HOOGHLY COCHIN SHIPYARD LIMITED

Navigating to Sustainable Shipbuilding

Annual Report 2022-23

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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

Smt. Anjana K R
Non – Executive Director

Shri Harikrishnan S
Non – Executive Director

KEY MANAGERIAL PERSONNEL

Shri Shekhar Chakravarty
Chief Executive Officer (CEO)

Shri Saibal Chattopadhyay
Chief Financial Officer (CFO)

Shri Kiran K A
Company Secretary (CS)

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. RADS & Co
(CA1369)
1, Gibson Lane, Sidha Gibson
2nd Floor, Suite No. 214
Kolkata, West Bengal – 700 069

SECRETARIAL AUDITORS

M/s. SVJS & Associates
Company Secretaries
First Floor, 65/2364A
Ponoth Road, Kaloor
Kochi – 682 017

BANKERS

Union Bank of India
State Bank of India
Federal Bank

About Us

A wholly owned subsidiary of CSL, Hooghly Cochin Shipyard Limited serves to fulfill the huge demand for inland water vessels in the designated National Waterways of India.

The East Coast of India has throughout been the epicentre of Maritime activity and has been the beacon for the country as far as shipbuilding is concerned. Towards this Cochin Shipyard Limited (CSL) in its endeavour to further strengthen the shipbuilding sector in this region has taken on the age old legacy of Hooghly Dock and Port Engineers Limited (HDPEL) who were the pioneers of shipbuilding in the eastern cost of the country.

HDPEL is one of the oldest shipyards of the country established in the year 1819 in the name of Hooghly Docking and Engineering Company Limited. It has later merged with Port Engineering Works and came to be known as Hooghly Dock & Port Engineers Limited (HDPEL). CSL took over this yard which includes facilities at Nazirgunge and Salkia and rechristened as Hooghly Cochin Shipyard Limited (HCSL) in October 2017 as a joint venture with HDPEL and thereafter HCSL became a wholly owned subsidiary of CSL with effect from November 01, 2019, pursuant to the approval of the Union Cabinet on October 03, 2019.

CSL, keeping in line with the thought process of the Govt. of India to develop the National Waterways being piloted by the Ministry of Ports, Shipping and Waterways through the Jal Marg Vikas project of IWAI has refurbished and restructured the Nazirgunge unit into a modern shipbuilding facility. With the technical and design support from CSL, the leading shipyard in the country, HCSL is confident of meeting the demands of high quality, niche vessels in inland sector in full and the Costal and Sea going segment to a good extent.

Our unit is equipped with the latest shipbuilding norms like in-house QA/QC, NDT, Fire & Safety and sophisticated equipment with experienced work force to complete every task in a time bound manner. We have obtained IMS Certification including ISO 9001-2015 – Quality, ISO 14001-2015 – Environment & ISO 45001-2018 – Health and Safety Certification from the Indian Register of Shipping (IRS). Our facility has an added advantage due to the strategic location supporting consequently both slipway launching and side launching facility due to the extended riverfront.

We at HCSL, can provide a comprehensive support by not only developing the most cost-effective design and ships for the customers but also providing support for the entire life cycle of the vessel by conducting defect analysis and maintenance schedules on periodic real time feedback from ships and thereafter slotting refits and repair as per schedule.

A Few highlights of the facility at HCSL:

1. All shopfloors equipped with the state-of-the-art facilities for ship construction.
2. End launching (02 nos.) with winch and cradle system for vessels upto 80 Mtrs.
3. Side launching (01 no) for vessels upto 120 Mtrs.
4. Fitout berths (04 nos.) with jetties – each with floating pontoons (30mtr*7mtr) with gangways and tower cranes(5Tons)
5. Wide range of standardized designs to meet customers' requirements.
6. Strong workforce to meet every task on schedule with a credential of 3.01 million safe working hours.

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.

Business Segment

SHIPBUILDING:

Wide range of standardized design to meet customers requirement. This includes Inland Water, Coastal and Sea going vessels for both passenger and cargo carrying capability.

LIFE CYCLE ANALYSIS:

Based on the real time feedback from ships, analysis on defects and maintenance routines can be carried out to predict and slot refit and repairs.

REFIT SCHEDULE:

Timely repair and refit of equipment to avoid breakdown and to reduce the downtime of machineries.

Product Portfolio

Tug	Workboat	Fishing Vessel	Hybrid Electric Boat	Ro-PAX
Tow Barge	Pax Ferry	RO-RO	Marine Ambulance Boat	Pushers
Port Feeders	Coastal LNG Tankers	Research Vessel	Defence Vessel	Autonomous Electric Barge









Chairman's Address

> **"All production activities are progressing under the supervision and clearance of IRS without any pending observation reflecting the quality of work in the Yard."**

Dear Shareholders,

A very warm welcome to all of you to the 06th Annual General Meeting of Hooghly Cochin Shipyard Limited (HCSL).

It is my distinct pleasure to inform you that, the setting up of new state-of-the-art ship building and repair facility at Nazirgunge was completed, and on August 16, 2022, the facility was dedicated to the nation by Shri Sarbananda Sonowal, the Hon'ble Minister of Ports, Shipping & Waterways. 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 eastern coast of India serving both inland and coastal vessels.

I am delighted to announce that the Company was bestowed IMS Certification, encompassing ISO 9001-2015 for Quality, ISO 14001-2015 for Environment, and ISO 45001-2018 for Health & Safety, by the Indian Register of Shipping (IRS). This certification underscores our unwavering commitment to excellence in these critical areas. Besides, the Company has successfully implemented one of the industry's leading Enterprise Resource Planning (ERP) solutions, SAP S/4HANA. We anticipate that this implementation will lead to a substantial enhancement in the efficiency of our business transactions, heralding a new era of operational excellence.

During the fiscal year 2023, HCSL achieved a significant milestone by securing its inaugural shipbuilding contract for the design and construction of a versatile Multi-purpose Cargo Vessel (2200T) for JAK Maritime & Logistics India Private Limited. The construction of this vessel is currently underway. The vessel adheres to RSV 4 specifications and Classed by IRS.

In addition, Company has also entered into an agreement with IWAI to act as consultants for setting up a new ship repair facility at Pandu, Assam. The proposed ship repair facility is poised to cater to the needs of vessels operating in National Waterways 2 and North Eastern sector, eliminating the need for them to travel to Kolkata for minor repairs, thereby saving valuable time.

Furthermore, the Yard is currently engaged in the execution of an order encompassing design, procurement, fabrication, installation and testing of a Box Caisson gate for CSL-Kolkata Ship Repair Unit (CKSRU), CSL. This critical component will be positioned at Netaji Subash Dock at SMPT upon completion. Besides, the Yard is gearing up for construction of 6 Nos. Battery Electric passenger ferries for IWAI.

Moreover, the Yard has demonstrated remarkable efficiency by successfully constructing and launching two Jetty Pontoons for its own purposes within a remarkably short timeframe of just five months since the Yard's commissioning. This accomplishment has significantly bolstered our production capabilities, preparing us to confidently undertake forthcoming shipbuilding contracts. All production activities are progressing under the supervision and clearance of IRS without any pending observation reflecting the quality of work in the Yard. Furthermore, the Yard has embarked upon ship repair services and has already achieved success by swiftly completing the repair of an IWAI vessel within mere seven days, post import of propulsion unit from Denmark.

The Yard is strategically positioned to make a significant contribution to the CSL group's long-term strategy, known as CRUISE 2030. This involves leveraging the substantial opportunities in the small vessels sector, particularly focusing on inland vessels, passenger ferries, RO-RO/RO-PAX vessels, and ship repairs, primarily within the North East region of the Country. HCSL, as a Yard with access to National Waterways 1 and 2, is well-suited for the cost-effective construction of small vessels. This strategic advantage positions the Company to effectively tap into the high-volume, low-margin small vessels market, both domestically and internationally.

On the financial front, the Company has earned a total income of Rs. 1,702.06 Lakhs from its operations which includes Rs. 969.34 Lakhs from shipbuilding, Rs. 156.37 Lakhs from ship repair and Rs. 576.35 Lakhs from other services during financial year 2022-23. However, the Company which is in the initial stages of commercial shipbuilding, has reported a loss of Rs. 2,033.59 Lakhs during the financial year 2022-23. The Company is in discussions for obtaining a significant order and is expected to conclude the order shortly. As the Company ramps up its order execution levels, a notable improvement in its financial performance is expected in the near future.

It is also worth mentioning that, the Board of Directors of the Company appointed Chief General Manager (Shipbuilding) of CSL viz., Shri Harikrishnan S, as the Director on the Board of HCSL in place of Shri Chandra Mani Rout who ceased to be Director in HCSL consequent to completion of his tenure of appointment approved by the Ministry of Ports, Shipping and Waterways. I am confident that the Company stands to gain significantly from the extensive expertise that the new Director brings, particularly in various operational aspects of shipbuilding. Additionally, 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.

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, which was not fully operational till first quarter of the financial year 2022-23, had been exempt from the compliance with the Guidelines on Corporate Governance. The Guidelines have been made applicable from the second quarter of the financial year 2022-23 consequent to the inauguration of the facility on August 16, 2022. 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 extended for completion of the project. I also thank Hon'ble Minister of Ports, Shipping and Waterways, the 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) for their contribution in completion of the project. I also wish to convey my sincere thanks to the dedicated employees of the Company. Without their efforts and enduring commitment, the Company would not have sustained during these difficult and challenging times.

I wish the Company all the very best as it moves towards its goal of becoming the lead player in India in the inland waterway vessel segment.

Thanking 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 as per the Articles of Association 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 in first class 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 and is presently serving as the President of Indo Japan Chamber of Commerce Kerala (INJACK). As a recognition for his valuable contributions, he has been bestowed with several accolades; CUSAT Distinguished Alumni Award 2022, Samudra Manthan Prof K R Bhandarkar Award 2022, Rotary Icon 2023 Award, Pride of KMA Award, to name a few. He has approximately 35 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 35 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. He has approximately 32 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.

Shri 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 approximately 35 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.

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 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 27 years of work experience across areas such as Ship Design, Ship Building hull, production engineering and Ship building materials procurement.

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 Chief General Manager (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 got more than 27 years' experience in Shipbuilding across areas such as Design, Inspection & Quality Control, Production, Procurement, Planning & Project Management and Ship Repair.

Leadership Team

Shri Shekhar Chakravarty

Chief Executive Officer (CEO)

Shri Shekhar Chakravarty took over charge as the CEO of HCSL with effect from December 22, 2021. He holds a degree in Bachelor of Technology (Mechanical) from Naval College of Engineering, Lonavala, PG degree DIIT(NC) from IIT (Delhi) in Naval Construction and Certificate Course in Business Development from IIM (Indore). He joined Indian Navy in 1984 and was commissioned in 1987. He has 25 years of Commissioned service in Indian Navy. He has also worked with L&T Shipbuilding for a period of 9 years. He has vast expertise across areas such as ship design, ship repairs and ship construction, in addition to heading the Shiplift & Marine Services Division in L&T.

Shri Saibal Chattopadhyay

Chief Financial Officer (CFO)

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 as well as the Institute of Company Secretaries of India. 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).

Directors' Report

Dear Shareholders,

1. Your Directors have immense pleasure in presenting the 06th Annual Report of your Company together with the financial statements for the year ended March 31, 2023, 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. During the financial year 2022-23 the setting up of new state-of-the-art ship building and repair facility at Nazirgunge was completed and on August 16, 2022, the Facility was dedicated to the nation by Shri Sarbananda Sonowal, the Hon'ble Minister of Ports, Shipping & Waterways and Ayush, Government of India. The Facility has been set up in an area of 15.76 acres on the banks of river Hooghly at a cost of ₹175.20 Crores with an intention to position itself as a premier shipbuilding/ repair yard in the east coast of India for inland and coastal vessels.

Operations

4. HCSL bagged its first shipbuilding order for constructing 1 Multi-purpose cargo Vessel (2200T) for JAK Logistics & Maritime Private Limited. The Company has also entered into an agreement with IWAI to act as consultants for setting up a new ship repair facility at Pandu, Assam. Further, the Yard is working towards the completion of the order for design, construction, installation and commissioning of Box Caisson Gate from CSL to be positioned and commissioned at Netaji Subash Dock at SMPT.

5. During the period 2022-23, the Yard has successfully constructed and launched two Jetty Pontoons for the Company itself in a short span of five months since commissioning of the Yard. This has enabled the Yard to gear up all production linked activities so as to take on the upcoming ship building contracts confidently.

6. All production activities are progressing under the supervision and clearance of IRS without any pending observation reflecting the quality of work in the Yard. The Yard has also embarked upon ship repairs and successfully completed repair of one IWAI vessel within a short span of seven days post import of propulsion unit from Denmark.

Financial Details

7. The Company being in the process of setting up the required shipyard infrastructure facilities has reported a loss of ₹ 2,033.59 Lakhs (₹ 283.61 Lakhs PY) during the financial year 2022-23.

Financial Highlights

(₹ in Lakhs)

Note No.	Particulars	As at March 31, 2023	As at March 31, 2022
(i)	Gross Income	1761.33	45.16
(ii)	Profit/(Loss) Before Finance cost, Depreciation & Tax	(166.63)	(286.03)
(iii)	Finance cost	889.98	56.82
(iv)	Depreciation & Amortisation expenses	723.64	39.62
(v)	Profit/(Loss) Before Tax	(1780.25)	(382.47)
(vi)	Tax Asset	253.34	98.86
(vii)	Net Profit/(Loss)	2033.59	283.61

Share Capital

8. The authorised share capital of the Company as on March 31, 2023 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).

9. The paid-up share capital of the Company as on March 31, 2023 is ₹ 1,52,00,00,000/- (Rupees One Hundred and Fifty Two Crores only) divided into 9,60,00,000 (Nine Crore Sixty Lakhs) equity shares of face value of ₹ 10/- (Rupees Ten only) each aggregating to ₹ 96,00,00,000/- (Rupees Ninety Six 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

10. The Company has issued 4,40,000 (Four Lakh Forty Thousand) Unsecured Redeemable Non Convertible Debentures (debentures) of face value of ₹ 1,000 (Rupees One Thousand only) each in the month of September 2018 with a tenure of 60 months at a coupon rate of 6.50% per annum to CSL for an amount of ₹ 44,00,00,000 (Rupees Forty Four Crores only). The debentures are due for redemption in September 2023.

11. Further, the Company has also issued 3,10,000 (Three Lakh Ten Thousand) Unsecured Redeemable Non Convertible Debentures (debentures) of face value of ₹ 1,000 (Rupees One Thousand only) each 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).

12. The Company has in total 7,50,000 (Seven Lakhs Fifty Thousand) Unsecured Redeemable Non Convertible Debentures (debentures) of face value of ₹ 1,000 (Rupees One Thousand only) each outstanding as on March 31, 2023.

