Green Engineering *for a* Blue planet

HOOGHLY COCHIN SHIPYARD LIMITED

Annual Report
2023-24

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Disclaimer

Some information in this report may contain forward-looking statements. We have based these forward-looking statements on our current beliefs, expectations and intentions as to facts, actions and events that will or may occur in the future. Such statements generally are identified by forward-looking words such as "believe", "plan", "anticipate", "continue", "estimate", "expect", "may", "will" or other similar words. A forward-looking statement may include a statement of the assumptions or basis underlying the forward-looking statement. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution you that forward-looking statements and assumed facts or bases almost always vary from actual results, and the differences between the results implied by the forward-looking statements and assumed facts or bases and actual results can be material, depending on the circumstances.

Corporate Information

BOARD OF DIRECTORS

Shri Madhu Sankunny Nair
Chairman

Shri Bejoy Bhasker
Non – Executive Director

Shri Jose V J
Non – Executive Director

Shri Sreejith K Narayanan
Non – Executive Director

Shri Harikrishnan S
Non – Executive Director

Smt. Anjana K R
Non – Executive Director

COMPANY SECRETARY

Shri Kiran K A

LEADERSHIP TEAM

Shri Sanil Peter
Chief Executive Officer (CEO)

Shri Saibal Chattopadhyay
Chief Financial Officer (CFO)

REGISTERED OFFICE

Administrative Building
HCSL Premises, Satyen Bose Road,
P.O. Danesh Shaikh Lane, Nazirgunge,
Howrah, West Bengal – 711 109
CIN: U35900WB2017GOI223197

FACILITIES

Nazirgunge, West Bengal
Salkia, West Bengal

STATUTORY AUDITORS

M/s. S K Basu & Co.
20/5/2/2, Bisweswar Bannerjee Lane
Howrah – 711 101

SECRETARIAL AUDITORS

M/s. SEP & Associates
Company Secretaries
Building No. C.C 31/1590
Felix Road, Thammanam
Cochin, Kerala – 682 032

BANKERS

State Bank of India
Union Bank of India
Standard Chartered Bank
Federal Bank

About Us

Hooghly Cochin Shipyard Limited, a wholly-owned subsidiary of Cochin Shipyard Limited, epitomizes the convergence of cutting-edge technology, innovation, and tradition; setting new benchmarks in the maritime industry

Kolkata's maritime heritage forms a cornerstone of India's historical and economic fabric. From the iconic Howrah Bridge and Kolkata Port to the Dockyards and the strategic importance of the Hooghly River, Kolkata remains pivotal to Eastern India's maritime activities. Hooghly Cochin Shipyard Limited (HCSL), while heralding a new chapter in this rich legacy, continues to uphold the traditions of Hooghly Docks, one of India's oldest shipyards. The shipyard's deep-rooted history and extensive experience of CSL in shipbuilding continue to guide its operations, as it embraces new challenges and opportunities in the modern era.

HCSL, erstwhile Hooghly Dock & Port Engineers Limited (HDPEL), with its storied past and strategic location along the Hooghly River often referred as Hooghly Docks, has long been a pivotal hub in India's maritime history, as one of the country's oldest and now meta-morphed into one of the most modern ship building facilities in India. HDPEL established in 1819, had a rich history, deeply intertwined with India's maritime industry. Over the years, the shipyard with its units in Nazirgunje and Salkia became known for its expertise, in building small to medium-sized vessels faced challenges such as aging infrastructure, financial constraints, and increased competition, which hampered its growth and efficiency.

Since its rebranding and acquisition by Cochin Shipyard Limited (CSL) in 2017, the facility has undergone extensive structural and technological enhancements, transforming into one of the most modern shipbuilding fortresses in India. Under the leadership of CSL, Hooghly Cochin Shipyard Limited is committed to redefining the shipyard experience, offering cutting-edge shipbuilding, repair, and consultancy services. This evolution showcases a relentless pursuit of excellence and innovation, positioning HCSL as a leading modern shipyard while preserving its rich maritime heritage. The transition to HCSL symbolizes both continuity and change, honouring the past while embracing the future of India's shipbuilding industry.

Backed by Cochin Shipyard Limited (CSL), HCSL represents a rejuvenated entity with modern infrastructure and enhanced capabilities. HCSL became a wholly owned subsidiary of CSL effective November 01, 2019, following approval from the Union Cabinet on October 03, 2019. In alignment with the Government of India's vision to develop National Waterways, as spearheaded by the Ministry of Ports, Shipping and Waterways through the Jal Marg Vikas project, CSL has transformed the Nazirgunge unit into a state-of-the-art shipbuilding facility.

Our Nazirgunge unit, equipped with state-of-the-art technology and an experienced workforce dedicated to timely task completion, is fully prepared to meet the demands for high-quality, specialized vessels in both Inland and Coastal segments. Our adherence to proven shipbuilding standards, inherited from our parent company, is further validated by our Integrated Management System (IMS) certification. We hold ISO 9001:2015 for Quality, ISO 14001:2015 for Environment, and ISO 45001:2018 for Health and Safety certifications from the Indian Register of Shipping (IRS).

HCSL specializes in constructing a diverse range of vessels, including tugs, barges, dredgers, hybrid electric and hydrogen fuel cell-powered vessels, and other types of inland and coastal ships. We cater to both domestic and international markets with a broad selection of standardized designs tailored to meet customer needs. Additionally, we provide comprehensive support through life cycle maintenance and upkeep services for all vessels.

A Few Highlights of the Facility at HCSL

1 **Strategic Location:** Situated along the Hooghly River in Kolkata, providing direct access to National Waterways.

2 **Modern Shipbuilding Facility:** State-of-the-art shipbuilding facility, with most modern equipment in all shopfloors with ample craneage.

3 **Slipways/Berths:** 2 numbers end launching slipways with winch and cradle system for vessels up to 80m, 3 fitout jetties each with 30x7m floating pontoons with gangways and 5T tower cranes, side launching slipway with fitout jetty under development to cater vessels up to 120m.

4 **Sustainability and Innovation:** The facility is designed to incorporate modern, eco-friendly technologies, promoting sustainability in shipbuilding. Aid in the indigenous construction of green vessels like hybrid and pure electric operated vessels, pure fuel and fuel cells technology operated vessels.

5 **Government Alignment:** HCSL's operations are closely aligned with the Indian Government's "Make in India" initiative, emphasizing domestic manufacturing and self-reliance in shipbuilding.

6 **Commitment to Quality, Safety and Environment:** Our commitment to QHSE procedures and standards, combined with a dedicated workforce, ensures the timely completion of every task, evidenced by our Integrated Management System (IMS) certification.

Our Ethos

VISION

- Emerge as an internationally preferred shipyard to construct world class merchant and defence ships, offshore vessels and structures in small ship segment.
- 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.

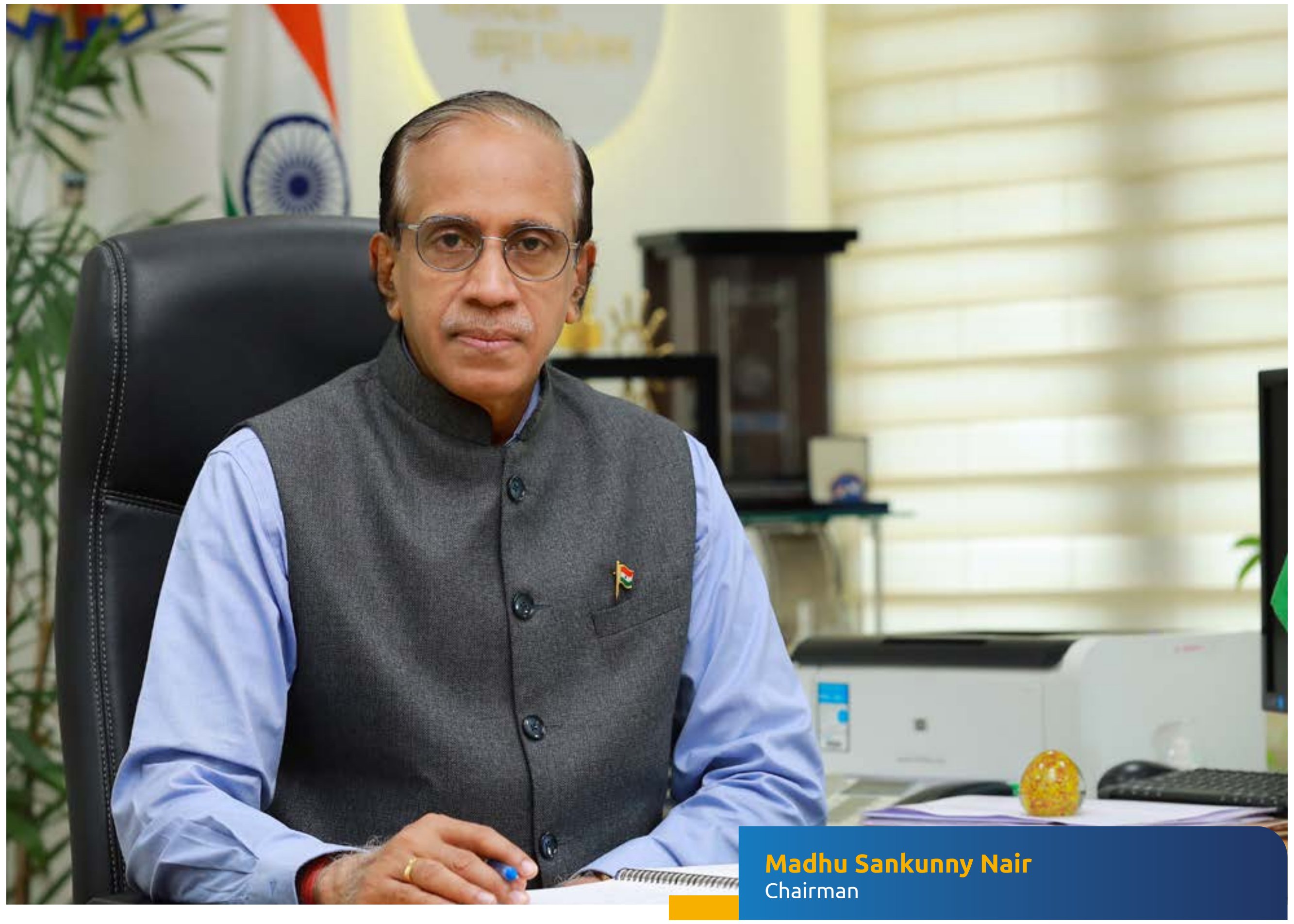
MISSION

- To build and repair ships 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.

Product Portfolio

- Tug
- Hybrid Electric Boat
- H2 Fuel Cell Vessel
- Workboat
- Ro-PAX
- Tow Barge
- Dredger
- RO-RO
- Marine Ambulance Boat
- Fishing Vessel
- Port Feeders
- Coastal LNG Tankers
- Research Vessel
- Defence Vessel
- Autonomous Electric Barge

Chairman's Address



Madhu Sankunny Nair
Chairman

Dear Shareholders,

It is with great pride that I present to you the 7th Annual Report of Hooghly Cochin Shipyard Limited (HCSL) for the financial year ended March 31, 2024. This past year has been one of significant milestones and achievements, underscored by our commitment to innovation, sustainability, and excellence in shipbuilding and repair.

HCSL has made remarkable strides since its inception as a wholly-owned subsidiary of Cochin Shipyard Limited. Our state-of-the-art facility at Nazirgunge, Howrah, inaugurated by the Hon'ble Minister of Ports, Shipping & Waterways, Shri Sarbananda Sonowal, continues to be a beacon of progress in the maritime sector. This facility, strategically located on the banks of the Hooghly River, is poised to become a premier hub for inland and coastal vessel construction and repair on the east coast of India.

In the past year, we ventured into the Electric Hybrid Catamaran segment, marking a significant step towards greener maritime solutions. We signed an agreement with Cochin Shipyard Limited for the construction of six such vessels for the Inland Waterways Authority of India. This is one of the projects that reflect our dedication to sustainable development and cutting-edge technology.

Despite being in the early stages of our commercial journey, our operational performance has been promising. We have secured contracts for various projects, including the construction of two 40T ASD Bollard Pull Tugs and one MPV for JAK Maritime & Logistics India Private Limited. We are also providing consultancy services for a new ship repair facility at Pandu, Assam.

> **"As we look ahead, our focus will be on leveraging our strategic location, advanced facilities, and skilled workforce to position HCSL as a leader in the maritime industry.**

However, it is important to acknowledge that we are still navigating the challenges of our nascent phase, as reflected in our financial performance for the year. The Company has earned a total income of Rs. 2,071.68 Lakhs from its operations during financial year 2023-24. However, the Company which is in the initial stages of commercial shipbuilding, has reported a loss of Rs. 3,005.81 Lakhs during the financial year 2023-24. While we reported a loss, we remain optimistic about the future as we continue to build on our foundations and expand our capabilities.

Our workforce remains the cornerstone of our success. We have maintained a robust and harmonious industrial environment, ensuring that our operations are carried out with the utmost safety and efficiency. The recruitment process to fill the required additional manpower positions is underway in a phased manner, with the aim of ensuring optimal staffing levels within the Company. The Company has also been proactive in enhancing our health, safety, and environmental standards, evidenced by our Integrated Management System (IMS) certification.

As we look ahead, our focus will be on leveraging our strategic location, advanced facilities, and skilled workforce to position HCSL as a leader in the maritime industry. We are confident that the coming years will bring further growth and success as we continue to navigate the evolving landscape of the shipbuilding and repair sector.

Pursuant to the Office Memorandum (OM) F. No. 18(8)/2005-GM issued by the Department of Public Enterprises (DPE) on July 08, 2014, the Company is in compliance with the Guidelines on Corporate Governance. The Company is committed to adopt the best Corporate Governance practices wherever possible and complies with the applicable DPE Guidelines on Corporate Governance. The Company also submits its quarterly progress reports on corporate governance within 15 days from the close of each quarter to the Ministry of Ports, Shipping and Waterways as recommended by the DPE in this regard. Further, the report on Corporate Governance prepared in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the DPE is included in the Annual Report.

Before concluding, I wish to convey my appreciation to the HCSL management led by the CEO for their continued support, commitment and contribution. I also wish to place on record my sincere gratitude to all the Board Members for their valuable guidance and support. I also thank Hon'ble Minister, Secretary and other officials of the Ministry of Ports, Shipping and Waterways, the Directors and Senior Management of Cochin Shipyard Limited (CSL), officials of the Government of West Bengal and Syama Prasad Mookerjee Port (SMP), Kolkata, for their unwavering support and trust. I also wish to convey my sincere thanks to the dedicated employees of the Company. We remain committed to steering Hooghly Cochin Shipyard Limited towards a future of sustained excellence and innovation.

Thank you.

Jai Hind

Madhu Sankunny Nair
Chairman
DIN: 07376798

Board of Directors

Shri Madhu Sankunny Nair
Chairman

Shri Madhu Sankunny Nair is one of the first directors of the Company. He is the Chairman and Managing Director of Cochin Shipyard Limited (CSL) from January 01, 2016. Shri Madhu Sankunny Nair holds a Degree of Bachelor of Technology (Naval Architecture and Ship Building) from Cochin University of Science and Technology, India and Masters in Engineering (Naval Architecture and Ocean Engineering) from Osaka University, Japan. He is trained in shipbuilding systems at IHI Shipyard at Kure, Japan and undergone JICA Specialized training at Overseas Vocational Training Centre (OVTA), Tokyo and Osaka International Centre, Osaka, Japan and did research in Joining & Welding Research Institute, during Masters in Engineering at Osaka University, Japan. He is the Fellow of The Royal Institution of Naval Architects, UK (RINA) and Fellow of Institution of Naval Architects, India. As a recognition for his valuable contributions, he has been bestowed with several accolades; 2024 Management Leadership Award, Rotary Icon 2023 Award, CUSAT Distinguished Alumni Award 2022, Samudra Manthan Prof K R Bhandarkar Award 2022, Pride of KMA Award, to name a few. He has approximately 36 years of work experience across the Ship Building and Ship Repair industry. He is also the Chairman of Udupi Cochin Shipyard Limited (UCSL), the other wholly owned subsidiary of CSL.

Shri Bejoy Bhasker
Non - Executive Director

Shri Bejoy Bhasker was inducted to the Board of HCSL with effect from April 25, 2018. He is the Director (Technical) of Cochin Shipyard Limited (CSL) from 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 completed Advanced Diploma in Management from Indira Gandhi National Open University. He was awarded the "Manager of the Year" award in 2014 by Kerala Management Association. He has approximately 36 years of work experience across areas such as ship design, ship building, outfit and ship repair. He is also a Director of Udupi Cochin Shipyard Limited (UCSL), the other wholly owned subsidiary of CSL.

Shri Jose V J
Non - Executive Director

Shri Jose V J was inducted to the Board of HCSL with effect from August 03, 2019. He is the Director (Finance) and Chief Financial Officer of Cochin Shipyard Limited (CSL) from August 2019. He is a member of the Institute of Cost Accountants of India and also holds a degree in Law from Government Law College, Ernakulam. Recently, he was honoured with the Best CFO Award 2024 in Best Returns (Large Cap) category by Dalal Street Investment Journal. He has approximately 33 years of work experience across diverse field viz., financial management, strategic planning, risk management, forex management, budgeting and cost control. He is also a Director of Udupi Cochin Shipyard Limited (UCSL), the other wholly owned subsidiary of CSL

Sreejith K Narayanan
Non - Executive Director

Shri Sreejith K Narayanan was inducted to the Board of HCSL with effect from March 26, 2022. He is the Director (Operations) of Cochin Shipyard Limited (CSL). He holds a degree in Bachelor of Technology (Mechanical) from Regional Engineering College, Calicut & Master of Business Administration from School of Management Studies, Cochin University of Science and Technology. He has more than 36 years of work experience across areas such as ship building, ship design and ship repair. He is also a Director of Udupi Cochin Shipyard Limited (UCSL), the other wholly owned subsidiary of CSL.

Shri Harikrishnan S
Non - Executive Director

Shri Harikrishnan S was inducted to the Board of HCSL with effect from July 21, 2023. He is the Executive Director (Shipbuilding) of Cochin Shipyard Limited (CSL). He holds degree of Bachelor of Technology in Mechanical Engineering, Master of Technology in Production Engineering, Master of Business Administration in International Business and Doctor of Philosophy (Ph D) degree in Mechanical Engineering. He has more than 28 years' experience in shipbuilding across areas such as design, inspection & quality control, production, procurement, planning & project management and ship repair.

Smt. Anjana K R
Non - Executive Director

Smt. Anjana K R was inducted to the Board of HCSL with effect from March 26, 2022. She is the Chief General Manager (Design) of Cochin Shipyard Limited (CSL). Smt. Anjana K R holds a Degree of Bachelor of Technology (Naval Architecture & Ship Building) from Cochin University of Science and Technology. She has more than 28 years of work experience across areas such as Ship Design, Ship Building hull, production engineering and Ship building materials procurement.

Leadership Team

Shri Sanil Peter assumed the role of CEO of Hooghly Cochin Shipyard Limited (HCSL) on December 15, 2023. He holds a Bachelor of Technology in Naval Architecture and Shipbuilding, an MBA in Marketing Management, and has completed Certificate Courses in Innovation, Leadership and Strategic Management from IIM Ahmedabad and the University of London. He is also a Fellow of the Royal Institution of Naval Architects (RINA) and a Chartered Engineer (CEng) accredited by the UK Engineering Council. With 25 years of experience in the Marine and Offshore industries, Shri Sanil Peter has worked with renowned shipyards in the Middle East, Singapore, and Australia before joining Cochin Shipyard Limited. Over the past seven years, he has been associated with Cochin Shipyard Limited, showcasing his extensive expertise in ship design, ship repairs, ship construction, contracts management and yard development projects.

Shri Sanil Peter
Chief Executive Officer (CEO)

Shri Saibal Chattopadhyay took over charge as the CFO of HCSL with effect from February 14, 2022. He is a member of the Institute of Cost Accountants of India (ICMAI) as well as the Institute of Company Secretaries of India (ICSI). He has a rich experience across areas related to finance with various large corporates at different capacities. Prior to joining HCSL, he worked as Director Finance of HIL (India) Limited (formerly Hindustan Insecticides Limited). He had also worked with Rashtriya Chemicals & Fertilizers Limited (RCF) and Hindustan Copper Limited (HCL).

Shri Saibal Chattopadhyay
Chief Financial Officer (CFO)

Statutory Reports & Financial Statements

Directors' Report

Dear Shareholders,

1. Your Directors have immense pleasure in presenting the 07th Annual Report of your Company together with the financial statements for the year ended March 31, 2024, the Report of the Statutory Auditors and the comments of the Comptroller and Auditor General of India (C&AG) under Section 143 (6) (b) of the Companies Act, 2013.

About the Yard

2. Hooghly Cochin Shipyard Limited (HCSL) was initially set up as a joint venture between CSL and Hooghly Dock & Port Engineers Limited (HDPEL) on October 23, 2017. Pursuant to the approval of the Union Cabinet, CSL acquired the shares held by HDPEL and with effect from November 01, 2019 HCSL became a wholly owned subsidiary of CSL.

3. The construction of the yard with new state-of-the-art ship building and repair facility at Nazirgunge, Howrah was completed and the facility was dedicated to the nation by Shri Sarbananda Sonowal, the Hon'ble Minister of Ports, Shipping & Waterways and Ayush, Government of India, on August 16, 2022. The Facility has been set up in an area of 15.76 acres on the banks of river Hooghly with an intention to position itself as a premier shipbuilding/ repair yard in the east coast of India for inland and coastal vessels. HCSL also has another unit at Salkia having 9.90 acres land, where developmental activities will be commenced in near future.

Operations

4. During the reporting period, HCSL entered the Electric Hybrid Catamaran segment by signing an agreement with CSL on March 23, 2024, for the construction of six Electric Hybrid Catamaran vessels for the Inland Waterways Authority of India (IWAI). HCSL also had the privilege of signing another contract for two 40T ASD Bollard Pull Tugs with Industrial Handling Private Limited, Kolkata. Furthermore, the Company is building one MPV (2200T) for JAK Maritime & Logistics India Private Limited, Kolkata and is serving as consultants for IWAI in setting up a new ship repair facility at Pandu, Assam. The Yard is also working towards completing the order for the design, construction, installation, and commissioning of a Box Caisson Gate from CSL to be positioned and commissioned at Netaji Subhas Dock at Syama Prasad Mookerjee Port, Kolkata.

Financial Details

5. The Company being in the initial years of commencing its commercial business has reported a loss of ₹3,005.81 Lakhs (₹2,033.59 Lakhs PY) during the financial year 2023-24.

Financial Highlights

(₹ in lakhs)

Sl. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	Gross Income	2404.47	1761.33
(ii)	Profit/(Loss) Before Finance cost, Depreciation & Tax	(922.80)	(166.63)
(iii)	Finance cost	718.94	889.98
(iv)	Depreciation & Amortisation expenses	843.45	723.64
(v)	Profit/(Loss) Before Tax	(2485.19)	(1780.25)
(vi)	Tax Asset/(Liability)	(520.62)	(253.34)
(vii)	Net Profit/(Loss)	(3005.81)	(2033.59)

Share Capital

6. The authorised share capital of the Company as on March 31, 2024 is ₹2,00,00,00,000/- (Rupees Two Hundred Crores only) divided into 14,40,00,000 (Fourteen Crore Forty Lakhs) equity shares of ₹10/- (Rupees Ten only) each aggregating to ₹1,44,00,00,000/- (Rupees One Hundred and Forty Four Crores only) and 5,60,00,000 (Five Crore Sixty Lakhs) preference shares of ₹10/- (Rupees Ten only) each aggregating to ₹56,00,00,000/- (Rupees Fifty Six Crores only).

7. The paid-up share capital of the Company as on March 31, 2024 is ₹1,96,00,00,000/- (Rupees One Hundred and Ninety Six Crores only) divided into 14,00,00,000 (Fourteen Crores) equity shares of face value of ₹10/- (Rupees Ten only) each aggregating to ₹140,00,00,000/- (Rupees One Hundred and Forty Crores only) and 5,60,00,000 (Five Crore Sixty Lakhs) preference shares of face value of ₹10/- (Rupees Ten only) each aggregating to ₹56,00,00,000 (Rupees Fifty Six Crore only). The entire paid-up share capital is held by Cochin Shipyard Limited (CSL).

