total	319027.33	254428.16
Accretion(-)/Decretion to Work in progress		
Shipbuilding		1002.26
Ship Repair		(3512.65)
Total		(2510.39)
Segment Result		
Shipbuilding	44502.83	41471.88
Ship Repair	23729.27	13145.75
Unallocated	6905.42	5868.38
Total	75137.52	60486.01

The Company has two major business segments – “shipbuilding” and “ship repair”. Revenue under shipbuilding includes ₹2,06,934.28 lakhs (previous year: ₹1,44,334.95 lakhs) from two customers (previous year: one customer) having more than 10% revenue of the total revenue. And for ship repair, revenue includes ₹61,572 lakhs (previous year: ₹40,014.22 lakhs) from one customer (previous year: one customer) having more than 10% revenue of the total revenue.

SWOT

Strengths:

- 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;
- A well planned and laid out shipyard enabling smooth work flow;
- 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) Distress pricing policies of competitors;
- (b) Adverse reputational impact on the Indian shipbuilding industry due to under performance by Indian yards;
- (c) Rising cost of labour; and

- (d) 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. The strategy formulation and direction setting is expected to take around six months. Implementation of the plan of action derived out of the firmed up strategy shall begin concurrently and continue further. A core group of senior officers has also been established to drive this initiative.
23. During the year a strategic retreat was conducted at Athirapilly to have a good understanding of the organisational targets to be achieved by 2022 and views about CSL vision 2030. During the retreat, all Chief General Managers and General Managers articulated the action points in the short term upto 2022 and the thoughts aligned to the long term i.e, 2030. The deliberations set the ball rolling for the preparation of the CSL vision statement 2030.

Risks and Concerns

24. 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.
25. The operational risks faced by the Company include equipment defects, malfunctions and failures, equipment misuse and disasters that can result in fires and explosions. 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. 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. These risks could expose the Company to substantial liability for personal injury, wrongful death, product liability, property damage, pollution and other environmental damages.

26. 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 2017, 2018 and 2019 respectively, the Company's material consumption costs constituted 58.51%, 60.10% and 61.57% of its total costs, respectively. In particular, bought out components accounted for nearly 95% of our total raw material cost in these recent fiscals.
27. 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 import steel at lesser cost. In addition, the cost of certain raw materials, such as steel, may fluctuate in line with any changes in their global supply and demand.
28. 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.

Product Diversification

29. 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 16 fishing boats underway 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. 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. Similarly, the urban water transport segment is seeing new project initiatives and Company is currently participating in one such project for which the tender process is underway. As a part of environmental friendly green fuel initiatives, Company is examining the possibility of conversion of vessels to run on methanol fuel, for which a proposal submitted is under the consideration of the Ministry/IWAI.

Internal Control

30. 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. Varma and Varma, Internal Auditors as a separate exercise.

Human Resource Development and Industrial Relations

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

Women Empowerment

32. 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 women 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 Compliance 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.
33. WIPS Cell of CSL conducted the following programmes for the benefit of the women employees.
 - a. A programme on parenting skills was organised on September 12, 2018. The session was handled by Smt. Reyhana, family counsellor and trainer.
 - b. A session on neuro linguistic programme was organised on November 08, 2018 by Shri Shibu Damodar.
 - c. On the occasion of International Women's Day Celebration on March 08, 2019, a half day session on 10 Commandments for Success of Women was taken by Dr. Rajeshwari Narendran, Director, MHRM, ML Sukhadia University, Udaipur and visiting faculty for premier business schools in India and abroad.

34. 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

35. 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 concept design of Pollution Control Vessel for Coast Guard.
- ii. Development of concept design of 100 Pax Hybrid Catamaran for Kochi Water Metro.
- iii. Development of concept design of River Cruise Vessel for Exotic Heritage Group.
- iv. Development of Basic Design of Work Boat for Ship Repair Department of CSL.
- v. Basic design 38 m Ro-Pax Vessel & 56 m Ro Ro Vessel for IWAI.
- vi. Basic design Fishing Vessels for Tamil Nadu Fisheries Department.
- vii. Implemented the latest ship resistance and propulsion power prediction software HydroComp NavCad. It also provides capability for the selection of suitable propulsion system components –engines, gears and propellers etc.
- viii. Implemented 3D modelling/rendering software from AutoDesk Inc. for generating high quality images as well as animations of concept designs.
- ix. Development of in-house software tools for various basic design calculations such as equipment number calculation, weight estimation.
- x. In-house development of 3D modelling for accommodation & other outfit systems in accommodation spaces for the Technology Demonstration Vessel (Ship - 020) for DRDO/500 Pax for A&N Administration in Tribon under progress.
- xi. In-house development of 3D modeling for machinery and electrical systems for 1200 Pax for A&N Administration using TRIBON is in progress in compliance with SRtP requirements.
- xii. In-house development of 3D modeling for hull, machinery and electrical systems for fishing vessels.

xiii. Functional design drawings developed for electrical cable routes for DRDO systems onboard Technology Demonstration Vessel Ship-020 considering the stringent requirements from DRDO for segregation of different types of cables and EMI/EMC compliance.

xiv. Development of suitable specification for the power system and batteries for battery powered vessel which is having 3 modes of operation i.e. pure electric, pure diesel and hybrid mode in progress.

xv. Software is being developed in-house by yard to assess and ensure that the required stipulations of the class notation Safe Return to Port (SRtP) for 1200 Pax project are met with.

xvi. Software upgrades for “Cable Manager” – In-house developed cable scheduling and nesting software for usage onboard projects.

xvii. Software upgrades for “Electrical Apps” – In-house developed production design customization tool for Tribon M3 for usage in ongoing projects.

xviii. External Workshops/Training provided in :

High Fidelity Computational Fluid Dynamics Simulations for Marine Applications sponsored by Shri Gopal Rajgarhia International Faculty Outreach Programme (SGR IFOP) at IIT Kharagpur.

Large Eddy Simulations (LES) for Ship research at IIT Kharagpur.

Finite Element Analysis of Structures conducted by Bhabha Atomic Research Centre, Mumbai.

Composite Design and Engineering, conducted by DIAB Core Materials Chennai.

xix. In-house design & development of Gillnet Winch for fishing vessels.

xx. In-house design & development of Long Line Winch for fishing vessels.

xxi. Development of design for Integrated Hydraulic System for operating winches, steering gear, Bilge Pump, FW Pump and ER ventilation.

Corporate Social Responsibility (CSR) and Sustainability

36. 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

37. The Company is making all out efforts to increase the procurement/availing services from MSMEs. The

target of 25% procurement of goods and services from MSMEs out of total indigenous procurement for FY 2018-19, till January 31, 2019, has been achieved by the Company.

38. 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 (CSL) attended Ten (10) Vendor Development Programmes (VDPs) organized by various agencies like the Dept. of MSME, GOI, FICCI, CII, KSIDC and NSIC, which included three programmes for SC/ST MSME vendors, on December 28, 2018, January 16, 2019 and January 29, 2019, in which CSL representatives made presentations on CSL's requirement of product and services from MSMEs. Other notable event among the above 10 VDPs was the 'Kerala Defence & Aerospace Conclave' organised by Govt. of Kerala along with FICCI on January 17, 2019 at The Center Hotel, Kochi, in which CSL put up a stall and CSL representative made a presentation.
39. In addition to the above, CSL organised a mega vendor meet on January 21, 2019, at Hotel Crown Plaza, Cochin, in which 150 firms/vendors, including MSMEs participated. CSL top management, all senior officials including our Vigilance Officer, Statutory/Government auditors and Independent External Monitor were present in the meeting to address various queries and issues associated with procurement of goods and services from vendors' perspective. The interaction was considered fruitful and productive.

40. 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

41. 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
May 21, 2019

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

BUSINESS RESPONSIBILITY REPORT

About this 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 (NVGs') 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, Cochin, Ernakulam, Kerala - 682015
4. Website	www.cochinshipyard.com
5. E-mail id	secretary@cochinshipyard.com
6. Financial Year reported	2018-19
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 shiprepair. 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	Three
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 (INR)	131.54 crores
2. Total Turnover (INR)	2962.16 crores
3. Total profit after taxes (INR)	481.18 crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	2.16
5. List of activities in which expenditure in 4 above has been incurred:-	<p>CSL's CSR activities are carried out in the following focus areas:</p> <ul style="list-style-type: none"> • Swachh Bharat • Healthcare • School education

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?	Yes, CSL has one subsidiary viz., Hooghly Cochin Shipyard Limited.
2. 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.
3. 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	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.
1. DIN	As on March 31, 2019, the CSR & SD Committee of the Company is under the Chairmanship of Shri Jiji Thomson.
2. Name	The details of the Chairman of CSR & SD Committee of CSL are as follows:
3. Designation	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? If 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: http://www.cochinshipyard.com/investors.htm								
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 location 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 stake holders, 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 published BR Report annually as part of its annual report. The hyperlink for viewing the report: <http://www.cochinshipyard.com/annualreport.htm>

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 2018-19, 42 investor complaints have been received by the Company and 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, installation of pedestal type LED lighting system, use of energy efficient Brushless Direct Current (BLDC)/5 star fans instead of regular ceiling fan etc. Energy savings of approximately 8.64 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 attended ten Vendor Development Programmes (VDPs) organized by various agencies like the Dept. of MSME, GOI, FICCI, CII, KSIDC and NSIC, which included three programmes for SC/ST MSME vendors, on December 28, 2018, January 16, 2019 and January 29, 2019, in which CSL representatives made

presentations on CSL's requirement of product and services from MSMEs. Other notable event among the above 10 VDPs was the 'Kerala Defence & Aerospace Conclave' organised by Govt. of Kerala along with FICCI on January 17, 2019 at The Center Hotel, Kochi, in which CSL put up a stall and CSL representative made a presentation.

In addition to the above, CSL organised a vendor meet on January 21, 2019, at Crown Plaza Hotel, Cochin, in which vendors, including MSME vendors, participated in good numbers and interacted with CSL officials on various issues pertaining to procurement of goods and services.

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.

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

1. Total number of employees: 1744 (permanent employees)

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	One	One
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 per cent
 Permanent Women Employees: 100 per cent
 Casual/Temporary/Contractual Employees: 100 per cent
 Employees with Disabilities: 100 per cent

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

2. Total number of employees hired on temporary / contractual /casual basis: Average 2700 per day

3. The number of permanent women employees: 152

4. The number of permanent employees with disabilities: 55

5. Do you have an employee association that is recognized by management?

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

- a. Cochin Shipyard Officers Association (CSOA)
- b. Cochin Shipyard Employees Organisation (CSEO)
- c. Cochin Shipyard Employees Federation (CSEF)
- d. Cochin Shipyard Employees Union (CSEU)
- e. 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.

1. 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, one such complaint was 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, 42 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, installation of pedestal type LED lighting system, use of energy efficient BLDC/5 star fans instead of regular ceiling fan etc. These initiatives resulted in energy savings of approximately 8.64 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 2018-19, 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

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 2018-19, the contribution to community development projects was ₹4.05 crores. Please refer to the Annual 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, 2019 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 Satinder Pal Singh IPS	07490296	Official Part Time (Nominee) Director, Government of India
6	Shri Jyothilal K R. IAS ***	01650017	Official Part Time (Nominee) Director, Government of Kerala
7	Smt. Roopa Shekhar Rai ∞	07565156	Non Official Part Time (Independent) Director
8	Shri Radhakrishna Menon ∞	07518727	Non Official Part Time (Independent) Director
9	Adv. Krishna Das E ∞	02731340	Non Official Part Time (Independent) Director
10	Shri Jiji Thomson IAS (Retd.)	01178227	Non Official Part Time (Independent) Director
11	Shri Pradipta Banerji	00630615	Non Official Part Time (Independent) Director
12	Shri Nanda Kumaran Puthethath	02547619	Non Official Part Time (Independent) Director

* Shri D Paul Ranjan, Director (Finance) was re-appointed (retirement by rotation) in the 46th Annual General Meeting of CSL held on August 14, 2018. 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.

** Ministry of Shipping vide letter F. No.SY-11012/4/2017-CSL dated April 04, 2018 appointed Shri Bejoy Bhasker, former Chief General Manager, CSL as the Director (Technical) of CSL.

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 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 approximately 31 years of work experience with the Company wherein he was involved in Ship Design, Ship Building, Outfit and Ship Repair divisions of the Company.

*** The Ministry of Shipping, vide letter F. No.SY-11012/1/2017-CSL dated April 20, 2018 appointed Shri Jyothilal K R, IAS, Principal Secretary (Transport), Govt. of Kerala as Official Part Time (Nominee) Director of CSL, in place of Shri Elias George IAS (Retd.). Shri Jyothilal K R 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.

∞ Pursuant to the Ministry of Shipping, Government of India letter No. SS-11012/05/2014-SY.II dated March 21, 2016, the 3 years tenure of Smt. Roopa Shekhar Rai (DIN: 07565156), Shri Radhakrishna Menon (DIN: 07518727) and Shri Krishna Das E (DIN: 02731340) as Non-Official Part Time (Independent) Directors on the Board of CSL came to an end on March 20, 2019. The Ministry of Shipping is in the process of filling this vacancy.

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. None of the Directors have availed the facility during the period.
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. Seven Board Meetings were held during the year under review. Details of attendance of Directors at the Board Meetings and AGM are given below:-

Attendance of Board & AGM during 2018-19								
Name of Director	2018					2019		AGM Aug 14, 2018
	May 24	Jun 30	Aug 13	Oct 16	Oct 31	Feb 08	Mar 19	
Shri Madhu S Nair	✓	✓	✓	✓	✓	✓	✓	✓
Shri Satinder Pal Singh IPS	✓	x	x	✓	✓	✓	x	x
Shri Jyothilal K R, IAS	✓	x	x	✓	x	x	x	x
Shri D Paul Ranjan	✓	✓	x	✓	✓	✓	✓	x
Shri Suresh Babu N V	✓	✓	✓	✓	✓	✓	✓	✓
Shri Bejoy Bhasker	✓	✓	✓	✓	✓	✓	✓	✓
Smt. Roopa Shekhar Rai	✓	✓	✓	✓	✓	✓	✓	✓
Shri Radhakrishna Menon	✓	✓	✓	✓	✓	✓	✓	✓
Shri Krishna Das E	✓	✓	✓	✓	✓	✓	✓	x
Shri Jiji Thomson IAS (Retd.)	x	✓	✓	x	✓	x	✓	✓
Shri Pradipta Banerji	✓	x	✓	x	x	✓	✓	✓
Shri Nanda Kumaran Puthethath	✓	✓	x	✓	✓	✓	✓	x

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, 2019 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 Satinder Pal Singh IPS	-	2	-	-	Shipping Corporation of India Limited	Official Part Time (Nominee) Director
Shri Jyothilal K R, IAS	-	6	1	2	-	-
Shri D Paul Ranjan	-	1	-	-	-	-
Shri Suresh Babu N V	-	1	-	-	-	-
Shri Bejoy Bhasker	-	1	-	-	-	-
Shri Jiji Thomson IAS (Retd.)	-	-	-	-	-	-
Shri Pradipta Banerji	-	-	-	-	-	-
Shri Nanda Kumaran Puthezhath	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 are inter-se related to each other.

10. None of the Directors except the following hold any shares in the Company as on March 31, 2019:

Name of the Director	No. of Equity Shares Held
Shi 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 D Paul Ranjan	Shri Suresh Babu N V	Shri Bejoy Bhasker	Shri Satinder Pal Singh, IPS	Shri K R Jyothislal, IAS	Shri Jiji Thomson	Shri Pradipta Banerji	Shri Nanda Kumaran Puthiezath
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

11. 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 <http://www.cochinshipyard.com/dir.htm>
12. 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;

- Important changes in regulatory framework having impact on the Company.
13. Details of the familiarization programme for Independent Directors can be accessed at <http://www.cochinshipyard.com/links/familiarisation%20new.pdf>
 14. 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

15. According to Schedule IV to the Companies Act, 2013 a separate meeting of the Independent Directors of the Company was held on February 07, 2019 which was attended by all the Non Official Part Time (Independent) Directors, viz., Smt. Roopa Shekhar Rai, Shri Radhakrishna Menon, Shri Krishna Das E, Shri Pradipta Banerji and Shri Nanda Kumaran Puthezath, except Shri Jiji Thomson IAS (Retd.).

Availability of information to the members of the Board

16. 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 material nature of investments and assets, which is 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

17. 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.
18. CSL has 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

19. 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

20. 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

21. 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

22. During the financial year 2018-19, 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.
23. During the financial year 2018-19, the Board of CSL had three non-statutory Committees viz. Contracts & Capex Committee, Committee for New Technology, Strategy and New Initiatives and Share Transfer Committee.

Audit Committee

24. The Audit Committee of CSL was formed on August 21, 2008. Owing to the completion of tenure of three Independent Directors, the present Audit Committee was re-constituted with effect from March 21, 2019.

Terms of reference

25. 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;
 - (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 documents/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: -

- 26. The Committee is entrusted with the following powers:

- a) To investigate any activity within its terms of reference;
- b) To seek information on and from any employee;
- c) To obtain outside legal or other professional advice, subject to the approval of the Board of Directors;
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

- 27. The recommendations of the Audit Committee on any matter relating to the financial management, including the audit report, shall be binding on the Board.
- 28. 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

- 29. As on March 31, 2019, the Audit Committee is constituted with Shri Nanda Kumaran Puthezhath, Non Official Part Time (Independent) Director as Chairman, Shri Jiji Thomson, Non Official Part Time (Independent) Director, and Shri Pradipta Banerji, Non Official Part Time (Independent) Director as members.
- 30. 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 2018-19 and attendance:

- 31. The Committee met five times during the year 2018-19 on May 24, 2018, June 30, 2018, August 13, 2018, October 31, 2018, and February 08, 2019. The necessary quorum was present at these meetings. The attendance during these meetings were as follows:

Sl. No.	Name of the Director	May 24, 2018	Jun 30, 2018	Aug 13, 2018	Oct 31, 2018	Feb 08, 2019
1	Shri Radhakrishna Menon	✓	✓	✓	✓	✓
2	Shri Krishna Das E	✓	✓	✓	✓	✓
3	Shri Nanda Kumaran Puthezhath	✓	✓	x	✓	✓
4	Shri Jiji Thomson*	-	-	-	-	-
5	Shri Pradipta Banerji*	-	-	-	-	-

*Inducted to the Committee with effect from March 21, 2019.

Nomination & Remuneration Committee

32. 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 present Nomination & Remuneration Committee was re-constituted with effect from March 21, 2019.

Terms of reference

33. Following are 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;
 - 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

34. As on March 31, 2019, the Committee comprises of Shri Jiji Thomson, Non Official Part Time (Independent) Director as Chairman, 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 2018-19 and attendance:

35. Three meetings of the Nomination & Remuneration Committee were held during 2018-19 on May 24, 2018, October 12, 2018 and February 08, 2019. The necessary quorum was present at these meetings. The attendance during these meetings were as follows:

Sl. No.	Name of the Member	May 24, 2018	Oct 12, 2018	Feb 08, 2019
1	Shri Krishna Das E	✓	✓	✓
2	Shri Jyothilal K R IAS	✓	×	×
3	Smt. Roopa Shekhar Rai	✓	✓	✓
4	Shri Jiji Thomson*	-	-	-
5	Shri Nanda Kumaran Puthezhath*	-	-	-

* Inducted to the Committee with effect from March 21, 2019.

Remuneration Policy

36. 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.
37. Details of Remuneration paid to the Chairman & Managing Director and the Whole Time Directors are placed at Annexure I to this report.

