



SEC/48/2017-63

November 12, 2020

<p>The Manager, Compliance Department, BSE Limited, Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai – 400 001.</p>	<p>The Manager, Compliance Department, The National Stock Exchange of India Ltd., Exchange Plaza, Bandra - Kurla Complex, Bandra (East) Mumbai – 400 051.</p>
<p>Scrip Code/Symbol: 540678/COCHINSHIP</p>	

Dear Sir / Madam,

**Subject: Monitoring Agency Report for the Quarter ended September 30, 2020**

1. The Monitoring Agency Report issued by the State Bank of India (“the **Monitoring Agency**”) for the Quarter ended September 30, 2020 pursuant to the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 is enclosed herewith for the purpose of dissemination of information widely to the members.

Thanking you,

For Cochin Shipyard Limited

**Syamkamal N**  
Company Secretary &  
Compliance Officer





**FORMAT OF REPORT TO BE SUBMITTED BY MONITORING AGENCY**  
[See regulation 82 (2) and 82 (3)]

**Report of the Monitoring Agency**

Name of the Issuer: **COCHIN SHIPYARD LIMITED**

For quarter ended: **SEPTEMBER 30, 2020**

Name of the Monitoring Agency: **STATE BANK OF INDIA**

(a) Deviation from the objects: **NO DEVIATION**

- Utilization different from Objects stated in the offer document but in line with change of objects approved by shareholders' resolution;
- or
- Utilization neither in line with Objects stated in the offer document nor approved by shareholders' resolution
- In case there is no deviation, the same shall be stated.

(b) Range of Deviation\*: **NOT APPLICABLE**

Indicate the range of percentage deviation from the amount of issue proceeds earmarked for the objects. For example, up to 10%, 10 - 25%, 25-50%, 50-75%, 75-100%, not ascertainable etc.

\* The range of deviation may be computed by taking weighted average of financial deviation of each object in the ratio of issue proceeds allocated for it. Non-financial deviation may be indicated separately by way of notes.

**Declaration:**

We hereby declare that this report is based on the format as prescribed by SEBI (ICDR) Regulations, 2018, We further declare that this report provides a true and fair view of the utilization of the issue proceeds.

We declare that we do not have any direct / indirect interest in or relationship with the issuer/promoters/directors/management and also confirm that we do not perceive any conflict of interest in such relationship / interest while monitoring and reporting the utilization of the issue proceeds by the issuer.

Signature:

Name and Designation of the Authorized Signatory:

Designation of Authorized person/Signing Authority:

*P.V. VISWANATHAN.*  
*Asst. General Manager.*

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കൊച്ചിയിലെ ഭാഗ്യ എറണാകുളം  
വങ്കാരത്ത് ടവേഴ്സ്  
എൻ.എച്ച്. പാസിലൂടെ ബാങ്ക്  
പാടിവട്ടം, കൊച്ചി - 682 024

वाणिज्यिक शाखा एरणाकुलम  
वन्कारत्त टवेर्स  
एन.एच. पैपास जंक्शन  
पाटिवट्ट, कोच्चि - 682 024

Commercial Branch Ernakulam  
Vankarath Towers  
NH By - Pass Junction  
Padivattom, Kochi - 682 024

1) **Issuer Details:**

Name of the issuer : **COCHIN SHIPYARD LIMITED**  
 Names of the promoter : The President of India acting through Ministry of Shipping  
 Industry/sector to which it belongs : Ship building and ship repair

2) **Issue Details:**

Issue Period : 1<sup>st</sup> August 2017 – 3<sup>rd</sup> August 2017  
 Type of issue (public/rights) : Public Issue  
 Type of specified securities : Equity shares  
 IPO Grading, if any : Nil  
 Issue size (in Rs. crore) : Fresh Issue of up to 2,26,56,000 equity shares of face value of Rs.10 each aggregating to Rs. 961.95 crore.