Dividend

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

Transfer to Reserves

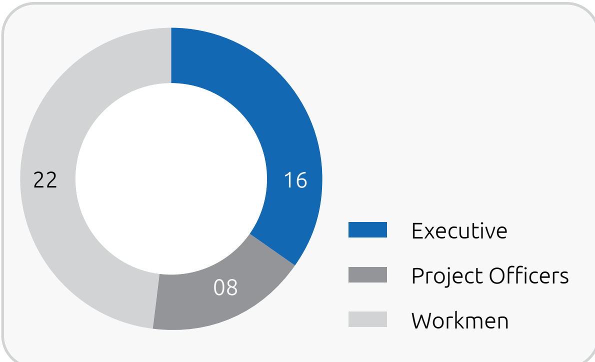
14. As the Company recently began to commence its operations and has incurred a loss during the financial year 2022-23, the Company is unable to transfer any amount to the reserves.

Contribution to Exchequer

15. The total contribution made during the financial year 2022-23 by way of Goods and Services Tax (GST) and Income Tax (TDS) was approximately ₹ 430.39 Lakhs (₹ 311.54 Lakhs PY).

Manpower Status

16. As on March 31, 2023, Hooghly Cochin Shipyard Limited (HCSL) has 46 employees consisting of 16 Executives, 08 Project Officers and 06 regular Workmen and 16 on-contract workmen. The recruitment for positioning required additional manpower is being progressed in a phased manner to ensure optimum manning in the Company.



Particulars of Employees and Related Disclosures

17. 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

18. 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. 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

19. 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.

20. 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)

21. Since inception, the Company has reported one accident resulting in injury to a worker. All precautionary measures are adopted to avoid any repetition of such accident and the same was informed to concerned authorities. Even with full utilization of the facility there is no report of loss of work due to any accident. The Yard obtained the IMS Certification by IRS and is adhering to all stipulated SOP. The Company has also appointed a Safety Officer for ensuring the safety of the work force.

Board of Directors & Key Managerial Personnel

22. As on March 31, 2023, 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.	Smt. Anjana K R	09545253	Director
6.	Shri Chandra Mani Rout	06935852	Director
7.	Shri Shekhar Chakravarty	N.A.	Chief Executive Officer
8.	Shri Saibal Chattopadhyay	N.A.	Chief Financial Officer
9.	Shri Kiran Kappattil Augustine	N.A.	Company Secretary

23. Shri Chandra Mani Rout 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.

24. There were no changes in Directors or Key Managerial Personnel of the Company during the financial year 2022-23.

Details of Board Meetings held during 2022-23

25. Five Board Meetings were held during the financial year 2022-23 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.	May 03, 2022	6	6
2.	August 04, 2022	6	6
3.	November 03, 2022	6	6
4.	January 30, 2023	6	6
5.	March 30, 2023	6	6

26. The attendance record of each Director in the Board Meetings held during the financial year 2022-23 is given below:

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

Committees of the Board

27. 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 2022-23. 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 2022-23 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

28. Two meetings of the Committee were held during the financial year 2022-23 on July 18, 2022 and March 16, 2023 respectively. All the members were present at the said meetings.

Evaluation of Board's Performance

29. 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

30. 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

31. Your Directors state that:

a) in the preparation of the annual accounts for the financial year ended March 31, 2023, 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 2022-23 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

32. The particulars of contracts/ arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 is placed at Annexure II in Form AOC-2 as required under Section 134(3)(h) of the Companies Act, 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014. Except as stated therein, no related party transactions have been entered into by the Company during the financial year 2022-23, 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

33. 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, which was not fully operational till first quarter of the financial year 2022-23, had been exempt from the compliance with the Guidelines on Corporate Governance. The Guidelines have been made applicable during the second quarter of FY 2022-23 consequent to the inauguration of the facility by Shri Sarbananda Sonowal, the Hon'ble Union Minister for Ports, Shipping & Waterways on August 16, 2022. Accordingly, the Compliance Report on Corporate Governance is applicable to the Company only from 2nd Quarter of FY 2022-23 onwards and the same have been submitted with the Ministry. The report on Corporate Governance prepared in compliance with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the DPE is presented in a separate section forming part of the Annual Report.

Management Discussion and Analysis

34. 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

35. 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

36. 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

37. M/s. RADS & Co (Firm Registration No.320298E), (CA1369), Chartered Accountants, Kolkata, were appointed as the Statutory Auditors of the Company by the Comptroller & Auditor General of India (C&AG) for the financial year 2022-23.

Auditors Report

38. M/s. RADS & Co, Statutory Auditors have submitted their Report on the financial statements of the Company for the financial year ended March 31, 2023, on April 28, 2023, which forms part of the Annual Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

Supplementary Audit

39. 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. C&AG have decided not to conduct the supplementary audit of the financial statements of the Company for the year ended March 31, 2023.

Comments of C&AG

40. The comments of the Comptroller and Auditor General of India (C&AG) under Section 143 (6) (b) of the Companies Act, 2013 forms part of the Annual Report.

Secretarial Auditors

41. M/s. SVJS & Associates Firm Unique Code No. P2008KE01790, 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 2022-23.

Secretarial Auditors Report

42. M/s. SVJS & Associates, Secretarial Auditors have submitted their Report on July 04, 2023, which is placed at Annexure III to this Report. The Report does not contain any qualification, reservation or adverse remark or disclaimer.

Internal Auditors

43. The Board has appointed M/s. SPAN & Associates (Firm Registration No.302192E), Chartered Accountants, Kolkata, to conduct Internal Audit for the financial year 2022-23.

Maintenance of Cost Records

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

Vigilance

45. There was one vigilance case pending for disposal during the financial year 2022-23.

Right to Information Act, 2005

46. During the year under review, one request was 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

47. 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

48. 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

49. 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)

50. 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

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

Details of frauds reported by Auditors under Section 143

52. Nil.

Material changes and commitments

53. 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

54. 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

55. The Company is in the nascent stages of its business operations and is focusing on putting in place the required resources for the smooth running of its operations.

Deposits

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

Significant and Material orders

57. 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

58. During the financial year 2022-23, 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.

59. 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.

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

Howrah
July 21, 2023

Annexure I

A. Conservation of Energy

(i) Steps taken or impact on conservation of energy during the year 2022-23.	**Steps Taken** APFC Panels are energized and getting rebate from CESC Dept. Energy monitoring system is active.
(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 equipments.	An amount of approximately ₹ 100 lakhs have been invested for conservation of energy.

B. Technology Absorption

(i) Efforts made towards technology absorption	Automation Methodology
(ii) Benefits derived like product improvement, cost reduction, product development or import substitutions.	Energy Monitoring System (EMS) is being utilized for effectively monitoring the energy consumption. 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)

	2022-23	2021-22
Earnings in Foreign Exchange		
From Shipbuilding	0	0
From Ship repair	0	0
Total	**0**	**0**
Expenditure in Foreign Exchange		
Materials (CIF Value)	115.90	0
Design & Documentation	0	0
Service Charge & Others	0	0
Total	**115.90**	**0**

For and on behalf of the Board of Directors

Madhu Sankunny Nair
Chairman & Managing Director
DIN: 07376798

Howrah
July 21, 2023

Annexure II

Form No. AOC-2

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

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

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

(a)	Name(s) of the related party and nature of relationship	Cochin Shipyard Limited (CSL) Holding Company
(b)	Nature of contracts/arrangements/ transactions	Implementation of ERP system of CSL 'SAP S/4HANA' at HCSL with the entire SAP implementation cost and licenses charges for the financial year 2022-23 only, aggregating to ₹ 33.74 lakhs, borne by CSL on behalf of HCSL.
(c)	Duration of the contracts/arrangements/ transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	The arrangement is for the initial year only in view of the fact that HCSL is in a nascent stage of its operations and the cash outgo would negatively impact the Company's financial position. At the same time the implementation of SAP ERP System would benefit the CSL group as a whole considering the features offered by the System. Further, HCSL being a wholly owned subsidiary of CSL, the financials are to be given to CSL for consolidation on a quarterly/half yearly/yearly basis; and a uniform system would facilitate easy and convenient consolidation.
(f)	Date(s) of approval by the Board	April 28, 2023
(g)	Amount paid as advances, if any	Nil
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	Not Applicable

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

(a)	Name(s) of the related party and nature of relationship	Nil
(b)	Nature of contracts/arrangements/ transactions	Nil
(c)	Duration of the contracts/arrangements/ transactions	Not Applicable
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	Not Applicable
(e)	Date(s) of approval by the Board, if any	Not Applicable
(f)	Amount paid as advances, if any	Not Applicable

For and on behalf of the Board of Directors

Madhu Sankunny Nair
Chairman & Managing Director
DIN: 07376798

Howrah
July 21, 2023

Annexure III

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

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

We, SVJS & Associates, Company Secretaries, have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **HOOGHLY COCHIN SHIPYARD LIMITED [CIN: U35900WB2017GOI223197]** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the 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 31.03.2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2023 according to the provisions of:

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

(ii) As informed to us, the following other laws are specifically applicable to the Company.

1. The Electricity Act, 2003 and the Regulations and Bye-laws framed there under;
2. The Industrial Employment Standing Orders Act and the Rules;
3. The Water (Prevention and Control of Pollution) Act 1974 and the Regulations and Bye-laws framed there under;
4. The Air (Prevention and Control of Pollution) Act, 1981 and the Regulations and Bye-laws framed there under;
5. The Environment (Protection) Act, 1986 and the Regulations and Bye-laws framed there under;
6. The Factories Act, 1948 and the Regulations and Bye-laws framed there under;
7. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
8. Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010;

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

(i) Secretarial Standards relating to Meetings of the Board of Directors (SS 1) and General Meetings (SS 2) issued by The Institute of Company Secretaries of India;

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

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

We report that

The Board of directors of the Company is duly constituted. All the directors of the Company are Non-executive Directors. There was no change in the composition of the Board of Directors during the period under review.

Adequate notices were given to all directors to schedule the Board Meetings, Agenda and detailed notes on agenda were sent at least seven days in advance and at shorter notice in certain case in accordance with the provisions of the Act and Secretarial Standards, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions of the Board were unanimous and the same was captured and recorded as part of the minutes.

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

We further report that

1. The Board of Directors at its meeting held on 30th January, 2023 had passed resolution to offer, issue and allot Equity Shares for an amount of Rs. 46,00,00,000/- (Rupees Forty Six Crores only) by way of Rights Issue.
2. The Company had allotted 4,60,00,000 (Four Crore Sixty Lakhs) Equity Shares at Rs. 10/- (Rupees Ten only) each aggregating to Rs. 46,00,00,000/- (Rupees Forty Six Crores only) by way of Rights Issue on 16th March, 2023.

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

(i) Public / Preferential issue of shares / debentures / sweat equity

(ii) Redemption / buy-back of securities

(iii) Merger / amalgamation / reconstruction, etc.

(iv) Foreign technical collaborations

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

For SVJS & Associates
Company Secretaries

Jayan K.
Partner
FCS. 8154
CP. No. 7363

Peer Review Certificate No. 648/2019
Kochi
July 04, 2023
UDIN: F008154E000545130

'Annexure A'

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

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

1. Maintenance of the Secretarial records is the responsibility of the management of the Company. Our responsibility as Secretarial Auditors is to express an opinion on these records, based on our audit.

2. During the audit, we have followed the practices and process as were appropriate, to obtain reasonable assurance about the correctness of the contents of the Secretarial records. We believe that the process and practices we followed provide a reasonable basis for our report.

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

4. Wherever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards etc. is the responsibility of management. Our examination was limited to the verification of the procedures and compliances on test basis.

6. While forming an opinion on compliance and issuing the Secretarial Audit Report, we have also taken into consideration the compliance related actions taken by the Company after 31st March 2023 but before issue of the Report.

7. We have considered actions carried out by the Company based on independent legal / professional opinion as being in compliance with law, wherever there was scope for multiple interpretations.

For SVJS & Associates
Company Secretaries

Jayan K.
Partner
FCS. 8154
CP. No. 7363

Peer Review Certificate No. 648/2019
Kochi
July 04, 2023
UDIN: F008154E000545130

For and on behalf of the Board of Directors

Madhu Sankunny Nair
Chairman
DIN: 07376798

Howrah
July 21, 2023

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. As the population worldwide is increasing especially in the emerging markets, the demand for efficient maritime transport with cost efficiency plays a major role in the growth and sustainable development. Ships also help to ensure the benefits to commerce and trade and are evenly spread across the globe. Factors such as increase in sea born trade, growth in the economy and trade are evenly spread across the globe.

4. Factors such as increase in sea-borne trade and growth in the economy and rise in energy consumption are responsible for the surge in the demand for eco-friendly ships. The Federation of Indian Export Organisations (FIEO) and the shipbuilding industry have sought concessions from the government, arguing that India needs to build its shipping industry due to growing risks of expanding trade with sanctions-hit Russia. Indian exporters are worried over rising shipping tariffs on routes to Russia and neighbouring countries, rising up to 60% after Ukraine war while tariffs on other routes are on decline.

Indian Shipbuilding Industry

5. India has been a major maritime power by controlling the key routes through Indian Ocean which facilitates half of the global maritime trade. With the onset of COVID-19 pandemic, there was a dip in the demand for ship building which has over the years grownup steadily meeting to all pending demands of shipbuilding.

6. As per the Maritime India Vision-2030 published by the Ministry of Ports, Shipping and Waterways, the global downturn in the shipbuilding industry significantly impacted the Indian shipyards and India's share in the Global markets has declined to less than 1%. In order to alleviate this situation, the Government of India has approved the Financial Assistance Policy for grant of financial assistance

to Indian Shipyards for shipbuilding contracts signed during April 01, 2016 to March 31, 2026. The above policy caters for domestic orders and export orders, in accordance with the guidelines issued in this respect.

7. Further, in order to augment the Indian tonnage in the shipping industry, this Ministry has implemented a new scheme for promotion of flagging of merchant ships in India by providing subsidy support to Indian shipping companies in global tenders floated by Ministries/ Department/ CPSEs. In order to achieve the objective of Atmanirbhar Bharat, the Government of India has approved the said scheme during financial year 2021-22 to provide Rs. 1,624 Crores over a period of five years. As the outcome of the scheme, Indian shipping companies will become internationally competitive. As the cost of labour rises in Europe and Korea, India has slowly and steadily built its capacity on this front and expanded its foot print in the global shipping Industry.

8. Taking all these factors into consideration, HCSL foresees a good opportunity in the emerging inland waterways and coastal shipping sector in India. It is therefore endeavoring to exploit the state of the art infrastructure, at Nazirgunge to cater to the needs of the inland waterways segment.

Government of India (GOI) Initiatives in Inland Waterways

9. The Maritime India Vision 2030 has taken lot of initiatives to boost the Indian maritime sector. To promote Indian Shipping and Port Industries, the government has introduced various fiscal and non-fiscal initiatives for enterprises that develop, maintain and operate ports, inland waterways and shipbuilding in India. Emphasis is being given to green shipping along the coastal and inland waterways to reduce carbon footprints.