Debentures

8. During September 2023, the Company redeemed 4,40,000 (Four Lakh Forty Thousand) Unsecured Redeemable Non-Convertible Debentures (debentures) of face value of ₹1,000 (Rupees One Thousand only) each aggregating to an amount of ₹44,00,00,000 (Rupees Forty Four Crores only), upon attaining maturity by completing a tenure of 60 months. The said debentures were issued to CSL during September 2018 at coupon rate of 6.50% per annum.

9. As on March 31, 2024, the Company has outstanding 3,10,000 (Three Lakh Ten Thousand) Unsecured Redeemable Non-Convertible Debentures (debentures) of face value of ₹1,000 (Rupees One Thousand only) each, issued in the month of September 2021 with a tenure of 120 months (with an option to redeem after five years from the date of allotment) at a coupon rate of 6.15% per annum to CSL for an amount of ₹31,00,00,000 (Rupees Thirty One Crores only).

Dividend

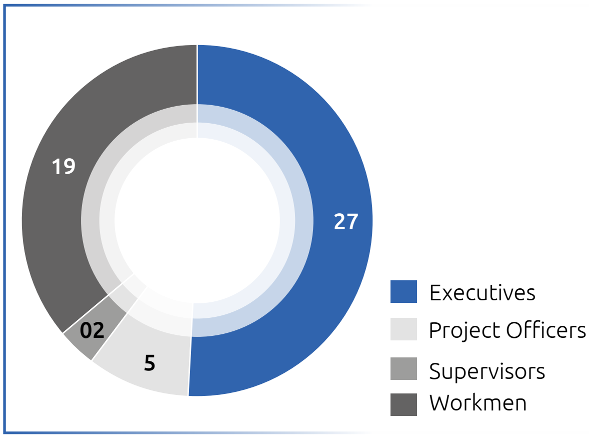
10. No dividend is recommended as the Company is currently in the nascent stages of its operations and has no divisible profits.

Transfer to Reserves

11. As the Company recently began to commence its operations and has incurred a loss during the financial year 2023-24, the Company is unable to transfer any amount to the reserves.

Manpower Status

12. As on March 31, 2024, Hooghly Cochin Shipyard Limited (HCSL) has 53 employees consisting of 27 Executives, 02 Supervisors, 05 Project Officers and 05 regular Workmen and 14 On-contract workmen. More vacancies in the Executive & Workmen positions will be filled up through public notifications as per the recruitment policy in phased manner.



Industrial Relations

13. The Company maintained cordial industrial relations during the year and no man hours were lost on account of labour unrest or strike.

Particulars of Employees and Related Disclosures

14. In accordance with Ministry of Corporate Affairs notification no. GSR 463(E) dated June 05, 2015, Government Companies are exempted from Section 197 of the Companies Act, 2013 and its rules thereof. Hence, details of remuneration of directors need not be included in the Board's report.

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

15. The Company has adopted automatic power factor control mechanism for efficient energy conservation and in future, the Company will be setting up solar power plant as alternative source of energy. Every possible automation methodology has been adopted for better functioning. Particulars as required under Section 134 of the Companies Act, 2013 relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo are placed at **Annexure I**.

Risk Management

16. HCSL has adopted a comprehensive Risk Management Policy at the 23rd meeting of the Board of Directors held on August 04, 2022. 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.

17. As per the policy, HCSL Board at the helm will review the risk management system in HCSL. The Board shall discharge its responsibility of risk oversight by ensuring the review at periodical intervals. The top management executives of HCSL including the CEO and CFO have been entrusted with the implementation of the risk management process. In this respect, the Company has functional Risk Management Committees and Risk Management Steering Committee to implement the policy in HCSL. The Risk Management Committees and the Board of Directors periodically 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.

Health, Safety & Environment (HSE)

18. The Company recognises the key role of the work force in attaining its objectives and puts high emphasis on resonating a positive health and safety culture across the organization along with providing a congenial working environment. Even with full utilization of the facility there is no report of loss of work due to any accident. In July 2022, the Company obtained the Integrated Management System (IMS) certification viz., ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System and ISO 45001:2018 Health and Safety Management System from IRCLASS System and Solutions Private Limited, one of the world's leading certification bodies.

19. The Company has appointed a Safety Officer to ensure the safety of the workforce and an Electrical Safety Officer to specifically monitor safety concerning the use of electrical installations in the Yard. HCSL provides HSE induction training to every workman upon reporting for work and conducts periodic HSE awareness programs, such as toolbox talks, mock drills, and safety campaigns. During the reporting period, five mock drills and two firefighting training programs were conducted in collaboration with the West Bengal Fire & Emergency Services Department, Shibpur, Howrah. Employee participation in various HSE activities is ensured through incident registers at work sites, periodic safety committee meetings, safety day celebrations, and more. The HSE performance of the Company has been monitored in terms of days without any accidents and has been satisfactory during the reporting period. As of the end of the reporting period, HCSL has worked 289 days without any accidents.

Board of Directors & Key Managerial Personnel

20. As on March 31, 2024, the Company has 6 Directors, all of whom are Non-Executive Directors and 3 Key Managerial Personnel viz., the Chief Executive Officer (CEO), Chief Financial Officer (CFO) and the Company Secretary (CS), the details of which are given below:

Sl. No.	Name	DIN	Designation
1.	Shri Madhu Sankunny Nair	07376798	Chairman
2.	Shri Bejoy Bhasker	08103825	Director
3.	Shri Jose V J	08444440	Director
4.	Shri Sreejith K Narayanan	09543968	Director
5.	Shri Harikrishnan S	10221559	Director
6.	Smt. Anjana K R	09545253	Director
7.	Shri Sanil Peter	N.A.	Chief Executive Officer
8.	Shri Saibal Chattopadhyay	N.A.	Chief Financial Officer
9.	Shri Kiran Kappattil Augustine	N.A.	Company Secretary

21. Shri Chandra Mani Rout (DIN: 06935852) ceased to be Director with effect from May 29, 2023 consequent to completion of his tenure of appointment approved by the Ministry of Ports, Shipping and Waterways. Shri Harikrishnan S (DIN: 10221559) was appointed as the nominee of CSL with effect from July 21, 2023. Shri Shekhar Chakravarty ceased to be the Chief Executive Officer of HCSL with effect from December 12, 2023, on account of his resignation due to personal reasons. Subsequently Shri Sanil Peter was appointed as the Chief Executive Officer of the Company with effect from December 15, 2023.

22. Shri Madhu Sankunny Nair (DIN: 07376798) and Shri Bejoy Bhasker (DIN: 08103825), whose office as Directors were liable to retire by rotation and being eligible were reappointed as the Directors of the Company at the 06th Annual General Meeting held on September 19, 2023.

23. There were no other changes in Directors or Key Managerial Personnel of the Company during the financial year 2023-24.

Details of Board Meetings held during 2023-24

24. Seven Board Meetings were held during the financial year 2023-24 and the gap between two meetings did not exceed 120 days. The dates on which the Board Meetings were held and the attendance of Directors in the said meetings are as follows:

Sl. No.	Date	Board Strength	No. of Directors Present
1.	April 28, 2023	6	6
2.	July 21, 2023	5	5
3.	August 04, 2023	6	4
4.	September 19, 2023	6	6
5.	October 21, 2023	6	6
6.	December 11, 2023	6	6
7.	January 24, 2024	6	6

25. The attendance record of each Director in the Board Meetings held during the financial year 2023-24 is given below:

Sl. No.	Name	DIN	No. of Board Meetings Attended
1.	Shri Madhu Sankunny Nair	07376798	7/7
2.	Shri Bejoy Bhasker	08103825	7/7
3.	Shri Jose V J	08444440	7/7
4.	Shri Sreejith K Narayanan	09543968	7/7
5.	Shri Harikrishnan S **	10221559	4/5
6.	Smt. Anjana K R	09545253	6/7
7.	Shri Chandra Mani Rout *	06935852	1/1

* Shri Chandra Mani Rout (DIN: 06935852) ceased to be Director with effect from May 29, 2023.

** Shri Harikrishnan S (DIN: 10221559) was appointed as the nominee of CSL with effect from July 21, 2023.

Committees of the Board

26. The Company, being a wholly owned subsidiary, is exempt from constitution of Audit Committee and Nomination and Remuneration Committee. The Company is also not required to constitute the other statutory committees viz., Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee in view of the fact the Company has not breached the threshold as prescribed under the relevant provisions of the Companies Act, 2013. Accordingly, no statutory Committees of the Board have been constituted during the financial year 2023-24. However, the Company has constituted a Securities Offer, Allotment and Transfer Committee for offer, allotment, transfer of securities and other allied matters. The Composition of the Committee and attendance record of members in the meetings held during the financial year 2023-24 is given below:

Sl. No.	Name	DIN	Designation	No. of Meetings Attended
1.	Shri Madhu Sankunny Nair	07376798	Chairman	2/2
2.	Shri Jose V J	08444440	Member	2/2

27. Two meetings of the Committee were held during the financial year 2023-24 on August 22, 2023 and September 15, 2023 respectively. All the members were present at the said meetings.

Evaluation of Board's Performance

28. The Company being a wholly owned subsidiary of Cochin Shipyard Limited, a CPSE, is a Government Company as per the provisions of the Companies Act, 2013. The Ministry of Corporate Affairs vide notification GSR 463(E) dated June 05, 2015 has exempted Government Companies from complying with certain provisions of the Companies Act, 2013 which inter-alia provides that Section 134(3)(p) regarding statement on formal annual evaluation shall not apply to Government Companies in case the Directors are evaluated by the Ministry which is administratively in-charge of the company as per its own evaluation methodology. Further, the said exemption notification also exempts the Government Companies from the provisions of Sub-Sections (2), (3) & (4) of Section 178 of the Companies Act, 2013 regarding appointment, performance evaluation and remuneration of Directors.

Declaration by Independent Directors

29. The Company has no Independent Directors on the Board as of now. The Company being a wholly owned subsidiary, is not required to appoint Independent Directors pursuant to the provisions of Rule 4(2) of the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Directors Responsibility Statement

30. Your Directors state that:

    a) in the preparation of the annual accounts for the financial year ended March 31, 2024, the applicable accounting standards had been followed along with proper explanation relating to material departures;

    b) the Directors had 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 at the end of the financial year 2023-24 and of the profit and loss of the Company for that period;

    c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

    d) the Directors had prepared the annual accounts on a going concern basis; and

    e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Contracts and Arrangements with Related Parties

31. During the financial year 2023-24, no related party transactions have been entered into by the Company which attracted the provisions of Section 188 of the Companies Act, 2013. Further, your Directors draw attention to Note 37 to the financial statements which set out related party disclosures as per Indian Accounting Standard (Ind AS) 24.

Corporate Governance

32. The report on Corporate Governance for the financial year 2023-24, prepared in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE) is presented in a separate section forming part of the Annual Report.

Management Discussion and Analysis

33. The Management Discussion and Analysis Report for the year under review, as per the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE) is presented in a separate section forming part of the Annual Report.

Internal Financial Controls

34. The Company follows robust policies and procedures closely in line with that of the holding company, CSL, to ensure the orderly and efficient conduct of the Company's business by safeguarding its assets, preventing and detecting errors and frauds, ensuring the accuracy and completeness of the accounting records and the timely preparation and submission of reliable financial disclosures.

Secretarial Standards of ICSI

35. Pursuant to the approval from the Ministry of Corporate Affairs, the Institute of Company Secretaries of India (ICSI) has on April 23, 2015, notified the Secretarial Standards on Meetings of the Board of Directors (SS-1) and General Meetings (SS-2) effective July 01, 2015. The Company is complying with the same.

Statutory Auditors

36. M/s. S.K. Basu & Co. (Firm Registration No.301026E), (CA1369), Chartered Accountants, Howrah, were appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India (C&AG) for the financial year 2023-24.

Auditors Report

37. M/s. S.K. Basu & Co., Statutory Auditors have submitted their Report on the financial statements of the Company for the financial year ended March 31, 2024, on May 06, 2024, which forms part of the Annual Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

Supplementary Audit

38. The Comptroller and Auditor General of India (C&AG) has entrusted the Supplementary Audit of the Company to the Office of The Director General of Audit (Mines), 1, Council House Street, Kolkata – 700 001.

Comments of C&AG

39. The comments of the Comptroller and Auditor General of India (C&AG) under Section 143 (6) (b) of the Companies Act, 2013 on the financial statements of the Company for the year ended March 31, 2024, along with the Management's reply on the said comments is placed at **Annexure II** to this Report.

Secretarial Auditors

40. M/s. SEP & Associates (ICSI Unique Code: P2019KE075600), Practicing Company Secretaries, Kochi were appointed as the Secretarial Auditors of the Company to conduct the Secretarial Audit under the Companies Act, 2013 for the financial year 2023-24.

Secretarial Auditors Report

41. M/s. SEP & Associates, Secretarial Auditors have submitted their Report on June 29, 2024, which is placed at **Annexure III** to this Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

Internal Auditors

42. The Board has appointed M/s. S. Guha & Associates (Firm Registration No.322493E), Chartered Accountants, Kolkata, to conduct Internal Audit for the financial year 2023-24.

Maintenance of Cost Records

43. The maintenance of cost records as required under Section 148(1) of the Companies Act, 2013 is not applicable for the reporting period.

Vigilance

44. There was one vigilance case pending for disposal during the financial year 2023-24.

Right to Information Act, 2005

45. During the year under review, two request were received by the Company under the Right to Information (RTI) Act, 2005. The said request was closed within a period of 30 days from the date of receipt of same.

Vigil Mechanism

46. The Company is not falling under the provisions of Section 177(9) of the Companies Act, 2013 and the rules thereof, which mandates establishment of a Vigil Mechanism. However, the Whistle Blower and Fraud Prevention Policy of Cochin Shipyard Limited (CSL), the holding company is applicable on the Company and acts as the vigil mechanism of HCSL. The said policy is available at the Company's website at www.hooghlycsl.com.

Annual Return

47. A copy of the annual return of the Company as per Section 92(3) of the Companies Act, 2013 is available at the Company's website at www.hooghlycsl.com.

Status on Affirmative Action to Implement Presidential Directives on Reservations

48. Hooghly Cochin Shipyard is strictly complying with the Presidential directives and guidelines on reservation for Scheduled Caste (SC)/ Scheduled Tribes (ST)/ Other Backward Classes (OBC)/ Economically Weaker Sections (EWS) and Persons with Benchmark Disabilities (PwBD) issued by the Government of India from time to time. Reservation percentage is being ensured through the maintenance of post-based roster system as prescribed by the Government of India.

Corporate Social Responsibility (CSR)

49. The Company commenced its operations recently and is not in a position to undertake CSR activities. Further, the Company does not fall within the purview of Section 135 of the Companies Act, 2013 which relates to CSR.

Details of Subsidiaries, Joint Ventures or Associate Companies

50. The Company does not have any subsidiaries, joint ventures or associate companies.

Details of Frauds Reported by Auditors Under Section 143

51. Nil.

Material Changes and Commitments

52. 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.

Particulars of Loans, Guarantees or Investments

53. During the year under Report, the Company has not:

    a) given any loan to any person or other body corporate;

    b) given any guarantee or provided security in connection with a loan to any other body corporate or person; and

    c) acquired by way of subscription, purchase or otherwise, the securities of any other body corporate, as prescribed under Section 186 of the Companies Act, 2013.

Details of Change in Nature of Business

54. There has been no change in the nature of business of the Company during the year under review.

Deposits

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

Significant and Material orders

56. 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.

Disclosures in Relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

57. During the financial year 2023-24, no cases have been filed / disposed off under the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed there under.

58. The Company has constituted an Internal Complaints Committee in accordance with the guidelines and norms prescribed by the Sexual Harassment of Women at Work Place (Prevention, Prohibition and Redressal) Act, 2013.

Other Statutory Disclosures

59. No disclosure or reporting is made with respect to the following items, as there were no transactions during FY 2023-24.

    - Issue of equity shares with differential rights as to dividend, voting or otherwise;
    - Issue of equity shares (including sweat equity shares) to employees of the Company under Employees Stock Option Scheme;
    - The Company does not have any scheme or provision of money for the purchase of its own shares by employees or by trustees for the benefits of employees;
    - There was no instance of one-time settlement with any bank or financial institution; and
    - There was no revision of financial statements and Directors' Report of the Company during the year under review.

Acknowledgement

60. The Board of Directors is extremely thankful for the continued patronage and support extended by the Hon'ble Prime Minister, Hon'ble Minister of Ports, Shipping & Waterways (MoPSW), Cochin Shipyard Limited (CSL), Syama Prasad Mookerjee Port, Kolkata and all officers of the MoPSW, CSL and Syama Prasad Mookerjee Port. The Board would also like to express its grateful appreciation for the support and co-operation from various offices of the Government of India, Government of West Bengal, various local bodies, the Comptroller & Auditor General of India, Auditors, Legal Counsels, Consultants, Suppliers, Sub-contractors and Bankers. The Board would also like to appreciate the hard work, dedication and commitment of all the employees, which is vital for the growth of the Company.

For and on behalf of the Board of Directors

Madhu Sankunny Nair
Chairman
DIN: 07376798

Kochi
August 08, 2024

Annexure I

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy during the year 2023-24.	**Steps Taken** APFC Panels are energized and getting rebate from CESC Dept. Energy Monitoring System (EMS) is being utilized for effectively monitoring the energy consumption.
(ii) Steps taken for utilizing alternate sources of energy.	Nil. However, the Company shall be initiating necessary steps to utilize alternate sources of energy.
(iii) Capital investment on energy conservation equipment.	Nil.

B. Technology Absorption

(i) Efforts made towards technology absorption	Technologically advanced automated machines / equipments are installed wherever possible.
(ii) Benefits derived like product improvement, cost reduction, product development or import substitutions.	Installation of state of the art facility has improved the production rate and quality to a large extent compared to other shipyards in the locality.
(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)	
(a) The details of technology imported	Nil.
(b) The year of import	N.A.
(c) Whether the technology been fully absorbed	N.A.
(d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	N.A.
(iv) Expenditure incurred on Research and Development	Nil

C. Foreign Exchange Earnings and Outgo

(₹ in lakhs)

Earnings in Foreign Exchange	2023-24	2022-23
From Shipbuilding	0	0
From Ship repair	0	0
Total	**0**	**0**
Expenditure in Foreign Exchange		
Materials (CIF Value)	448.24	115.90
Design & Documentation	0	0
Service Charge & Others	0	0
Total	**448.24**	**115.90**

For and on behalf of the Board of Directors

Madhu Sankunny Nair
Chairman & Managing Director
DIN: 07376798

Kochi
August 08, 2024

Annexure II

COMMENTS OF THE C&AG ALONG WITH MANAGEMENT'S REPLY

Comments of the Comptroller And Auditor General of India U/S 143(6)(b) of the Companies Act, 2013 on the financial statements of Hooghly Cochin Shipyard Limited for the year ended 31st March 2024.

The preparation of financial statements of Hooghly Cochin Shipyard Limited for the year ended 31 March 2024 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 is 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 done by them vide their Audit report dated 06 May 2024.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of Hooghly Cochin Shipyard Limited for the year ended 31 March 2024 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6)(b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

1. **Balance Sheet:**

Provisions (Current) (Note-24):	**₹864.81 lakh**
Statement of Profit and Loss	
Loss for the period	**₹3005.81 lakh**

Provisions (Current) does not include ₹1.28 crore being the interest payable to Ministry of Ports Shipping and Waterways (Ministry) for delay in payment of lease rent as per clause 4.1.6 of the Deed of Declaration dated 19 January 2018 read with the Deed of Declaration dated 23 September 2021. This has resulted in understatement of other expenses and current liabilities with corresponding understatement of loss for the year by ₹1.28 crore each.

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

(Bibhudutta Basantia)
Director General of Audit (Mines)
Kolkata

Place : Kolkata
Date : 08 August 2024

Reply by the Management of the Company

The company did not provide for the interest for the delay in payment of lease rent, as Claim/ Demand along with details for remittance of the payment like Head of Account etc. was received from the Ministry only on 14th August 2024, without which the company could not have made the payment. The delay was not due to any wilful intent by the company to avoid or withhold the payment of the lease rent to the lessor (Ministry). Therefore, the delay is not attributable to the company.

For and on behalf of the
Board of Directors

Madhu Sankunny Nair
Chairman
DIN: 07376798

Annexure III

FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2024
Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

To,
The Members,
Hooghly Cochin Shipyard Limited
Administrative Building
HCSL Premises, Satyen Bose Road
P.O. Danesh Shaikh Lane, Howrah
Nazirgunge, West Bengal, India - 711109

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Hooghly Cochin Shipyard Limited (CIN: U35900WB2017GOI223197)** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us with 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, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2024**, 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 conducted verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2024, according to the provisions of:

The Companies Act, 2013 (the Act) and the Rules made thereunder;

As informed to us, the following other laws are specifically applicable to the Company;

a. The Factories Act, 1948;

b. The Environment (Protection) Act, 1986;

c. The Water (Prevention and Control of Pollution) Act, 1974;

d. The Air (Prevention and Control of Pollution) Act, 1981;

e. Hazardous Wastes (Management, Handling and Transboundary Movement) Rules, 2008;

f. The Electricity Act, 2003 and Central Electricity Regulations, 2010;

g. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010.

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

a. Secretarial Standards relating to Meetings of Board of Directors (SS1) and General Meetings (SS2) issued by the Institute of Company Secretaries of India;

During the period under review the Company has complied with the provisions of Act, Rules, Guidelines, Standards, etc. as mentioned above.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings in compliance with the provisions of Section 173(3) of the Act, agenda and detailed notes on agenda were sent 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.

Decisions at the meetings of the Board of Directors of the Company were carried out on the basis of majority and the same was captured and recorded as part of the minutes. There were no dissenting views by any member of the Board of Directors during the period under review.

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

We further report that during the audit period, allotment of the following securities has taken place:

Sl. No.	Method of Issue	Date of Allotment	Particulars
1	Rights Issue	15.09.2023	Allotment to Cochin Shipyard Limited on right issue basis, 4,40,00,000 equity shares of face value of ₹10/- each aggregating to ₹44,00,00,000/- (Rupees Forty Four Crores only) at the meeting of Securities Offer, Allotment and Transfer Committee held on 15.09.2023.

We further report that 4,40,000 nos. of 6.50% Unsecured Redeemable Non-Convertible Debentures of ₹1,000/- each issued to CSL for an aggregate amount of ₹44 Crores on September 17, 2018 for a tenure of 60 months, was redeemed during September, 2023.

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

i. Issuance of securities including Public/Right/Preferential Issue other than those mentioned above;

ii. Major decisions taken by the members in pursuance to Section 180 of the Act;

iii. Redemption/Buy-back of securities other than those mentioned above;

iv. Merger/amalgamation/reconstruction; and

v. Foreign technical collaborations.

This report is to be read with **Annexure A** of even date and the same forms an integral part of this report.

For SEP & Associates
Company Secretaries

CS Anju Panicker
Partner
Membership No. A37120
COP No.22086

Place: Kochi
Date: 29.06.2024
UDIN: A037120F000638919
(Peer Review Certificate no. 3693/2023)

Annexure A to the Secretarial Audit Report of even date

To,
The Members,
Hooghly Cochin Shipyard Limited
Administrative Building
HCSL Premises Satyen Bose Road
P.O. Danesh Shaikh Lane, Howrah
Nazirgunge, West Bengal, India - 711109

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

1. The compliance of the provisions of all laws, rules, regulations, and standards applicable to **Hooghly Cochin Shipyard Limited** (hereinafter called the "Company") is the responsibility of management of the Company. Our examination was limited to the verification of the records and procedures on test check basis for the purpose of issue of the Secretarial Audit Report.

2. Maintenance of the Secretarial and other records of applicable laws is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to issue a Secretarial Audit Report, based on the audit of the relevant record maintained and furnished to us by the Company, along with explanations where so required.