Sitting fees

38. 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://www.cochinshipyard.com/dir.htm>
39. Sitting fees paid to the Non Official Part Time Directors for 2018-19 are as follows:

Sl. No.	Name	Fees (in ₹)
1	Smt. Roopa Shekhar Rai	2,40,000
2	Shri Radhakrishna Menon	2,70,000
3	Shri Krishna Das E	2,40,000
4	Shri Jiji Thomson IAS (Retd.)	1,20,000
5	Shri Pradipta Banerji	1,05,000
6	Shri Nanda Kumaran Puthezhath	1,95,000

40. Since the 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

41. In connection with the proposals for IPO and listing of equity shares of CSL, the Stakeholders Relationship Committee, a sub-Committee of the Board 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 present Stakeholders Relationship Committee was re-constituted with effect from March 21, 2019.

Terms of reference

42. 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;
 - 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

43. As on March 31, 2019, the Committee comprises of Shri Nanda Kumaran Puthethath, Non Official Part Time (Independent) Director as Chairman of the Committee, Shri D Paul Ranjan, Director (Finance) and Shri Suresh Babu N V, Director (Operations), as members.

Stakeholders Relationship Committee meetings held during the year and attendance:

44. One meeting of Stakeholders Relationship Committee was held during the year 2018-19 on February 07, 2019. The necessary quorum was present at these meetings. The attendance during these meetings were as follows:

Sl. No.	Name	Feb 07, 2019
1	Shri Krishna Das E	✓
2	Shri D Paul Ranjan	✓
3	Shri Suresh Babu N.V.	✓
4	Shri Nanda Kumaran Puthethath*	-

*Inducted to the Committee with effect from March 21, 2019.

Name, designation and address of the Compliance Officer

Smt. Kala V
 Company Secretary & Compliance Officer
 Cochin Shipyard Limited, Administrative Building,
 Perumanoor, Kochi, 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, 2019 and reported under Regulation 13(3) of the Listing Regulations is as under:

Complaints as on April 01, 2018	1
Received during the year	42
Resolved during the year	43
Not solved to the satisfaction of shareholders	0
Pending as on March 31, 2019	0

Risk Management Committee

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

Terms of reference

46. Following are the terms of reference of Risk Management Committee:
- Monitoring and reviewing of the risk management plans including steps taken for ensuring cyber security;
 - Ensure required risk documentation is done on quarterly basis;
 - Provide updates and seek approval from Board of Directors on risk management;
 - Such other functions as may be specified by the Board from time to time.

Constitution

47. As on March 31, 2019, the Committee comprises of Shri D Paul Ranjan, Director (Finance), Shri Suresh Babu N V, Director (Operations) and Shri Bejoy Bhasker, Director (Technical) as members.

Risk Management Committee meetings held during the year and attendance

48. No meeting of the Risk Management Committee was held during the financial year 2018-19. Prior to the Constitution of the Committee on February 08, 2019, the risks had been periodically reviewed by the Board and the Audit Committee.

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

49. 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.
50. 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.
51. 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 present CSR & SD Committee was re-constituted with effect from March 21, 2019.

Terms of reference

52. 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

53. As on March 31, 2019, the Committee comprises of Shri Jiji Thomson, Non Official Part Time (Independent) Director as Chairman of the Committee, Shri Nanda Kumaran Puthezhath, Non Official Part Time (Independent) Director, Shri D Paul Ranjan, Director (Finance) and Shri Bejoy Bhasker, Director (Technical) as members.

CSR & SD Committee meetings held during the year and attendance

54. Five meetings of CSR & SD Committee were held during the year 2018-19 on May 24, 2018, June 30, 2018, October 12, 2018, December 20, 2018, February 08, 2019 and March 19, 2019. The attendance during these meetings were as follows:

Sl. No.	Name of Director	May 24 2018	Jun 30 2018	Oct 12 2018	Dec 20 2018	Feb 08 2019	Mar 19 2019
1	Smt. Roopa Shekhar Rai	✓	✓	✓	✓	✓	✓
2	Shri Radhakrishna Menon	✓	✓	✓	✓	✓	✓
3	Shri D Paul Ranjan	✓	✓	x	✓	✓	✓
4	Shri Bejoy Bhasker	✓	✓	✓	✓	✓	✓
5	Shri Jiji Thomson*	-	-	-	-	-	-
6	Shri Nanda Kumaran Puthezhath*	-	-	-	-	-	-

*Inducted to the Committee with effect from March 21, 2019.

General Body Meetings

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

Year	Date	Time	Venue	Special resolution passed
2017-18	Aug 14, 2018	11:00 Hrs	Kerala Fine Arts Society Hall, Foreshore Road, Pallimukku, Ernakulam - 682 016	Nil
2016-17	Jul 17, 2017	09:30 Hrs	Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin - 682 015	Nil
2015-16	Sep 20, 2016	16.00 Hrs	Administrative Building, Cochin Shipyard Premises, Perumanoor, Cochin - 682 015	4

Postal Ballot

56. During the FY 2018-19, no resolution was put through by postal ballot.
57. 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

58. 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.
59. 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, 2018	August
Quarter/half-year ending September 30, 2018	November
Quarter ending December 31, 2018	February
Year ending March 31, 2019	May

60. Quarterly/half-yearly/annual results, notices and information relating to General Meetings, etc. are published in leading newspapers viz., The Economic Times (All India edition), Business Line (All India edition), Mathrubhumi (Cochin edition) and Malayala Manorama (Cochin edition) and are notified to the Stock Exchanges as required under the Listing Regulations.
61. 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 corner' 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.
62. 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 Corner'.

General Shareholder Information

63. Annual General Meeting – date, time, venue:
47th Annual General Meeting (AGM): 11:00 hrs., August 13, 2019 at The Mercy Hotel, M.G. Road, Ravipuram, Kochi – 682 015.
64. Financial Year: April 01, 2018 to March 31, 2019

Dividend Payment:

65. The final dividend for the year ended March 31, 2019 if approved at the AGM, will be paid on or after August 20, 2019. Dividend warrants in respect of shares held in electronic/dematerialized form will be posted to the beneficial owners at their address as per the information furnished by NSDL and CDSL as on the record date.
66. The particulars of dividend declared in the previous three financial years are given below:

Financial Year	Dividend Per Share (₹)
2015 - 16	7.65
2016 - 17	8.97
2017 - 18	12.00

Listing of shares and stock code:

67. The Company's equity shares are listed at the following Stock Exchanges and listing fees for the year 2018-19 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, 5th Floor, Bandra - Kurla Complex, Bandra (East), Mumbai – 400 051	COCHINSHIP

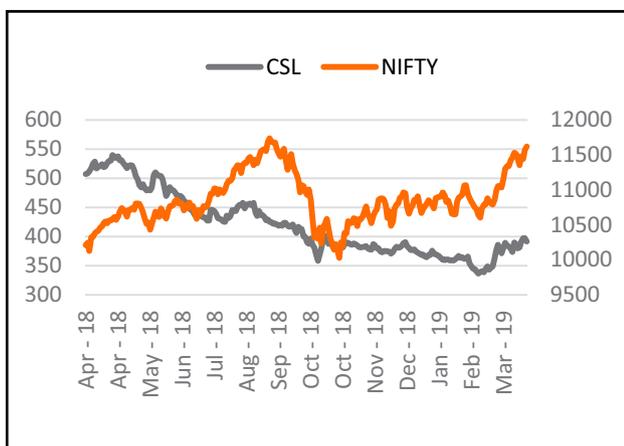
68. The International Securities Identification Number (ISIN) for the Company's shares is INE704P01017.
69. Market Price data – high, low during each month in the last financial year (i.e. year under review):

Price and volume of shares traded

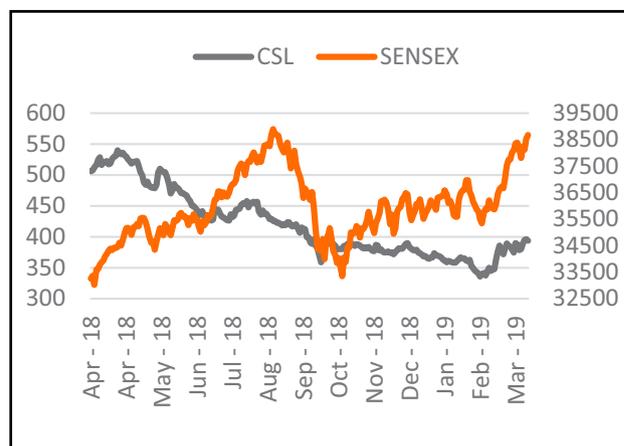
Month/ Year	BSE Limited			National Stock Exchange Limited		
	High (₹)	Low (₹)	Volume (Nos.)	High (₹)	Low (₹)	Volume (Nos.)
Apr 2018	543.95	502.55	1,78,378	544.20	502.00	15,43,202
May 2018	534.00	476.80	1,93,346	533.90	475.00	21,38,746
Jun 2018	512.30	430.10	2,93,237	514.15	430.10	30,30,223
Jul 2018	459.00	425.00	2,69,390	457.95	424.05	23,99,278
Aug 2018	462.00	421.25	2,66,231	462.95	421.00	20,15,364
Sep 2018	434.80	388.60	2,49,034	435.00	388.00	23,95,219
Oct 2018	409.00	356.00	3,91,470	409.25	356.05	38,10,833
Nov 2018	403.95	375.00	1,93,281	404.00	373.75	18,31,102
Dec 2018	395.20	365.15	1,38,237	396.10	366.00	11,67,171
Jan 2019	391.55	356.10	1,46,982	379.00	356.85	15,55,869
Feb 2019	371.00	333.00	91,933	377.00	335.00	9,06,896
Mar 2019	402.00	348.95	2,40,751	403.40	349.85	20,58,588

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

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

Distribution of Shareholding:

71. Distribution of shareholding (as on March 31, 2019)

No. of shares held	Members		Shares	
	No.	%	No.	%
1-500	1,67,369	98.2910	82,83,344	6.30
501-1000	1,660	0.9749	12,72,883	0.97
1001-2000	639	0.3753	9,33,408	0.71
2001-3000	194	0.1139	4,82,596	0.37
3001-4000	91	0.0534	3,27,786	0.25
4001-5000	93	0.0546	4,23,175	0.32
5001-10000	101	0.0593	7,28,722	0.55
>10000	132	0.0775	11,90,88,476	90.53
Total	1,70,279	100.0000	13,15,40,390	100.00

Dematerialization of shares and liquidity

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

Percentage of shares held in:-

Physical form	:	0
Electronic form with NSDL	:	96
Electronic form with CDSL	:	4

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:

73. 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. Considering the complexity of forex market operations, M/s. A.V. Rajwade & Co, a reputed and well known forex consulting firm has been appointed as the forex consultants since 2010 to advise CSL regarding forex hedging transactions. They advise CSL on need basis and also brief the Board periodically.

74. 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

Address for Correspondence:

Company Secretary & Compliance Officer
Cochin Shipyard Limited,
Administrative Building, Cochin Shipyard Premises,
Perumanoor, Kochi, 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:

75. 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: <http://www.cochinshipyard.com/links/Relatedpartytransactionpolicy.pdf>

Non-compliance by the Company:

76. No penalties/strictures have been imposed on the Company by the Stock Exchanges or Securities and Exchange Board of India (SEBI) or any other statutory authority on any matter relating capital markets during the last three years. As on March 31, 2019, there were only three Independent Directors as against the statutory requirement of six, due to the completion of tenure of three Independent Directors on March 20, 2019.

Vigil Mechanism and Whistle Blower Policy:

77. Cochin Shipyard has adopted a Whistle Blower Policy approved by the Board at its 199th meeting held on April 20, 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 said policy is available in the website of the Company at <https://www.cochinshipyard.com/investors.htm>

Code of Conduct for Prevention of Insider Trading:

78. The Company has in place a Code of Conduct for Prevention of Insider Trading for its Designated Persons, in compliance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. The Code lays down guidelines, which advise them 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://www.cochinshipyard.com/investors.htm>

Mandatory Requirements:

79. 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

80. 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:

81. 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.
82. Hooghly Cochin Shipyard Limited is the subsidiary company of Cochin Shipyard Limited which was incorporated as Joint Venture Company on October 23, 2017, venturing with Hooghly Dock & Port Engineers Limited.

83. 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://www.cochinshipyard.com/investors.htm>

84. 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.

85. 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.

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

87. 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 2018-19 was 2.00 % of the total expenditure as against 2.23 % in 2017-18. Financial expenditure stood at 0.59% of the total expenditure in 2018-19, against 0.59% in the previous year.

88. 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 Board/Ministry of Corporate Affairs or any such statutory authority, is placed at Annexure III to this report.

89. The Company has paid an amount of ₹24.15 lakhs to M/s. Elias George & Co., Statutory Auditors for the services provided to the Company and its subsidiary.

Code of Conduct

90. 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 2018-19. The Code is hosted on the website of the Company and can be accessed at: <https://www.cochinshipyard.com/investors.htm>

91. 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 2018-19

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

CEO/CFO Certification

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

Risk Management Process

93. 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.
- (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.

94. 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

95. The Board at the helm will review the risk management system within CSL. The Board shall discharge its responsibility of risk oversight by ensuring the review at periodical intervals. The 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 will be entrusted with the implementation of the risk management process. In this respect, the Risk Management Committees and Risk Management Steering Committee have been constituted to implement the policy in CSL.
96. Due to the peculiar nature of business carried on by CSL, it avoids the risk relating to its commodities.
97. Exposure of the listed entity to commodity and commodity risks faced by the entity throughout the year:
- Total exposure of the listed entity to commodities in INR: 52.26 crores.
 - Exposure of the listed entity to various commodities:

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	52.26 crores	10328 Tonnes	-	-	-	-	-

- 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.

Share holding pattern

98. The Company has issued 13,15,40,390 equity shares of ₹10/- each, details of which as on March 31, 2019 are as follows:

Sl. No.	Category	No. of shareholders	No. of shares	% holding
1	Central Government	1	98934442	75.2122
2	Alternate Investment Funds	2	44035	0.0335
3	Clearing Members	285	142427	0.1083
4	Directors	2	1110	0.0009
5	Financial Institutions	5	616801	0.4689
6	Foreign Nationals	1	30	0.0000
7	Foreign Portfolio Investors (Corporate)	55	3936748	2.9928
8	Foreign Portfolio Investors (Individual)	3	1550	0.0012
9	Hindu Undivided Family	5911	577208	0.4388
10	Mutual Funds	20	11715007	8.9060
11	Nationalised Banks	3	439314	0.3340
12	NBFCs registered with RBI	9	11871	0.0090
13	Non Nationalised Banks	2	26888	0.0204
14	Non Resident (Non Repatriable)	927	203118	0.1544
15	Non Resident Indians	2662	755937	0.5747
16	Other Bodies Corporate	619	2753390	2.0932
17	Public	159763	11362849	8.6383
18	Trusts	7	17665	0.0134
	Total	170279	131540390	100.0000

Means of Communication

99. The quarterly/half yearly financial results are posted on the websites of the BSE, NSE and the Company, after consideration and approval by the Board and also will be published in one English national daily having all India circulation and atleast in one Malayalam national daily Kochi edition within 48 hours of its adoption. 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

100. 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.
101. The Report submitted by M/s. SVJS & Associates, Secretarial Auditors of the Company does not contain any qualification, reservation or adverse remark or disclaimer.

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
May 21, 2019

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- FY 2018-19 (Including pay arrears w.e.f 01.01.2017)	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	4781962	2520000	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	7301962
Shri D Paul Ranjan, Director (Finance)	4209902	1711305	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.III 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	5921207
Shri Suresh Babu NV, Director (Operations)	4103935	1612323	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	5716258
Shri Bejoy Bhasker, Director (Technical)	3893076	707511	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	4600587

* PRP included above pertains to the period 2017-18, paid during 2018-19.

For and on behalf of the Board of Directors

Kochi
May 21, 2019

Madhu S Nair
Chairman & Managing Director
DIN: 07376798

CORPORATE GOVERNANCE CERTIFICATE

To the Members of
Cochin Shipyard Limited

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

1. We have examined the compliance of conditions of Corporate Governance by Cochin Shipyard Limited (the Company) for the year ended 31st March, 2019 as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated above. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, and based on the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulation 17 to 27 and clause (b) to (i) of Regulation 46 (2), Schedule V and Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
4. We further state that such compliance 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.

As stipulated in the guidelines on corporate governance for CPSEs issued by the Department of Public Enterprises, Government of India

1. I have examined the compliance of conditions of corporate governance by Cochin Shipyard Limited (the company) for the financial year ended 31-03-2019, as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) issued by the Department of Public Enterprises (DPE), Government of India.
2. The compliance of conditions of corporate governance is the responsibility of the management. My examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.
3. In my opinion and to the best of my information and according to the explanations given to me, I certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines.
4. I further state that such compliance is neither an assurance as to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For SVJS & Associates
Company Secretaries

Vincent P. D.
Managing Partner
FCS: 3067
CP No: 7940

Kochi
21.05.2019

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
The Members
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, 2019** 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.

Sl. No.	Name of Director	DIN	Date of Appointment in Company
1	Madhu Sankunny Nair	07376798	01/01/2016
2	Dharmakan Ranjan Paul	06869452	01/05/2014
3	Nikerthil Velayudhan Sureshbabu	07482491	26/04/2016
4	Bejoy Bhasker	08103825	05/04/2018
5	Satinder Pal Singh	07490296	04/10/2017
6	Kalluvila Veedu Ravindran Jyothisal	01650017	20/04/2018
7	Jiji Thomson	01178227	15/07/2017
8	Pradipta Banerji	00630615	15/07/2017
9	Nanda Kumaran Puthethath	02547619	15/07/2017

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 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 **SVJS & Associates**
Company Secretaries

Vincent P. D.
Managing Partner
FCS: 3067
CP No: 7940

Kochi
21.05.2019

CEO/CFO CERTIFICATION

To
The Board of Directors
Cochin Shipyard Limited
Cochin -15

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, 2019 and that to the best of our knowledge and belief, we state that:
 - (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, 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.
4. We have indicated to the Auditors and the Audit Committee that:
 - (i) There are no significant changes, in internal control over financial reporting during the year;
 - (ii) There are no significant changes, in accounting policies made during the year except as required by accounting standards made mandatory for the year; and
 - (iii) There are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

D Paul Ranjan
Director (Finance)
DIN:06869452

Kochi
May 21, 2019

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 2019, 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 (hereinafter referred to as "the Standalone financial statements").

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 Ind AS prescribed under section 133 of the Act read with the Companies (Ind AS) 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, 2019, 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 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 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

financial statements of the current period. These matters were addressed in the context of our audit of the 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 matters described below to be the key audit matters 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 (Revenue Recognition) 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.

Information Other than the Financial Statements and Auditor's 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 Annual Report, 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is 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 is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 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 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 Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Cash Flow Statement 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Ind AS financial statements – Refer Note 41,43,44,45 to the Standalone Ind AS 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 55 to the Stand Alone Ind AS 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

Kochi
May 21, 2019

Thomson Thomas
Partner
Membership No. 25567

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 2019.

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 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, 2019 for a period of more than six months from the date they become payable.