10. This initiative by Government of India has encouraged HCSL specifically to focus on improvised electrical and Hybrid designs for inland water vessels such as Ro-Ro & Ro-Pax Vessels

Ship Repair Industry

11. Ship repair is generally considered as an evergreen industry, both globally as well as domestically. Ship being a floating structure requires regular inspection and maintenance of equipment and machinery for smooth and safe functioning during the ocean voyages and also during cargo handling operations at Ports. Ships are also generally governed by scheduled periodic repairs for which the Classification Society and other statutory bodies have formulated guidelines for periodic survey such as; special hull and machinery surveys every five years, dry-docking at two and half years and hull and machinery annual survey every year. Hence, ship repair yards generally have continuous and consistent flow of business which makes ship repair revenue generation more predictable as opposed to shipbuilding or shipping, which is often prone to pulls and pressures of market forces and cyclic change.

Operations

12. During the reporting period, HCSL secured an order for design and construction of a 2200 T DWT Multi-Purpose Vessel for a private Shipping company in Kolkata, M/s. JAK Maritime & Logistics India Private Limited. The construction of the vessel has commenced and is in full swing. The vessel is designed to RSV 4 specifications and Classed by IRS. Also, during the said period, HCSL has received an order for design, procurement, fabrication, installation and testing of Box Caisson gate for CSL-Kolkata Ship Repair Unit (CKSRU) of CSL. Further, HCSL being focused in inland waterways segment has entered into an agreement with IWAI to act as consultants for setting up a new ship repair facility at Pandu, Assam, Guwahati. The work has been awarded to L1 vendor L&T Geostructure Private Limited on March 31, 2023 and preliminary land works has been commenced at the site. As an upcoming shipbuilding and ship repair yard, HCSL has tapped the ship repair market by undertaking major repairs of one vessel of IWAI during 2022-23 and delivering them to the best of satisfaction to the customer.

13. All project work pertaining to “New Yard construction of HCSL” is completed and the yard has commenced production. The Company being yet to commence its operations has reported a loss of ₹ 2,033.59 Lakhs during the financial year 2022-23 (₹ 283.61 Lakhs PY). The Facility has been set up in an area of 15.76 acres on the banks of river Hooghly at a cost of ₹175.20 Crores with an intention to position itself as a premier shipbuilding/ repair yard in the east coast of India for inland and coastal vessels.

Proposed Dividend

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

Segment wise/ product wise performance

15. 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, 2023	As at March 31, 2022
Segment Revenue		
Shipbuilding	969.34	-
Ship Repair	156.37	41.78
Total	1125.71	41.78
Add: Others	576.35	-
Total revenue from operations	**1702.06**	**41.78**
Segment Results		
Shipbuilding	35.86	-
Ship Repair	37.70	24.70
Total	73.56	24.70
Less: Unallocated expenses net of income	963.83	350.35
Less: Finance costs	889.98	56.82
Profit/(Loss) before exceptional items and tax	(1780.25)	(382.47)
Less: Exceptional Items – (Income) / Expense	-	-
Profit/(Loss) Before Tax	**(1780.25)**	**(382.47)**
Provision for tax	-	-
Provision for deferred tax	253.34	(98.86)
Profit/Loss After tax	**(2033.59)**	**(283.61)**
Segment Assets		
Shipbuilding	13389.54	11634.88
Ship Repair	26.15	-
Total	13415.69	11634.88
Add: Unallocated corporate assets	12692.82	10238.16
Total Assets	**26108.51**	**21873.04**
Segment Liabilities		
Shipbuilding	267.28	-
Ship Repair	17.08	-
Total	284.36	-
Add: Unallocated corporate liabilities	19276.15	17891.37
Total Liabilities	**19560.51**	**17891.37**
Capital expenditure	-	-
Depreciation and amortisation expense	-	-
Non-cash expenses other than depreciation and amortisation expense	-	-

SWOT

16. 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;

	- Disposal of waste as per norm;
	- No complaint from locality;
	- Have a well qualified team for production;
	- High capacity equipment; and
	- A strong focus on health and safety.
Weakness	
	- New establishment with people from different background;
	- 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

17. 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

18. 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

19. As on March 31, 2023, the Company has 46 employees consisting of 16 executives, 08 Project Officers and 06 regular Workmen and 16 on-contract workmen. The recruitment for positioning required additional manpower is being progressed in a phased manner to ensure optimum manning in the Company. During the reporting period the Company maintained cordial industrial relations.

Environmental Protection and Conservation, Technological conservation, Renewable energy developments, Foreign Exchange conservation

20. 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 2022-23 forms part of Directors Report.

Corporate Social Responsibility

21. The Company does not fall within the purview of Section 135 of the Companies Act, 2013 which relates to CSR. However, in due course, efforts will be ensured towards the Corporate Social Responsibility aspects of the organisation.

Cautionary statement

22. 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

Howrah
July 21, 2023

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. The Company was formed as a Joint Venture between Cochin Shipyard Limited (CSL) and Hooghly Dock & Port Engineers Limited (HDPEL) and as per the Joint Venture agreements, the Board shall comprise of not more than 11 persons. HDPEL shall have the right to nominate such number of Directors as is proportionate to its shareholding in the Company subject to a minimum of two so long as the shareholding of HDPEL is maintained at a minimum of 10% in the Company. CSL shall have the right to nominate the remaining Directors subject to a minimum of 3 Directors, who shall be nominated for appointment on behalf of CSL by the Chairman and Managing Director of CSL.

3. However, as part of the 'Proposal for Liquidation & Restructuring of and providing improved Voluntary Retirement Scheme (VRS) for the employees of Hooghly Dock & Port Engineers Limited (HDPEL)', the Union Cabinet on October 03, 2019 accorded its approval for outright purchase by CSL of the Company's shares held by HDPEL at book value. Pursuant to the said approval, the 57,20,000 HCSL shares held by HDPEL was transferred to CSL on November 01, 2019 and with effect from the said date, HCSL became a wholly owned subsidiary of CSL. In view of the above and as per the existing Articles of Association of the Company and the approval of the Ministry of Ports, Shipping and Waterways on the Reconstitution of Governance Structure of Subsidiaries of CSL, the Chairman and Managing Director of CSL is authorized to nominate amongst the Whole-time Directors and officers of CSL not below the rank of General Manager, for appointment on the Board of HCSL.

4. As on March 31, 2023, the Board of the Company consists of six Non-Executive Directors. The Company has a Non-Executive Chairman. The composition of the Board during the financial year ended March 31, 2023 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
5.	Shri Sreejith K Narayanan**	09543968	Non-Executive Director
5.	Smt. Anjana K R**	09545253	Non-Executive Director
6.	Shri Chandra Mani Rout	06935852	Non-Executive Director

* Shri Jose V J (DIN: 08444440), whose office as Director was liable to retire by rotation and being eligible was reappointed as the Director of the Company in the fifth Annual General Meeting held on September 19, 2022.

** Shri Chandra Mani Rout 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.

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

6. 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, 2023, are provided under the heading 'Directorships and Committee positions' below.

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

7. Five Board Meetings and an Extraordinary General Meeting (EGM) were held during the year under review. The gap between any two Board meetings has been less than one hundred and twenty days. The 05th Annual General Meeting (AGM) of HCSL was held on September 19, 2022. The details of attendance of Directors at the said Board Meetings, EGM and AGM are given below:

Name of the Director	Board Meeting					EGM	AGM
	2022			2023		Feb 08, 2023	Sep 19, 2022
	May 03	Aug 04	Nov 03	Jan 30	Mar 30		
Shri Madhu Sankunny Nair	✓	✓	✓	✓	✓	✓	✓*
Shri Bejoy Bhasker	✓	✓	✓	✓	✓	✓	✓
Shri Jose V J	✓	✓	✓	✓	✓*	✓	✓
Shri Sreejith K Narayanan	✓	✓	✓	✓	✓*	✓	✓
Smt. Anjana K R	✓	✓	✓	✓	✓	✓	✓
Shri Chandra Mani Rout	✓*	✓*	✓*	✓*	✓*	✓*	✓*

* Attended through audio visual means.

Directorships and Committee positions

8. 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, 2023 are given below:

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

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 2022-23. 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 2022-23 is given below:

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

9. Two meetings of the Committee were held during the financial year 2022-23 on July 18, 2022 and March 16, 2023 respectively. All the members were present at the said meetings.

General Body Meetings

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

Financial Year	Date & Time	Venue	Special Resolution passed
2021-22	September 19, 2022 at 11.00 hrs.	Through Electronic Mode	No
2020-21	September 15, 2021 at 11.00 hrs.	Through Electronic Mode	No
2019-20	August 04, 2020 at 11.00 hrs.	CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala - 682015	No

11. Further, the Company has also conducted an Extra Ordinary General Meeting (EGM) during the financial year 2022-23, the details of which are given below:

Date & Time	Venue	Special Resolution passed
February 08, 2023	CSL Board Room, Cochin Shipyard Limited, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala - 682015	No

12. The sixth AGM of the Company is scheduled to be held on September 19, 2023 at 11.00 hrs. at CSL Board Room, Administrative Building, Cochin Shipyard Premises, Perumanoor, Kochi, Kerala - 682015.

Code of Conduct

13. 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, 2023. 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, 2023.

(Sd/-)
Shekhar Chakravarty
Chief Executive Officer

Remuneration to Directors

14. The Directors of the Company are the Functional Directors/ Chief General Managers/ General Managers of Cochin Shipyard Limited (CSL), the holding company, who are appointed as Non-Executive Directors on ex-officio basis and an officer of the Government of India appointed as approved by the administrative Ministry. 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

15. 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. However, the particulars of contracts/ arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013 is placed at Annexure II to the Directors Report. 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

16. 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

17. 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

18. 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.

19. 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 2022-23 were 9.97% (47.88% PY) of the total expenses. The financial expenses stood at 25.13% (13.29% PY) of the total expenses in the year 2022-23.

(ix) Means of communication of results

20. 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

21. The Report submitted by the Statutory Auditors, M/s. RADS & Co., with respect to the financial statements of the Company for the financial year 2022-23 does not contain any adverse remark.

(xi) Training of Board Members

22. The Directors of the Company are the Functional Directors/ Chief General Managers/ General Managers of Cochin Shipyard Limited (CSL), the holding company and Govt. of India official 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/ Chief General Managers/ General Managers, 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

For and on behalf of the Board of Directors

Madhu Sankunny Nair
Chairman
DIN: 07376798

Howrah
July 21, 2023

Annexure I

CORPORATE GOVERNANCE CERTIFICATE

(As stipulated in the guidelines on Corporate Governance for CPSES issued by the Department of Public Enterprises, Government of India)

To the Members of
Hooghly Cochin Shipyard Limited

We have examined the compliance of conditions of Corporate Governance by Hooghly Cochin Shipyard Limited (the Company) for the financial year ended 31.03.2023, 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.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

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 future viability of the company nor the efficiency or the effectiveness with which the management has conducted the affairs of the company.

For SVJS & Associates
Company Secretaries

Jayan K
Partner
FCS. 8154
CP. No. 7363

The Peer Review Certificate no.648/2019
Kochi
July 04, 2023
UDIN: F008154E000545141

FINANCIAL STATEMENTS

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 March 31, 2023, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as the "standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 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, 2023, the loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI'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 of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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 include 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 conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, 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 provisions 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 ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to 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 Directors are responsible for overseeing the Company's financial reporting process.

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 not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal 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 exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 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 terms 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 servers 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 Flows dealt with by this Report are in agreement with the relevant books of account.

    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 controls, 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 the 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 contracts for which there were any material foreseeable losses.

        iii. There were no amounts which were 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 in any other person(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 like 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 person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or 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 representations under sub-clause (a) and (b) contain any material misstatement.

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

For RADS & Co.
Chartered Accountants
[FRN: 320298E]

DHIRAJ KUMAR AGARWAL
Partner
Membership Number: 067872
UDIN: 23067872BGYZUV7950

Place: Kolkata
Date: 28th April, 2023

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 intangibles assets.

(b) According to the information and explanations provided 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 have any freehold immovable properties of land and buildings as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, 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 for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

(ii) (a) The management has 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 Rs. 5 crores during the year, in aggregate from banks on the basis of security of current assets and the unaudited monthly returns/ statements filed by the company with such bank are in agreement with the unaudited books of account of the Company.

(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 terms and conditions of the grant 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 in the nature of loans to companies, firms, Limited Liability Partnerships or any other parties.

(c) According to the information and explanations provided to us, the Company has not granted any loan 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 loans and advances in the nature of loans granted to companies, firms, limited liability partnerships 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 advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

(f) According to the information and explanations provided to us, the Company has not granted any loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships 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 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 extent 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 as 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 services tax, provident fund, employees' state insurance, income-tax, duty of custom, cess and other applicable statutory dues have generally 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 end, for a period of more than six months from the date they became 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, goods and service tax 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 an income in tax assessments during the year under the Income tax Act, 1961 any transaction, previously not recorded in the books of account. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable and hence not 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 information and explanations provided to us, the Company has not been declared willful defaulter by any bank or financial institution or government or any government 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 provided 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 on the pledge of securities held 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 any preferential allotment or private placement of shares /fully or partially or optionally convertible debentures during the year. Accordingly, the requirement to report on clause 3(x)(b) of the Order is not applicable and hence not commented upon.

(xi) (a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements 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 or 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 provisions 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. Accordingly, requirement 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 or Housing Finance 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 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) Accordingly, to information and explanation 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 Rs. 1056.61 Lakh during the year and a cash loss of Rs. 342.85 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 38 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 we 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.

For RADS & Co.
Chartered Accountants
[FRN: 320298E]

DHIRAJ KUMAR AGARWAL
Partner
Membership Number: 067872
UDIN: 23067872BGYZUV7950

Place: Kolkata
Date: 28th April, 2023

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 for the year ended 31 March, 2023

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

a) The Company's accounting record 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) There has been no instance of restricting of existing loans or instances of waiver/write off of debts/loans/interest etc. during the year.

c) The Company has not received any specific funds under any specific scheme and as such the question of utilisation does not arise.

For RADS & Co.
Chartered Accountants
[FRN: 320298E]

DHIRAJ KUMAR AGARWAL
Partner
Membership Number: 067872
UDIN: 23067872BGYZUV7950

Place: Kolkata
Date: 28th April, 2023

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, 2023 in conjunction with our 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 is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing 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 operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the 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, 2023, based on the internal financial control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For RADS & Co.
Chartered Accountants
[FRN: 320298E]

DHIRAJ KUMAR AGARWAL
Partner
Membership Number: 067872
UDIN: 23067872BGYZUV7950

Place: Kolkata
Date: 28th April, 2023

COMMENTS OF THE COMPTROLLER AND AUDITOR-GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF HOOGHLY COCHIN SHIPYARD LIMITED FOR THE YEAR ENDED 31 MARCH 2023

The preparation of financial statements of Hooghly Cochin Shipyard Limited for the year ended 31 March 2023 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the Management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act 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 been done by them vide their Audit Report dated 28 April 2023.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of Hooghly Cochin Shipyard Limited for the year ended 31 March 2023 under section 143(6)(a) of the Act.