3. 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 and other records, legal compliance mechanism and corporate conduct. We believe that the process and practices we followed provide a reasonable basis for our Secretarial Audit Report.

4. The correctness and appropriateness of financial records and Books of Accounts of the Company have not been verified.

5. We have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc., wherever required. The Secretarial Audit Report 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.

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 31 March 2024 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 SEP & Associates
Company Secretaries

CS Anju Panicker
Partner
Membership No. A37120
COP No.22086

Place: Kochi
Date: 29.06.2024
UDIN: A037120F000638919
(Peer Review Certificate no. 3693/2023)

For and on behalf of the Board of Directors

Madhu Sankunny Nair
Chairman
DIN: 07376798

Kochi
August 08, 2024

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 (the "Act") and comply with the Accounting Standards specified under Section 133 of the Act. The management of Hooghly Cochin Shipyard Limited ("HCSL" or "the Company") has used estimates and judgments 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 financial statements and the notes to these statements included in the annual report. Unless otherwise specified or the context otherwise requires, all references herein to "we", "us", "our", "the Company", "Hooghly Cochin Shipyard", "HCSL", "Group" are with respect to Hooghly Cochin Shipyard Limited and its holding company.

Global Shipbuilding Industry

3. The global shipbuilding industry remains a cornerstone of international trade and maritime activities, exhibiting resilience and significant growth potential. The industry is projected to grow at an annual rate of approximately 5% over the next five years. This growth is fuelled by rising demand for new vessels, technological advancements, and stricter environmental regulations.

4. Major factors expected to boost the growth of the shipbuilding market during the forecast period include the rise in the utilization of artificial intelligence, growing energy consumption, and increasing automation. Furthermore, environmental control regulations and policies are anticipated to provide potential opportunities for market growth. Additionally, the growing seaborne trade, economic growth, rising demand for maritime transport, and an increase in imports and exports globally are estimated to further support the expansion of the shipbuilding market.

5. Asia-Pacific dominates the shipbuilding market, collectively contributing over 80% of global ship production, due to several initiatives encouraging the shipbuilding industry. Emerging players are focusing on specialized and high-tech segments, providing new opportunities for market expansion. The industry's transition towards greener and more energy-efficient ships, driven by the need to comply with international environmental standards, is a critical trend expected to further boost the growth of the shipbuilding market in the region during the forecast period.

The Indian Shipbuilding Industry: Navigating Towards a Promising Future

6. The Indian shipbuilding industry, a vital component of the country's maritime heritage, is poised for substantial growth, driven by its strategic coastline, burgeoning cargo volumes, and supportive government initiatives. With a coastline stretching over 7,500 kilometres, India has significant potential to enhance its shipbuilding capabilities and contribute to global maritime trade. India's market share in the global shipbuilding industry is relatively small compared to other major players in the Asia Pacific. The country has a significant size maritime sector with 12

Major and 200 plus Non-Major Ports situated along its long coastline and a vast network of navigable waterways. However, globally India ranks 21st in ship building with a market share of around 1% and, the Indian government is keen to bolster the maritime sector through various policies and initiatives.

7. The Government of India has taken several proactive initiatives to bolster the shipbuilding sector in the country and foster self-reliance. The "Shipbuilding Financial Assistance Policy" (SBFA) offers financial support to shipbuilders, aiming to enhance competitiveness and modernize the industry. Under the SBFA, the government provides financial assistance to both public and private sector shipyards for vessels built in India.

8. The "Make in India" initiative, launched in 2014, aims to transform India into a global manufacturing hub by encouraging both multinational and domestic companies to manufacture their products within the country. This initiative significantly impacts the shipbuilding industry by promoting domestic manufacturing and reducing reliance on imports. The "Atmanirbhar Bharat" policy further complements these efforts by fostering self-sufficiency and reducing dependence on foreign technology and components. One of the pivotal policies supporting the Indian shipbuilding industry is the "Right of First Refusal" (ROFR) in chartering vessels. This policy mandates that Indian-built ships get the first opportunity to bid for any government-chartered vessel. This preferential treatment boosts demand for domestically built ships and incentivizes shipbuilders to enhance their capabilities and output.

9. Indian Navy's Maritime Capability Perspective Plan (MCPP), generates a substantial demand for defence shipbuilding. Moreover, the Standard Operating Procedures for Chartering of Tugs and Procurement of Deep-Sea Fishing Vessels under the Pradhan Mantri Matsya Sampada Yojana (PMMSY) aim to promote small and medium shipyards. The positive aspect to highlight is the persistent domestic demand for ships, which not only remains steadfast but is also predicted to experience substantial growth, offering a much-needed buffer between the Indian shipbuilding industry and global demand for ships. Furthermore, compared to other shipbuilding nations, India offers a competitive edge with lower labour costs, attracting international clientele.

10. Micro, Small, and Medium Enterprises (MSMEs) form the backbone of the Indian economy and are integral to the shipbuilding industry's supply chain. The government's emphasis on MSMEs through various schemes and incentives ensures a robust supply chain for the shipbuilding sector. These enterprises provide essential components and services, contributing to the overall growth and development of the industry.

11. The Indian shipbuilding industry also benefits from the increasing cargo volumes handled by Indian ports. India's strategic location along major global shipping routes and its growing trade volumes make it a crucial player in the maritime sector. The rise in cargo volumes necessitates the expansion and modernization of the shipping fleet, further driving the demand for new ships and ship repair services.

12. However, the industry grapples with complex challenges, including dependency on imported equipment, labour productivity, construction cycles, and competition from foreign shipyards. These challenges faced by the Indian shipbuilding sector have significantly hampered its ability to fully capitalize on its high economic multiplier potential.

13. The Indian shipbuilding industry is navigating through a transformative phase, bolstered by favorable government policies and initiatives. The combination of a vast coastline, growing cargo volumes, and a strategic focus on self-reliance and domestic manufacturing positions India to significantly enhance its market share in the global shipbuilding industry. As the industry continues to evolve, it holds the promise of not only contributing to India's economic growth but also establishing the country as a formidable player in the global maritime arena.

14. By rising to the challenges, driven by government support, a strategic location, and a skilled workforce, shipbuilding holds the potential to emerge as the vanguard of India's growth narrative in the forthcoming years. HCSL, with its execution capabilities, strategic location and the support of its parent company, Cochin Shipyard Limited (CSL), is well poised to carve out a niche market in the global shipbuilding industry and be a part of India's growth story.

Government of India (GOI) Initiatives in Inland Waterways

15. The Indian government's focus on enhancing inland waterways is pivotal in supporting the growth of the shipbuilding industry. India boasts an extensive network of inland waterways spanning approximately 14,500 kilometers, comprising rivers, canals, backwaters, creeks, and more. This network has the potential to significantly reduce transportation costs and alleviate congestion on road and rail networks.

16. Annually, about 126 Million Metric Tonnes (MMT) of cargo are transported via Inland Water Transport (IWT), a fuel-efficient and environmentally friendly mode of transport. Inland Water Transport (IWT) is the most economical mode of transportation, especially for bulk cargo like coal, iron ore, cement, food grains, and fertilizer. Presently, it remains underutilized at a share of 2% in India's modal mix. The government intends to increase the share of IWT to 5% as per Maritime India Vision 2030. There are substantial economic and environmental benefits of IWT compared to road and rail transport, including lower fuel consumption and reduced carbon emissions.

17. Recognizing the strategic importance of these waterways, the government is investing in their development. Projects such as the Jal Marg Vikas Project (JMVP) on National Waterway-1 (River Ganga) aim to enhance navigation infrastructure, build multimodal terminals, and improve navigational aids along the waterways. Fairway development works are progressing under the Jal Marg Vikas Project (JMVP) to ensure Least Available Depth (LAD) of 3.0 meters in Haldia-Barh, 2.5 meters in Barh-Ghazipur, and 2.2 meters in Ghazipur-Varanasi stretches on NW-1.

18. These initiatives are creating a burgeoning demand for specialized vessels tailored for inland transportation. These vessels need to be efficient in shallow waters and capable of navigating narrow channels, thereby presenting significant opportunities for the domestic shipbuilding industry. By fostering the growth of inland waterways, the Indian government is not only promoting sustainable transport solutions but also catalyzing the expansion of the shipbuilding sector to meet the evolving demands of inland cargo movement.

19. Furthermore, development work under Jal Marg Vikas Project-II (Arth Ganga) has been initiated, based on principles of sustainable development, to energize economic activities. This initiative is expected to foster inclusive growth and improve livelihoods by facilitating the transportation of goods and passengers, including tourists, along National Waterways. Similarly, efforts are underway to improve connectivity between NW-1 and NW-2/NW-16 via the Indo-Bangladesh protocol route, focusing on critical and shallow stretches in Bangladesh. Development works on NW-97 in Sunderbans are also enhancing navigability for vessels along the Indo-Bangladesh Protocol Route.

Government of India (GOI) Initiatives on Green Vessels

20. The Government of India (GOI) has initiated several measures and policies to promote the development and adoption of green vessels within the maritime sector. These initiatives are aimed at reducing emissions, improving energy efficiency, and aligning with global environmental standards. Under the Green Port Initiative, ports across India are encouraged to adopt eco-friendly practices and technologies. This includes the installation of shore power facilities (cold ironing) to reduce emissions from docked vessels, adoption of renewable energy sources for port operations, and implementation of green building standards for port infrastructure.

21. The Maritime Vision 2030 document outlines GOI's strategic roadmap for the maritime sector, which includes promoting green shipping practices. It emphasizes the development and adoption of cleaner technologies, including alternative fuels such as LNG (Liquefied Natural Gas) and biofuels, to reduce carbon emissions from ships. To incentivize the adoption of green technologies in shipping, the GOI offers financial incentives and subsidies. These include subsidies for the construction and retrofitting of vessels with energy-efficient technologies, tax incentives for investments in green technologies, and financial support for research and development in sustainable shipping practices.

22. National Maritime Emission Control Strategy (NMECS) aims to regulate and control air emissions from ships operating in Indian waters. It includes measures to limit sulfur oxide (SOx) and nitrogen oxide (NOx) emissions, promote the use of low-sulfur fuels, and encourage the installation of exhaust gas cleaning systems (scrubbers) on ships. The Indian Register of Shipping (IRS), as the national maritime classification society, has introduced guidelines and standards for green shipping. These include requirements for energy-efficient ship design, use of environmentally friendly materials, and compliance with international environmental regulations such as the IMO's MARPOL.

23. The Make in India initiative encourages domestic shipyards and maritime industries to manufacture green vessels and adopt sustainable practices. It aims to enhance the competitiveness of Indian shipbuilding by promoting the production of eco-friendly ships that meet international

standards for emissions and energy efficiency. The GOI continuously updates and strengthens the regulatory framework for green shipping. This includes amendments to maritime laws and regulations to incorporate international standards and best practices for environmental protection in the shipping industry.

24. The Government of India initiatives on green vessels are integral to its broader strategy for sustainable development in the maritime sector. By promoting innovation, investment, and regulatory compliance in green shipping technologies, India aims to reduce environmental impact, enhance energy efficiency, and contribute to global efforts towards climate change mitigation.

Ship Repair Industry

25. The ship repair industry is an integral component of the maritime sector, offering substantial growth opportunities. With an increasing number of vessels in operation and the rising complexity of maritime technologies, the global ship repair market is projected to grow at a compound annual growth rate (CAGR) of around 4% over the next few years. India, with its strategic geographical location, skilled workforce, and cost advantages, is well-positioned to become a global hub for ship repair services. The Government of India's focus on upgrading repair facilities, developing dedicated repair zones, and providing fiscal incentives is expected to further bolster this growth. Enhancements in ship repair infrastructure and the adoption of advanced technologies will enable Indian shipyards to cater to the growing maintenance and repair needs of domestic and international fleets.

26. Hooghly Cochin Shipyard Limited is committed to capitalizing on these opportunities through strategic investments, technological advancements, and sustainable practices. Our focus on innovation and quality positions us as a key player in the evolving maritime landscape, ready to meet the challenges and harness the potential of the global and domestic shipbuilding and ship repair industries.

Operations

27. HCSL, being a Yard with its proximity to the National Waterways 1 and 2 can be best utilized for building small and medium sized vessels at the least possible cost. During the reporting period, the Company has entered the Electric Hybrid Catamaran segment by signing an agreement with CSL on March 23, 2024 for constructing of 6 numbers of Electric Hybrid Catamaran Vessel for IWAI. Due to the tight time line of the project, the production is progressing with all-out effort. HCSL had the privilege to sign another contract for 2 numbers of 40T ASD Bollard Pull Tug with Industrial Handling Private Limited. The construction of 2200 T DWT Multi-Purpose Vessel and Caisson Gate project, are progressing. Ship repair facility at Pandu has reached a physical progress of 26.10% and financial progress of 35.10% as on March 2024.

28. The Company being in the initial years of commencing its commercial business has reported a loss of ₹ 3,005.81 Lakhs during the financial year 2023-24 (loss of ₹ 2,033.59 Lakhs PY). The financial highlights for the reporting period are given below:

Financial Highlights

(₹ in lakhs)

Sl. No.	Particulars	As at March 31, 2024	As at March 31, 2023
(i)	Gross Income	2404.47	1761.33
(ii)	Profit/(Loss) Before Finance cost, Depreciation & Tax	(922.80)	(166.63)
(iii)	Finance cost	718.94	889.98
(iv)	Depreciation & Amortisation expenses	843.45	723.64
(v)	Profit/(Loss) Before Tax	(2485.19)	(1780.25)
(vi)	Tax Asset/(Liability)	(520.62)	(253.34)
(vii)	Net Profit/(Loss)	(3005.81)	(2033.59)

Proposed Dividend

29. No dividend is recommended due to non-availability of divisible profits.

Segment wise/ product wise performance

30. The Company is primarily engaged in shipbuilding and also undertakes repairs of ships and other floating structures. The segment wise performance of the Company is given below:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Segment Revenue		
Shipbuilding	2071.68	969.34
Ship Repair	0.00	156.37
Total	2071.68	1125.71
Add: Others	0.00	576.35
Total revenue from operations	**2071.68**	**1702.06**
Segment Results		
Shipbuilding	(2793.82)	35.86
Ship Repair	0.00	37.70
Total	(2793.82)	73.56
Less: Unallocated expenses net of income	(1027.58)	963.83
Less: Finance costs	718.94	889.98
Profit/(Loss) before exceptional items and tax	(2485.19)	(1780.25)
Less: Exceptional Items – (Income) / Expense	-	-
Profit/(Loss) Before Tax	**(2485.19)**	**(1780.25)**
Provision for tax	-	-
Provision for deferred tax	520.62	253.34
Profit/Loss After tax	(3005.81)	(2033.59)
Segment Assets		
Shipbuilding	**15390.94**	**13389.54**
Ship Repair	26.15	26.15
Total	**15417.09**	**13415.69**
Add: Unallocated corporate assets	10541.74	12692.82
Total Assets	**25958.82**	**26108.51**
Segment Liabilities		
Shipbuilding	3223.24	267.28
Ship Repair	(17.08)	17.08
Total	**3206.16**	**284.36**
Add: Unallocated corporate liabilities	14809.58	19276.15
Total Liabilities	**18015.75**	**19560.51**
Capital expenditure	-	-
Depreciation and amortisation expense	-	-
Non-cash expenses other than depreciation and amortisation expense	-	-

SWOT

31. The organization has determined external and internal issues that are relevant to its purpose and its strategic direction and that affect its ability to achieve the intended result(s) of its integrated management system. To achieve intended outcome, HCSL has analysed its Strength, Weakness, Opportunity and Threats (SWOT) with respect to integrated management system.

Strength	- Strong commitment of management; - Long experience in ship building of parent organisation; - Use of modern technology; - Well qualified team for production; - High capacity equipment; and - A strong focus on health and safety.
Weakness	- Fluctuations in global steel prices; - Uncertain inflow of orders; and - Pending payments;
Opportunity	- Atmanirbhar Bharat initiatives of the Government of India towards creating domestic demand for vessels; and - New product development with good design facilities.
Threat	- Stiff competition from large players in the market; - Rising cost of labour; - Natural disasters; and - Long order realization process.

Risks and concerns

32. The risk associated with the Company, emerge from the inherent nature of the shipbuilding industry, and is commensurate to the cyclical nature of the industries it serves such as, the oil, natural gas, shipping, transportation and other trade-related industries. Building an order book is critical for the Company's growth and survival in an order-driven business like shipbuilding, where each vessel is custom-built. The availability of orders, its prompt bagging and timely execution is one of the major challenges in the shipbuilding industry. The Company relies on its suppliers for the timely delivery of raw materials such as steel, as well as other equipment and components such as pumps, propellers, engines etc. Shortages/ delay in the supply of raw materials may adversely affect the Company's business, financial condition and results of operations. The Company is also exposed to various operational risks viz., the breakdown, failure or sub-standard performance of machinery, which may or may not result in fire/ explosions etc. Any material operational disruptions may adversely affect the Company's ability to meet construction schedules and cause delays in the delivery of vessels to customers.

Internal Control

33. The Company has adopted robust policies and procedures to ensure the orderly and efficient conduct of the Company's business by safeguarding its assets, preventing and detecting errors and frauds, ensuring the accuracy and completeness of the accounting records and the timely preparation and submission of reliable financial disclosures.

Human Resource Development and Industrial Relations

34. As on March 31, 2024, the Company has 53 employees consisting of 27 Executives, 02 Supervisors, 05 Project Officers and 05 regular Workmen and 14 On-contract workmen. More vacancies in the Executive & Workmen positions will be filled up through public notifications as per the recruitment policy in phase wise manner. During the reporting period the Company maintained cordial industrial relations.

Environmental Protection and Conservation, Technological conservation, Renewable Energy Developments, Foreign Exchange Conservation

35. The Company has adopted Automatic Power factor control mechanism for efficient energy conservation and will be setting up 30KWP solar power plant as alternative source of energy on top of Service Block inside the yard. Every possible Automation methodology has been adopted for better functioning. The details of expenses incurred by the Company in foreign currency during the year 2023-24 forms part of Directors Report.

Corporate Social Responsibility

36. The Company does not fall within the purview of Section 135 of the Companies Act, 2013 which relates to CSR.

Cautionary Statement

37. 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

Madhu Sankunny Nair
Chairman
DIN: 07376798

Kochi
August 08, 2024

Report on Corporate Governance

Company's Philosophy on Corporate Governance

1. Hooghly Cochin Shipyard Limited ("HCSL/Company") believes that good Corporate Governance facilitates effective and prudent management that can deliver the long-term success of the Company. Considering this, HCSL strives for good governance practices through transparency, fairness, accountability and stakeholder engagement. Pursuant to the Office Memorandum (OM) F. No. 18(8)/2005-GM issued by the Department of Public Enterprises (DPE), Ministry of Heavy Industries and Public Enterprises, Government of India on July 08, 2014, the Company is exempt from the compliance with the Guidelines on Corporate Governance. However, the Company has prepared the report on Corporate Governance in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by DPE.

Board of Directors

2. As per the approval of the Ministry of Ports, Shipping and Waterways (formerly known as Ministry of Shipping), Government of India, the Chairman and Managing Director (CMD) of CSL shall be the Chairman and the other directors on the Board will be nominated by the CMD, CSL from amongst the Whole-time Directors and officers of CSL not below the rank of General Manager, as Part Time Directors on ex-officio basis.

3. As on March 31, 2024, the Board of the Company consists of six Non-Executive Directors. The Company has a Non-Executive Chairman. The composition of the Board as on March 31, 2024 is as follows:-

Sl. No.	Name of the Director	Director Identification Number (DIN)	Category of Directorship
1.	Shri Madhu Sankunny Nair	07376798	Non-Executive Chairman
2.	Shri Bejoy Bhasker	08103825	Non-Executive Director
3.	Shri Jose V J	08444440	Non-Executive Director
4.	Shri Sreejith K Narayanan	09543968	Non-Executive Director
5.	Shri Harikrishnan S	10221559	Non-Executive Director
6.	Smt. Anjana K R	09545253	Non-Executive Director

4. During the financial year 2023-24, Shri Chandra Mani Rout (DIN: 06935852) ceased to be Director with effect from May 29, 2023 consequent to completion of his tenure of appointment approved by the Ministry of Ports, Shipping and Waterways. Shri Harikrishnan S (DIN: 10221559) was appointed as the nominee of CSL with effect from July 21, 2023.

5. Shri Madhu Sankunny Nair (DIN: 07376798) and Shri Bejoy Bhasker (DIN: 08103825), whose office as Directors were liable to retire by rotation and being eligible were reappointed as the Directors of the Company at the 06th Annual General Meeting held on September 19, 2023.

6. There were no other changes in the Directors during the financial year 2023-24.

7. Disclosure of relationship between Directors inter-se: Nil

8. The profile of the Directors who were on the Board of the Company as on date of this report, including the nature of their expertise in specific functional areas is given in the first part of the Annual Report. The details of directorships and committee positions held by the Directors of HCSL as on March 31, 2024, are provided under the heading 'Directorships and Committee positions' below.

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

9. Seven Board Meetings were held during the year under review. The gap between any two Board meetings has been less than one hundred and twenty days. The 06th Annual General Meeting (AGM) of HCSL was held on September 19, 2023. The details of attendance of Directors at the said Board Meetings and AGM are given below:

Name of the Director	Board Meeting							AGM
	2023						2024	Sep 19, 2023
	Apr 28	Jul 21	Aug 04	Sep 19	Oct 21	Dec 11	Jan 24	
Shri Madhu Sankunny Nair	✓	✓	✓	✓	✓	✓	✓	✓
Shri Bejoy Bhasker	✓	✓*	✓	✓*	✓	✓	✓	✓*
Shri Jose V J	✓	✓	✓	✓	✓*	✓	✓	✓
Shri Sreejith K Narayanan	✓	✓	✓	✓	✓	✓	✓	✓
Shri Harikrishnan S	NA	NA	×	✓	✓	✓	✓	✓
Smt. Anjana K R	✓	✓	×	✓	✓	✓	✓	✓
Shri Chandra Mani Rout	✓*	NA	NA	NA	NA	NA	NA	NA

* Attended through audio visual means.

Directorships and Committee Positions

10. The total number of Directorship(s)/Chairmanship(s) held by Directors and the positions of Membership/Chairmanship on Committees including Hooghly Cochin Shipyard Limited, as on March 31, 2024 are given below:

Name of the Director	No. of Directorship		Board Committees	
	Chairman	Member	Chairman	Member
Shri Madhu Sankunny Nair	3	3	-	-
Shri Bejoy Bhasker	-	3	-	1
Shri Jose V J	-	3	-	1
Shri Sreejith K Narayanan	-	3	-	-
Shri Harikrishnan S	-	1	-	-
Smt. Anjana K R	-	2	-	-

- The Directorships held by Directors as mentioned above does not include Alternate Directorships and 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.

Board Committees

11. The Company, being a wholly owned subsidiary, is exempt from constitution of Audit Committee and Nomination and Remuneration Committee. The Company is also not required to constitute the other statutory committees viz., Corporate Social Responsibility (CSR) Committee and Stakeholders Relationship Committee in view of the fact the Company has not breached the threshold as prescribed under the relevant provisions of the Companies Act, 2013. Accordingly, no statutory Committees of the Board have been constituted during the financial year 2023-24. However, the Company has constituted a Securities Offer, Allotment and Transfer Committee. The Composition of the Committee as on the date of this report and attendance record of members in the meetings held during the financial year 2023-24 is given below:

Sl. No.	Name	DIN	Designation	No. of Meetings attended
1.	Shri Madhu Sankunny Nair	07376798	Chairman	2/2
2.	Shri Jose V J	08444440	Member	2/2

12. Two meetings of the Committee were held during the financial year 2023-24 on August 22, 2023 and September 15, 2023 respectively. All the members were present at the said meetings.

