

Transcript of the 51st Annual General Meeting of Cochin Shipyard Limited held on September 28, 2023

Moderator

A warm welcome to one and all present at the 51st Annual General Meeting of Cochin Shipyard Limited. For the benefit of the shareholders, I will brief certain points regarding the participation at this Annual General Meeting.

The facility to join this Annual General Meeting through video conferencing or other audio-visual means has been made available for members on a first-come, first-serve basis. All the members who have joined this meeting have by default been placed on mute mode by the host to avoid any disturbance arriving from the background noise and to ensure the smooth and seamless conduct of this meeting. Once the question-and-answer session starts, we will announce the names of the shareholders who have registered as speaker shareholders, one by one. The speaker shareholder will thereafter be unmuted by the host, to start speaking. The shareholder is requested to click on the 'video on' button only once and wait till the video is on. If the shareholder is not able to join through the video for any reason, the shareholder can speak through the audio mode. While speaking we would request the speaker to use the earphones so that the speaker is clearly audible, minimize any noise in the background, ensure that Wi-Fi is not connected to any other device, no other background applications are running, and there is lighting to have a good video experience.

If there is a problem with connectivity at the speaker shareholder's end, we would request the next speaker to join. Once the connectivity improves, the speaker shareholder may be called to join again to speak after other registered speakers complete their turn. We would request the speaker shareholder to please limit their speech to three minutes. All the questions will be answered together at the end. During the AGM if any member faces any technical issue, he/she may contact the helpline number of NSDL mentioned in the notice of the AGM. Now, I request the Chairman and Managing Director of the Company to please preside over the meeting and commence the proceedings.

Chairman

Good morning, ladies and gentlemen. Namaste. I would like to welcome all the shareholders to the 51st Annual General Meeting of the Company. As the requisite quorum is present, I now call the meeting to order. I shall now introduce the Directors and other officials who are attending the meeting.

Shri Bejoy Bhaskar, Director (Technical).

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

Shri Sreejith. Narayanan, Director (Operations).

Smt. Amrapali Prashant Salve, Non-official Independent Director and Chairperson of the Risk Management Committee.

Shri Nahar Singh Maheshwari, Non-Official Independent Director and the Chairperson of the Corporate Social Responsibility and Sustainable Development Committee.

Shri Ashok Sharma, Non-official Independent Director and Chairperson of the Nomination and Remuneration Committee.

Shri Prithviraj Harichandan, Non-Official Independent Director and Chairman of the Audit Committee.

Shri M Venkatesan, Non-Official Independent Director and Chairperson of the Stakeholders Relationship Committee.

Shri Abhijit Biswas, Non-Official Independent Director and

Shri Syamkamal, Company Secretary.

Shri Rajesh Kumar Sinha IAS, Nominee Director, Govt. of India and Shri Biju Prabhakar IAS, Nominee Director, Govt. of Kerela could not attend the meeting due to other engagements. We also have Shri Venkatesapathy S IAS, Director in the Ministry of Ports, Shipping and Waterways, the nominee of the President of India joining this meeting. The secretarial auditors and the statutory auditors are also attending this meeting through video conferencing. I thank all the members for joining this meeting.

We are holding this Annual General Meeting through video conferencing in compliance with the directions of the Ministry of Corporate Affairs and the Securities & Exchange Board of India. The Company has taken requisite steps to enable members to participate and vote on the items being considered at this AGM. Members who have not cast their vote to the resolutions through the remote e-voting may cast their vote through the e-voting system during the AGM. The Annual Report for the Financial Year 2022-23 was sent on 5th September 2023 to all the shareholders through email in compliance with the directions of the Ministry of Corporate Affairs and SEBI. The physical copy of the Annual Report of 2022-23 was also sent to those shareholders who had requested the same. For your information, since there is no physical attendance of the members the requirement of appointing proxies is not applicable.

The registers as mentioned in the notice as required under the Companies Act 2013 are available for inspection electronically. Notice of this meeting was sent by electronic means to those members who were entitled to receive the same. With your kind permission, ladies and gentlemen, I take the notice as read. Since the statutory auditors and secretarial auditors have given unqualified opinions, the auditor's report is not required to be read at this meeting.

Now, I take this opportunity to give you a short presentation on the performance of the Company and the future prospects. I now request the presentation to be loaded. I will go through this presentation. What we are covering in this presentation are these points that are flashed on the screen. At CSL, I am very happy to inform the Company and the shareholders that CSL has been upgraded to Schedule A Company in July 2023. So, now your Company is Schedule A Category 1, Mini Ratna PSU. The shareholding of the Government of India is 72.86% and the remaining is with the public. We have a highly experienced senior leadership and a rather young workforce. The Company is technologically strong Company and financially stable, profit-making for the last 28 years, and consistently dividend-paying for the last 20 years.

The Company is active in two large divisions – Shipbuilding and Ship repair and column no 4 shown here, the Marine Engineering Training Institute (METI). In 2021 we also formed a new division called C-SAS: Cochin Shipyard Limited Strategic and Advanced Solutions. So, right now the business units of the Company are Shipbuilding, Ship repairs & C-SAS. METI is not considered a business division. It is a highly righteous division of CSL, providing training, running and DGS-approved Graduate Marine Engineer and residential courses for Marine Engineers.