₹ in lakhs

Name of the Statute	Nature of Dues	Amount	Amount paid/ adjusted	Amount unpaid	Financial year to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	2988.44	2267.95*	720.49	AY 2008-09 AY 2009-10 AY 2010-11 AY 2011-12 AY 2012-13 AY 2013-14 AY 2014-15	Commissioner of Income Tax (Appeals)

Name of the Statute	Nature of Dues	Amount	Amount paid/adjusted	Amount unpaid	Financial year to which the amount relates	Forum where dispute is pending
Kerala General Sales Tax, 1963	Sales Tax	266.88	20.38	246.50	1996-97 2000-01 2001-02	Assessing Officer, Commercial Taxes
	Sales Tax	58.03	-	58.03	1999-00	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	1008.71	130.00	878.71	2005-06 2007-08	Hon'ble Kerala Sales Tax Appellate Tribunal
Finance Act, 1994	Service Tax	7735.01	927.62	6807.38	2003-04 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
		101.89	3.45	98.45	Jul 2012-Mar 2013	Commissioner of Central Excise (Appeals)
		71.67	-	71.67	2015-16	Assistant Commissioner of Central Tax & Central Excise, Bangalore
		323.04	-	323.04	2009-10	Commissioner of Central Excise
		97.41	2.73	94.68	2015-16	Deputy Commissioner of Central Tax & Central Excise, Ernakulam
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 2013-2014	Customs, Excise & Service Tax Appellate Tribunal, Bangalore
		25.80	-	25.80	2004-2005 2017-2018	Commissioner of Customs, Kochi
		14891.39	-	14891.39	2010-2015	Hon'ble High Court of Kerala
Employees' State Insurance Act, 1948	Employees' State Insurance	10.59	1.00	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 public 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) In our opinion, 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 Financial Statements as required by the applicable 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

Thomson Thomas
Partner
Membership No. 25567

Kochi
May 21, 2019

Annexure B to the Independent Auditors' Report

With reference to the Annexure B referred to in the Independent Auditor's Report to the members of the Company on the audit of Standalone financial statements for the year ended March 31, 2019, we report the following:

A. Directions

- 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.

- 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.

- 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.**

According to the information and explanation given to us and based on our examination of the records of the company, the company has not received any funds for specific schemes from Central/ State agencies.

B. Sub Directions

- Whether financial commitments and revenue-share of Joint Ventures have been properly accounted?**

M/s Hooghly Cochin Shipyard Limited (HCSL), was incorporated on October 23, 2017 as an arrangement between M/s Cochin Shipyard Limited (CSL) and M/s Hooghly Dock & Port Engineers Ltd (HDPEL). CSL holds 74% of the paid-up share capital of HCSL. Hence HCSL is a subsidiary of CSL. Both companies have prepared their stand alone financial statements as per Ind AS.

In its standalone statement, CSL has accounted for and disclosed its investment in equity shares of HCSL as per Ind AS 27 "Separate Financial Statements".

CSL has prepared and reported Consolidated Financial Statements (HCSL, being a subsidiary) as per Ind AS 110 "Consolidated Financial Statements" where-in, in our opinion, the financial commitments and revenue-share of subsidiary company have been properly incorporated and disclosed as per the applicable Ind AS.

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

Thomson Thomas
Partner
Membership No. 25567

Kochi
May 21, 2019

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 2019.

Report on the Internal Financial Controls under clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Cochin Shipyard Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

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.

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 Standalone Ind AS 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.

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.

Opinion

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, 2019, 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.

For **Elias George & Co.**
Chartered Accountants
Firm Regn.No. 0008015

Kochi
May 21, 2019

Thomson Thomas
Partner
Membership No. 25567

STANDALONE BALANCE SHEET

as at March 31, 2019

(₹ in lakhs)			
Particulars	Note No.	As at March 31,2019	As at March 31,2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	31,303.04	28,446.72
(b) Capital work-in-progress	4	34,107.72	11,484.34
(c) Intangible assets	5	6,160.68	6,451.75
(d) Financial assets			
(i) Investments	6	6,037.18	1,637.18
(ii) Loans	7	128.73	147.77
(e) Income tax assets (net)	8	5,727.71	5,400.03
(f) Deferred tax assets (net)	9	6,574.94	4,332.27
(g) Other non-current assets	10	27,976.59	7,270.31
Total Non-Current assets		118,016.59	65,170.37
Current assets			
(a) Inventories	11	28,336.71	31,455.67
(b) Financial Assets			
(i) Investments	12	-	0.16
(ii) Trade receivables	13	39,233.68	58,012.76
(iii) Cash and cash equivalents	14	97,833.96	79,193.94
(iv) Bank balances other than (iii) above	15	154,451.37	269,840.19
(v) Loans	16	39.21	38.26
(vi) Other Financial assets	17	23,357.79	26,083.13
(c) Other current assets	18	63,086.86	18,013.00
Total Current assets		406,339.58	482,637.11
Total Assets		524,356.17	547,807.48
EQUITY AND LIABILITIES			
Equity :			
(a) Equity share capital	19	13,154.04	13,593.60
(b) Other equity	20	320,053.77	311,993.09
Total Equity		333,207.81	325,586.69
Liabilities :			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	12,300.00	12,300.00
(ii) Other financial liabilities	22	261.22	261.22
(b) Provisions	23	2,428.71	2,265.70
(c) Other non current liabilities	24	12.59	13.74
Total Non-Current Liabilities		15,002.52	14,840.66
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	25	725.36	513.32
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		33,933.75	26,700.78
(ii) Other financial liabilities	26	13,001.22	11,905.35
(b) Other current liabilities	27	86,302.85	139,274.24
(c) Provisions	28	36,932.40	27,914.97
(d) Current tax liabilities (net)	8	5,250.26	1,071.47
Total Current Liabilities		176,145.84	207,380.13
Total Equity and Liabilities		524,356.17	547,807.48

Corporate overview and Significant Accounting Policies

1-2

Notes to the Financial Statements

3-57

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

V KALA

Company Secretary

SURESH BABU N V

Director (Operations)
DIN - 07482491

D PAUL RANJAN

Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR

Chairman and Managing Director
DIN - 07376798

Kochi, dated May 21, 2019

As per our report attached

For **Elias George and Co.,**

Chartered Accountants

(Firm Registration No.000801S)

THOMSON THOMAS

Partner

(Membership Number: 25567)

Kochi, dated May 21, 2019

STANDALONE STATEMENT OF PROFIT & LOSS

For the year ended March 31, 2019

				(₹ in lakhs)
	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018
I	Income			
	Revenue from operations	29	296215.87	235512.33
	Other income	30	22811.46	18915.83
	Total Income		319027.33	254428.16
II	Expenses:			
	Cost of materials consumed	31	150167.60	116565.64
	Changes in inventories of work-in-progress	32	0.00	2510.39
	Sub contract and other direct expenses	33	37998.73	23528.99
	Employee benefits expense	34	27755.65	27139.85
	Finance costs	35	1430.11	1141.03
	Depreciation and amortisation expense	36	3415.53	3751.02
	Other expenses	37	15897.15	13479.06
	Provision for anticipated losses and expenditure	38	7225.04	5826.17
	Total expenses		243889.81	193942.15
III	Profit before tax		75137.52	60486.01
IV	Tax expense:			
	(1) Current tax	8	29024.73	22412.00
	(2) Deferred tax	8	(2005.00)	(1601.00)
V	Profit for the year		48117.79	39675.01
VI	Other comprehensive income			
	A) Items that will not be reclassified to profit or loss			
	i) Remeasurements of defined employee benefit obligations		(300.01)	(205.04)
	ii) Income tax relating to items that will not be reclassified to profit or loss		104.84	70.96
	Other comprehensive income for the year		(195.17)	(134.08)
VII	Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)		47922.62	39540.93
VIII	Earnings per equity share of Rs 10 each :	39		
	(1) Basic (Rs)		35.72	31.03
	(2) Diluted (Rs)		35.72	31.03

Corporate overview and Significant Accounting Policies

1-2

Notes to the Financial Statements

3-57

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 21, 2019
As per our report attached

For **Elias George and Co.**,
Chartered Accountants
(Firm Registration No.000801S)

THOMSON THOMAS
Partner
(Membership Number: 25567)
Kochi, dated May 21, 2019

STANDALONE STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

(₹ in lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	75,137.52	60,486.01
Adjustments for :		
Depreciation and amortisation	3,415.53	3,751.02
Interest expense	1,430.11	1,141.03
Interest income	(18,594.93)	(15,421.47)
Rental income	(58.97)	(58.18)
Dividend income	(163.34)	(185.84)
Loss on sale/write off of property plant and equipment	16.09	9.86
Profit on sale of property plant and equipment	-	(1.34)
Profit on sale of investments	(711.52)	(669.82)
Income recognised on Govt. assistance	(1.14)	(1.14)
Net gain / (loss) on foreign currency transactions	(88.65)	(217.73)
Expenses on Initial Public Offer	-	668.89
Operating cash flow before working capital changes	60,380.70	49,501.29
Movements in working capital :		
(Increase) / decrease in inventories	685.01	(13,062.01)
(Increase) / decrease in trade, other receivables and assets	(45,305.03)	(44,171.92)
Increase / (decrease) in trade and other payables	(40,530.86)	86,549.27
	(24,770.18)	78,816.63
Income tax paid net of refunds	(20,063.00)	(15,610.00)
Net cash flows from operating activities (A)	(44,833.18)	63,206.63
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(5,749.06)	(1,364.27)
(Increase) / decrease in capital work In progress	(22,623.38)	(6,092.01)
(Increase) / decrease in Term deposits with maturity above three months	115,388.82	(138,309.20)
Investment in Mutual Funds	(238,184.87)	(203,750.00)
Redemption of Mutual Funds	238,185.03	203,749.84
Dividend received	163.34	185.84
Profit on sale of investments	711.52	669.82
Govt. assistance received	-	16.03
Investment in Shares of HCSL Subsidiary	-	(1,628.00)
Investment in NCD of HCSL Subsidiary	(4,400.00)	
Sale or withdrawal of property, plant and equipment	0.39	20.91
Interest received	20,820.27	13,607.52
Rent received	58.97	59.50
Net cash flows from investing activities (B)	104,371.03	(132,834.02)

(₹ in lakhs)		
Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C. Cash flow from financing activities		
Proceeds from IPO including securities premium	0.00	96195.36
Buy back of shares	(20,000.02)	0.00
Transaction of Buy back of shares	(225.78)	
Net gain /(loss) on foreign currency transactions	124.38	143.42
Dividend paid	(16,312.32)	(10,161.21)
Dividend distribution tax paid	(3,320.80)	(2,068.58)
Interest paid	(1,163.29)	(1,141.15)
Expenses on Initial Public Offer		(1,744.66)
Net cash flows from financing activities (C)	(40,897.83)	81,223.18
D. Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	18,640.02	11,595.79
Cash and cash equivalent at the beginning of the Year	79,193.94	67,598.15
Cash and cash equivalents (as per Note 14)	79,193.94	67,598.15
Cash and cash equivalent at the end of the Year	97,833.96	79,193.94
Cash and cash equivalents (as per Note 14)	97,833.96	79,193.94

Note:

Figures in brackets indicate outflow.

Corporate overview and Significant Accounting Policies

1-2

Notes to the Financial Statements

3-57

(The accompanying notes are an integral part of these financial statements)

For and on behalf of Board of Directors

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 21, 2019

As per our report attached

For **Elias George and Co.,**
Chartered Accountants
(Firm Registration No.000801S)

THOMSON THOMAS
Partner
(Membership Number: 25567)
Kochi, dated May 21, 2019

STANDALONE STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

A. Equity Share Capital		(₹ in lakhs)
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
As at April 01, 2017	Changes in equity share capital during the year	As at March 31, 2018
11,328.00	2,265.60	13,593.60

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, 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
Balance as at April 01, 2017	263.56	0.85	6,322.75	172,081.27	11,914.20	947.61	191,530.24
Prior period adjustments				-			-
Profit for the year				39,675.01			39,675.01
Other comprehensive income for the year				(134.08)			(134.08)
Total comprehensive income for the year				39,540.93			39,540.93
Dividends (including taxes)				(12,229.79)			(12,229.79)
Transfer from retained earnings				(288.33)		288.33	0.00
Premium on IPO net of Deferred Tax		93,151.83					93,151.83
Amortisation of premium		(0.12)					(0.12)
Balance as at March 31, 2018	263.56	93,152.56	6,322.75	199,104.08	11,914.20	1,235.94	311,993.09

For and on behalf of Board of Directors

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 21, 2019

As per our report attached

For **Elias George and Co.,**
Chartered Accountants
(Firm Registration No.000801S)

THOMSON THOMAS
Partner
(Membership Number: 25567)
Kochi, dated May 21, 2019

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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, 2019, the Government of India holds 75.21% 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, 2019 were approved by the Board of Directors and authorised for issue on May 21, 2019.

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.

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.

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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.

Classification of Leases

The Company enters into leasing arrangements for various assets. 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.

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

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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 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

As a lessee:

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

(i) Operating Lease:

Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed or unless the lease agreement explicitly states that increase is on account of inflation.

(ii) Finance Lease:

Assets taken on lease by the Company in its capacity as lessee, where the Company has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

As a lessor:

Lease income is recognised based on the lease agreements and is charged to Statement of Profit and Loss

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.

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

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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.

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.

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 group 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 off direct issue cost.

Off setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in financial statements if there is a currently enforceable legal right to off set 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.

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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/

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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.

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

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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.

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 is be 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 financial statements on settlement of the claims by way of receipt of the amount from the Insurance Company.

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

extent there is no longer a convincing evidence to the effect that the Company will pay normal income tax during the specified period.

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

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for recognition, measurement presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively, to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The Company is in the process of evaluating the impact on application of Ind AS 116 with respect to lease arrangements entered into on its financial statements.

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Ind AS 12 Appendix C, Uncertainty over Income tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit, (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the profitability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Standard permits two possible methods of transition –

- (1) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and
- (2) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for the adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements

Amendment to Ind AS 12- Income Taxes: On March 30, 2019, Ministry of Corporate Affairs issued

amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements

Amendment to Ind AS 19- plan amendment, curtailment or settlement- On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments or settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1 2019. The Company is in the process of evaluating the impact on application of this standard on its financial statements.

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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	Adjust-ment/ (with-drawal)	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	883.57	12.61	18,117.97	4,133.70	1,462.13	4.30	5,591.53	12,526.44	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	5,499.61	23.23	41,164.93	8,170.53	2,718.51	13.05	10,875.99	30,288.94	27,518.02
Leased assets and 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	206.61	6.44	313.62	39.11	11.33	0.17	50.27	263.35	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	219.46	6.49	1,503.80	362.13	127.76	0.19	489.70	1,014.10	928.70
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 31st March 2019

Note 3 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount			Depreciation				Net Carrying amount		
	As at 1st April 2017	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2018	As at 1st April 2017	For the year	Adjustment/ (with-drawal)	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Owned Assets										
Land (Freehold)	587.54	-	-	587.54	-	-	-	-	587.54	587.54
Buildings	9,377.91	243.56	-	9,621.47	802.43	670.09	-	1,472.52	8,148.95	8,575.48
Plant and equipment	16,798.49	452.08	3.56	17,247.01	2,707.00	1,426.70	-	4,133.70	13,113.31	14,091.49
Furniture and fixtures	813.24	64.26	1.67	875.83	165.35	102.94	1.03	267.26	608.57	647.89
Vehicles	344.49	177.14	27.77	493.86	92.74	53.67	3.23	143.18	350.68	251.75
Office equipment	184.19	24.81	0.07	208.93	74.49	30.27	-	104.76	104.17	109.70
Others			-				-			
Data Processing Equipments	727.21	142.54	0.61	869.14	324.29	177.45	0.02	501.72	367.42	402.92
Docks and quays	4,466.45	-	-	4,466.45	644.32	299.41	-	943.73	3,522.72	3,822.13
Railway sidings	1.10	-	-	1.10	-	-	-	-	1.10	1.10
Electrical installation	1,182.08	108.73	-	1,290.81	444.64	156.02	-	600.66	690.15	737.44
Drainage and water supply	6.67	-	-	6.67	-	-	-	-	6.67	6.67
Vessels	19.74	-	-	19.74	1.64	1.36	-	3.00	16.74	18.10
Sub Total	34,509.11	1,213.12	33.68	35,688.55	5,256.90	2,917.91	4.28	8,170.53	27,518.02	29,252.21
Leased assets and assets on leased premises										
Buildings	838.22		-	838.22	165.53	85.32	-	250.85	587.37	672.69
Plant and equipment	85.89	27.56	-	113.45	25.84	13.27	-	39.11	74.34	60.05
Docks and quays	9.62	-	-	9.62	8.35		-	8.35	1.27	1.27
Electrical installation	329.54		-	329.54	30.46	33.36	-	63.82	265.72	299.08
Sub Total	1,263.27	27.56	-	1,290.83	230.18	131.95	-	362.13	928.70	1,033.09
Total	35,772.38	1,240.68	33.68	36,979.38	5,487.08	3,049.86	4.28	8,532.66	28,446.72	30,285.30

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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, 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, 2019	As at March 31, 2018
Plant and machinery, Buildings and Civil works	33,693.32	11,285.07
Capital yard items	414.40	199.27
Total	34,107.72	11,484.34

Note 5 : Other Intangible assets

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2018	Addi- tions/ adjust- ments during the year	Dis- posal/ adjust- ments during the year	As at 31st March 2019	As at 1st April 2018	For the year	Adjust- ment/ (with- drawal)	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

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2017	Additions/adjustments during the year	Disposal/adjustments during the year	As at 31st March 2018	As at 1st April 2017	For the year	Adjustment/(with-drawal)	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Internally generated weld procedure	27.67	-	-	27.67	10.75	9.22	-	19.97	7.70	16.92
Computer software	1,243.16	123.59	-	1,366.75	984.19	196.20	-	1,180.39	186.36	258.97
Right to use - land and ship repair facility	7,000.00	-	-	7,000.00	500.00	242.31	-	742.31	6,257.69	6,500.00
	8,270.83	123.59	-	8,394.42	1,494.94	447.73	-	1,942.67	6,451.75	6,775.89

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, 2019	As at March 31, 2018
Unquoted (Fully Paid up)		
Investment in equity instruments		
a) At Cost		
Equity shares in subsidiary company		
Hooghly Cochin Shipyard Ltd - 16280000 Equity shares of ₹ 10 each	1,628.00	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	-
Total	6,037.18	1,637.18
Aggregate value of unquoted investment	6,047.18	1,647.18
Aggregate value of impairment in value of investment	10.00	10.00

Considering the indicators of the value of an investment such as investee's assets, results etc. a decline, other than temporary, in the value of investment in Cochin Waste to Energy (P) Ltd is noticed and accordingly fair value is considered as Nil.

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 has 16280000 equity shares of face value of ₹ 10 each for cash (74%) and Hooghly Dock & Port Engineers Limited has 5720000 equity shares of face value of ₹ 10 each for consideration other than cash (26%) 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 31st March 2019

Note 7 : Loans - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good:		
Security deposits	65.40	66.89
Employee advances		
Loans to related parties	0.00	0.00
Other employees	63.33	80.88
Total	128.73	147.77

No significant increase in credit risk or credit impairment.

