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February 19, 2020

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

Subject: Transcript of conference call

1. Please find enclosed transcript of conference call held on Friday, February 14, 2020 at 11:00 hrs. to discuss on company's Q3 & 9M FY20 results.
2. Kindly take the same on record.

For Cochin Shipyard Ltd

Syamkamal N
Company Secretary &
Compliance Officer



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Cochin Shipyard Ltd.

**Cochin Shipyard Limited
Q3 & 9MFY20 Earnings Conference Call
February 14, 2020**

Management:

1. Shri Jose VJ - Director Finance
2. Shri Rajesh Gopalakrishnan - General Manager (Business Development)
3. Shri Shibu John - Deputy General Manager (Finance)
4. Shri Sivaram Narayana Swamy - Deputy General Manager (Business Development)
5. Shri Harikumar K - Deputy General Manager (New Projects) & EA to CMD
6. Shri Syamkamal N - Company Secretary

Cochin Shipyard Limited
Q3 & 9M FY20 Results Conference Call
February 14, 2020

Moderator: Good morning ladies and gentlemen. Welcome to the conference call of Cochin Shipyard Limited arranged by Concept Investor Relations to discuss its Q3 & 9MFY20Results.We have with us today, Shri. Jose V J, Director Finance, Shri Rajesh Gopalakrishnan, General Manager – Business Development Shri. Sivaram Narayanaswami, Deputy General Manager Business Development. Shri Shibu John, Deputy General Manager Finance Shri. Harikumar K, Deputy General Manager, New Project and Shri. Syamkamal N, Company Secretary. At this moment, all participant lines are in listen-only mode. Later we will conduct a question answer session. At that time if you have a question, please press “*” and “1” on your telephone keypad. Please note, this conference is recorded. I would now like to hand over the floor to Shri Jose V J, Director Finance for the opening remarks. Thank you and over to you sir.

Jose V J: My name is Jose, Director Finance. I have with me Mr. Rajesh Gopalakrishnan, General Manager - Business Development. Rajesh will give you a brief overview of the overall performance.

Rajesh Gopalakrishnan: Good morning, everyone. Welcome to the CSL con-call. Let me just give you a quick update on the latest. And then we move on to taking specific queries. I am sure by now all of you would have seen the numbers. The investor presentation is being uploaded today so that you will get more details there. But, just to update on the operational front, things have generally been going okay on both the shipbuilding as well as ship repair front. On shipbuilding front as you all are aware the key projects is of course, the aircraft carrier, which is slated to go out for sea trials during the first half of this year and so significant ramp up kind of work progress on that vessel. We have recently delivered almost around 12 out of the 16 fishing vessel orders that he had taken, the smaller one. The RoRo and RoPax order from IWA for 10 vessels out of which 8 are already delivered and are being shortly transported from Kochi to Kolkata because they are being put to use in the national waterway number one and two. The last two are being constructed in CSL and that will be put to use in Kochi that is national waterway number three. As regards to the floating border outposts, the nine floating border outposts that we are constructing for the Ministry of Home Affairs, steel cutting has commenced and ASW contract which was signed with the Navy for 8 anti-submarine warfare corvette it’s moved into the design phase. As regards ship repair, we like to update you that things are generally going well both in Kochi which is the main yard. Ship repair operations in Bombay have picked up we have completed more than 20 projects in Bombay. We are glad to inform that ship repair operations at the Kolkata facility which is named CKSRU that is CSL

Kolkata Ship Repair Unit has commenced, two vessels have already been completed. It's commenced towards the latter part of October. And we're also glad to report that the agreement for commencements of operation and maintenance of the marine dockyard in Port Blair has also been executed with the Andaman & Nicobar administration. So, there again it would be ship repair. As regards the major infrastructure projects, we would also want to update you that work is progressing and the construction of the new dry dock is expected to be completed by mid 2022. And as well as international ship repair facility, which is coming up in Wellington Island is also scheduled for completion by mid 2022. That's about a quick update on what we have from our side. We can detail out further as we move forward and we are ready to move into the question and answer session but prior to that, I would also request my Director Finance Mr. Jose to, just update you on the latest figures that we have put out.

Jose V J: You would all have seen the financial results uploaded in the exchanges. The total turnover is up by 25% on a Q-o-Q basis and the PBT up by around 17% and PAT is 22% up primarily because of the lower rate of tax of 22%. Now we can take on questions.