Your Company is today spread both on the east and the west coast of India. The main organization of the Company, including headquarters of the Company is at Kochi which is the main facility, which is shown in the yellow shaded box, on the west coast in Kerala. Serial no. 2 is the new ISRF, Kochi, the International Ship Repair Facility and emerging new ship lift-based ship repair facility coming in Kochi. Serial no. 3 is our Ship repair unit in Mumbai. We call it CMSRU – CSL Mumbai Ship Repair Unit. Serial no. 4 is CKSRU in Kolkata – CSL Kolkata Ship Repair Unit. Serial no. 5 is Andaman & Nicobar Ship Repair Unit in Port Blair (CANSRU) – CSL Andaman & Nicobar Ship Repair Unit. The Company has also got two fully owned subsidiaries, HCSL (Serial no.6) – Hooghly Cochin Shipyard Limited (HCSL) at Howrah, West Bengal & (Serial no. 7) Udupi Cochin Shipyard Limited (UCSL) at Udupi, Karnataka. So, there are seven units, two subsidiaries and four ship repair locations and then the main unit, which covers the east and the west.

The Corporate structure of the Company is a 12-member Board, which is responsible for the affairs of the Company. The Chairman & Managing Director and the 4 functional Directors including the CMD, two Official Directors and 6 Independent Directors constitute the Board. The Company was listed in August 2017 and we are listed both on BSE and NSE. The present market capitalization of the Company is about Rs. 14500 crores and the percentage of GOI shareholding is 72.86%. The remaining 27.14% is with the public.

This picture of what you are seeing with the Honourable Prime Minister of India is when the Company was listed along with then Minister of Ports, Shipping and Waterways, Shri Nitin Gadkari.

The Company is a rather lean organization, with total permanent employees as of now 2,081 spread across executive supervisors and workmen as shown on the screen. In addition, 1,136 employees have been engaged on short-term contracts, typically 3 years and can go up to 5 years. The spread between executives and workmen is shown on the pie chart. On the right side, the Company is fully compliant with all the rules and regulations promulgated by the GOI as far as representation of various groups is concerned for OBC, SC & ST and the persons with benchmark disabilities and economically weaker section. On a given day we have about 5,500 workers of contractors including permanent employees. So, in Cochin Shipyard we have 7,500 people coming in. Today with the other units that are spread across India approximately 10,000 people of various denominations would be working in our organizations. The Company generally has harmonious industrial relations and there is a policy of participative management with trade unions.

I will now go through the operational events in the financial year 2023 and the first half of 2024. I am not going through point by point what is mentioned here. I am sure you could just go through these, but very important events. Two fully Electric Autonomous Barges vessels were delivered by your Company to a Norwegian client. The pride of last year was when the first indigenous aircraft carrier INS Vikrant was commissioned in the services of the Country in the month of August by the hands of our honourable Prime Minister Shri Narendra Modi. Our subsidiary Company has been delivering fishing vessels under the PMMSY.

There are various other highlights. The ASW SWC – Anti-Submarine Warfare Shallow Watercraft for the Indian Navy is under various stages of construction currently in the year. The Company is also constructing 08 number of 7000 DWT multipurpose vessels for German clients. The subsidiary Company UCSL – Udupi Cochin Shipyard Limited has bagged orders for altogether 4 number of high-performance Bollard-pull tugs for private clients M/s. Ocean Sparkle Limited and M/s. Polestar Maritime Limited and they have been a very significant achievement. The other subsidiary Company has also bagged its first shipbuilding contract. Four Electric Hybrid vessels were delivered to Water Metro in Kochi and incidentally the Water Metro – which is the first Water Metro in the country was inaugurated by the Honourable Prime Minister early this year. Subsidiary Company Udupi

Cochin Shipyard Limited has delivered one Purse Seiner Vessel and Five Deep Sea Long Liner Vessel during this time. The Naval Ship Repair Yard (Karwar), Indian Navy has signed a Multiple Refit Contract (MRC) with CSL for Water Jet Fast Attack Craft Refits. Keel Laying of the 7000 DWT vessels have happened. Also, CSL has won a very important significant contract from the Indian Navy for what is called an MR/ Midlife Upgrade of an Indian Naval Ship. This contract is estimated to be more than Rs. 300 crores (approx.) and the significance is that the successful completion of this contract could actually pave the path for more such upgrades which the Indian Navy has been conducting. We cut steel for the 2 CSOV vessels which we have procured from the Pelagic Group, Cyprus and these are again significant vessels for CSL. High-value contracts from Europe and this CSOV which are Commissioning Service Operation Vessels will be used for commissioning and service support for offshore Wind Turbine installations worldwide. This is CSL's first entry into this very exciting segment. The subsidiary Company in Kolkata will be building 6 number of Hybrid Electric Catamaran for IWAI. The contracts have been secured by CSL, but the vessels will be built by HCSL in Kolkata. A very significant order has been received in UCSL for a series of 6 number of new generation diesel electric 3800 DWT cargo vessels for a private client in Norway M/s. Wilson AS. The estimated contract value is Rs. 580 crore and there are options, there are further 8 more potential options tied to this contract. The first Tug 62 Ton Bollard Pull Tug was launched by UCSL last week.