Note 8 : Income tax assets / liability (net)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current tax assets		
Advance income tax net of provisions	5,727.71	5,400.03
Current tax assets / liabilities		
Advance income tax net of provisions	(5,250.26)	(1,071.47)

Income tax recognised in the Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax:		
Current income tax charge	29,662.84	22,406.57
Adjustment in respect of prior years	(638.11)	5.43
Total (A)	29,024.73	22,412.00
Deferred tax:		
In respect of current year	(2,005.00)	(1,601.00)
Total (B)	(2,005.00)	(1,601.00)
Income tax expense recognised in the Statement of Profit and Loss (A+B)	27,019.73	20,811.00

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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, 2019	For the year ended March 31, 2018
Profit before tax	75,137.52	60,486.01
Income tax expense calculated at respective applicable rates.	26,256.00	20,933.00
Effect of expenses that are not deductible in determining taxable profit	7,088.97	5,312.99
Effect of expenses that are allowable in determining taxable profit	(3,834.57)	(2,642.89)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	363.82	296.62
Effect of income that is exempt from taxation	(57.08)	(64.32)
Others	(154.30)	(1,428.83)
	29,662.84	22,406.57
Adjustments recognised in the current year in relation to the current tax of prior years	(638.11)	5.43
Adjustments for changes in estimates of deferred tax assets	(2,005.00)	(1,601.00)
Income tax expense recognised in the Statement of Profit and Loss	27,019.73	20,811.00

Note 9 : Deferred tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	3,901.30	3,954.57
Deferred tax assets	(10,476.24)	(8,286.84)
Total	(6,574.94)	(4,332.27)

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)

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Deferred tax liabilities/(assets) in relation to 2017-18

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(5,226.67)	(2,212.21)	0.00	(7,438.88)
Property, plant and equipment	4,045.04	(87.00)	0.00	3,958.04
Intangible assets	27.86	(31.33)	0.00	(3.47)
Others	(1,279.66)	729.54	(297.84)	(847.96)
Total	(2,433.43)	(1,601.00)	(297.84)	(4,332.27)

Note 10 : Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Capital advances	26,950.20	6,223.75
Advances other than capital advances:		
Security deposits	207.23	209.75
Advance lease rentals	557.94	575.59
Deposits with Customs department	261.22	261.22
Total	27,976.59	7,270.31

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 31st March 2019

Note 11 : Inventories

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials and components*	23,409.46	11,301.78
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(442.17)	(331.27)
Goods-in transit*	3,754.30	5,795.66
	26,721.59	16,766.17
Work-in-progress (Valued at cost)	-	6,284.46
Work-in-progress (Valued at net realisable value)	-	6,787.00
	-	13,071.46
Stores & Spares*	709.80	586.36
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(31.75)	(27.97)
Goods-in transit*	0.47	82.72
	678.52	641.11
Loose Tools*	819.80	794.58
Scrap*	116.80	182.35
Total	28,336.71	31,455.67

* Valuation of inventories are 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 ₹ 55426.72 lakhs (previous year ₹ 71053.76 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.

(iii) Refer Note No 40 on Ind AS 115 "Revenue from Contract with Customers"

Note 12 : Investments

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
At fair value through statement of Profit and Loss		
Investment in Mutual Funds	0.00	0.16
Total	-	0.16
Details of Mutual Funds	Fund Value	Fund Value
UTI-Treasury Advantage Fund	-	0.16

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 13 : Trade Receivables-Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables considered good-Unsecured	39,233.68	25,473.28
Trade Receivables considered good-Unsecured (Based on proportionate completion method under Ind AS 11)"	-	32,539.48
Trade Receivables which have significant increase in Credit Risk	13,123.16	9,263.32
Less: Allowance for Expected credit loss	(13,123.16)	(9,263.32)
Trade Receivables-credit impaired	-	-
Total	39,233.68	58,012.76

Trade receivables are non-interest bearing and receivable in normal operating cycle.

Movement in the expected credit loss allowance

(₹ in lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018
Opening balance	9,263.32	5,987.03
Add: Provision made/transfer during the year	4,187.29	3,832.20
Less: Amount collected/reversal of provision	327.45	555.91
Closing Balance	13,123.16	9,263.32

Note 14 : Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	-	
Balance with Banks		
In current account	19,172.20	1,245.62
In current account on behalf of Indian Navy	30,626.67	62,807.09
In current account out of IPO Proceeds	5.09	3.84
Term deposits with original maturity of less than three months	35,300.00	5,700.00
Term deposits with original maturity of less than three months out of IPO Proceeds	12,730.00	9,437.39
Total	97,833.96	79,193.94

Funds received from Indian Navy for the construction of Indigenous Aircraft Carrier are held in a separate account and is separately disclosed.

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 15 : Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Term Deposits with banks with original maturity more than 3 months and less than 12 months	130,332.97	195,150.97
Term Deposits with banks with original maturity more than 3 months and less than 12 months out of IPO Proceeds	24,108.86	74,689.22
Earmarked balances (Unpaid Dividend account)	9.54	-
Total	154,451.37	269,840.19

Deposits with banks with maturity upto 12 months, includes ₹ 82.29 lakhs (previous year ₹ 76.96 lakhs) is lien marked in favour of The Registrar of High Court of Kerala.

Note 16 : Loans - Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Employee advances		
Loans to related parties	-	-
Other employees	39.21	38.26
Total	39.21	38.26

No significant increase in credit risk or credit impairment

Note 17 : Other Financial Assets - Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on fixed deposits	3,684.00	6,059.78
Interest accrued from Others	153.58	-
Interest accrued on employee advances		
Related parties	0.36	-
Other employees	19.85	23.35
Fixed Deposit with HDFC Ltd	19,500.00	20,000.00
Total	23,357.79	26,083.13

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 18 : Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured advances		
Advances other than capital advances		
Advances to related party	1.01	4.44
Other advances	16,281.77	5,589.06
Advances considered doubtful	0.07	0.07
	16,282.85	5,593.57
Less: Provision for doubtful advances	0.07	0.07
	16,282.78	5,593.50
Others		
Contract Assets	21,716.35	-
Balance with Sales Tax department and CBEC	422.11	427.32
Miscellaneous deposits	13.94	9.94
Prepaid expenditure	384.52	1,720.56
Input Tax Credit on GST	22,926.42	9,026.09
Miscellaneous current assets (Including claims receivable)	1,340.74	1,235.59
Total	63,086.86	18,013.00

Refer Note No. 40 on Ind AS 115 "Revenue from Contract with Customers"

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 19 : Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	135936000	13,593.60
Total	131540390	13,154.04	135936000	13,593.60

19.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	₹ in lakhs	Number	₹ in lakhs
Equity Shares outstanding at the beginning of the year	135936000	13,593.60	113280000	11,328.00
Add : shares issued during the year	0	0.00	22656000	2265.60
Less : Shares bought back during the year	4395610	439.56	0	0.00
Equity Shares outstanding at the end of the year	131540390	13154.04	135936000	13,593.60

Pursuant to the approval of the Board of Directors at their meeting held on October 16, 2018, 43,95,610 (Forty Three Lakh Ninety Five Thousand Six Hundred and Ten) Equity Shares (representing approximately 3.23% of the total number of equity shares in the issued, subscribed and paid-up equity share capital of the Company as at March 31, 2018) were bought back from the Shareholders / beneficial owners of Equity Shares of the Company as on the record date i.e. October 31, 2018 ("Record Date"), on a proportionate basis, through the "Tender Offer" route at a price of ₹ 455/- (Rupees Four Hundred and Fifty Five Only) per Equity Share for an aggregate amount of ₹ 200,00,02,550/- (Rupees Two Hundred Crore Two Thousand Five Hundred And Fifty Only). The Buyback Size is 6.41% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2018.

The tendering period for the Buyback Offer opened on November 28, 2018 and closed on December 11, 2018. The settlement of all valid bids was completed by Clearing Corporation of India Ltd on December 18, 2018 and the equity shares bought back were extinguished on December 20, 2018.

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/ declared by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General meeting. All dividends are paid in Indian Rupees. 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.

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

19.2 Details of shareholders holding more than 5% shares in the company

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number of Shares held	% of holding	Number of Shares held	% of holding
The President of India	98934442	75.21	101952000	75
Reliance Capital Trustee Co. Ltd.	8323743	6.33	7104353	5.23

Note 20 : Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserves	263.56	263.56
Capital Redemption Reserve	12,353.76	11,914.20
Securities Premium	93,152.44	93,152.56
Debenture Redemption Reserve	1,524.27	1,235.94
General Reserve	6,322.75	6,322.75
Retained Earnings	206,436.99	199,104.08
	320,053.77	311,993.09

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 Rs 10 each at premium (Rs 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: In accordance with provisions of Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of Companies (Share capital and Debentures) Rules, 2014 and as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008 the Company has created Debenture Redemption Reserve (DRR) amounting to ₹ 1524.27 lakhs (cumulative) at 25% of the value of debenture issued by the Company, over the maturity period of such debentures, proportionately for the period upto 31.03.2019.

Retained Earnings: Pursuant to Buy back of shares by the Company during 2018-19, an amount of ₹ 20000.02 lakhs and transaction costs thereon amounting to ₹ 225.78 lakhs have been adjusted against Retained Earnings. Also refer Note No 40 regarding impact of Ind AS 115 transition adjustment in Retained Earnings

Proposed dividend : The Board of Directors of the Company have recommended a final dividend of ₹ 13/- per equity share of face value of ₹ 10/- for the financial year ended March 31, 2019 at the board meeting held on May 21, 2019.

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 21 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(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

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, 2019	As at March 31, 2018
Payable to Chennai Port Trust	261.22	261.22
Total	261.22	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. 10

Note 23 : Provisions - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits-Compensated absences (Refer Note No 34)	2,428.71	2,265.70
Total	2,428.71	2,265.70

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 24 : Other non current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Income arising from Government Assistance	12.59	13.74
Total	12.59	13.74

Note 25 : Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables (Unsecured)		
Outstanding dues of Micro enterprises and Small enterprises	725.36	513.32
Outstanding dues of creditors other than Micro enterprises and Small enterprises	33,933.75	26,700.78
Total	34,659.11	27,214.10

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, 2019	As at March 31, 2018
Amount remaining unpaid to supplier at the end of each accounting year;		
Principal	725.36	513.32
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;	-	-

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 26 : Other Financial Liabilities - Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due	281.98	281.98
Unpaid Dividend	9.54	-
Others		
Security and other deposits	3,043.15	902.21
Others Payables	9,666.55	10,721.16
Total	13,001.22	11,905.35

Note 27 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Contract Liability for Indigenous Aircraft Carrier works (Net)	30,830.24	47,639.43
Contract Liability for other works	52,634.04	-
Advances for other ship building contracts	8.23	88,515.06
Advances for ship repair and others	689.51	1,099.15
Income received in advance	24.34	23.28
Statutory dues	2,115.35	1,996.18
Deferred Income arising from Government Assistance	1.14	1.14
Total	86,302.85	139,274.24

Refer Note No 40 on Ind AS 115 "Revenue from Contract with Customers

Cost of infrastructure facilities which has been met out of funds from Navy and adjusted by Indian Navy, till date.

(₹ in lakhs)

Details	As at March 31, 2019	As at March 31, 2018
Buildings and other civil works	10,290.10	8,600.39
Data processing equipment	1,301.65	1,294.44
Furniture and Office equipments	318.50	249.17
Plant and machinery	16,819.94	16,790.76
Total	28,730.19	26,934.76

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 28 : Provisions - Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee benefits		
Gratuity	607.90	2,361.82
Compensated absences	464.29	383.78
Others	2,997.00	1,220.93
	4,069.19	3,966.53
Other Provisions		
Taxes and duties	211.61	196.48
Provision for shipbuilding loss	205.00	548.22
Expenditure / contingencies	32,446.60	23,203.74
	32,863.21	23,948.44
Total	36,932.40	27,914.97

28.1 : Details of movement of provisions

(₹ 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
a) Provision for taxes and duties	196.48	17.93	(2.80)	-	211.61
b) Provision for shipbuilding loss	548.22	205.00	0.00	(548.22)	205.00
c) Provision for expenditure / contingencies	23,203.74	26,675.55	(15,461.89)	(1,970.80)	32,446.60
d) Provision for employee benefits -Others	1,220.93	1,796.04	(31.24)	11.27	2,997.00

(₹ in lakhs)

Particulars	As at 01.04.2017	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2018
a) Provision for taxes and duties	233.03	26.15	0.00	(62.70)	196.48
b) Provision for shipbuilding loss	35.00	548.22	(35.00)	0.00	548.22
c) Provision for expenditure / contingencies	20,208.25	17,338.89	(12,573.40)	(1,770.00)	23,203.74
d) Provision for employee benefits -Others	21.31	1,220.93	(21.31)	0.00	1,220.93

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 29 : Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
Ship building:		
Indigenous Aircraft Carrier (IAC)	175,676.28	144,334.95
Vessels other than IAC	37,341.68	28,428.83
Engineering works	-	4.26
	213,017.96	172,768.04
Sale of services		
Ship repairs	83,197.46	62,326.64
	83,197.46	62,326.64
Other operating revenue		
Sale of stock items	0.45	0.05
Scrip under MEIS scheme	-	417.60
	0.45	417.65
Total	296,215.87	235,512.33

The income from operations from Indigenous Aircraft Carrier (IAC) amounting to ₹ 175676.28 lakhs includes ₹ 5108.84 lakhs, being costs incurred for activities under the scope of Phase III. Phase III part of Indigenous Aircraft Carrier (IAC) contract is awaiting approvals from Indian Navy/ Ministry of Defence for conclusion into a formal contract.

Refer Note No 40 on Ind AS 115 "Revenue from Contract with Customers"

Note 30 : Other Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Training facilities	423.67	241.12
Income from sale of scrap and stores	343.66	457.51
Profit on sale of fixed assets	-	1.34
Income from laboratory services	35.77	33.52
Rent received	154.32	187.01
Hire charges received	7.71	-
Interest on bank deposits	17,377.34	15,087.57
Interest from others	1,217.59	333.90
Dividend income from equity investments/ Mutual Funds	163.34	185.84
Profit on sale of Mutual Funds	711.52	669.82
Net gain /(loss) on foreign currency transactions	88.65	217.73
Provision no longer required	1,916.36	1,103.03
Miscellaneous income	371.53	397.44
Total	22,811.46	18,915.83

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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.

Income from sale of scrap and stores is net of import duty amounting to ₹ 40.23 lakhs (previous year ₹ 45.33 lakhs) on sale of bonded scrap and stores.

Note 31 : Cost of Materials Consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Materials		
Steel	5,225.69	4,235.44
Pipe	1,029.04	1,096.48
Paint	1,223.54	1,278.40
Bought out components	142,689.33	109,955.32
Total	150,167.60	116,565.64

Note 32 : Changes in Inventories of Work-in-Progress

(₹ in lakhs)

(Other than those which are recognised as income on percentage/proportionate completion method)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Work-in-progress :		
At the beginning of the year	-	8,794.85
Less: at the end of the year	-	6,284.46
Decretion/(Accretion) to work-in-progress	-	2,510.39

Refer Note No 40 on Ind AS 115 "Revenue from Contract with Customers"

Note 33 : Sub Contract and Other Direct Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sub contract and off loaded jobs	25,026.31	17,950.24
Hull insurance	208.89	51.04
Other direct expenses	12,763.53	5,527.71
Total	37,998.73	23,528.99

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 34 : Employee Benefits Expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages, bonus/exgratia and allowances	24,044.00	22,531.89
Contribution to Provident Fund and Family Pension Fund	1,585.78	1,226.65
Gratuity	310.06	2,188.68
Staff welfare expenses	1,815.81	1,192.63
Total	27,755.65	27,139.85

Contribution to Provident Fund and Family Pension Fund includes provident fund inspection and administration charges ₹ 17.72 lakhs (previous year ₹15.16 lakhs)

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of half pay compensated absences for workmen amounting to ₹ 243.52 lakhs (previous year ₹ 175.08 lakhs)

The employee benefits accruing to the employees on deputation from Cochin Port Trust are being accounted based on demands received from Cochin Port Trust as per tripartite agreement between the Company, Cochin Port Trust and the recognised Trade unions of the Port and not based on actuarial valuation except for gratuity which is actuarially valued for 2018-19.

The employee benefits accruing to the employees on deputation from Mumbai Port Trust are being accounted based on demands received from Mumbai Port Trust as per tripartite agreement between the Company, Mumbai Port Trust and the recognised Trade unions of the Mumbai Port.

The revision in pay and allowances of workmen is due w.e.f 01.04.2017. An amount of ₹ 2400.00 lakhs has been carried as a liability as on March 31, 2019 towards pending due on this account.

Employee benefit expenses includes ₹ 52.25 Lakhs (previous year ₹ 11.95 Lakhs) being secondment to subsidiary (Hooghly Cochin Shipyard Ltd)

Other Benefit Plan - Compensated absences

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate (p.a)	7.68%	7.72%
Rate of increase in compensation levels	3.00%	3.00%

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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 March 31, 2019	For the year ended March 31, 2018
Service Cost:		
Current Service Cost	208.51	172.90
Net Interest expense	187.28	151.84
Actuarial (Gain)/Loss recognised during the period	294.80	695.38
Expenses recognised in the statement of profit and loss	690.59	1020.12

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 March 31, 2019	For the year ended March 31, 2018
Present Value of Defined Benefit Obligation at end of the year	2,893.00	2,649.48
Fair Value of Plan Assets at the end of the year	-	-
Net Liabilities/(Assets) recognized in the Balance Sheet	2,893.00	2,649.48

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined Benefit Obligation at beginning of the year	2,649.48	2,474.40
Current & Past Service Cost	208.51	172.90
Current Interest Cost	187.28	151.84
Actuarial (Gain)/Loss	294.80	695.38
Benefits paid	(447.07)	(845.04)
Defined Benefit Obligation at end of the year	2,893.00	2,649.48

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/Loss	-	-
Contributions from the employer	447.07	845.04
Benefits paid	(447.07)	(845.04)
Fair Value of the Assets at the end of the year	-	-

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Defined Benefit Plan-Gratuity

The principal assumptions used for the purpose of actuarial valuation were as follows:

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount Rate (p.a)	7.68%	7.72%
Rate of increase in compensation levels	3.00%	3.00%
Expected Rate of Return on Plan Asset	7.68%	7.72%

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 March 31, 2019	For the year ended March 31, 2018
Service Cost:		
Current Service Cost	235.84	111.41
Past Service Cost	0.00	1567.90
Net Interest expense	72.04	8.71
Components of defined benefit costs recognised in statement of profit and loss	307.88	1688.02
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	352.70	220.67
Difference between Actual Return and Interest income on Plan assets (gain)/loss	(52.69)	(15.63)
Components of defined benefit costs recognised in Other Comprehensive Income	300.01	205.04

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 March 31, 2019	For the year ended March 31, 2018
Present Value of Defined Benefit Obligation at end of the year	5,078.90	5,077.72
Less: Fair Value of Plan Assets at the end of the year	4,471.00	3,211.31
Net Liabilities/(Assets) recognized in the Balance Sheet	607.90	1,866.41

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined Benefit Obligation at beginning of the year	5,077.72	3,713.66
Current Service Cost	235.84	111.41
Current Interest Cost	355.60	245.88
Past Service Cost	-	1,567.91
Actuarial (Gain)/ Loss	352.70	220.67
Benefits paid	(942.97)	(781.81)
Defined Benefit Obligation at end of the year	5,078.89	5,077.72

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair Value of Plan Assets at the beginning of the year	3,211.31	3,451.70
Expected Return on Plan Assets	283.56	237.18
Actuarial (Gain)/ Loss	52.69	15.63
Contributions from the employer	1,866.41	288.61
Benefits paid	(942.97)	(781.81)
Fair Value of the Assets at the end of the year	4,471.00	3,211.31

The plan assets are managed by the Gratuity Trust formed by the Company.