General Body Meetings

13. The date, time and venue of the last three Annual General Meetings (AGM) were as follows:

Financial Year	Date & Time	Venue	Special Resolution passed
2022-23	September 19, 2023 at 11.00 hrs.	Not Applicable, since the meeting was held through electronic mode.	No
2021-22	September 19, 2022 at 11.00 hrs.	Not Applicable, since the meeting was held through electronic mode.	No
2020-21	September 15, 2021 at 11.00 hrs.	Not Applicable, since the meeting was held through electronic mode.	No

14. Extra Ordinary General Meeting (EGM) was not required to be conducted during the financial year 2023-24.

15. The 07th AGM of the Company is scheduled to be held on September 19, 2024 at 09:00 hrs. at CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala – 682 015.

Code of Conduct

16. The Board has prescribed a Code of Conduct ('Code') for all the Board Members and Senior Management of the Company as required under the DPE Guidelines on Corporate Governance. All Board Members and Senior Management Personnel have confirmed compliance with the Code for the financial year ended March 31, 2024. A declaration signed by the Chief Executive Officer of the Company in this regard is given below:

> Pursuant to the Department of Public Enterprises (DPE) Guidelines on Corporate Governance, it is hereby declared that all the Board Members and Senior Management Personnel of Hooghly Cochin Shipyard Limited (HCSL) have affirmed compliance with the Code of Business Conduct and Ethics for Board Members and Senior Management for the financial year ended March 31, 2024.
>
> (Sd/-)
> **Sanil Peter**
> Chief Executive Officer

Remuneration to Directors

17. The Directors of the Company are the Functional Directors/ Senior Management Personnel of Cochin Shipyard Limited (CSL), the holding company, who are appointed as Non-Executive Directors on ex-officio basis. Accordingly, no remuneration including performance linked incentives are payable to the Directors. Further, there has been no pecuniary relationship or transactions between the Directors and the Company during the reporting period.

Other Disclosures

(i) Related Party Transactions

18. During the year under review, the Company has not entered into any materially significant related party transactions that had or may have conflict with the interests of the Company at large. Further, related party disclosures as per Indian Accounting Standard (Ind AS) 24 is set out at Note 37 to the financial statements of the Company.

(ii) Non-compliance by the Company

19. There were no cases of non-compliance by the Company and no penalties/strictures were imposed on the Company by any statutory authority on any matter related to any guidelines issued by Government, during the last three years.

(iii) Whistle Blower Policy

20. The Company has an effective Whistle Blower Policy which provides the framework for Stakeholders to report to the management, instances of illegal or unethical practices, unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. The Whistle Blower and Fraud Prevention Policy adopted by Cochin Shipyard Limited (CSL), the holding company, is applicable on the Company and acts as the Whistle Blower Policy/Vigil Mechanism of Hooghly Cochin Shipyard Limited. The said Policy has been hosted on the website of CSL and can be accessed at www.hooghlycsl.com. During the period under report no personnel has been denied access to the Audit Committee of CSL.

(iv) Compliance with DPE Guidelines on Corporate Governance

21. The Company has complied with the conditions of Corporate Governance, wherever applicable, 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. A Certificate in this regard obtained from a Practicing Company Secretary is placed at **Annexure I**.

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

22. The Company has been complying with the Presidential Directives issued by Central Government with respect to the Public Sector Undertakings (PSU), wherever applicable.

(vi) Items of expenditure debited in books of accounts, which are not for the purposes of the business.

NIL

(vii) Expenses incurred which are personal in nature and incurred for the Board of Directors and top management.

NIL

(viii) The administrative and office expenses of the Company for the year 2023-24 is 7.05% (9.97% PY) of the total expenses. The financial expenses stood at 14.70% (25.13% PY) of the total expenses in the year 2023-24.

(ix) Means of communication of results.

23. As the Company's shares are not listed in any of the stock exchanges, there is no statutory requirement for publishing the quarterly/half yearly/annual results. However, the consolidated financial results (quarterly/half yearly/annual) of CSL which takes into account the financial results of the Company as well is published as per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The annual reports and the official news releases of the Company are placed at the Company's website at www.hooghlycsl.com. Further, the Annual Reports of the Company are also hosted on the website of CSL viz., www.cochinshipyard.in.

(x) Audit Qualifications

24. The Report submitted by the Statutory Auditors, M/s. S. Guha & Associates, with respect to the financial statements of the Company for the financial year 2023-24 does not contain any adverse remark.

(xi) Training of Board Members

25. The Directors of the Company are the Functional Directors/ Senior Management Personnel of Cochin Shipyard Limited (CSL), the holding company and also have a very vast, wide and varied experience in the areas of education, industry, defence, management, human resource management and administration. CSL imparts training to the Directors/ Senior Management Personnel, wherever considered necessary.

Address for Correspondence:
Hooghly Cochin Shipyard Limited
Administrative Building
HCSL Premises, Satyen Bose Road
P.O. Danesh Shaikh Lane, Nazirgunge
Howrah, West Bengal – 711 109
Tel: +91 (33) 26888282
Email: secretary.hcsl@cochinshipyard.in
Website: www.hooghlycsl.com

For and on behalf of the Board of Directors

Madhu Sankunny Nair
Chairman
DIN: 07376798

Kochi
August 08, 2024

Annexure I

Certificate on Corporate Governance

(Clause 8.2.1 of the Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 issued by the Department of Public Enterprises, Government of India)

To
The Members,
Hooghly Cochin Shipyard Limited
Administrative Building
HCSL Premises, Satyen Bose Road
P.O. Danesh Shaikh Lane, Howrah
Nazirgunge, West Bengal, India - 711109

We have examined the compliance of conditions of Corporate Governance by **Hooghly Cochin Shipyard Limited** (hereinafter referred as "the Company") for the Financial Year ended March 31, 2024, as stipulated under Clause 8.2.1 of the Guidelines on Corporate Governance for Central Public Sector Enterprises ("CPSEs") 2010 issued by the Department of Public Enterprises ("DPE"), Government of India.

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

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance, wherever applicable, as stipulated in the above mentioned guidelines.

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

This certificate is issued solely for the purposes of complying with the guidelines on Corporate Governance for Central Public Sector Enterprises ("CPSEs") 2010 ("CPSEs") issued by the Department of Public Enterprises ("DPE"), Government of India and may not be suitable for any other purpose.

For SEP & Associates
Company Secretaries

CS Anju Panicker
Partner
Membership No: ACS: A37120
COP: 22086

Place: Kochi
Date: 29.06.2024
UDIN: A037120F000638921
(Peer Review Certificate No. 3693/2023)

Independent Auditor's Report

To
The Members of
Hooghly Cochin Shipyard Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of HOOGHLY COCHIN SHIPYARD LIMITED (the "Company"), which comprise the Balance sheet as at 31 March, 2024 the statement of Profit and Loss, the statement of Changes in Equity and the statement of Cash Flows for the year ended on that date and notes to the financial statements, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to best of our information and according to the explanation given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 as amended (the "Act ") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and loss and changes in equity and its cash flows for the year ended on that date.

Basis for opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon. We have determined the matter described below to be the Key Audit Matter to be communicated in our report.

REVENUE FROM CONTRACTS WITH CUSTOMERS

The Company recognizes revenue from Ship Building, Ship Repair and other construction contracts based on the transaction price, which is the fair value of the 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.

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.

Our audit procedures related to the identification of distinct performance obligations, evaluation of the processes for identifying estimated cost, evaluation of implications of modification of orders, if any, on cost estimates or costs to complete and revenue and evaluation of any other variable consideration.

We read contract and other documents, communications, identified significant terms and conditions, tested the effectiveness of controls relating to the evaluation of performance obligations and identification of those that are distinct, estimation of costs to complete each of the performance obligations including the contingencies in respect thereof as work progresses and the impact thereon as a consequence of modification of orders, if any, the impact of modified orders on the transaction price of the related contracts and evaluation of the impact of contract modifications and impact of variable amounts like discounts, rebates, refunds, credits, price concessions, liquidated damages on the net amount of consideration.

We reviewed the methods, estimates and computations used to arrive at the value to be recognized as revenue. We also checked whether those are in conformity with the provisions of IND-AS 115.

HCSL had adopted `input method' under IND AS-115 for recognition of its revenue from contracts with customers up to Financial Year 2022-23. Revenue for the current financial year 2023-24 was recognized using `output method'. This change from `input method' to `output method' is considered as change in accounting policy and such change resulted in increase in revenue from ship building for the financial year 2023-24 by ₹116.51 Lakhs (which is 5.96% of revenue computed using `input' method) and also increase in contract asset as on March 31, 2024 by ₹116.51 lakhs.

Emphasis of Matter

01. Lease Accounting

HCSL is following IND AS-116 for accounting of Lease in respect of its Leasehold Land. However, lease term and effective dates considered by HCSL for computation are not in agreement with provisions of the Deed of Declaration dated 23rd September, 2021 (DEED) between HCSL and President of India (Ministry of Ports, Shipping and Waterways). This DEED, read with Principal Deed of Lease dated 19th January, 2018 is the governing agreement for leasehold land of HCSL. HCSL has recognized Lease rent based on the original Lease agreement signed on 18.01.2018, which was subsequently revised because of operation of law due to exit of HDPEL. Lease Term and effective dates should be made in parity with the provisions of the DEED for valuation of lease liability and ROU assets in the books of accounts. In case of confusion, HCSL should obtain clarification from the ministry.

02. Project time/ cost overrun

Delivery dates for Ship Building of 2200 Ton Multi-Purpose Vessel and construction of Caisson Gates expired on 5th August, 2023 and March 31, 2023 respectively. Delayed delivery charges of ₹20.21 lakhs and ₹117.68 Lakhs, respectively, as per respective contracts, were deducted from order values to arrive at revenue recognized.

03. Dues from Ship Repair activities during 2021 & 2022

₹27.99 Lakhs on account of ship repairs undertaken during FYs 2021 and 2022 remained due as on March 31, 2024. Balance outstanding as on date should be reconciled with confirmation from the Debtor and the amount should be recovered without further delay. Provision for expected losses were made in the accounts as described in Note No. 14.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matter stated in section 134(5) of the Act with respect the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies, making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for insuring the accuracy and completeness of the accounting reports, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free material misstatement, whether due to frauds or error.

In preparation the standalone financial statement, management is responsible for assessing the Company's ability to continue as a going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Director are responsible for overseeing the Company's financial reporting progress.

Auditor's Responsibilities for the Audit of the Standalone Financial statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is no 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 the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide 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, international omissions, misrepresentations, or the override of internal control .

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, 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 the 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 exist related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall preparation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statement represent the underlying transactions and event in a manner that achieves fair preparation.
- 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 statements that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be through to bear on our independence, and were 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 keys audit matters. We describe these matters in our auditor's report unless or regulation precludes public disclosure about the matter or when, in extremely rare circumstance, 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.

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 information included in the Annual report but does not included the financial statements and our auditor's report thereon.

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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we concluded that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure A" statement on the matters specified in paragraph 3 and 4 of the Order .
2. Based on the verification of the records of the Company and based on information and explanations given to us we give report in "Annexure B" on the Directions issued by the Comptroller and Auditor General of India in term of Section 143(5) of the Act.
3. As required by section 143(3) of the Act, Based on our audit 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.
   b). In our opinion, proper books of account as required by law have been kept by the Company, in electronic mode on server's physically located in India so far as it appears from our examination of those books.

c). The Balance Sheet, the Statement of Profit and Loss, Statement of Changes in Equity and the Statement of Cash flow dealt with by this Report are in agreement with the relevant books of accounts.

d). In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e). As per notification no. G.S.R 463(E) dated June, 5, 2015, the Government Companies are exempted from the provisions of section 164(2) of the Act, accordingly, We are not required to report whether any of the directors of the Company is disqualified in terms of provisions contained in the said section.

f). With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such control, refer to our separate Report in "Annexure C". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g). With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of The Act, as amended: In our opinion and to best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h). With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us.

i. The Company does not have any pending litigation which would impact its financial position.

ii. The Company does not have any long-term contacts including derivative contacts for which there were any material foreseeable losses.

iii. There were no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

iv. a). The management has represented that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or any other persons(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate beneficiaries") or provide any guarantee, security or the on behalf of the Ultimate Beneficiaries;

b). The management has represented that to the best of its knowledge and belief, no funds have been received by the Company from any persons(s) or entity (ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c). Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the preparations under sub-clause (a) and (b) contain any material misstatement

v. The Company has not declared any dividend during the year.

vi. In our opinion the Company has used such accounting software for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has been operated throughout the year for all transactions recorded in the software and the audit trail feature has not been tampered with and the audit trail has been preserved by the Company as per statutory requirement of record retention.

For S.K. BASU & CO.
Chartered Accountants
[FRN:301026E]

(S. BASU)
Partner
(MN:053225)
UDIN: 24053225BKHRXR7363

Place Kolkata
Date:- 6th May, 2024

Annexure "A" to the Independent Auditor's Report

(Referred to in Paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of Hooghly Cochin Shipyard Limited of even date)

To
The Members of
Hooghly Cochin Shipyard Limited

(i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to information and explanations provide to us, Property Plant and Equipment have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations provided to us, the records examined by us, we report that, the company does not any have any freehold immovable properties of land and buildings as at the Balance Sheet date. In respect of immovable properties that have been taken on lease and disclosed as fixed assets in the standalone financial statement, the lease agreements are in the name of the Company.

(d) According to the information and explanations provided to us, the Company has not revalued its Property, Plant and Equipment (including Right of use assets) or intangible assets during the year.

(e) According to the information and explanations provided to us, there are no proceedings initiated or are pending against the Company holding any Benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management had conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed as compared to book records.

(b) The Company has been sanctioned working capital limits in excess of ₹5 Crores during the year, in aggregate from banks on the basis of security of current assets and the unaudited monthly return/ statements filed by the Company with such bank are in agreement with the unaudited books of account of the Company. There is no outstanding at the year end.

(iii) (a) According to the information and explanations given to us, during the year the Company has not provided advances in the nature of loans, or provided security or stood guarantee to companies, firms, Limited Liability Partnerships or any other parties.

(b) According to the information and explanations provided to us, the term and conditions of the grants of loans are not prejudicial to the Company's interest. Also during the year the Company has not made investments, provided guarantees, provided security and granted advances the nature of loans to companies, firms, Limited Liability Partnership or any other parties.

(c) According to the information and explanations provide to us, the Company has not granted any loans to entities covered in the register maintained under section 189 of the Companies Act, 2013.

(d) According to the information and explanations provided to us, there are no amounts of loan and advances in the nature of loans granted to companies, firms, limited liability partnership or any other parties which are overdue for more than ninety days.

(e) According to the information and explanations provided to us, there were no loans or advances in the nature of loan granted to companies, firms, Limited Liability Partnership or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.

(f) According to the information and explanations provided to us, the Company has not granted loan and advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnership or any other parties. Accordingly, the requirement to report on clause 3(iii) (f) of the Order is not applicable to the Company.

(iv) According to the information and explanations provided to us there are no loans granted, investments made, guarantees and securities given by the Company to which the provisions of Sections 185 and 186 of the Act are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable and hence not commented upon.

(v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act and the rules made thereunder, to the extend applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable and hence not commented upon.

(vi) To the best of our knowledge and explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products of the Company.

(vii) (a) Undisputed statutory dues including goods and service tax, provident fund, employees' state insurance, income tax, duty of customs, cess and other applicable statutory dues have been regularly deposited with the appropriate authorities. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of applicable statutory dues were outstanding, at the year and, for a period of more than six months from the date they become payable.

(b) There are no dues of goods and services tax, provident fund, employees' state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other statutory dues which have not been deposited on account of any dispute.

(viii) According to the information and explanations provided to us, the Company has not surrendered or disclosed as income in tax assessments during the year any transaction previously not recorded in the books of accounts. Accordingly, the requirement to report on clause 3(viii) of the Order in note applicable and hence note commented upon.

(ix) (a) According to the information and explanations provided to us, the Company has not defaulted in repayment of any dues to financial institutions, banks, governments, or debenture holders.

(b) According to the information and explanations provided to us, the Company has not been declared willful defaulter by any bank or financial institutions or government or any governments authority.

(c) According to the information and explanations provided to us, the Company did not have any term loans outstanding during the year hence, the requirement to report on clause (ix)(c) of the Order is not applicable and hence not commented upon.

(d) According to the information and explanations to us, and based on the overall examination of the financial statements, no funds raised by the Company on short-term basis have been used for long- term purposes.

(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiary. Hence, the requirement to report on clause (ix) (e) of the Order is not applicable to the Company.

(f) The Company has not raised loans during the year one the pledge of securities in its subsidiary. Hence, the requirement to report on clause (ix) (f) of the Order is not applicable to the Company.

(x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x) (A) of the Order is not applicable to the Company.

(b) According to the information and explanations provided to us, the Company has not made preferential allotment or private placement of shares to any company but has made allotment of shares to the Holding Company, Cochin Shipyards Ltd. amounting to ₹4400 Lakhs by further issue of equity. In our opinion, the funds raised were utilized for the purposes they were raised and the requirements of Section 42 and Section 62 of The Companies Act, 2013 were complied with.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statement and according to the information and explanations provided to us, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

(b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 has been filed by cost auditor, secretarial auditor or by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

(xii) In our opinion, the Company is not a nidhi Company as per the provision of the Companies Act, 2013. Therefore, the requirements to report on clause 3(xii) (a) (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Companies Act, 2013 where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company has an internal audit system commensurate with the size and nature of its business.

(b) We have considered the internal audit reports of the Company issued till date, for the period under audit.

(xv) According to the information and explanations provided to us, the Company has not entered into any non-cash transactions with its directors or persons connected with its directors. According, requirements to report on clause 3(xv) of the Order is not applicable to the Company and hence not commented upon.

(xvi) (a) In our opinion and according to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act,1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause (xvi) (a) of the Order is not applicable and hence not commented upon.

(b) According to the information and explanations provided to us, the Company has not conducted any Non –Banking Financial Housing Financial activities as per the Reserve Bank of India Act,1934.

(c) According to the information and explanations provided to us, the Company is not a Core Investment Company as defined in the regulations made by the Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable and hence not commented upon.

(d) According, to information and explanations provided to us, there are no Core Investment Companies in the group as defined in the Core Investment Companies (Reserve Bank) Directions. Accordingly, the requirement to report on clause 3(xvi) of the Order is not applicable and hence not commented upon.

(xvii) The Company has incurred a cash loss of ₹1209.71-Lakh during the year and a cash loss ₹1056.64 Lakh during the immediately preceding financial year.

(xviii) There has been no resignation of statutory auditors of the Company during the year. Accordingly, requirement to report on clause 3(xviii) of the Order is not applicable and hence not commented upon.

(xix) In our opinion and according to the information and explanations provided to us and on the basis of the financial ratios disclosed in note 41 to the financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the plans of the Board of Directors and management nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of our audit report that Company is not capable of meeting its liabilities as at the date of balance sheet as and when they fall due within a period of one year from the date of balance sheet. We however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and neither give any guarantee nor any assurance that the Company will not be able to meet all liabilities as and when they fall due within a period of one year from the date of balance sheet.

(xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act.

(b) In our opinion and according to the information and explanations provided to us, there are no unspent amounts in respect of ongoing projects, that are required to be transferred to a special account in accordance of provision of sub section (6) of section 135 of Companies Act, Accordingly, the requirement to report on clause 3(xx) (b) of the Order is not applicable and hence not commented upon.

(xxi) Clause xxi is not applicable to the Company.

For S.K. BASU & CO.
Chartered Accountants
[FRN:301026E]

(S. BASU)
Partner
(MN:053225)
UDIN: 24053225BKHRXR7363

Place Kolkata
Date:- 6th May, 2024

ANNEXURE 'B' to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on other Legal and Regulatory Requirements' section of our Report to the Members of Hooghly Cochin Shipyard Limited of even date)

Report on the Directions under section 143(5) of the Companies Act, 2013 of the year ended 31 March, 2024

Based on the verification of the records of the Company and based on information and explanations given to us give here below a report on the Directions issued by the Comptroller and Auditor General of India of terms of section 143(5) of the Act:

(a) 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 accounts along with the financial implications, if any, may be noted.

Answer: The Company's accounting records are maintained in IT system. As such, there is no recording of transactions outside the system, and hence no financial implication in this respect.

b) Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the Company due the company's inability to pay the loan? If yes, the financial impact may be stated. Whether such cases are properly accounted for? (In case, lender is a government company, then this direction is also applicable to statutory auditor of lender company).

Answer: There has been no instance of restricting of existing loans or instances of waiver/ write off debts/ loans/ interest etc during the year.

c) Whether funds (grants/subsidy) etc received/ receivable for specific schemes from Central/ State Government or its agencies were properly accounted for/utilized as per its terms and conditions? List the cases of deviations.

Answer: The Company has not received any specific funds under any specific scheme and as such the question of utilization does not arise.

For S.K. BASU & CO.
Chartered Accountants
[FRN:301026E]

(S. BASU)
Partner
(MN:053225)
UDIN: 24053225BKHRXR7363

Place Kolkata
Date:- 6th May, 2024

ANNEXURE 'C' to the Independent Auditor's Report

(Referred to in Paragraph 3 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Hooghly Cochin Shipyard Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 HOOGHLY COCHIN SHIPYARD LIMITED (the "Company") as of March 31, 2024 in conjunction with audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial controls

The Board of Directors of the Company 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 stared in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the institute of Chartered Accountants of India (the "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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on 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 prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 operate 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 obtained 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 of Internal Financial Controls 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 unauthorized 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 controls 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 explanations given to us, 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, 2024 based on the internal financial controls over financial reporting criteria established by the Company considering the essential components of internal control stared in the Guidance Note on Audit of Internal Financial controls Over Financial Reporting issued by the Institute of Chartered Accountants on India.