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

(Atul Prakash)
Principal Director of Audit (Mines), Kolkata

Kolkata
June 23, 2023

Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)

Particulars		As at 31st March, 2023	As at 31st March, 2022
ASSETS			
(1) Non-current assets			
(a) Property, Plant and Equipment	2	15,586.17	14,537.12
(b) Right of Use Assets	3	569.14	579.12
(c) Intangible assets	4	540.57	550.06
(d) Capital work-in-progress	5	608.88	1,386.80
(e) Financial Assets:			
(i) Other financial assets	6	0.40	0.36
(f) Deferred tax assets (net)	7	-	253.34
(g) Income tax assets (net)	8	39.55	22.60
(h) Other non-current assets	9	62.94	44.81
		17,407.65	**17,374.21**
(2) Current assets			
(a) Inventories	10	163.96	-
(b) Financial assets			
(i) Trade Receivables	11	755.41	49.96
(ii) Cash and cash equivalents	12	6,299.93	3,193.70
(iii) Bank balances other than Cash and cash equivalents	13	-	109.07
(iv) Other financial assets	14	3.81	3.82
(c) Other current assets	15	1,477.75	1,142.28
		8,700.86	**4,498.83**
Total Assets		**26,108.51**	**21,873.04**
EQUITY AND LIABILITIES			
Equity:			
(a) Equity Share capital	16	9,600.00	5,000.00
(b) Other Equity	17	(3,052.00)	(1,018.33)
		6,548.00	**3,981.67**
Liabilities:			
(1) Non- current liabilities			
(a) Financial liabilities:			
(i) Borrowings	18	13,100.00	13,100.00
(ii) Lease liabilities	19	635.05	621.08
(b) Provisions	20	17.27	9.09
		13,752.32	**13,730.17**
(2) Current liabilities			
(a) Financial liabilities			
(i) Lease liabilities	21	44.15	43.08
(ii) Other financial liabilities	22	5545.06	2768.12
(b) Other current liabilities	23	35.20	32.90
(c) Provisions	24	183.78	1,317.10
		5,808.19	**4,161.20**
Total Equity and Liabilities		**26,108.51**	**21,873.04**
Notes forming part of the financial statements	1-41		

In terms of our report of even date

For **RADS & CO**
Chartered Accountants
(Firm Registration No. 320298E)

DHIRAJ KUMAR AGARWAL
Partner
(Membership No. 067872)

Kolkata
28th April, 2023

For and on behalf of Board of Directors

MADHU S NAIR
Chairman
(DIN 07376798)

SHEKHAR CHAKRAVARTHY
Chief Executive Officer

Kochi
28th April, 2023

JOSE V J
Director
(DIN 08444440)

SAIBAL CHATTOPAHYAY
Chief Financial Officer

KIRAN K A
Company Secretary
M. No. A36050

Statement of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Note	Year ended 31st March, 2023	Year ended 31st March, 2022
I Revenue from operations	25	1,702.06	41.78
II Other income	26	59.27	3.38
III Total Income (I+II)		**1,761.33**	**45.16**
IV Expenses:			
Cost of materials consumed	27	611.63	-
Sub contract and other direct expenses	28	307.74	17.08
Employee benefit expenses	29	403.57	66.90
Finance costs	30	889.98	56.82
Foreign exchange loss (net)		4.07	-
Depreciation & Amortisation expenses	31	723.64	39.62
Other expenses	32	600.95	247.21
Total expenses (IV)		**3,541.58**	**427.63**
V Profit/(Loss) before exceptional items and tax (III-IV)		**(1,780.25)**	**(382.47)**
VI Exceptional Items		-	-
VII Profit/(Loss) before tax (V+VI)		**(1,780.25)**	**(382.47)**
VIII Tax expense:			
(1) Current tax		-	-
(2) Deferred tax	7	253.34	(98.86)
IX Profit/(Loss) for the year (VII-VIII)		**(2,033.59)**	**(283.61)**
X Other comprehensive income/(loss)			
i. Items that will be reclassified subsequently to profit or loss			
Remeasurement losses on defined benefit obligations (net)		(0.08)	-
Other comprehensive income/(loss) for the year (X)		**(0.08)**	**-**
XI Total Comprehensive Income/(loss) for the year (IX+X)		**(2,033.67)**	**(283.61)**
XII Earnings per equity share (Face Value ₹ 10 each):			
(1) Basic (₹)	33	(3.91)	(0.57)
(2) Diluted (₹)	33	(3.91)	(0.57)

The accompanying notes 1-41 are an integral part of these Financial Statements.

In terms of our report of even date

For **RADS & CO**
Chartered Accountants
(Firm Registration No. 320298E)

DHIRAJ KUMAR AGARWAL
Partner
(Membership No. 067872)

Kolkata
28th April, 2023

For and on behalf of Board of Directors

MADHU S NAIR
Chairman
(DIN 07376798)

JOSE V J
Director
(DIN 08444440)

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Chief Executive Officer

SAIBAL CHATTOPAHYAY
Chief Financial Officer

KIRAN K A
Company Secretary
M. No. A36050

Kochi
28th April, 2023

Statement of Cash Flows

for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars		Year ended 31st March, 2023	Year ended 31st March, 2022
A. Cash flows from operating activities:			
Profit before tax		(1,780.25)	(382.47)
Adjustments for:-			
Depreciation and amortisation		723.64	39.62
Finance cost		889.98	56.82
Interest income		(52.56)	(0.90)
Unwinding of security deposit		(0.03)	(0.03)
Amortisation of advance lease rent		0.66	0.66
Operating Profit before changes in non-current/current assets and liabilities		**(218.56)**	**(286.30)**
Adjustments for:			
(Increase) / Decrease in trade receivable and other current assets		(1,040.91)	(418.28)
(Increase) / Decrease in Inventories		(163.96)	-
(Increase) / Decrease in other non-current assets		(18.79)	2.18
Increase / (Decrease) in current liabilities		2443.21	1,659.71
Increase / (Decrease) in provisions		(1,125.22)	(1,197.11)
Cash generated from/(used in) operations		**124.23**	**(239.80)**
Income Tax Paid		(16.95)	28.46
Net cash from/(used in) operating activities	(A)	**(141.18)**	**(211.34)**
B. Cash flows from investing activities			
Purchase of Property Plant and Equipment		(182.53)	(31.59)
Investment in CWIP		(792.76)	(2,956.62)
Interest received		52.57	3.17
Net (Investment in) / Redemption of Term Deposits		109.07	(3.46)
Net cash from/(used in) investing activities	(B)	**(813.65)**	**(2,988.50)**
C. Cash flows from financing activities			
Payment of lease liabilities		(43.08)	(42.03)
Proceeds from issue of shares		4,600.00	-
Proceeds from issue of Debentures		-	3,100.00
Proceeds from availment of short term loan		650.00	-
Repayment of Short term loan		(650.00)	-
Interest paid		(495.86)	(286.00)
Net cash from/(used in) financing activities	(C)	**4,061.06**	**2,771.97**
Net increase / (decrease) in cash and cash equivalents (A+B+C)		**3106.23**	**(427.87)**
Opening cash and cash equivalents		3,193.70	3,621.57
Closing cash and cash equivalents (refer note 12)		**6,299.93**	**3,193.70**
Notes forming part of the financial statements			1-41

In terms of our report of even date

For **RADS & CO**
Chartered Accountants
(Firm Registration No. 320298E)

DHIRAJ KUMAR AGARWAL
Partner
(Membership No. 067872)

Kolkata
28th April, 2023

For and on behalf of Board of Directors

MADHU S NAIR
Chairman
(DIN 07376798)

JOSE V J
Director
(DIN 08444440)

SHEKHAR CHAKRAVARTHY
Chief Executive Officer

SAIBAL CHATTOPAHYAY
Chief Financial Officer

KIRAN K A
Company Secretary
M. No. A36050

Kochi
28th April, 2023

Statement of Changes in Equity

for the year ended 31st March, 2023

A. Equity Share Capital

(₹ 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 in equity share capital during the current year	Balance as at 31st March, 2023
5,000.00	-	-	4,600.00	9,600.00

(₹ in Lakhs)

Balance as at 1st April, 2021	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 31st March, 2022
5,000.00	-	-	-	5,000.00

B. Other Equity

(₹ 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	-	-
Balance as at 31st Match, 2023	**(3,052.00)**	**(3,052.00)**

(₹ in Lakhs)

	Retained Earnings	Total
Balance as at 1st April, 2021	(734.72)	(734.72)
Changes in accounting policy/prior period errors	-	-
Restated balance at the beginning of the current reporting period	**(734.72)**	**(734.72)**
Total Comprehensive Income for the year	(283.61)	(283.61)
Dividends	-	-
Transfer to retained earnings	-	-
Balance as at 31st March, 2022	**(1,018.33)**	**(1,018.33)**

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

In terms of our report of even date

For **RADS & CO**
Chartered Accountants
(Firm Registration No. 320298E)

DHIRAJ KUMAR AGARWAL
Partner
(Membership No. 067872)

Kolkata
28th April, 2023

For and on behalf of Board of Directors

MADHU S NAIR
Chairman
(DIN 07376798)

JOSE V J
Director
(DIN 08444440)

SHEKHAR CHAKRAVARTHY
Chief Executive Officer

SAIBAL CHATTOPAHYAY
Chief Financial Officer

KIRAN K A
Company Secretary
M. No. A36050

Kochi
28th April, 2023

Significant Accounting Policies and Notes to Financial Statements

for the year ended 31st March, 2023

1.1 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.

The Registered Office of the Company is situated at Administrative Building, HCSL Premises, Satyen Bose Road, Danesh Shaikh Lane, Nazirgunge, Howrah - 711 109. The company is working in a leased premises ,the lessor being Govt. of India with a land area of 25.37 Acres being held at two locations-15.76 Acres at Nazirgunge and 9.91 Acres at Salkia. At present, only the Nazirgunge facility has undergone the major facility restructuring and the yard has commenced its commercial operation from August 2022.

The financial statements for the year ended March 31, 2023 were approved by the Board of Directors and authorised for issue on April 28, 2023.

1.2 Basis of preparation and presentation of Financial Statements

1.2. 1 Functional & 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.

1.2. 2 Statement of Ind AS 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.

Accounting policies have been consistently applied 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.

1.2. 3 Basis of Measurement

These financial statements have been prepared on the historical cost basis, except for certain financial instruments, PPE and RoU Assets 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;

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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 delivery of the vessel.

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

1.2. 4 Use of estimates and judgements

The preparation of the financial statements in conformity with the Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures as at date of the financial statements and the reported amounts of the revenues and expenses for the years presented. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates under different assumptions and conditions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and the future periods if the revision affects both current and future periods.

1.2.5 Critical Accounting estimates and judgements:

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

Useful lives of property, plant and equipment

The Company reviews the estimated useful lives and residual values of property, plant and equipment at the end of each reporting period. Assumptions are also made as to whether an item meets the description of asset so as to warrant its capitalisation and which component of the asset may be capitalised. Reassessment of life may result in change in depreciation expense in future periods.

Valuation of deferred tax assets / liabilities

The Company reviews the carrying amount of deferred tax assets / liabilities at the end of each reporting period. Significant judgements are involved in determining the elements of deferred tax items.

Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. Identification of a lease requires significant judgment. The Company uses significant judgements in assessing the lease term (including anticipated renewals) and the applicable discount rate.

The classification of the leasing arrangement as a finance lease or operating lease is based on an assessment of several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to purchase and estimated certainty of exercise of such option, proportion of lease term to the asset's economic life, proportion of present value of minimum lease payments to fair value of leased asset and extent of specialised nature of the leased asset.

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.

Recognition and measurement of provisions

The recognition and measurement of provisions are based on the assessment of the probability of an outflow of resources and on past experience and circumstance known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the figure included in provisions.

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Provision towards Guarantee repairs

A provision is made towards guarantee repairs/claims in respect of newly built ships/small crafts delivered and repaired ships on the basis of the technical estimation done by the Company. The guarantee claims received from the ship owners are reviewed every year till settlement of the same. In case of a shortfall in the provision made earlier, additional provisions are made.

Contingencies and commitments

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or it cannot be measured with sufficient reliability. The Company does not recognise a contingent liability but discloses its existence in the financial statements.

Recoverability of advances / receivables

The Company makes provisions for expected credit loss based on an assessment of the recoverability of trade and other receivables. The identification of doubtful debts requires use of judgement and estimates. Where the expectation is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and expenses on account of provision for doubtful debts in the period in which such estimate has been changed. At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit loss on outstanding receivables and advances.

Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Management bases its assumptions on observable data as far as possible but this is not always available. In that case management uses the best information available. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

Provision for inventories

Management reviews the inventory ageing on a periodic basis. This review involves comparison of the carrying value of the aged inventory items with the respective net realisable value. The purpose is to ascertain whether a provision is required to be made in the financial statements for any obsolete and slow-moving items and that adequate provision for obsolete and slow-moving inventories has been made in the financial statements.

Liquidated Damages

Claims for liquidated damages against the Company are recognized in the financial statements based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

Revenue Recognition

The Company exercises significant judgement in measuring progress of performance obligations satisfied over time for recognition of revenue from contracts with customers. Provision for estimated losses if any, on the uncompleted part of the contracts are provided in the period in which such losses become probable based on the expected contract estimates at the reporting date. Claims for liquidated damages against the Company are recognized based on the management's assessment of the probable outcome with reference to the available information supplemented by experience of similar transactions.

Recognition and measurement of defined benefit obligations

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the Government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post employment benefit obligations.

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1.3 Significant Accounting Policies

1.3. 1 Property, Plant and Equipment (PPE)

Property, Plant and Equipments are stated at cost less accumulated depreciation (other than free hold land which are stated at cost) and impairment losses, if any. PPE are initially recognised at cost. The initial cost of PPE comprises its purchase price, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management including non refundable duties and taxes net of any trade discounts and rebates The cost of PPE also includes interest on borrowings (borrowing cost directly attributable to acquisition, construction or production of qualifying assets) upto initial recognition.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the items are material and can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to Statement of profit and loss during the reporting period in which they are incurred.

1.3. 2 Capital work in progress and intangible assets under development:

Capital work in progress and intangible assets under development are property, plant and equipment that are not yet ready for their intended use at the reporting date, which are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

1.3. 3 Intangible Assets

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

Software: Cost of software which is not an integral part of the related hardware acquired for internal use is capitalised as intangible asset and amortised on a straight-line basis over a period of three years.

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

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

1.3. 4 Leases

As a Lessee:

The Company's leased asset classes primarily consist of leases for Land and Buildings. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

Right of Use Assets

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-

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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. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates.

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

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and RoU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

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 stand-alone 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. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

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

1.3. 5 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:

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

Depreciation on each item of an standalone asset costing less than Rs 5000 is depreciated at 100% in the year of capitalization.

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

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

Management believes that useful life of assets are same as those prescribed in Schedule II to the Act, except for certain types of buildings and equipments wherein based on technical evaluation, useful life has been estimated to be different from that prescribed in Schedule II of the Act. Useful life considered for calculation of depreciation for various assets class are as follows:

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Asset Class	Useful Life
Buildings	3-60 years
Plant and equipment	5-15 years
Furniture and fixtures	8-10 years
Office equipment	3-10 years
Electrical Installation/ Fittings	10 years
Vehicles	8- 10 years
Data Processing Equipments	3-6 years

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain/loss arising on derecognition of the asset is included in the Statement of profit and loss when the asset is derecognised. Fully depreciated assets still in use are retained in financial statements at residual value.