The financial performance is flashed on the screen. The Q1 financial performance has been largely in line with the predictions and it has been flashed on the screen. I will touch upon the infrastructure augmentation. You are all aware that CSL has been constructing a large new stepped dry dock 310m dry dock and as we are speaking the progress is 81% completed. We are targeting the completion of the dry dock by 31st December 2023. The picture you are seeing down below the top floor has been practically completed for 310 m and work is moving on in full swing. There has been made a Rs. 1,799 crores investment by your Company. The next large expansion project being undertaken is the ISRF project for undertaking ship repairs. This is a ship lift-based ship repair facility with 6 work stations, the physical progress is 80% and the expected completion date is December 2023. I am happy to inform you that the ship lift platform which will come in the ship lift pitch in the picture that has been shown in the top right, the far end point is the ship lift pit. That ship lift platform has already arrived at the location and has been loaded on to the civil structure.

There are certain green initiatives and innovative initiatives. The hydrogen fuel cell vessel. It is a pilot project to develop India's first hydrogen fuel cell boat. The targeted completion is this month. There could be a little bit of delay on this but this vessel is in its advanced stages and the vessel is funded to the tune of 75% under R&D funding by the Ministry of Ports, Shipping and Waterways. Also, CSL has contracted 8 numbers of Electric Catamaran Ferries to be deployed in the rivers of India at locations of Varanasi, Mathura, Ayodhya and Guwahati. Out of those 8 vessels, 2 vessels will be delivered from the Kochi Unit and 6 vessels will be delivered from the subsidiary Hooghly Cochin Shipyard Limited. The Company has initiated a Maritime Start-up program called USHUS and it is being implemented by two very reputed entities. One is the Indian Institute of Technology Madras, Chennai and the other one is the Indian Institute of Management Kozhikode. Now, these two entities who are classed as a review and recommending agencies may implement the initial corpus which is Rs.50 crores from CSL. We expect this to trigger the start-up ecosystem in the maritime space within the country. The Board of Directors of CSL has also approved an autonomous surface vessel pilot project to develop the Indian Autonomous Surface vessel capabilities.

On the corporate social responsibility front the Company has done well and spent exceeding the statutory compliance or requirements as per the rules. We have a three-tier CSR administration setup in CSL. The highest level is at the board of directors and the CSR committee is at tier-2 which is again Board level Committee, composed of the Board

Members. Then there is an executive committee comprising 6 cross-functional executives. So, there is a very robust methodology and projects are largely within the area of Kerala. But with the Company moving and spreading across India, there are more and more projects being developed in the lengths and breadth of the country. These are a few snapshots and the pie chart on the left shows what have been the thrust areas. Largely the thrust has been on health and nutrition, education and rural development. These three have been the main part of the CSR spent and a little bit on sports, environment and culture, empowerment and livelihood programs. A few snapshots from activities we have done.

The current order book position of the Company is healthy and robust. The total order book position is around Rs. 22,000 crores and it is spread over defence, the commercial domestic and the commercial export. The subsidiaries are also reasonably well-placed. We are trying for more orders for the Kolkata subsidiary. The Subsidiary UCSL is fairly well-placed. The two pie charts show the order book position on the left and on the right one accounts for the commercial orders. The green segment is very exciting to note and convey to the shareholders because we are an active player in the international green vessel segment. Ship repair is also doing well, we cannot define an exact order book but it is upwards of Rs. 700 crores. There is a strong order pipeline also. Order pipeline is something which the Company has not yet secured but the Company has the potential and the Company is targeting various possibilities and that is shown on the screen. There are from the Naval side, from the commercial side and from the export side, altogether the Company is chasing an order pipeline of Rs. 16,000 crores, various things are under tender. We can't say today what orders we will be able to bag. But we are actually in line to do generally well. Also, we see that in Indian Defence there are various projects and programs in the advanced stages, RFP – Request for Proposal which is that they have already been bid out and they have asked for quotations. There are significant projects at the RFI at the mid-stage. RFI – Request for Information. Once the defence or the navy gets the information then they evaluate it and then they come up with an RFP that is the methodology. So, there are significant ones in the future order pipeline and possibilities that the Company is expecting to tap reasonably well. Thank you.

That conveys in a gist the performance of CSL and the performance last year.

Now, I would request the Company Secretary to explain the sequence of the meeting and the process of voting on the resolutions of the meeting.

Company Secretary

Thank you, Sir. Good morning all the shareholders. The Companies Act 2013 and the SEBI Listing Obligations and Disclosure Requirements Regulations, 2015 requires to provide electronic voting facility on the resolutions set out in the Notice of the AGM. Accordingly, the Company had provided remote e-voting facility to its members from 25th September 2023 to 27th September 2023. The Company is also providing the e-voting facility, administered by NSDL, during the AGM.

The e-voting facility during the meeting is provided for members present through video conferencing and have not cast their vote earlier. Members can cast their vote through the voting page of the NSDL e-voting website. Shri Arun K Kamalobhavan, Partner, M/s. Mehta & Mehta, Company Secretaries has been appointed as the Scrutinizer to scrutinize the votes cast through remote e-voting and e-voting during the AGM. Since the AGM is being held through video conferencing or other audio-visual means and the resolutions mentioned in the notice convening this AGM have already been put up to vote through remote e-voting, there will be no proposing and seconding of resolutions.

Thank you.