For S.K. BASU & CO.
Chartered Accountants
[FRN:301026E]

(S. BASU)
Partner
(MN:053225)
UDIN: 24053225BKHRXR7363

Place: Kolkata
Date:- 6th May, 2024

Balance Sheet

as at March 31, 2024

(₹ in Lakh)

Particulars	Note No.	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
(a) Property, plant and equipment	3	15,993.73	16,142.46
(b) Capital work-in-progress	4	130.49	608.88
(c) Intangible assets	5	540.40	553.42
(d) Intangible assets under development		-	-
(e) Financial assets			
(i) Investments			
(ii) Trade receivables		-	-
(iii) Loans		-	-
(iv) Other Financial Assets	6	0.49	0.40
(f) Income tax assets (net)	7	-	-
(g) Deferred tax assets (net)	8	-	-
(h) Other non-current assets	9	67.22	68.05
Total Non-Current assets		**16,732.33**	**17,373.21**
Current assets			
(a) Inventories	10	808.40	158.85
(b) Financial Assets			
(i) Trade receivables	11	282.77	755.41
(ii) Cash and cash equivalents	12	6,227.04	6,299.93
(iii) Bank balances other than (ii) above		-	-
(iv) Loans		-	-
(v) Other Financial assets	13	15.29	3.81
(c) Current tax assets (net)	7	104.58	39.55
(d) Other current assets	14	1,788.38	1,477.75
Total Current assets		**9,226.46**	**8,735.30**
Asset Held for sale		-	-
Total Assets		**25,958.79**	**26,108.51**
EQUITY AND LIABILITIES			
Equity :			
(a) Equity share capital	15	14,000.00	9,600.00
(b) Other equity	16	(6,056.91)	(3,052.00)
Total Equity		**7,943.09**	**6,548.00**
Liabilities :			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	8,700.00	13,100.00
(ii) Lease Liabilities	18	635.05	635.05
(iii) Other financial liabilities		-	-
(b) Provisions	19	13.11	8.59
(c) Deferred tax liabilities (net)	8	520.62	
(d) Other non current liabilities		-	-
Total Non-Current Liabilities		**9,868.78**	**13,743.64**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings		-	-
(ii) Lease Liabilities	20	59.43	44.15
(iii) Trade payables			
Total outstanding dues of Micro Enterprises and Small Enterprises	21	221.51	-
Total outstanding dues of creditors other than Micro Enterprises and Small Enterprises		1,973.54	2,625.90
(iv) Other financial liabilities	22	1,400.28	1,456.49
(b) Other current liabilities	23	3,645.35	1,497.86
(c) Provisions	24	846.81	192.47
(d) Current tax liabilities (net)		-	-
Total Current Liabilities		**8,146.92**	**5,816.87**
Total Equity and Liabilities		**25,958.79**	**26,108.51**
Corporate overview and Material Accounting Policies	1-2		
Notes to the Standalone Financial Statements			
The accompanying notes are an integral part of these financial statements			

For and on behalf of Board of Directors

For S.K BASU & Co.
Chartered Accountants (FRN: 301026E)
UDIN: 24053225BKHRXR7363

S BASU
(Partner)
Membership No: 053225

Place: Kolkata
Dated: 6th May 2024

MADHU S NAIR
Chairman
(DIN 07376798)

SANIL PETER
Chief Executive Officer

JOSE V J
Director
(DIN 08444440)

SAIBAL CHATTOPADHYAY
Chief Financial Officer

KIRAN K A
Company Secretary
M. No. A36050

Statement of Profit and Loss

for the Year ended March 31, 2024

(₹ in Lakh)

Sl No	Particulars	Note No.	Year ended March 31, 2024	Year ended March 31, 2023
I	**Income**			
	Revenue from operations	25	2071.68	1702.06
	Other income	26	332.79	59.27
	Total Income		**2404.47**	**1761.33**
II	**Expenses**			
	Cost of materials consumed	27	931.34	611.63
	Changes in Inventories of Work-in-Progress		0.00	0.00
	Sub contract and other direct expenses	28	906.47	307.74
	Employee benefits expense	29	463.40	403.57
	Finance costs	30	718.94	889.98
	Depreciation and amortisation expense	31	843.45	723.64
	Other expenses	32	579.22	605.02
	Provision for anticipated losses and expenditure		446.84	0.00
	Total expenses		**4889.66**	**3541.58**
III	**Profit before exceptional items and tax (I-II)**		**(2485.19)**	**(1780.25)**
IV	**Exceptional Items**		**-**	**-**
V	**Profit beforeTax (III+IV)**		**(2485.19)**	**(1780.25)**
VI	**Tax expense**			
	(1) Current tax		-	
	(2) Deferred tax		520.62	253.34
VII	**Profit for the period/year(V-VI)**		(3005.81)	(2033.59)
	i) Remeasurements of defined employee benefit obligations		0.84	(0.08)
	Other comprehensive income for the period/year		**0.84**	**(0.08)**
IX	**Total Comprehensive Income for the period/year**		**(3004.97)**	**(2033.67)**
XI	**Total Comprehensive income attributable to Equity holders of the Parent (IX-X)**		**(3004.97)**	**(2033.67)**
X	**Paid up equity share capital (Face value - ₹ 10 each)**		**14000.00**	**5000.00**
XI	**Earnings per equity share of ₹ 10 each**			
	(1) Basic (₹)		(2.50)	(3.91)
	(2) Diluted (₹)		(2.50)	(3.91)
	EPS is not annualised except for the year ended March 31, 2024 and March 31, 2023.			

Notes:

1 The Figures for the corresponding previous period have been regrouped/reclassified wherever necessary, to make comparable.

2 These financial results have been prepared in accordance with the recognition and measurement principles of Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Companies Act, 2013 read with the relevant rules Issued thereunder and the other accounting principles generally accepted in India.

3 Deferred Tax Assets and Liability have been reviwed as on date of Balance Sheet and Deferred Tax Assets has not been considered for recognition and entire Deferred Tax Liability as on 31.03.2024 has been recognized.

For S.K BASU & Co.
Chartered Accountants (FRN: 301026E)
UDIN: 24053225BKHRXR7363

S BASU
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Chief Financial Officer

KIRAN K A
Company Secretary
M. No. A36050

Place: Kolkata
Dated: 6th May 2024

Statement of Cash Flows

for the Year ended March 31, 2024

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flow from operating activities		
Profit before tax	(2,485.19)	(1,780.25)
Adjustments for :		
Exceptional items	-	-
Depreciation and amortisation expense	843.45	723.64
Dimunition in value of Loose tools	-	-
Finance cost	718.94	889.98
Loss on lease Modification	-	-
Interest income	(298.18)	(52.56)
Unwinding of Security Deposit	(0.05)	(0.03)
Amortization of Advance Lease Rent	0.93	0.66
Dividend income from preference shares	-	-
Loss on sale/write off of property, plant and equipment	-	-
Profit on sale of investments	-	
Profit on sale of Fixed assets	-	-
Deferred Govt. Assistance	-	-
Loss/(gain) on derivative contracts (net)	-	-
Unrealised loss/(gain) on derivative contracts (net)	-	
Net (gain) /loss on foreign currency transactions	(3.82)	-
Effective loss/gain of cash flow hedges	0.00	0.00
Operating cash flow before working capital changes	**(1,223.92)**	**(218.56)**
Movements in working capital :		
(Increase) / decrease in inventories	(649.55)	(163.96)
(Increase) / decrease in trade, other receivables and assets	86.44	(1,059.70)
Increase / (decrease) in trade and other payables	2,334.57	1,317.99
	547.54	**(124.23)**
Income tax paid net of refunds	-	(16.95)
Net cash flows from operating activities (A)	**547.54**	**(141.18)**
B. Cash flow from investing activities		
Purchase of property, plant and equipment	(681.71)	(182.53)
(Increase) / decrease in Intangible assets under development	-	
(Increase) / decrease in capital work In progress	478.39	(792.76)
(Increase) / Decrease in Term Deposit	-	109.07
Interest received	298.01	52.57
Rent received		
Net cash flows from investing activities (B)	**94.69**	**(813.65)**

Statement of Cash Flows

for the Year ended March 31, 2024

(₹ in Lakh)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
C. Cash flow from financing activities		
Borrowings of Short Term Loans	-	650.00
Repayment of loans	(4,400.00)	(650.00)
Net gain /(loss) on foreign currency transactions	3.82	-
Proceeds from Issue of Shares	4,400.00	4,600.00
Repayment of lease liability	-	(43.08)
Dividend paid	-	-
Finance cost	(718.94)	(495.86)
Net cash flows from financing activities (C)	**(715.12)**	**4,061.06**
D. Net Increase in Cash & Cash Equivalents (A)+(B)+(C)	**(72.89)**	**3,106.23**
Cash and cash equivalent at the beginning of the Year	**6,299.93**	**3,193.70**
Cash and cash equivalent at the end of the Year	**6,227.04**	**6,299.93**

For S.K BASU & Co.
Chartered Accountants (FRN: 301026E)
UDIN No. : 24053225BKHRXR7363

S BASU
(Partner)
Membership No: 053225

Place: Kolkata
Dated: 6th May 2024

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Statement of Changes in Equity

for the year ended March 31, 2024

A. Equity Share Capital

(₹ in lakhs)

Balance as at 1st April, 2023	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance as at March 31, 2024
9,600.00	-	-	4,400.00	14,000.00

(₹ in lakhs)

Balance as at 1st April, 2022	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes during the year	Balance as at March 31, 2023
5,000.00	-	-	4,600.00	9,600.00

B. Other Equity

(₹ in lakhs)

	Retained Earnings	Total
Balance as at 1st April, 2023	**(3,052.00)**	**(3,052.00)**
Changes in accounting policy/prior period errors	-	-
Restated balance at the beginning of the current reporting period	**(3,052.00)**	**(3,052.00)**
Total Comprehensive Income for the year	(3,004.97)	(3,004.97)
Dividends	-	-
Transfer to retained earnings	-	-
Closing Balance as at March 31, 2024	**(6,056.97)**	**(6,056.97)**

(₹ in lakhs)

	Retained Earnings	Total
Balance as at 1st April, 2022	**(1,018.33)**	**(1,018.33)**
Changes in accounting policy/prior period errors	-	-
Restated balance at the beginning of the current reporting period	**(1,018.33)**	**(1,018.33)**
Total Comprehensive Income for the year	(2,033.67)	(2,033.67)
Dividends	-	-
Transfer to retained earnings	-	-
Closing Balance as at March 31, 2023	**(3,052.00)**	**(3,052.00)**

C. Notes forming part of the financial statements — Notes 1-41

For S.K BASU & Co.
Chartered Accountants (FRN: 301026E)
UDIN No. : 24053225BKHRXR7363

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S BASU
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Membership No: 053225

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Chief Financial Officer

KIRAN K A
Company Secretary
M. No. A36050

Place: Kolkata
Dated: 6th May 2024

Material Accounting Policy Information- Standalone Financial Statements-2023-24

Material Accounting Policy Information

1. Corporate Information:

Hooghly Cochin Shipyard Limited (HCSL), a company engaged in manufacturing and repair of commercial ships, barges and tugs for domestic and international clients has been incorporated on 23rd October, 2017. It is 100% Subsidiary of Cochin Shipyard Limited (A Govt of India Enterprise, CPSE- "Miniratna" Schedule-A Category-I).

The Registered Office of the Company is situated at Administrative Building, HCSL Premises, Satyen Bose Road, Danesh Sheikh Lane, Nazirgunge, Howrah - 711 109. At present, only the Nazirgunge facility has undergone the major facility restructuring and the yard has commenced its commercial operation from FY 2022-23.

As at 31.03.2024, Cochin Shipyard Limited hold 100% of the Company's equity share Capital.

The financial statements for the year ended March 31, 2024 were approved by the Board of Directors and authorized for issue on May 06, 2024, which are subject to the supplementary audit by the Comptroller & Auditor General of India (C&AG) and final approval of the Shareholders.

Basis of preparation and presentation of Financial Statements

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.

The Balance Sheet, the Statement of Profit and Loss and the Statement of Changes in Equity are prepared and presented in the format prescribed in the Division II of Schedule III to the Companies Act, 2013 (the Act). The Statement of Cash Flows has been prepared and presented in accordance with Ind AS 7 “Statement of Cash Flows”. The disclosures with respect to items in the Balance Sheet and Statement of Profit and Loss, as prescribed in the Schedule III to the Act, are presented by way of notes forming part of the financial statements along with the other notes required to be disclosed under the notified Accounting Standards and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Functional and Presentation Currency

The financial statements are presented in Indian Rupees (₹) which is Company’s presentation and functional currency and all values are rounded to the nearest lakhs (rounded off to two decimals) as permitted by Schedule III of the Act except when otherwise indicated.

Basis of Measurement

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.

Current/ Non-Current Classification

An Asset/ liability is classified as current if it satisfies any of the following conditions:

i. the asset/ liability is expected to be realized/ settled in the Company’s normal operating cycle;

ii. the asset is intended for sale or consumption;

iii. the asset/ liability is held primarily for the purpose of trading;

iv. the asset/ liability is expected to be realized/ settled within twelve months after the reporting period;

v. the asset is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date;

vi. in the case of a liability, the company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other assets and liabilities are classified as non-current.

For the purpose of current/ non-current classification of assets and liabilities, the company has ascertained its normal operating cycle of different business activities as follows:

(i) In case of ship building and ship repair, normal operating cycle is considered vessel wise, as the time period from the effective date of contract to the date of expiry of warranty period.

(ii) In the case of other business activities, normal operating cycle is 12 months.

Use of estimates and judgments

The preparation of the financial statements in conformity with the Ind AS requires management to make judgments, 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.

Future results could differ due to changes in these estimates and the difference between the actual result and the estimates are recognized in the period in which the results are known/materialize.

The estimates and underlying assumptions are reviewed on an ongoing basis.

Critical Accounting estimates and judgments:

The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in the financial statements have been disclosed below:

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 judgments are involved in determining the elements of deferred tax items.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgments in assessing the lease term (including anticipated renewals) and the applicable discount rate. The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialized nature of the leased asset.

For computation of lease liability, Ind AS 116 requires lessee to use their incremental borrowing rate as discount rate if the rate implicit in the lease contract cannot be readily determined.

For leases denominated in Company's functional currency, the Company considers the incremental borrowing rate to be the interest rate on borrowings from banks available to the company.

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.

Litigations

From time to time, the Company is subject to legal proceedings and the ultimate outcome of each being always subject to many uncertainties inherent in litigation. A provision for litigation is made when it is considered probable that a payment will be made and the amount of the loss can be reasonably estimated. Significant judgment is made when evaluating, among other factors, the probability of unfavorable outcome and the liability to make a reasonable estimate of the amount of potential loss. Provision for litigations are reviewed at the end of each accounting period and revisions made for the changes in facts and circumstances.

Fair value measurements

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 under current market conditions.

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

(a) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 inputs are inputs that are observable, either directly or indirectly, other than quoted prices included within level 1 for the asset or liability.

(c) Level 3 inputs are unobservable inputs for the asset or liability reflecting significant modifications to observable related market data or Company's assumptions about pricing by market participants.

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.

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 judgment in measuring progress of performance obligations satisfied over time for recognition of revenue from contracts with customers.

Revenue is recognized over time by measuring the work carried out or survey of performance completed to date under output method. Under this method, works completed to date in each contract are the basis to measure and recognize revenue. The quantum is calculated by each project team based on the technical progress up to the reporting date. The revenue recognized reflects the value of works completed/ measured to date in line with the consideration as determined in the respective contracts.

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.

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. Changes in Accounting Policies

A. Deferred Tax related to assets and liabilities arising from a single transaction

The Company has adopted Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to Ind AS 12) from 1st April, 2023. The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences - e.g. leases and decommissioning liabilities. For leases and decommissioning liabilities, an entity is required to recognize the associated deferred tax assets and liabilities from the beginning of the earliest comparative period presented, with any cumulative effect recognized as an adjustment to retained earnings or other components of equity at that date. For all other transactions, Company applies the amendments to transactions that occur on or after the beginning of the earliest period presented.

The Company previously accounted for deferred tax on leases by applying the 'integrally linked' approach, resulting in a similar outcome as under the amendments, except that the deferred tax asset or liability was recognized on a net basis.

Following the amendments, the Company has recognized a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets.

However, there was no impact on the statement of financial position i,e., Balance Sheet because the balances qualify for offset under paragraph 74 of Ind AS 12. There was also no impact on the opening retained earnings as at 1st April, 2022 as a result of the change.

B. Material accounting policy information

The Company adopted Disclosure of Accounting Policies (Amendments to Ind AS 1) from 1st April, 2023. This amendment did not results in any changes in the accounting policies themselves and also did not result in any significant impact in the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material accounting policy information', rather than 'significant accounting policies'. The amendments also provide guidance on the application of materiality in disclosing accounting policies to provide useful, Company specific accounting policy information that users need to understand along with other material information in this financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in Note No.3 Material Accounting Policy Information in line with the amendment.

Material Accounting Policy Information

The Company has consistently applied all the accounting policies to the period presented in this financial statements except

- where a newly issued Accounting Standard is initially adopted or
- a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Company presents the material accounting policies under this note, which should be read in conjunction with the information presented and disclosed in the relevant notes referred under these standalone financial statements and are considered to be "Material Accounting Policy Information".

Accounting policies at 31.03.2024 have been modified/ reworded to bring more clarity to the users of the financial statements which do not have any impact on this financial statements.

Property , Plant and Equipment (PPE)

(Relevant information is presented in the Note No.3 to the Standalone Financial Statements)

Recognition and Measurement:

Items of Property, Plant and Equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of Property, Plant and Equipment have different useful lives, then they are accounted for as separate items (major components) of Property, Plant and Equipment.

Spare Parts are capitalized when they meet the definition of Property, Plant and Equipment, i.e., when the Company intends to use these for a period exceeding 12 months, have value of more than Rs 5 Lakhs and that can be used only in connection with an item of property, plant and equipment and whose use is expected to be irregular are capitalized and depreciated over the useful life of the spares or principal item of the relevant assets, whichever is lower.

Any gain or loss on disposal of an item of Property, Plant and Equipment is recognized in the statement of profit and loss account.

Subsequent Expenditure:

Subsequent costs are included in the asset's carrying amount or recognized 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 is material and can be measured reliably.

Capital work in progress

Capital work in progress 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.

Expenditure incurred on assets under construction (including a project) is carried at cost under Capital work in Progress ('CWIP').

Intangible Assets

Design development: Cost incurred on Design Development which is not directly chargeable on a product are capitalized as Intangible Asset and amortized 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 capitalized as intangible asset and amortized on a straight-line basis over a period of three years.

Internally generated procedure: Cost of internally generated weld procedure is capitalized as Intangible Asset and amortized on a straight-line basis over a period of three years.

Intangible Asset (Value of Leasehold Land): Upfront payments towards Leasehold Land and associated expenditures are amortized on a straight-line basis over the period for which the right is acquired, commencing from the date on which the right becomes capable of being exercised.

Research and development expenditure on new products:

1. Expenditure on research is expensed in the period in which it is incurred.

2. Development expenditure on new products is capitalized as intangible asset, if all of the following can be demonstrated:

    a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;

    b. the Company has intention to complete the intangible asset and use or sell it;

    c. the Company has ability to use or sell the intangible asset;

    d. the manner in which the probable future economic benefits will be generated including the existence of a market for output of the intangible asset or intangible asset itself or if it is to be used internally, the usefulness of intangible assets; the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

    e. the Company has ability to reliably measure the expenditure attributable to the intangible asset during its development.

3. Development expenditure that does not meet the above criteria is expensed in the period in which it is incurred.

    The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

    Computer software/ license is under development or is not yet ready for use, accumulated cost incurred on such items are accounted as "Intangible Assets Under Development".

Leases

(Relevant information is presented in the **Note No.5** to the Financial Statements)

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company's lease asset classes primarily consist of leases for Land and Buildings.

As a Lessee:

At the date of commencement of the lease, the Company recognizes a lease liability and a corresponding right-of-use ("RoU") asset for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short term leases) and leases of low value assets. For these short term and leases of low value assets, the Company recognizes the lease payments as an operating expense on a straight-line basis or another systematic basis over the term of the lease.

Right of Use (RoU) Assets

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

Lease Liabilities

The lease liability is initially measured at the present value of the future lease payments ie., amortized cost under effective interest method. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. When a lease liability is remeasured, a corresponding adjustment is made to the carrying amount of right of use asset, or is recorded in statement of profit and loss, if carrying amount of the right of use asset has been reduced to nil.

Modifications to a lease agreement beyond the original terms and conditions are generally accounted for as a re-measurement of the lease liability with a corresponding adjustment to the RoU asset. Any gain or loss on modification is recognized in the Statement of Profit and Loss. However, the modifications that increase the scope of the lease by adding the right to use one or more underlying assets at a price commensurate with the standalone selling price are accounted for as a separate new lease. In case of lease modifications, discounting rates used for measurement of lease liability and RoU assets is also suitably adjusted.

As a lessor:

Leases for which the Company is a lessor is classified as a finance or operating lease.

For operating leases, rental income is recognized on a straight line basis or another systematic basis over the term of the relevant lease .The difference between the amount recognized as lease rental income and actual cashflows receivable as per the lease agreement is adjusted in ("Accrued Lease Rental asset").

Depreciation

Depreciation on property, plant and equipment is provided on straight-line method based on useful life of the asset as prescribed in part C of Schedule II to the Companies Act, 2013 except to the extent described below:

* Assets on leased premises are depreciated from the commencement date on a straight line basis over the shorter of its the end of the useful life of the Right Of Use asset/ Assets on leased premises or the end of the lease term.

*Management believes that useful life of assets is same as those prescribed in Part C of Schedule II to the Act. Useful life of the Asset is reviewed time to time based on the technical evaluation and necessary changes are made accordingly.

* Depreciation on additions/deletions to Gross Block is calculated on pro-rata basis from the date of such additions and up to the date of such deletions.

Depreciable amount is the cost of an asset, or other amount substituted for cost, less its residual value. A maximum residual value of 5% of original cost is considered for all categories of assets.

Depreciation method, useful lives and residual values are reviewed at each reporting date and adjusted prospectively, if appropriate.

Based on the technical evaluation of the management, for few categories of plant and machinery, the useful life is determined on double shift basis.

Capital Work in Progress included under Property, Plant and equipments are not depreciated as these assets are not yet available for use. However, they are tested for impairment if any.

Inventories

Raw materials and components are valued at weighted average cost method. When they are intended to project use, valuation is done at project specific weighted average cost method.

Stores and spares are valued at weighted average cost method.

Goods in transit are valued at cost.

Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

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 recognized at the proceeds received net of direct issue cost.

Financial Assets

Initial recognition and measurement

All Financial Assets other than trade receivables are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction cost that are attributable to the acquisition of the Financial Asset. Transaction costs directly attributable to the acquisition of financial assets measured at fair value through profit or loss are recognized immediately in the Statement of Profit and Loss.

Subsequent measurement

For the purpose of subsequent measurement, Financial Assets are classified in three categories:

*Financial assets at amortized cost;

*Financial assets at Fair Value through other comprehensive income (FVTOCI);

*Financial assets at Fair Value through statement of profit and loss (FVTPL);

Financial assets at amortized cost

Financial assets are subsequently measured at amortized 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.

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 amortized 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 recognized in statement of profit and loss.

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 had made an irrevocable election to present the subsequent changes in the fair value in other comprehensive income. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition/transition and is irrevocable.

There is no recycling/reclassification of the amounts from OCI to the Statement of Profit and Loss, even on sale/ disposal of the said equity investments.

Investment in preference shares/debentures of the subsidiaries are treated as equity instruments if the same are convertible into equity shares. Investment in preference shares/debentures not meeting the aforesaid condition is classified as debt instruments at amortized cost.

Investment in a 'debt instrument' is measured at the amortized 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.

Amortized cost is calculated by taking into account any discount or premium and fees or costs that are an integral part of the Effective Interest Rate (EIR). The EIR amortization is included in other income in the Statement of Profit and Loss.

Impairment of Financial Assets

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial Assets that are Debt Instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance

b) Financial guarantee contracts which are not subsequently measured as at FVTPL

c) Lease Receivables under Ind AS 116

Simplified Approach

The Company follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivables.

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 recognizes 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.

The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed. On that basis, the Company estimates provision on trade receivables at the reporting date.

Impairment loss allowance (or reversal) that is required to be recognized at the reporting date is recognized as an impairment loss or gain in the Statement of Profit & Loss Account.

General Approach

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-months ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-months ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-months ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL impairment loss allowance (or reversal) recognized during the period is recognized in the Statement of Profit and Loss. The Balance Sheet presentation for various financial instruments is described below:

* Financial Assets measured as at amortized cost: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the Balance Sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

* Financial Guarantee contracts: ECL is presented as a provision in the Balance Sheet, i.e. as a liability.

* Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

Financial liabilities

Initial recognition and measurement

Financial Liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and financial liabilities at amortized cost, as appropriate.

All Financial Liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortized cost, they are measured net of directly attributable transaction cost. In case of Financial Liabilities measured at fair value through profit or loss, transaction costs directly attributable to the acquisition of financial liabilities are recognized immediately in the Statement of Profit and Loss.

The Company's Financial Liabilities include trade and other payables, loans and borrowings including financial guarantee contracts and derivative financial instruments."

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

* Financial liabilities at Fair Value through statement of profit and loss (FVTPL);

* Financial liabilities at amortized cost;

* Financial Guarantee Contracts;

Financial Liabilities at fair value through profit or loss

Financial Liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through the Statement of Profit and Loss. Financial Liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109.

Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Financial Liabilities at amortized cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based on the effective interest method. Gains and losses are recognized in the Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or cost that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

Financial Guarantee Contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make the payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognized initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount initially recognized less cumulative income recognized in accordance with principles of Ind AS 115.

De-recognition of Financial Instruments

A financial asset is de-recognized when:

* The rights to receive cash flows from the asset have expired, or

* The Company has transferred substantially all the risks and rewards of the asset, or the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

A financial liability or a part of financial liability is de-recognized from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in financial statements if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Derivative instruments and hedge accounting:

The Company uses derivative financial instruments, such as forward currency contracts, to hedge its foreign currency risks respectively. Such derivative financial instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. The accounting for subsequent changes in fair value of derivatives depends on the designation or non- designation of derivative as hedging instruments. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Derivative that are designated as Hedge Instrument

The Company undertakes foreign exchange forward contracts for hedging foreign currency risks. The Company generally designates the whole forward contract as hedging instrument.

These hedging instruments are governed by the Company's foreign exchange risk management policy approved by the Board of Directors.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk.

Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that the hedge is actually have been highly effective throughout the financial reporting periods for which it was designated.

The effective portion of change in the fair value of the designated hedging instrument is recognized in the Other Comprehensive Income ('OCI') and accumulated under the heading Cash Flow Hedge Reserve within Equity. The gain or loss relating to the ineffective potion is recognized immediately in the Statement of Profit and Loss and included in the Other Income or Other Expenses as Gain on Derivatives or Loss on Derivatives respectively.

Amounts previously recognized in OCI and accumulated in equity relating to effective portion are reclassified to Statement of Profit and Loss in the periods when the hedged item affects profit or loss, in the same line item as the recognized hedged item or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability. 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.

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.

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, when that right is conditioned on something other than the passage of time. Contract assets are reviewed for impairment in accordance with Ind AS 109.

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.

Provisions , Contingent Liabilities and Contingent assets

Provisions

A provision is recognized 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.

Warranty obligations included in this type of provisions are not treated as a separate performance obligation, unless the customer has the option of contracting the warranty separately, therefore they are recognized in accordance with Ind AS 37. These provisions are classified as current liabilities since they relate to the operating construction projects cycle, in line with Ind AS 1.

Provision towards guarantee claims in respect of ships 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.

Provisions for anticipated losses are recognized when it becomes apparent that the total costs expected to fulfil a contract exceed expected contract revenues. For the purpose of determining, where appropriate, the amount of the provision, budgeted contract revenue will include the forecast revenue that is considered probable, in line with Ind AS 37 as well as incremental costs. General costs are not directly attributable to a contract and are therefore excluded from the Budgeted cost unless they are explicitly passed on to the counterparty in accordance with the contract, in line with paragraph 68 of Ind AS 37.

Contingent Liabilities and Contingent Assets

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 recognize a contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. The Company does not recognize a contingent asset but discloses its existence in the financial statements where an inflow of economic benefits is probable.

Revenue Recognition

a) Revenue from Operations

Revenue from contracts with customers are measured based on the consideration specified in a contract with a customer (ie., transaction price, which is the fair value of consideration received or receivable)

At the first instance, revenue recognition process involves identifying the relevant contracts and technical evaluation of the performance obligations, contained therein.

A single performance obligation is identified in shipbuilding and/or ship repair segments for each vessel, due to the high degree of integration and customization of the various goods and services forming a combined output that is transferred to the customer over time.

The company choses the appropriate method of measuring the progress of the completion at the contract inception for recognizing revenue over time, and are applied consistently to similar performance obligations under the respective segments and/or activities carried out thereon.

Recognition of Revenue for a performance obligation satisfied over time is made only if the company can reasonably measure its progress towards complete satisfaction of the performance obligation.

The performance obligations for the shipbuilding and Ship repair activities carried out by the company are satisfied over time rather than at a point in time, since the Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date;

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.

In the case of ship repair contracts involving continuous maintenance support/ recurring and routine services, the company opted for time-elapsed output method, i.e, measuring the progress based on time elapsed to reporting date, which is representative of the satisfaction of performance obligation subject to entitlement of consideration in exchange of goods and/or services.

Based on the technical assessment considering the latest available information to the company, measuring the progress towards complete satisfaction of a performance obligation in the method adopted will be revised/updated on an ongoing basis.

During the initial stages of a contract, where the company may not be able to reasonably measure the outcome of a performance obligation and the company expects to recover the costs incurred in satisfying the performance obligation, revenue will be recognized only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation."

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 standalone 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.

The Company generally does not recognize any revenue from additional work until it has been approved by the customer. When the scope of work has been approved but the impact on revenue is yet to be valued, the "variable consideration" requirement (as explained below) will apply. This entails recognizing revenue in an amount that is unlikely to be reversed.

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. The payment terms are based on milestones specified in the respective contracts with customers. On achieving the specified milestones these payments are released.

Unlike revenue recognition, amounts billed to the customer are based on the various milestones reached under the contract and on acknowledgement thereof by the customer by means of a contractual document referred to as a progress billing certificate. Therefore, the amounts recognized as revenue for a given year do not necessarily match those billed to or certified by the customer. For contracts in which the revenue recognized exceeds the amount billed or certified, the difference is recognized in as "Contract Asset" under "Other Current Assets", while for contracts in which the revenue recognized is lower than the amount billed or certified, the difference is recognized as "Contract Liability" under "Other Current Liabilities".

Other Operating Revenue with respective sale of stock items and scrap is recognized at the point of time when the company satisfies performance obligations and right to receive the income is established as per terms of the contract by transferring promised goods and services to the customer.

Ship Building Financial Assistance (SBFA) is recognized over a period of time in respect of orders recognised under SBFA policy when the management can reliably measure the probable receipt of the same.

The Company has changed the Revenue Recognition Accounting Policy under Ind As 115 from Input method to Output method in FY 2023-24.

(Relevant information is presented in the Note No.41 to the Financial Statements)

Management fee is also recognized over a period of time.

b) Government Grants

Government grants are recognized 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 recognized in Statement of Profit and Loss on a systematic basis over the periods in which the Company recognizes as expenses, the related costs for which the grants are intended to compensate. Where the Grant relates to an asset value, it is recognized as deferred income, and amortized over the expected useful life of the asset. Other grants are recognized 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 recognized in statement of profit & loss in the period in which they become receivable.

b) Other income

i) Liquidated damages and interest on advances and Sale of Scrap.

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. The sale of scrap is considred under Other Income.

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.

ii) Accounting for insurance claims

(i) Warranty/Builder Risk claims

In the case of guarantee defects covered under warranty insurance policies or claims under Insurance Policies taken for ship building and ship repair works, the insurance claims lodged are recognized in the financial statments 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.

In the case of Medical insurance, claims are recognized on due basis, based on the claims submitted with the insurance company.

Other items of income are accounted as and when the right to receive such income arises and it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

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 benefit plans

Gratuity

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.

Provident Fund and Pension Scheme

The Company also makes contribution towards provident fund. Contributions to provident fund (a defined contribution plan) are made to the Regional Provident Fund Commissioner and are charged to the profit and loss account. The Company has no further obligations for future provident fund benefits other than its monthly contributions.

Other employee benefits

Compensated absences

The Company has a policy on compensated absence which are both accumulating and non-accumulating in nature. The expected cost of accumulating compensated absence is determined by Actuarial valuation performed by an independent actuary at each Balance Sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of unused entitlement that has accumulated at the Balance Sheet date. Expense on non-accumulating compensated absence is recognised in the period in which the absences occur.

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 recognized in Statement of Profit and Loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Current tax

Current tax is measured at the amount of tax expected to be payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years as determined in accordance with the provisions of the Income Tax Act, 1961. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using the tax rates enacted or substantively enacted at the reporting date.

Current tax assets and current tax liabilities are offset, 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 tax is recognized 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. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax assets to be recovered.

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.

Operating Segments

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".

Note 3 : Property, Plant and Equipment

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at April 1, 2023	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2024	As at April 1, 2023	For the year	Adjustment/ (withdrawal)	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
a) Owned Assets										
(On Leasehold Land)										
Land (Freehold)	-			-	-			-	-	-
Buildings	8,954.91	-		8,954.91	292.67	265.64		558.31	8,396.60	8,662.24
Plant and equipment	5,605.30	666.99		6,272.29	283.51	389.78		673.29	5,599.00	5,321.79
Furniture and fixtures	103.18	0.55		103.73	12.13	12.91		25.04	78.69	91.06
Vehicles	29.09			29.09	4.25	3.44		7.69	21.40	24.84
Office equipment	1.57	1.95		3.52	0.51	0.42		0.93	2.59	1.06
	-			-	-					-
Others	-			-	-					-
Data Processing Equipments	23.17	8.02		31.19	12.68	5.44		18.12	13.07	10.49
Roads	762.68			762.68	117.00	115.50		232.50	530.19	645.68
Docks and quays	12.43			12.43	0.41	0.79		1.20	11.23	12.02
Railway sidings	-			-	-			-	-	-
Electrical installation	828.77			828.77	24.87	24.55		49.42	779.35	803.90
Electrical fitttings	0.25	3.04		3.29	0.01	0.11		0.12	3.17	0.24
Drainage and water supply	-			-	-			-	-	-
Vessels	-			-	-			-	-	-
Sub Total	**16,321.35**	**680.55**	**-**	**17,001.90**	**748.04**	**818.58**	**-**	**1,566.62**	**15,435.29**	**15,573.32**
b) Assets on leased premises										
Buildings	-			-	-			-	-	-
Plant and equipment	-			-	-			-	-	-
Docks and quays	-			-	-			-	-	-
Electrical installation	-			-	-			-	-	-
Slipway	-			-	-	-		-	-	-
Sub Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (a)+(b)	**16,321.35**	**680.55**	**-**	**17,001.90**	**748.04**	**818.58**	**-**	**1,566.62**	**15,435.29**	**15,573.32**
c) Right Of Use Assets										
Right of Use - Land	-			-	-			-	-	-
Right of Use - Buildings	-			-	-			-	-	-
Right to use - land and ship repair facility	-			-	-			-	-	-
Right of Use - Land at Nazirgune & Salkia	606.13			606.13	36.99	10.70		47.69	558.44	569.14
	-			-	-			-	-	-
	-			-	-			-	-	-
Right to use - land (Malpe)	-			-	-	-		-	-	-
Sub Total	**606.13**	**-**	**-**	**606.13**	**36.99**	**10.70**	**-**	**47.69**	**558.44**	**569.14**
Total(a+b+c)	**16,927.48**	**680.55**	**-**	**17,608.03**	**785.03**	**829.28**	**-**	**1,614.31**	**15,993.73**	**16,142.46**

* The title deeds of Buildings: Temporary Structure, Office Building, Factory Building and Roads are not held in the name of Company, as the land is in the name of Government of India which were taken on lease for a period of 59 years and the Company had constructed immovable properties on the same.

Note 3 : Property, Plant and Equipment (Contd..)

(₹ in lakhs)

Particulars	Gross carrying amount				Depreciation				Net Carrying amount	
	As at April 1, 2022	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2023	As at April 1, 2022	For the year	Adjustment/ (withdrawal)	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
a) Owned Assets										
(On Leasehold Land)										
Land (Freehold)				-				-	-	-
Buildings	8,913.35	41.56	-	8,954.91	28.90	263.77		292.67	8,662.24	8,884.45
Plant and equipment	3,952.50	1,652.80		5,605.30	3.60	279.91		283.51	5,321.79	3,948.90
Furniture and fixtures	43.23	27.62	32.34	103.19	0.16	11.89	0.08	12.13	91.06	43.07
Vehicles	29.09			29.09	0.80	3.45		4.25	24.84	28.29
Office equipment	33.72	0.19	(32.34)	1.57	0.29	0.30	(0.08)	0.51	1.06	33.43
									-	-
Others									-	-
Data Processing Equipments	18.63	4.54		23.17	9.46	3.22		12.68	10.49	9.17
Docks and quays		12.43		12.43		0.41		0.41	12.02	-
Railway sidings				-				-	-	-
Roads	309.77		452.91	762.68	0.38	115.50		117.00	645.68	309.39
Fences	452.91		(452.91)	-	1.12					451.79
Electrical installation	828.77			828.77	0.32	24.55		24.87	803.90	828.45
Electrical fitttings		0.25		0.25		0.01		0.01	0.24	-
Drainage and water supply				-				-	-	-
Vessels	-			-				-	-	-
Sub Total	**14,581.97**	**1,739.39**	**-**	**16,321.36**	**45.03**	**703.01**	**-**	**748.04**	**15,573.32**	**14,536.94**
b) Assets on leased premises										
Buildings				-				-	-	-
Plant and equipment				-				-	-	-
Docks and quays				-				-	-	-
Electrical installation				-				-	-	-
Slipway				-				-	-	-
Sub Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total (a)+(b)	**14,581.97**	**1,739.39**	**-**	**16,321.36**	**45.03**	**703.01**	**-**	**748.04**	**15,573.32**	**14,536.94**
c) Right Of Use Assets										
Right of Use - Land				-				-	-	-
Right of Use - Buildings				-				-	-	-
Right to use - land and ship repair facility				-				-	-	-
Right of Use - Land at Nazirgune & Salkia	606.13			606.13	27.01	9.98		36.99	569.14	579.12
				-				-	-	-
				-				-	-	-
Right to use - land (Malpe)				-				-	-	-
Sub Total	**606.13**	**-**	**-**	**606.13**	**27.01**	**9.98**	**-**	**36.99**	**569.14**	**579.12**
Total(a+b+c)	**15,188.10**	**1,739.39**	**-**	**16,927.49**	**72.04**	**712.99**	**-**	**785.03**	**16,142.46**	**15,116.06**

Note 4 : Capital work -in -progress

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Plant and machinery, Buildings and Civil works	130.49	608.88
Add: Expenditure during construction		
Capital yard items	-	-
Goods in Transit	-	-
Project Management fees and miscellaneous capital expenditure		
Total	**130.49**	**608.88**

Expenditure during construction

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening Balance	608.88	1,386.80
Add:Expenses during the year	(478.39)	(777.92)
Salaries		
Depreciation under Ind AS116		
Finance cost under Ind AS116		
Exceptional items		
Closing Balance	**130.49**	**608.88**

CWIP Ageing schedule as on 31.03.2024

(₹ in lakhs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	36.41	94.08			130.49
Projects temporarily suspended					-

CWIP Ageing schedule as on 31.03.2023

(₹ in lakhs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	536.91	44.64	27.33		608.88
Projects temporarily suspended					-

Overdue CWIP as on 31.03.2024

(₹ in lakhs)

Capital Work in Progress	To be Completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Asset under Construction- Docks & Quay	63.24				63.24
Asset under Construction-Capstan	30.84				30.84
AUGMENTATION OF YARD FACILITIES-CIVIL	36.41				36.41
Total					**130.49**

Note 4 : Capital work -in -progress (Contd..)

(₹ in lakhs)

Capital Work in Progress	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Asset under Construction- Docks & Quay	22.09	18.63	22.51		63.23
Asset under Construction-10T Capstan		26.01	4.82		30.83
Asset under Construction-Pontoon	459.16				459.16
Asset under Construction-Skid	55.66				55.66
Total					**608.88**

Note 5 : Intangible assets

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at April 1, 2023	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2024	As at April 1, 2023	For the year	Adjustment/ (withdrawal)	As at March 31, 2024	As at March 31, 2024	As at March 31, 2023
Internally generated weld procedure	-			-	-			-	-	-
Computer software	14.36	1.16		15.52	1.51	4.68		6.19	9.33	12.85
Right to Use - land	575.00			575.00	34.43	9.49		43.92	531.07	540.57
Tally software	-			-	-			-	-	-
	589.36	**1.16**	**-**	**590.52**	**35.94**	**14.17**	**-**	**50.11**	**540.40**	**553.42**

(₹ in lakhs)

Particulars	Gross carrying amount				Amortisation				Net Carrying amount	
	As at 1st April 2022	Additions/ adjustments during the year	Disposal/ adjustments during the year	As at March 31, 2023	As at 1st April 2022	For the year	Adjustment/ (withdrawal)	As at March 31, 2023	As at March 31, 2023	As at March 31, 2022
Internally generated weld procedure				-				-	-	-
Computer software	0.53	13.83		14.36	0.35	1.16		1.51	12.85	0.18
Right to Use - land	575.00			575.00	24.94	9.49		34.43	540.57	550.06
Tally software				-				-	-	-
Previous year	**575.53**	**13.83**	**-**	**589.36**	**25.29**	**10.65**	**-**	**35.94**	**553.42**	**550.24**

Twenty-six percent (26%) of initial Equity Share capital of the company was issued to secure leasehold right of the land without receipt of any monetary consideration. Value of such 26% equity shares (Rupees 5.72 crores) along with related expenses totalling Rupees 5.75 Crores was capitalized as intangible assets (value of Leasehold Land) and amortized on a straight line basis over the period for which the right is acquired, commencing from the date on which the right becomes capable of being exercised.

Note 6: Other Financial Assets - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Security deposits	0.49	0.40
Term Deposits with banks with original maturity more than 12 months	-	-
Accrued Lease Rental Asset	-	-
Total	**0.49**	**0.40**

Note 7: Income tax assets/ liability (net)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Non current tax assets		
Income Tax Assets net of provisions	-	-
Provision for tax		
	-	**-**
Current tax assets/ (liabilities)		
Advance income tax net of provisions	104.58	39.55

Income tax recognised in the Statement of profit and loss

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax:		
Current income tax charge	-	-
Adjustment in respect of prior years	-	
Total (A)	**-**	**-**
Deferred tax:		
In respect of current year	520.62	
Total (B)	**520.62**	**-**
Income tax expense recognised in the Statement of Profit and Loss (A+B)	**520.62**	**-**

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, 2024	For the year ended March 31, 2023
Profit before tax	**(2,485.19)**	**(1,780.25)**
Income tax expense calculated at respective applicable rates	520.62	253.34
Effect of expenses that are not deductible in determining taxable profit		
Effect of expenses that are allowable in determining taxable profit		
Effect of expenses incurred on Corporate Social Responsibility not deductible in determining taxable profit		
Effect of income that is exempt from taxation		
Others		
	520.62	**253.34**
Adjustments recognised in the current year in relation to the current tax of prior years		
Adjustments for changes in estimates of deferred tax assets (DTA derecognized)		(253.34)
Income tax expense recognised in the Statement of Profit and Loss	**520.62**	**-**

Note 8: Deferred tax assets/ liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred tax liabilities	520.62	282.78
Deferred tax assets		282.78
Total	**520.62**	**-**

Deferred tax liabilities/ (assets) in relation to 2023-24

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	-	11.07		11.07
Property, plant and equipment	(282.78)	(520.62)		(803.40)
Carry forward losses and Un-absorbed Depreciation	278.36	747.39		1,025.75
Intangible assets	-			-
Others	4.42	-		4.42
Total	**0.00**	**237.84**	**-**	**237.84**

Note: Deffered Tax Liabilities has been created for Difference in Property Plant and Equipments and recognized in stetement of Profit & Loss. However Deffred Tax Assets has been created for Unabsorbed Depreciation and losses for the F.Y 2023-24 for disclosure purpose only and not considered in Financials Statement for the FY 2023-24, however It will be subsequently review in next FY 2024-25 onwards.

Deferred tax liabilities/(assets) in relation to 2022-23

(₹ in lakhs)

Particulars	Opening balance	Recognised in Statement of Profit and Loss	Recognised in Statement of Equity	Closing Balance
Provisions	-	-	-	-
Property, plant and equipment	(144.18)	(138.60)	0.00	(282.78)
Carry forward losses	395.19	(116.83)		278.36
Intangible assets	-	0.00	0.00	-
Others	2.33	2.09	0.00	4.42
Total	**253.34**	**(253.34)**	**-**	**0.00**

Brought forward losses and unabsorbed depreciation for which no deffered tax assets have been recognized are attributable to the following:

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Brought forward losses*	900.78	211.10
Unabsorbed tax depreciation**	804.56	468.49
Total	**1,705.34**	**679.59**

* The following table details the expiry of the brought forward losses.

** Unabsorbed tax depreciation does not have any expiry period under the income-tax Act, 1961.

Note 9: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured, considered good		
Capital advances	-	-
Advances other than capital advances:	-	
Security deposits	67.22	62.94
Deposits with Customs department	-	
Loose tools	-	5.11
Total	**67.22**	**68.05**

Note 10 : Inventories

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Raw Materials and components	774.57	148.95
Work in Progress	-	-
Goods-in transit	11.52	-
	786.09	**148.95**
Material Pending Inspection		
Stores & Spares	22.31	9.90
Goods-in transit	-	-
	22.31	**9.90**
Total	**808.40**	**158.85**

Note 11 : Trade Receivables-Current

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Considered good:		
Trade Receivables considered good - Unsecured	282.77	755.41
Trade Receivables which have significant increase in Credit Risk	19.84	-
Less: Allowance for Expected credit loss	(19.84)	-
Trade Receivables - Credit impaired	-	-
Less: Allowance for Expected credit loss	-	-
Total	**282.77**	**755.41**

Note 11 : Trade Receivables-Current (Contd..)

Trade Receivables ageing schedule as on 31.03.2024

(₹ in lakhs)

Particulars	Accrued but not due (Unbilled trade receivables)	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good				277.53	22.49	2.59	302.61
(ii) Undisputed Trade Receivables – which have significant increase in credit risk							
(iii) Undisputed Trade Receivables – credit impaired							
(iv) Disputed Trade Receivables– considered good							
(v) Disputed Trade Receivables – which have significant increase in credit risk							
(vi) Disputed Trade Receivables – credit impaired							
	-	-	-	**277.53**	**22.49**	**2.59**	**302.61**
Less: Expected Credit Loss provision as on 31.03.2024				15.00	2.25	2.59	19.84
Trade receivable as on 31.03.2024	-	-	-	**262.53**	**20.24**	**0.00**	**282.77**

Movement in the expected credit loss allowance

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Add: Additions during the year	19.84	-
Less: Reversals/withdrawals during the year	-	-
Closing Balance	**19.84**	-

Trade Receivables ageing schedule as on 31.03.2023

(₹ in lakhs)

Particulars	Accrued but not due (Unbilled trade receivables)	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 Months to 1 year	1 to 2 years	2 to 3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good"		705.45		49.96			755.41
(ii) Undisputed Trade Receivables – which have significant increase in credit risk							
(iii) Undisputed Trade Receivables – credit impaired							
(iv) Disputed Trade Receivables– considered good							
(v) Disputed Trade Receivables – which have significant increase in credit risk							
(vi) Disputed Trade Receivables – credit impaired							
Less: Expected Credit Loss provision as on 31.03.2023							
Trade receivable as on 31.03.2023		**705.45**	**-**	**49.96**	**-**	**-**	**755.41**

Note 12 : Cash and Cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Cash on hand		
Balance with Banks		
In current account	1,089.49	5,479.12
Term deposits with original maturity of less than three months	5,137.55	820.81
Total	**6,227.04**	**6,299.93**

Note: In current A/C balance includes of ₹1046.22 lakhs as on 31.03.2024 (₹828.34 lakhs as on 31.03.2023) and In Term deposit with less than 3 months maturity includes ₹900 lakhs as on 31.03.2024 earmarked to PANDU Project, received from IWAI and kept in Escrow A/C.

Note 13 : Other Financial Assets - Current

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued on Bank Deposits	3.04	2.87
Interest accrued from Others	12.25	0.94
Related parties	-	
Interest accrued on employee advances		
Related parties		
Others	-	-
Ship Building Financial Assistance	-	
Total	**15.29**	**3.81**
	-	-

Note 14 : Other Current Assets

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured advances		
Advances other than capital advances		
Advances to related party		
Other advances	17.75	163.24
Advances considered doubtful	-	-
	17.75	**163.24**
Less: Provision for doubtful advances	-	-
	17.75	**163.24**
Others		
	-	-
Contract Assets for other works	20.54	20.54
Miscellaneous deposits	(1.45)	-
Prepaid expenditure	49.79	25.78
Input Tax Credit on GST	1,699.75	1,245.19
Electronic Cash Ledger - ICEGATE	-	-
Medical Insurance Premium	-	-
Miscellaneous current assets	2.00	23.00
Total	**1,788.38**	**1,477.75**

Note: Fund received from Inland Waterways Authority of India (IWAI) for Pandu Project-Ship Repair Facility Unit at Pandu-Guwahati, on Deposit basis has been adjusted with amount incurred on Pandu Project till 31.03.2024.

