

TRANSCRIPT OF THE 52ND ANNUAL GENERAL MEETING OF COCHIN SHIPYARD LIMITED HELD ON SEPTEMBER 30, 2024

Moderator

Good morning Ladies and Gentlemen. A very warm welcome to one and all present at the 52nd Annual General Meeting of Cochin Shipyard. For the benefit of shareholders, I will brief certain points regarding the participation at this Annual General Meeting.

The facility for joining the AGM through electronic mode is being made available for Members on first come-first-serve basis. All Members who have joined this meeting are by default placed on mute mode by the host to avoid any disturbance arising from background noise and to ensure smooth and seamless conduct of the meeting. Once the Question & Answer session starts, we will be announcing the name of the shareholders who have registered as speaker shareholders, one-by-one. The speaker shareholder will thereafter be unmuted by the host. To start speaking, the shareholder is requested to click the video on button only once and wait till the video is on. If the shareholder is not able to join through video for any reasons, the shareholders can speak through the audio mode. While speaking, we would request the speaker to use the earphones so that speaker is clearly audible; minimize any noise in the background; ensure that Wi-Fi is not connected to any other device; no other background applications are running; and there is proper lighting to have a good video experience. If there is a connectivity problem at the speaker shareholder's end, we would request the next speaker to join. Once the connectivity improves, the speaker shareholder may be called again to speak, after other registered speakers complete their turn. We request the speaker shareholders to limit their speech to three minutes only. All the questions will be answered together at the end. During the AGM, if a member faces any technical issues, he or she may contact the helpline number of CDSL mentioned in the notice of AGM. Now, I request the Chairman & Managing Director of the Company to preside over the meeting and commence proceedings. Thank you.

Chairman

Thank you. Good morning Ladies and Gentlemen. I would like to welcome all shareholders to the 52nd Annual General Meeting of the Company. As the requisite quorum is present, I now call the meeting to order. I shall now introduce the Directors and other Officials attending the Meeting.

- Shri Bejoy Bhasker, Director (Technical)
- Shri Jose V J, Director (Finance) & Chief Financial Officer
- Shri Sreejith K Narayanan, Director (Operations)
- Shri Rajesh Kumar Sinha IAS, Nominee Director, Government of India
- Smt. Amrapali Prashant Salve, Non-official Director & Chairperson, Risk Management Committee

- Shri Nahar Singh Maheshwari, Non-official Director & Chairperson, Corporate Social Responsibility and Sustainable Development Committee
- Shri Ashok Sharma, Non-official Director & Chairperson, Nomination & Remuneration Committee
- Shri M Venkatesan, Non-official Director & Chairperson, Stakeholders Relationship Committee
- Shri Abhijit Biswas, Non-official Director & Chairperson, Audit Committee and
- Shri N Syamkamal, Company Secretary.

Shri Biju Prabhakar IAS, Nominee Director, Government of Kerala could not attend the meeting due to other engagements. We also have Shri Venkatesapathy S IAS, Director, Ministry of Ports, Shipping and Waterways and the Nominee of the President of India, the Secretarial Auditors and the Statutory Auditors attending this Meeting virtually.

I thank all the Members for joining this Meeting. We are holding this Annual General Meeting through electronic mode in compliance with the directions of the Ministry of Corporate Affairs and Securities and Exchange Board of India. The Company has taken the requisite steps to enable Members to participate and vote on the items being considered in this AGM. The Members who have not casted their vote on the Resolutions through remote e-Voting may cast their votes through the e-Voting system during the AGM. The Annual Report for the financial year 2023-24 was sent on September 07, 2024 to all the shareholders through e-mail in compliance with the directions of the Ministry of Corporate Affairs and SEBI. The physical copy of the Annual Report 2023-24 was also sent to those shareholders who had requested for the same. For your information, since there is no physical attendance of Members, the requirement for appointing proxies is not applicable.