Note 35 : Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank interest	-	36.42
Interest others	378.67	53.17
Interest on tax free bonds	1,051.44	1,051.44
Total	1,430.11	1,141.03

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 36 : Depreciation and Amortisation Expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipments	2,846.27	3,049.86
Amortisation of other intangible asset	321.06	447.73
Total	3,167.33	3,497.59
Add : Loss on revaluation of tools	248.20	253.43
Total	3,415.53	3,751.02

Note 37 : Other Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores	1,780.37	1,446.32
Consumption of spares	52.76	62.32
Rates and taxes	16.48	36.01
Power	1,998.38	1,863.16
Fuel	861.66	651.62
Water	223.26	173.36
Repairs and maintenance:		
Building and roads	652.75	553.73
Plant and machinery	46.96	80.91
Others	1,269.74	1,119.77
Maintenance dredging	540.50	784.35
Transport and stores handling	129.21	124.96
Travelling and conveyance expenses	496.00	598.24
Printing and stationery	88.02	64.05
Postage, telephone and telex	39.66	44.34
Advertisement and publicity	637.38	525.65
Lease rent	1,214.78	567.21
Guaranteed Amount under lease agreement	12.21	2.25
Hire charges	640.06	506.02
Insurance charges	367.45	230.64
Security expenses	1,437.53	1,342.98
Auditors remuneration	12.50	12.50
Auditors remuneration for other services	11.65	8.75
Training expenses	658.39	521.48
Legal expenses	16.64	16.68
Consultancy	176.48	96.87
Bank charges	112.62	46.38
Net loss /(gain) on derivative contracts	-	-
Corporate social responsibility (Refer Note no.46)	1,041.16	857.08
Loss on sale/write off of property, plant and equipments	16.09	15.48
Miscellaneous expenses	1,346.46	1,125.95
Total	15,897.15	13,479.06

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Auditors remuneration, Auditors remuneration for other services and Miscellaneous expenses include:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
For Audit Fees	12.50	12.50
For Limited Review/other services	11.65	8.75
For certification for Initial Public Offer	-	12.00
Total	24.15	33.25

Note 38 : Provision for Anticipated Losses and Expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Provision for:		
Doubtful debts / advances	6,600.24	3,804.88
Non moving / perpetual inventory verification	128.62	31.62
Expenses and contingencies	291.18	1,476.45
Provision for loss on Ship Building	205.00	513.22
Total	7,225.04	5,826.17

Note 39 : Earnings per Equity Share

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Profit after tax (₹ in lakhs)	48,117.79	39,675.01
Weighted average number of Equity Shares	134695595	127866740
Basic and Diluted Earnings Per Share (EPS) (in ₹)	35.72	31.03
Face value per equity (in ₹)	10.00	10.00

Note 40: Notes to Ind AS 115-"Revenue from Contract with Customers"

The Company has adopted Ind AS 115 "Revenue from Contracts with Customers" from 01.04.2018 which has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions of Ind AS 115, the Company has adopted the cumulative catch up approach. Therefore the Company has applied Ind AS 115 only to the current period as an adjustment to the opening balance of Retained earnings as at the date of initial application i.e. 01.04.2018. Under the above approach of transition, the comparative financial information in the financial statements is not restated and is presented based on the requirements of the previous standards (Ind AS 18/ Ind AS 11)

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

The following financial statement line items have been affected by the application of Ind AS 115

(₹ in lakhs)

Balance Sheet (extract)	As at 31.03.2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	As at 31.03.2019 (on adoption of Ind AS 115)
Trade receivables	103579.38	-64345.69	39233.68
Inventories	40764.88	-12428.18	28336.71
Other current assets	41370.51	21716.35	63086.86
Deferred Tax Asset	6337.27	237.67	6574.94
Other current liabilities	144647.25	-58344.40	86302.85
Current tax liabilities (net)	3,863.86	1,386.40	5250.26
Other equity	317915.18	2138.59	320053.77

(₹ in lakhs)

Statement of Profit & Loss (extract)	For the year ended 31.03.2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	For the year ended 31.03.2019 (on adoption of Ind AS 115)
Revenue from operations	292732.74	3483.13	296215.87
Changes in inventories of work-in-progress	484.32	(484.32)	
Profit Before Tax	71170.07	3967.45	75137.52
Profit After Tax	45536.74	2581.05	48117.79
Earnings per share	33.81	1.91	35.72

The impact on retained earnings as at 01.04.2018 is detailed as follows

(₹ in lakhs)

Particulars	As at March 31, 2019
Retained earnings as at 01 Apr 2018	199104.08
Derecognition of assets	(680.13)
Increase/ (Decrease) in deferred tax asset	237.67
Retained earnings (restated)	198661.62

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Disclosures of Disaggregated revenue as per INDAS 115

(₹ in lakhs)

Particulars	For the year ended March 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)	175676.28
Vessels other than IAC	37341.68
Engineering works	0.00
(ii) Sale of services	
Ship repairs	83197.46
B. Revenue from goods or services transferred to customers at a point in time	
Other operating revenue	
Sale of stock items	0.45
Total	296215.87

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 ₹ 100528.00 lakhs. 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 IndAS 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 50.64 % of transaction price allocated to unsatisfied/ partially satisfied contracts as of 31.03.2019, as stated above, will be recognised as revenue during FY 2019-20 and the remaining thereafter.

During the year ended March 31, 2019 the Company recognised revenue of ₹ 28774.45 lakhs arising from opening Contract Liability as of April 01, 2018

Revenue recognised in the reporting period from performance obligations satisfied in previous periods is immaterial and hence not disclosed

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Note 41 : CONTINGENT LIABILITIES AND COMMITMENTS

	Particulars	For the period ended 31 Mar 2019 (₹ in lakhs)	For the period ended 31 Mar 2018 (₹ in lakhs)	Brief Description of the nature and obligation
A	CONTINGENT LIABILITY (To the extent not provided for)			
a	Guarantees			
i	Letters of Credit	23,005.41	52,609.28	Represents Letter of Credit opened by the Company in various banks for procurement of materials/assets
ii	Bank Guarantees	151,295.89	125,157.57	
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 Rs.69.06 lakhs) filed by evictees is pending with the Hon'ble Supreme Court and High Court.
ii	Customs duties	16,532.69	15,934.66	Customs duty for materials under Bond and indigenous vessels delivered. Includes an amount of Rs. 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.
iii	Sales Tax/Kerala Value Added Tax	1,259.75	1,259.75	2000-01 - Rs. 111.93 Lakhs 2001-02 - Rs. 73.44 Lakhs 2004-05 - Rs. 195.67 Lakhs 2005-06 - Rs. 602.24 Lakhs 2007-08 - Rs. 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 31st March 2019

	Particulars	For the period ended 31 Mar 2019 (₹ in lakhs)	For the period ended 31 Mar 2018 (₹ in lakhs)	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	2,988.44	6,077.85	Demand relating to Assessment Years: AY 2008-09 - Rs. 25.39 Lakhs AY 2009-10 - Rs. 160.36 Lakhs AY 2010-11 - Rs. 504.46 Lakhs AY 2011-12 - Rs. 481.56 Lakhs AY 2012-13 - Rs. 513.98 Lakhs AY 2013-14 - Rs. 355.56 Lakhs AY 2014-15 - Rs. 947.13 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
		376.68	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	-	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	-	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 31st March 2019

	Particulars	For the period ended 31 Mar 2019 (₹ in lakhs)	For the period ended 31 Mar 2018 (₹ in lakhs)	Brief Description of the nature and obligation
		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.
		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.
		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 transportin of Barge from Cochin to Abu Dhabi.
		24.08	24.08	Penalty on service tax for the period 2003-04 to 2007-08 which is pending before Hon'ble High Court of Kerala.
B	COMMITMENTS (To the extent not provided for)			
a	Estimated amount of contracts remaining to be executed on capital account and not provided for:	175,080.02	73,430.43	
b	Other commitments			
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.	1,628.00	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)	30,802.81	82,621.86	Detailed notes in Note no. 42

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

41.1. CONTINGENCIES AND COMMITMENTS

(I) Income Tax Assessments

The Income Tax Assessment of the company have been completed up to AY 2014-15 Demands raised as per the assessment orders totaling to ₹ 2988.44 lakhs for the Assessment Years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 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.

(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 to 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 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. The appeal 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, 2019	Unutilised amount as at March 31, 2019
Setting up of Dry Dock	51000.00*	25637.54	25362.46
Setting up of ISRF	26500.00*	21059.68	5440.32
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	65392.55	30802.81

* As per Prospectus Filed

** Increase in IPO expenditure (Rs.172.10 lakhs) compared to the estimates is adjusted against amount specified for General Corporate Purpose

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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 2019

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, 2019			₹ 1014.82 lakhs
(b) Amount spent during the year	₹ 1014.82 lakhs		₹ in Lakhs
	Particulars	In cash	Yet to be paid in cash
(i) Construction/acquisition of any asset		734.51	-
(ii) On purposes other than (i) above		306.65	-
			Total
			734.51
			306.65

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

47. Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship	
	2018-19	2017-18
Shri Madhu S Nair Chairman & Managing Director	Key Managerial Personnel	Key Managerial Personnel
Shri D Paul Ranjan 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 (From April 05, 2018) Director (Technical)	Key Managerial Personnel	
Shri Satinder Pal Singh 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	Key Managerial Personnel
Shri K R Jyothishilal (From April 20, 2018) Official Part Time (Nominee) Director, Government of Kerala	Key Managerial Personnel	
Smt. Roopa Shekhar Rai (Upto March 20, 2019) Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Radhakrishna Menon (Upto March 20, 2019) Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Krishna Das E (Upto March 20, 2019) 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 Company Secretary	Key Managerial Personnel	Key Managerial Personnel
Hooghly Cochin Shipyard Limited	Subsidiary Company with 74 % shareholding	Subsidiary Company with 74 % shareholding

Nature of transaction-Remuneration to Key Managerial Person*

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Short term benefit	275.32	142.20
Post employment Benefit	34.13	17.11
Total	309.45	159.31

* Remuneration as on March 31, 2019 includes pay revision arrears w.e.f 01.01.2017.

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

Nature of transaction-Loans*

₹ 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
D PAUL RANJAN	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

₹ in Lakhs

Name of Related Party	Opening Balance as on 1/4/2017	Loans/ advances Taken during 2017-18	Repay ment	Balance as on 31/03/18	Interest accrued as on 31/03/18
MADHU S NAIR	0.90	1.54	1.53	0.91	0.00
D PAUL RANJAN	1.04	1.38	1.43	0.99	0.00
SUNNY THOMAS	0.96	0.82	0.96	0.82	0.00
SURESH BABU N V	3.72	1.33	4.10	0.95	0.50
KALA V	0.79	1.09	1.11	0.77	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	Nanda Kumaran Putezhath	Pradipta Banerji
Board Meeting	1.05	1.05	1.05	0.60	0.90	0.60
Audit Committee	-	0.75	0.75	-	0.60	-
Corporate Social Responsibility	0.90	-	0.90	-	-	-
Nomination and Remuneration Committee	0.45	0.45	-	-	-	-
Contracts and Capex Committee	-	-	-	0.15	0.45	0.30
Strategic HR Committee	-	-	-	0.30	-	-
Technology Committee	-	-	-	0.15	-	0.15
Stakeholders Relationship Committee	-	0.15	-	-	-	-
Total payment for 2018-19	2.40	2.40	2.70	1.20	1.95	1.05

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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, 2019	As at March 31, 2018
Secondment to subsidiary - Hooghly Cochin Shipyard Ltd.	52.25	11.95
Investment in NCDs issued by subsidiary - Hooghly Cochin Shipyard Ltd.	44.00	0.00
Amount payable to Government of India	235.40	235.40
Amount paid as dividend during the year	12234.24	10161.21
In the case of subsidiary company shares issued for consideration other than cash to M/s HDPEL	572.00	572.00

In addition to the above, around 99.5 % of the companies turnover and 99.5 % (approx) of trade receivables and customer advance is with respect to Government and Government related entities.

Shares held by Nominee Directors in HCSL on behalf of CSL	As at March 31, 2019 No of shares	As at March 31, 2018 No of shares
MADHU S NAIR (First Director)	10	10
D PAUL RANJAN (First Director)	10	10
SUNNY THOMAS (First Director)		10
SURESH BABU N V (First Director)	10	10
BEJOY BHASKER (Director)	10	
KALA V (Subscriber to Memorandum)	10	10
K J RAMESH (Subscriber to Memorandum)	10	10

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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)

Financial assets/ financial liabilities	Fair value as at		Fair Value hierarchy
	As at March 31, 2019	As at March 31, 2018	
Financial Assets			
Non Current			
(i) Investments	6,037.18	1,637.18	Level III
(ii) Trade Receivables	-	-	Level II
(iii) Loans	128.73	147.77	Level II
(iv) Others	-	-	Level II
Current			
(i) Investments	-	0.16	Level I
(ii) Trade Receivables	39,233.68	58,012.76	Level II
(iii) Cash & Cash equivalents	97,833.96	79,193.94	Level II
(iv) Bank Balances other than (iii)	154,451.37	269,840.19	Level II
(v) Loans	39.21	38.26	Level II
(vi) Others	23,357.79	26,083.13	Level II
Total Financial Assets	321,081.92	434,953.22	
Financial Liabilities			
Non Current			
(i) Borrowings	12,300.00	12,300.00	Level I
(ii) Other financial liabilities	261.22	261.22	Level II
Current			
(i) Trade Payables	34,659.11	27,214.10	Level II
(ii) Other financial liabilities	13,001.22	11,905.35	Level II
Total Financial Liabilities	60,221.55	51,680.68	

Note:

1. The investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

as at FVTOCI 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.

2. Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.

3. 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.

Financial Instruments by category

(₹ in Lakhs)

	31st March 2019			31st March 2018		
	FVTPL	FVTOCI	Amortised Cost/At Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investments (Non-current)						
-Equity instruments		9.18	1,628.00	1,628.00	9.18	
-Debt instruments			4,400.00			
Investments (Current)						
-Mutual Funds				0.16		
Trade receivables			39,233.68			58,012.76
Cash & Cash equivalents			252,285.33			349,034.14
Other Financial Assets			23,525.73			26,269.15
Total Financial Assets	0.00	9.18	321,072.74	1,628.16	9.18	433,316.04
Financial liabilities						
Borrowings			12,300.00			12,300.00
Trade payables			34,659.11			27,214.10
Capital creditors						
Other financial liabilities			13,262.44			12,166.58
Total Financial Liabilities			60,221.55	0.00	0.00	51,680.68

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

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.

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.

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

50. Lease arrangements & Guaranteed amount

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
a) Premises taken on operating lease:		
The Company has operating leases for facility at International Ship Repair Facility (ISRF) and Cochin Shipyard Mumbai Ship Repair Unit (CMSRU). These lease arrangements with Cochin Port Trust (CoPT) and Mumbai Port Trust are for 30 years and 29 years respectively, which are non-cancellable leases.		
b) Guaranteed amount:		
The amount which CSL has undertaken to pay to Cochin Port Trust during the contract period of 30 years.		
With respect to non-cancellable operating lease, the future minimum lease payment and Guarantee amount as at Balance Sheet date is as under:		
For a period not later than one year	2276.26	606.55
For a period later than one year and not later than five years	10052.42	3509.96
For a period later than five years	123386.54	62538.03

51. 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, 2019	As at March 31, 2018
Segment Assets		
Ship building	246394.20	231887.2
Ship Repair	195899.31	168349.5
Others	82062.66	147570.78
Total	524356.17	547807.48
Segment Liability		
Ship building	39406.47	89620.66
Ship Repair	25944.31	23368.86
Others	125797.58	109231.27
Total	191148.36	222220.79
External Sales		
Ship building	213018.41	173185.70
Ship Repair	83197.46	62326.63
Unallocated	4216.53	3494.36
Total	300432.40	239006.69

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Interest Income	18594.93	15421.47
Unallocated		
Total Revenue		
Ship building	213018.41	173185.70
Ship Repair	83197.46	62326.63
Unallocated	22811.46	18915.83
Total	319027.33	254428.16
Accretion(-)/Decretion to Work in progress		
Ship building		1002.26
Ship Repair		(3512.65)
Total		-2510.39
Segment Result		
Ship building	44502.83	41471.88
Ship Repair	23729.27	13145.75
Unallocated	6905.42	5868.38
Total	75137.52	60486.01

The Company has two major business segments – “Ship Building” and “Ship Repair”. Revenue under Ship building includes ₹ 206934.28 lakhs (Previous year: ₹ 144334.95 lakhs) from two Customers (Previous year: one Customer) having more than 10 % revenue of the total revenue. And for Ship repair, revenue includes ₹ 61572 lakhs (Previous year: ₹ 40014.22 lakhs) from one customer (Previous year: one Customer) having more than 10% revenue of the total revenue.

52. 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).

Notes to the Standalone

Financial Statements for the year ended 31st March 2019

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Long term borrowings	12300.00	12300.00
Net Debt	12300.00	12300.00
Equity Share Capital	13154.04	13593.60
Other equity	320053.77	311993.09
Total Equity	333207.81	325586.69
Gearing Ratio	3.69%	3.78%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

53. 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.

54. Balance shown under Trade Receivables, Trade Payables, loans, deposits and claims are subject to confirmation and consequent reconciliation, if any

55. 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.

56. Figures in brackets denote negative figures.

57. 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

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 21, 2019

As per our report attached

For **Elias George and Co.**,
Chartered Accountants
(Firm Registration No.000801S)

THOMSON THOMAS
Partner
(Membership Number: 25567)
Kochi, dated May 21, 2019

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 2019, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flow Statement 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 Ind AS prescribed under section 133 of the Act read with the Companies (Ind AS) 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, 2019, 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) and the relevant provisions of the Companies Act, 2013, 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 matters described below to be the key audit matters 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 Judgements-Revenue Recognition) & 2.18 (Revenue Recognition) 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 auditor of Hooghly Cochin Shipyard Limited has not communicated any specific key audit matter in their report.

Information Other than the Financial Statements and Auditor's 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 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 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 Annual Report, 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 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.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level 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 auditor's 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 auditor's 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 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.

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 Rs.6,652.86 Lakhs as at March 31, 2019, total revenues of Rs.75.77 Lakhs and net cash inflows amounting Rs.2,728.12 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 Cash Flow Statement 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 other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 Note 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 58 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. 0008015

Thomson Thomas
Partner
Membership No. 25567

Kochi
May 21, 2019

ANNEXURE TO THE INDEPENDENT AUDITOR'S 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")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, 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.

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 Holdingcompany'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 Act.

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') issued by the ICAI and the Standards on Auditing 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 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 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.

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.

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.

Opinion

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, 2019, 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.