Note 15 : Equity Share Capital

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
Authorised				
Equity shares of ₹ 10/- each	14,40,00,000	14,400.00	14,40,00,000	14,400
Preference shares of ₹ 10/- each	5,60,00,000	5,600.00	5,60,00,000	5,600
Total	**20,00,00,000**	**20,000**	**20,00,00,000**	**20,000**
Issued, Subscribed and Fully paid up				
Equity shares of ₹ 10 each fully paid up	14,00,00,000	14,000	9,60,00,000	9,600
Total	**14,00,00,000**	**14,000**	**9,60,00,000**	**9,600**

15.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number	₹ in lakhs	Number	₹ in lakhs
Equity Shares outstanding at the beginning of the Year				
Equity shares of ₹10 each fully paid up- For Cash	9,02,80,000	9,028	4,42,80,000	4,428.00
For Consideration other than cash	57,20,000	572	57,20,000	572.00
Add : Shares issued during the year	4,40,00,000	4,400.00	4,60,00,000	4,600.00
Less : Shares bought back during the year	-	-	-	-
Equity Shares outstanding at the end of the year	**14,00,00,000**	**14,000**	**9,60,00,000**	**9,600**

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

Particulars	As at March 31, 2024		As at March 31, 2023	
	Number of Shares held	% of holding	Number of Shares held	% of holding
Cochin Shipyard Limited	14,00,00,000	100.00	9,60,00,000	100.00

15.3 Shares held by promoters at the end of the year

Promoter name	No. of Shares	%of total shares	% Change during the year
Cochin Shipyard Limited	14,00,00,000	100.00	0

Note 16 : Other Equity

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
General Reserve	-	-
Retained Earnings	(6,056.91)	(3,052.00)
Total	**(6,056.91)**	**(3,052.00)**
General Reserve		
Balance as at the beginning and end of the year	**-**	**-**
Retained Earnings		
Balance as at the beginning of the year	(3,052.00)	(1,018.33)
Less: Transition adjustments of Ind AS 115		
Add: Profit for the period	(3,005.81)	(2,033.59)
Add: Other Comprehensive income	0.84	(0.08)
Total comprehensive income for the current year	**(6,056.91)**	**(3,052.00)**
Balance as at the end of the year	**(6,056.91)**	**(3,052.00)**
Total:	**(6,056.91)**	**(3,052.00)**

Note 17 : Borrowings

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Unsecured		
Redeemable Non Convertible debentures issued to Holding company @ 6.50% of ₹1000/- each	-	4,400.00
Redeemable Non Convertible debentures issued to Holding company @ 6.15% of ₹1000/- each	3,100.00	3,100.00
Cumulative Redeemable Preference shares @ 6% of ₹ 10/- each	5,600.00	5,600.00
Total	**8,700.00**	**13,100.00**

Note:

1) Debentures

*On 3rd September, 2021, the Company had further issued 3,10,000, 6.15% unsecured redeemable non-convertible debentures of ₹ 1000 each, with interest rate of 6.15% per annum payable annually, to Cochin Shipyard Limited. The duration of the debentures is 120 months with an option to redeem after 5 years from the date of allottment.

2) Cumulative Redeemable Preference Shares

Preference Share is treated as financial liability as per Ind AS 32, as these are redeemable on maturity for a fixed determinable amount and carry fixed rate of dividend

(i) Rights, preferences and restrictions attached to Preference shares:

The Company has one class of preference shares i.e. Cumulative Redeemable Preference Shares (CRP Shares) of ₹ 10 per share

(ii) Preference Shares held by Holding Company

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
5,60,00,000 (2021: 5,60,00,000) 6% Cumulative Redeemable Preference Shares of ₹10/- each, held by Cochin Shipyard Limited, the Holding Company	5,600.00	5,600.00
Total	**5,600.00**	**5,600.00**

(iii) Details of Preference shareholders holdings more than 5% shares

Name of Preference Shareholder	As at March 31, 2024	
	No. of Preference Shares Held	Percentage of Holding
Cochin Shipyard Limited	5,600.00	100%
Total	**5,600.00**	**100%**

(iii) Details of Preference shareholders holdings more than 5% shares

Name of Preference Shareholder	As at March 31, 2023	
	No. of Preference Shares Held	Percentage of Holding
Cochin Shipyard Limited	5,600.00	100%
Total	**5,600.00**	**100%**

(iv) Preference dividend has been provisionally accrued as finance cost. However, as per the Companies Act 2013, the preference shares is treated as part of share capital and the provisions of the Act relating to declaration of Preference Dividend would be applicable.

Note 18: Lease Liabilities-Non current

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities under Ind AS 116	635.05	635.05
Total	**635.05**	**635.05**

The company has taken certain assets on lease for business purpose. In addition, the company has entered into long-term arrangements which conveys right to control the use of the identified assets resulting in recognition of right-of-use assets and lease obligations. Lease obligations represent the present value of minimum lease payments payable over the lease term.

Note 19: Provisions - Non Current

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits - Compensated absences	-	-
Provision for employee benefits - Gratuity	13.11	8.59
Total	**13.11**	**8.59**

Note 20: Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Lease Liabilities under Ind AS 116	59.43	44.15
Total	**59.43**	**44.15**

Note 21 : Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables (Unsecured)		
Outstanding dues of Micro enterprises and Small enterprises	221.51	-
Outstanding dues of creditors other than Micro enterprises and Small enterprises	1,973.54	2,625.90
Total	**2,195.05**	**2,625.90**

Note: Fund received from Inland Waterways Authority of India (IWAI) for Pandu Project-Ship Repair Facility Unit at Pandu-Guwahati, on Deposit basis has been adjusted with amount incurred on Pandu Project till 31.03.2024.

Trade Payables ageing schedule as on 31.03.2024

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-				-
Not due	221.51				221.51
Due					
(ii) Others					-
Not due	1973.54				1,973.54
Due					
(iii) Disputed dues – MSME	0.00				-
(iv) Disputed dues – Others	0.00				-
Total	**2,195.05**	**-**	**-**	**-**	**2,195.05**

Note 22 : Other Financial Liabilities - Current

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Interest accrued but not due on borrowings	-	263.27
Others		
Security and other deposits	160.61	306.04
Others Payables	1,239.67	887.18
Total	**1,400.28**	**1,456.49**

Note 23 : Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Contract Liability for other works	3,599.90	383.66
Advances for ship building , ship repair and other contracts	-	1,079.00
Income received in advance	-	-
Statutory dues	45.45	35.20
Total	**3,645.35**	**1,497.86**

Note 24 : Provisions - Current

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Provision for Employee benefits		
Gratuity	0.14	-
Compensated absences (Refer Note No 37)	10.90	8.96
Others	-	-
	11.04	**8.96**
Other Provisions		
For Taxes and duties	-	-
For Shipbuilding loss	427.00	-
For Expenditure / contingencies	408.77	183.51
	835.77	**183.51**
Total	**846.81**	**192.47**

24.1 Details of movement of provisions

(₹ in lakhs)

Particulars	As at 01.04.2023	Provision made during the period	Amounts used during the period	Unused amounts reversed during the period	As at March 31, 2024
Provision for employee benefits- Gratuity	-	0.14			0.14
Compensated absences	8.96	1.94			10.90
Provision for taxes and duties					-
Provision for shipbuilding loss	-	427.00			427.00
Provision for expenditure / contingencies	183.51	666.52	441.26		408.77

Note-25 : Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sale of products		
Ship building:		
Revenue from Operation	2071.68	969.34
	2,071.68	**969.34**
Sale of services		
Ship repairs	-	156.37
Other Services	0.00	576.35
	-	**732.72**
Total	**2,071.68**	**1,702.06**

Note: Company is executing one 2200 DWT-MPV order based on customer specification as per the agreement. During the construction of vessels design and other specification got changed and it is estimated ₹4.27 Crores additional cost to be incurred. Discussions are going on with the customer meanwhile company is making additional provision of ₹4.27 Crores.

Company has changed the Revenue recognition accounting policy from Input method to Ouput method in the FY 2023-24 (Refer Note 41)

Note: The Company has two major business segments –"Ship Building" and "Ship Repair". Revenue under Ship building includes ₹1536.17 lakhs (Previous year: ₹745.82 lakhs) from one customer (previous years: one customers) having more than 10 % revenue of the total revenue, and for Ship repair includes ₹ Nil lakhs (Previous year: ₹156.37 lakhs) from customers (Previous year: one customers) having more than 10% revenue of the total revenue.

Note-26 : "Other Income"

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income from sale of scrap and stores	23.04	-
Profit on sale of Property, Plant & Equipment	-	-
Income from laboratory services	-	-
Rental income	-	-
Hire charges	-	-
Interest on bank deposits	229.46	52.56
Interest from others	68.72	1.85
Dividend income from Preference shares	-	-
Dividend income from Society	-	-
Profit on sale of Mutual Funds	-	-
Net gain on foreign currency transactions	3.82	-
Net gain on derivative contracts	-	-
Provision no longer required	-	-
Proceeds from Bank Guarantee encashment - Performance guarantee/security deposits forfeited**	-	-
Miscellaneous income*	7.75	4.86
Total	**332.79**	**59.27**

Note- 27 : Cost of material consumed

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Raw Materials		
Steel	406.46	491.58
Pipe	25.72	-
Paint	28.71	5.50
Bought out components	470.45	114.55
Total	**931.34**	**611.63**

Note-28 : Sub Contract and Direct Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Sub contract and off loaded jobs	874.10	255.64
Hull insurance	-	-
Design Expenses	23.92	50.30
Operating expenses	8.45	1.80
Total	**906.47**	**307.74**

Note-29 : Employee Benefits Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Salaries, wages, bonus/exgratia and allowances	390.96	350.78
Contribution to Provident Fund and Family Pension Fund	31.68	27.02
Gratuity / EL	8.98	8.21
Staff welfare expenses	31.78	17.56
Total	**463.40**	**403.57**

Note-30 : Finance Costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest expense on lease liabilities	59.43	58.11
Interest on tax free bonds	-	-
Interest on Cash credit	0.44	3.81
Interest on Loan from CSL	-	-
Interest on Non convertible debentures	-	-
Interest others	659.07	828.06
	718.94	**889.98**
Less:Expenditure during construction		
Total	**718.94**	**889.98**

Note-31 : Depreciation and Amortisation Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Depreciation on property, plant and equipments	818.58	703.01
Depreciation on Right Of Use Assets	10.70	9.99
Amortisation of intangible asset	14.17	10.64
Total	**843.45**	**723.64**

Note-32 : Other Expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Consumption of stores & spares	53.66	43.71
Dimunition in value of Loose tools	-	-
Rates and taxes	4.90	21.57
Power	67.81	63.21
Fuel	0.54	0.51
Water	-	-
Repairs and maintenance:		
Building and roads	46.39	9.04
Plant and machinery	4.16	10.14
Others	63.38	37.37
Maintenance dredging	-	-
Transport and stores handling	3.80	-
Travelling and conveyance expenses	26.59	22.55
Printing and stationery	3.72	2.27
Postage, telephone and telex	1.02	1.07
Advertisement and publicity	3.24	6.77
Lease rent	0.93	0.66
Guaranteed Amount under lease agreement	-	-
Hire charges	14.46	27.09
Insurance charges	23.74	21.08
Security expenses	204.84	170.70
Payments to Auditors	4.00	4.00
Training expenses	-	0.65
Legal expenses	-	-
Consultancy	6.90	11.91
Bank charges	2.11	1.27
Net loss on foreign currency transactions	-	4.07
Corporate social responsibility (Refer Note no.50)	-	-
Loss on sale/write off of property, plant and equipments	-	-
Stores written off	0.00	0.00
R&D and New initiatives *	-	-
Miscellaneous expenses	43.03	145.36
Total	**579.22**	**605.00**

Note-33 : Disclosures on Financial Instruments

This section gives an overview of the significance of the financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

(a) Categories of Financial Instruments

The following table presents the carrying value and fair value of each category of financial assets and liabilities as at March 31, 2024 and March 31, 2023

As at 31st March, 2024

(₹ in lakhs)

Particulars	Amortised Cost	Fair value through other comprehensive income	Fair Value through profit and loss	Total Carrying Value	Total fair value
Financial Assets					
(i) Trade receivables	282.77	-	-	282.77	282.77
(ii) Cash and cash equivalents	6,227.04	-	-	6,227.04	6,227.04
(iii) Bank balance other than (ii)	-	-	-	-	-
(iv) Other financial assets	15.78	-	-	15.78	15.78
Total Financial Assets	**6,525.60**	**-**	**-**	**6,525.60**	**6,525.60**
Financial Liabilities					
(i) Borrowings	8,700.00	-	-	8,700.00	8,700.00
(ii) Lease liabilities	635.05	-	-	635.05	635.05
(iii) Other financial liabilities	1,400.28	-	-	1,400.28	1,400.28
Total Financial Liabilities	**10,735.33**	**-**	**-**	**10,735.33**	**10,735.33**

As at 31st March, 2023

(₹ in lakhs)

Particulars	Amortised Cost	Fair value through other comprehensive income	Fair Value through profit and loss	Total Carrying Value	Total fair value
Financial Assets					
(i) Trade receivables	755.41	-	-	755.41	755.41
(ii) Cash and cash equivalents	6,299.93	-	-	6,299.93	6,299.93
(iii) Bank balance other than (ii)	-	-	-	-	-
(iv) Other financial assets	4.21	-	-	4.21	4.21
Total Financial Assets	**7,059.54**	**-**	**-**	**7,059.54**	**7,059.54**
Financial Liabilities					
(i) Borrowings	13,100.00	-	-	13,100.00	13,100.00
(ii) Lease liabilities	679.20	-	-	679.20	679.20
(iii) Other financial liabilities	5,545.06	-	-	5,545.06	5,545.06
Total Financial Liabilities	**19,324.26**	**-**	**-**	**19,324.26**	**19,324.26**

Note-33 : Disclosures on Financial Instruments (Contd..)

(b) Fair value hierarchy:

The following table provides an analysis of financial instruments that are measured subsequet to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e., derived from prices).

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair value is determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Particulars	As at March 31, 2024				As at March 31, 2023			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Security deposits	-	0.49	-	0.49	-	0.40	-	0.40
	-	**0.49**	**-**	**0.49**	**-**	**0.40**	**-**	**0.40**
Financial Liabilities				-				
Borrowings	-	8,700.00	-	8,700.00	-	13,100.00	-	13,100.00
Lease liabilities	-	694.48		694.48	-	679.20	-	679.20
Other financial liabilities	-	1,400.28	-	1,400.28	-	5,545.06	-	5,545.06
	-	**10,794.76**	**-**	**10,794.76**	**-**	**19,324.26**	**-**	**19,324.26**

(i) Fair value of borrowings which have a quoted market price in an active market is based on its market price which is categorised as Level 1. Fair value of borrowings which do not have an active market or are unquoted is estimated by discounting expected future cash flows using a discount rate equivalent to the risk-free rate of return adjusted for credit spread considered by lenders for instruments of similar maturities which is categorised as Level 2 in the fair value hierarchy.

(ii) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

(iii) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2024 and March 31, 2023.

(c) Maturity profile of Company's financial liabilities is as below:

Maturity Period	As at March 31, 2024			
	Borrowings other than lease obligations	Lease Obligations	Other Financial Liabilities	Total Financial Liabilities
Not later than 1 year or on demand	-	45.26	1,400.28	1,445.54
Later than one year and not later than five years	3,100.00	243.83	-	3,343.83
More than 5 years	5,600.00	4,768.64	-	10,368.64
	8,700.00	**5,057.73**	**1,400.28**	**15,158.01**
Less: Future Finance Charges on Leases	-	4,363.26	-	4,363.26
	8,700.00	**694.47**	**1,400.28**	**10,794.74**

Note-33 : Disclosures on Financial Instruments (Contd..)

Maturity Period	As at March 31, 2024			
	Borrowings other than lease obligations	Lease Obligations	Other Financial Liabilities	Total Financial Liabilities
Not later than 1 year or on demand	4,400.00	44.15	5,545.06	9,989.21
Later than one year and not later than five years	3,100.00	237.88	-	3,337.88
More than 5 years	5,600.00	4,819.85	-	10,419.85
	13,100.00	**5,101.88**	**5,545.06**	**23,746.94**
Less: Future Finance Charges on Leases	-	4,422.68	-	4,422.68
	13,100.00	**679.20**	**5,545.06**	**19,324.26**

34. Additional Regulatory Information

(i) Ratios

Ratios	Numerator	Denominator	Current year	Previous year
Current ratio (in times)	Total current assets	Total current liabilities	1.13	1.50
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	1.18	2.10
Debt service coverage ratio (in times)	Earning for Debt Service = Net Profit before taxes + Non-cash operating expenses + Interest + Other non-cash adjustments	Debt service = Interest and lease payments + Principal repayments	(0.66)	(0.19)
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	(41.48%)	(38.63%)
Inventory turnover ratio (in times)	Revenue from operations	Average inventories	4.28	10.38
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	3.99	4.23
Trade payables turnover ratio (in times)	Revenue from operations	Average trade payables	0.86	0.65
Net Working Capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.92	0.58
Net profit ratio (in %)	Profit for the year	Revenue from operations	(145%)	(119%)
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Borrowings + Lease liabilities	(0.10)	(0.04)
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	NA	NA

34. Additional Regulatory Information (Contd..)

Explanation for Change in Ratios by more than 25% as compared to the previous year:

Ratios	% Change	Remarks
Current ratio (in times)	(25%)	There has been increase in current assets as the company has issued equity shares amounting to ₹ 4400 Lakh in Sep'23 resulting an increase in Cash and Cash Equivalents
Debt-Equity ratio (in times)	(44%)	The Company has issued equity shares amounting to ₹ 4400 Lakh in Sep'23 resulting to increase in equity
Debt service coverage ratio (in times)	(254%)	Due to increase in EBITDA for the FY 2023-24
Return on equity ratio (in %)	(7%)	Due to increase in losses for the FY 2023-24
Inventory turnover ratio (in times)	(59%)	Due to Increase in Production for the F.Y 2023-24.
Trade receivables turnover ratio (in times)	(6%)	Due to increase in revenue for the FY 2023-24
Trade payables turnover ratio (in times)	33%	Due to increase in revenue for the FY 2023-24
Net Working capital turnover ratio (in times)	229%	Due to increase in revenue for the FY 2023-24
Net profit ratio (in %)	(21%)	Due to increase in revenue for the FY 2023-24
Return on capital employed (in %)	(133%)	Due to increase in revenue for the FY 2023-24

(ii) No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder during the year ended March 31st, 2024 and March 31st, 2023.

(iii) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender during the year ended March 31st, 2024 and March 31st, 2023.

(iv) The company has no transactions with the companies struck off under Companies Act, 2013 or Companies Act, 1956.

(v) Undisclosed Income:

There are no transactions not recorded in the books of accounts during the year ended 31st March, 2024 and 31st March, 2023 that has been surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961. There are no previously unrecorded income and related assets to be recorded in the books of account during the year ended 31st March, 2024 and 31st March, 2023.

(vi) Details of Crypto Currency or Virtual Currency

The Company has not traded or invested in Crypto currency or Virtual Currency during the year ended 31st March, 2024 and 31st March, 2023.

(vii) Utilisation of Borrowed funds and share premium:

(A) During the year ended and as at 31st March, 2024 and 31st March, 2023, the Company has not advanced or loaned or invested funds (either borrowed funds or share premium or any other sources or kind of funds) to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding (whether recorded in writing or otherwise) that the Intermediary shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(B) During the year ended and as at 31st March, 2024 and 31st March, 2023, the Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall :

(i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(ii) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(viii) Registration of charges or satisfaction with Registrar of Companies (ROC)

All charges or satisfaction are registered with ROC within the statutory period for the financial years ended March 31, 2024 and March 31, 2023.

(ix) Compliance with number of layers of companies

As at March 31st, 2024 and as at March 31st, 2023, the company has complied with the number of layers prescribed under clause (87) of section 2 of The Companies Act, 2013 read with Companies (Restriction on number of Layers) Rules, 2017.

(x) The Company has borrowings from banks on the basis of security of current assets. The Company has complied with the requirement of filing of monthly/ quarterly returns/ statements of current assets with the banks or financial institutions, as applicable, and these returns were in agreement with the books of accounts for the year ended March 31, 2024 and March 31, 2023.

Note 35 : Additional Disclosure- Other Expenses

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

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
For Audit Fees	2.50	2.50
For Limited Review/other services	1.50	1.50
For Certifications	-	-
Total	**4.00**	**4.00**

Note 36: Additional Disclosures under Ind AS 115-"Revenue from Contract with Customers"

C. 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 ₹15219.93 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 Ind AS 115. Further the estimate of the transaction price as above would not include any estimated amounts of variable consideration that are constrained. Management expects that 83.34% of transaction price allocated to unsatisfied/ partially satisfied contracts as of 31.03.2024, as stated above, will be recognised as revenue during FY 2024-25 and the remaining thereafter.

During the year March 31, 2024 the company recognised revenue of ₹383.66 lakhs arising from opening Contract Liability as of April 01, 2023.

D. Reconciliation of contracted price with revenue during the year

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Opening contracted price of orders	**4,345.00**	**2,420.00**
Add:		
Fresh orders/change orders received (net)	14,053.84	1,925.00
Increase due to additional consideration including Shipbuilding Financial assistance	-	-
Increase due to exchange rate movements (net)	-	-
Less:		-
Other deductions including variations, change orders etc.	137.89	-
Orders completed during the year	-	-
Closing contracted price of orders	**18,260.95**	**4,345.00**
Total Revenue recognised during the year:	2,071.68	969.34
Less: Revenue out of orders completed during the year		-
Revenue out of orders under execution at the end of the year (I)	2,071.68	969.34
Revenue recognised upto previous year (from orders pending completion at the end of the year) (II)	969.34	-
Decrease due to exchange rate movements (net) (III)		-
Balance revenue to be recognised in future viz. Order book (IV)	15,219.93	3,375.66
Closing contracted price of orders (I+II+III+IV)	**18,260.95**	**4,345.00**

37. Related Party disclosure as per Ind AS 24

Transactions & Balances with Government and entities under the control of same government

Hooghly Cochin Shipyard Limited is a 100% Subsidiary of Cochin Shipyard Limited

The Company has made various transactions with Cochin Shipyard Limited under the Ministry of Shipping, Ports and Waterways (MoPSW) and with entities being controlled or jointly controlled or having significant influence of the Ministry of Shipping, Ports and Waterways (MoPSW).

i) Transactions/Balances with GoI

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Amount payable to Government of India (Lease Rent)	185.90	140.11
Amount paid as dividend during the year to Govt. of India		

ii) Significant transactions with Government related Entities (CSL)

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Lease rent paid		
Power & water supply charges		
Profit share payment		
Employee related expenses (Deputation by CSL)	19.56	
Shifting & Cold movement expenses		
Hiring & rent services		
Miscellaneous services taken		
Revenue from operations (Caisson Gate & 6 Nos Aluminum Catamaran)	1536.17	745.83
Material & Other Services from CSL	4.35	141.52
Interest on Debentures and Div on Preference Share Capital	659.07	828.05
Share Capital-Infusion by CSL	4400.00	4600.00
IWAI-Fund Received For PANDU-Project	3600.00	737.24

iii) Significant balances with Government related Entities

(₹ in lakhs)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Payables to CSL		-
Advances given to CSL	1.24	
Receivables		
Advance Against Project from CSL (Caisson Gate & 6 Nos Aluminum Catamaran)	3768.92	483.53
IWAI-Pandu Project Fund	1948.32	1,737.24

37. Related Party disclosure as per Ind AS 24 (Contd..)

iv) Related Party disclosure

Name of the Related Parties and their relationship

Name of the Related Party	Relationship
Cochin Shipyard Limited	Holding Company
Udupi Cochin Shipyard Ltd	Fellow Subsidiary of Holding Company
Hooghly Dock and Port Engineers Limited (till 31st October, 2019)	Associate Company
Inland Water Authority of India	Under Ministry of Shipping, Ports and Waterways.
Shri Madhu S Nair, Chairman	Key Managerial Personnel
Shri Shekhar Chakravarthy, Chief Executive Officer (till 12.12.2023)	Key Managerial Personnel
Shri Sanil Peter, Chief Executive Officer (from 15.12.2023)	Key Managerial Personnel
Shri Bejoy Bhasker, Director	Key Managerial Personnel
Shri Jose V J, Director	Key Managerial Personnel
Shri Sreejith K Narayanan, Nominee Director (from 26.03.2022)	Key Managerial Personnel
Smt. Anjana K R, Nominee Director (from 26.03.2022)	Key Managerial Personnel
Shri Saibal Chattopadyay, Chief Financial Officer (from 14.02.2022)	Key Managerial Personnel
Shri Kiran K A, Company Secretary (from 16.10.2020)	Key Managerial Personnel

Details of Related Party Transactions:

Name of related party & nature of relationship	Nature of Transactions	For the Year ended As at March 31, 2024	Balance Outstanding As at March 31, 2024	For the Year ended As at March 31, 2023	Balance Outstanding As at March 31, 2023
(A) Holding Company:	Employee Manpower Services (provided by Cochin Shipyard Limited - Holding Company)*	19.56	19.56	-	-
Cochin Shipyard Limited	4,40,000 6.5% Redeemable Non-convertible Debentures of face value of ₹1,000 each issued to Cochin Shipyard Limited (Holding Company)	(4,400.00)	-	-	4,400.00
	3,10,000 6.15% Redeemable Non-convertible Debentures of face value of ₹1,000 each issued to Cochin Shipyard Limited (Holding Company)	-	3,100.00	-	3,100.00
	Advance against projects	3,768.92	5,220.92	483.53	-
	Revenue from operations	1,536.17		745.83	
	Interest on Debentures	323.07	109.69	476.65	263.27
	Term Loan Taken	-	-	650.00	-
	Dividednd on Preference Shares	336.00	1,064.15	336.00	728.15
	Repayment of Term Loan	-	-	650.00	-
	Interest on Term Loan	-	-	5.79	-
	Materials and Services from CSL	4.24	(1.24)	141.52	-
	Interest Recovery on Project	-	-	9.61	-

Note: In addition to the above, around 74.15 % (approx) of the companies turnover and 100% (approx) of trade receivables and 81.64% customer advance is with respect to Government and Government related entities.