The Registers mentioned in the notice as required under the Companies Act, 2013 are available for inspection electronically. Notice of this Meeting was sent by electronic means to those Members who are entitled to receive the same. With your kind permission, Ladies and Gentlemen, I take the Notice as read. Since the Statutory Auditors and the Secretarial Auditors' have given unqualified opinion, the Auditors' Report is not required to be read at the Meeting. However, the attention of the Members is invited to the comment of the Comptroller and Auditor General of India (C&AG) on the Auditors Report on the Standalone Financial Statements of the Company for the year ended 31st March 2024 and the Auditors reply thereon. These form part of the Company's Annual Report 2023-24 and are self-explanatory. The said comment is neither on the financial transactions nor on matters which have any adverse effect on the functioning of the Company and hence is not required to be read at the Meeting.

Now I take this opportunity to give you a short presentation on the performance of the Company and the future prospects.

I hope the presentation slides are visible.

We cover the following aspects in the presentation now.

Overview

CSL is active in the business verticals of ship building and ship repair and from 2021 onwards a new division called C-SAS, C for Cochin Shipyard Limited, SAS for Strategic and Advanced Solutions, has also been incorporated. Marine Engineering Training Institute has been a vertical for Cochin Shipyard for long. CSL has expanded geographically over the past few years and today we have a pan India presence both on the East Coast and the West coast of India with seven units. The main headquarters and the main facility of CSL, Cochin Shipyard Limited is at Kochi, 170-acre campus, which is now 52-year-old and that is the main campus. The ISRF, Kochi has been set up in 42 acres of land and water leased from the Cochin Port Authority.

There are two standalone subsidiaries, 100 percent owned, Hooghly Cochin Shipyard Limited, HCSL in Kolkata and Udupi Cochin Shipyard Limited, UCSL in Udupi near Malpe in Karnataka. There are three Ship repair units, CMSRU in Mumbai, CKSRU in Kolkata and CANSRU in Port Blair, Andaman & Nicobar Islands, which render ship repair services. The two wholly owned subsidiaries which I mentioned, HCSL was inaugurated in August 2022, which has been constructed at an investment of 227 crore rupees. This is land leased from the Government of India and a brand-new shipyard has been built. Udupi Cochin Shipyard Limited in Udupi near Malpe in Karnataka was acquired by acquiring a private shipyard, the erstwhile Tebma Shipyards Limited through the IBC process. The investment is 118 crore rupees and UCSL commenced operations in July 2021. Pictorial views of the three ship repair units. On the left CMSRU in Mumbai, which is in the Mumbai port area where we have leased the Hughes drydock and wet berths in the Indira Dock basin. In the middle, it's Andaman & Nicobar Ship Repair unit, CANSRU where we are leased out and we are doing an O&M model in the Marine Dockyard, Port Blair. On the right, CKSRU in Kolkata where the drydock has been leased from the Syama Prasad Mookerjee Port Authority for the Netaji Subhas Bose Docks and ship repairs are active in that area.

Board of Directors of Cochin Shipyard is CMD and three full time directors, two part time official directors, and presently, five non-official, that is independent directors. We used to have six independent directors, one of the independent directors had resigned recently for personal reasons and we now have five independent directors on the Board.

The Company is listed from August 2017 onwards on both the National Stock Exchange and the Bombay Stock Exchange. And, as seen from the graphs, the stock has done, even good performance over the past couple of years. There has been a stock split when the 10-rupee share was split into two shares of 5 rupee each and the graphs show the performance across the years after the IPO in 2017 August.

We touch upon the ship building portfolio

CSL is an active player in the commercial, offshore, and the defense segments with marquee clients across all these segments, both internationally and domestically. In the defense space CSL is a builder of India's 1st Indigenous Aircraft Carrier INS Vikrant and currently are executing two major projects with 14 vessels for the Indian Navy.