Capital Work in Progress are not depreciated as these assets are not yet available for use. However, they are tested for impairment if any.

1.3. 6 Impairment of Assets

The Company assesses the impairment of assets with reference to each cash generating unit, at each Balance Sheet date. If events or changes in circumstances based on internal and external factors indicate that the carrying value may not be recoverable in full, the loss on account and the recoverable amount, is accounted for accordingly. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

1.3. 7 Inventories

(a) Raw materials, components and stores and spares are valued at weighted average cost method or net realisable value whichever is lower. However materials and other supplies held for use in the production /services are not written down below cost if the finished products/supply of services in which they will be incorporated are expected to be sold at or above cost. Provision for obsolescence / non- usability / deterioration is determined on the basis of technical assessment made by the management. Goods in transit are valued at lower of cost and net realisable value.

(b) Stock of scrap is valued at net realizable value after adjusting customs duty, if any, payable on the scrap.

(c) Work In Progress (WIP) and Finished goods, have been valued at lower of cost and net realisable value. Cost of Inventories comprises of all costs of purchase, cost of conversion, a proportion of manufacturing overheads based on the normal operating capacity and other costs incurred in bringing them to their respective present location and condition. Cost of steel plates, profiles, equipments and other raw materials and stores and spares at Weighted Average Method. Cost of Work-in-Progress and Finished Goods is determined on Absorption Costing Method.

1.3. 8 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 recognised 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 recognised 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.

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Subsequent measurement

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

Financial assets at amortised 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 amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

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

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in statement of profit and loss.

Trade Receivables

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as contract asset. A receivable is a right to consideration that is unconditional and only the passage of time is required before the payment of that consideration is due.

The Company assesses at each Balance Sheet date whether a financial asset or a Company of financial asset is impaired. Ind AS 109 requires expected credit loss to be measured through a loss allowance.

The Company recognises lifetime expected credit losses for all trade receivables that do not constitute a financing transaction. Impairment loss allowance is based on a simplified approach as permitted by Ind AS 109. As a practical expedient, the company uses a provision matrix to determine the impairment loss on the portfolio of its trade receivables.

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

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 amortised cost, as appropriate.

All Financial Liabilities are recognized initially at fair value and, in the case of liabilities subsequently measured at amortised 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 amortised cost;

Financial Guarantee Contracts;

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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 amortised cost

Financial Liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised 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 amortisation process.

Amortised 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 amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of Financial Instruments

A **financial asset** is de-recognised 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-recognised 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 recognised 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 recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.3. 9 Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

1.3. 10 Contract Assets

Where the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the Company presents the contract as a contract asset. A contract asset is Company's right to consideration in exchange for goods or services that the Company has transferred to a customer. Contract assets are reviewed for impairment in accordance with Ind AS 109.

1.3. 11 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

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for which the Company has received consideration (or an amount of consideration is due) from the customer.

1.3. 12 Provisions, Contingent Liabilities and Contingent assets

Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions (excluding retirement benefits and compensated leave) are not discounted to its present value and are determined by the best estimate of the outflow of economic benefits required to settle the obligation at the reporting date. These are reviewed at each reporting date adjusted to reflect the current best estimates.

Provision towards guarantee claims in respect of ships/ small crafts delivered wherever provided/ maintained is based on technical estimation. For the ships delivered, guarantee claims are covered by way of insurance policies covering the guarantee period on case to case basis, wherever required.

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 recognise 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.

1.3. 13 Revenue Recognition

a) Revenue from Operations

Revenue from Ship Builiding / Ship repair contracts with customers is measured based on the transaction price, which is fair value of the consideration received or receivable. Revenue is recognised on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation (i.e. resources consumed, labour hours expended, costs incurred, time elapsed or machine hours used) relative to the total expected inputs to the satisfaction of that performance obligation.

Other Operating Revenue is recognized at the point of time when the company satisfies performance obligations by transferring promised goods and services to the customer.

In circumstances, where the Company may not be able to reasonably measure the outcome of a performance obligation, but the Company expects to recover the costs incurred in satisfying the performance obligation, the Company recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation. Where current estimates of total contract costs and revenue indicate a loss, provision is made for the entire loss, irrespective of the amount of work done.

Contract modifications are accounted when additions, deletions or changes are approved either to the contract scope or contract price. The accounting for modifications of contracts involves 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.

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If the consideration promised in a contract includes variable amounts like discounts, rebates, refunds, credits, price concessions, liquidated damages or other similar items, the Company estimates the net amount of consideration to which the Company is entitled in exchange for transferring the promised goods or services to a customer and accounts for the same.

b) Other Income

i) **Liquidated damages and interest on advances**

No income is recognized on (a) interest on advances given and (b) liquidated damages, where the levies depend on decisions regarding force majeure condition of contract. These are accounted for on completion of contracts and / or when final decisions are taken.

In the case of contracts entered into for execution of capital works having long gestation period, where the extant commercial terms of the contract provides for provision of extending interest bearing mobilisation advance to the service provider for mobilising various resources for timely execution, mobilisation advances are paid and interest is accounted on accrual basis

iii) **Accounting for insurance claims**

(a) 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.

(b) Other Insurance Policies

In the case of other Insurance Policies like Asset Insurance, Transit Insurance, Marine Insurance, Cash Insurance etc., the claims are recognized in the the financial statments on settlement of the claims by way of receipt of the amount from the Insurance Company.

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

(iv) **Interest Income**

In case of fixed deposits, interest is accounted when it accrues to the Company by applying interest rate as applicable to each fixed deposit.

(v) **Other items** are recognized on accrual basis.

1.3. 14 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.

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.

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.

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Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in Statement of profit and loss as past service cost.

Other employee benefits

Compensated absences

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

1.3. 15 Borrowing cost

General and specific borrowing costs directly attributable to acquisition/ construction or production of qualifying assets (net of income earned on temporary deployment of funds) are capitalized as part of cost of such assets upto the date when such assets are ready for the intended use. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalization of borrowing costs is suspended when active development activity on the qualifying assets is interrupted other than on temporary basis and charged to the Statement of Profit and Loss during such extended periods. All other borrowing costs are charged to the Statement of Profit and Loss in the period in which they are incurred. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

1.3. 16 Taxes on Income

Income tax

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax is measured at the amount of tax expected to be payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax assets and current tax liabilities are off set when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis.

Deferred tax

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred tax assets are recognised only to the extent that it is probable that either future taxable profits or reversal of deferred tax liabilities will be available, against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of a deferred tax asset shall be reviewed at the end of each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognized deferred tax assets are re-assessed at

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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 relating to items recognized outside profit or loss is recognized outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets and liabilities are off set when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

1.3. 17 Earnings Per Share

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

1.3. 18 Segment Reporting

Operating segments are defined as components of an enterprise for which discrete financial information is available that is evaluated regularly by the chief operating decision maker, in deciding how to allocate resources and assessing performance. The Company's chief operating decision maker is the Chairman.

The Company has identified business segments (industry practice) as reportable segments. The business segments comprise: 1) Ship Building and 2) Ship repair.

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".

1.3. 19 Statement of cash flows

Statement of Cash Flows are reported prepared and presented using the Indirect Method, whereby profit/ loss before tax is adjusted for the effect of transactions of non-cash nature and, any deferrals or accruals of past or future cash receipts or payments and items of income or expenses associated with investing or financial cash flows. The cash flows from operating, investing and financial activities of the Company are segregated based on the available information.

For the purpose of statement of cash flow, Cash and cash equivalent comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value, net of outstanding bank overdrafts, if any. Bank overdrafts, if any, are disclosed within borrowings in current liabilities in the Balance Sheet

1.3.20 Exceptional Items

An item of income or expense which by its size, type or incidence requires disclosure in order to improve an understanding of the performance of the Company is teated as an exceptional item and disclosed as such in the financial statements and also as per Guidance note on Ind AS III.

1.3. 21 Foreign currency transactions

Transactions & Balances:

Foreign exchange transactions are recorded in functional currency adopting the exchange rate prevailing on the dates of respective transactions. Monetary items denominated in foreign currencies(such as cash, receivables, payables etc.) at the end of reporting period are re-measured at the exchange rate prevailing on that date. Non-monetary items denominated in foreign currency, (such as PPE, intangible assets, equity investments, capital/ revenue advances other than expected to be settled in cash etc.) are recorded at the exchange rate prevailing on the date of the transaction. Any gains or losses/ income or expense on account of exchange differences either at the time of translation or settlement are recognised in the statement of Profit and Loss.

Notes to Financial Statements

for the year ended 31st March, 2023

Note 2 : Property, Plant and Equipment and Intangible Assets

2.1 Property, Plant and Equipment

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block
	As at 1st April, 2022	Additions during the period	Disposals during the period	Adjustments during the period	As at 31st March 2023	As at 1st April, 2022	For the period	Disposals during the period	Adjustments during the period	As at 31st March 2023	As at 31st March 2023
Buildings: Temporary Structure*	26.81	41.56	-	8,886.54	8,954.91	25.47	263.77	-	3.43	292.67	8,662.24
Office Buildings*	1,146.41	-	-	(1,146.41)	-	0.24	-	-	(0.24)	-	-
Factory Buildings*	7,740.13	-	-	(7,740.13)	-	3.19	-	-	(3.19)	-	-
Plant and Equipment	3,952.50	1,652.80	-	-	5,605.30	3.60	279.91	-	-	283.51	5,321.79
Furniture-Wooden	43.23	10.73	-	(0.28)	53.68	0.16	4.62	-	(0.11)	4.67	49.01
Furniture Steel	-	16.89	-	32.62	49.51	-	7.27	-	0.19	7.46	42.05
Electrical Fittings	-	0.25	-	-	0.25	-	0.01	-	-	0.01	0.24
Docks &Quays	-	12.43	-	-	12.43	-	0.41	-	-	0.41	12.02
Office equipments	33.72	0.19	-	(32.34)	1.57	0.29	0.30	-	(0.08)	0.51	1.06
Data Processing Equipments	18.63	4.54	-	-	23.17	9.46	3.22	-	-	12.68	10.49
Roads*	309.77	-	-	452.91	762.68	0.38	115.50	-	1.12	117.00	645.68
Fences	452.91	-	-	(452.91)	-	1.12	-	-	(1.12)	-	-
Electrical Installations-Office buildings	106.84	-	-	721.93	828.77	0.02	24.55	-	0.30	24.87	803.90
Electrical Installations-Factory buildings	721.93	-	-	(721.93)	-	0.30	-	-	(0.30)	-	-
Motor Vehicles	29.09	-	-	-	29.09	0.80	3.45	-	-	4.25	24.84
Total	**14,581.97**	**1,739.39**	**-**	**-**	**16,321.36**	**45.03**	**703.01**	**-**	**-**	**748.04**	**15,573.32**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 2 : Property, Plant and Equipment and Intangible Assets (Contd..)

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block
	As at 1st April, 2021	Additions during the period	Disposals during the period	Adjustments during the period	As at 31st March 2022	As at 1st April, 2021	For the period	Disposals during the period	Adjustments during the period	As at 31st March 2022	As at 31st March 2022
Buildings: Temporary Structure*	26.81	-	-	-	26.81	19.57	5.90	-	-	25.47	1.34
Office Buildings*	-	1,146.41	-	-	1,146.41	-	0.24	-	-	0.24	1,146.17
Factory Buildings*	-	7,740.13	-	-	7,740.13	-	3.19	-	-	3.19	7,736.94
Plant and Machinery	1.90	3,950.60	-	-	3,952.50	0.18	3.42	-	-	3.60	3,948.90
Furniture and Fixtures	0.28	42.95	-	-	43.23	0.08	0.08	-	-	0.16	43.07
Office Equipments	0.17	33.55	-	-	33.72	0.05	0.24	-	-	0.29	33.43
Data Processing Equipments	7.72	10.91	-	-	18.63	5.76	3.70	-	-	9.46	9.17
Roads*	-	309.77	-	-	309.77	-	0.38	-	-	0.38	309.39
Fences	-	452.91	-	-	452.91	-	1.12	-	-	1.12	451.79
Electrical Installations-Office buildings	-	106.84	-	-	106.84	-	0.02	-	-	0.02	106.82
Electrical Installations-Factory buildings	-	721.93	-	-	721.93	-	0.30	-	-	0.30	721.63
Motor Vehicles	-	29.09	-	-	29.09	-	0.80	-	-	0.80	28.29
Total	**36.88**	**14,545.09**	**-**	**-**	**14,581.97**	**25.64**	**19.39**	**-**	**-**	**45.03**	**14,536.94**

* 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.

Notes to Financial Statements

for the year ended 31st March, 2023

Note 2 : Property, Plant and Equipment and Intangible Assets (Contd..)

2.2 Intangible Assets

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block
	As at 1st April, 2021	Additions during the period	Disposals during the period	Adjustments during the period	As at 31st March 2022	As at 1st April, 2021	For the period	Disposals during the period	Adjustments during the period	As at 31st March 2022	As at 31st March 2022
Software	0.53	13.83	-	-	14.36	0.35	1.16	-	-	1.51	12.85
Total	**0.53**	**13.83**	**-**	**-**	**14.36**	**0.35**	**1.16**	**-**	**-**	**1.51**	**12.85**

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block
	As at 1st April, 2021	Additions during the period	Disposals during the period	Adjustments during the period	As at 31st March 2022	As at 1st April, 2021	For the period	Disposals during the period	Adjustments during the period	As at 31st March 2022	As at 31st March 2022
Software	0.53	-	-	-	0.53	0.18	0.17	-	-	0.35	0.18
Total	**0.53**	**-**	**-**	**-**	**0.53**	**0.18**	**0.17**	**-**	**-**	**0.35**	**0.18**

Note 3 : Right of Use Assets

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block
	As at 1st April, 2022	Additions during the period	Disposals during the period	Adjustments during the period	As at 31st March 2023	As at 1st April, 2022	For the period	Disposals during the period	Adjustments during the period	As at 31st March 2023	As at 31st March 2023
Value of Right of use - Land at Nazirgunge (5.31 Acres)	128.36	-	-	-	128.36	6.54	2.10	-	-	8.64	119.72
Value of Right of use - Land at Nazirgunge (10.45 Acres)	248.86	-	-	-	248.86	11.64	4.09	-	-	15.73	233.13
Value of Right of use - Land at Salkia (9.91 Acres)	228.91	-	-	-	228.91	8.83	3.79	-	-	12.62	216.29
Total	**606.13**	**-**	**-**	**-**	**606.13**	**27.01**	**9.98**	**-**	**-**	**36.99**	**569.14**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 3 : Right of Use Assets (Contd..)