Moderator: Thank you. Ladies and gentlemen, we will now begin the question answer session. The first question is from the line of Sandeep Tulsian from JM Financial. Please go ahead.

Sandeep Tulsian: Sir, first question is pertaining to the revenue guidance that we had given of 12 to 14% for the current financial year. Saying that ship repair out of that maybe around Rs. 650 crore. If you could just give an update on the same because we are much ahead of that run rate at 20% for nine months, but are falling a little bit behind on the ship repair side.

Jose V J: Sandeep, I am Jose here. Sandeep regarding the top line, we will be doing around instead of Rs. 650 crore we will be doing around only Rs. 610 crore this year, because primarily because last year we had INS Vikramaditya for repair. It was a one off case that ship alone contributed around 240 crore that is not there. Above that this year the Q3 there IAC was to be docked in ship repair dock for almost 45 days. So we could not use that dock for ship repair facility so, these two are the reason for the finance reduction in the ship repair. Otherwise the turnover, though we have guided only around 12% overall it will be around 14 to 15% on an annual basis.

Sandeep Tulsian: Second question was actually pertaining to the new orders, a couple of quarters back we had mentioned there were two orders, which is pollution control vessel, worth about some 900 crore and there was a large floating dock order that we had spoken about. This order was also about Rs. 450 crore order. So, what is the date on these two, have we won or has competition has won these orders. If you could just help us on that?

Rajesh Gopalakrishnan: Sandeep, Rajesh this side, actually those are still you are right. We had bid for these two and the technical evaluation TEC has been completed in the first case on the submersible pontoon

by the Indian Navy and the TEC for the pollution control vessel two of them has also been completed by the coastguard so we are now waiting for the price bid opening date and that is when we would know who would win the bid but we have crossed the TEC stage on both these as of now.

Sandeep Tulsian: Okay. So other than these two if you could also sir highlight which other orders are there. Where Cochin Shipyard is bidding or where at least the tenders are out?

Rajesh Gopalakrishnan: Yes, in fact. I'll just quickly take you through the four of other projects which we have already submitted the bid or will be submitting shortly. We have bid for 8 fast patrol of the coastguard the total value is I believe estimated to be around Rs. 600 crore for these eight vessels, but then the TEC is yet to start for that, we have also bid for 12 air cushion vessels, these are normally called Hovercraft and this is towards the Indian coastguard and that is roughly a Rs. 550 crore estimate there. And here the technical evaluation has already started. We have also just last week submitted a bid for six new generation missile vessels to the Indian Navy which is a relatively bigger order because these six vessels are taken by the Navy is close to the Rs. 13,600 crore. And we have submitted all these bids which I am talking about are on competitive basis where all other major yards in the country are also participating. In the NGM or the new generation missile vessel HSL has not submitted but all MDL, Goa, CSL, L&T and GRSE has submitted their bids. There are two other upcoming bid submissions, which will be done during the course of this month and next one is multipurpose vessel for the Indian Navy four of them. That is close to a Rs. 2800 to 3000 crore order. And, one serve training vessel for the Indian Navy which is around I believe 750 crore and these two bids are yet to be submitted but we would be participating.

Sandeep Tulsian: Okay. Sir my last question is on the ship repair side. Now, we've also acquired the balance stake at Hooghly Cochin Shipyard and we also have now all the other facilities which have started generating revenues. So maybe not for this year but for FY21. If you could highlight facility by facility, how much revenue generating potential do you see in all the facilities that we've undertaken?

Rajesh Gopalakrishnan: Sandeep before I pass it on to Jose for giving you some indicators there. Just a quick clarification there. See, if you take today's CSL, the main facility is in Kochi the Cochin Shipyard Limited the main yard where we do both ship building and ship repair. We have the new dry dock coming up within the existing premises where we propose to do both ship building and ship repair. Next is we have the international ship repair facility which is being constructed in Willingdon Island, which is again in Cochin just right across the channel from where we are currently, which is predominantly a ship repair facility. Now moving outside Cochin we have Bombay which is called CMSRU, the CSL Mumbai Ship Repair Unit which is pure ship repair. Again Kolkata is CKSRU again pure ship repair, but in Kolkata we have the head CSL yard which is the Hooghly Cochin Shipyard Limited, which is a fully or wholly owned subsidiary of CSL as we have mentioned we have taken over the remaining stake. But that

would be a predominantly new building facility for inland water vessels. We might be able to do some repairs of inland water vessels there but that facility is predominantly meant for new building. Because we have the Netaji Subhas Bose Dock for repairs in Kolkata and the Andaman facility again is pure ship repair. So, that is just for an overall idea of what it is and maybe on the overall estimates from each of these I would presume DF might be able to guide you there.