These pictures give you a glimpse of what are the type of projects which is being undertaken by Cochin Shipyard. The top line of vessels which have been delivered in the past, the bottom line shows up vessels which has been, which are under construction, the hydrogen fuel cell container vessel and the hopper suction dredger are currently under construction in the Kochi unit of the Shipyard, and the zero emission cargo ferries have been delivered last year to Norwegian clients. CSL has had an active presence in the offshore and specialized vessel segment and have delivered more than 30 vessels in, in this segment and the 1st column and the 2nd column of, pictures of vessels which has been delivered in the past and the column on the extreme right, the CSOV vessels and the Service Operation Vessels are projects currently underway in the Kochi unit of Cochin Shipyard, CSL and these are vessels which will be deployed in the emerging offshore wind sector in Europe and worldwide.

This is a glimpse of the defense portfolio.

The pride of the country INS Vikrant was built by Cochin Shipyard Limited and commissioned at the august hands of Hon'ble Prime Minister of India in September 2022. The vessel has since completed lot of other trials and certain other fittings that had to be done and has sailed off from Kochi for final full-fledged operation with the Indian Navy last month. The ASW Corvettes, the top middle picture and the Next Generation Missile Vessels, the top right picture are the, are the projects currently underway in CSL. There are eight ASW Corvettes, out of which five have been launched. Launched means those vessels are now in water, undergoing final outfitting, testing and commissioning prior to sea trials and delivery of those vessels. So, five have been launched and three are in various stages of construction. It's all together an eight-vessel project.

The NGMV, the Next Generation Missile Vessels is a six-vessel project and currently it is under the design and procurement stages and we hope to start steel cutting on those projects shortly. The bottom line shows pictures of vessels which has been delivered in the recent past to DRDO, to the Ministry of Home and Border Security Force and Fast Patrol Vessels to the Indian Coast Guard.

Your Company has got a strong integrated management system spanning Quality Management, ISO 9001, Occupational Health and Safety Management, ISO 45001 and Environment Management System, ISO 14001. All integrated under an integrated management system. The Company has been certified by the Confederation of Indian Industry (CII) under their GreenCo framework for sustainability certification and the Company is today certified as a GreenCo Gold Company. The Company was earlier certified as GreenCo Silver and later after three years Company has been upgraded into a GreenCo Gold rated Company. The pictures on the slide also show the quality and the finish of ships which are delivered from Cochin Shipyard Limited.

Ship Repair

Your Company is by far the largest and most accomplished Ship Repairer in the country and as was explained at the start of this presentation, the main shipyard facility in Kochi, the newly created International Ship Repair facility in Kochi, the three ship repair units in Mumbai, Kolkata and Port Blair. Together more than 40 years of ship repair experience, more than 2500 projects and more than hundred clients.

This slide shows a glimpse of the main facility in Kochi and the picture shows India's aircraft carrier INS Vikramaditya being docked in the ship repair dock of Cochin Shipyard Limited and, various type of platforms can be handled by Cochin Shipyard Limited. I take your attention to the last line on, on the left, the Master Ship Repair Agreement (MSRA) has been signed with the United States Navy for repair of US Naval Ships. It is expected that this agreement will stand the Company in good stead in the future. We are in discussions, we have not yet taken any any project under the MSRA, but hopefully such projects will be taken shortly.

Infrastructure augmentation

CSL has completed two large Capex projects. On the left side is a New Large 310 m Dry Dock with a 600 tonne crane and the picture you see, you can see the dock in flooded condition with the, with the crane, 600 tonne crane erected and this is amongst India's largest drydocks built at an investment of 1799 crore rupees. The Dock was inaugurated by the Hon'ble Prime Minister on the 17th of January 2024 and currently the final commissioning activities prior to start of construction in the dock is underway. On the bottom right is the International Ship Repair Facility built at an investment of 970 crore rupees in land and water, 42 acres lease from the Cochin Port Authority and this is a ship lift and six workstations based ISRF facility which again was inaugurated along with, concurrently with the new large Dry Dock by the Hon'ble Prime Minister of India. The Maritime Park has been set up at Kochi, which is a very novel idea, probably the 1st of its time in India and this will add strength to the International Ship Repair Facility.