Moderator

Thank You so much, Sir. It is now time for the members who have registered as speakers to ask their questions. I will call out the name of the registered speaker shareholders one by one. Please note that each speaker will be allowed to speak for three minutes only. We shall start with the first person on the list of registered speaker shareholders. We have with us Ms. Celestine Elizabeth Mascarenhas. Madam, you have been unmuted. Can you proceed with your video turned on, please?

Celestine Elizabeth Mascarenhas

I go through the formal path because there are so many AGMs. Respected CMD M.S. Nair, other Members of the Board and my dear fellow shareholders, I am Mrs. C.E. Mascarenhas. I am speaking from Mumbai. First of all, I thank the Company Secretary and his team for sending me an e-annual report and also for giving me this platform to speak, and registering me as a speaker. I would prefer a physical annual report you can send in due course because Cochin and Mazagaon are one of important defence things, and we are very much interested in them. So, please do send it.

Now, very good work and not to miss such a good dividend of Rs. 17/- per share, three times. I really appreciate that, and very good market capitalization, now I will ask that you completed 50 years of Golden Jubilee. I would ask for a split. Our market cap has gone to such a high level so if you give other preference comfort needs a split. 31:37. I will directly come to the questions.

I would like to know if we have done any rating of the ESG and if so, what is our rating score and on which platform we are there?

The next question is we are a global hub for shipbuilding, ship repairing and refit as we have a very state-of-the-art infrastructure, dedicated and committed skilled, my query is here which vertical is our core competence, whether shipbuilding, ship repairing & refit? You can send it to my e-mail also, no problem.

What is the CAPEX for the next three years for enhancing our manufacturing capacities, especially from the IT tools like AI, Blockchain, cloud, Cloud computing etc.? How much do we spend on these tools, percentage of the spend to the total spend?

We have an International Ship Repair Facility (ISRF), how does this contribute to our margin?

We have a total employee fixture of 2,081 and a temporary 1,136. What is the average age and attrition level? With this, I support all the resolutions.

I wish my Company will become one of the biggest yards, in shipping. I pray for that and I pray for the good health of all of you. Thank you, and God bless us all. Thanks once again.

Moderator

Thank you so much, Madam. Proceeding with the next speaker shareholder we were supposed to have with us, Mr. Santosh Chopra, but unfortunately, he is not a part of the meeting yet. So, going ahead with the next speaker shareholder who is in attendance as of now, is Mr. Yusuf Yunus Rangwala. Mr. Yusuf, we are ready for your question.

Yusuf Yunus Rangwala

Very good morning, Sir. Bombay se Yusuf Rangwala baat karta hoon. Sir, this is a Kerala Company, Vanakam. Last year Sir aap ko 50 years hua tha. 50 years ka aap ne hame dry fruit bhi nahi bheja. Mithai bhi nahi bheja hai. Kaisa chalega sir? Aap ko Golden Jubilee year hua aap hame bhul gaye sir, par dekho sir aaj I have got 24 meeting but sab chodke, kyunki aap ki chahat, aapki lagan aur aap ki mohabbat jo hame chhu jaati hai, aur aap ke share department ke baare mein kya kehna sir, aisa share department hum ne kahi nahi dekha. Sir, Mazgaon Dock ka bhi mein shareholder hu, Sir, woh bhi same business mein hai. Sir.

1)Mazgaon Dock aur apne mein kya competition hai?

2)Total no of staff kitne hai factory mein?

3)Dividend app ne Rs.13/- diya that is very good for Rs.10 face value, aaj market apna value bhi accha hai.

This shows how our Company is growing up, I would like to visit Cochin sir, I have never visited your factory. A factory visit if possible after November-December, mujhe please bulaye Sir, aur nahi ho sake toh mujhe video bhejia, email bhejia mere mobile pe. How the factory is? How the CSL is going on Sir? This is my humble request aur ho sake toh aap ke Secretary Sir ko mujhe phone karne ke liye bolna aur mujhe sir app ki taraf se sir memento chahiye, Sir. Ye 50 years hogaye hai, ye nahi chalta hai Sir. Aap ne bonus bhi nahi diya sir? Last year aap ne bonus kyu nahi decalre kiya? Kya aap ne bonus diya tha ye mera question hai? Aap ko 50 years-Golden Jubilee hua usme aap ne Bonus declare kiya tha? aur nahi kiya tha toh aap ne kab kiya tha muje ye jaan na chahta hoon? Chairman Sir, aap ke baare mein kya kehna sir, mein aap ke saath juda hua hoon aur aap ki Company full Government Company hai. It is a part of the Government, aur aap ne bataya tha ki jab listing hua tha in 2017, Kerala ke bhi Minister and Prime Minister waha aaye the. Ye dikhata hai ki how our Company is going on. Aur aap sab Government ke rules and regulations chalte hai sir. I am very happy and very proud to be a shareholder of this Company. Ho sake toh sir mujhe factory visit karana aur diwali mein mujhe bhoolna mat. Ek chota sa sher pesh karta hoon sir "Apni Chale hai Chale Hai, Karwa Chalte gaye, aur apni mohabbat aap se Judi hui hai, Dil ki khushby, kaliyon ki bahar aur apna saath hamesha rahe". Aaj bohot Company ka meeting hai, sab chod ke aaya hoon aap ki chahat mujhe khich layi hai. Sir mujhe factory visit karvana, itni meri request hai. Thank you very much. Khuda Hafiz, have a good day Sir. No questions from my side. Thank you, Sir, good day Sir.