Jose V J: Firstly, Mumbai will be fully operational only by FY22 so we are expecting around Rs. 120 crore from Mumbai in FY21. This year we might do around Rs. 75 crore and next year we might do it from Rs. 120 crore and Calcutta as Rajesh mentioned because we have just started, and we have to find out the market there because as of now there is no market. So, we are not putting any amount there as of now. Overall, we may achieve around Rs. 700 to 750 crore next year from ship repair all together. And ISRF will also become operational only by FY22. By around May FY22. So, FY21 overall will be around 700 to 750 crore.

Moderator: Thank you. The next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.

Aditya Mongia: I had a few questions on the ship building business of yours. Firstly wanted to get a sense of how much contribution are we expecting from the ISV, PSV order for Year'21 in terms of execution?

Rajesh Gopalakrishnan: This is not clear. Could you please repeat?

Aditya Mongia: Sure. So for the two key projects that you have on the shipbuilding side, which is the PSV, IAC and ASW Corvettes order. How much are we building in, in terms of execution for this and next year?

Jose V J: The IAC from FY21 around Rs. 2500 crore will come from IAC. And from ASW construction will start only by mid FY21 because we signed the contract on 30th April 19 and construction also starts from 18 months from the date of signing the contract. So, it will be June'21. So, around June, July we will start the construction so around Rs. 600 crore will be from ASW.

Rajesh Gopalakrishnan: Right now ASW is in the design phase and the design drawing approvals and phase is going on the steel procurement and major initial procurement will also happen. But we start booking revenues when we actually move into physical construction that is 18 months from the date of contract is plan so that is why is the....

Aditya Mongia: Got that sir. Sir on the basis of bidding already on what kind of growth visibility do we have on ship building revenues for FY21?

Jose V J: FY21 other than IAC and ASW there are other small vessels also which we are currently under construction so that will all together leads to around Rs. 3900 crore will be the total ship building turnover for FY21.

Aditya Mongia: Is it 3000, sorry I didn't get the number?

Jose V J: 3,900.

Aditya Mongia: Got that. And sir, given that we are now moving out of IAC post-delivery in FY21 but do you see the project mix changing in a manner that margin should be different in FY21 for shipbuilding segment. Or do you expect this strengthen margin to continue?

Jose V J: The IAC will be though the delivery of IAC scheduled in FY21. Actually the January will be, the turnover will be either up to FY24 because after delivery the ship will be here for another two years because phase three contract is five years with a total contribution is four, around Rs. 2400 crore is for pre delivery activity, that will be the delivery we have scheduled is February 21, mid 21. Then, post-delivery for the trials of arms and ammunition the ship will be here. So we can see revenue from IAC till FY22.

Aditya Mongia: Sure so the margin profile should be steady in FY21 for the ship building segment or do you see any project mix variations happening?

Jose V J: No, FY21 IAC will be on peak so margin will be in the same range.

Moderator: Thank you. The next question is from the line of Jonas Bhutta from Phillip Capital. Please go ahead.

Jonas Bhutta: I joined the call a bit late. So, I don't know if you have already given this, the breakup of your ship building revenue for the current quarter broken up between IAC and non IAC and within IAC cost plus plus?

Jose V J: The total ship building turnover for the quarter is Rs. 747 crore. Out of that it's Rs. 635 crore from IAC and Rs.112 crore from non IAC and ship repair is Rs. 149 crore so the total turnover both put together ship building and ship repair it is Rs. 896 crore.

Jonas Bhutta: And within the IAC Rs. 630 crore cost plus would be how much, Rs.450 crore?

Jose V J: Yes, cost plus is Rs. 371 crore and fixed price Rs. 264 crore total Rs.635 crore.

Jonas Bhutta: Okay. And for the current year based on what you have been guiding us at the start of the year do you think that you will close the year higher than what you thought about in terms of IAC revenue because at that time, you would broadly give us a guidance closer to Rs. 2000 to Rs. 2100 crore. Does that still stay or you expect some higher revenue in this project?