CSL-Strategic and Advanced Solutions, C-SAS

C-SAS is a new technology sustainable solutions division of Cochin Shipyard Limited. The intent of C-SAS is to bring together knowledge and various other skill sets available within Cochin Shipyard Limited under one division and try to create technologies for the future to hold the Company strong as a knowledge Company as we move into the future.

Initial projects and initiatives by C-SAS include creation of India's first hydrogen fuel cell vessel, which has been successfully deployed in Cochin. It was flagged off by the Hon'ble Prime Minister from Cochin and the vessel has now reached Varanasi, where the 1st runs at Varanasi is expected very shortly. The picture with that red color on the top is C-SAS teaming up with the DRDO to produce a high endurance autonomous underwater vehicle. C-SAS is currently engaged in creating a fully indigenous autonomous surface vessel, the picture on the top right, representative picture, and are undertaking various other initiatives. C-SAS is also fronting CSL's initiatives in the maritime start up segment by a project called USHUS, which is a CSL's Maritime start up initiative being implemented through two implementing agencies; Indian Institute of Management Kozhikode, through the IIMK LIVE initiative and IIT Madras. So USHUS is being implemented by C-SAS.

Projects which have been implemented by CSL, autonomous zero emission vessels and the autonomous surface vessel pilot which I just mentioned being implemented by C-SAS. Zero emission green vessels, your Company is an active player in the new technology zero emission green vessels space worldwide and within the country, the hydrogen fuel cell vessel was

explained in the previous slide and currently being deployed in Varanasi with hope that there will be a few more vessels being ordered for the rivers in India. Company is also through the, from Cochin unit and also through Hooghly Cochin Shipyard Limited is implementing electric catamaran ferries in locations like Varanasi, Guwahati, Ayodhya and Mathura.

The order book position

The Company has a robust order book of about 22,500 crores presently. Out of which the subsidiaries are about 2000 crores and the balance is in the main Shipyard in Kochi. Into segments, about 15000 crores of this order book is from the defense space. The balance is from the commercial space and the pie chart on the bottom right will show that in the commercial segment about, about 60 percentage of the orders are from the green vessel segment. We are looking at good order pipeline and the Company is hopeful of securing good orders as we move forward to sustain a reasonable order book position.

Sustainable goals

The Company being an active and responsible player in the, in the emerging sustainability space worldwide, is an active player in the, in the green shipping circuit worldwide. Also, internally within the organization, sustainability is one of the core facets of the organization, as was explained, CSL is a GreenCo Gold, CII GreenCo Gold rated organization. The Company is set up, efforts and as, is taking actions that within a span of about three years, the Company would be having its energy needs being met entirely from green sources. Your organization, your Company is a strong participant in the, in the social development by the Corporate Social Responsibility initiatives. The Company has earned goodwill from the society at large, largely in the areas in Kerala, also in various states across the country by its dedicated CSR initiatives.

Company has undertaken a detailed strategic initiative called CRUISE 2030, wherein various segments have been analyzed and various levers have been identified to position the Company strong on business into the year 2030.

Human capital

The Company values human beings as its greatest asset and has taken a lot of initiatives in this direction. There are four cultural competencies which CSL has created for itself and look for these cultural competencies in every human being within the organization, in our stakeholders, a lot of effort being put in for employee welfare, the larger goodwill of the, of the people, it's a people first organization and a lot of schemes have been rolled out in the organization. Also reach out to the retired people so that people within the organization and people outside, in the society have that connect and goodwill for your Company. Excellent manpower about 2100 permanent employees, about 2200 employees on direct contract and as under various stages of training. About 3200 plus subcontract, subcontractors and the staff and appropriate representation across all categories as mandated under various statutes of the country.