Moderator

Thank you so much, Mr. Yusuf. Proceeding with the next speaker shareholder we have with us, Mr. Jaydip Bakshi. Mr. Jaydeep you have been unmuted we are ready for your question. You can also have your video turned on if you like.

Jaydip Bakshi

A very good morning Chairman, Directors of Board, myself Jaydip Bakshi, connecting from the city of Kolkata. Thanks to our Company Secretary for giving me an opportunity to express my views and to the entire Secretarial department and to our moderator for conducting the video conferencing in a very smooth manner. Chairman sir appreciate your speech and the video which was shown was explanatory. It was in detail about our current situation and how we plan to move forward. So, no questions are there to be asked in this regard. I am proud to be a part of this legacy spanning 5 decades in this Industry. We are now a global hub for shipbuilding. So no doubt on of the innovative ones.

Sir, do we foresee any risk factors in the future and the raw material cost anything which can impact/ hamper our business or affect our margins? Sir, with these emerging technologies

and all these new technologies how much are we getting up in our daily utility program for daily production like that?

What is our investment in the R&D sector through which we can come up with more innovative and new products so that we can be ahead of the crowd. Also, kindly share your thoughts regarding our energy efficiency program and carbon neutralization program. Nothing more Sir, I wish, Sir, under your guidance our Company will come up with much better results and reward the shareholders handsomely. Any possibility of planning a plant visit, kindly inform us so that we can also avail the opportunity and greetings for presenting today's video conference. Thank you, Sir.

Moderator

Thank you, so much. So, this was Mr. Jaydip. Proceeding ahead, we have Mr. Rahul Paliwal. Mr. Rahul you have been unmuted, can we have your video turned on for the questions please?

Rahul Paliwal

First of all, congratulations, on your superb performance and superb presentation on the extraordinary capabilities of this wonderful set-up. Very impressive had this been a private limited Company the market cap could have crossed Rs.1 lakh crore and we wish that it will cross. So, a few questions if the management is noting them down and kindly do answer as this is one of the opportunity to talk to you. So, we really wanted to know more about your capabilities, potential and the opportunities, which India is getting into. So few questions:

- 1) What is the capability of these unmanned vehicles, green hydrogen, electric ferries is this all in-house? Or we have some kind of MoUs, or joint venture on these?
- 2) And if these are inhouse are these patented or do we have certain kind of patents planned in these kinds of capabilities?
- 3) What is our R&D strength because if it is our in-house capabilities then these are super achievements like unmanned vehicle, then the other vessels you talked about it is super awesome, so what is our R&D team strength and what is their general profile?
- 4) Then you talked about water metros. Now, you know, road routes, our destinations, stations, our flight routes are full, we feel that waterways and water metros are the next big opportunity. How do you look at it and any project about it, like what is its market size down the line?
- 5) Definitely there is an initiative by you on the Marine Start upside, that Hackathon. So, far, is there any ROI on this front, like in terms of technological capabilities or anything else?
- 6) May I know the cash or debt in the books? What is OPEX, which is needed to have occurred yearly for the current order book?
- 7) What kind of CAPEX is planned considering you need to be at the onshore locations to be to build and to serve the clients? These are unique locations, and you have a competitive advantage moat in the business that geographical locations of yours cannot be duplicated. You cannot have a dry port and build the vessels, you know? That is another capability. So, how do you see and how do you look at these kinds of things?

Looking forward to a great future and wishing you the best. You are one of the part of the nation building. All the best, Sir.

Moderator

Thank you so much. This was Mr. Rahul. Going ahead, we have with us Ms. Swechha Jain. Ma'am, you have been unmuted. Can we have your question please?

Swechha Jain

Thank you, Sir, for giving me this opportunity. My first question is about the order book. So, in your presentation, you did mention that we have Rs. 22,000 crores worth of order books. You have also splinted it into defence, commercial domestic and commercial export but you know would you be able to tell us where is the exact vessel in terms of its shipbuilding and what are the delivery dates for each of these vessels you know where are we in terms of you know the progress in terms of shipbuilding in each particular order that we have?

If you could give me a revenue break up in FY-23 into defence, commercial, domestic, commercial export and also the ship repair? Sir, any CAPEX guidance for FY-24 and FY-25 because our dry dock and ship repair facility will be done by December. Can you guide us on what further CAPEX we are planning to do over the next two years?

Sir, we have got an order which you also mentioned in your commentary of 2 commissioned service operational vessels and 6 next generation missile vessels and 2 zero-emission feeder containers, if you could give us the order value of these three specific orders and the timelines of delivery? Also, Sir our subsidiary has got an order of multipurpose cargo vessel. So, Sir if you could explain to us what is the current stage of construction I believe we have started working on it. What is the order value and the execution timeline for this? Also, the order value for 6 battery electric passenger ferries and the execution timeline and our UCSL subsidiary has also received new 6-gen diesel-electric cargo vessels, so again, I would need the order value and the execution timeline for all of these orders.