- Jose V J:** Around that level, but it can go upto Rs. 2200 crore also.
- Jonas Bhutta:** So then Q4 will be quite weak, is that a correct assumption as in just against the Rs. 630 crore that you have done in the current quarter about Rs. 350 crore odd in the fourth quarter?
- Jose V J:** Yes.
- Jonas Bhutta:** Okay. And for next year, you've guided for almost Rs. 2500 crore on the IAC?
- Jose V J:** Yes.
- Jonas Bhutta:** Fair enough, And I don't know if you have given the breakup of the ship repair revenue so this year we were expecting almost Rs. 50 crore coming out of Bombay, I heard that you shipped out, you have repaired almost 20 plus vessels so far, do you think we will reach to that number by year end as in growth revenues out of Bombay?
- Jose V J:** Turnover from Mumbai this year will be around Rs. 70 -75 crore.
- Jonas Bhutta:** Okay. And including that 75 crore you will do a Rs. 610 revenue?
- Jose V J:** Correct.
- Jonas Bhutta:** Okay. And that same number, the comparable number which is 610 minus 75so roughly Rs. 550 crore will become Rs. 750 crore next year or what is the comparable number for Cochin yard sir excluding Bombay or any other things like to like number for next year?
- Jose V J:** This year it is around Rs. 535 crore, next year it will be around Rs. 570 crore.
- Jonas Bhutta:** Okay. And Rs. 100 crore out of Bombay?
- Jose V J:** Yes, around Rs. 100 to Rs. 120 from Mumbai next year.
- Jonas Bhutta:** And ISRF starts contributing on no next year?
- Jose V J:** Next year, only from FY22 onwards.
- Jonas Bhutta:** And lastly, two more questions quickly. Rajesh I missed out on one of the programs where you've already paid one was the Hovercraft project which is aboutRs.550 crore, then was the NGMV which is Rs. 13000 crore, the first one which was about Rs. 600 crore what was that sir?
- Rajesh Gopalakrishnan:** That was 8 fast-petrol vessels for coastguard.

- Jonas Bhutta:** Okay. And lastly sir just wanted your comments on the recent interview by the Chief of Defense staff sir that he gave at the Defence Expo, where he almost clearly mentioned that, we may not need another aircraft carrier. And if he is in charge of sort of determining the priorities of defense spending, what is your take on that?
- Rajesh Gopalakrishnan:** Jonas honestly, we have no comment there. What there is no official or formal thing that has been initiated on the carrier, but there have been informal discussions. At least from what we gather the senior level, the top level that in the Navy seem to be extremely confident and they come to ask and all as well during the Expo, and he was keenly listening to the readiness of the new dry dock which is coming up in CSL, built specifically the dock floor loading and things like that have been designed for next generation carrier. So, during those interactions, we didn't sort of feel anything negative, but we are unable to comment on some on what he has stated, We feel that the country would need a third carrier, because that would bring the logic all through. So we're just waiting.
- Moderator:** Thank you. The next question is from the line of Anuj Jain from ValuQuestCapital. Please go ahead.
- Anuj Jain:** Sir you mentioned that for IAC there is some order book for post-delivery activity. Can you quantify that portion of order book?
- Jose V J:** That is from the fixed price cost it is around Rs. 825 crore and there will be some associated cost plus also that will be around Rs. 2000 –2500 crore.
- Anuj Jain:** Okay. So, that means like after FY21 starting FY22 there will be like huge drop in shipbuilding revenues right?
- Jose V J:** Pardon, can you repeat the question?
- Anuj Jain:** Starting FY22 when the IAC will be completed, will be delivered, there will be like a huge drop in shipbuilding revenues?
- Jose V J:** Not huge drop because IAC revenue will peak in FY21we are expecting around Rs. 2500 crore, thereafter for next three year revenue from IAC will taper down around Rs.1700next year in FY22, Rs.1300 for FY23 like that it will taper down.
- Anuj Jain:** Okay understood. And sir in the fixed price part of the order how the cost escalation work? Like what would bear the cost, the loss for cost escalation? So my question is, in the fixed price part of the project. Who bears the cost escalation part?
- Jose V J:** In fixed price there is no cost escalation I was refereeing the cost plus contract.