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 in so far 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

Kochi
May 21, 2019

Thomson Thomas
Partner
Membership No. 25567

CONSOLIDATED BALANCE SHEET

as at March 31, 2019

(₹ in lakhs)

Particulars	Note No.	As at 31.03.2019	As at 31.03.2018
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	31,323.59	28,446.72
(b) Capital work-in-progress	4	34,237.06	12,074.20
(c) Intangible assets	5	6,279.38	6,451.75
(d) Financial assets			
(i) Investments	6	9.18	9.18
(ii) Loans	7	129.01	147.77
(e) Income tax assets (net)	8	5,727.71	5,400.03
(f) Deferred tax assets (net)	9	6,634.76	4,345.12
(g) Other non-current assets	10	28,483.24	7,279.33
Total Non-Current assets		112,823.93	64,154.10
Current assets			
(a) Inventories	11	28,336.71	31,455.67
(b) Financial Assets			
(i) Investments	12	-	0.16
(ii) Trade receivables	13	39,233.68	58,012.76
(iii) Cash and cash equivalents	14	102,066.77	80,698.63
(iv) Bank balances other than (iii) above	15	155,657.48	269,840.19
(v) Loans	16	39.21	38.26
(vi) Other Financial assets	17	23,281.45	26,084.73
(c) Income tax assets (net)	8	21.24	1.86
(d) Other current assets	18	63,149.20	18,061.71
Total Current assets		411,785.74	484,193.97
Total Assets		524,609.67	548,348.07
EQUITY AND LIABILITIES			
Equity :			
(a) Equity share capital	19	13,154.04	13,593.60
(b) Other equity	20	319,710.00	311,953.71
Equity attributable to owners		332,864.04	325,547.31
(c) Non Controlling interests		527.73	562.36
Total Equity		333,391.77	326,109.67
Liabilities :			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	12,300.00	12,300.00
(ii) Other financial liabilities	22	261.22	261.22
(b) Provisions	23	2,428.71	2,265.70
(c) Other non current liabilities	24	12.59	13.74
Total Non-Current Liabilities		15,002.52	14,840.66
Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	25	725.36	513.32
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		33,933.75	26,700.78
(ii) Other financial liabilities	26	13,019.78	11,906.31
(b) Other current liabilities	27	86,353.81	139,290.89
(c) Provisions	28	36,932.42	27,914.97
(d) Current tax liabilities (net)	8	5,250.26	1,071.47
Total Current Liabilities		176,215.38	207,397.74
Total Equity and Liabilities		524,609.67	548,348.07

Corporate overview and Significant Accounting Policies

1-2

Notes to the Consolidated Financial Statements

3-60

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 21, 2019

As per our report attached

For **Elias George and Co.,**
Chartered Accountants
(Firm Registration No.000801S)

THOMSON THOMAS
Partner
(Membership Number: 25567)
Kochi, dated May 21, 2019

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

				(₹ in lakhs)	
	Particulars	Note No.	For the year ended March 31, 2019	For the year ended March 31, 2018	
I	Income				
	Revenue from operations	29	296215.87	235512.33	
	Other income	30	22681.39	18922.45	
	Total Income		318897.26	254434.78	
II	Expenses:				
	Cost of materials consumed	31	150167.60	116565.64	
	Changes in inventories of work-in-progress	32	0.00	2510.39	
	Sub contract and other direct expenses	33	37998.73	23528.99	
	Employee benefits expense	34	27755.65	27139.85	
	Finance costs	35	1430.11	1141.03	
	Depreciation and amortisation expense	36	3419.86	3751.02	
	Other expenses	37	16148.74	13547.55	
	Provision for anticipated losses and expenditure	38	7225.04	5826.17	
	Total expenses		244145.73	194010.64	
III	Profit before tax		74751.53	60424.14	
IV	Tax expense:				
	(1) Current tax	8	29024.73	22412.00	
	(2) Deferred tax	8	(2051.97)	(1613.85)	
V	Profit for the year		47778.77	39625.99	
VI	Other comprehensive income				
	A) Items that will not be reclassified to profit or loss				
	i) Remeasurements of defined employee benefit obligations		(300.01)	(205.04)	
	ii) Income tax relating to items that will not be reclassified to profit or loss		104.84	70.96	
	Other comprehensive income for the year		(195.17)	(134.08)	
VII	Total Comprehensive Income for the period (Comprising Profit and Other Comprehensive Income for the period)		47583.60	39491.91	
	Profit attributable to:				
	Owners of the Company		47813.40	39635.63	
	Non-controlling interest		(34.63)	(9.64)	
	Profit for the year		47778.77	39625.99	
	Other comprehensive income attributable to:				
	Owners of the Company		(195.17)	(134.08)	
	Non-controlling interest		0.00	0.00	
	Other comprehensive income for the year		(195.17)	(134.08)	
	Total Comprehensive Income				
	Owners of the Company		47618.23	39501.55	
	Non-controlling interest		(34.63)	(9.64)	
	Total Comprehensive income for the year		47583.60	39491.91	
VIII	Earnings per equity share of Rs 10 each :	39			
	(1) Basic (Rs)		35.47	31.00	
	(2) Diluted (Rs)		35.47	31.00	

Corporate overview and Significant Accounting Policies

1-2

Notes to the Consolidated Financial Statements

3-60

The accompanying notes are an integral part of these financial statements

For and on behalf of Board of Directors

V KALA

Company Secretary

SURESH BABU N V

Director (Operations)
DIN - 07482491

D PAUL RANJAN

Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR

Chairman and Managing Director
DIN - 07376798

Kochi, dated May 21, 2019

As per our report attached

For **Elias George and Co.,**

Chartered Accountants
(Firm Registration No.000801S)

THOMSON THOMAS

Partner

(Membership Number: 25567)

Kochi, dated May 21, 2019

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended March 31, 2019

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	74,751.53	60,424.14
Adjustments for :		
Depreciation and amortisation	3,419.84	3,751.02
Interest expense	1,430.11	1,141.03
Interest income	(18,514.32)	(15,440.04)
Rental income	(58.97)	(58.18)
Dividend income	(163.34)	(185.84)
Loss on sale/write off of property plant and equipment	16.09	9.86
Profit on sale of property plant and equipment	-	(1.34)
Profit on sale of investments	(711.52)	(669.82)
Income recognised on Govt. assistance	(1.14)	(1.14)
Net gain /(loss) on foreign currency transactions	(88.65)	(217.73)
Expenses on Initial Public Offer	-	668.89
Operating cash flow before working capital changes	60,079.63	49,420.85
Movements in working capital :		
(Increase) / decrease in inventories	685.01	(13,062.00)
(Increase) / decrease in trade, other receivables and assets	(45,328.21)	(44,231.52)
Increase / (decrease) in trade and other payables	(40,495.41)	86,566.88
	(25,058.98)	78,694.21
Income tax paid net of refunds	(20,063.00)	(15,610.00)
Net cash flows from operating activities (A)	(45,121.98)	63,084.21
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(5,773.69)	(1,364.27)
(Increase) / decrease in capital work In progress	(22,906.76)	(6,109.87)
(Increase) / decrease in Term deposits with maturity above three months	114,182.71	(138,309.20)
Lease rent	(1.00)	-
Investment in Mutual Funds	(238,184.87)	(203,750.00)
Redemption of Mutual Funds	238,185.03	203,749.84
Dividend received	163.34	185.84
Profit on sale of investments	711.52	669.82
Govt. assistance received	-	16.03
Sale or withdrawal of property, plant and equipment	0.39	20.91
Interest received	20,952.31	13,624.49
Rent received	58.97	59.50
Net cash flows from investing activities (B)	107,387.95	(131,206.91)

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
C. Cash flow from financing activities		
Proceeds from IPO including securities premium	0.00	96195.36
Buy back of shares	(20,000.02)	0.00
Transaction of Buy back of shares	(225.78)	
Net gain /(loss) on foreign currency transactions	124.38	143.42
Dividend paid	(16,312.32)	(10,161.21)
Dividend distribution tax paid	(3,320.80)	(2,068.58)
Interest paid	(1,163.29)	(1,141.15)
Expenses on Initial Public Offer		(1,744.66)
Net cash flows from financing activities (C)	(40,897.83)	81,223.18
D. Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	21,368.14	13,100.48
Cash and cash equivalent at the beginning of the Year	80,698.63	67,598.15
Cash and cash equivalents (as per Note 16)	80,698.63	67,598.15
Cash and cash equivalent at the end of the Year	102,066.77	80,698.63
Cash and cash equivalents (as per Note 14)	102,066.77	80,698.63

Note:

Figures in brackets indicate outflow.

Corporate overview and Significant Accounting Policies

1-2

Notes to the Financial Statements

3-60

For and on behalf of Board of Directors

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 21, 2019

As per our report attached

For **Elias George and Co.,**
Chartered Accountants
(Firm Registration No.0008015)

THOMSON THOMAS
Partner
(Membership Number: 25567)
Kochi, dated May 21, 2019

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

A. Equity Share Capital

(₹ in lakhs)

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
As at 01.04.2017	Changes in equity share capital during the year	As at 31.03.2018
11,328.00	2,265.60	13,593.60

B. Other Equity

(₹ in lakhs)

	Reserves and Surplus							Total attrib- utable to the Parent Com- pany	Attributable to NCI	Total other equity
	Capital Reserve	Securities Premium	General Reserve	Retained Earnings	Capital Re- demption Reserve	Debenture Redemption Reserve				
Balance as at April 01, 2018	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	93152.44	6322.75	206093.22	12353.76	1524.27	319710.00	527.73	320237.73	
Balance as at April 01, 2017	263.56	0.85	6322.75	172081.27	11914.20	947.61	191530.24	0.00	191530.24	
Profit for the year				39635.63			39635.63	(9.64)	39625.99	
Other comprehensive income for the year				(134.08)			(134.08)	0.00	(134.08)	
Total comprehensive income for the year				39501.55			39501.55	(9.64)	39491.91	
Dividends (including taxes)				(12229.79)			(12229.79)		(12229.79)	
Transfer from retained earnings				(288.33)		288.33	0.00		0.00	
Premium on IPO net of Deferred Tax		93151.83					93151.83		93151.83	
Amortisation of premium		(0.12)					(0.12)		(0.12)	
TOTAL	263.56	93152.56	6322.75	199064.70	11914.20	1235.94	311953.71	(9.64)	311944.07	
Equity infused by NCI								572.00	572.00	
Balance as at March 31, 2018	263.56	93152.56	6322.75	199064.70	11914.20	1235.94	311953.71	562.36	312516.07	

For and on behalf of Board of Directors

V KALA
Company Secretary

SURESH BABU N V
Director (Operations)
DIN - 07482491

D PAUL RANJAN
Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR
Chairman and Managing Director
DIN - 07376798

Kochi, dated May 21, 2019

As per our report attached

For **Elias George and Co.,**
Chartered Accountants
(Firm Registration No.0008015)

THOMSON THOMAS
Partner
(Membership Number: 25567)
Kochi, dated May 21, 2019

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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, 2019, the Government of India holds 75.21% 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.

The consolidated Financial Statements relate to Cochin Shipyard Limited (Parent Company) and its Subsidiary Company, Hooghly Cochin Shipyard Limited. The subsidiary company 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 Company and its Subsidiary are together referred to as “Group”.

The consolidated financial statements for the year ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 21, 2019.

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 financial statements of the parent and its subsidiaries on line by line basis adding together like items of assets, liabilities, equity, income and expenses. Intercompany 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 company 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 financial statements and the reported amounts of the revenues and

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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 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.

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 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

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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.

Classification of Leases

The Group enters into leasing arrangements for various assets. 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.

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 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 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 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 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

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

maintenance are charged to consolidated 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, commencing from the date on which the right becomes capable of being exercised.

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

As a lessee:

Leases are classified as finance leases whenever the terms of lease transfer substantially all the risks and rewards of ownership to the lessee. Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

(i) Operating Lease:

Operating lease payments are recognized as an expense in the consolidated Statement of Profit and Loss on a straight-line basis over the lease term except where another systematic basis is more representative of the time pattern in which economic benefits from leased assets are consumed or unless the lease agreement explicitly states that increase is on account of inflation.

(ii) Finance Lease:

Assets taken on lease by the Group in its capacity as lessee, where the Group has substantially all the risks and rewards of ownership are classified as finance lease. Such leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is recognised for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

As a lessor:

Lease income is recognised based on the lease agreements and is charged to consolidated Statement of Profit and Loss

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 consolidated 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.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

For the assets acquired by the parent Company 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.

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 consolidated 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 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 consolidated 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.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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 consolidated 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

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.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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 consolidated 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 off direct issue cost.

Off setting of financial instruments

Financial assets and financial liabilities are off set and the net amount is reported in the consolidated financial statements if there is a currently enforceable legal right to off set 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 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 consolidated 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 consolidated 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 the consolidated 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 consolidated Statement of Profit and Loss.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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 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.

2.16 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 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 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 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 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 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

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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.

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 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 the consolidated 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 consolidated 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 the consolidated statement of profit & loss in the period in which they become receivable.

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.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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 is be 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.

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 company 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 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 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 company 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.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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 consolidated 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 consolidated Statement of Changes in Equity and in the consolidated Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in the consolidated 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 and provided for. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

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 consolidated 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 consolidated 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 the consolidated 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

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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.

Minimum Alternate Tax credit is recognised as deferred tax asset only when and to the extent there is convincing evidence that the Group will pay normal income tax during the specified period. Such asset is reviewed at each Balance Sheet date and the carrying amount of the MAT credit asset is written down to the extent there is no longer a convincing evidence to the effect that the Group will pay normal income tax during the specified period.

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 number of equity shares outstanding during the year. The Group did not have any potentially dilutive securities in any of the years presented.

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 of the parent Group.

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 the consolidated 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 Consolidated 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

Ind AS 116 Leases: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for recognition, measurement presentation and disclosure of leases for both parties to a contract i.e, the lessee and the lessor. Ind AS 116 introduces a single lessee accounting

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

- Full retrospective - Retrospectively, to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
- Modified retrospective - Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

The Group is in the process of evaluating the impact on application of Ind AS 116 with respect to lease arrangements entered into on its financial statements

Ind AS 12 Appendix C, Uncertainty over Income tax Treatments: On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit, (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the profitability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Standard permits two possible methods of transition -

(1) Full retrospective approach - Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and

(2) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for the adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Group is in the process of evaluating the impact on application of this standard on its financial statements

Amendment to Ind AS 12 - Income Taxes: On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognized those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1 2019. The Group is in the process of evaluating the impact on application of this standard on its financial statements.

Amendment to Ind AS 19 - plan amendment, curtailment or settlement - on March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments or settlements.

The amendments require an entity:

- To use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- To recognize in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognized because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1 2019. The Group is in the process of evaluating the impact on application of this standard on its financial statements.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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/ (with-drawal)	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	883.81	12.61	18,118.21	4,133.70	1,462.14	4.30	5,591.54	12,526.67	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	5,524.24	23.23	41,189.56	8,170.53	2,722.59	13.05	10,880.07	30,309.49	27,518.02
Leased assets and 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	206.61	6.44	313.62	39.11	11.33	0.17	50.27	263.35	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	219.46	6.49	1,503.80	362.13	127.76	0.19	489.70	1,014.10	928.70
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 2019

Note 3 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1st April 2017	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2018	As at 1st April 2017	For the year	Adjustment/ (with-drawal)	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Owned Assets										
Land (Freehold)	587.54	-	-	587.54	-	-	-	-	587.54	587.54
Buildings	9,377.91	243.56	-	9,621.47	802.43	670.09	-	1,472.52	8,148.95	8,575.48
Plant and equipment	16,798.49	452.08	3.56	17,247.01	2,707.00	1,426.70	-	4,133.70	13,113.31	14,091.49
Furniture and fixtures	813.24	64.26	1.67	875.83	165.35	102.94	1.03	267.26	608.57	647.89
Vehicles	344.49	177.14	27.77	493.86	92.74	53.67	3.23	143.18	350.68	251.75
Office equipment	184.19	24.81	0.07	208.93	74.49	30.27	-	104.76	104.17	109.70
Others	-	-	-	-	-	-	-	-	-	-
Data Processing Equipments	727.21	142.54	0.61	869.14	324.29	177.45	0.02	501.72	367.42	402.92
Docks and quays	4,466.45	-	-	4,466.45	644.32	299.41	-	943.73	3,522.72	3,822.13
Railway sidings	1.10	-	-	1.10	-	-	-	-	1.10	1.10
Electrical installation	1,182.08	108.73	-	1,290.81	444.64	156.02	-	600.66	690.15	737.44
Drainage and water supply	6.67	-	-	6.67	-	-	-	-	6.67	6.67
Vessels	19.74	-	-	19.74	1.64	1.36	-	3.00	16.74	18.10
Sub Total	34,509.11	1,213.12	33.68	35,688.55	5,256.90	2,917.91	4.28	8,170.53	27,518.02	29,252.21
Leased assets and assets on leased premises										
Buildings	838.22	-	-	838.22	165.53	85.32	-	250.85	587.37	672.69
Plant and equipment	85.89	27.56	-	113.45	25.84	13.27	-	39.11	74.34	60.05
Docks and quays	9.62	-	-	9.62	8.35	-	-	8.35	1.27	1.27
Electrical installation	329.54	-	-	329.54	30.46	33.36	-	63.82	265.72	299.08
Sub Total	1,263.27	27.56	-	1,290.83	230.18	131.95	-	362.13	928.70	1,033.09
Total	35,772.38	1,240.68	33.68	36,979.38	5,487.08	3,049.86	4.28	8,532.66	28,446.72	30,285.30

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

In respect of parent company:

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, 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, 2019	As at March 31, 2018
Plant and machinery, Buildings and Civil works	33,693.32	11,285.07
Capital yard items	414.40	199.27
Project Management fees and miscellaneous capital expenditure	129.34	14.86
Intangible assets under development	-	575.00
Total	34,237.06	12,074.20

Note 5 : Other Intangible assets

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1st April 2018	Additions/ adjust- ments during the year	Disposal/ adjust- ments during the year	As at 31st March 2019	As at 1st April 2018	For the year	Adjust- ment/ (with- drawal)	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	-
	8,394.42	148.93	-	8,543.35	1,942.67	321.30	-	2,263.97	6,279.38	6,451.75

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at 1st April 2017	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at 31st March 2018	As at 1st April 2017	For the year	Adjustment/ (with-drawal)	As at 31st March 2018	As at 31st March 2018	As at 31st March 2017
Internally generated weld procedure	27.67	-	-	27.67	10.75	9.22	-	19.97	7.70	16.92
Computer software	1,243.16	123.59	-	1,366.75	984.19	196.20	-	1,180.39	186.36	258.97
Right to use - land and ship repair facility	7,000.00	-	-	7,000.00	500.00	242.31	-	742.31	6,257.69	6,500.00
	8,270.83	123.59	-	8,394.42	1,494.94	447.73	-	1,942.67	6,451.75	6,775.89

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, 2019	As at March 31, 2018
Unquoted (Fully Paid up)		
Investment in equity instruments		
a) 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	10.00	10.00
Less diminution in value of Investment	(10.00)	(10.00)
Cochin Waste to Energy Private Limited -100000 equity shares of ₹10 each	-	-
Total	9.18	9.18
Aggregate value of unquoted investment	19.18	19.18
Aggregate value of impairment in value of investment	10.00	10.00

Considering the indicators of the value of an investment such as investee's assets, results etc. a decline, other than temporary, in the value of investment in Cochin Waste to Energy (P) Ltd. is noticed and accordingly fair value is considered as nil.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 7: Loans - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good:		
Security deposits	65.68	66.89
Employee advances		
Loans to related parties	0.00	0.00
Other employees	63.33	80.88
Total	129.01	147.77

No significant increase in credit risk or credit impairment

Note 8: Income tax assets / liability (net)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Non current tax assets		
Advance income tax net of provisions	5,727.71	5,400.03
Current tax assets / liabilities		
Advance income tax net of provisions	(5,250.26)	(1,071.47)
Tax Deducted at Source	21.24	1.86

Income tax recognised in the Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Current tax:		
Current income tax charge	29,662.84	22,406.57
Adjustment in respect of prior years	(638.11)	5.43
Total (A)	29,024.73	22,412.00
Deferred tax:		
In respect of current year	(2,051.97)	(1,613.85)
Total (B)	(2,051.97)	(1,613.85)
Income tax expense recognised in the Statement of Profit and Loss (A+B)	26,972.76	20,798.15

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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, 2019	For the year ended March 31, 2018
Profit before tax	74,751.53	60,424.14
Income tax expense calculated at respective applicable rates	26,121.12	20,911.58
Effect of expenses that are not deductible in determining taxable profit	7,088.97	5,312.99
Effect of expenses that are allowable in determining taxable profit	(3,834.57)	(2,642.89)
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit	363.82	296.62
Effect of income that is exempt from taxation	(57.08)	(64.32)
Others	(19.42)	(1,407.41)
	29,662.84	22,406.57
Adjustments recognised in the current year in relation to the current tax of prior years	(638.11)	5.43
Adjustments for changes in estimates of deferred tax assets	(2,051.97)	(1,613.85)
Income tax expense recognised in the Statement of Profit and Loss	26,972.76	20,798.15

Note 9: Deferred tax assets (net)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred tax liabilities	3,902.25	3,954.57
Deferred tax assets	(10,537.01)	(8,299.69)
Total	(6,634.76)	(4,345.12)

Deferred tax liabilities/(assets) in relation to 2018-19

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)

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Deferred tax liabilities/(assets) in relation to 2017-18

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	(5,226.67)	(2,212.21)	0.00	(7,438.88)
Property, plant and equipment	4,045.04	(87.00)	0.00	3,958.04
Intangible assets	27.86	(31.33)	0.00	(3.47)
Others	(1,279.66)	716.69	(297.84)	(860.81)
Total	(2,433.43)	(1,613.85)	(297.84)	(4,345.12)

Note 10: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Capital advances	26,950.20	6,223.75
Advances other than capital advances:		
Security deposits	674.80	218.77
Advance lease rentals	597.02	575.59
Deposits with Customs department	261.22	261.22
Total	28,483.24	7,279.33

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 2019

Note 11 : Inventories

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Raw Materials and components*	23,409.46	11,301.78
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(442.17)	(331.27)
Goods-in transit*	3,754.30	5,795.66
	26,721.59	16,766.17
Work-in-progress (Valued at cost)	-	6,284.46
Work-in-progress (Valued at net realisable value)	-	6,787.00
	-	13,071.46
Stores & Spares*	709.80	586.36
Less : Provision for obsolescence, non-usability, deterioration and reduction in value of inventory	(31.75)	(27.97)
Goods-in transit*	0.47	82.72
	678.52	641.11
Loose Tools*	819.80	794.58
Scrap*	116.80	182.35
Total	28,336.71	31,455.67

* 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 ₹ 55426.72 lakhs (previous year ₹ 71053.76 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.