The financial performance

The various matrices are flashed on the screen. I'm not getting into the details, but the Company has performed reasonably well.

Thank you, for your patient hearing and it's a pleasure having all of you in this meeting.
Thank you.

I now request the Company Secretary to explain the sequence of the meeting and process of voting on the resolutions in the meeting.

Company Secretary

Thank You. Respective Chairman and Managing Director, Directors and all the shareholders attending this Annual General Meeting. The Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires to provide electronic voting facility on the resolutions set out in the Notice of the AGM. Accordingly, the Company had provided remote e-voting facility to its Members from 27th September 2024 till 29th September 2024. The Company is also providing the E-Voting facility, administered by CDSL, during the AGM. The E-voting facility during the Meeting is provided for Members present here through virtual mode and have not casted their vote yet. Members can cast their vote through the voting page of CDSL e-voting website. Shri Sreekumar P S, Partner, M/s. SVJS & Associates, Practising Company Secretaries, has been appointed as the Scrutinizer to scrutinize the votes cast through remote e-voting and e-voting during the AGM. Since the AGM is being held through electronic mode and the resolutions mentioned in the notice convening this AGM have been already put to vote through remote e-voting, there will be no proposing and seconding of resolutions. Thank you.

Moderator

Thank you, Sir. Now, it is time for the members who have registered as speaker to ask their questions. I will call out the names of the registered speaker shareholders one by one. Please note that each speaker will be allowed to speak for three minutes only.

We shall start with Mr. Aswin. Sir, you may please ask your question.

Mr. Aswin has requested for a minute time. There is some technical issue.

Sir we can't hear you properly.

Mr. Aswin

Just give me 1 second, let me switch to a different microphone. Sorry.

Moderator

Unfortunately, we have disconnected with Mr. Aswin. Moving on to our next speaker shareholder. I request our next speaker Mr. H. S. Patel. Sir, you may please ask your question.

Since Mr. H. S. Patel is not present in the meeting, I request our next speaker shareholder Mr. S Padmanaban. Sir, you may please ask your question. Mr. S Padmanaban is not present in the meeting.

Moving on to our next speaker shareholder. I request Mr. J Abhishek, to ask the question.

Mr. J Abhishek

Yeah. First of all, I congratulate the management in the eve of annual general body meeting and trust all is well with you and your family. In this challenging situation, a company deserves much more respect than the current market cap. After completing more than a decade of successful operations, profitability and becoming one of the strongest brand in the respective segment. I would like to know what are the steps being taken by the management to reduce the other expenses, legal professional charges and the audit fee? Myself and my team are running a legal firm in the name and style of Seven Wells Associates. So, I request the management to enroll our firm in the empanelment of the Company and we will be glad to extend our services. So, then we can see that the management as ***inaudible*** most of the senior citizens are not able to join because of the digital challenges in this virtual platform, so if you can consider hybrid AGMs in the years to come, most of the senior citizens will be able to join you and you can get the valuable points and this is an idea. That will be helpful for the management ***inaudible*** in future. Sir we can see that all the boat jetties in Ernakulam from Fort, Fort, Fort Mattancherry and Ernakulam are being operated by our Cochin Shipyard and we are we feel ourselves that the Company is outperforming and you have taken good initiatives to benefit the public in the city and you have made a good connectivity for the residents of Ernakulam. So, whether are we planning to create such steps, proactive steps in other major cities like Visakhapatnam, Kolkata and Gujarat, where we have some backwaters? Even though it is comparatively less than the amount of Kerala, but still we have backwaters in other cities also. Whether our Company is planning to establish in other cities also? I would like to know from you Sir. And kindly arrange for a visit, plant visit for the shareholders Sir. I've been requesting for the past three years, but the management not considering the plant visit, so, I will request you to kindly do the needful and I had also sent you a mail regarding the same in the month of June, July, but the management has not considered. Sir, so, I will request you to kindly consider the email and kindly revert back to me Sir. And we are really thankful to the entire Board of Directors for the sincere efforts ***inaudible*** to this particular ***inaudible*** and rewarding the minority shareholders in large numbers. Sir, what is the Capex plan for the coming future? I would request you to kindly consider hybrid AGMs in the years to come Sir. And I would request you to consider conducting one call, pre-presentations and meetings with global investors on a regular basis. We can see that our stock has been categorized under the ASM LT Stage 4 category in the Bombay Stock Exchange. What is the reason Sir? What proactive steps have been taken by the management to overcome the ASM LT Stage 4 category from Cochin Shipyard Limited, I would like to know from you Sir. And Cochin Shipyard what steps have been taken by the management to overcome and the ASM LT Stage 4 and writing to the Stock Exchange to remove the stigma from the Company. And we can see that Company is doing good performance. EPS is good, PE ratio is good, Return on Equity is good. So, nothing needs to answer and hope that the Company takes all our questions in the right way. Since shareholders