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block
	As at 1st April, 2021	Additions during the period	Disposals during the period	Adjustments during the period	As at 31st March 2022	As at 1st April, 2021	For the period	Disposals during the period	Adjustments during the period	As at 31st March 2022	As at 31st March 2022
Value of Right of use - Land at Nazirgunge (5.31 Acres)	128.36	-	-	-	128.36	4.36	2.18	-	-	6.54	121.82
Value of Right of use - Land at Nazirgunge (10.45 Acres)	248.86	-	-	-	248.86	7.40	4.24	-	-	11.64	237.22
Value of Right of use - Land at Salkia (9.91 Acres)	228.91	-	-	-	228.91	4.90	3.93	-	-	8.83	220.08
Total	**606.13**	**-**	**-**	**-**	**606.13**	**16.66**	**10.35**	**-**	**-**	**27.01**	**579.12**

Note 4 : Intangible Assets (Value of Leasehold Land)

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block
	As at 1st April, 2022	Additions during the period	Disposals during the period	Adjustments during the period	As at 31st March 2023	As at 1st April, 2022	For the period	Disposals during the period	Adjustments during the period	As at 31st March 2023	As at 31st March 2023
Leased Land at Nazirgunge (5.31 Acres)-Right to use	118.94	-	-	-	118.94	6.18	1.94	-	-	8.12	110.82
Leased Land at Nazirgunge (10.45 Acres)-Right to use	234.07	-	-	-	234.07	10.91	3.86	-	-	14.77	219.30
Leased Land at Salkia (9.91 Acres)-Right to use	221.99	-	-	-	221.99	7.85	3.69	-	-	11.54	210.45
Total	**575.00**	**-**	**-**	**-**	**575.00**	**24.94**	**9.49**	**-**	**-**	**34.43**	**540.57**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 4 : Intangible Assets (Value of Leasehold Land)

(₹ in Lakhs)

Particulars	Gross Block					Depreciation					Net Block
	As at 1st April, 2022	Additions during the period	Disposals during the period	Adjustments during the period	As at 31st March 2023	As at 1st April, 2022	For the period	Disposals during the period	Adjustments during the period	As at 31st March 2023	As at 31st March 2023
Leased Land at Nazirgunge (5.31 Acres)-Right to use	118.94	-	-	-	118.94	4.20	1.98	-	-	6.18	112.76
Leased Land at Nazirgunge (10.45 Acres)-Right to use	234.07	-	-	-	234.07	6.94	3.97	-	-	10.91	223.16
Leased Land at Salkia (9.91 Acres)-Right to use	221.99	-	-	-	221.99	4.09	3.76	-	-	7.85	214.14
Total	**575.00**	**-**	**-**	**-**	**575.00**	**15.23**	**9.71**	**-**	**-**	**24.94**	**550.06**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 5: Capital work-in-progress

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Capital Work-in-progress	608.88	1,386.80
Total	**608.88**	**1,386.80**

CWIP ageing schedule as at 31st March, 2023 is given below:

Projects in Process	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Docks &Quays	22.09	18.63	22.51	-	63.23
10T Capston	-	26.01	4.82	-	30.83
Pontoon	459.16	-	-	-	459.16
Skid	55.66	-	-	-	55.66
Total	**536.91**	**44.64**	**27.33**		**608.88**

CWIP ageing schedule as at 31st March, 2022 is given below:4

Projects in Process	Amount of CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Fire fighting works	46.18	130.05	68.22	-	244.45
Gas piping works	14.72	94.23	20.26	-	129.21
ELV works	12.03	59.35	-	-	71.38
Winch and winch systems	13.19	320.23	-	-	333.42
Repositioning of existing slipway	18.63	22.51	-	-	41.14
Cradle system	196.73	234.61	-	-	431.34
10T Capston	26.01	4.82	-	-	30.83
Compressor and Air dryer	88.59	16.44	-	-	105.03
Total	**416.08**	**882.24**	**88.48**	**-**	**1,386.80**

During the year, company has transferred an amount of ₹ 1,570.68 Lakh (Previous Year: ₹ 14,513.50 Lakh) from capital work-in-progress to property, plant and equipments for the projects completed during the financial year 2022-23.

Note 6: Other Financial Assets - Non-Current

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security deposits	0.40	0.36
Total	**0.40**	**0.36**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 7: Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Deferred tax assets	282.78	397.52
Less: Deferred tax liabilities	282.78	144.18
Total	**-**	**253.34**

Movement in deferred tax assets / (liabilities) balances:

(₹ in Lakhs)

Particulars	Net balance 1st April 2022	Recognised in profit or loss	Recognised in OCI	Net balance 31st March 2023
Property, plant and equipment and intangible assets	(144.18)	(138.60)	-	(282.78)
Brought forward tax losses and unabsorbed depreciation	395.19	(116.83)	-	278.36
Employee related provisions and liabilities	2.33	2.09	-	4.42
Total	**253.34**	**(253.34)**	**-**	**-**

(₹ in Lakhs)

Particulars	Net balance 1st April 2021	Recognised in profit or loss	Recognised in OCI	Net balance 31st March 2022
Property, plant and equipment and intangible assets	0.89	(145.06)	-	(144.18)
Brought forward tax losses and unabsorbed depreciation	153.59	241.59	-	395.19
Employee related provisions and liabilities	-	2.33	-	2.33
Total	**154.48**	**98.86**	**-**	**253.34**

The Company has recognized deferred tax assets arising on account of brought forward tax losses and unabsorbed depreciation to the extent of the deferred tax liability arising on account of the temporary difference on depreciation of ₹ 282.78 Lakh as at March 31, 2023.

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

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Brought forward losses*	211.10	-
Unabsorbed tax depreciation#	468.49	-
Total	**679.59**	**-**
#Unabsorbed tax depreciation does not have any expiry period under the Income-tax Act, 1961		
*The following table details the expiry of the brought forward tax losses		

Notes to Financial Statements

for the year ended 31st March, 2023

Note 7: Deferred tax assets (net) (Contd..)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
0-4 years	5.98	-
4-8 years	205.12	-
	211.10	**-**

The brought forward losses and unabsorbed depreciation considered above includes information from tax records and returns of the Company filed upto Assessment Year 2022-23 and does not consider the potential effect of matters under dispute/litigation with the tax authorities which are currently sub-judice at various levels

Note 8: Income tax assets (net)

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Advance income tax (net of provision for taxation)	39.55	22.60
Total	**39.55**	**22.60**

Note 9: Other non-current assets

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Security deposits	26.51	7.72
Advance lease rental	36.43	37.09
Total	**62.94**	**44.81**

Note 10: Inventories

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Stock in Trade		
Raw Meterials	148.95	-
Stores and Spares	15.01	-
Total	**163.96**	**-**

Note 11: Trade Receivables

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured, considered good		
Trade Receivables		
From Others	755.41	49.96
Total	**755.41**	**49.96**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 10: Inventories

Ageing for trade receivables outstanding as at March 31, 2023 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	-	705.45	-	49.96	-	-	755.41
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**-**	**705.45**	**-**	**49.96**	**-**	**-**	**755.41**

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

Particulars	Not Due	Outstanding for following periods from due date of payment					Total
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables - considered good	-	49.96	-	-	-	-	49.96
Undisputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed trade receivables – credit impaired	-	-	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-	-	-
Disputed trade receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed trade receivables – credit impaired	-	-	-	-	-	-	-
Total	**-**	**49.96**	**-**	**-**	**-**	**-**	**49.96**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 12: Cash and Cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Balance with Banks		
- In current account	5,479.12	1,775.44
- Term deposits with original maturity of less than three months	820.81	1,418.26
Total	**6,299.93**	**3,193.70**

Note 13: Bank balances other than Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Term Deposits with banks with original maturity more than 3 months and less than 12 months	-	109.07
Total	**-**	**109.07**

Note 14: Other Financial Assets - Current

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Interest accrued on fixed deposits	2.87	3.82
From other deposits	0.94	-
Total	**3.81**	**3.82**

Note 15: Other Current Assets

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured advances		
Miscellaneous deposits (Unutilised GST Input Credit)	1,245.19	1,020.98
Security deposits to others	23.00	-
Contract assets	20.54	-
Prepaid expenditure	25.78	28.80
Other current advances	163.24	92.50
Total	**1,477.75**	**1,142.28**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 16: Equity Share Capital

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
Authorised				
Equity shares of ₹ 10/- each	14,40,00,000	14,400.00	6,90,00,000	6,900.00
Preference shares of ₹ 10/- each	5,60,00,000	5,600.00	5,60,00,000	5,600.00
Total	**20,00,00,000**	**20,000.00**	**12,50,00,000**	**12,500.00**
Issued, Subscribed and Fully paid up				
Equity shares of ₹ 10 each fully paid up				
For Cash	9,60,00,000	9,600.00	5,00,00,000	5,000.00
For Consideration other than cash	-	-	-	-
Total	**9,60,00,000**	**9,600.00**	**5,00,00,000**	**5,000.00**

16.1 Reconciliation of number of shares and amounts outstanding

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	Number	(₹ in Lakhs)	Number	(₹ in Lakhs)
Equity Shares outstanding at the beginning of the year	5,00,00,000	5,000.00	5,60,00,000	2,200.00
Add : shares issued during the year	4,60,00,000	4,600.00	-	-
Equity Shares outstanding at the end of the year	**9,60,00,000**	**9,600.00**	**5,00,00,000**	**5,000.00**

Rights, Preferences and Restrictions attaching to Equity shares: The Company has only one class of equity shares having a face value of ₹ 10 per share which is fully paid up. Equity shareholders are eligible for one vote per share held, and are entitled to dividends as and when declared by the Company. Interim dividend is paid as and when declared by the Board. Final dividend proposed/declared by the Board of Directors is subject to approval/regularisation by the share holders in the Annual General meeting. All dividends are paid in Indian Rupees. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

16.2 Details of shares held by holding company

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	(₹ in Lakhs)	No. of Shares held	(₹ in Lakhs)
Cochin Shipyard Limited: Holds 100% Equity Share Capital	9,60,00,000	9,600.00	5,00,00,000	5,000.00
Total	**9,60,00,000**	**9,600.00**	**5,00,00,000**	**5,000.00**

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

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	(₹ in Lakhs)	No. of Shares held	(₹ in Lakhs)
Cochin Shipyard Limited	9,60,00,000	100%	5,00,00,000	100%
Total	**9,60,00,000**	**100%**	**5,00,00,000**	**100%**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 16: Equity Share Capital (Contd..)

16.4 Details of shares issued for consideration other than cash

Particulars	As at 31st March, 2023		As at 31st March, 2022	
	No. of Shares held	(₹ in Lakhs)	No. of Shares held	(₹ in Lakhs)
Hooghly Dock and Port Engineers Limited	-	-	-	-

Equity share holding pattern

The Company's JV shareholder HDPEL holding 26% of the share capital totalling to 57,20,000 shares of ₹10/ each amounting to ₹5.72 crore has transferred its entire shares to the majority shareholder Cochin Shipyard Limited pursuant to the Union Cabinet approval. As a result, the entire share capital is at present held by Cochin Shipyard Limited with effect from November 01, 2019.

16.5 Details of shareholding of promoters

Shares held by promoters as at 31st March, 2023

Particulars	No. of Shares held	% of total shares	% change during the year
Cochin Shipyard Limited	9,60,00,000	100%	-

Shares held by promoters as at 31st March, 2022

Particulars	No. of Shares held	% of total shares	% change during the year
Cochin Shipyard Limited	5,00,00,000	100%	-

Note 17: Other Equity

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Retained Earnings		
Surplus (Balance in Statement of Profit and Loss):		
Balance Brought Forward from Last Year's Account	(1,018.33)	(734.72)
Add: Profit / (Loss) for the year	(2,033.67)	(283.61)
Balance carried forward to next year's account	**(3,052.00)**	**(1,018.33)**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 18: Non-Current Borrowings

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Unsecured		
1. Debentures		
4,40,000 Nos. (2021: 4,40,000 Nos) 6.5% Unsecured Redeemable Non-convertible Debentures of ₹ 1,000/- each*	4,400.00	4,400.00
3,10,000 Nos. (2021: Nil) 6.15% Unsecured Redeemable Non-convertible Debentures of ₹ 1,000/- each**	3,100.00	3,100.00
2. Loan from Related Parties		
5,60,00,000 (2021: 5,60,00,000) 6% Cumulative Redeemable Preference Shares of ₹10/ each	5,600.00	5,600.00
Total	**13,100.00**	**13,100.00**

Note:

1) Debentures

*The Company had issued 4,40,000, 6.50% unsecured redeemable non-convertible debentures of ₹ 1000 each, with interest rate of 6.50% per annum payable annually, to Cochin Shipyard Limited. The debentures are due for redemption on 16th September 2023.

**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 31st March, 2023	As at 31st March, 2022
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**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 18: Non-Current Borrowings (Contd..)

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

Name of Preference Shareholder	As at 31st March, 2023		As at 31st March, 2022	
	No. of Preference Shares Held	Percentage of Holding	No. of Preference Shares Held	Percentage of Holding
Cochin Shipyard Limited	5,600.00	100%	5,600.00	100%
Total	**5,600.00**	**100%**	**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 19: Non-Current Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Obligations	679.20	664.16
Less: Current Portion of Lease Obligations	44.15	43.08
Total	**635.05**	**621.08**

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.