(iii) Refer Note No 40 on Ind AS 115 “Revenue from Contract with Customers

Note 12 : Investments-Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
At Fair Value through statement of Profit and Loss		
Investment in Mutual Funds	0.00	0.16
Total	-	0.16
Details of Mutual Funds	Fund Value	Fund Value
UTI- Treasury Advantage Fund	-	0.16

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 13 : Trade Receivables-Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade Receivables considered good - Unsecured	39,233.68	25,473.28
Trade Receivables considered good - Unsecured (Based on proportionate completion method under Ind AS 11)		32,539.48
Trade Receivables which have significant increase in Credit Risk	13,123.16	9,263.32
Less: Allowance for Expected credit loss	(13,123.16)	(9,263.32)
Trade Receivables - credit impaired	-	-
Total	39,233.68	58,012.76

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, 2019	As at March 31, 2018
Opening balance	9,263.32	5,987.03
Add: Provision made/transfer during the year	4,187.29	3,832.20
Less: Amount collected/reversal of provision	327.45	555.91
Closing Balance	13,123.16	9,263.32

Note 14 : Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Cash on hand	-	
Balance with Banks		
In current account	19,305.01	1,260.31
In current account on behalf of Indian Navy	30,626.67	62,807.09
In current account out of IPO Proceeds	5.09	3.84
Term deposits with original maturity of less than three months	39,400.00	7,190.00
Term deposits with original maturity of less than three months out of IPO Proceeds	12,730.00	9,437.39
Total	102,066.77	80,698.63

Funds received from Indian Navy for the construction of Indigenous Aircraft Carrier are held in a separate account and is separately disclosed.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 15 : Bank balances other than cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Term Deposits with banks with original maturity more than 3 months and less than 12 months	131,539.08	195,150.97
Term Deposits with banks with original maturity more than 3 months and less than 12 months out of IPO Proceeds	24,108.86	74,689.22
Earmarked balances (Unpaid Dividend account)	9.54	-
Total	155,657.48	269,840.19

Deposits with banks with maturity upto 12 months, includes ₹ 82.29 lakhs (previous year ₹ 76.96 lakhs) is lien marked in favour of The Registrar of High Court of Kerala.

Note 16 : Loans - Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good		
Employee advances		
Loans to related parties	-	-
Other employees	39.21	38.26
Total	39.21	38.26

No significant increase in credit risk or credit impairment

Note 17 : Other Financial Assets - Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued on fixed deposits	3,761.24	6,061.38
Interest accrued on employee advances		
Related parties	0.36	-
Other employees	19.85	23.35
Fixed Deposit with HDFC Ltd	19,500.00	20,000.00
Total	23,281.45	26,084.73

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 18 : Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Unsecured advances		
Advances other than capital advances		
Advances to related party	1.01	4.44
Other advances	16,281.77	5,589.06
Advances considered doubtful	0.07	0.07
	16,282.85	5,593.57
Less: Provision for doubtful advances	0.07	0.07
	16,282.78	5,593.50
Others		
Contract Assets	21,716.35	-
Balance with Sales Tax department and CBEC	422.11	427.32
Miscellaneous deposits	13.94	12.09
Advance towards Security deposit	-	40.00
Prepaid expenditure	385.65	1,721.39
Input Tax Credit on GST	22,986.56	9,031.82
Miscellaneous current assets (Including claims receivable)	1,341.81	1,235.59
Total	63,149.20	18,061.71

Refer Note No 40 on Ind AS 115 "Revenue from Contract with Customers

Note 19 : Equity Share Capital

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	135936000	13,593.60
Total	131540390	13,154.04	135936000	13,593.60

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

19.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at March 31, 2019		As at March 31, 2018	
	Number	₹ in lakhs	Number	₹ in lakhs
Equity Shares outstanding at the beginning of the year	135936000	13,593.60	113280000	11,328.00
Add : shares issued during the year			22656000	2265.60
Less : Shares bought back during the year	4395610	439.56	0	0.00
Equity Shares outstanding at the end of the year	131540390	13154.04	135936000	13,593.60

Pursuant to the approval of the Board of Directors at their meeting held on October 16, 2018, 43,95,610 (Forty Three Lakh Ninety Five Thousand Six Hundred and Ten) Equity Shares (representing approximately 3.23% of the total number of equity shares in the issued, subscribed and paid-up equity share capital of the Company as at March 31, 2018) were bought back from the Shareholders / beneficial owners of Equity Shares of the Company as on the record date i.e. October 31, 2018 ("Record Date"), on a proportionate basis, through the "Tender Offer" route at a price of ₹ 455/- (Rupees Four Hundred and Fifty Five Only) per Equity Share for an aggregate amount of ₹ 200,00,02,550/- (Rupees Two Hundred Crore Two Thousand Five Hundred And Fifty Only). The Buyback Size is 6.41% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited standalone financial statements of the Company for the financial year ended March 31, 2018.

The tendering period for the Buyback Offer opened on November 28, 2018 and closed on December 11, 2018. The settlement of all valid bids was completed by Clearing Corporation of India Ltd on December 18, 2018 and the equity shares bought back were extinguished on December 20, 2018.

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/ declared by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General meeting. All dividends are paid in Indian Rupees. 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 31.03.2019		As at 31.03.2018	
	Number of Shares held	% of holding	Number of Shares held	% of holding
The President of India	98934442	75.21	101952000	75
Reliance Capital Trustee Co. Ltd.	8323743	6.33	7104353	5.23

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 20 : Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Capital Reserves	263.56	263.56
Capital Redemption Reserve	12,353.76	11,914.20
Securities Premium	93,152.44	93,152.56
Debenture Redemption Reserve	1,524.27	1,235.94
General Reserve	6,322.75	6,322.75
Retained Earnings	206,093.22	199,064.70
	319,710.00	311,953.71

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: In accordance with provisions of Section 71(4) of the Companies Act, 2013 read with Rule 18(7) of Companies (Share capital and Debentures) Rules, 2014 and as per SEBI (Issue and Listing of Debt Securities) Regulations, 2008 the Company has created Debenture Redemption Reserve (DRR) amounting to ₹ 1524.27 lakhs (cumulative) at 25% of the value of debenture issued by the Company, over the maturity period of such debentures, proportionately for the period upto 31.03.2019.

Retained Earnings: Pursuant to Buy back of shares by the Company during 2018-19, an amount of ₹ 20000.02 lakhs and transaction costs thereon amounting to ₹ 225.78 lakhs have been adjusted against Retained Earnings. Also refer Note No 40 regarding impact of Ind AS 115 transition adjustment in Retained Earnings

Proposed dividend : The Board of Directors of the Company have recommended a final dividend of ₹ 13/- per equity share of face value of ₹ 10/- for the financial year ended March 31, 2019 at the board meeting held on May 21, 2019.

Note 21 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Bonds - from other parties (Secured)		
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 2019

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 28 th 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, 2019	As at March 31, 2018
Payable to Chennai Port Trust	261.22	261.22
Total	261.22	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. 10

Note 23: Provisions - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits - Compensated absences (Refer Note No 34)	2,428.71	2,265.70
Total	2,428.71	2,265.70

Note 24: Other non current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Deferred Income arising from Government Assistance	12.59	13.74
Total	12.59	13.74

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 25 : Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Trade payables (Unsecured)		
Outstanding dues of Micro enterprises and Small enterprises	725.36	513.32
Outstanding dues of creditors other than Micro enterprises and Small enterprises	33,933.75	26,700.78
Total	34,659.11	27,214.10

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, 2019	As at March 31, 2018
Amount remaining unpaid to supplier at the end of each accounting year;		
Principal	725.36	513.32
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;	-	-

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 26 : Other Financial Liabilities - Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Interest accrued but not due	281.98	281.98
Unpaid dividend	9.54	
Others		
Security and other deposits	3,061.64	903.03
Others Payables	9,666.62	10,721.30
Total	13,019.78	11,906.31

Note 27 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Contract Liability for Indigenous Aircraft Carrier works (Net)	30,830.23	47,639.43
Contract Liability for other works	52,634.04	
Advances for other ship building contracts	8.23	88,515.06
Advances for ship repair and others	689.51	1,099.15
Income received in advance	24.34	23.28
Statutory dues	2,115.53	1,996.19
Deferred Income arising from Government Assistance	1.14	1.14
Other Payables	50.79	16.64
Total	86,353.81	139,290.89

Refer Note No 40 on Ind AS 115 "Revenue from Contract with Customers"

Cost of infrastructure facilities which has been met out of funds from Navy and adjusted by Indian Navy, till date.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Buildings and other civil works	10,290.10	8,600.39
Data processing equipment	1,301.65	1,294.44
Furniture and Office equipments	318.50	249.17
Plant and machinery	16,819.94	16,790.76
Total	28,730.19	26,934.76

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 28 : Provisions - Current

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Provision for Employee benefits		
Gratuity	607.90	2,361.82
Compensated absences	464.29	383.78
Others	2,997.00	1,220.93
	4,069.19	3,966.53
Other Provisions		
Taxes and duties	211.61	196.48
Provision for shipbuilding loss	205.00	548.22
Expenditure / contingencies	32,446.62	23,203.74
	32,863.23	23,948.44
Total	36,932.42	27,914.97

28.1 Details of movement of provisions

(₹ 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
a) Provision for taxes and duties	196.48	17.93	(2.80)	-	211.61
b) Provision for shipbuilding loss	548.22	205.00	0.00	(548.22)	205.00
c) Provision for expenditure / contingencies	23,203.74	26,675.55	(15,461.89)	(1,970.78)	32,446.62
d) Provision for employee benefits -Others	1,220.93	1,796.04	(31.24)	11.27	2,997.00

(₹ in lakhs)

Particulars	As at 01.04.2016	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at 31.03.2017
a) Provision for taxes and duties	233.03	26.15	0.00	(62.70)	196.48
b) Provision for shipbuilding loss	35.00	548.22	(35.00)	0.00	548.22
c) Provision for expenditure / contingencies	20,208.25	17,338.89	(12,573.40)	(1,770.00)	23,203.74
d) Provision for employee benefits -Others	21.31	1,220.93	(21.31)	0.00	1,220.93

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 29 : Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sale of products		
Ship building:		
Indigenous Aircraft Carrier (IAC)	175,676.28	144,334.95
Vessels other than IAC	37,341.68	28,428.83
Engineering works	-	4.26
	213,017.96	172,768.04
Sale of services		
Ship repairs	83,197.46	62,326.64
	83,197.46	62,326.64
Other operating revenue		
Sale of stock items	0.45	0.05
Scrip under MEIS scheme	-	417.60
	0.45	417.65
Total	296,215.87	235,512.33

The income from operations from Indigenous Aircraft Carrier (IAC) amounting to ₹ 175676.28 lakhs includes ₹ 5108.84 lakhs, being costs incurred for activities under the scope of Phase III. Phase III part of Indigenous Aircraft Carrier (IAC) contract is awaiting approvals from Indian Navy/ Ministry of Defence for conclusion into a formal contract.

Refer Note No 40 on Ind AS 115 "Revenue from Contract with Customers"

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 30 : Other Income

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Training facilities	423.67	241.12
Income from sale of scrap and stores	343.66	457.51
Profit on sale of fixed assets	-	1.34
Income from laboratory services	35.77	33.52
Rent received	154.42	187.01
Hire charges received	7.71	-
Interest on bank deposits	17,450.30	15,106.14
Interest from others	1,064.43	333.90
Dividend income from equity investments/ Mutual Funds	163.34	185.84
Profit on sale of Mutual Funds	711.52	669.82
Net gain /(loss) on foreign currency transactions	88.65	217.73
Provision no longer required	1,916.36	1,103.03
Miscellaneous income	321.56	385.49
Total	22,681.39	18,922.45

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.

Income from sale of scrap and stores is net of import duty amounting to ₹ 40.23 lakhs (previous year ₹ 45.33 lakhs) on sale of bonded scrap and stores.

Note 31 : Cost of Materials Consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Raw Materials		
Steel	5,225.69	4,235.44
Pipe	1,029.04	1,096.48
Paint	1,223.54	1,278.40
Bought out components	142,689.33	109,955.32
Total	150,167.60	116,565.64

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 32 : Changes in Inventories of Work-in-Progress

(Other than those which are recognised as income on percentage/proportionate completion method)

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Work -in-progress :		
At the beginning of the year	-	8,794.85
Less: at the end of the year	-	6,284.46
Decretion/(Accretion) to work-in-progress	-	2,510.39

Refer Note No 40 on Ind AS 115 "Revenue from Contract with Customers"

Note 33 : Sub Contract and Other Direct Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Sub contract and off loaded jobs	25,026.31	17,950.24
Hull insurance	208.89	51.04
Other direct expenses	12,763.53	5,527.71
Total	37,998.73	23,528.99

Note 34 : Employee Benefits Expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, wages, bonus/exgratia and allowances	24,044.00	22,531.89
Contribution to Provident Fund and Family Pension Fund	1,585.78	1,226.65
Gratuity	310.06	2,188.68
Staff welfare expenses	1,815.81	1,192.63
Total	27,755.65	27,139.85

Contribution to Provident Fund and Family Pension Fund includes provident fund inspection and administration charges ₹ 17.72 lakhs (previous year ₹15.16 lakhs)

Salaries, Wages, bonus/exgratia and allowances includes provision for encashment of half pay compensated absences for workmen amounting to ₹ 243.52 lakhs (previous year ₹ 175.08 lakhs)

The employee benefits accruing to the employees on deputation from Cochin Port Trust are being accounted based on demands received from Cochin Port Trust as per tripartite agreement between the Company, Cochin Port Trust and the recognised Trade unions of the Port and not based on actuarial valuation except for gratuity which is actuarially valued for 2018-19.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

The employee benefits accruing to the employees on deputation from Mumbai Port Trust are being accounted based on demands received from Mumbai Port Trust as per tripartite agreement between the Company, Mumbai Port Trust and the recognised Trade unions of the Mumbai Port.

The revision in pay and allowances of workmen is due w.e.f 01.04.2017. An amount of ₹ 2400.00 lakhs has been carried as a liability as on March 31, 2019 towards pending due on this account.

Other Benefit Plan - Compensated absences

The principal assumptions used for the purpose of actuarial valuation were as follows:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
Discount Rate (p.a)	7.68%	7.72%
Rate of increase in compensation levels	3.00%	3.00%

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 March 31, 2019	For the year ended March 31, 2018
Service Cost:		
Current Service Cost	208.51	172.90
Net Interest expense	187.28	151.84
Acturial (Gain)/Loss recognised during the period	294.80	695.38
Expenses recognised in the statement of profit and loss	690.59	1020.12

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 March 31, 2019	For the year ended March 31, 2018
Present Value of Defined Benefit Obligation at end of the year	2,893.00	2,649.48
Fair Value of Plan Assets at the end of the year	-	-
Net Liabilities /(Assets) recognized in the Balance Sheet	2,893.00	2,649.48

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined Benefit Obligation at beginning of the year	2,649.48	2,474.40
Current & Past Service Cost	208.51	172.90
Current Interest Cost	187.28	151.84
Actuarial (Gain)/ Loss	294.80	695.38
Benefits paid	(447.07)	(845.04)
Defined Benefit Obligation at end of the year	2,893.00	2,649.48

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair Value of Plan Assets at the beginning of the year	-	-
Expected Return on Plan Assets	-	-
Actuarial (Gain)/ Loss	-	-
Contributions from the employer	447.07	845.04
Benefits paid	(447.07)	(845.04)
Fair Value of the Assets at the end of the year	-	-
Defined Benefit Plan-Gratuity		

The principal assumptions used for the purpose of actuarial valuation were as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Discount Rate (p.a)	7.68%	7.72%
Rate of increase in compensation levels	3.00%	3.00%
Expected Rate of Return on Plan Asset	7.68%	7.72%

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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 March 31, 2019	For the year ended March 31, 2018
Service Cost:		
Current Service Cost	235.84	111.41
Past Service Cost	0.00	1567.90
Net Interest expense	72.04	8.71
Components of defined benefit costs recognised in statement of profit and loss	307.88	1688.02
Remeasurement of the net defined benefit liability:		
Actuarial (Gain)/Loss on Plan Obligations	352.70	220.67
Difference between Actual Return and Interest income on Plan assets (gain)/loss	(52.69)	(15.63)
Components of defined benefit costs recognised in Other Comprehensive Income	300.01	205.04

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 March 31, 2019	For the year ended March 31, 2018
Present Value of Defined Benefit Obligation at end of the year	5,078.90	5,077.72
Less: Fair Value of Plan Assets at the end of the year	4,471.00	3,211.31
Net Liabilities /(Assets) recognized in the Balance Sheet	607.90	1,866.41

Movements in present value of the defined benefit obligation are as follows:-

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Defined Benefit Obligation at beginning of the year	5,077.72	3,713.66
Current Service Cost	235.84	111.41
Current Interest Cost	355.60	245.88
Past Service Cost	-	1,567.91
Actuarial (Gain)/ Loss	352.70	220.67
Benefits paid	(942.97)	(781.81)
Defined Benefit Obligation at end of the year	5,078.89	5,077.72

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Fair Value of Plan Assets at the beginning of the year	3,211.31	3,451.70
Expected Return on Plan Assets	283.56	237.18
Actuarial (Gain)/ Loss	52.69	15.63
Contributions from the employer	1,866.41	288.61
Benefits paid	(942.97)	(781.81)
Fair Value of the Assets at the end of the year	4,471.00	3,211.31

The plan assets are managed by the Gratuity Trust formed by the Company.