are not able to meet physically, since the inception of the Company, I would request you to finally consider the hospitality part of the investor fraternity who have joined this virtual conference and made this annual general body meeting a grand success. I wish the Company and the Board of Directors a great success and ***inaudible*** in the coming future. There are two more shareholders Mr. P Jaichand and Mr. A V Manisundaram. Because of the huge traffic and a number of meetings going on at the same time they are not able to join from their own device. So, in the interest of time, kindly give them an opportunity to join in from the same device and seek clarifications and now Mr. P Jaichand will share out of the Company will join in from the same device and seek clarification Sir. Thank you very much Sir. Thank you for giving the opportunity and now give P Jaichand an opportunity to speak Sir. Thank you very much Sir.

Moderator

Thank you so much Sir.

Mr. P Jaichand

I am P Jaichand. Registered shareholder, speaker shareholder. Good morning respected Chairman, Board of Directors, Secretary and his team and my fellow shareholders. Sir, I and the family are proud shareholders of the Company from the date of IPO. Request the management to review the expenditure as cost cutting effective wherever possible. Request the management not to take away maximum profits into reserves and also consider bonus issue to shareholders Sir. The only grievance of shareholder is expecting better dividend and appreciation of share price. Now what are the future expansion efforts? How are we going to withstand the tough competition? I wish all great success. I wish our Company will touch sky heights. The management with great efforts and hard work will establish our Company. The corporate governance is wonderful. Sir, I request the management to be magnanimous and give dividends to the shareholders, especially the senior citizens who are dependent on this dividend.

Moderator

Sorry for the interruption Sir. I request you to please expedite with your queries.

Moving on to our next speaker shareholder. I request Mr. Yusuf Yunus Rangwala. Sir, you may please speak now.

Mr. Yusuf Yunus Rangwala

Sir, first I will thank our Cochin Shipyard for an excellent presentation. *Sir, apne ek gande mein sab batha diya. Sir, mein janana chahta hum **inaudible**.* *Sir, aapka pachaas saal ka celebration baaki hein Sir, aap humko kuch mithayi bejh diye Sir. Send some gift, send some memorabilia Sir. Sir aapka pachaas saal huva, toh kuch memorabilia bejh de Sir. Sir aap apna factory visit karayiye Sir.* What are the total number of staffs, *apne last bonus kab diya da Sir. Sir, aur aapka Annual copy bejde Sir, mujhe who nahi mila hein Sir. Sir aapka itna acha Company hein Sir, aap last date mein AGM kyun rakte hein Sir. Apne achi dividend paying*

Company mein Sir, why you prefer the last day Sir. Next year Sir, please aisa mat karna Sir. Keep on the first week of the September Sir. Thank you very much Sir. Wishing you good luck. Phoolon ki khushboo, kaliyon ki baar aur Cochin Shipyard ka hamesha saath rahe Sir. Thank you very much Sir. Jai Hind Sir.