Sir, also wanted to understand, with all the ship-building facilities that we have, including our subsidiaries and with the new dry dock coming up and the repair facility coming up so wanted to understand what is the peak capacity for us in this sense that at any given point in time, having all these capacities and with the new capacity also coming in, you know at single point in time how many ships can we build and repair simultaneously across all our facilities? So, what is our peak shipbuilding or the peak ship repair kind of a thing that we can do? Sir, what kind of margins can we expect in both the shipbuilding and ship repair segments for the next two or three years. And if any revenue guidance you can give for the next two years for FY-24 and FY-25?

Sir, I have some balance sheet-related and P&L-related questions. First, about cash: if you could help us, how much is our cash from the total cash that we have on our balance sheet? We have taken right now in the form of expected credit loss to the tune of Rs. 110 crores in the trade receivables. Sir, if you could explain what this is related to? Also, we have written back some provision of Rs. 56 crores in other income. Could you also explain what this provision was and why we have written it back? There is a contract liability for other works to the tune of Rs. 3,872 crores so if you could explain what this line item is? Then there is an exceptional item, which is to the tune of Rs. 61 crores and the line item is a prior period error of Rs. 61 crores so if you could explain that. Sir, I know you have mentioned in the Annual Report that there have been reasons for declining revenue and PAT, which were explained in the last concall. Still, if you could just run us through again, which did, we see a decline in revenue and the profitability in FY-23? With that, thank you so much for listening to all my queries. Thank you so much, Sir. I really appreciate this.

Moderator

Thank you so much. Going ahead with our next speaker shareholder we have with us, Mr. Manoj Kumar Gupta. Mr. Manoj, you have been unmuted and we are ready for your questions.

Manoj Kumar Gupta

Respected Chairman, Board of Directors and fellow shareholders. My name is Manoj Kumar Gupta. I have joined this meeting from my residence in Kolkata. Sir, I feel proud to be a part of Cochin Shipyard Limited. I feel proud of the PSU Government Companies under the leadership of our visionary Prime Minister Shri Narendra Modi. Thanks to you and your team for a good result of the Company for FY-2022-23. Thanks to the Company Secretary and his team for helping me join this meeting through VC. Due to some technical issues raised today. I registered my name as a speaker on 20th September 2023 at 9 am but when I did not get a link, I called you on your office this morning. Thanks to the team for sending me the link and I have joined the meeting. I feel proud of the CS and his team and Sir, I hope that PSU Companies will give such type of efficient treatment to serve the people.

Sir, I was expecting that you would start the meeting with the National Anthem because this Company belongs to the GOI and is a supplier to defence, and we feel proud. Yesterday, I felt proud to see that SAIL had started their AGM with the National Anthem and said thanks to their Chairman. This should be there because we belong to the Government, and the National Anthem should be there. So, Government nominees are listening to my views and they will insist in future we start the proceedings of AGM of government-listed companies with the national anthem.

What is the plan for the growth of the Company? Sir, the G-20 Summit was a grand success under the leadership of our visionary Prime Minister, who has a vision and a road map for the country and the world because now we look behind, say, Modiji. That success will boost our economy and the defence sector. What will be your role in that sector? Because 32 top leaders were present in the first week of September and their presence will increase inspire of our economy and our defence sector. Sir, Atmanirbhar Bharat – Make in India: Yesterday, I was watching a live program from Gujarat which says that people should be inspired to purchase that thing in which it is mentioned on their product label that this product is made in India or Make in India and that will inspire the people to Make in India products. So, you should try to fulfil the vision of our Prime Minister that Atmanirbhar Bharat and Make in India with that logo and export the products to several countries. You are exporting to the U.S. and other countries.

Thanks to you for the good return to the investors. Last year our share price was three digits and today our share price is four digits and we expect that when we meet next our share price will be five digits and we will get a good return in future. Split of shares; you can consider if the government allows you to split of shares either 2:1 or 5:1 to increase liquidity and market capitalization. Plan to merge the subsidiaries. It is very difficult to keep the subsidiaries. Do you have any plan to merge the 100% subsidiaries to reduce the paper cost, manpower and extra? So, you should consider.

You have already covered several questions about the order book and other things. You have mentioned the passenger ferries from Varanasi, Ayodhya, and Mathura, so it is a good sign. People will enjoy because these two destinations will become the tourist hub in future in 2025 we will see that more than 60 million people will come to Varanasi and 200 million people will come every year to Ayodhya. So, that will help people to enjoy their rides in the water ship that Cochin Shipyard Limited produces.

Sir, what is the status of multipurpose cargo? When this cargo vessel will be launched? Electric Ferry: when will you be able to supply this electric ferry? Trade receivable of Rs. 110 crore is very striking in the mind of the investors, what steps are you taking to recover that amount? Have you filed any case against the defaulter if not, then ask your legal department to take proper legal action in this regard. Now, please change the regime in 2024. The tax systems have changed in the banks and the banking code, and banks are also in a hurry to recover their dues. So, you need to recover that amount. You are paying money to the legal department. So, should think about recover your money.

Last but not the least, Sir, try to call the AGM earlier in the month of July or August. This year, I have found several AGM of the PSU were held in August. So, you should also try to conduct your AGM in July or August. Wish you a happy Puja and Deepawali to all of you and wish God to give you more success in the coming time to take the company to new heights to return to the employees and investors and try to increase the female workforce in your permanent chart, Sir. Thank you.