Movement of Lease Liabilities during the year:

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Opening Lease Liabilities	664.16	649.37
New Leases recognised	-	-
Remeasurements and withdrawals	-	-
Interest expense on Lease Liabilities	58.12	56.82
Payment of Lease Liabilities	(43.08)	(42.03)
Closing Lease Liabilities	**679.20**	**664.16**

The maturity analysis of undiscounted lease liabilities are disclosed under Note 39(c)

Notes to Financial Statements

for the year ended 31st March, 2023

Note 20: Non-Current Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits (refer note 34):		
Retirement benefits	17.27	9.09
Total	**17.27**	**9.09**

Note 21: Current Lease Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Lease Obligations (refer note 19)	44.15	43.08
Total	**44.15**	**43.08**

Note 22: Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Security and other deposits	306.04	126.88
Interest accrued but not due on debentures	263.27	263.27
Dividend on preference shares	728.15	392.15
Advance from customers	1,079.00	694.00
Contract liabilities	383.66	-
Others payables (Trade payables)	2,784.94	1,291.82
Total	**5,545.06**	**2,768.12**

Note 23: Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Statutory dues	35.20	32.90
Total	**35.20**	**32.90**

Note 24: Current Provisions

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Provision for employee benefits (refer note 34):		
Retirement benefits	0.29	0.17
Creditors for expenses		
Expenditure / contingencies	183.49	1,316.93
Total	**183.78**	**1,317.10**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 25: Revenue from Operations

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Income from services		
Income from Ship building	969.34	-
Income from Ship repair services	156.37	41.78
Income from services	576.35	-
Total	**1,702.06**	**41.78**

Note 26: Other Income

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest on bank deposits	52.56	0.90
Interest on Income Tax Refund	-	1.81
Interest from others	1.85	0.57
Miscellaneous income	4.83	0.07
Unwinding of Discount on Security Deposit	0.03	0.03
Total	**59.27**	**3.38**

Note 27: Cost of materials consumed

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Raw materials consumed for Ship building	499.52	-
Raw materials consumed for Ship repairs	112.11	-
Total	**611.63**	**-**

Note 28: Sub contract and other Direct expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Sub contract and other direct expenses for Ship building	300.78	-
Sub contract and other direct expenses for Ship repair	6.96	17.08
Total	**307.74**	**17.08**

Note 29: Employee Benefit expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Employee Salaries & Allowances	300.78	-
Contribution to Provident and Other Funds	6.96	17.08
Employee benefit expenses	6.96	17.08
Total	**307.74**	**17.08**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 30: Finance Costs

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Interest expense on lease liability	58.12	56.82
Interest on others	831.86	-
Total	**889.98**	**56.82**

Note 31: Depreciation and Amortisation Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Depreciation on property,plant and equipments	704.17	19.56
Depreciation on right of use-Lease liability	9.98	10.35
Amortisation on other intangible assets	9.49	9.71
Total	**723.64**	**39.62**

Note 32: Other Expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Other indirect expenses	43.71	-
Rates &Taxes	77.93	2.44
Power &Fuel	63.72	20.12
Repairs and maintenance:		
Building and roads	9.04	6.16
Plant and machinery	10.14	-
Others	37.37	9.49
Travelling and conveyance expenses	22.55	7.41
Printing and stationery	2.27	1.56
Postage, telephone and telex	1.07	0.47
Advertisement and publicity	6.77	8.47
Lease rent paid	0.66	0.66
Hire charges	27.09	15.50
Insurance premium expenses	21.08	0.10
Security expenses	170.70	150.17
Auditors remuneration:		
Audit fees	2.50	1.50
Limited reviews	1.50	1.20
Consultancy	11.91	6.10
Bank charges	1.27	0.88
Miscellaneous expenses	89.67	14.98
Total	**600.95**	**247.21**

Notes to Financial Statements

for the year ended 31st March, 2023

Note 33: Earnings per Equity Share

(₹ in Lakhs)

Particulars	Year ended 31st March, 2023	Year ended 31st March, 2022
Profit / (Loss) attributable to equity holders (₹ in Lakhs)	(2,033.67)	(283.61)
Weighted average number of equity shares used for computing Earning Per Share (Basic & Diluted)	5,20,16,438.36	5,00,00,000.00
Earning Per Share (Basic and Diluted) (₹)	(3.91)	(0.57)
Face value per equity (in ₹)	10.00	10.00

34. (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.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
I Components of Employer Expense Recognised in the Statement of Profit and Loss:				
1 Current Service Cost	4.75	2.06	3.56	5.70
2 Past Service Cost	-	-	-	-
3 Net Interest Cost	0.26	0.42	-	-
4 Actuarial gains/(losses)	-	0.72	-	-
5 Total expense recognised in the Statement of Profit and Loss	**5.01**	**3.20**	**3.56**	**5.70**

Notes to Financial Statements

for the year ended 31st March, 2023

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

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Re-measurements recognised in Other Comprehensive Income				
6 Return on plan assets (greater)/less than discount rate	-	-	-	-
7 Effect of changes in assumptions	-	-	-	-
8 Effect of experience adjustments	0.08	-	-	-
9 Total re-measurements included in Other Comprehensive Income	**0.08**	**-**	**-**	**-**
10 Total defined benefit cost recognised in the Statement of Profit and Loss and Other Comprehensive Income (5+9)	**5.09**	**3.20**	**3.56**	**5.70**

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.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
II Net Liability/(Asset) recognised in Balance Sheet				
Present Value of Defined Benefit Obligation	8.65	8.90	3.56	5.70
Fair Value of Plan Assets	-	-	-	-
Net liability:				
- Non-Current	8.58	8.68	3.53	5.56
- Current	0.07	0.22	0.03	0.14

III. Change in Defined Benefit Obligation (DBO)

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
1 Present Value of DBO at the beginning of the year	3.56	5.70	-	-
2 Current Service Cost	4.75	2.06	3.56	5.70
3 Past Service Cost	-	-	-	-
4 Net Interest Cost	0.26	0.42	-	-
5 Actuarial gains/(losses)	-	0.72	-	-
6 Remeasurement gains /(losses):				
a Effect of changes in demographic assumptions	-	-	-	-
b Effect of changes in financial assumptions	-	-	-	-

Notes to Financial Statements

for the year ended 31st March, 2023

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

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
c Changes in asset ceiling (excluding interest income)	-	-	-	-
d Effect of experience adjustments	0.08	-	-	-
7 Curtailment Cost/(Credits)	-	-	-	-
8 Settlement Cost/(Credits)	-	-	-	-
9 Acquisitions credit/ (cost)	-	-	-	-
10 Effects of transfer In/(Out)	-	-	-	-
11 Benefits Paid	-	-	-	-
12 Net defined benefit liability/ (asset) at end of current period	**8.65**	**8.90**	**3.56**	**5.70**

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
IV. Best Estimate of Employers' Expected Contribution for the next year		
Gratuity	NA	3.56

V. Change in Fair Value of Assets

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
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	-	-	-	-

VI. Actuarial Assumptions

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
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%
6 Benefits paid	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
7 Fair Value of assets at the end of current period	0.70%	0.70%	0.70%	0.70%

Notes to Financial Statements

for the year ended 31st March, 2023

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

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.

(₹ in Lakhs)

Particulars	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
A Discount Rate	7.30%	7.30%	7.30%	7.30%
Effect on DBO due to 1% increase in Discount Rate	(1.07)	(1.13)	(0.46)	(0.71)
Percentage Impact	-12.40%	-12.60%	-13.00%	-12.40%
Effect on DBO due to 1% decrease in Discount Rate	1.29	1.35	0.55	0.84
Percentage Impact	14.90%	15.10%	15.60%	14.80%
B Salary Escalation Rate	3.00%	3.00%	3.00%	3.00%
Effect on DBO due to 1% increase in Salary Escalation Rate	1.33	1.39	0.57	0.87
Percentage Impact	15.40%	15.70%	16.10%	15.30%
Effect on DBO due to 1% decrease in Salary Escalation Rate	(1.12)	(1.18)	(0.49)	(0.74)
Percentage Impact	-13.00%	-13.20%	-13.70%	-13.00%

(₹ in Lakhs)

Maturity Analysis of the Benefit Payments	For the year ended 31st March, 2023		For the year ended 31st March, 2022	
	Gratuity	Leave Encashment	Gratuity	Leave Encashment
Year 1	0.07	0.23	0.03	0.14
Year 2	0.27	0.30	0.00	0.19
Year 3	2.55	0.38	0.00	0.24
Year 4	3.69	0.47	0.00	0.29
Year 5	0.66	0.57	0.00	0.35
Next 5 Years	16.53	16.07	0.01	2.81

(ii) Amounts towards Defined Contribution Plans have been recognised under "Contribution to Provident and other funds" in Note 29: ₹ 27.02 Lakh (2021 - ₹ 3.59 Lakh).

Notes to Financial Statements

for the year ended 31st March, 2023

35. Contingencies and Commitments

(₹ in Lakhs)

Particulars	As at 31st March, 2023	As at 31st March, 2022
Commitments (To the extent not provided for)		
Estimated amount of contracts remaining to be executed on capital account and not provided for	75.99	521.57

36. 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.

37. Related Party disclosure

a) 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
Shri Madhu S Nair, Chairman	Key Managerial Personnel
Shri Shekhar Chakravarthy, Chief Executive Officer (from 22.12.2021)	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
Shri 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

b) Details of Related Party Transactions:

Name of related party & nature of relationship	Nature of Transactions	For the Year ended 31st March, 2023	Balance Outstanding as at 31st March, 2023	For the Year ended 31st March, 2022	Balance Outstanding as at 31st March, 2022
(A) Holding Company:					
Cochin Shipyard Limited	Employee Manpower Services (provided by Cochin Shipyard Limited - Holding Company)*	-	-	-	-
	4,40,000 6.5% Redeemable Non-convertible Debentures of face value of Rs 1,000 each issued to Cochin Shipyard Limited (Holding Company)	-	4,400.00	-	4,400.00

Notes to Financial Statements

for the year ended 31st March, 2023

37. Related Party disclosure (Contd..)

Name of related party & nature of relationship	Nature of Transactions	For the Year ended 31st March, 2023	Balance Outstanding as at 31st March, 2023	For the Year ended 31st March, 2022	Balance Outstanding as at 31st March, 2022
	3,10,000 6.15% Redeemable Non-convertible Debentures of face value of Rs 1,000 each issued to Cochin Shipyard Limited (Holding Company)	-	3,100.00	3,100.00	3,100.00
	Advance against projects	483.53	-	571.12	87.12
	Revenue from operations	745.83	-		
	Interest on Debentures	476.65	263.27	395.69	263.27
	Term Loan Taken	650.00	-	-	-
	Interest on Preference Shares	336.00	728.15	336.00	392.15
	Repayment of Term Loan	650.00	-	-	-
	Interest on Term Loan	5.79	-	-	-
	Materials from CSL	141.52	-	-	-
	Interest Recovery on Project	9.61	-	-	-

Cochin Shipyard Limited's (CSL) ERP system, 'SAP S/4HANA' has been extended to Hoogly Cochin Shipyard Limited (HCSL) with the entire SAP implementation cost and licenses charges for the financial year 2022-23, aggregating to ₹33.74 Lakhs, borne by CSL on behalf of HCSL. Further license fees and other charges from FY 2023-24 will be reimbursed to CSL by HCSL.

38. 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 31st March, 2023 and 31st March, 2022

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	**7,059.55**	**-**	**-**	**7,059.55**	**7,059.55**
Financial Liabilities					
(i) Borrowings	13,100.00	-	-	13,100.00	13,100.00
(ii) Lease liabilities	679.20	-	-	679.20	679.20

Notes to Financial Statements

for the year ended 31st March, 2023

38. Disclosures on Financial Instruments (Contd..)

(₹ in Lakhs)

Particulars	Amortised Cost	Fair value through other comprehensive income	Fair Value through profit and loss	Total Carrying Value	Total fair value
(iii) Other financial liabilities	5545.06	-	-	5545.06	5545.06
Total Financial Liabilities	**19324.26**	**-**	**-**	**19324.26**	**19324.26**

As at 31st March, 2022

(₹ 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	49.96	-	-	49.96	49.96
(ii) Cash and cash equivalents	3,193.70	-	-	3,193.70	3,193.70
(iii) Bank balance other than (ii)	109.07	-	-	109.07	109.07
(iv) Other financial assets	4.18	-	-	4.18	4.18
Total Financial Assets	**3,356.91**	**-**	**-**	**3,356.91**	**3,356.91**
Financial Liabilities					
(i) Borrowings	13,100.00	-	-	13,100.00	13,100.00
(ii) Lease liabilities	664.16	-	-	664.16	664.16
(iii) Other financial liabilities	2,768.12	-	-	2768.12	2,768.12
Total Financial Liabilities	**16,532.28**	**-**	**-**	**16,532.28**	**16,532.28**

(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.

(₹ in Lakhs)

Particulars	As at 31st March, 2023				As at 31st March, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Assets								
Security deposits	-	0.40	-	0.40	-	0.36	-	0.36
	-	**0.40**	**-**	**0.40**	**-**	**0.36**	**-**	**0.36**

Notes to Financial Statements

for the year ended 31st March, 2023

38. Disclosures on Financial Instruments (Contd..)

(₹ in Lakhs)

Particulars	As at 31st March, 2023				As at 31st March, 2022			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial Liabilities				-				
Borrowings	-	13,100.00	-	13,100.00	-	13,100.00	-	13,100.00
Lease liabilities	-	679.20		679.20	-	664.16	-	664.16
Other financial liabilities	-	5,545.06	-	5,545.06	-	2,768.12	-	2,768.12
	-	**19,324.26**	**-**	**19,324.26**	**-**	**16,532.28**	**-**	**16,532.28**

(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 Level1. 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, 2023 and March 31, 2022.

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

Maturity Period	As at 31st March, 2023			
	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**	**5545.06**	**23746.94**
Less: Future Finance Charges on Leases	-	4,422.68	-	4,422.68
	13,100.00	**679.20**	**5545.06**	**19324.26**

(₹ in Lakhs)

Maturity Period	As at 31st March, 2022			
	Borrowings other than lease obligations	Lease Obligations	Other Financial Liabilities	Total Financial Liabilities
Not later than 1 year or on demand	-	43.08	2768.12	2811.20
Later than one year and not later than five years	7,500.00	183.34	-	7,683.34
More than 5 years	5,600.00	4,918.54	-	10,518.54
	13,100.00	**5,144.96**	**2768.12**	**21013.08**
Less: Future Finance Charges on Leases	-	4,480.80	-	4,480.80
	13,100.00	**664.16**	**2768.12**	**16,532.28**

Notes to Financial Statements

for the year ended 31st March, 2023

39. Additional Regulatory Information

(i) Ratios

Ratios	Numerator	Denominator	Current year	Previous year
Current ratio (in times)	Total current assets	Total current liabilities	1.50	1.08
Debt-Equity ratio (in times)	Debt consists of borrowings and lease liabilities.	Total equity	2.10	3.46
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	(0.32)	(0.65)
Return on equity ratio (in %)	Profit for the year less Preference dividend (if any)	Average total equity	-38.63%	-15.03%
Inventory turnover ratio (in times)	Revenue from operations	Average inventories	20.76	-
Trade receivables turnover ratio (in times)	Revenue from operations	Average trade receivables	4.23	1.67
Trade payables turnover ratio (in times)	Cost of CWIP and PPE + Other expenses	Average trade payables	0.57	1.44
Net capital turnover ratio (in times)	Revenue from operations	Average working capital (i.e. Total current assets less Total current liabilities)	1.05	0.05
Net profit ratio (in %)	Profit for the year	Revenue from operations	-119%	-679%
Return on capital employed (in %)	Profit before tax and finance costs	Capital employed = Net worth + Borrowings + Lease liabilities	-4.39%	-1.84%
Return on investment (in %)	Income generated from invested funds	Average invested funds in treasury investments	NA	NA

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

Ratios	% Change	Remarks
Current ratio (in times)	39%	There has been increase in current assets as the company has issued equity shares amounting to ₹ 4600 Lakh in March'23 resulting an increase in Cash and Cash Equivalents
Debt-Equity ratio (in times)	-39%	The Company has issued equity shares amounting to ₹ 4600 Lakh in March'23 resulting to increase in equity
Debt service coverage ratio (in times)	51%	Due to increase in EBITDA for the FY 2022-23
Return on equity ratio (in %)	-157%	Due to increase in losses for the FY 2022-23
Inventory turnover ratio (in times)	100%	No Inventory in the FY 21-22
Trade receivables turnover ratio (in times)	153%	Due to increase in revenue for the FY 2022-23
Trade payables turnover ratio (in times)	-61%	Due to decrease in cost of CWIP and PPE + Other expenses
Net capital turnover ratio (in times)	1897%	Due to increase in revenue for the FY 2022-23
Net profit ratio (in %)	82%	Due to increase in revenue for the FY 2022-23
Return on capital employed (in %)	-139%	Due to increase in losses for the FY 2022-23

Notes to Financial Statements

for the year ended 31st March, 2023

39. Additional Regulatory Information (Contd..)

(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 31st March, 2023 and 31st March, 2022.