3) **Details of the arrangement made to ensure the monitoring of issue proceeds:**

(Give item by item description for all the objects stated in offer document separately in following format)

Particulars	Reply	Setting up of Dry Dock	Setting up of ISRF	General Corporate Purposes	Comments of the Monitoring Agency	Comments of the Board of Directors
Whether all the utilization is as per disclosure in Offer Document?	Yes/No	Yes	N.A.	N.A.	Yes	-
Whether Shareholder approval has been obtained in case of material deviations <sup>#</sup> from expenditures disclosed in the Offer Document?	Yes/No	N.A.	N.A.	N.A.	N.A.	-
Whether the means of finance for the disclosed objects of the Issue has changed?	Yes/No	No	No	No	No	-
Is there any major deviation observed over the earlier monitoring agency reports?	Yes/No	No	No	No	No	-
Whether all Government / statutory approvals related to the object(s) have been obtained?	Yes/No	Yes	Yes	N.A.	Yes	-
Whether all arrangements pertaining to technical assistance/collaboration are in operation?	Yes/No	Yes	Yes	N.A.	No deviation reported	-
Are there any favorable events improving the viability of these object(s)?	Yes/No	No	No	No	No such events noticed/ reported	-
Are there any unfavorable events affecting the viability of these object(s)?	Yes/No	No	No	No	No such events noticed/ reported	-
Is there any other relevant information that may materially affect the decision making of the investors?	Yes/No	No	No	No	Nil	-

<sup>#</sup> Where material deviation may be defined to mean:

a) Deviation in the objects or purposes for which the funds have been raised

b) Deviation in the amount of funds actually utilized by more than 10% of the amount projected in the offer documents.

**4) Details of object(s) to be monitored:**

(i) Cost of object(s)-

(Give Item by Item Description for all the Objects Stated in Offer Document separately in following format)

Sl. No.	Item Head	Portion of the Original Cost of the project to be funded by the IPO (Rs. in Crore)* Original Cost (as per Offer Document)	Revised Cost	Comments of the Monitoring Agency	Comments of the Board of Directors		
					Reason of cost revision	Proposed financing option	Particulars of firm arrangements made
1	Setting up of Dry Dock	510.00	-	No revision in cost reported	N.A.	N.A.	N.A.
2	Setting up of ISRF	265.00	-	No revision in cost reported	N.A.	N.A.	N.A.
3	General Corporate Purposes**	165.23	-	No revision reported.	N.A.	N.A.	N.A.
	<b>TOTAL</b>	<b>940.23</b>					

\* Cost as indicated in the Objects Chapter of Prospectus dated August 4, 2017.

\*\* In the Offer Document, the gross proceeds from fresh issue was mentioned as Rs.961.34 Crore assuming the entire employee reservation portion would get fully subscribed, which was at a discounted price of Rs 411/-per share. Since the employee reservation portion did not get fully subscribed, the unsubscribed portion has been allotted to other categories in the respective ratios and hence there is a slight increase in the amount of issue proceeds. The actual issue proceeds comes to Rs. 961.95 crore; out of which Rs. 20 crore was estimated as CSL's share of issue expenses. However, CSL's share of issue expenses have now been estimated at Rs. 21.72 crore and accordingly, the net issue proceeds have been reduced to Rs. 940.23 crore. The increase in the issue expenses have been adjusted against the General Corporate Purpose and the portion of General Corporate Purpose in the net issue proceeds is reduced to Rs. 165.23 crore.

(ii) Progress in the object(s)-

(Give item by item Description for all the Objects Stated in Offer Document separately in the following format)

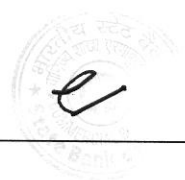
Sl. No.	Item Head <sup>§</sup>	Amount as proposed in the Offer Document (Rs. in Crore)	Amount utilized (Rs. in Crore)			Total unutilized Amount (Rs. in Crore)	Comments of the Monitoring Agency	Comments of Board of Directors	
			As at beginning of the quarter	During the quarter	At the end of the quarter			Reason of idle funds	Proposed Course of Action
1	Setting up of Dry Dock at Existing premises of Cochin Shipyard Limited, Cochin.	510.00	480.27	21.29	501.56	8.44	The actual completion date of the project has been revised to December 2022 due to various factors, the major contributor being the COVID-19 Pandemic. Details provided at Notes below.	Please refer Notes below.	
2	Setting up of ISRF at Cochin Port Trust Area, Cochin	265.00	265.00	-	265.00	-	-	-	-
3	General Corporate Purposes	165.23	165.23	-	165.23	-	-	-	-
	<b>TOTAL</b>	<b>940.23</b>	<b>910.50</b>	<b>21.29</b>	<b>931.79</b>	<b>8.44</b>			

<sup>§</sup> Provide following details under Item Head:

(a) Name of the object(s):

(b) Brief description of the object(s):

(c) Location of the object(s) (if applicable):