Moderator

Thank you so much. This was Mr. Manoj Kumar Gupta. Thank you so much on the views of the Company and the appreciation of the Company. So, this brings us to the end of all the registered speaker shareholders' questions. Now, we would like to go over to the Chairman and the rest of the Board members to respond to the queries raised. Thank you so much, Sir. Over to you.

Chairman

Thank You. What I will do is against the questions that have been received here, I will try to give a general answer and then a more detailed answer we will actually present in writing. Initially, like the first question which was asked by M/s. C.E. Mascarenhas and she asked us specifically, if the Company have an ESG rating. CSL has an ESG rating by CARE and the ESG score is 54. It falls under the category called Average, and this is an initial set of rating that is coming. The Company also has a well-defined digital dashboard for which the ESG scores are tracked. There were also questions regarding the average age of the workforce and other questions were asked. I can tell that the Company, from the workmen's point of view and the officer's point of view, workmen's average age is just about in the age of 40+ and workmen are about 42-45 years, and the exact answer will be furnished later.

The question on potential stock split has been mentioned. It was also mentioned by Mr. Manoj Kumar Gupta, who also asked about the potential split of shares. There were also questions regarding potential bonus shares. These are matters which the Company will consider as appropriate, also in-line with various directives and advice which we have. Also the Board of Directors will discuss this in line with the market conditions. So, the point is well taken.

I come to questions by Shri Yusuf Yunus Rangwala. He actually wanted to understand if a visit to CSL would be possible. Largely CSL visits are not normally permitted because CSL also builds Defence weapons and there are Defence assets in the Company also. The Company is governed under the Factories Act, where there are very strict safety guidelines but the point is well noted, because this point has come from other shareholders also. We will evaluate whether it is possible once or twice in a year whether there could be a window for the desiring shareholder for visiting the Company, but I do not want to make assurance. We will evaluate this possibility.

There was a question regarding a comparison between Mazgaon Dock and Cochin Shipyard Limited. I would not want to get into comparisons probably. The information is available in

the public domain, but largely Mazgaon Dock is a respected organization under the Ministry of Defence. Cochin Shipyard Limited is an organization under the Ministry of Ports, Shipping and Waterways and CSL handles shipbuilding, ship repair and in both shipbuilding and ship repair, we handle both defence and commercial spaces. Mazgaon Dock is largely into defence space, but other information, I would think is largely available in the public domain. The dividend payout was appreciated. We intend to continue with our dividend policies in line with the stated policies of the Company.

Mr. Yusuf Rangwala was also alluding to mementos or gifts for the occasion of the 50th year. I would actually like to say that the Company performing good should be treated as a gift largely for the shareholders. We had questions from Mr. Jaydip Bakshi. Mr. Bakshi wanted to know about any risk factors in raw materials and other aspects. I just want to convey that commodity pricing is always a factor, but CSL, with its experience, caters within section largely after the ship building contracts or concurrent ship building contracts or back-to-back arrangements, and this is how we ride over or do not get ourselves exposed to large levels of risk factors. Again, Mr. Bakshi also requested for a plant a visit, which I already explained. The question is about emerging technologies and how the Company is adapting. In my presentation, we have said CSL is a very strong player in the new emerging technology space, especially in Europe. The Company is heavily focused on this space, energy efficiency, and carbon credits, yes all this under both shipbuilding, new projects and also under the plant side. Your Company, as of now, CII – Confederation of Indian Industry, a silver rated Company. We are currently doing a re-rating of this process this year. There is a very clear emphasis in this direction. You talked about the R&D investments and what we are potentially doing. So, the hydrogen fuel cell vessel, the autonomous surface vessel, all these are the innovative push which we are trying to give along with the Maritime start-up support and potentially, if we find a good company worth investing by way of equity that is also contemplated under the Maritime start-up policy. A plant visit was alluded. We will try and see what is possible.

The next speaker was Mr. Paliwal, who asked about the autonomous vessel and the hydrogen fuel cell vessel, and yours is the question if all this is in-house or with a JV? On the hydrogen fuel cell vessel, the fuel cell is being developed by an Indian tech Company. Along with them, we have actually marinized and certified this for the maritime sector. The Company is developing a fuel cell for many other land applications and automobile applications. For autonomous vessels for what has been delivered, we have had partnerships with Norwegian Companies for indigenous autonomous vessels that we are trying to deliver. We do have a teaming up with DRDO, the Indian Institute of Technology, and we are teaming up with at least 6 start-up organizations, and one large tech company in India. There is a teaming up methodology with about 10 organizations because when these technologies when you are trying to develop within the country, CSL will not be able to do this.

The question was also asked if all of this is in-house? What is the strength inhouse – our engineering strength, our design and engineering group is approximately 300 strong, it is a very strong group, with mechanical engineers, electrical engineers, naval architects, electronics and instrumentation engineers and highly experienced other kind of people, multidisciplinary people. So, it is an approximate 300 strong design organization. As I explained in our presentation, we also created a new strategic and advanced solution division currently around 20 strong people. So the design and engineering and the C-SAS group along with what we call a Weapons Integration Group in our ship repair. These are our knowledge units. So, significant skill sets and significant knowledge are in-house and teaming up is also a part of the method as we move forward.