(iii) The Company has not been declared as wilful defaulter by any bank or financial Institution or other lender during the year ended 31st March, 2023 and 31st March, 2022.

(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, 2023 and 31st March, 2022 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, 2023 and 31st March, 2022.

(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, 2023 and 31st March, 2022.

(vii) Utilisation of Borrowed funds and share premium:

(A) During the year ended and as at 31st March, 2023 and 31st March, 2022, 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, 2023 and 31st March, 2022, 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 31st March, 2023 and 31st March, 2022.

(ix) Compliance with number of layers of companies

As at 31st March, 2023 and as at 31st March, 2022, 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 31st March, 2023 and31st March, 2022.

Notes to Financial Statements

for the year ended 31st March, 2023

40. Segment Reporting

(₹ in Lakhs)

Particulars	As at 31st March, 2023			As at 31st March, 2022		
	Ship Building	Ship Repairs	Total	Ship Building	Ship Repairs	Total
Segment Revenue	969.34	156.37	1,125.71	-	41.78	41.78
Add: Others			576.35			-
Total Revenue from Operations			**1,702.06**			**41.78**
Segment Results	35.86	37.70	73.56	-	24.70	24.70
Less: Unallocated expenses net of income			963.83			350.35
Less: Finance Costs			889.98			56.82
Profit/(Loss) before exceptional items and tax			**(1,780.25)**			**(382.47)**
Less- Exceptional Items - (Income) / Expense			-			-
Profit/(Loss) Before Tax			**(1,780.25)**			**(382.47)**
Provision for Tax			-			-
Provision for Deferred tax			253.34			(98.86)
Profit/(Loss) After Tax			**(2,033.59)**			**(283.61)**
Segment Assets	13,389.54	26.15	13,415.69	11,634.88	-	11,634.88
Add: Unallocated Corporate Assets			12,692.82			10,238.16
Total Assets			**26,108.51**			**21,873.04**
Segment Liabilities	267.28	17.08	284.36	-	-	-
Add: Unallocated Corporate Liabilities			19,276.15			17,891.37
Total Liabilities			**19,560.51**			**17,891.37**
Capital Expenditure	-	-	-	-	-	-
Depreciation and Amortisation Expense	-	-	-	-	-	-
Non Cash Expenses other than Depreciation and Amortisation Expense	-	-	-	-	-	-

41. Previous year figures have been recasted/regrouped wherever necessary to conform to the current year presentation.

In terms of our report of even date

For **RADS & CO**
Chartered Accountants
(Firm Registration No. 320298E)

DHIRAJ KUMAR AGARWAL
Partner
(Membership No. 067872)

Kolkata
28th April, 2023

For and on behalf of Board of Directors

MADHU S NAIR
Chairman
(DIN 07376798)

JOSE V J
Director
(DIN 08444440)

SHEKHAR CHAKRAVARTHY
Chief Executive Officer

SAIBAL CHATTOPAHYAY
Chief Financial Officer

KIRAN K A
Company Secretary
M. No. A36050

Kochi
28th April, 2023

NOTICE

Notice is hereby given that the 06th Annual General Meeting of the Members of Hooghly Cochin Shipyard Limited will be held at 11.00 hrs. on Tuesday, September 19, 2023 at CSL Board Room, Administrative Building, Cochin Shipyard Limited, Perumanoor, Kochi, Kerala – 682015, to transact the following businesses:

Ordinary Business

1. To consider and adopt the audited financial statements as on 31st March 2023, and the Reports of the Board of Directors and Auditors' thereon.
2. To appoint a Director in place of Shri Madhu Sankunny Nair (DIN: 07376798), 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 Shri Bejoy Bhasker (DIN: 08103825), who retires by rotation at this Annual General Meeting and being eligible, offers himself 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 2023-24.

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

Kiran K A
Company Secretary
M. No. A36050

Kochi
September 08, 2023

Notes:

1. A Member who is entitled to attend and vote at the Annual General Meeting (the Meeting) 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. The instrument appointing the proxy should be duly stamped, completed, signed and deposited at the Registered Office of the Company not less than forty-eight (48) hours before the commencement of the Meeting. A proxy form (MGT-11) is annexed to this Notice.

2. A person can act as a proxy on behalf of the Members not exceeding fifty (50) and holding in aggregate not more than ten percent of the total share capital of the Company carrying voting rights. In case, a proxy is proposed to be appointed by a Member holding more than ten percent of the total share capital of the Company carrying voting rights, then such person shall not act as a proxy for any other person or Shareholder.

3. Members, proxies and authorized representatives are requested to bring the duly filled attendance slip enclosed herewith along with their copy of Annual Report, to attend the Meeting. Corporate members intending to send their Authorized Representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, 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 Meeting.

4. The registers maintained under the Companies Act, 2013 and all documents referred to in the Notice are available for inspection by the Members at the Meeting.

5. The route map to the venue of the Meeting is enclosed with this Notice.

6. This Meeting is proposed to be held outside the local limits of the Registered Office, at CSL Board Room, Administrative Building, Cochin Shipyard Limited, Perumanoor, Kochi, Kerala – 682 015, at a shorter notice. The request, pursuant to Section 96 and 101 of the Companies Act, 2013, for consenting to conduct the Meeting outside the local limits of the Registered Office at a shorter notice is enclosed along with this Notice and the Meeting will be held only if the consent is received from all the Members entitled to vote at the Meeting.

7. The brief details of the Director, who is 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).

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

Kiran K A
Company Secretary
M. No. A36050

Kochi
September 08, 2023

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

FORM NO. MGT-11

Proxy form

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Venue of the Meeting : CSL Board Room, Administrative Building, Cochin Shipyard Limited, Perumanoor, Kochi, Kerala – 682 015

Day, Date and Time : Tuesday, September 19, 2023 at 11.00 hrs.

Name of Member(s)	
Registered Address	
E-mail Id	
Ledger Folio No.	

I/ We, being the Member(s) of Hooghly Cochin Shipyard Limited holding ____________________ shares, hereby appoint:

1.

Name:	
Address:	
E-mail Id:	
Signature:	

or failing him/her

2.

Name:	
Address:	
E-mail Id:	
Signature:	

or failing him/her

3.

Name:	
Address:	
E-mail Id:	
Signature:	

as my/ our proxy to attend and vote (on a poll) for me/ us and on my/ our behalf at the 06th Annual General Meeting of the Members of the Company, to be held on Tuesday, September 19, 2023 at 11.00 hrs. at CSL Board Room, Administrative Building, Cochin Shipyard Limited, Perumanoor, Kochi, Kerala – 682 015, and at any adjournment thereof in respect of such resolutions as are indicated below:

Sl. No.	Resolution	For	Against
Ordinary Business			
1.	To consider and adopt the audited financial statements as on 31st March 2023, and the Reports of the Board of Directors and Auditors' thereon.		
2.	To appoint a Director in place of Shri Madhu Sankunny Nair (DIN: 07376798), who retires by rotation and being eligible, offers himself for re-appointment.		
3.	To appoint a Director in place of Shri Bejoy Bhasker (DIN: 08103825), who retires by rotation and being eligible, offers himself 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 2023-24.		

Signed this ……... day of……………………… 2023

Affix Revenue Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

ATTENDANCE SLIP

Venue of the Meeting : CSL Board Room, Administrative Building, Cochin Shipyard Limited Perumanoor, Kochi, Kerala – 682 015

Day, Date and Time : Tuesday, September 19, 2023 at 11.00 hrs.

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING VENUE

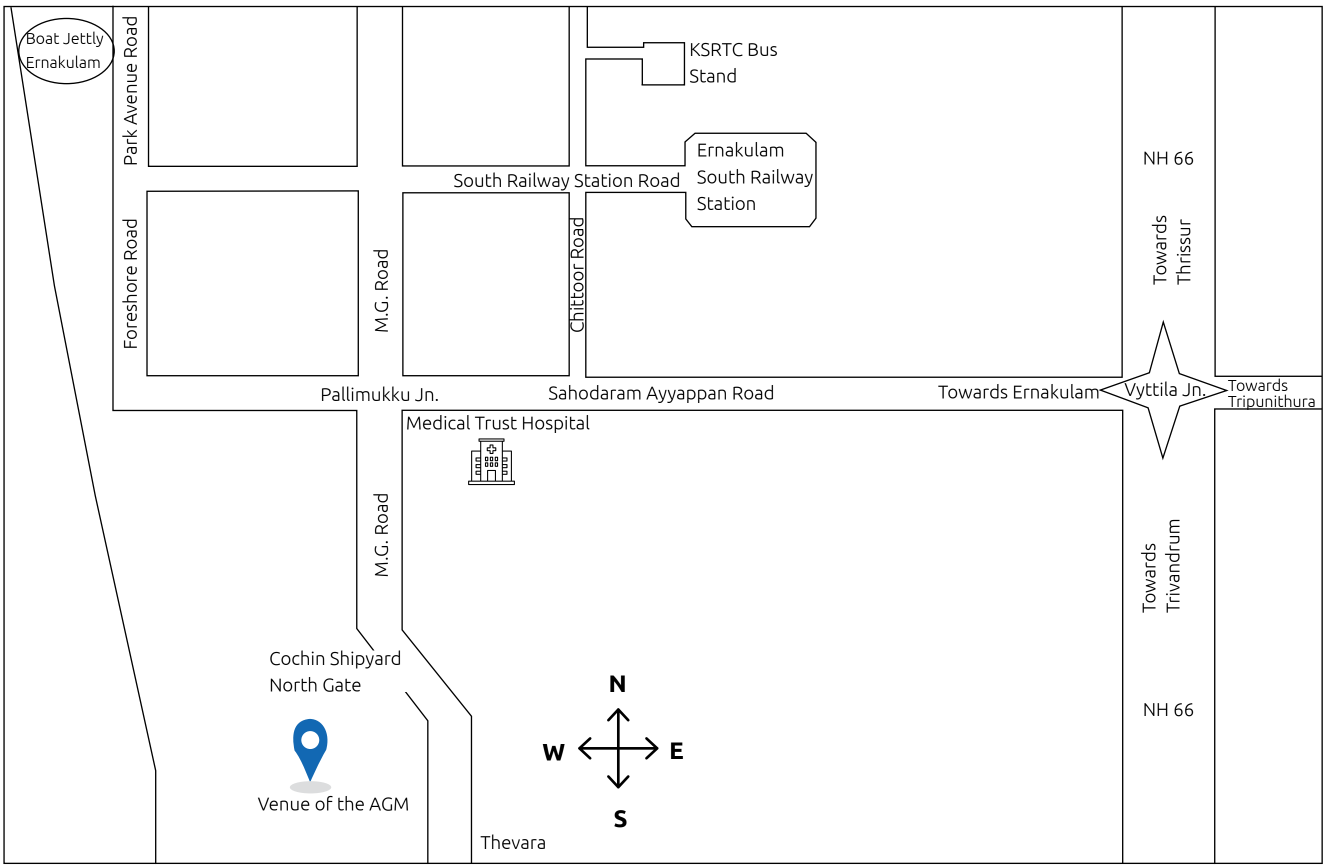
Name of the Shareholder(s)	
Registered Address	
E-mail Id	
Ledger Folio No.	
No. of shares held	

I certify that I am the registered Shareholder(s)/ Proxy for the registered Shareholder of the Company.

I hereby record my presence at the 06th Annual General Meeting of the Company on **Tuesday, September 19, 2023 at 11.00 hrs. at CSL Board Room**, Administrative Building, Cochin Shipyard Limited, Perumanoor, Kochi, Kerala – 682 015.

Signature of the shareholder or proxy

ROUTE MAP TO THE VENUE OF THE MEETING



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 06th Annual General Meeting (AGM) of the Company on September 19, 2023 outside the local limits of the Registered Office at CSL Board Room, Administrative Building, Cochin Shipyard Limited, Perumanoor, Kochi, Kerala – 682 015 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 Madhu Sankunny Nair**
DIN	07376798
Age & Date of Birth	57 years and January 05, 1966
Qualifications	He holds a Degree of Bachelor of Technology in Naval Architecture and Ship Building from Cochin University of Science and Technology, India and a Degree of Master in Engineering with specialisation in Naval Architecture and Ocean Engineering from Osaka University, Japan.
Experience	Shri Madhu Sankunny Nair is the Chairman and Managing Director of Cochin Shipyard Limited (CSL), the Holding Company. He has more than 35 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.
Terms and conditions of re-appointment	Shri Madhu Sankunny Nair was appointed as one of the first directors of the Company on October 23, 2017 as a nominee of Cochin Shipyard Limited (CSL) in the Board. He was re-appointed pursuant to the retirement by rotation at the 03rd AGM held on August 04, 2020. Approval of the members is sought for continuation of office of directorship of Shri Madhu Sankunny Nair 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 2022-23)	Nil
Date of first appointment on the Board	October 23, 2017
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 2022-23	5/5
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	**Shri Bejoy Bhasker**
DIN	08103825
Age & Date of Birth	58 years & May 07, 1965
Qualifications	He holds a degree of Bachelor of Technology (Mechanical) from the University of Kerala with First Rank and Gold Medal. He also holds a degree of Master of Technology (Mechanical) from the Indian Institute of Technology, Madras. He has completed Advanced Diploma in Management from Indira Gandhi National Open University.
Experience	Shri Bejoy Bhasker is the Director (Technical) of Cochin Shipyard Limited (CSL), the Holding Company. He has more than 35 years of work experience across areas such as ship design, ship building, outfit and ship repair. He is also the Director of Udupi Cochin Shipyard Limited (UCSL), the other wholly owned subsidiary of CSL.
Terms and conditions of re-appointment	Shri Bejoy Bhasker was appointed as one of the directors nominated by CSL. He was re-appointed pursuant to the retirement by rotation at the 04th AGM held on September 15, 2021. Approval of the members is sought for continuation of office of directorship of Shri Bejoy Bhasker 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 2022-23)	Nil
Date of first appointment on the Board	April 25, 2018
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 2022-23	5/5
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*	Member in the Stakeholders Relationship Committee of Cochin Shipyard Limited.

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

ADDENDUM TO THE NOTICE FOR 06TH ANNUAL GENERAL MEETING

Reference is invited to the Notice issued on September 08, 2023, for the 06th Annual General Meeting (AGM) of the Members of Hooghly Cochin Shipyard Limited scheduled at 11:00 hrs. on Tuesday, September 19, 2023.

The Ministry of Corporate Affairs ("MCA") vide its General Circular No. 10/2022 dated December 28, 2022 read with 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 view of these MCA Circulars, the Company is providing the facility of attending the 06th AGM through VC/ OAVM. Members and other invitees may attend the said AGM through electronic mode by clicking the link given below:

Link for attending the 06th AGM of Hooghly Cochin Shipyard Limited

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.

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

Kindly make it convenient to attend the Meeting.

For Hooghly Cochin Shipyard Limited

Kiran K A
Company Secretary
M. No. A36050

Kochi
September 18, 2023

HOOGHLY COCHIN SHIPYARD LIMITED

Registered Office:

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

CIN: U35900WB2017GO1223197