## Notes

1. Tendering of CME works delayed by 02 months due to re-engineering design for optimization.
2. Construction period was increased by 06 months due to inclusion of ground improving works for more feasibility in execution.
3. Finalization of contract took 88 days for establishing techno-commercial points with required clarity.
4. CSL has awarded the Turnkey Contract for CME works to M/s. L&T Construction Chennai and contract signed on May 25, 2018. Construction works commenced on June 01, 2018.
5. Unprecedented flood that devastated Kerala in August 2018, the heavy monsoon and flood during 2019 hampered progress.
6. The activities carried out at night shift are being affected due to collective resistance from nearby dwellers regarding noise and vibrations.
7. Unforeseen drifting of Sunken Flap Gate has hindered the completion of critical works like cofferdam, pump house works and Earth work excavation for the dock floor. The said unforeseen hindrance was successfully salvaged on October 05, 2020 and towed to the existing CSL Dry Dock on October 16, 2020.
8. Due to the outbreak of COVID-19 Pandemic and unforeseen obstruction due to Sunken Flap Gate, M/s. Larsen & Toubro (Construction contractor) has notified the force majeure event. The Company has intimated the cessation of force majeure effective from September 01, 2020 with regard to the Pandemic and October 16, 2020 with regard to the unforeseen obstruction due to Sunken Flap Gate to M/s. Larsen & Toubro (Construction contractor).
9. Also, M/s. Hyundai Samho Heavy Industries, Korea has notified the force majeure event from February 26, 2020 onwards and force majeure is still continuing.
10. The lockdowns and night curfew due to COVID-19 Pandemic disrupted the material supply and labour availability (experienced on their exodus) resulted in the extremely low productivity.
11. Even though the construction work by L&T partially restarted from April 27, 2020 post second lockdown, for complying MHA guidelines with respect to the social distancing norms the works are performed with 50% labour strength, which is a major hindrance in the project's progress in the backdrop of the limited project area available.
12. Significant shortage of labours at site due to non-availability of long distance trains and surging COVID-19 cases in Kerala.

### (iii) Deployment of unutilized IPO proceeds-

Sl. No.	Type of Instrument where the amount is invested	Name of Bank	Amount Invested (in Rs.)	Date of Deposit	Date of Maturity	Earnings (at maturity) (in Rs.)	Return on Investment (RoI) (Interest Rate)	Market Value as at the end of the quarter
1	Fixed Deposit	Union Bank of India	1,99,00,000	04-07-2020	02-10-2020	1,96,274	4.00%	-
2	Fixed Deposit	Union Bank of India	1,99,00,000	09-07-2020	08-10-2020	2,23,262	4.50%	-
3	Fixed Deposit	Canara Bank	2,00,13,471	21-07-2020	05-10-2020	1,29,183	3.10%	-
4	Fixed Deposit	Canara Bank	2,00,15,741	22-07-2020	06-10-2020	1,29,197	3.10%	-
5	Fixed Deposit	Canara Bank	2,00,18,010	23-07-2020	07-10-2020	1,29,212	3.10%	-
6	Fixed Deposit	Canara Bank	3,00,00,000	27-07-2020	01-10-2020	1,68,164	3.10%	-
7	Fixed Deposit	Canara Bank	1,99,99,754	28-07-2020	07-10-2020	1,55,615	4.00%	-
8	Fixed Deposit	Canara Bank	1,50,00,000	29-07-2020	08-10-2020	1,16,712	4.00%	-
9	Fixed Deposit	Canara Bank	1,59,00,000	29-07-2020	09-10-2020	1,25,458	4.00%	-
10	Fixed Deposit	Canara Bank	1,00,00,000	30-07-2020	10-10-2020	78,904	4.00%	-
11	Fixed Deposit	Canara Bank	1,00,04,090	30-07-2020	09-10-2020	77,840	4.00%	-
12	Fixed Deposit	Union Bank of India	30,50,70,253	02-08-2020	05-11-2020	25,80,560	3.25%	-
13	Fixed Deposit	Union Bank of India	4,50,22,457	31-07-2020	03-11-2020	3,80,841	3.25%	-
14	Fixed Deposit	Canara Bank	5,02,96,507	01-08-2020	01-10-2020	2,60,577	3.10%	-
15	Fixed Deposit	Canara Bank	1,99,00,000	06-08-2020	09-11-2020	2,09,768	4.05%	-
16	Fixed Deposit	Canara Bank	1,99,00,000	06-08-2020	11-11-2020	2,14,184	4.05%	-
17	Fixed Deposit	Canara Bank	1,05,20,338	06-08-2020	10-11-2020	1,12,063	4.05%	-