Questions whether appropriate patenting and other things are being looked at? Yes, the Company is looking at it, protecting rights and privileges as and when required. Question

about the water metro, we, along with the Ministry of Ports, Shipping and Waterways are contemplating a fairly large-scale rollout of such ecosystems in India. Cochin Shipyard is strongly supporting various initiatives.

Questions on cash and debt on books, that will come in writing and I do not want to give that information. And CAPEX plan, the FY-23-24 CAPEX plan is Rs. 360 crores. We could actually be doing a little bit more than that also, but the planned CAPEX is Rs. 360 crores, and for FY 24-25 the planned CAPEX is Rs. 355 crores. Ms. Swechha Jain raised questions, there have been a lot of questions, and I would largely because all questions were very detailed, and we will have to come back in and give that information about the order book and delivery dates and the exact dates across various segments. We can furnish that, probably like we have our investor presentation also uploaded on the website. So, that also gives a fair bit of information.

CAPEX guidance I just conveyed – the CSOVs, 6-NGMVs and the 2 Samskip vessels were alluded to. The two CSOVs are approximately Rs.1,050 crores, the 6-NGMVs are approx. Rs. 9,600 crores, and the 2 Samskip vessels are approximately Rs. 600 crore. Also, the subsidiary companies' situations were asked Udupi Cochin Shipyard Limited; the new orders from the Wilson Brothers, as I mentioned in the presentation, were for 6 vessels for Rs. 580 crores; the Hooghly Cochin Shipyard Limited the 6 electric vessels and 2 electric vessels from Cochin, Ms. Jain had asked when they will be delivered, 2 electric vessels from CSL will be delivered by December 2023, and HCSL 6 electric vessels delivery will start from May 2024 onwards. Questions were asked about peak capacity, we can't exactly define peak capacity but largely in CSL at any given point of time around 12-16 vessels would be under various stages of construction and certain vessels would be under various stages of engineering. In Udupi Cochin Shipyard Limited, there are two projects currently ongoing. So, 4 projects are currently ongoing, and the Wilson brothers project will also start. In Hooghly Cochin Shipyard Limited, which has a much smaller shipyard, there is one river bulk carrier under construction, and then the electric vessel construction will start. So, generally, in the subsidiary companies around 4-6 vessels are under various stages of construction and in the main unit, around 12-16 vessels of different sizes and variations are under various stages of construction.

Questions on cash, the expected loss in exceptional items. I would request the Director (Finance) and Company Secretary to take note of this and upload at a later date. Then the last question came from Mr. Manoj Gupta the question on the National Anthem, was well appreciated. CSL in all its physical events make sure that the National Anthem is played with prominence and absolute due respect is given. The Company is clearly aligned with the national initiatives, and the Company is a very clear nation-building organization. The future growth of the Company, G-20 and the CSL's growth was alluding to the Make in India, this is exactly what the Company is involved in. So, Make in India – Make for India; and Make in India and Made for the World, as seen from our exports of green vessels into Europe. Regarding the question about subsidiaries and merging the subsidiaries, we have created and evolved the subsidiaries. These 100% owned subsidiaries are separate because they are slightly different segments. Cochin Shipyard Limited has been in the large weapon, shipbuilding and ship repair space, and we would actually like to create a clear niche for our two subsidiaries, the UCSL, to become the Tug capital of India – the Tug capital to serve the world, also to have high-end niche coastal vessels for the Indian market and the European Market and HCSL to be centre for our river vessels. So, these are in different segments, and that is why, at this stage, we are keeping it as a subsidiary so that their merging has not been discussed.

The MPV vessels and the electric vessels I have explained about. The MPV is for the German clients and the delivery will start from Q3 of this year and the electric ferries, again I explained that the first two vessels will be delivered from Cochin will be December 2023 and

the first vessels from HCSL will start from May of 2024. Trade receivables legal action was alluded to. We are very clearly aware of trade receivables and we are cognizant. This is being tracked by the organization continuously. But it should also be recalled that CSL does business with long-term relations with most of Companies, and most organizations. The Indian Navy is a major client for us, along with the Shipping Corporation of India, Dredging Corporation of India, and other sister organizations, both in the Government and at various levels we have clients. When the market is difficult, we will have a little bit of trade receivables coming in. Our method would be to sit, discuss and try to understand difficulties. Legal action, if at all, will be the last case scenario, which we will get into only if all options fail; we do not think there is any such situation. There is no alarming cost on our receivables we expect everything to be sorted out as we move forward. Having the AGM at an earlier date, your point is well noted will take note of this and see what best is possible.

So, I generally covered, the questions and specific details would be uploaded by the Company secretary in discussion with CMD and other Directors. Before concluding the AGM, I would like to say that the requisite quorum was present throughout the meeting. The e-voting facility will remain open for the next 30 minutes, results will be announced within 48 hours after the conclusion of the meeting and the same will be intimated to the stock exchanges and uploaded on the website of the Company and NSDL. I thank the shareholders for attending the meeting and, for the continuous support and, for showing keen interest in the Company, for seeking clarifications on various matters. I also thank Shri Venkatesapathy S IAS, nominee of the President of India, CSL Directors, secretarial auditors and statutory auditors for joining this meeting remotely. With this, I declare the meeting concluded. Thank you, Namaste, Jai Hind.

Moderator

Thank you so much, everybody, for attending the 51st Annual General Meeting of Cochin Shipyard Limited. Thank you so much.