Moderator

Thank you so much Sir. I request our next speaker, Mr. Shailesh Mahadevia.

Since Mr. Shailesh Mahadevia is not present in the meeting, moving on to our next speaker shareholder. I request our next speaker, Dr. Dharav Jamadar. You may please speak now.

Dr. Dharav Jamadar

Respected Board members, Chairman, and all my dear stakeholders. My name is Dr. Dharav Jamadar from Surat, Gujarat. First of all, I would like to congratulate each and every stakeholder of my Company on performing tremendously well in this particular fiscal.

Sir, certain questions which I would request you to address are, first, with such a robust order book and healthy profit margins, can you please enumerate which of our products is having maximum amount of share in the order backlog and which of our products from the whole product range which we are offering is having the highest revenue share and profit margins.

Second, with respect to Capex from our end along with the government spending, how much spending do you think will be efficiently effective to guard our nation's water? And being the leader and bellwether of the industry, what kind of innovative products are we going to provide which you think is lacking right now?

Third, is International Ship Repair Facility operational, which was stated that it would be by August 2024. What kind of revenue jump can we expect from it? What is the order backlog in this segment and will the profit margins first create the issue of higher fixed cost and other expenses related to this new facility?

Fourth, with ship building and repair contributing to almost 70 percentage of our revenues, what is your outlook regarding it? What amount of new Capex should we expect in this segment? Who are our major international customers in the segment?

Last question with respect to execution of overall order backlog, how much amount of it shall be completed by this year and how much amount of the same will be completed by the next five years? Thank you, Sir, for providing this opportunity.

Moderator

Thank you, Sir. We will now recall our speaker, Mr. Ashwin.

Mr. Ashwin, you may speak now.

Mr. Aswin Palaniappa

Good morning. Hope you can hear me.

Moderator

Yes Sir. We can hear you.

Mr. Aswin Palaniappa

Thank you for the opportunity. I'd like to start with congratulating the team for the last year's numbers which were commendable and concerning the competitors. I thought the number was too good to look at.

And going forward I have few questions for the management and I would like to start with, so since we have shown a growth in the last year, what would be this year's margin guidance and profitability growth would be? And the next question is concerning the free cash flow, from the previous year's report, I see a lot of volatility. Could you comment on why it is so volatile and what is the expectation for the upcoming year? And with respect to revenue growth, what are the major factors that affects the revenue of the Cochin Shipyard and how the Company will be impacted in the near future? And in case of operating expenses, are there any significant improvement which could increase the operating margin for the Company? And the final question that I have is what are the potential economic downturns for the market volatility that could affect the performance of the Company? Sir, thank you for the opportunity.

Moderator

Thank you, Sir. Now, I request the Chairman Sir, to respond to the queries raised by the shareholders.

Chairman

Thank you. We have had questions by various shareholders. First of all, I thank the shareholders who have generally commended upon the good performance of the Company and as the management will strive to continue to push the limits and deliver better performance as we move into the future.

Shri Ashwin Palaniappa has asked about margins and guidance. We have, we have actually during our investor concalls, which are available on our website, roughly guided for a top line growth for this current fiscal, in the range of 20 to 25 percentage with profitability levels in the in the 16 to 19 percentage band. You have talked about free cash flow, you have talked about various other factors affecting revenue growth. We may not be able to touch upon each and every point at this stage, but if you could send across these questions, which I can see, we will,

we will try to answer this in writing at a later stage. But regarding the free cash flow, probably, I request Director (Finance) to just give a short answer regarding volatility.

Director (Finance)

Yeah, last year we could see, a, free cash flow was a little bit less, right? That is mainly because of the large Capex we incurred the last year because, as CMD mentioned in the powerpoint presentation, we have commissioned the two major Capex last year. So, there was a lot of requirement for the Capex last year, that is the main reason for reduced free cash flow last year.