- Anuj Jain:** That I understand this is the second question sir, like in case of let's say for IAC, if there has been any cost escalation due to the delay of the project, who bears that cost?
- Jose V J:** See all materials required for the projects are under cost plus for IAC, the fixed price it's only relating to our labor overhead and profit. So, we will not get an escalation it is a fix price, if there is cost escalation in material, it is automatically covered under cost plus.
- Anuj Jain:** Understood and sir last question regarding the ship repair margins, what are the sustainable levels for the ship repair margin?
- Jose V J:** Now we are getting a margin of around 22 to 23% EBIT level. So when you are starting all the places the ship repair operations, it can come down to around 21 to 22%.
- Moderator:** Thank you. The next question is from the line of Manoj Shah from Laxgov Investment. Please go ahead.
- Manoj Shah:** My question is with respect to the, can you comment on receivables, like as we know that there is a cash crunch at the government level so even at the defense projects, so as we're hearing the other con-calls, like in IRCTC and all, so the there's a delay from the government on making payments. So can you comment on the receivable positions?
- Rajesh Gopalakrishnan:** Yes, as you rightly said there is some cash crunch in the government level. But see now we are doing that IAC project for the Indian Navy. For that it is actually, it is a funded project for the Navy because we get advance payable as of now there is no issue for that even now we have around Rs. 400 to 500 crore in our bank account, advance payment given by Navy. So there is no issue in the IAC front. And in the case of ASW contract also so for whatever stage event we have raised invoices we have received the money so far no issue. But in ship repair front, ship repair we are doing around 60 to 70% from navy there we have some outstanding are there around Rs. 200 -250 crore is due from Navy as of today.
- Manoj Shah:** And do you see similar situation containing as suppose till March maybe post April some better?
- Jose V J:** I think till March the situation will be like that but because in ship repair we are facing some problem in realizing the money from Navy till March.
- Moderator:** Thank you. The next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.
- Aditya Mongia:** Sir, just some bookkeeping questions on the backlog front?
- Rajesh Gopalakrishnan:** You came in broken, could you please repeat?

- Aditya Mongia:** Sure. What's the overall backlog at this point of time and the share of IAC been right now?
- Jose V J:** For fixed price it is around Rs. 2850 crore and the cost plus is around Rs. 4250 crore.
- Aditya Mongia:** And sir within that how much is IAC catering?
- Jose V J:** IAC is Rs. 2750 crore.
- Aditya Mongia:** Okay, so this doesn't include the post-delivery part of the order for IAC?
- Jose V J:** That is also included in this, this includes the post-delivery part also. This is the total repairing as of 31st December, balance order book on IAC.
- Moderator:** The next question is from the line of Jonas Bhutta from Phillip Capital. Please go ahead.
- Jonas Bhutta:** So sir from FY22, once the ISRF goes live and dry dock also sort of gets commissioned by the end of that year, so sir in FY23 what is the likely depreciation that you might have to provide for both these assets put together sir, the sum total?
- Jose V J:** It is around Rs. 180 crore.
- Jonas Bhutta:** Okay. So effectively, you will have to generate at least EBITDA worth Rs. 200 crore to at least offset the hit on this, so if you can guide us with how do you intend to do that or you think that for a couple of years you might actually not reach to that number and that would be actually a drag on our financial for the may be a couple of years?.
- Rajesh Gopalakrishnan:** Jonas as regards ISRF, what we would probably do at that point in time is, since it's just across the channel we would see what type of projects we can divert to that facility. Because ship repair as of today as you probably are aware our dry docks are fully booked and we have lots of customers waiting for three to four months or even six months at times to get a dry dock slot. So we are hopeful of, populating ISRF although at this point of time, it may not be appropriate for me to give you a figure, we would definitely want to put some good vessels there. The facility takes off, it gets a good start, so that's what the primary plan would be. In the meantime, we are also looking out for some whether we can get some good conversion projects which we can feed into the main facility which would also intern help us divert more vessels into the ISRF.
- Jonas Bhutta:** Okay. So, the original plan was that ISRF can do half of what the existing yard can do. So, if you do like 80 - 90 ships at the existing yard that can do about 30 - 40?
- Rajesh Gopalakrishnan:** Actually, that yard at full peak operations, which means maybe a few years after it gets up and running, it is designed to take around 70 odd vessels. Actually, the only thing is those are relatively smaller vessels because the shiplift system there is a max of 150 length and 25

meter wide. So, the small and medium vessels would actually we would like to handle it there and we move on to the bigger and the commercial vessels on the, and conversions on the main yard.