Note 35 : Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Bank interest	-	36.42
Interest others	378.67	53.17
Interest on tax free bonds	1,051.44	1,051.44
Total	1,430.11	1,141.03

Note 36 : Depreciation and Amortisation Expense

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on property, plant and equipments	2,850.35	3,049.86
Amortisation of other intangible asset	321.30	447.73
Total	3,171.65	3,497.59
Add : Loss on revaluation of tools	248.21	253.43
Total	3,419.86	3,751.02

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Note 37 : Other Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Consumption of stores	1,780.37	1,446.32
Consumption of spares	52.76	62.32
Rates and taxes	16.56	56.91
Power	2,023.43	1,863.16
Fuel	861.66	651.62
Water	223.26	173.36
Repairs and maintenance:		
Building and roads	659.77	554.08
Plant and machinery	46.96	82.72
Others	1,271.46	1,119.77
Maintenance dredging	540.50	784.35
Transport and stores handling	129.21	125.95
Travelling and conveyance expenses	496.57	598.28
Printing and stationery	89.28	64.12
Postage, telephone and telex	40.05	44.39
Advertisement and publicity	692.67	525.65
Lease rent	1,216.58	567.21
Guaranteed Amount under lease agreement	12.21	2.25
Hire charges	660.56	509.73
Insurance charges	367.45	230.64
Security expenses	1,559.11	1,342.98
Auditors remuneration	14.25	13.00
Auditors remuneration for other services	11.71	8.75
Training expenses	658.39	521.48
Legal expenses	16.64	16.68
Consultancy	183.11	104.04
Bank charges	112.63	46.39
Corporate social responsibility (Refer Note no.46)	1,041.16	857.08
Loss on sale/write off of property, plant and equipments	16.09	15.48
Miscellaneous expenses	1,354.34	1,126.13
Pre incorporation expenses	-	32.71
Total	16,148.74	13,547.55

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Auditors remuneration, Auditors remuneration for other services and Miscellaneous expenses include:

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
For Audit Fees	14.25	13.00
For Limited Review/other services	11.71	8.75
For certification for Initial Public Offer		9.20
Total	25.96	30.94

Note 38 : Provision for Anticipated Losses and Expenditure

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Provision for:		
Doubtful debts / advances	6,600.24	3,804.88
Non moving / perpetual inventory verification	128.62	31.62
Expenses and contingencies	291.18	1,476.45
Provision for loss on Ship Building	205.00	513.22
Total	7,225.04	5,826.17

Note 39 : Earnings per Equity Share

(₹ in lakhs)

Particulars	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Profit after tax (₹ in lakhs)	47,778.77	39,625.99
Weighted average number of Equity Shares	134695595	127866740
Basic and Diluted Earnings Per Share (EPS) (in ₹)	35.47	31.00
Face value per equity (in ₹)	10.00	10.00

Note 40: Notes to Ind AS 115-"Revenue from Contract with Customers"

The Group has adopted Ind AS 115 "Revenue from Contracts with Customers" from 01.04.2018 which has resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transition provisions of Ind AS 115. The company has adopted the cumulative catch up approach. Therefore the Group would apply Ind AS 115 only to the current period as an adjustment to the opening balance of Retained earnings as at the date of initial application i.e. 01.04.2018. Under the above approach of transition, the comparative financial information in the financial statements is not restated and is presented based on the requirements of the previous standards (Ind AS 18/ Ind AS 11)

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

The following financial statement line items have been affected by the application of Ind AS 115

(₹ in lakhs)

Balance Sheet (extract)	As at 31.03.2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	As at 31.03.2019 (on adoption of Ind AS 115)
Trade receivables	103579.38	(64345.69)	39233.68
Inventories	40764.88	(12428.18)	28336.71
Other current assets	41432.85	21716.35	63149.20
Deferred Tax Asset	6397.09	237.67	6634.76
Other current liabilities	144698.22	(58344.40)	86353.81
Current tax liabilities (net)	3863.86	1386.40	5250.26
Other equity	321848.59	2138.59	319710.00

(₹ in lakhs)

Statement of Profit & Loss (extract)	For the year ended 31.03.2019 (without adoption of Ind AS 115)	Increase/ (Decrease)	For the year ended 31.03.2019 (on adoption of Ind AS 115)
Revenue from operations	292732.74	3483.13	296215.87
Changes in inventories of work-in-progress	484.32	(484.32)	
PBT	70784.09	3967.45	74751.53
PAT	45197.72	2581.05	47778.77
Earnings per share	33.56	1.91	35.47

The impact on retained earnings as at 01.04.2018 is detailed as follows

(₹ in lakhs)

Particulars	As at March 31, 2019
Retained earnings	199,064.70
Derecognition of assets	943.94
Increase/ (Decrease) in deferred tax asset	(1,386.40)
Retained earnings (restated)	198,622.24

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Disclosures of Disaggregated revenue as per INDAS 115

(₹ in lakhs)

Particulars	For the year ended March 31, 2018
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)	175676.28
Vessels other than IAC	37341.68
Engineering works	0.00
(ii) Sale of services	
Ship repairs	83197.46
B. Revenue from goods or services transferred to customers at a point in time	
Other operating revenue	
Sale of stock items	0.45
Total	296215.87

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 ₹ 100528.00 lakhs. 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 IndAS 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 50.64 % of transaction price allocated to unsatisfied/ partially satisfied contracts as of 31.03.2019, as stated above, will be recognised as revenue during FY 2019-20 and the remaining thereafter.

During the year ended March 31, 2019 the Company recognised revenue of ₹ 28774.45 lakhs arising from opening Contract Liability as of April 01, 2018.

Revenue recognised in the reporting period from performance obligations satisfied in previous periods is immaterial and hence not disclosed.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

NOTES ON ACCOUNTS

Note 41 : CONTINGENT LIABILITIES AND COMMITMENTS

Particulars	For the period ended	For the period ended	Brief Description of the nature and obligation
	31 Mar 2019 (₹ in Lakhs)	31 Mar 2018 (₹ in Lakhs)	
A CONTINGENT LIABILITY (To the extent not provided for)			
a Guarantees			
i Letters of Credit	23,005.41	52,609.28	Represents Letter of Credit opened by the Company in various banks for procurement of materials/assets
ii Bank Guarantees	151,295.89	125,157.57	
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 Rs.69.06 lakhs) filed by evictees is pending with the Hon'ble Supreme Court and High Court.
ii Customs duties	16,532.69	15,934.66	Customs duty for materials under Bond and indigenous vessels delivered. Includes an amount of Rs. 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.
iii Sales Tax/Kerala Value Added Tax	1,259.75	1,259.75	2000-01 - Rs. 111.93 Lakhs 2001-02 - Rs. 73.44 Lakhs 2004-05 - Rs. 195.67 Lakhs 2005-06 - Rs. 602.24 Lakhs 2007-08 - Rs. 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)
	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	2,988.44	6,077.85	Demand relating to Assessment Years: AY 2008-09 - Rs. 25.39 Lakhs AY 2009-10 - Rs. 160.36 Lakhs AY 2010-11 - Rs. 504.46 Lakhs AY 2011-12 - Rs. 481.56 Lakhs AY 2012-13 - Rs. 513.98 Lakhs AY 2013-14 - Rs. 355.56 Lakhs AY 2014-15 - Rs. 947.13 Lakhs Detailed notes in Note no. 41.1 (I)

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Particulars	For the period ended	For the period ended	Brief Description of the nature and obligation
	31 Mar 2019 (₹ in Lakhs)	31 Mar 2018 (₹ in Lakhs)	
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"
	376.68	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	-	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	-	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		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.
	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.
	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 transportatin of Barge from Cochin to Abu Dhabi.
	24.08	24.08	Penalty on service tax for the period 2003-04 to 2007-08 which is pending before Hon'ble High Court of Kerala.
B COMMITMENTS (To the extent not provided for)			
a Estimated amount of contracts remaining to be executed on capital account and not provided for:	181,221.45	73,430.43	
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)	30,802.81	82,621.86	Detailed notes in Note no. 42

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

41.1. CONTINGENCIES AND COMMITMENTS

(I) Income Tax Assessments

The Income Tax Assessment of the company have been completed up to AY 2014-15 Demands raised as per the assessment orders totaling to ₹ 2988.44 lakhs for the Assessment Years 2008-09, 2009-10, 2010-11, 2011-12, 2012-13, 2013-14 and 2014-15 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.

(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 to 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 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. The appeal 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, 2019	Unutilised amount as at March 31, 2019
Setting up of Dry Dock	51000.00*	25637.54	25362.46
Setting up of ISRF	26500.00*	21059.68	5440.32
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	65392.55	30802.81

* As per Prospectus Filed

** Increase in IPO expenditure (₹ 172.10 lakhs) compared to the estimates is adjusted against amount specified for General Corporate Purpose

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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 2019

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 CSL 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, 2019	₹ 1014.82 lakhs		
(b) Amount spent during the year	₹ 1041.16 lakhs		
₹ in lakhs			
Particulars	In cash	Yet to be paid in cash	Total
(i) Construction/acquisition of any asset	734.51	-	734.51
(ii) On purposes other than (i) above	306.65	-	306.65

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

47. Related Party disclosure as per Ind AS 24

Related Party	Nature of Relationship	
	2018-19	2017-18
Shri Madhu S Nair Chairman & Managing Director	Key Managerial Personnel	Key Managerial Personnel
Shri D Paul Ranjan 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 (From April 05, 2018) Director (Technical)	Key Managerial Personnel	
Shri Satinder Pal Singh 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	Key Managerial Personnel
Shri K R Jyothishilal (From April 20, 2018) Official Part Time (Nominee) Director, Government of Kerala	Key Managerial Personnel	
Smt. Roopa Shekhar Rai (Upto March 20, 2019) Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Radhakrishna Menon (Upto March 20, 2019) Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri Krishna Das E (Upto March 20, 2019) 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 Puthezath Non Official Part Time (Independent) Director	Key Managerial Personnel	Key Managerial Personnel
Shri. S Balaji Arunkumar Director, HCSL	Key Managerial Personnel	Key Managerial Personnel
Shri.Rajesh Gopalakrishnan Chief Executive Officer, HCSL (From 08.11.2018 onwards)	Key Managerial Personnel	Key Managerial Personnel
Shri.Shibu John Chief Financial Officer,HCSL (From 08.11.2018 onwards)	Key Managerial Personnel	Key Managerial Personnel
Smt V Kala Company Secretary	Key Managerial Personnel	Key Managerial Personnel
Shri.Aswin Sarma.M Company Secretary,HCSL (From 08.11.2018 onwards)	Key Managerial Personnel	Key Managerial Personnel

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Nature of transaction-Remuneration to Key Managerial Person*

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Short term benefit	275.32	142.20
Post employment Benefit	34.13	17.11
Total	309.45	159.31

* Remuneration as on March 31, 2019 includes pay revision arrears w.e.f 01.01.2017.

Nature of transaction-Loans*

₹ 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
D PAUL RANJAN	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

₹ in Lakhs

Name of Related Party	Opening Balance as on 1/4/2017	Loans/advances Taken during 2017-18	Repay ment	Balance as on 31/03/18	Interest accrued as on 31/03/18
MADHU S NAIR	0.90	1.54	1.53	0.91	0.00
D PAUL RANJAN	1.04	1.38	1.43	0.99	0.00
SUNNY THOMAS	0.96	0.82	0.96	0.82	0.00
SURESH BABU N V	3.72	1.33	4.10	0.95	0.50
KALA V	0.79	1.09	1.11	0.77	0.00

*Loan balances have been considered from the year of attaining KMP status.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

Nature of transaction-Sitting Fee to Independent Directors

₹ in Lakhs

Name of the meeting	Roopa Shekhar Rai	Krishna Das E	Radhakrishna Menon	Jiji Thomson	Nanda Kumaran Puthezhath	Pradipta Banerji
Board Meeting	1.05	1.05	1.05	0.60	0.90	0.60
Audit Committee	-	0.75	0.75	-	0.60	-
Corporate Social Responsibility	0.90	-	0.90	-	-	-
Nomination and Remuneration Committee	0.45	0.45	-	-	-	-
Contracts and Capex Committee	-	-	-	0.15	0.45	0.30
Strategic HR Committee	-	-	-	0.30	-	-
Technology Committee	-	-	-	0.15	-	0.15
Stakeholders Relationship Committee	-	0.15	-	-	-	-
Total payment for 2018-19	2.40	2.40	2.70	1.20	1.95	1.05

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, 2019	As at March 31, 2018
Amount payable to Government of India	235.40	235.40
Amount paid as dividend during the year	12234.24	10161.21
In the case of subsidiary company shares issued for consideration other than cash to M/s HDPEL	572.00	572.00
In addition to the above, around 99.5 % of the companies turnover and 99.5 % (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.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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)

₹ in Lakhs

Financial assets/ financial liabilities	Fair value as at		Fair Value hierarchy
	As at March 31, 2019	As at March 31, 2018	
Financial Assets			
Non Current			
(i) Investments	9.18	9.18	Level III
(ii) Trade Receivables	-	-	Level II
(iii) Loans	129.01	147.77	Level II
(iv)Others	-	-	Level II
Current			
(i) Investments	-	0.16	Level I
(ii) Trade Receivables	39,233.68	58,012.76	Level II
(iii)Cash & Cash equivalents	102,066.77	80,698.63	Level II
(iv)Bank Balances other than (iii)	155,657.48	269,840.19	Level II
(v) Loans	39.21	38.26	Level II
(vi)Others	23,281.45	26,084.73	Level II
Total Financial Assets	320,416.78	434,831.68	
Financial Liabilities			
Non Current			
(i) Borrowings	12,300.00	12,300.00	Level I
(ii) Other financial liabilities	261.22	261.22	Level II
Current			
(i) Trade Payables	34,659.11	27,214.10	Level II
(ii) Other financial liabilities	13,019.78	11,906.31	Level II
Total Financial Liabilities	60,240.11	51,681.63	

Note:

1. The investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI 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.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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.

2. Loans, Borrowings are at the market rates and therefore the carrying value is the fair value.

3. 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.

Financial Instruments by category

₹ in Lakhs

	31st March 2019			31st March 2018		
	FVTPL	FVTOCI	Amortised Cost	FVTPL	FVTOCI	Amortised Cost
Financial Assets						
Investments (Non-current)						
-Equity instruments		9.18			9.18	
-Debt instruments						
Investments (Current)						
-Mutual Funds	0.00			0.16		
Trade receivables			39,233.68			58,012.76
Cash & Cash equivalents			257,724.25			350,538.83
Other Financial Assets			23,449.67			26,270.75
Total Financial Assets	0.00	9.18	320,407.60	0.16	9.18	434,822.33
Financial liabilities						
Borrowings			12,300.00			12,300.00
Trade payables			34,659.11			27,214.10
Capital creditors						
Other financial liabilities			13,281.00			12,167.54
Total Financial Liabilities			60,240.11	0.00	0.00	51,681.64

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

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.

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

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.

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

50. Lease arrangements & Guaranteed amount

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
a) Premises taken on operating lease:		
The Company has operating leases for facility at International Ship Repair Facility (ISRF) and Cochin Shipyard Mumbai Ship Repair Unit (CMSRU). These lease arrangements with Cochin Port Trust (CoPT) and Mumbai Port Trust are for 30 years and 29 years respectively, which are non-cancellable leases. The Company has operating leases for facilities at Nazirgunge and Salkia, Dist. Howrah, West Bengal. These lease arrangements with Hooghly Docks & Ports Engineers Ltd are for 60 years and are non-cancellable leases.		
b) Guaranteed amount:		
The amount which CSL has undertaken to pay to Cochin Port Trust during the contract period of 30 years.		
With respect to non-cancellable operating lease, the future minimum lease payment and Guarantee amount as at Balance Sheet date is as under:		
For a period not later than one year	2316.26	646.55
For a period later than one year and not later than five years	10267.93	3693.30
For a period later than five years	128570.69	68406.60

51. 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, 2019	As at March 31, 2018
Segment Assets		
Ship building	246394.20	231887.2
Ship Repair	195899.31	168349.5
Others	82316.16	148111.37
Total	524609.67	548348.07
Segment Liability		
Ship building	39406.47	89620.66
Ship Repair	25944.31	23368.86
Others	125867.12	109248.88
Total	191217.90	222238.40

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
External Sales		
Ship building	213018.41	173185.70
Ship Repair	83197.46	62326.63
Unallocated	4166.66	3482.41
Total	300382.53	238994.74
Interest Income	18514.73	15440.04
Unallocated		
Total Revenue		
Ship building	213018.41	173185.70
Ship Repair	83197.46	62326.63
Unallocated	22681.39	18922.45
Total	318897.26	254434.78
Accretion(-)/Decretion to Work in progress		
Ship building		1002.26
Ship Repair		(3512.65)
Total		(2510.39)
Segment Result		
Ship building	44502.83	41471.88
Ship Repair	23729.27	13145.75
Unallocated	6519.43	5806.51
Total	74751.53	60424.14

The Company has two major business segments – “Ship Building” and “Ship Repair”. Revenue under Ship building includes Rs. 206934.28 lakhs (Previous year: Rs. 144334.95 lakhs) from two Customers (Previous year: one Customer) having more than 10 % revenue of the total revenue. And for Ship repair, revenue includes Rs. 61572 lakhs (Previous year: Rs. 40014.22 lakhs) from one customer (Previous year: one Customer) having more than 10% revenue of the total revenue.

52. 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).

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

₹ in Lakhs

Particulars	As at March 31, 2019	As at March 31, 2018
Long term borrowings	12300.00	12300.00
Net Debt	12300.00	12300.00
Equity Share Capital	13154.04	13593.60
Other equity	319710.00	311953.71
Total Equity	332864.04	325586.69
Gearing Ratio	3.70%	3.78%

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2019 and March 31, 2018.

53. Details of Subsidiaries

	Name	Relationship	Nature of activity	Principal place of business	As at 31st March 2019 Proportionate ownership in %
1	Hooghly Cochin Shipyards Limited	Subsidiary	Construction of vessels of various types and repairs thereof	India	74%

54. Summarised financial information of subsidiary company is as follows:

The amounts disclosed for subsidiary are before inter-company eliminations

₹ in Lakhs

Summarised Balancesheet	2018-19	2017-18
Non-current assets	1053.13	623.68
Current assets	5599.73	1556.86
Total Assets	6652.86	2180.54
Non-current liabilities	4400.00	0.00
Current liabilities	223.12	17.61
Total Liabilities	4623.12	17.61
Net Assets	2029.74	2162.93
Accumulated NCI	527.73	562.36

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

₹ in Lakhs

Summarised Statement of Profit & Loss	2018-19	2017-18
Revenue	0.00	0.00
Profit/(Loss) for the year	(133.19)	(37.07)
Other Comprehensive Income	0.00	0.00
Total Comprehensive Income	(133.19)	(37.07)
Profit/(Loss) attributable to NCI	(34.63)	(9.64)
Summarised Cashflows	2018-19	2017-18
Cashflows from operating activities	(1457.98)	(110.47)
Cashflows from investing activities	(213.91)	(12.85)
Cashflows from financing activities	4400.00	1628.00
Net increase/decrease in cash and cash equivalents	2728.12	1504.69

55. 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, 2019	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%	333207.81	99.94%	48117.79	100.71%	-195.17	100.00%	47922.62	100.71%
Subsidiary									
Hooghly Cochin Shipyard Limited	74.00%	1502.01	0.45%	-98.56	-0.21%	0	0	(98.56)	-0.21%
Non-controlling interest		527.73	0.16%	-34.63	-0.07%	0	0	(34.63)	-0.07%
Consolidation adjustments		(1845.78)	-0.55%	-205.83	-0.43%	0	0	(205.83)	-0.43%
Grand Total		333391.77	100.00%	47778.77	100.00%	-195.17	100.00%	47583.60	100.00%

56. 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.
57. Balance shown under Trade Receivables, Trade Payables, loans, deposits and claims are subject to confirmation and consequent reconciliation, if any

Notes to the Consolidated

Financial Statements for the year ended 31st March 2019

58. 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.
59. Figures in brackets denote negative figures.
60. 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

V KALA

Company Secretary

SURESH BABU N V

Director (Operations)
DIN - 07482491

D PAUL RANJAN

Director (Finance) & Chief Financial Officer
DIN - 06869452

MADHU S NAIR

Chairman and Managing Director
DIN - 07376798

Kochi, dated May 21, 2019

As per our report attached

For **Elias George and Co.,**

Chartered Accountants

(Firm Registration No.000801S)

THOMSON THOMAS

Partner

(Membership Number: 25567)

Kochi, dated May 21, 2019

Concept & Design: www.corpcommstudio.in

Cover Page Design: www.conceptindia.com

Printer: www.sapprints.com



COCHIN SHIPYARD LIMITED

www.cochinshipyard.com