Chairman

Mr. Aswin had also asked how is the Company preparing for potential economic downturns or market volatility? Your Company is active in different segments in ship building and ship repair? Within ship building, the Company is in defense and in the non-defense space. In ship repair also, the Company is in defense and non-defense space and between these four segments, four operations, as also the newly created C-SAS Division, it is hoped that a little bit of a downturn in any, any one of these spaces should be well compensated by actions in the other spaces. The detailed responses could follow in writing later.

They had, questions raised by Mr J. Abhishek, which we could not get fully clearly, but during the, the audio was not fully clear, but then again thanks to Mr. Abhishek for positive comments on the Shipyard's performance and your request for a visit to the Company, has been well noted, but it may not be possible for the Company to allow for such visits for, for obvious reasons because we are also an establishment engaged in building of defense warships and defense repairs. So kindly appreciate that while we would understand your requirement, it may not be possible for us under normal circumstances to allow for such visits. We also noted your request for bonus shares, for good dividends and, and, and various other financial requirements. It is well noted as the, the Company will always try to do what is best in the interests of the shareholders. That, that part, we will try to make sure. So, thanks for participating and asking the questions.

We had a question from Dr. Dharav Jamadar. He was asking about what's the maximum share of revenue and profits? Ship building contributes about 70 percentage and ship repair is about 30 percentage. And within each of the segment for, for the previous financial year, the defense contributed about 70 percentage and the non-defense part, the balance. You had asked about Capex plans. As was mentioned in the presentation, Cochin Shipyard has completed a large Capex cycle, the main ones being the new large Dry Dock and the ISRF facility, together about 2800 crores have been invested. Also, the investments which have been made in the wholly owned subsidiaries. HCSL and UCSL, as also the three ship repair units. So by and large the large Capex cycle has been completed, but as we move forward, this year also there are, there is further investment which, which needs to be done in, accounted for, in both the Dry Dock and the ISRF, as also in the main unit in Kochi, there would be, there will be Capex of routine natures and upgradations that would be carried out.

You had asked the question whether ISRF was operational? Yes, ISRF was up, ISRF became operational by taking the 1st vessel on the 12th of August, 2024, and as we are speaking, there are three vessels docked at ISRF. Revenue and profit margin, you had talked about. I gave an overall revenue guidance in the answer to Shri Aswin Palaniappa's question. But ISRF alone, the expectation is, in the next few years when ISRF stabilizes operations, it can handle about 80 plus vessels less than 130 meters and driving a turnover in the range of 500 to 600 crores. Profit margin would be consistent with current ship repair operational margins. You would have asked about execution of projects. Execution of the projects, as we are saying like, there are currently about 22500 crores of ship building order book in the, in the Company. 15000 crores of that comes from the defense that gets executed in two phases, the ASW Corvettes will get executed from now till about four years from now and the NGMV project, which is the next large project which is about 9500 crores. Whilst the execution flows will come in from about 18 months from now till about the year 2031. I hope that answers, most of the questions.

Again, thanks for all the shareholders for participating in the, in the discussions and thanks for your genuine support to Cochin Shipyard Limited.

Thank you, all shareholders and stakeholders, for participating in this Annual General Meeting.

Before concluding, I would like to say that the requisite quorum was present throughout the Meeting.

The e-voting facility will remain open for the next 30 minutes. The results would be announced in 48 hours of the conclusion of the meeting and the same would be intimated to the Stock Exchanges and uploaded on the website of the Company and CDSL.

I thank the shareholders for attending the Meeting and for their continued support for showing their keen interest in the Company by seeking clarifications on various matters. I also thank Shri Venkatesapathy S IAS, Nominee of the President of India, CSL Directors, Secretarial Auditors, the Statutory Auditors, for joining the Meeting remotely. With this, I declare the meeting concluded.

Jai Hind.

Moderator

Thank you one and all for attending the 52nd Annual General Meeting of Cochin Shipyard Limited.

Thank you. Have a good day.

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