Jonas Bhutta: So, the peak revenue from that based on a 70 ship projections should be about Rs. 350 odd crore?

Rajesh Gopalakrishnan: Yes, around that level Jonas.

Jonas Bhutta: So, that even at peak level sir can give you a 20% EBITDA, 25% EBITDA can give you just about Rs. 70 - 80 crore?

Jose V J: No, with that we need to take some large orders like as Rajesh mentioned, by FY23 the revenues from IAC will taper down, in the meantime we have to pick up some other large orders like the ASW will be at peak during FY23 and by that time some vessels like now we have submitted bid for NGMV, new generation missile vessel that's order value is around Rs. 13600 crore. So, some large vessel has to come in that point of time. Unless the top line is grown then we will not be able to sustain.

Rajesh Gopalakrishnan: Jonas actually if you look at that total bids that we have submitted, or we're going to submit over the next up to maybe March 2020. It will at least on the Navy or coastguard estimates it is working out around Rs. 17,000 crore of bids that we've put in. So we would definitely, pray that we get some of it.

Jose V J: And we are also expecting that LPD landing platform dock.

Rajesh Gopalakrishnan: That will get retendered shortly that's what we hope.

Jonas Bhutta: Okay, and so you will compete with L&T on that?

Rajesh Gopalakrishnan: Naturally, we wouldn't let any competitive bid go by, pass by without putting an efforts into it, definitely not.

Jonas Bhutta: Sure, and that what is the tentative size of LPD. Sir because I thought it was scale down from four units to two units or something like that?

Jose V J: It is around Rs. 4500 crore.

Rajesh Gopalakrishnan: So now when it comes out as a retendered we are not sure how it is going to come out, especially with the budget constraints, but initially, the packet size was four.

Jonas Bhutta: Packet size was four. Okay. And lastly sir, on the Mumbai ship repair yard. We had plans of scaling up our capabilities to repair combat ships that could, substantially increase our scope at the yard. So, where are we on that particular Strategic intent?

Rajesh Gopalakrishnan: We are putting in place weapons and sensors group, the recruitment of specialist is actually has already commenced. We are also in discussion with the Navy to see what, how best we can try to start off with at least a small package or something. And let's hope we'll be able to break through shortly.

Moderator: Thank you. The next question is from the line of Aditya Mongia from Kotak Securities. Please go ahead.

Aditya Mongia: As we were discussing on the call, so you're talking about two facilities coming up, one is ISRF which can give you maybe a Rs. 70 - 80 crore profitability at peak levels and the other one is in dry dock where in the visibility of the next air craft carrier is lacking. Now, how is the new dry dock, what are the other potential businesses so I understand that both ship repair and ship building can happen but are there any opportunities that you can think through in the absence of the next aircraft carrier happening, business and dry dock too?

Rajesh Gopalakrishnan: Yes, let me just explain that a bit, see while we have actually controlled the construction in a manner that the new dry dock can take sort of dock floor loading that a new carrier would demand which in turn makes it the fully dry dock in India that can actually do a next generation aircraft carrier. The fact remains that this discussion for a new dry dock commenced in CSL way back in 2004 when even the first aircraft carrier was just in the design stage. So, I just wanted to sort of convey that the new dry dock has not come up solely because of the aircraft carrier and that would also be evident from the design of that dry dock if you actually, have seen on have a look at the design, it is probably the first stepped dry dock in the world and what we mean by that is, at the entrance of the dock we have kept the width at 75 meters and 100, 110 meter into the dock we bring down the width to 65 meters because for any shipbuilding even, if it is a large scale LNG or even bigger tankers or bulk carriers or whatever sort of commercial weapon the width requirement is not more than say 50, 55 or whatever. So, why we have done this is because if you actually trace back our history, CSL used to do a lot of rig revamp and upgrades. So, but then towards the early part of 2000 the classification societies came out with rule, regulation requirement that these Jack-up rigs needed to go into dry dock, which was not earlier which was not there. So, we could actually do these rig, revamps and upgrades alongside. Now, there is a dock requirement, dry dock requirement for these rigs. Now, no dock in India can accommodate these rigs except I believe the dry dock can do so, but there are some, what I understand there are some other technical issues regarding draft and things like that which is causing a problem and the yard is also today not doing well financially. So, what is happening is, whatever rigs are operating on Bombay offshore and Indian high offshore are being towed to Dubai or Singapore or for dry docking. So, our dock would actually be uniquely positioned in