Sl. No.	Type of Instrument where the amount is invested	Name of Bank	Amount Invested (in Rs.)	Date of Deposit	Date of Maturity	Earnings (at maturity) (in Rs.)	Return on Investment (RoI) (Interest Rate)	Market Value as at the end of the quarter
18	Fixed Deposit	Canara Bank	1,40,19,980	11-08-2020	15-10-2020	99,868	4.00%	-
19	Fixed Deposit	Canara Bank	1,99,00,000	20-08-2020	17-05-2021	6,62,425	4.50%	-
20	Fixed Deposit	Union Bank of India	30,65,82,605	03-09-2020	18-10-2020	10,96,138	2.90%	-
21	Fixed Deposit	Canara Bank	3,45,00,000	29-09-2020	01-12-2020	1,84,599	3.10%	-
22	Current Account	State Bank of India	42,419	-	-	-	-	-
23	Current Account	Union Bank of India	2,08,386	-	-	-	-	-
<b>TOTAL</b>			<b>1,02,67,14,010</b>			<b>73,30,843</b>		

**Note:** An amount of Rs. 94,22,74,397 has been received as interest which is included in the above table.

*\*Where the market value is not feasible, provide NAV/NRV/Book Value of the same*

(iv) Delay in implementation of the object(s)-

Object(s)	Completion Date		Delay (No. of days/months)	Comments of the Board of Directors	
	As per the Offer Document	Actual*		Reason of delay	Proposed Course of Action
Setting up of Dry Dock at Existing premises of Cochin Shipyard Limited, Cochin.	June 2020	December 2022	30 Months	Please refer Note No. 1 below.	-
Setting up of ISRF at Cochin Port Trust Area, Cochin.	August 2022	August 2022	NIL	Please refer Note No. 2 below.	

*\* In case of continuing object(s) please specify latest/revised estimate of completion date.*

#### **Note No. 1**

1. Tendering of CME works delayed by 02 months due to re-engineering design for optimization.
2. Construction period was increased by 06 months due to inclusion of ground improving works for more feasibility in execution.
3. Finalization of contract took 88 days for establishing techno-commercial points with required clarity.
4. CSL has awarded the Turnkey Contract for CME works to M/s. L&T Construction Chennai and contract signed on May 25, 2018. Construction works commenced on June 01, 2018.
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8. Due to the outbreak of COVID-19 Pandemic and unforeseen obstruction due to Sunken Flap Gate, M/s. Larsen & Toubro (Construction contractor) has notified the force majeure event. The Company has intimated the cessation of force majeure effective from September 01, 2020 with regard to the Pandemic and October 16, 2020 with regard to the unforeseen obstruction due to Sunken Flap Gate to M/s. Larsen & Toubro (Construction contractor).
9. Also, M/s. Hyundai Samho Heavy Industries, Korea has notified the force majeure event from February 26, 2020 onwards and force majeure is still continuing.

10. The lockdowns and night curfew due to COVID-19 Pandemic disrupted the material supply and labour availability (experienced on their exodus) resulted in the extremely low productivity.
11. Even though the construction work by L&T partially restarted from April 27, 2020 post second lockdown, for complying MHA guidelines with respect to the social distancing norms the works are performed with 50% labour strength, which is a major hindrance in the project's progress in the backdrop of the limited project area available.
12. Significant shortage of labours at site due to non-availability of long distance trains and surging COVID-19 cases in Kerala.

**Note No. 2**

1. CSL had initially placed order for the procurement of shiplift & transfer system on the consortium of M/s Broehl GmbH, Germany & M/s IMG, Germany on January 19, 2017. Meanwhile, M/s Broehl became insolvent and hence CSL had to renegotiate and finally, contract for the procurement of shiplift & transfer system signed with the consortium of M/s IMG, Germany & M/s Syncrolift AS, Norway on December 10, 2019. Accordingly, delivery schedule of shiplift components will be in such a manner to achieve the milestone, viz., "Completion of Shiplift and transfer system, yard for 2 vessels and berths for afloat repair" by May 2021.
2. All possible steps are being implemented to upkeep the project completion date of Aug 2022 even with the prevailing impacts of COVID-19 Pandemic. Nevertheless it depends on the effect of COVID-19 crisis pertinent to the associated disruptions in material and labour shortage being experienced. Force Majeure notice issued by main construction contractor, ship lift supplier, crane supplier and other contractors/ vendors. Even though the works partially restarted from April 27, 2020 post lockdown, progress of work is impacted due to the restrictions mentioned in MHA orders especially in the backdrop of the limited project area available for execution.