37. Related Party disclosure as per Ind AS 24 (Contd..)

Contingencies and Commitments

(₹ in lakhs)

Particulars	As at March 31, 2023	As at Mar 31,2023
Commitments (To the extent not provided for)		
1. Capital Comitment: Estimated amount of contracts remaining to be executed on capital account and not provided for	199.00	75.99
2. Interest on Lease Rent Payable to GOI not provided for	8.04	

Corporate Social Responsibility (CSR) : The company does not have either any profit from its operations or net worth as prescribed under Section 135 of the Companies Act, 2013. As such, the Company is not required to comply with the provisions of Sec 135 of the Companies Act, 2013.

38. Disclosure pursuant to Ind AS 1 "Presentation of financial statements":

a. Current assets expected to be recovered within twelve months and after twelve months from the reporting date

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Inventories	808.40		808.40	158.85		158.85
Trade receivables	282.77	-	282.77	755.41		755.41
Cash and cash equivalents	6,227.04		6,227.04	6,299.93		6,299.93
Bank balances	-		-	-		-
Loans	-		-	-		-
Other Financial assets	15.29	-	15.29	3.81		3.81
Current tax assets (net)	104.58	-	104.58	39.55		39.55
Other current assets	1,788.38		1,788.38	1,477.75		1,477.75

b. Current liabilities expected to be settled within twelve months and after twelve months from the reporting date:

Particulars	As at March 31, 2024			As at March 31, 2023		
	Within twelve months	After twelve months	Total	Within twelve months	After twelve months	Total
Borrowings	-	0	-	-		-
Lease Liabilities	59.43	0.00	59.43	44.15		44.15
Trade payables	1,973.54		1,973.54	2,625.90		2,625.90
Other financial liabilities	336.13	1064.15	1,400.28	728.34	728.15	1,456.49
Other current liabilities	3,645.35		3,645.35	1,497.86		1,497.86
Provisions	846.81		846.81	192.47		192.47
Current tax liabilities (net)	-		-	-		-

39. Segment Reporting

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Segment Assets		
Ship building	15390.94	13389.54
Ship Repair	26.15	26.15
Unallocated	10541.71	12692.82
Total	**25958.79**	**26108.51**

39. Segment Reporting

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
Segment Liability		
Ship building	3223.25	267.28
Ship Repair	(17.08)	17.08
Unallocated	14809.53	19276.15
Total	**18015.70**	**19560.51**
External Sales		
Ship building	2071.68	969.34
Ship Repair		156.37
Unallocated		576.35
Total	**2071.68**	**1702.06**
Interest Income	332.79	59.27
Unallocated		
Segment Revenue		
Ship building	2071.68	969.34
Ship Repair		156.37
Unallocated		576.35
Total	**2071.68**	**1702.06**
EXPORT		
IMPORT		
Segment Result		
Ship building	(2793.82)	35.86
Ship Repair		37.70
Unallocated	1027.57	(963.83)
Total	**(1766.25)**	**(890.27)**

Reconciliation of segment results to profit before tax from continuing operations:

(₹ in lakhs)

Particulars	For the year ended As at March 31, 2024	As at March 31, 2023
Amount as per segment results	(1,766.25)	(890.27)
Less: Finance Costs	718.94	889.98
Add: Exceptional items		
Profit before tax from continuing operations	(2,485.19)	(1,780.25)

The Company operates within India and does not have operations in economic environments with different risks and returns. Hence, it is considered operating in single geographical segment. The amounts appearing in the financial statements relate to the company's single operating segment.

For S.K BASU & Co.
Chartered Accountants (FRN: 301026E)
UDIN No: 24053225BKHRXR7363

S BASU
(Partner)
Membership No: 053225

Place: Kolkata
Dated: 6th May 2024

MADHU S NAIR
Chairman
(DIN: 07376798)

SANIL PETER
Chief Executive Officer

JOSE V J
Director
(DIN: 08444440)

SAIBAL CHATTOPADHYAY
Chief Financial Officer

KIRAN K A
Company Secretary
M. No. A36050

40. (i) Defined Benefit Plans/Long Term Compensated Absences

Description of Plans:

The Company has not taken any funded plan for gratuity of its employees. The present value of obligation is determined in accordance with the advice of independent, Professionally qualified actuaries using the projected unit credit method, which is recognised in each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The net Defined Benefit cost is recognised by the company in the Financial Statements.

Risk:

The Defined Benefit Plans expose the Company to interest rate risk, salary cost inflation risk and Demographic risk.

Interest Rate Risk: The present value of Defined Benefit Plans liability is determined using the discount rate based on the market yields prevailing at the end of reporting period on Government bonds. A decrease in yields will increase the fund liabilities and vice-versa.

Salary Cost Inflation Risk: The present value of the Defined Benefit Plan liability is calculated with reference to the future salaries of participants under the Plan. Increase in salary might lead to higher liabilities.

Demographic risk : This is the risk of variability of results due to unsystematic nature of decrements that include mortality, withdrawal, disability and retirement. The effect of these decrements on the defined benefit obligation is not straight forward and depends upon the combination of salary increase, discount rate and vesting criteria. It is important not to overstate withdrawals because in the financial analysis the retirement benefit of a short career employee typically costs less per year as compared to a long service employee.

	Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
		Gratuity	Leave Encashment	Gratuity	Leave Encashment
I	**Components of Employer Expense**				
	Recognised in the Statement of Profit and Loss:				
1	Current Service Cost	4.81	3.42	4.75	2.06
2	Past Service Cost	-	-	-	-
3	Net Interest Cost	0.63	0.59	0.26	0.42
4	Actuarial gains/(losses)	-	(0.48)	-	0.72
5	**Total expense recognised in the Statement of Profit and Loss**	**5.44**	**3.54**	**5.01**	**3.20**
	Re-measurements recognised in Other Comprehensive Income				
6	Return on plan assets (greater)/less than discount rate	-	-	-	-
7	Effect of changes in assumptions	0.55	-	-	-
8	Effect of experience adjustments	(1.39)	-	0.08	-
9	**Total re-measurements included in Other Comprehensive Income**	**(0.84)**	**-**	**0.08**	**-**
10	**Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (5+9)**	**4.60**	**3.54**	**5.09**	**3.20**

The current service cost, past service cost and net interest cost for the year pertaining to Gratuity expenses have been recognised in "Contribution to Provident and other funds" and Leave Encashment in "Employee Salaries & Allowances" under Note 29. The remeasurements of the net defined benefit liability are included in Other Comprehensive Income.

40. (Contd..)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
II Net Liability/(Asset) recognised in Balance Sheet				
Present Value of Defined Benefit Obligation	13.25	10.90	8.65	8.90
Fair Value of Plan Assets	-	-	-	-
Net liability:				
- Non-Current	13.11	10.68	8.58	8.68
- Current	0.14	0.22	0.07	0.22

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
III. Change in Defined Benefit Obligation (DBO)				
1 Present Value of DBO at the beginning of the year	8.65	8.90	3.56	5.70
2 Current Service Cost	4.81	3.42	4.75	2.06
3 Past Service Cost	-	-	-	-
4 Net Interest Cost	0.63	0.59	0.26	0.42
5 Actuarial gains/(losses)	-	(0.48)	-	0.72
6 Remeasurement gains /(losses):				
a Effect of changes in demographic assumptions	-	-	-	-
b Effect of changes in financial assumptions	0.55	-	-	-
c Changes in asset ceiling (excluding interest income)	-	-	-	-
d Effect of experience adjustments	(1.39)	-	0.08	-
7 Curtailment Cost/(Credits)	-	-	-	-
8 Settlement Cost/(Credits)	-	-	-	-
9 Acquisitions credit/ (cost)	-	-	-	-
10 Effects of transfer In/(Out)	-	-	-	-
11 Benefits Paid	-	(1.53)	-	-
12 Net defined benefit liability/ (asset) at end of current period	**13.25**	**10.90**	**8.65**	**8.90**

(₹ in lakhs)

Particulars	As at March 31, 2024	As at March 31, 2023
IV. Best Estimate of Employers' Expected Contribution for the next year		
Gratuity	13.25	8.65

40. (Contd..)

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
V. Change in Fair Value of Assets				
1 Plan Assets at the beginning of the year	-	-	-	-
2 Acquisition adjustment	-	-	-	-
3 Interest income on plan assets	-	-	-	-
4 Employer contributions	-	-	-	-
5 Return on plan assets greater/(lesser) than discount rate	-	-	-	-
6 Benefits paid	-	-	-	-
7 Fair Value of assets at the end of current period	-		-	-

Particulars	For the year ended March 31, 2024		For the year ended March 31, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
VI. Actuarial Assumptions				
1 Discount rate per annum	7.30%	7.30%	7.30%	7.30%
2 Rate of Escalation in Salary	3.00%	3.00%	3.00%	3.00%
3 Mortality Rate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate	Indian Assured Lives Mortality (2006-08) Ultimate
4 Withdrawal	0.70%	0.70%	0.70%	0.70%

VII. Sensitivity Analysis

The Sensitivity Analysis below has been determined based on reasonably possible change of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant. These sensitivities show the hypothetical impact of a change in each of the listed assumptions in isolation. While each of these sensitivities holds all other assumptions constant, in practice such assumptions rarely change in isolation and the asset value changes may offset the impact to some extent. For presenting the sensitivities, the present value of the Defined Benefit Obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the Defined Benefit Obligation presented above. There was no change in the methods and assumptions used in the preparation of the Sensitivity Analysis from previous year.

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A Discount Rate	7.00%	7.00%	7.30%	7.30%
Effect on DBO due to 1% increase in Discount Rate	(1.71)	(1.61)	(1.07)	(1.13)
Percentage Impact	(12.90%)	(14.80%)	(12.40%)	(12.60%)
Effect on DBO due to 1% decrease in Discount Rate	2.07	1.97	1.29	1.35
Percentage Impact	15.60%	18.00%	14.90%	15.10%

40. (Contd..)

Particulars	As at March 31, 2024		As at March 31, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
B Salary Escalation Rate	3.00%	3.00%	3.00%	3.00%
Effect on DBO due to 1% increase in Salary Escalation Rate	2.13	1.39	1.33	1.39
Percentage Impact	16.10%	12.80%	15.40%	15.70%
Effect on DBO due to 1% decrease in Salary Escalation Rate	(1.78)	(2.10)	(1.12)	(1.18)
Percentage Impact	(13.50%)	(19.30%)	(13.00%)	(13.20%)

Maturity Analysis of the Benefit Payments	As at March 31, 2024		As at March 31, 2023	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Year 1	0.14	0.20	0.07	0.23
Year 2	0.16	0.21	0.27	0.30
Year 3	1.25	0.21	2.55	0.38
Year 4	0.25	0.22	3.69	0.47
Year 5	0.27	0.23	0.66	0.57
Next 5 Years	5.41	2.60	16.53	16.07

(ii) Amounts towards Defined Contribution Plans have been recognised under “Contribution to Provident and other funds” in Note 37: ₹ 37.12 Lakh (2023 - ₹ 32.03 Lakh).

Note 41: Disclosures required by Ind AS 8" Accounting Policies, Changes in Accounting Estimates

During the year, in order to harmonise with holding company's accounting policy and to provide reliable and more relevant information about the effects of transactions on the entity’s financial position, financial performance or cash flows, company has adopted (as per Ind AS 115 "Revenue from Contract with Customers") Output method changing from the Input method which was followed in the comparative previous year. The company has made reasonable efforts to determine effect of change in the accounting policy during the year. The effect due to change in the accounting policy in the comparative years are not material, hence the amounts of comparative periods are not restated.

The effect on the financial statement during the current financial year due to the change in the accounting policy :

Account Head	Note No	Increase / Decrease in Value	Amount in Lakhs	Remark
Revenue from Operation	25	Increase	116.51	Increase in Contract Revenue
Contract Asset	14	Increase	116.51	-
Contract Liability	23	Decrease	116.51	-
Profit after Tax	-	Increase	116.51	Increase in Profit
Deferred Tax Asset	8	Decrease		Not Considered in Financials Statement

Accordingly the above change in accouting policy has resulted in Increase in other equity by ₹116.51 lakhs.

Note 41 : Disclosures required by Ind AS 8" Accounting Policies, Changes in Accounting Estimates (Contd..)

Disclosure on inventory:

Change in accounting policy on measurement of inventories:

Nature of Inventories	Current Year	Previous Years
Raw materials and components	At weighted average cost method. When they are intended for project use, valuation is done at project specific weighted average cost method.	At weighted average cost method or net realisable value whichever is lower.

Raw-materials and components, Stores & Spares and Goods in Transit represents items that are contract/project specific and are consumed in the ship building and/or ship repair contracts and other directly related ancillary services. Since each contract/project with different customers is distinct and having different characteristics, raw-materials and components, Stores & Spares and Goods in Transit are held for use in the production and not for sale in the ordinary course of business, are not ordinarily inter-changeable and unique in nature, therefore arriving at their net realizable value/replacement cost is not practical.

Considering the industry practices, the Company has decided to value raw materials and components at weighted/project specific weighted average cost method. Accordingly, the said change is duly incorporated in the accounting policy of the company and brought out under- Material Accounting Policy to the standalone financial statements. During the year, company has also reviewed its existing policy on measurement of Stores & Spares and Goods in transit and after due consideration of all the factors, the policy followed is considered as appropriate.

The said change in the measurement policy does not have any impact in the current and previous financial statements.

For S.K BASU & Co.
Chartered Accountants (FRN: 301026E)
UDIN No: 24053225BKHRXR7363

S BASU
(Partner)
Membership No: 053225

Place: Kolkata
Dated: 6th May 2024

MADHU S NAIR
Chairman
(DIN: 07376798)

SANIL PETER
Chief Executive Officer

JOSE V J
Director
(DIN: 08444440)

SAIBAL CHATTOPADHYAY
Chief Financial Officer

KIRAN K A
Company Secretary
M. No. A36050

NOTICE

Notice is hereby given that the 07th Annual General Meeting of the Members of Hooghly Cochin Shipyard Limited will be held at 09:00 hrs. IST on Thursday, September 19, 2024 through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM") to transact the following business:

Ordinary Business

1. To consider and adopt the audited financial statements as on 31st March 2024, and the Reports of the Board of Directors and Auditors' thereon.

2. To appoint a Director in place of Shri Sreejith K Narayanan (DIN: 09543968), who retires by rotation at this Annual General Meeting and being eligible, offers himself for re-appointment.

3. To appoint a Director in place of Smt. Anjana K R (DIN: 09545253), who retires by rotation at this Annual General Meeting and being eligible, offers herself for re-appointment.

4. To authorize the Board of Directors to fix the remuneration of the Auditors appointed by the Comptroller and Auditor General of India (C&AG) for the financial year 2024-25.

By the Order of the Board of Directors
For **Hooghly Cochin Shipyard Limited**

Kiran K A
Company Secretary
M. No. A36050

Kochi
September 10, 2024

Notes:

1. The Ministry of Corporate Affairs ("MCA") vide its General Circular No. 09/2023 dated September 25, 2023 read General Circular No. 20/2020 dated May 05, 2020 and all other relevant Circulars issued from time to time (collectively referred to as "MCA Circulars"), permitted the holding of the Annual General Meeting ("AGM") through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013, MCA Circulars, the 07th AGM of the Company is being held through VC/ OAVM. The Registered Office of the Company shall be deemed to be the venue for the AGM.

2. The attendance of the Members in the AGM through VC/ OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.

3. The statement pursuant to Section 102(1) of the Companies Act, 2013 with respect to the special business set out in the Notice is annexed and forms part of the Notice.

4. The brief details of the Directors, who are seeking re-appointment, are annexed to this Notice as per the requirements of the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

5. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/ her behalf and the proxy need not be a Member of the Company. Since, this AGM is being held pursuant to the MCA Circulars through VC/ OAVM, physical attendance of Members has been dispensed with and hence the facility for appointment of proxies by the Members will not be available for the AGM. Therefore, the proxy form, attendance slip and route map are not annexed to this Notice. However, in pursuance of Section 112 and 113 of the Companies Act, 2013, representatives of the Members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/ OAVM. Such Members are requested to send to the Company through e-mail at secretary.hcsl@cochinshipyard.in, a certified copy of the Board Resolution or Power of Attorney or any other instrument authorizing their representative(s) to attend and vote on its behalf at the AGM.

6. Annual Report for the year 2023-24 including the audited financial statements for the year ended March 31, 2024, is being sent by e-mail to those Members whose e-mail addresses are registered with the Company. Further, the hard copies of the same would also be made available to the Members on request. Members may forward their request for hard copy to secretary.hcsl@cochinshipyard.in. Members may note that the Notice and Annual Report 2023-24 will also be available on the Company's website at www.hooghlycsl.com and the website of the holding company Cochin Shipyard Limited at www.cochinshipyard.in.

7. The registers maintained under the Companies Act, 2013 and all documents referred to in the Notice will be available electronically for inspection to the Members during the AGM. All documents referred to in the Notice will also be available for electronic inspection by the Members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect such documents can send an email to secretary.hcsl@cochinshipyard.in.

8. The AGM is proposed to be held at a shorter notice. The request, pursuant to Section 101 of the Companies Act, 2013, for consenting to conduct the AGM at a shorter notice is enclosed along with this Notice and the AGM will be held only if the consent is received from all the Members entitled to vote at the AGM.

9. The instructions for joining the AGM through VC/ OAVM is as follows:
   (a) Members and other invitees can attend the AGM through Microsoft Teams Digital Meeting Platform by clicking the below link.
   Link for attending the 07th AGM of Hooghly Cochin Shipyard Limited
   Meeting ID: 429 843 754 297
   Passcode: Jr4PAW

   (b) The facility for joining the AGM through VC/ OAVM shall open 15 minutes before the time scheduled for the AGM.

   (c) For any assistance for participating in the AGM, Members can contact the Company Secretary at 0484 2501307 or send an email to secretary.hcsl@cochinshipyard.in.

   (d) The designated e-mail id for casting the votes in case of a poll is secretary.hcsl@cochinshipyard.in.

By the Order of the Board of Directors
For **Hooghly Cochin Shipyard Limited**

Kiran K A
Company Secretary
M. No. A36050

Kochi
September 10, 2024

Registered Office
Administrative Building
HCSL Premises, Satyen Bose Road
P.O. Danesh Shaikh Lane, Nazirgunge
Howrah, West Bengal – 711 109
CIN: U35900WB2017GOI223197
e-mail: secretary.hcsl@cochinshipyard.in
Website: www.hooghlycsl.com

CONSENT OF SHAREHOLDER

[Pursuant to Section 96 and 101 of the Companies Act, 2013]

To
The Board of Directors
Hooghly Cochin Shipyard Limited
Administrative Building, HCSL Premises
Satyen Bose Road, P.O. Danesh Shaikh Lane
Nazirgunge, Howrah, West Bengal – 711 109

I, ..., son of ...., resident of .... holding ....equity shares and/ or... preference shares of Rs. 10/- each in the Company, hereby give consent, pursuant to Section 96 and 101 of the Companies Act, 2013, to hold the 07th Annual General Meeting (AGM) of the Company on September 19, 2024 at a shorter notice.

Place:	Signature:
Date:	Name:

DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THIS MEETING

[Pursuant to the Secretarial Standards on General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI)]

Name of the Director	Shri Sreejith K Narayanan
DIN	09543968
Age & Date of Birth	59 years, May 17, 1965
Qualifications	Shri Sreejith K Narayanan holds a degree in Bachelor of Technology (Mechanical) from Regional Engineering College, Calicut & Master of Business Administration from School of Management Studies, Cochin University of Science and Technology.
Experience	Shri Sreejith K Narayanan has approximately 36 years of work experience across areas such as ship building, ship design and ship repair. He is also a Director of Udupi Cochin Shipyard Limited (UCSL), the other wholly owned subsidiary of CSL.
Terms and conditions of re-appointment	Shri Sreejith K Narayanan was inducted to the Board of HCSL nominated by CSL with effect from March 26, 2022. Approval of the members is sought for continuation of office of directorship of Shri Sreejith K Narayanan till such time his nomination is withdrawn. As per the terms of re-appointment, he is liable to retire by rotation as per the provisions of the Companies Act, 2013.
Details of remuneration sought to be paid on re-appointment and last drawn (FY 2023-24)	Nil
Date of first appointment on the Board	March 26, 2022
No. of shares held in the Company	10 (Shares are held on behalf of CSL)
Relationship with other Directors and Key Managerial Personnel	Nil
No. of Board Meetings attended during the Financial Year 2023-24	7/7
Directorships in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	(1) Cochin Shipyard Limited (2) Udupi Cochin Shipyard Limited
Membership/ Chairmanship of Committees in other Public Limited Companies*	Nil

*Membership/ Chairmanship of only the Audit Committee and Stakeholders Relationship Committee have been considered.

Name of the Director	Smt. Anjana K R
DIN	09545253
Age & Date of Birth	52 years February 10, 1972
Qualifications	Smt. Anjana K R holds a Degree of Bachelor of Technology (Naval Architecture & Ship Building) from Cochin University of Science and Technology.
Experience	She has more than 28 years of work experience across areas such as ship design, ship building hull, production engineering and ship building materials procurement. She is also the Director of Udupi Cochin Shipyard Limited (UCSL), the other wholly owned subsidiary of CSL.
Terms and conditions of re-appointment	Smt. Anjana K R was appointed as one of the directors nominated by CSL. Approval of the members is sought for continuation of office of directorship of Smt. Anjana K R till such time her nomination is withdrawn. As per the terms of re-appointment, she is liable to retire by rotation as per the provisions of the Companies Act, 2013.
Details of remuneration sought to be paid on re-appointment and last drawn (FY 2023-24)	Nil
Date of first appointment on the Board	March 26, 2022
No. of shares held in the Company	Nil
Relationship with other Directors and Key Managerial Personnel	Nil
No. of Board Meetings attended during the Financial Year 2023-24	6/7
Directorships in other Public Limited Companies (excluding foreign companies, private companies & Section 8 companies)	(1) Cochin Shipyard Limited (2) Udupi Cochin Shipyard Limited
Membership/ Chairmanship of Committees in other Public Limited Companies*	Nil

*Membership/ Chairmanship of only the Audit Committee and Stakeholders Relationship Committee have been considered.

Notes

HOOGHLY COCHIN SHIPYARD LIMITED

Registered Office:

Administrative Building
HCSL Premises, Satyen Bose Road
P.O. Danesh Shaikh Lane, Nazirgunge
Howrah, West bengal - 711 109
Website: www.hooghlycsl.com

CIN: U35900WB2017GO1223197