India where too much towing and mobilization cost need not be spent and we would therefore hope to become competitive service provider for rig, repairs and revamps. Because the width we have kept is 75 at the entrance and rigs are typically around 64 meter wide, the ones that normally operate in the Indian offshore. That is one of the key businesses that we would look and maybe 5 - 10 minutes back I had also mentioned about CSL going out and starting to look for conversions. So, conversions is an area that we feel could bring in larger revenues. And, that is something that our marketing team will start focusing on by the time the new dry dock is in place and of course as we mentioned, commercial ship repair of the larger type which we currently are not into, because we are not able to provide the dry dock slot as I told you the dry dock slots in CSL are currently booked for a few months in advance. And typically commercial vessels they normally want short notice dry dock slots, they may not be able to plan more than one month ahead. So, there are a lot of other businesses that we are also looking into. So, those things we would definitely activate in a fast track manner. So we would not like be sitting back and waiting for an IAC for sure.

Aditya Mongia: Just again clarification, this is again on IAC if the order backlog is Rs. 2500 crore, and that's the kind of revenue number that you have thinking through next year, there won't be any contribution commission IAC right?

Jose V J: No IAC contribution will come after FY24.

Aditya Mongia: There would be nothing in terms of revenues from FY22?

Jose V J: From IAC?

Aditya Mongia: Yes.

Jose V J: See post-delivery activities will be there during FY22, so definitely a revenue from IAC will be there in FY22.

Moderator: Thank you. The last question is from the line of Giriraj Daga from K M Visaria Family Trust. Please go ahead.

GirirajDaga: Sir on the IAC question first, like we are talking about Rs. 7100 crore of total outstanding orders fixed price, plus cost, plus including phase three. And we are carrying about 2500 crore in FY21 and some about 350, 400crore in the fourth quarter. So we will be left with about 4000 crore which will be booked over the period of three years right FY 22, 23 and 24.

Jose V J: Yes.

GirirajDaga: Would it would more less equally spread their or FY22 would be higher and then 23 and 24 would be more lower there?

- Jose V J:** FY23 versus 24 will be lower, it will taper down.
- Giriraj Daga:** It will taper down, so maybe like 40, 45% in the 22 and the remaining balance in the 23 and 24?
- Jose V J:** Yes, exactly.
- Giriraj Daga:** My second question is on the like prepare side happening in the world in terms of like the moment of ships getting stalled because of the China issue, are you getting some inquiries for the ship repair for time being, like are the ship companies is looking for repair let's utilize this time in repairing side of it, are we seeing anything like that?
- Rajesh Gopalakrishnan:** Basically nothing, worth mentioning but this has been discussed internally and our commercial team is in touch with the clients as well as service providers worldwide because there are certain areas, specific areas which are getting hit like, because of the new surfer cap and the regulations that are coming in force there are lot of conversion or up gradation on the scrubbers and vallace water treatment systems that are happening right now. Most of which were happening in China so we feel we might be able to pull off a few indirect few orders from there. So, that is something that we are already looking at and trying to see what can be done.
- Giriraj Daga:** But they have capabilities like for this scrubber and.....?
- Rajesh Gopalakrishnan:** Yes, we have capabilities we already have certain tie up for this.
- GirirajDaga:** But have you taken any order on that, in our current order book?
- Rajesh Gopalakrishnan:** Not yet.
- Moderator:** Thank you. Due to time constraints, we shall end this call. I would now like to hand over the call to the management for their closing comments.
- Rajesh Gopalakrishnan:** Once again, on behalf of CSL let me thank all of you for having joined us today. We hope to keep interacting with you as we normally do periodically, and we look forward to your support and as you probably have seen, all efforts are on from our side to keep the performance going. Certain other initiatives within the yard are also on, so we hope to come back to you with good results. Thank you very much.
- Moderator:** Thank you all for being a part of the conference call. If you need any further information or clarification please mail at gaurav.g@conceptpr.com. Thank you for joining us and you may now disconnect your lines.